

Consolidated Statement of Changes in Shareholders' Equity

For the years ended October 31

(millions of dollars)	2003	2002	2001
Preferred shares (Note 12)			
Balance at beginning of year	\$ 1,485	\$ 1,492	\$ 1,251
Proceeds from share issues	550	–	225
Translation adjustment on shares issued in a foreign currency	(23)	(7)	16
Share redemptions	(477)	–	–
Balance at end of year	1,535	1,485	1,492
Common shares (Note 12)			
Balance at beginning of year	2,846	2,259	2,060
Issued on acquisition of subsidiaries	–	–	181
Proceeds from shares issued for cash	–	400	–
Proceeds from shares issued on exercise of options	47	13	18
Proceeds from shares issued as a result of dividend reinvestment plan	286	174	–
Balance at end of year	3,179	2,846	2,259
Contributed surplus			
Balance at beginning of year	–	–	–
Stock option expense (Note 1)	9	–	–
Balance at end of year	9	–	–
Foreign currency translation adjustments			
Balance at beginning of year	418	450	279
Foreign exchange gains (losses) from investments in subsidiaries and other items	(1,595)	(112)	458
Foreign exchange gains (losses) from hedging activities	1,528	145	(478)
(Provision for) benefit of income taxes (Note 15)	(481)	(65)	191
Balance at end of year	(130)	418	450
Retained earnings			
Balance at beginning of year	8,292	9,203	8,760
Net income (loss)	1,076	(67)	1,392
Preferred dividends	(87)	(93)	(92)
Common dividends	(754)	(718)	(684)
Stock options settled in cash, net of income taxes	–	(25)	(39)
Obligations arising from adoption of accounting standard for employee future benefits, net of income taxes (Note 1)	–	–	(132)
Other	(9)	(8)	(2)
Balance at end of year	8,518	8,292	9,203
Total common equity	11,576	11,556	11,912
Total shareholders' equity	\$ 13,111	\$ 13,041	\$ 13,404

See Notes to Consolidated Financial Statements