

## Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31  
(\$ millions except where otherwise indicated)

	2007	2006
<b>Preferred Shares, Beginning of Year</b>	<b>\$ 1,077</b>	\$ 881
Issued		196
<b>Preferred Shares, End of Year</b>	<b>\$ 1,077</b>	\$ 1,077
<b>Common Shares, Beginning of Year</b>	<b>\$ 133</b>	\$ 131
Issued		2
<b>Common Shares, End of Year</b>	<b>\$ 133</b>	\$ 133
<b>Total Share Capital, End of Year</b> (note 21)	<b>\$ 1,210</b>	\$ 1,210
<b>Retained Earnings, Beginning of Year</b>	<b>\$ 4,506</b>	\$ 4,625
Cumulative impact of implementing new accounting standards (note 2)	<b>(100)</b>	
Net earnings	<b>563</b>	121
Dividends declared		
Per common share (\$) – \$1.44 (2006 – \$1.44)	<b>(186)</b>	(186)
Per preferred share (\$) – Series I – \$1.45 (2006 – \$1.45)	<b>(13)</b>	(13)
– Series II – \$1.29 (2006 – \$1.29)	<b>(14)</b>	(14)
– Series III – \$1.30 (2006 – \$1.30)	<b>(10)</b>	(10)
– Series IV – \$1.30 (2006 – \$1.30)	<b>(10)</b>	(10)
– Series V – \$1.19 (2006 – \$0.83)	<b>(10)</b>	(7)
<b>Retained Earnings, End of Year</b>	<b>\$ 4,726</b>	\$ 4,506
<b>Accumulated Other Comprehensive Loss, Beginning of Year</b> (note 2)	<b>\$ (503)</b>	\$ (518)
Cumulative impact of implementing new accounting standards (note 2)	<b>9</b>	
Other comprehensive (loss) income	<b>(505)</b>	15
<b>Accumulated Other Comprehensive Loss, End of Year</b> (note 22)	<b>\$ (999)</b>	\$ (503)
<b>Total Shareholders' Equity</b>	<b>\$ 4,937</b>	\$ 5,213

See accompanying notes to the consolidated financial statements.