

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31 [IN MILLIONS OF CANADIAN DOLLARS]	2014	2013
<b>OPERATING ACTIVITIES</b>		
Earnings before income taxes	4,350	3,689
Income tax paid, net of refunds received	(660)	(426)
Adjusting items		
Change in insurance and investment contract liabilities	9,726	(567)
Change in funds held by ceding insurers	428	269
Change in funds held under reinsurance contracts	(34)	(99)
Change in reinsurance assets	(160)	321
Change in fair value through profit or loss	(7,525)	2,974
Other	11	(510)
	6,136	5,651
<b>FINANCING ACTIVITIES</b>		
Dividends paid		
By subsidiaries to non-controlling interests	(691)	(685)
Perpetual preferred shares	(132)	(128)
Common shares	(996)	(995)
	(1,819)	(1,808)
Issue of common shares by the Corporation [Note 17]	17	45
Issue of preferred shares by the Corporation	–	500
Redemption of preferred shares by the Corporation [Note 17]	(175)	–
Issue of common shares by subsidiaries	44	742
Issue of preferred shares by subsidiaries	200	–
Repurchase of common shares by subsidiaries	(175)	(122)
Redemption of preferred shares by subsidiaries	–	(230)
Issue of euro-denominated debentures	–	659
Changes in debt instruments	(446)	183
Change in obligations related to assets sold under repurchase agreements	–	(225)
Change in obligations to securitization entities	1,185	873
Other	33	1
	(1,136)	618
<b>INVESTMENT ACTIVITIES</b>		
Bond sales and maturities	27,263	28,776
Mortgage loan repayments	2,525	1,910
Sale of shares	3,171	2,158
Change in loans to policyholders	73	70
Business acquisitions, net of cash and cash equivalents acquired	(43)	(1,234)
Investment in bonds	(31,462)	(31,252)
Investment in mortgage loans	(4,703)	(3,541)
Investment in shares	(2,156)	(2,048)
Investment in investment properties and other	(101)	(267)
	(5,433)	(5,428)
Effect of changes in exchange rates on cash and cash equivalents	78	190
Increase (decrease) in cash and cash equivalents	(355)	1,031
Cash and cash equivalents, beginning of year	4,344	3,313
Cash and cash equivalents, end of year	3,989	4,344
<b>NET CASH FROM OPERATING ACTIVITIES INCLUDES</b>		
Interest and dividends received	5,479	4,965
Interest paid	533	490