

## CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31 (in thousands of dollars)

	2002	2001
<b>Operating activities</b>		
Net income	\$ 511,759	\$ 272,994
Adjustments to determine net cash from operating activities		
Future income taxes	54,147	(25,465)
Commission amortization	203,708	236,110
Depreciation	27,148	26,763
Goodwill amortization	–	72,312
Discontinued operations	(1,811)	(116)
Changes in operating assets and liabilities and other	(155,948)	35,536
	<b>639,003</b>	618,134
Commissions paid	(282,512)	(237,587)
	<b>356,491</b>	380,547
<b>Financing activities</b>		
Increase in deposits and certificates	37,764	32,381
(Repayment) net proceeds on bankers' acceptances	(497,000)	497,000
(Repayment) proceeds from bank term loan	(100,000)	550,000
Issue of debentures	175,000	600,000
Repayment of long-term debt	(50,903)	(36,967)
Issue of common shares	9,900	373,004
Issue of preferred shares	–	360,000
Share issuance costs	–	(9,708)
Preferred dividends paid	(20,700)	(13,299)
Common dividends paid	(217,313)	(166,333)
Common shares purchased for cancellation	–	(14,137)
	<b>(663,252)</b>	2,171,941
<b>Investing activities</b>		
Acquisition of Mackenzie Financial Corporation		
less cash and short term investments acquired (Note 22)	–	(2,601,695)
Proceeds from sale of discontinued operations less cash and short term investments disposed of	20,253	–
Purchase of securities	(16,666)	(41,207)
Proceeds from the sale of securities	126,388	269,763
Increase in loans	(111,043)	(716,175)
Proceeds from securitizations	217,443	703,227
Net proceeds from the sale of real estate	997	1,481
Additions to office premises	(13,364)	(29,809)
	<b>224,008</b>	(2,414,415)
(Decrease) increase in cash and cash equivalents	<b>(82,753)</b>	138,073
Cash and cash equivalents, beginning of year	854,275	716,202
<b>Cash and cash equivalents, end of year</b>	<b>\$ 771,522</b>	<b>\$ 854,275</b>
Cash	\$ 148,226	\$ 234,223
Short term investments	623,296	620,052
	<b>\$ 771,522</b>	<b>\$ 854,275</b>

(See accompanying notes to consolidated financial statements.)