

Internal Control Over Financial Reporting

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Brookfield Corporation (Brookfield) is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Chief Executive Officer and the Chief Financial Officer and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board as defined in Regulation 240.13a-15(f) or 240.15d-15(f).

Management assessed the effectiveness of Brookfield's internal control over financial reporting as of December 31, 2024, based on the criteria set forth in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concludes that, as of December 31, 2024, Brookfield's internal control over financial reporting is effective. Management excluded from its assessment the internal control over financial reporting at Cyxtera Technologies Inc, ATC Telecom Infrastructure Private Limited, a wind-focused commercial and industrial renewable business in India, with 524 MW of operating assets and a 2.75 GW development pipeline, a fully integrated distributed-generation renewable platform in South Korea, with 103 MW of operating and under-construction assets and a 2.2 GW development pipeline, and Neoen, the global renewable energy developer headquartered in France, with 8 GW of operating and under-construction renewable power and energy storage assets, as well as a 20 GW development pipeline, which were acquired during 2024, and whose total assets, net assets, revenues and net income constitute approximately 4%, 5%, 1% and -2%, respectively, of the consolidated financial statement amounts as of and for the year ended December 31, 2024.

Brookfield's internal control over financial reporting as of December 31, 2024, has been audited by Deloitte LLP, the Independent Registered Public Accounting Firm, who also audited Brookfield's consolidated financial statements for the year ended December 31, 2024. As stated in the Report of Independent Registered Public Accounting Firm, Deloitte LLP expressed an unqualified opinion on the effectiveness of Brookfield's internal control over financial reporting as of December 31, 2024.



Bruce Flatt
Chief Executive Officer



Nicholas Goodman
President and Chief Financial Officer

March 21, 2025
Toronto, Canada

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Brookfield Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Brookfield Corporation and subsidiaries (the “Corporation”) as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as at and for the year ended December 31, 2024 of the Corporation and our report dated March 21, 2025, expressed an unqualified opinion on those financial statements.

As described in Management’s Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Cyxtera Technologies Inc, ATC Telecom Infrastructure Private Limited, a wind-focused commercial and industrial renewable business in India, with 524 MW of operating assets and a 2.75 GW development pipeline, a fully integrated distributed-generation renewable platform in South Korea, with 103 MW of operating and under-construction assets and a 2.2 GW development pipeline, and Neoen, the global renewable energy developer headquartered in France, with 8 GW of operating and under-construction renewable power and energy storage assets, as well as a 20 GW development pipeline (the “current year acquisitions”) which were acquired during 2024, and whose financial statements constitute, in aggregate, 4% of total assets, 5% of net assets, 1% of revenues, and -2% of net income of the consolidated financial statement amounts as of and for the year ended December 31, 2024. Accordingly, our audit did not include the internal control over financial reporting at the current year acquisitions.

Basis for Opinion

The Corporation’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Corporation’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 21, 2025

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements and other financial information in this Annual Report have been prepared by the company's management which is responsible for their integrity, consistency, objectivity and reliability. To fulfill this responsibility, the company maintains policies, procedures and systems of internal control to ensure that its reporting practices and accounting and administrative procedures are appropriate to provide a high degree of assurance that is relevant and reliable financial information is produced and assets are safeguarded. These controls include the careful selection and training of employees, the establishment of well-defined areas of responsibility and accountability for performance, and the communication of policies and code of conduct throughout the company. In addition, the company maintains an internal audit group that conducts periodic audits of the company's operations. The Chief Internal Auditor has full access to the Audit Committee.

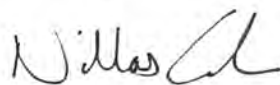
These consolidated financial statements have been prepared in conformity with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board and, where appropriate, reflect estimates based on management's judgment. The financial information presented throughout this Annual Report is consistent with the information contained in the accompanying consolidated financial statements.

Deloitte LLP, the Independent Registered Public Accounting Firm appointed by the shareholders, have audited the consolidated financial statements set out on pages 146 through 229 in accordance with the standards of the Public Company Accounting Oversight Board (United States) to enable them to express to the shareholders and the board of directors their opinion on the consolidated financial statements. Their report is set out on the following page.

The consolidated financial statements have been further reviewed and approved by the Board of Directors acting through its Audit Committee, which is comprised of directors who are neither officers nor employees of the company. The Audit Committee, which meets with the auditors and management to review the activities of each and reports to the Board of Directors, oversees management's responsibilities for the financial reporting and internal control systems. The auditors have full and direct access to the Audit Committee and meet periodically with the committee both with and without management present to discuss their audit and related findings.



Bruce Flatt
Chief Executive Officer



Nicholas Goodman
President and Chief Financial Officer

March 21, 2025

Toronto, Canada

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Brookfield Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Brookfield Corporation and subsidiaries (the “Corporation”) as at December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2024, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Corporation’s internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 21, 2025, expressed an unqualified opinion on the Corporation’s internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Corporation’s management. Our responsibility is to express an opinion on the Corporation’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fair Value of Investment Properties and Property, Plant and Equipment – Refer to Notes 2(h)(i), 2(h)(ii), 11, and 12 to the financial statements

Critical Audit Matter Description

The Corporation has elected the fair value model for investment properties and the revaluation model for certain classes of property, plant and equipment, namely the Corporation’s utilities, transport, midstream, data and renewable power generating assets. Upon initial recognition of these assets, the purchase price of each acquisition is allocated to the assets acquired and liabilities assumed based on their respective fair values. Subsequent to initial recognition, the Corporation measures these assets at fair value or revalued amount.

A selection of investment properties and certain classes of property, plant and equipment have limited observable market activity, which requires management to make significant estimates and assumptions in the determination of fair value at both the date of acquisition and at the measurement date. The estimates and assumptions with the highest degree of subjectivity and impact on fair values are future expected market rents, terminal capitalization rates, discount rates, future revenues, terminal value multiples, future electricity prices, terminal value, anticipated long-term average generation, and estimated operating and capital expenditures. Auditing these estimates and assumptions required a high degree of auditor judgment as the estimations made by management contain significant measurement uncertainty. This resulted in an increased extent of audit effort, including the need to involve fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to future expected market rents, terminal capitalization rates, discount rates, future revenues, terminal value multiples, future electricity prices, terminal value, anticipated long-term average generation and estimated operating and capital expenditures included the following, among others:

- Evaluated the effectiveness of controls, including those over the estimates of future expected market rents, terminal capitalization rates, discount rates, future revenues, terminal value multiples, future electricity prices, terminal values, anticipated long-term average generation and operating and capital expenditures.
- Evaluated the reasonableness of management's forecast of future expected market rents by comparing management's forecasts with historical results, internal communications to management and the Board of Directors and contractual information, where applicable. With the assistance of fair value specialists, evaluated the reasonableness of management's forecasts of future expected market rents and estimates of terminal capitalization rates by considering recent market transactions and industry surveys.
- With the assistance of fair value specialists, evaluated the reasonableness of the discount rates by (1) testing the source information underlying the determination of the discount rates; (2) developing a range of independent estimates and comparing those to the discount rates selected by management; (3) considering recent market transactions and industry surveys; and (4) considering of benchmark interest rates, geographic location, whether the asset is contracted or uncontracted and type of technology, where applicable.
- Evaluated management's ability to accurately estimate future revenues by comparing actual results to management's historical forecasts and assessed their reasonableness by considering observable independent macroeconomic data.
- With the assistance of fair value specialists, evaluated the reasonableness of management's determination of terminal value multiples by testing the source information underlying the determination of terminal value multiples and developing a range of independent estimates and comparing those to the terminal value multiples selected by management.
- With the assistance of fair value specialists, inspected management's valuation analysis and assessed the estimates of future electricity prices by reference to shorter-term broker price quotes and management's longer-term market forecasts specific to each region and power generating asset.
- Involved fair value specialists in the evaluation of the terminal values which included consideration of benchmark interest rates, geographic location, whether the asset is contracted or uncontracted and type of technology.
- For a sample of power generating assets, agreed contracted power prices to executed power purchase agreements and assessing the anticipated long-term average generation through corroboration with third party engineering reports and historical trends.
- Assessed the estimated operating and capital expenditures by comparison to historical data and to third party data for a selection of assets through corroboration with third party engineering reports.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 21, 2025

We have served as the Corporation's auditor since 1971.

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS

AS AT DEC. 31
(MILLIONS)

	Note	2024	2023
Assets			
Cash and cash equivalents	6	\$ 15,051	\$ 11,222
Other financial assets	6	25,887	28,324
Accounts receivable and other	7	30,218	28,512
Inventory	8	8,458	11,412
Assets classified as held for sale	9	10,291	2,489
Equity accounted investments	10	68,310	59,124
Investment properties	11	103,665	124,152
Property, plant and equipment	12	153,019	147,617
Intangible assets	13	36,072	38,994
Goodwill	14	35,730	34,911
Deferred income tax assets	15	3,723	3,338
Total assets		\$ 490,424	\$ 490,095
Liabilities and equity			
Corporate borrowings	16	\$ 14,232	\$ 12,160
Accounts payable and other	17	55,502	58,893
Liabilities associated with assets classified as held for sale	9	4,721	118
Non-recourse borrowings of managed entities	18	220,560	221,550
Deferred income tax liabilities	15	25,267	24,987
Subsidiary equity obligations	19	4,759	4,145
Equity			
Preferred equity	21	4,103	4,103
Non-controlling interests	21	119,406	122,465
Common equity	21	41,874	41,674
Total equity		165,383	168,242
Total liabilities and equity		\$ 490,424	\$ 490,095

These consolidated financial statements were approved by the Board of Directors of the company on March 15, 2025.



Bruce Flatt
Director

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE PERIODS ENDED DEC. 31
(MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Note	2024	2023
Revenues	22	\$ 86,006	\$ 95,924
Direct costs	23	(67,936)	(81,409)
Other income and gains		1,247	6,501
Equity accounted income	10	2,729	2,068
Expenses			
Interest			
Corporate borrowings		(727)	(596)
Non-recourse borrowings		(15,888)	(14,907)
Corporate costs		(76)	(69)
Fair value changes	24	(2,520)	(1,396)
Income taxes	15	(982)	(1,011)
Net income		<u>\$ 1,853</u>	<u>\$ 5,105</u>
Net income attributable to:			
Shareholders		\$ 641	\$ 1,130
Non-controlling interests		<u>1,212</u>	<u>3,975</u>
		<u>\$ 1,853</u>	<u>\$ 5,105</u>
Net income per share:			
Diluted	21	\$ 0.31	\$ 0.61
Basic	21	<u>0.31</u>	<u>0.62</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIODS ENDED DEC. 31
(MILLIONS)

	Note	2024	2023
Net income		\$ 1,853	\$ 5,105
Other comprehensive income (loss)			
Items that may be reclassified to net income			
Financial contracts and power sale agreements		(139)	(354)
Marketable securities		289	210
Equity accounted investments	10	319	106
Foreign currency translation		(4,038)	1,770
Income taxes	15	85	78
		<u>(3,484)</u>	<u>1,810</u>
Items that will not be reclassified to net income			
Revaluation of property, plant and equipment	12	8,036	1,489
Revaluation of pension obligations	17	118	(11)
Equity accounted investments	10	1,079	581
Marketable securities		83	39
Income taxes	15	(2,106)	(178)
		<u>7,210</u>	<u>1,920</u>
Other comprehensive income		<u>3,726</u>	<u>3,730</u>
Comprehensive income		<u>\$ 5,579</u>	<u>\$ 8,835</u>
Attributable to:			
Shareholders			
Net income		\$ 641	\$ 1,130
Other comprehensive income		766	803
Comprehensive income		<u>\$ 1,407</u>	<u>\$ 1,933</u>
Non-controlling interests			
Net income		\$ 1,212	\$ 3,975
Other comprehensive income		2,960	2,927
Comprehensive income		<u>\$ 4,172</u>	<u>\$ 6,902</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

AS AT AND FOR THE YEAR ENDED DEC. 31, 2024 (MILLIONS)	Common Share Capital	Contributed Surplus	Retained Earnings	Ownership Changes ¹	Accumulated Other Comprehensive Income (Loss)			Total Common Equity	Preferred Equity	Non- controlling Interests	Total Equity
					Revaluation Surplus	Currency Translation	Reserves and Other ²				
Balance as at December 31, 2023	\$ 10,879	\$ 112	\$ 18,006	\$ 4,510	\$ 8,958	\$ (2,477)	\$ 1,686	\$ 41,674	\$ 4,103	\$ 122,465	\$ 168,242
Net income	—	—	641	—	—	—	—	641	—	1,212	1,853
Other comprehensive income (loss)	—	—	—	—	749	(778)	795	766	—	2,960	3,726
Comprehensive income (loss)	—	—	641	—	749	(778)	795	1,407	—	4,172	5,579
Shareholder distributions											
Common equity	—	—	(495)	—	—	—	—	(495)	—	—	(495)
Preferred equity	—	—	(168)	—	—	—	—	(168)	—	—	(168)
Non-controlling interests	—	—	—	—	—	—	—	—	—	(7,815)	(7,815)
Other items											
Repurchases, net of equity issuances	(73)	(35)	(832)	—	—	—	—	(940)	—	9,079	8,139
Share-based compensation	—	37	(86)	—	—	—	—	(49)	—	—	(49)
Ownership changes	—	—	—	535	(123)	4	29	445	—	(8,495)	(8,050)
Total change in year	(73)	2	(940)	535	626	(774)	824	200	—	(3,059)	(2,859)
Balance as at December 31, 2024	\$ 10,806	\$ 114	\$ 17,066	\$ 5,045	\$ 9,584	\$ (3,251)	\$ 2,510	\$ 41,874	\$ 4,103	\$ 119,406	\$ 165,383

1. Includes gains or losses on changes in ownership interests of consolidated subsidiaries.
2. Includes changes in fair value of marketable securities, cash flow hedges, actuarial changes on pension plans and equity accounted other comprehensive income, net of associated income taxes.

AS AT AND FOR THE YEAR ENDED DEC. 31, 2023 (MILLIONS)	Common Share Capital	Contributed Surplus	Retained Earnings	Ownership Changes ¹	Accumulated Other Comprehensive Income (Loss)			Total Common Equity	Preferred Equity	Non- controlling Interests	Total Equity
					Revaluation Surplus	Currency Translation	Reserves and Other ²				
Balance as at December 31, 2022	\$ 10,901	\$ 148	\$ 18,006	\$ 2,959	\$ 9,522	\$ (2,826)	\$ 898	\$ 39,608	\$ 4,145	\$ 98,138	\$ 141,891
Net income	—	—	1,130	—	—	—	—	1,130	—	3,975	5,105
Other comprehensive income	—	—	—	—	11	271	521	803	—	2,927	3,730
Comprehensive income	—	—	1,130	—	11	271	521	1,933	—	6,902	8,835
Shareholder distributions											
Common equity	—	—	(436)	—	—	—	—	(436)	—	—	(436)
Preferred equity	—	—	(166)	—	—	—	—	(166)	—	—	(166)
Non-controlling interests	—	—	—	—	—	—	—	—	—	(12,842)	(12,842)
Other items											
Repurchases, net of equity issuances	(22)	(59)	(499)	—	—	—	—	(580)	(42)	27,226	26,604
Share-based compensation	—	23	(29)	—	—	—	—	(6)	—	—	(6)
Ownership changes	—	—	—	1,551	(575)	78	267	1,321	—	3,041	4,362
Total change in year	(22)	(36)	—	1,551	(564)	349	788	2,066	(42)	24,327	26,351
Balance as at December 31, 2023	\$ 10,879	\$ 112	\$ 18,006	\$ 4,510	\$ 8,958	\$ (2,477)	\$ 1,686	\$ 41,674	\$ 4,103	\$ 122,465	\$ 168,242

1. Includes gains or losses on changes in ownership interests of consolidated subsidiaries.
2. Includes changes in fair value of marketable securities, cash flow hedges, actuarial changes on pension plans, the impact of the adoption of IFRS 17 and equity accounted other comprehensive income, net of associated income taxes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED DEC. 31
(MILLIONS)

	Note	2024	2023
Operating activities			
Net income		\$ 1,853	\$ 5,105
Other income and gains		(1,247)	(6,501)
Equity accounted earnings, net of distributions		(641)	(441)
Fair value changes		2,520	1,396
Depreciation and amortization	23	9,737	9,075
Deferred income taxes	15	(341)	(897)
(Proceeds from) Investments in residential inventory		(108)	152
Net change in non-cash working capital balances		(4,204)	(1,422)
		<u>7,569</u>	<u>6,467</u>
Financing activities			
Corporate borrowings arranged		2,082	1,246
Corporate borrowings repaid		(571)	(550)
Commercial paper and bank borrowings, net		736	31
Non-recourse borrowings arranged		109,844	83,620
Non-recourse borrowings repaid		(84,288)	(71,328)
Non-recourse credit facilities, net		(24)	(3,558)
Subsidiary equity obligations issued		662	277
Subsidiary equity obligations redeemed		(14)	(456)
Deposits from related parties	27	1,471	173
Deposits provided to related parties	27	(1,121)	(1,261)
Capital provided by non-controlling interests		13,444	29,401
Capital repaid to non-controlling interests		(4,365)	(2,175)
Repayment of lease liabilities		(1,564)	(969)
Receipt (settlement) of deferred consideration		68	(483)
Preferred equity redemptions		—	(22)
Common shares issued		19	49
Common shares repurchased		(1,001)	(624)
Distributions to non-controlling interests		(7,815)	(12,842)
Distributions to shareholders		(663)	(602)
		<u>26,900</u>	<u>19,927</u>
Investing activities			
Acquisitions			
Investment properties		(11,141)	(8,213)
Property, plant and equipment		(11,172)	(8,069)
Equity accounted investments		(7,074)	(10,492)
Financial assets and other		(11,405)	(51,887)
Acquisition of subsidiaries, net of cash acquired		(6,453)	(12,922)
Dispositions			
Investment properties		4,107	1,573
Property, plant and equipment		2,773	1,175
Equity accounted investments		1,087	3,258
Financial assets and other		8,216	50,086
Disposition of subsidiaries, net of cash disposed		1,049	5,688
Restricted cash and deposits		49	41
		<u>(29,964)</u>	<u>(29,762)</u>
Cash and cash equivalents			
Change in cash and cash equivalents		4,505	(3,368)
Net change in cash classified within assets held for sale		(215)	(11)
Foreign exchange revaluation		(461)	205
Balance, beginning of period		11,222	14,396
Balance, end of period		<u>\$ 15,051</u>	<u>\$ 11,222</u>
Supplemental cash flow disclosures			
Income taxes paid		\$ 2,674	\$ 1,677
Interest paid		14,289	13,902

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND CAPITAL MANAGEMENT

Brookfield Corporation (the “Corporation”) is a leading global investment firm focused on building long-term wealth for institutions and individuals around the world. References in these financial statements to “Brookfield,” “us,” “we,” “our” or “the company” refer to the Corporation and its direct and indirect subsidiaries and consolidated entities. The Corporation is listed on the New York and Toronto stock exchanges (“NYSE” and “TSX”, respectively) under the symbol BN. The Corporation was formed by articles of amalgamation under the Business Corporations Act (Ontario) and is registered in Ontario, Canada. The registered office of the Corporation is Brookfield Place, 181 Bay Street, Suite 100, Toronto, Ontario, M5J 2T3.

Capital Management

The company utilizes the Corporation’s capital to manage the business in a number of ways, including operating performance, value creation, credit metrics and capital efficiency. The performance of the Corporation’s capital is closely tracked and monitored by the company’s key management personnel and evaluated relative to management’s objectives. The primary goal of the company is to earn a 15%+ return compounded over the long term while always maintaining excess capital to support ongoing operations.

The Corporation’s capital consists of the capital invested in its Asset Management business, including investments in entities that it manages, its Wealth Solutions business, its corporate investments that are held outside of managed entities, and its net working capital. The Corporation’s capital is funded with common equity, preferred equity and corporate borrowings issued by the Corporation.

As at December 31, 2024, the Corporation’s capital totaled \$60.4 billion (December 31, 2023 – \$58.2 billion), and is computed as follows:

AS AT DEC. 31 (MILLIONS)	2024	2023
Cash and cash equivalents	\$ 820	\$ 134
Other financial assets	1,234	4,004
Common equity in investments	56,147	53,523
Other assets and liabilities of the Corporation	2,238	506
Corporation’s Capital	<u>\$ 60,439</u>	<u>\$ 58,167</u>
Corporation’s Capital is comprised of the following:		
Common equity	\$ 41,874	\$ 41,674
Preferred equity	4,103	4,103
Non-controlling interest	230	230
Corporate borrowings	14,232	12,160
	<u>\$ 60,439</u>	<u>\$ 58,167</u>

The Corporation generates returns on its capital through management fees and performance revenues earned through its Asset Management business, distributable earnings from its Wealth Solutions business, distributions or dividends earned from its capital invested in managed entities, and through performance of the Corporation’s financial assets. Prudent levels of corporate borrowings and preferred equity are utilized to enhance returns to shareholders’ common equity.

A reconciliation of the Corporation's capital to the company's consolidated balance sheet as at December 31, 2024 is as follows:

AS AT DEC. 31, 2024 (MILLIONS)	The Corporation	Investments	Elimination ¹	Total Consolidated
Cash and cash equivalents	\$ 820	\$ 14,231	\$ —	\$ 15,051
Other financial assets	1,234	24,653	—	25,887
Accounts receivable and other ¹	3,092	28,281	(1,155)	30,218
Inventory	—	8,458	—	8,458
Assets classified as held for sale	—	10,291	—	10,291
Equity accounted investments	2,488	65,822	—	68,310
Investment properties	16	103,649	—	103,665
Property, plant and equipment	113	152,906	—	153,019
Intangible assets	85	35,987	—	36,072
Goodwill	—	35,730	—	35,730
Deferred income tax assets	342	3,381	—	3,723
Accounts payable and other ¹	(3,368)	(53,289)	1,155	(55,502)
Liabilities associated with assets classified as held for sale	—	(4,721)	—	(4,721)
Deferred income tax liabilities	(530)	(24,737)	—	(25,267)
Subsidiary equity obligations	—	(4,759)	—	(4,759)
Total	4,292	395,883	—	400,175
Common equity in investments ²	56,147	—	(56,147)	—
Corporation's Capital	60,439	395,883	(56,147)	400,175
Less:				
Corporate borrowings	14,232	—	—	14,232
Non-recourse borrowings of managed entities	—	220,560	—	220,560
Amounts attributable to preferred equity	4,103	—	—	4,103
Amounts attributable to non-controlling interests	230	119,176	—	119,406
Common equity	\$ 41,874	\$ 56,147	\$ (56,147)	\$ 41,874

1. Contains the gross up of intercompany balances, including accounts receivable and other, and accounts payable and other of \$1.2 billion and \$1.2 billion, respectively, between entities within the Corporation and its investments.

2. Represents the carrying value of the Corporation's investments.

Common equity in investments is a measure routinely evaluated by our company's key management personnel and represents the net equity in our consolidated financial statements outside of our Corporate Activities. This measure is equal to the sum of the common equity in our Asset Management, Wealth Solutions, Renewable Power and Transition, Infrastructure, Private Equity, and Real Estate operating segments.

A reconciliation of the Corporation's capital to the company's consolidated balance sheet as at December 31, 2023 is as follows:

AS AT DEC. 31, 2023 (MILLIONS)	The Corporation	Investments	Elimination ¹	Total Consolidated
Cash and cash equivalents	\$ 134	\$ 11,088	\$ —	\$ 11,222
Other financial assets	4,004	24,320	—	28,324
Accounts receivable and other ¹	1,191	27,836	(515)	28,512
Inventory	—	11,412	—	11,412
Assets classified as held for sale	—	2,489	—	2,489
Equity accounted investments	2,081	57,043	—	59,124
Investment properties	21	124,131	—	124,152
Property, plant and equipment	144	147,473	—	147,617
Intangible assets	84	38,910	—	38,994
Goodwill	—	34,911	—	34,911
Deferred income tax assets	489	2,849	—	3,338
Accounts payable and other ¹	(3,383)	(56,025)	515	(58,893)
Liabilities associated with assets classified as held for sale	—	(118)	—	(118)
Deferred income tax liabilities	(117)	(24,870)	—	(24,987)
Subsidiary equity obligations	(4)	(4,141)	—	(4,145)
Total	4,644	397,308	—	401,952
Common equity in investments ²	53,523	—	(53,523)	—
Corporation's Capital	58,167	397,308	(53,523)	401,952
Less:				
Corporate borrowings	12,160	—	—	12,160
Non-recourse borrowings of managed entities	—	221,550	—	221,550
Amounts attributable to preferred equity	4,103	—	—	4,103
Amounts attributable to non-controlling interests	230	122,235	—	122,465
Common equity	\$ 41,674	\$ 53,523	\$ (53,523)	\$ 41,674

1. Contains the gross up of intercompany balances, including accounts receivable and other, and accounts payable and other of \$515 million and \$515 million, respectively, between entities within the Corporation and its investments.
2. Represents the carrying value of the Corporation's investments.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were approved by the Board of Directors of the company on March 15, 2025.

b) Adoption of Accounting Standards

The company has applied new and revised standards issued by the IASB that are effective for the period beginning on or after January 1, 2024. The new standards were applied as follows:

i. Amendments to IAS 1 – Presentation of Financial Statements (“IAS 1”)

The amendments clarify how to classify debt and other liabilities as current or non-current. The company adopted the IAS 1 amendments effective January 1, 2024 and reclassified \$20.7 billion of non-recourse borrowings of managed entities in our Real Estate segment and our real estate LP Investments within our Asset Management segment from current to non-current as at December 31, 2023.

ii. International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)

The Corporation operates in countries, including Canada, which have enacted new legislation to implement the global minimum top-up tax, effective from January 1, 2024. The Corporation has applied a temporary mandatory relief from recognizing and disclosing deferred taxes in connection with the global minimum top-up tax and will account for it as a current tax when it is incurred. There is no material current tax impact for the year ended December 31, 2024. The global minimum top-up tax is not anticipated to have a significant impact on the financial position of the Corporation.

c) Future Changes in Accounting Standards

Future changes to IFRS Accounting Standards are currently being evaluated, but are not expected to have material impacts on the Corporation.

d) Basis of Presentation

The consolidated financial statements are prepared on a going concern basis.

i. Subsidiaries

The consolidated financial statements include the accounts of the company and its subsidiaries, which are the entities over which the company exercises control. Control exists when the company is able to exercise power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of its returns. Subsidiaries are consolidated from the date control is obtained and continue to be consolidated until the date when control is lost. The company includes 100% of its subsidiaries’ revenues and expenses in the Consolidated Statements of Operations and 100% of its subsidiaries’ assets and liabilities on the Consolidated Balance Sheets, with non-controlling interests in the equity of the company’s subsidiaries included within the company’s equity. All intercompany balances, transactions, unrealized gains and losses are eliminated in full.

The company continually reassesses whether or not it controls an investee, particularly if facts and circumstances indicate there is a change to one or more of the control criteria previously mentioned. In certain circumstances when the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company’s voting rights are sufficient to give it control of an investee.

Certain of the company’s subsidiaries are subject to profit sharing arrangements, such as carried interest, between the company and the non-controlling equity holders, whereby the company is entitled to a participation in profits, as determined under the agreements. The attribution of net income amongst equity holders in these subsidiaries reflects the impact of these profit-sharing arrangements when the attribution of profits as determined in the agreement is no longer subject to adjustment based on future events and correspondingly reduces non-controlling interests’ attributable share of those profits.

Gains or losses resulting from changes in the company’s ownership interest of a subsidiary that do not result in a loss of control are accounted for as equity transactions and are recorded within ownership changes as a component of equity. When we dispose of all or part of a subsidiary resulting in a loss of control, the difference between the carrying value of what is sold and the proceeds from disposition is recognized within other income and gains in the Consolidated Statements of Operations.

Refer to Note 2(r) for an explanation of the company's accounting policy for business combinations and to Note 4 for additional information on subsidiaries of the company with significant non-controlling interests.

ii. Associates and Joint Ventures

Associates are entities over which the company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies. Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have the rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The company accounts for associates and joint ventures using the equity method of accounting within equity accounted investments on the Consolidated Balance Sheets.

Interests in associates and joint ventures accounted for using the equity method are initially recognized at cost. At the time of initial recognition, if the cost of the associate or joint venture is lower than the proportionate share of the investment's underlying fair value, the company records a gain on the difference between the cost and the underlying fair value of the investment in net income. If the cost of the associate or joint venture is greater than the company's proportionate share of the underlying fair value, goodwill relating to the associate or joint venture is included in the carrying amount of the investment. Subsequent to initial recognition, the carrying value of the company's interest in an associate or joint venture is adjusted for the company's share of direct comprehensive income and distributions of the investee. Profit and losses resulting from the sale of a business to an associate or joint venture are recognized in full in the consolidated financial statements. Profit and losses resulting from all other transactions with an associate or joint venture that do not constitute the sale of a business are recognized in the consolidated financial statements based on the interests of unrelated investors in the investee. The carrying value of associates or joint ventures is assessed for indicators of impairment at each balance sheet date. Impairment losses on equity accounted investments may be subsequently reversed in net income. Further information on the impairment of long-lived assets is available in Note 2(m).

iii. Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, related to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement that exists only when decisions about the relevant activities require unanimous consent of parties sharing control. The company recognizes only its assets, liabilities and share of the results of operations of the joint operation. The assets, liabilities and results of joint operations are included within the respective line items of the Consolidated Balance Sheets, Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income.

e) Foreign Currency Translation

The U.S. dollar is the functional and presentation currency of the company. Each of the company's subsidiaries, associates, joint ventures and joint operations determines its own functional currency and items included in the consolidated financial statements of each subsidiary, associate, joint venture and joint operation are measured using that functional currency.

Assets and liabilities of foreign operations having a functional currency other than the U.S. dollar are translated at the rate of exchange prevailing at the reporting date and revenues and expenses at average rates during the period. Gains or losses on translation are accumulated as a component of equity. On the disposal of a foreign operation, or the loss of control, joint control or significant influence, the component of accumulated other comprehensive income relating to that foreign operation is reclassified to net income. Gains or losses on foreign currency-denominated balances and transactions that are designated as hedges of net investments in these operations are reported in the same manner.

Foreign currency-denominated monetary assets and liabilities of the company are translated using the rate of exchange prevailing at the reporting date, and non-monetary assets and liabilities measured at fair value are translated at the rate of exchange prevailing at the date when the fair value was determined. Revenues and expenses are measured at average rates during the period. Gains or losses on translation of these items are included in net income. Gains or losses on transactions that hedge these items are also included in net income. Foreign currency denominated non-monetary assets and liabilities, measured at historic cost, are translated at the rate of exchange at the transaction date.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and highly liquid short-term investments with original maturities of three months or less.

g) Related Party Transactions

In the normal course of operations, the company enters into various transactions on market terms with related parties. The majority of transactions with related parties are between consolidated entities and eliminate on consolidation. The company and its subsidiaries may also transact with entities over which the company has significant influence or joint control. Amounts owed to and by associates and joint ventures are not eliminated on consolidation. The company's subsidiaries with significant non-controlling interests are described in Note 4 and its associates and joint ventures are described in Note 10.

In addition to our subsidiaries and equity accounted investments, we consider key management personnel, the Board of Directors and material shareholders to be related parties. See Note 27 for additional details.

h) Operating Assets

i. Investment Properties

The company uses the fair value method to account for real estate classified as investment properties. A property is determined to be an investment property when it is principally held either to earn rental income or for capital appreciation, or both. Investment properties also include properties that are under development or redevelopment for future use as investment property. Investment properties are initially measured at cost including transaction costs, or at fair value if acquired in a business combination. Subsequent to initial recognition, investment properties are carried at fair value. Gains or losses arising from changes in fair value are included in net income during the period in which they arise.

Fair values are completed by undertaking one of two accepted approaches: (i) discounting the expected future cash flows, generally over a term of 10 years including a terminal value based on the application of a capitalization rate to estimated year 11 cash flows, typically used for our office, retail and logistics assets; or (ii) undertaking a direct capitalization approach for certain of our LP investments and directly held multifamily assets whereby a capitalization rate is applied to estimated current year cash flows. The future cash flows of each property are based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting current conditions, less future cash outflows relating to such current and future leases.

Commercial developments are also measured using a discounted cash flow model, net of costs to complete, as of the balance sheet date. Development sites in the planning phases are measured using comparable market values for similar assets.

ii. Property, Plant and Equipment

The company uses the revaluation method of accounting for certain classes of property, plant and equipment ("PP&E") as well as certain assets which are under development for future use as PP&E. PP&E measured using the revaluation method is initially measured at cost, or at fair value if acquired in a business combination, and subsequently carried at its revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations are performed on an annual basis at the end of each fiscal year, commencing in the first year subsequent to the date of acquisition, unless there is an indication that assets are impaired. Where the carrying amount of an asset increases as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity in revaluation surplus, unless the increase reverses a previously recognized revaluation loss recorded through net income, in which case that portion of the increase is recognized in net income.

Where the carrying amount of an asset decreases, the decrease is recognized in other comprehensive income to the extent there is any balance existing in revaluation surplus in respect of the asset, with the remainder of the decrease recognized in net income. Depreciation of an asset commences when it is available for use. On loss of control or partial disposition of an asset measured using the revaluation method, all accumulated revaluation surplus or the portion disposed of, respectively, is transferred into retained earnings or ownership changes, respectively.

PP&E held in our Private Equity segment, which include right-of-use ("ROU") assets, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is carried at cost whereas finite-life assets such as buildings and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a systematic basis over the assets' useful life.

Depreciation methods and useful lives are reassessed at least annually regardless of the measurement method used.

Renewable Power and Transition

Renewable Power and Transition generally determines the fair value of its PP&E by using a 20-year discounted cash flow model for hydroelectric assets and the estimated remaining useful life for other technologies. This model incorporates future cash flows from long-term power purchase agreements that are in place where it is determined that the power purchase

agreements are linked specifically to the related power generating assets. The model also includes estimates of future electricity prices, anticipated long-term average generation, estimated operating and capital expenditures, terminal values and assumptions about future inflation rates and discount rates by geographical location.

Depreciation on renewable power assets is calculated on a straight-line basis over the estimated service lives of the assets, which are as follows:

(YEARS)	Useful Lives
Dams.....	Up to 115
Penstocks.....	Up to 100
Powerhouses.....	Up to 115
Hydroelectric generating units.....	Up to 115
Wind generating units.....	Up to 35
Solar generating units.....	Up to 35
Gas-fired cogenerating (“Cogeneration”) units.....	Up to 40
Battery energy storage systems.....	Up to 20
Other assets.....	Up to 60

Costs are allocated to the significant components of power generating assets and each component is depreciated separately.

The depreciation of PP&E in our Brazilian Renewable Power and Transition operations is based on the duration of the authorization or the useful life of a concession asset. The weighted-average remaining duration as at December 31, 2024 is 30 years (2023 – 34 years). Land rights are included as part of the concession or authorization and are subject to depreciation.

Infrastructure

Utilities, transport, midstream and data assets within our Infrastructure segment as well as assets under development classified as PP&E on the Consolidated Balance Sheet are accounted for using the revaluation method. The company determines the fair value of its utilities, transport, midstream and data assets using both the discounted cash flow and depreciated replacement cost methods, which include estimates of forecasted revenue, operating costs, maintenance and other capital expenditures. Valuations are performed internally on an annual basis. Discount rates are selected for each asset, giving consideration to the volatility and geography of its revenue streams.

Depreciation on utilities, transport, midstream and data assets is calculated on a straight-line or declining balance basis over the estimated service lives of the components of the assets, which are as follows:

(YEARS)	Useful Lives
Buildings.....	Up to 60
Transmission stations, towers and related fixtures.....	Up to 50
Leasehold improvements.....	Up to 50
Plant and equipment.....	Up to 50
Network systems.....	Up to 80
Track.....	Up to 40
Intermodal containers.....	Up to 20
Pipelines and gas storage assets.....	Up to 80

Public service concessions that provide the right to charge users for a service in which the service and fee is regulated by the grantor are accounted for as intangible assets.

Private Equity

The company accounts for its Private Equity PP&E using the cost model. Costs include expenditures that are directly attributable to the acquisition of the asset. Depreciation of an asset commences when it is available for use. PP&E is depreciated for each component of the following asset classes as follows:

(YEARS, UNLESS OTHERWISE NOTED)	Useful Lives
Buildings	Up to 50
Right-of-use assets	Up to 40
Machinery and equipment	Up to 25
Vessels	Up to 35
Oil and gas related equipment and mining property	Units of production

Real Estate and Other

Hospitality operating assets are classified as PP&E and are accounted for using the revaluation method. The company determines the fair value for these assets by using a depreciated replacement cost method based on the age, physical condition and the construction costs of the assets.

Depreciation on hospitality assets is calculated on a straight-line basis over the estimated useful lives of each component of the asset as follows:

(YEARS)	Useful Lives
Building and building improvements	1 to 60+
Land improvements	15
Furniture, fixtures and equipment	1 to 20

iii. Inventory

Private Equity

Fuel inventories relate to our road fuels operation, which was sold during the third quarter of 2024. Prior to disposal, fuel inventories within our Private Equity segment were traded in active markets and were purchased with the view to resell in the near future, generating a profit from fluctuations in prices or margins. As a result, fuel inventories were carried at market value by reference to prices in a quoted active market, in accordance with the commodity broker-trader exemption granted by IAS 2, *Inventories*. Changes in fair value less costs to sell are recognized in the Consolidated Statements of Operations through direct costs. Products and chemicals used in the production of biofuels are valued at the lower of cost and net realizable value.

Real Estate

Develop-for-sale multifamily projects, residential development lots, homes and residential condominium projects are recorded in inventory. Residential development lots are recorded at the lower of cost, which includes pre-development expenditures and capitalized borrowing costs and net realizable value, which the company determines as the estimated selling price of the inventory in the ordinary course of business in its completed state, less estimated expenses, including holding costs, costs to complete and costs to sell.

i) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurement is disaggregated into three hierarchical levels: Level 1, 2 or 3. Fair value hierarchical levels are directly based on the degree to which the inputs to the fair value measurement are observable. The levels are as follows:

Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2: Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset or liability's anticipated life.

Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs in determining the estimate.

Refer to the investment properties and revaluation of PP&E accounting policies for the approach taken to determine the fair value of these operating assets.

Further information on fair value measurements is available in Notes 6, 11 and 12.

j) Accounts Receivable

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less an allowance for expected credit losses for uncollectibility.

k) Intangible Assets

Finite life intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses and are amortized on a straight-line basis over their estimated useful lives. Amortization is recorded within direct costs in the Consolidated Statements of Operations.

Certain of the company's intangible assets have an indefinite life as there is no foreseeable limit to the period over which the asset is expected to generate cash flows. Indefinite life intangible assets are recorded at cost unless an impairment is identified which requires a write-down to its recoverable amount.

Indefinite life intangible assets are evaluated for impairment annually or more often if events or circumstances indicate there may be an impairment. Any impairment of the company's indefinite life intangible assets is recorded in net income in the period in which the impairment is identified. Impairment losses on intangible assets may be subsequently reversed in net income.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and are recognized in the Consolidated Statements of Operations in other income and gains when the asset is derecognized.

Infrastructure

Intangible assets within our Infrastructure segment primarily consist of conservancy rights, service concession arrangements, customer order backlogs, track access rights, operating network agreements and customer contracts and relationships. Concession arrangements, accounted for as intangible assets under IFRIC 12, *Service Concession Arrangements* ("IFRIC 12"), were mostly acquired through acquisitions of gas transmission, electricity transmission and toll road businesses and are amortized on a straight-line basis over the term of the arrangement.

The intangible assets at the Brazilian regulated gas transmission operation and Brazilian electricity transmission operation relate to concession contracts. For our Brazilian regulated gas transmission operation, the concession arrangement provides the operation with the right to operate the asset perpetually. As a result, the intangible asset is amortized over its estimated useful life. For our Brazilian electricity transmission operation, the intangible asset is amortized on a straight-line basis over the life of the contractual arrangement.

Refer to Note 13 for additional information on these concession arrangements.

The intangible assets at our residential infrastructure operation are comprised of contractual customer relationships, customer contracts, proprietary technology and brands. The contractual customer relationships and customer contracts represent ongoing economic benefits from leasing customers and annuity-based management agreements. Proprietary technology is recognized for the development of new metering technology, which allows the business to generate revenue through its sub-metering business. Brands represent the intrinsic value customers place on the operation's various brand names.

Private Equity

Our Private Equity segment includes intangible assets across a number of operating companies. The majority are finite life intangible assets that are amortized on a straight-line basis over the following useful lives:

(YEARS)	Useful Lives
Water and sewage concession agreements	Up to 50
Brands and trademarks	Up to 40
Computer software	Up to 10
Customer relationships	Up to 20
Proprietary technology	Up to 15

Real Estate

Intangible assets in our Real Estate segment are primarily of trademarks and licensing agreements. Subsequent to initial recognition, intangible assets with a finite life are measured at cost less accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis over the estimated useful life of the intangible asset and is recognized in net income for the respective reporting period. Indefinite life intangible assets are recorded at cost unless an impairment is identified which requires a write-down to its recoverable amount.

l) Goodwill

Goodwill represents the excess of the price paid for the acquisition of an entity over the fair value of the net identifiable tangible and intangible assets and liabilities acquired. Goodwill is allocated to the cash-generating unit to which it relates. The company identifies cash-generating units as identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is evaluated for impairment annually or more often if events or circumstances indicate there may be an impairment. Impairment is determined for goodwill by assessing if the carrying value of a cash-generating unit, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs to sell and the value in use. Impairment losses recognized in respect of a cash-generating unit are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the cash-generating unit. Any goodwill impairment is recorded in income in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed. On disposal of a subsidiary, any attributable amount of goodwill is included in determination of the gain or loss on disposal.

m) Impairment of Long-Lived Assets

At each balance sheet date or more often if events or circumstances indicate there may be impairment, the company assesses whether its assets, other than those measured at fair value with changes in value recorded in net income, have any indication of impairment. An impairment is recognized if the recoverable amount, determined as the higher of the estimated fair value less costs of disposal and the discounted future cash flows generated from use and eventual disposal from an asset or cash-generating unit, is less than their carrying value. Impairment losses are recorded as fair value changes within the Consolidated Statements of Operations. The projections of future cash flows take into account the relevant operating plans and management's best estimate of the most probable set of conditions anticipated to prevail. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the lesser of the revised estimate of its recoverable amount and the carrying amount that would have been recorded had no impairment loss been recognized previously.

n) Subsidiary Equity Obligations

Subsidiary equity obligations include subsidiary preferred equity units, subsidiary preferred shares and capital securities as well as limited-life funds and redeemable fund units.

Subsidiary preferred equity units and capital securities are preferred shares that may be settled by a variable number of common equity units upon their conversion by the holders or the company. These instruments, as well as the related accrued distributions, are classified as liabilities at amortized cost on the Consolidated Balance Sheets. Dividends or yield distributions on these instruments are recorded as interest expense. To the extent conversion features are not closely related to the underlying liability the instruments are bifurcated into debt and equity components.

Limited-life funds represent the interests of others in the company's consolidated funds that have a defined maximum fixed life where the company has an obligation to distribute the residual interests of the fund to fund partners based on their proportionate share of the fund's equity in the form of cash or other financial assets at cessation of the fund's life.

Redeemable fund units represent interests of others in consolidated subsidiaries that have a redemption feature that requires the company to deliver cash or other financial assets to the holders of the units upon receiving a redemption notice.

Limited-life funds and redeemable fund units are classified as liabilities and recorded at fair value within subsidiary equity obligations on the Consolidated Balance Sheets. Changes in fair value are recorded in net income in the period of the change.

o) Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers* (“IFRS 15”), specifies how and when revenue should be recognized and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts.

Where available, the company has elected the practical expedient available under IFRS 15 for measuring progress toward complete satisfaction of performance obligation and for disclosure requirements of remaining performance obligations. This permits the company to recognize revenue in the amount to which we have the right to invoice such that the company has a right to the consideration in an amount that corresponds directly with the value to the customer for performance completed to date.

Revenue Recognition Policies by Segment

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer and is the unit of account in IFRS 15. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue, as, or when, the performance obligation is satisfied. The company recognizes revenue when it transfers control of a product or service to a customer.

The company recognizes revenue from the following major sources:

Asset Management

The company’s primary asset management revenue streams, which include base management fees, incentive fees (including incentive distributions and performance fees) and realized carried interest, are satisfied over time. A significant portion of our asset management revenue is inter-segment in nature and thus eliminated on consolidation; that which survives is recorded as revenue in the Consolidated Statements of Operations.

The company earns base management fees in accordance with contractual arrangements with our long-term private funds, perpetual strategies and liquid securities’ investment vehicles. Fees are typically equal to a percentage of fee-bearing capital within the respective fund or entity and are accrued quarterly. These fees are earned over the period of time that the management services are provided and are allocated to the distinct services provided by the company during the reporting period.

Incentive distributions and performance fees are incentive payments to reward the company for meeting or exceeding certain performance thresholds of managed entities. Incentive distributions, paid to us by certain of our perpetual affiliates, are determined by contractual arrangements and represent a portion of distributions paid by the perpetual affiliates above a predetermined hurdle. They are accrued as revenue on the respective affiliates’ distribution record dates if that hurdle has been achieved. Brookfield Business Partners L.P. (“BBU”) pays performance fees if the growth in its unit price exceeds a predetermined threshold, with the unit price based on the quarterly volume-weighted average price of publicly traded units. These fees are accrued on a quarterly basis subject to the performance of the respective listed vehicle.

Carried interest is a performance fee arrangement in which we receive a percentage of investment returns, generated within a private fund on carry eligible capital, based on a contractual formula. We are eligible to earn carried interest from a fund once returns exceed the fund’s contractually defined performance hurdles at which point we earn an accelerated percentage of the additional fund profit until we have earned the percentage of total fund profit, net of fees and expenses, to which we are entitled. We recognize this carried interest when a fund’s cumulative returns are in excess of preferred returns and when it is highly probable that a significant reversal will not occur, which are generally met when an underlying fund investment is profitably disposed of. Typically carried interest is not recognized as revenue until the fund is near the end of its life.

Renewable Power and Transition

The majority of revenue is derived from the sale of power and power related ancillary services both under contract and in the open market, sourced from their own power generating facilities. Revenue is recorded based on the output delivered and capacity provided at rates specified under contract terms or at prevailing market rates if the sale is uncontracted. Performance

obligations are satisfied over time as the customer simultaneously receives and consumes benefits as we deliver electricity and related products.

We also sell power and related products under bundled arrangements. Energy, capacity and renewable credits within power purchase agreements (“PPA”) are considered to be distinct performance obligations. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue over time as the performance obligation is satisfied. The sale of energy and capacity are distinct goods that are substantially the same and have the same pattern of transfer as measured by the output method. Renewable credits are performance obligations satisfied at a point in time. Measurement of satisfaction and transfer of control to the customer of renewable credits in a bundled arrangement coincides with the pattern of revenue recognition of the underlying energy generation.

Infrastructure

Our infrastructure revenue is predominantly recognized over time as services are rendered. Performance obligations are satisfied based on actual usage or throughput depending on the terms of the arrangement. Contract progress is determined using a cost-to-cost input method. Any upfront payments that are separable from the recurring revenue are recognized over time for the period the services are provided.

Private Equity

Revenue from our Private Equity segment primarily consists of: (i) sale of goods or products which is recognized as revenue when the product is shipped and title passes to the customer; (ii) the provision of services which are recognized as revenue over the period of time that they are provided; and (iii) leasing and other product offerings which is recognized under the requirements of IFRS 16, *Leases* (“IFRS 16”), whereas the other revenue streams are recognized under IFRS 15.

Revenue recognized over a period of time is determined using the cost-to-cost input method to measure progress towards complete satisfaction of the performance obligations as the work performed on the contracts creates or enhances an asset that is controlled by the customer. As work is performed, a contract asset in the form of contracts-in-progress is recognized, which is reclassified to accounts receivable when invoiced to the customer. If payment is received in advance of work being completed, a contract liability is recognized. Variable consideration, such as claims, incentives and variations resulting from contract modifications, is only recognized in the transaction price to the extent that it is highly probable that a significant reversal in the amount of revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Real Estate

Revenue from hospitality operations is generated by providing accommodation, food and beverage and leisure facilities to hotel guests. Revenue from accommodation is recognized over the period that the guest stays at the hotel; food and beverage revenue as well as revenue from leisure activities is recognized when goods and services are provided.

Real estate rental income is recognized in accordance with IFRS 16. As the company retains substantially all the risks and benefits of ownership of its investment properties, it accounts for leases with its tenants as operating leases and begins recognizing revenue when the tenant has a right to use the leased asset. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease; a straight-line or free rent receivable, as applicable, is recorded as a component of investment property representing the difference between rental revenue recorded and the contractual amount received. Percentage participating rents are recognized when tenants’ specified sales targets have been met.

Revenue from residential land sales, sales of homes and the completion of residential condominium projects is recognized at the point in time when our performance obligations are met. Performance obligations are satisfied when we transfer title of a product to a customer and all material conditions of the sales contract have been met. If title of a property transfers but material future development is required, revenue will be delayed until the point in time at which the remaining performance obligations are satisfied.

Corporate Activities

Dividend and interest income from other financial assets are recognized as revenue when declared or on an accrual basis using the effective interest method, in accordance with IFRS 9 *Financial Instruments* (“IFRS 9”).

Interest revenue from loans and notes receivable, less a provision for uncollectible amounts, is recorded on the accrual basis using the effective interest method, in accordance with IFRS 9.

p) Financial Instruments

Classification of Financial Instruments

The company classifies its financial assets as fair value through profit and loss (“FVTPL”), fair value through other comprehensive income (“FVTOCI”) and amortized cost according to the company’s business objectives for managing the financial assets and based on the contractual cash flow characteristics of the financial asset. The company classifies its financial liabilities as amortized cost or FVTPL.

- Financial instruments that are not held for the sole purpose of collecting contractual cash flows are classified as FVTPL and are initially recognized at their fair value and are subsequently measured at fair value at each reporting date. Gains and losses recorded on each revaluation date are recognized within profit or loss. Transaction costs of financial assets classified as FVTPL are expensed in profit or loss.
- Financial assets classified as FVTOCI are initially recognized at their fair value and are subsequently measured at fair value at each reporting date. The change in fair value is recorded in other comprehensive income. The cumulative gains or losses related to FVTOCI equity instruments are not reclassified to profit or loss on disposal. The cumulative gains or losses on all other FVTOCI assets are reclassified to profit or loss on disposal when there is a significant or prolonged decline in fair value or when the company acquires a controlling or significant interest in the underlying investment and commences equity accounting or consolidating the investment. The cumulative gains or losses on all FVTOCI liabilities are reclassified to profit or loss on disposal.
- Financial instruments that are held for the purpose of collecting contractual cash flows that are solely payments of principal and interest are classified as amortized cost and are initially recognized at their fair value and are subsequently measured at amortized cost using the effective interest rate method. Transaction costs of financial instruments classified as amortized cost are capitalized and amortized in profit or loss on the same basis as the financial instrument.

Expected credit losses associated with debt instruments carried at amortized cost and FVTOCI are assessed on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. Impairment charges are recognized in profit or loss based on the expected credit loss model.

The following table presents the types of financial instruments held by the company within each financial instrument classification:

Financial Instrument Type	Measurement
Financial Assets	
Cash and cash equivalents	Amortized cost
Other financial assets	
Government bonds	FVTOCI
Corporate bonds	FVTPL, FVTOCI, Amortized cost
Fixed income securities and other	FVTPL, FVTOCI, Amortized cost
Common shares and warrants	FVTPL, FVTOCI
Loan and notes receivable	FVTPL, Amortized cost
Accounts receivable and other ¹	FVTPL, Amortized cost
Financial Liabilities	
Corporate borrowings	Amortized cost
Non-recourse borrowings of managed entities	
Property-specific borrowings	Amortized cost
Subsidiary borrowings	Amortized cost
Accounts payable and other ¹	FVTPL, Amortized cost
Subsidiary equity obligations	FVTPL, Amortized cost

1. Includes derivative instruments.

Other Financial Assets

Other financial assets are recognized on their trade date and initially recorded at fair value with changes in fair value recorded in net income or other comprehensive income in accordance with their classification. Fair values of financial instruments are determined by reference to quoted bid or ask prices, as appropriate. Where bid and ask prices are unavailable, the closing price of the most recent transaction of that instrument is used.

Other financial assets also include loans and notes receivable which are recorded initially at fair value and, with the exception of loans and notes receivable designated as FVTPL, are subsequently measured at amortized cost using the effective interest method, less any applicable provision for impairment. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Loans and receivables designated as FVTPL are recorded at fair value, with changes in fair value recorded in net income in the period in which they arise.

Allowance for Credit Losses

For financial assets classified as amortized cost or debt instruments as FVTOCI and undrawn loan commitments, at each reporting period, the company assesses if there has been a significant increase in credit risk since the asset was originated to determine if a 12-month expected credit loss or a life-time expected credit loss should be recorded regardless of whether there has been an actual loss event. The company uses probability-weighted loss scenarios which consider multiple loss scenarios based on reasonable and supportable forecasts in order to calculate the expected credit losses.

The company assesses the carrying value of FVTOCI and amortized cost securities for impairment when there is objective evidence that the asset is impaired such as when an asset is in default. Impaired financial assets continue to record life-time expected credit losses; however interest revenue is calculated based on the net amortized carrying amount after deducting the loss allowance. When objective evidence of impairment exists, losses arising from impairment are reclassified from accumulated other comprehensive income to net income.

Derivative Financial Instruments and Hedge Accounting

The company selectively utilizes derivative financial instruments primarily to manage financial risks, including interest rate, commodity and foreign exchange risks. Derivative financial instruments are recorded at fair value within the company's consolidated financial statements. Hedge accounting is applied when the derivative is designated as a hedge of a specific exposure and there is assurance that it will continue to be effective as a hedge based on an expectation of offsetting cash flows or fair values. Hedge accounting is discontinued prospectively when the derivative no longer qualifies as a hedge or the hedging relationship is terminated. Once discontinued, the cumulative change in fair value of a derivative that was previously recorded in other comprehensive income by the application of hedge accounting is recognized in net income over the remaining term of the original hedging relationship. The assets or liabilities relating to unrealized mark-to-market gains and losses on derivative financial instruments are recorded in accounts receivable and other or accounts payable and other, respectively.

Items Classified as Hedges

Realized and unrealized gains and losses on foreign exchange contracts designated as hedges of currency risks relating to a net investment in a subsidiary or an associate are included in equity. Gains or losses are reclassified into net income in the period in which the subsidiary or associate is disposed of or to the extent that the hedges are ineffective. Where a subsidiary is partially disposed, and control is retained, any associated gains or costs are reclassified within equity as ownership changes. Derivative financial instruments that are designated as hedges to offset corresponding changes in the fair value of assets and liabilities and cash flows are measured at their estimated fair value with changes in fair value recorded in net income or as a component of equity, as applicable. Unrealized gains and losses on interest rate contracts designated as hedges of future variable interest payments are included in equity as a cash flow hedge when the interest rate risk relates to an anticipated variable interest payment. The periodic exchanges of payments on interest rate swap contracts designated as hedges of debt are recorded on an accrual basis as an adjustment to interest expense. The periodic exchanges of payments on interest rate contracts designated as hedges of future interest payments are amortized into net income over the term of the corresponding interest payments. Unrealized gains and losses on electricity contracts designated as cash flow hedges of future power generation revenue are included in equity as a cash flow hedge. The periodic exchanges of payments on power generation commodity swap contracts designated as hedges are recorded on a settlement basis as an adjustment to power generation revenue.

Items Not Classified as Hedges

Derivative financial instruments that are not designated as hedges are carried at their estimated fair value, and gains and losses arising from changes in fair value are recognized in net income in the period in which the change occurs. Realized and unrealized gains and losses on equity derivatives used to offset changes in share prices in respect of vested deferred share units and restricted share units are recorded together with the corresponding compensation expense. Realized and unrealized gains on other derivatives not designated as hedges are recorded in revenues, direct costs or corporate costs, as applicable. Realized and unrealized gains and losses on derivatives which are considered economic hedges, and where hedge accounting is not able to be elected, are recorded in fair value changes in the Consolidated Statements of Operations.

q) Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries, based on the tax rates and laws enacted or substantively enacted at the balance sheet date. Current and deferred income tax relating to items recognized directly in equity are also recognized in equity. Deferred income tax liabilities are provided for using the liability method on temporary differences between the tax bases and carrying amounts of assets and liabilities. Deferred income tax assets are recognized for all deductible temporary differences and for the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that deductions, tax credits and tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent it is no longer probable that the income tax assets will be recovered. Deferred income tax assets and liabilities are measured using the tax rates that are expected to apply to the year when the asset is realized or the liability settled, based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

r) Business Combinations

Business combinations are accounted for using the acquisition method. The cost of a business acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair values at the acquisition date, except for non-current assets that are classified as held for sale which are recognized and measured at fair value less costs to sell. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

To the extent the fair value of consideration paid exceeds the fair value of the net identifiable tangible and intangible assets, the excess is recorded as goodwill. To the extent the fair value of consideration paid is less than the fair value of net identifiable tangible and intangible assets, the excess is recognized in net income.

When a business combination is achieved in stages, previously held interests in the acquired entity are re-measured to fair value at the acquisition date, which is the date control is obtained, and the resulting gain or loss, if any, is recognized in net income, other than amounts transferred directly to retained earnings. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to net income. Transaction costs are recorded as an expense within fair value changes in the Consolidated Statements of Operations.

s) Leases

The company accounts for leases under IFRS 16. Under IFRS 16, the company must assess whether a contract is, or contains, a lease at inception of the contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control exists if a customer can make the important decisions governing the use of an asset specified in a contract similar to decisions made over assets owned by the business. The company has elected to not allocate contract consideration between lease and non-lease components, but rather account for each lease and non-lease component as a single lease component. This election is made by asset class.

For lessors, a lease shall be classified as either a finance or operating lease on commencement of the lease contract. If the contract represents a finance lease in which the risk and rewards of ownership have transferred to the lessee, a lessor shall recognize a finance lease receivable at an amount equal to the net investment in the lease discounted using the interest rate implicit in the lease. Subsequently, finance income is recognized at a constant rate on the net investment of the finance lease. Lease payments received from operating leases are recognized into income on a straight-line or other systematic basis.

For lessees, the company recognizes a right-of-use asset and lease liability at the lease commencement date. The ROU asset is initially measured based on the calculated lease liability plus initial direct costs incurred by the lessee, estimates to dismantle and restore the underlying asset at the end of the lease term and lease payments made net of incentives received at or before the lease commencement date. It is classified as either investment in PP&E, or inventory depending on the nature of the asset and is subsequently accounted for consistently with owned assets within the respective asset classes with the exception of PP&E. Unlike most of the company's owned assets within PP&E, lease assets classified within PP&E are subsequently measured applying the cost method rather than the revaluation method. The ROU asset is depreciated applying a straight-line method or other systematic basis over the shorter of the useful life of the underlying asset or the term of the lease. Lease contracts often include an option to extend the term of the lease and such extensions are factored into the lease term if the company is reasonably certain to exercise that option. ROU assets are tested for impairment in accordance with IAS 36, *Impairment of Assets*. Refer to Note 2(h) for additional details of our accounting policies governing investment properties, PP&E and inventory.

Lease liabilities are classified within accounts payable and other and are recognized at the commencement of the lease, initially measured at the present value of future lease payments not paid as at the commencement date, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the implicit rate cannot be readily determined. Lease liabilities are subsequently measured at amortized cost by applying the effective interest method. Lease liabilities are remeasured if there is reassessment of the timing or amount of future lease payments arising from a change in an index or rate, revisions to estimates of the lease term or residual value guarantee, or a change in the assessment of an option to purchase the underlying asset. Such remeasurements of the lease liability are generally recognized as an adjustment to the ROU asset unless further reduction in the measurement of the lease liability would reduce a ROU asset below zero, in which case it is recorded in the Consolidated Statements of Operations.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the ROU asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are classified within direct costs in the Consolidated Statements of Operations.

We are applying certain practical expedients as permitted by the standard; specifically, we have elected to apply practical expedients associated with short-term and low-value leases that allow the company to record operating expenses on such leases on a straight-line basis without having to capitalize the lease arrangement.

We have also applied a number of critical judgments in applying this standard, including: i) identifying whether a contract (or part of a contract) includes a lease; ii) determining whether it is reasonably certain that lease extension or termination options will be exercised in determining the lease term; and iii) determining whether variable payments are in-substance fixed. Critical estimates used in the application of IFRS 16 include estimating the lease term and determining the appropriate rate at which to discount the lease payments.

t) Other Items

i. Capitalized Costs

Capitalized costs related to assets under development and redevelopment include all eligible expenditures incurred in connection with the acquisition, development and construction of the asset until it is available for its intended use. These expenditures consist of costs that are directly attributable to these assets.

Borrowing costs are capitalized when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that takes a substantial period of time to prepare for its intended use.

ii. Share-based Payments

The company issues share-based awards to certain employees and non-employee directors. The cost of equity-settled share-based transactions, comprised of share options, restricted shares and escrowed shares, is determined as the fair value of the award on the grant date using a fair value model. The cost of equity-settled share-based transactions is recognized as each tranche vests and is recorded in contributed surplus as a component of equity. The cost of cash-settled share-based transactions, comprised of Deferred Share Units ("DSUs"), is measured as the fair value at the grant date, and expensed on a proportionate basis consistent with the vesting features over the vesting period with the recognition of a corresponding liability. The liability is recorded as a provision within accounts payable and other on the Consolidated Balance Sheets and measured at each reporting date at fair value with changes in fair value recognized in net income.

The company's Restricted Share Unit ("RSU") program was terminated during the first quarter of 2024. Prior to termination, RSUs were measured as the fair value at the grant date, and expensed on a proportionate basis consistent with the vesting features over the vesting period. The liability was recorded as a provision within accounts payable and other on the Consolidated Balance Sheets and measured at each reporting date at fair value with changes in fair value recognized in net income.

iii. Provisions

A provision is a liability of uncertain timing that is recognized when the company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The company's significant provisions consist of pensions and other long-term and post-employment benefits, warranties on some products or services, obligations to retire or decommission tangible long-lived assets and the cost of legal claims arising in the normal course of operations.

a. Pensions and Other Post-Employment Benefits

The company offers pension and other post-employment benefit plans to employees of certain of its subsidiaries, with certain of these subsidiaries offering defined benefit plans. Defined benefit pension expenses, which include the current year's service cost, are included in direct costs. For each defined benefit plan, we recognize the present value of our defined benefit obligations less the fair value of the plan assets as a defined benefit liability reported within accounts payable and other on the Consolidated Balance Sheets. The company's obligations under its defined benefit pension plans are determined periodically through the preparation of actuarial valuations.

b. Other Long-Term Incentive Plans

The company provides long-term incentive plans to certain employees whereby the company allocates a portion of the amounts realized through subsidiary profit-sharing agreements to its employees. The cost of these plans is recognized over the requisite service period, provided it is probable that the vesting conditions will be achieved, based on the underlying subsidiary profit sharing arrangement. The liability is recorded within accounts payable and other and measured at each reporting date with the corresponding expense recognized in direct costs in the Consolidated Statements of Operations.

c. Warranties, Asset Retirement, Legal and Other

Certain consolidated entities offer warranties on the sale of products or services. A provision is recorded to provide for future warranty costs based on management's best estimate of probable warranty claims.

Certain consolidated entities have legal obligations to retire tangible long-lived assets. A provision is recorded at each reporting date to provide for the estimated fair value of the asset retirement obligation upon decommissioning of the asset period.

In the normal course of operations, the company may become involved in legal proceedings. Management analyzes information about these legal matters and provides provisions for probable contingent losses, including estimated legal expenses to resolve the matters. Internal and external legal counsel are used in order to estimate the probability of an unfavorable outcome and the amount of loss.

iv. Government Assistance

Government grants and other government assistance received by consolidated subsidiaries are recognized when there is reasonable assurance that the assistance will be received and the partnership will comply with all relevant conditions. The company recognizes government grants in the Consolidated Statements of Operations on a systematic basis over the periods in which the company recognizes expenses for which the grants were provided.

u) Critical Estimates and Judgments

The preparation of financial statements requires management to make estimates and judgments that affect the carried amounts of certain assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenues and expenses recorded during the period. Actual results could differ from those estimates.

In making estimates and judgments, management relies on external information and observable conditions, where possible, supplemented by internal analysis as required. These estimates and judgments have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that the company believes will materially affect the methodology or assumptions utilized in making estimates and judgments in these consolidated financial statements.

i. Critical Estimates

The significant estimates used in determining the recorded amount for assets and liabilities in the consolidated financial statements include the following:

a. Investment Properties

The critical assumptions and estimates used when determining the fair value of commercial properties are: discount rates and terminal capitalization rates for properties valued using a discounted cash flow model and capitalization rates for properties valued using a direct capitalization approach. Management also uses assumptions and estimates in determining expected future cash flows in discounted cash flow models and stabilized net operating income used in values determined using the direct capitalization approach. Properties under development are recorded at fair value using a discounted cash flow model which includes estimates in respect of the timing and cost to complete the development.

Further information on investment property estimates on fair value is provided in Note 11.

b. Revaluation Method for Property, Plant and Equipment

When determining the carrying value of PP&E using the revaluation method, the company uses the following critical assumptions and estimates: the timing of forecasted revenues; future sales prices and associated expenses; future sales volumes; future regulatory rates; maintenance and other capital expenditures; discount rates; terminal capitalization rates; terminal valuation dates; useful lives; and residual values. Determination of the fair value of PP&E under development includes estimates in respect of the timing and cost to complete the development.

Further information on estimates used in the revaluation method for PP&E is provided in Note 12.

c. Financial Instruments

Estimates and assumptions used in determining the fair value of financial instruments are: equity and commodity prices; future interest rates; the credit worthiness of the company relative to its counterparties; the credit risk of the company's counterparties; estimated future cash flows; the amount of the liability and equity components of compound financial instruments; discount rates and volatility utilized in option valuations.

Further information on estimates used in determining the carrying value of financial instruments is provided in Notes 6 and 25.

d. Inventory

The company estimates the net realizable value of its inventory using estimates and assumptions about future development costs, costs to hold and future selling costs.

e. Other

Other estimates and assumptions utilized in the preparation of the company's consolidated financial statements are: the assessment or determination of net recoverable amount; oil and gas reserves; depreciation and amortization rates and useful lives; estimation of recoverable amounts of cash-generating units for impairment assessments of goodwill and intangible assets; ability to utilize tax losses and other tax measurements; fair value of assets held as collateral and the percentage of completion for construction contracts.

ii. Critical Judgments

Management is required to make critical judgments when applying its accounting policies. The following judgments have the most significant effect on the consolidated financial statements:

a. Control or Level of Influence

When determining the appropriate basis of accounting for the company's investees, the company makes judgments about the degree of influence that it has the ability to exert directly or through an arrangement over the investees' relevant activities. This may include the ability to elect investee directors or appoint management. Control is obtained when the company has the power to direct the relevant investing, financing and operating decisions of an entity and does so in its capacity as principal of the operations, rather than as an agent for other investors. Operating as a principal includes having sufficient capital at risk in any investee and exposure to the variability of the returns generated as a result of the decisions of the company as principal. Judgment is used in determining the sufficiency of the capital at risk or variability of returns. In making these judgments, the company considers the ability of other investors to remove the company as a manager or general partner in a controlled partnership.

b. Investment Properties

When applying the company's accounting policy for investment properties, judgment is applied in determining whether certain costs are additions to the carrying amount of the property and, for properties under development, identifying the point at which practical completion of the property occurs and identifying the directly attributable borrowing costs to be included in the carrying value of the development property.

c. Property, Plant and Equipment

The company's accounting policy for its PP&E requires critical judgments over the assessment of carrying value, whether certain costs are additions to the carrying amount of the PP&E as opposed to repairs and maintenance, and for assets under development, the identification of when the asset is capable of being used as intended and identifying the directly attributable borrowing costs to be included in the asset's carrying value.

For assets that are measured using the revaluation method, judgment is required when estimating future prices, volumes, discount and capitalization rates. Judgment is applied when determining future electricity prices considering broker quotes for the years in which there is a liquid market available and, for the subsequent years, our best estimate of electricity prices from renewable sources that would allow new entrants into the market.

d. Identifying Performance Obligations for Revenue Recognition

Management is required to identify performance obligations relating to contracts with customers at the inception of each contract. IFRS 15 requires a contract's transaction price to be allocated to each distinct performance obligation and subsequently recognized into income when, or as, the performance obligation is satisfied. Judgment is used when assessing the pattern of delivery of the product or service to determine if revenue should be recognized at a point in time or over time. For certain service contracts recognized over time, judgment is required to determine if revenue from variable consideration such as incentives, claims and variations from contract modifications has met the required probability threshold to be recognized.

Management also uses judgment to determine whether contracts for the sale of products and services have distinct performance obligations that should be accounted for separately or as a single performance obligation. Goods and services are considered distinct if: (1) a customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer; and (2) the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

Additional details about revenue recognition policies across our operating segments are included in Note 2(o) of the consolidated financial statements.

e. Common Control Transactions

The purchase and sale of businesses or subsidiaries between entities under common control are not specifically addressed in IFRS Accounting Standards and accordingly, management uses judgment when determining a policy to account for such transactions taking into consideration other guidance in the IFRS framework and pronouncements of other standard-setting bodies. The company's policy is to record assets and liabilities recognized as a result of transfers of businesses or subsidiaries between entities under common control at carrying value. Differences between the carrying amount of the consideration given or received and the carrying amount of the assets and liabilities transferred are recorded directly in equity.

f. Indicators of Impairment

Judgment is applied when determining whether indicators of impairment exist when assessing the carrying values of the company's assets, including: the determination of the company's ability to hold financial assets; the estimation of a cash-generating unit's future revenues and direct costs; the determination of discount and capitalization rates; and when an asset's carrying value is above the value derived using publicly traded prices which are quoted in a liquid market.

g. Income Taxes

The company makes judgments when determining the future tax rates applicable to subsidiaries and identifying the temporary differences that relate to each subsidiary. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply during the period when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the consolidated balance sheet dates. The company measures deferred income taxes associated with its investment properties based on its specific intention with respect to each asset at the end of the reporting period. Where the company has a specific intention to sell a property in the foreseeable future, deferred taxes on the building portion of an investment property are measured based on the tax consequences that would follow the disposition of the property. Otherwise, deferred taxes are measured on the basis the carrying value of the investment property will be recovered substantially through use.

h. Classification of Non-Controlling Interests in Limited-Life Funds

Non-controlling interests in limited-life funds are classified as liabilities (subsidiary equity obligations) or equity (non-controlling interests) depending on whether an obligation exists to distribute residual net assets to non-controlling interests on liquidation in the form of cash or another financial asset or assets delivered in kind. Judgment is required to determine what the governing documents of each entity require or permit.

i. Other

Other critical judgments include the determination of effectiveness of financial hedges for accounting purposes; the likelihood and timing of anticipated transactions for hedge accounting; and the determination of functional currency.

3. SEGMENTED INFORMATION

a) Operating Segments

Our operations are organized into six business groups in addition to our corporate activities, which collectively represent seven operating segments for internal and external reporting purposes. Our operating segments are as follows:

The Corporation:

- i. *Corporate Activities* include the investment of cash and financial assets, as well as the management of our corporate leverage, including corporate borrowings and preferred equity, which fund a portion of the capital invested in our other operations. Certain corporate costs such as technology and operations are incurred on behalf of our operating segments and allocated to each operating segment based on an internal pricing framework.

Asset Management:

- i. The *Asset Management* business includes managing long-term private funds, perpetual strategies and liquid strategies on behalf of our investors and ourselves. We generate contractual base management fees for these activities as well as incentive distributions and performance income, including performance fees, transaction fees and carried interest. We also include the discretionary capital that we invest directly into and alongside private funds managed by BAM and other investments within the results of our Asset Management business. These investments include flagship real estate private funds that are managed by BAM with long-term track records of earning strong returns, as well as capital invested in other real estate, private equity, opportunistic and other credit funds managed by BAM, and other investments.

Wealth Solutions:

- i. The *Wealth Solutions* business includes our equity accounted interest in Brookfield Wealth Solutions Ltd. (“BWS”, previously known as “Brookfield Reinsurance”), a wealth solutions provider focused on securing the financial futures of individuals and institutions through a range of retirement services, wealth protection products and tailored capital solutions.

Operating Businesses:

- i. The *Renewable Power and Transition* business includes the ownership, operation and development of hydroelectric, wind, utility-scale solar power generating assets, distributed energy, and sustainable solutions.
- ii. The *Infrastructure* business includes the ownership, operation and development of utilities, transport, midstream, and data assets.
- iii. The *Private Equity* business includes a broad range of industries, and is mostly focused on ownership and operations in the business services and industrials sectors.
- iv. The *Real Estate* business includes the ownership, operation and development of core and transitional and development investments (including residential development properties).

b) Segment Financial Measures

For our Asset Management and Wealth Solutions segments, we primarily measure operating performance using distributable earnings (“DE”). Net operating income (“NOI”) is the key performance metric for our Real Estate segment, and Funds from Operations (“FFO”) is used for our other operating segments. We also provide the amount of capital invested by the Corporation in each segment using common equity.

These metrics are used by our Chief Operating Decision Maker in assessing operating results and the performance of our businesses on a segmented basis.

Our segment financial measures are defined as follows:

i. *Distributable Earnings*

DE from our Asset Management segment is defined as the earnings received by the Corporation that are available for distribution to common shareholders or to be reinvested in the business. It is calculated as the sum of distributable earnings from our Asset Management business and realized carried interest, net of equity-based compensation costs. DE from our Asset Management segment includes fees, net of the associated costs, that we earn from managing capital in our perpetual affiliates, private funds and liquid strategies accounts. We are also eligible to earn incentive payments in the form of incentive distributions, performance fees or carried interest. Our Asset Management segment distributes substantially all of its distributable earnings as a dividend to its shareholders; therefore, DE represents our profitability from our Asset Management segment. We do not use DE as a measure of cash generated from our operations.

Distributable earnings from our Wealth Solutions business is equivalent to its distributable operating earnings (“DOE”), which is calculated as our share of equity accounted net income from our Wealth Solutions business, excluding the impact of depreciation and amortization, deferred income taxes, net income from our equity accounted investments, mark-to-market on investments and derivatives, breakage and transaction costs, and is inclusive of our proportionate share of DOE from investments in associates.

ii. Net Operating Income

NOI from our Real Estate segment is defined as: i) property-specific revenues from our commercial properties operations less direct commercial property expenses before the impact of depreciation and amortization; and ii) revenues from our hospitality operations less direct hospitality expenses before the impact of depreciation and amortization. NOI represents an income-generating property’s profitability before adding costs from financing or taxes, and is a strong indication of our Real Estate business’ ability to impact the operating performance of its properties through proactive management and leasing. Depreciation and capital expenditures are excluded from NOI as we believe that the value of most of our properties typically increases over time, provided we make the necessary maintenance expenditures, the timing and magnitude of which may differ from the amount of depreciation recorded in any given period. We do not use NOI as a measure of cash generated from our operations.

iii. Funds from Operations

We define FFO from our Corporate Activities segment and our Operating Businesses, excluding the Real Estate business which uses NOI as its key performance metric, as net income excluding fair value changes, depreciation and amortization and deferred income taxes, net of non-controlling interests. When determining FFO, we include our proportionate share of the FFO from equity accounted investments on a fully diluted basis. FFO also includes realized disposition gains and losses, which are gains or losses arising from transactions during the reporting period, adjusted to include associated fair value changes and revaluation surplus recorded in prior periods, taxes payable or receivable in connection with those transactions and amounts that are recorded directly in equity, such as ownership changes.

FFO represents the company’s share of revenues less costs incurred within our operations, which include interest expenses and other costs. Specifically, it includes the impact of contracts that we enter into to generate revenues, including power sales agreements, contracts that our operating businesses enter into such as leases and take or pay contracts and sales of inventory. FFO includes the impact of changes in leverage or the cost of that financial leverage and other costs incurred to operate our business.

We use realized disposition gains and losses within FFO in order to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in current period FFO, and believe it is useful to investors to better understand variances between reporting periods. We exclude depreciation and amortization from FFO as we believe that the value of most of our assets typically increases over time, provided we make the necessary maintenance expenditures, the timing and magnitude of which may differ from the amount of depreciation recorded in any given period. In addition, the depreciated cost base of our assets is reflected in the ultimate realized disposition gain or loss on disposal. As noted above, unrealized fair value changes are excluded from FFO until the period in which the asset is sold. We also exclude deferred income taxes from FFO because the vast majority of the company’s deferred income tax assets and liabilities are a result of the revaluation of our assets under IFRS Accounting Standards.

Our definition of FFO differs from the definition used by other organizations, as well as the definition of FFO used by the Real Property Association of Canada (“REALPAC”) and the National Association of Real Estate Investment Trusts, Inc. (“NAREIT”), in part because the NAREIT definition is based on U.S. Generally Accepted Accounting Principles (“U.S. GAAP”), as opposed to IFRS Accounting Standards. The key differences between our definition of FFO and the determination of FFO by REALPAC and/or NAREIT are that we include the following: realized disposition gains or losses and cash taxes payable or receivable on those gains or losses, if any; foreign exchange gains or losses on monetary items not forming part of our net investment in foreign operations; and foreign exchange gains or losses on the sale of an investment in a foreign operation. We do not use FFO as a measure of cash generated from our operations.

We illustrate how we reconcile the financial measure for each operating segment to net income in Note 3(c)(ii) and (iii) of the consolidated financial statements.

Segment Balance Sheet Information

We use common equity by segment as our measure of segment assets because it is utilized by our Chief Operating Decision Maker for capital allocation decisions.

Segment Allocation and Measurement

Segment measures include amounts earned from consolidated entities that are eliminated on consolidation. The principal adjustment is to include asset management revenues charged to consolidated entities as revenues within the company's Asset Management segment with the corresponding expenses recorded as corporate costs within the relevant segment. These amounts are based on the in-place terms of the asset management contracts between the consolidated entities. Inter-segment revenues are determined under terms that approximate market value.

The company allocates the costs of shared functions that would otherwise be included within its Corporate Activities segment, such as information technology and internal audit, pursuant to formal policies.

c) Reportable Segment Measures

AS AT AND FOR THE YEAR ENDED DEC. 31, 2024 (MILLIONS)	Asset Management	Wealth Solutions ^{2,3}	Renewable Power and Transition	Infrastructure	Private Equity ³	Real Estate	Corporate Activities	Total Segments	Note
External revenues	\$ 10,043	n/a	\$ 6,485	\$ 21,525	\$ 41,321	\$ 6,156	\$ 476	\$ 86,006	
Inter-segment and other revenues ¹	4,577	n/a	4	5	80	62	(176)	4,552	i
Segmented revenues	14,620	n/a	6,489	21,530	41,401	6,218	300	90,558	
DE	3,094	1,350	n/a	n/a	n/a	n/a	n/a	n/a	ii
FFO ¹	n/a	n/a	470	567	951	n/a	271	n/a	ii
NOI	n/a	n/a	n/a	n/a	n/a	3,397	n/a	n/a	ii
Common Equity	17,338	10,872	4,485	2,202	1,879	23,085	(17,987)	41,874	

1. We equity account for our investment in Oaktree and include our share of the FFO at 73%. For segment reporting, Oaktree's revenue is shown on a 100% basis. For the year ended December 31, 2024, \$1.9 billion of Oaktree's revenue was included in our Asset Management segment revenue.
2. We equity account for our investment in BWS, and as such do not generate consolidated external or inter-segment revenues.
3. In the fourth quarter of 2024, our Wealth Solutions business acquired a \$1 billion economic interest in BBU from the Corporation in exchange for newly-issued BWS Class C shares. On a combined basis with our Wealth Solutions business, we hold a 66% ownership interest in BBU, 41% being directly held by the Corporation.

AS AT AND FOR THE YEAR ENDED DEC. 31, 2023 (MILLIONS)	Asset Management	Wealth Solutions ²	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Corporate Activities	Total Segments	Note
External revenues	\$ 10,219	n/a	\$ 5,310	\$ 18,234	\$ 55,683	\$ 6,169	\$ 309	\$ 95,924	
Inter-segment and other revenues ¹	4,820	n/a	—	6	56	35	32	4,949	i
Segmented revenues	15,039	n/a	5,310	18,240	55,739	6,204	341	100,873	
DE	3,135	740	n/a	n/a	n/a	n/a	n/a	n/a	ii
FFO ¹	n/a	n/a	418	653	1,876	n/a	(463)	n/a	ii
NOI ³	n/a	n/a	n/a	n/a	n/a	3,490	n/a	n/a	ii
Common Equity	19,484	6,144	4,887	2,537	3,291	22,413	(17,082)	41,674	

1. We equity account for our investment in Oaktree and include our share of the FFO at 68%. For segment reporting, Oaktree's revenue is shown on a 100% basis. For year ended December 31, 2023, \$1.7 billion of Oaktree's revenue was included in our Asset Management segment revenue.
2. We equity account for our investment in BWS, and as such do not generate consolidated external or inter-segment revenues.
3. For comparability, we have excluded property management and development fees of \$126 million for the year ended December 31, 2023 as they are no longer recognized in NOI.

i. Inter-Segment Revenues

For the year ended December 31, 2024, the adjustment to external revenues when determining segmented revenues primarily consists of asset management revenues earned from consolidated entities and asset management revenues earned by Oaktree totaling \$4.6 billion (2023 – \$4.8 billion) and revenues earned on construction projects between consolidated entities totaling \$109 million (2023 – \$89 million), which were eliminated on consolidation to arrive at the company's consolidated revenues.

ii. Reconciliation of Net Income to Segment Measures of Profit or Loss

The following table reconciles net income to the total of the segments' measures of profit or loss.

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	Note	2024	2023
Net income		\$ 1,853	\$ 5,105
Add/(Deduct):			
Equity accounted fair value changes and other non-FFO items		2,679	2,902
Fair value changes		2,520	1,396
Depreciation and amortization		9,737	9,075
Deferred income taxes		(341)	(897)
Realized disposition gains in fair value changes or equity	iii	1,223	634
Non-controlling interests on above items		(11,567)	(12,550)
Real Estate segment disposition gains		98	(256)
Real Estate segment adjustments and other, net ¹		3,898	4,440
Total segments' measures of profit or loss ²		\$ 10,100	\$ 9,849

1. Primarily comprised of Real Estate segment interest expense and corporate costs, net of investment income and other, net of non-controlling interests, as well as development costs on early stage projects in our Renewable Power and Transition segment.

2. Comprised of DE from our Asset Management and Wealth Solutions segments, FFO from our Renewable Power and Transition, Infrastructure, Private Equity, and Corporate Activities segments, and NOI from our Real Estate segment.

iii. Realized Disposition Gains

Realized disposition gains include gains and losses recorded in net income arising from transactions during the current period, adjusted to include fair value changes and revaluation surplus recorded in prior periods in connection with the assets sold. Realized disposition gains also include amounts that are recorded directly in equity as changes in ownership, as opposed to net income, because they result from a change in ownership of an entity which was consolidated before and after the respective transaction.

d) Geographic Allocation

The company's revenues by location are as follows:

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024	2023
U.S.	\$ 26,134	\$ 28,257
U.K.	15,676	23,432
Canada	8,865	10,036
Australia	6,683	6,079
Brazil	5,233	5,778
India	3,926	2,983
Colombia	2,752	2,373
Germany	2,311	2,192
Other Europe	8,809	9,501
Other Asia	3,112	2,992
Other	2,505	2,301
	\$ 86,006	\$ 95,924

The company's consolidated assets by location are as follows:

AS AT DEC. 31 (MILLIONS)	2024	2023
U.S.	\$ 210,633	\$ 211,947
Canada	48,663	50,899
U.K.	34,657	36,289
Australia	29,281	27,599
India	27,458	23,093
Brazil	23,113	29,306
Colombia	15,643	13,344
Germany	10,967	15,636
Other Europe	47,018	45,583
Other Asia	20,339	21,149
Other	22,652	15,250
	<u>\$ 490,424</u>	<u>\$ 490,095</u>

4. SUBSIDIARIES

The following table presents the details of the company's subsidiaries with significant non-controlling interests:

AS AT DEC. 31	Jurisdiction of Formation	Ownership Interest Held by Non-Controlling Interests ^{1,2}	
		2024	2023
Brookfield Asset Management ULC ("BAM")	British Columbia	26.8%	25.0%
Brookfield Renewable Partners L.P. ("BEP") ³	Bermuda	54.4%	54.6%
Brookfield Infrastructure Partners L.P. ("BIP") ⁴	Bermuda	73.9%	73.9%
Brookfield Business Partners L.P. ("BBU") ⁵	Bermuda	59.0%	34.5%

1. Control and associated voting rights of the limited partnerships (BEP, BIP and BBU) reside with their respective general partners which are subsidiaries of the company. The company's general partner interest is entitled to earn base management fees and incentive payments in the form of incentive distribution rights or performance fees.
2. The company's ownership interest in BEP, BIP and BBU includes a combination of redemption-exchange units ("REUs"), Class A limited partnership units, special limited partnership units, general partnership units and units or shares that are exchangeable for units in our listed partnerships, in each subsidiary, where applicable. Each of BEP, BIP and BBU's partnership capital includes its Class A limited partnership units whereas REUs and general partnership units are considered non-controlling interests for the respective partnerships. REUs share the same economic attributes in all respects except for the redemption right attached thereto. The REUs and general partnership units participate in earnings and distributions on a per unit basis equivalent to the per unit participation of the Class A limited partnership units of the subsidiary.
3. Ownership interest held by non-controlling interests represents the combined units not held in BEP and Brookfield Renewable Corporation ("BEPC").
4. Ownership interest held by non-controlling interests represents the combined units not held in BIP and Brookfield Infrastructure Corporation ("BIPC").
5. Ownership interest held by non-controlling interests represents the combined units not held in BBU and Brookfield Business Corporation ("BBUC"). In the fourth quarter of 2024, our Wealth Solutions business acquired a \$1 billion economic interest in BBU from the Corporation. On a combined basis with our Wealth Solutions business, we hold a 66% ownership interest in BBU, 41% being directly held by the Corporation.

The table below presents the exchanges on which the company's subsidiaries with significant non-controlling interests were publicly listed as of December 31, 2024:

	NYSE	TSX
BEP	BEP	BEP.UN
BIP	BIP	BIP.UN
BBU	BBU	BBU.UN

The following table outlines the composition of non-controlling interests presented within the company's consolidated balance sheet:

AS AT DEC. 31 (MILLIONS)	2024	2023
BAM	\$ 2,269	\$ 2,247
BEP	32,635	25,677
BIP	27,651	31,479
BBU	15,429	15,241
BPG ¹	25,725	35,314
Individually immaterial subsidiaries with non-controlling interests	15,697	12,507
	<u>\$ 119,406</u>	<u>\$ 122,465</u>

1. This balance represents non-controlling interests within the consolidated funds of Brookfield Properties Group ("BPG").

All publicly listed subsidiaries are subject to independent governance. Accordingly, the company has no direct access to the assets of these subsidiaries. Summarized financial information with respect to the company's subsidiaries with significant non-controlling interests is set out below. The summarized financial information represents amounts before intra-group eliminations:

AS AT AND FOR THE YEARS ENDED DEC. 31 (MILLIONS)	BAM		BEP		BIP		BBU		BPG	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Current assets	\$ 2,520	\$ 5,455	\$ 8,835	\$ 4,610	\$ 9,607	\$ 7,979	\$ 15,339	\$ 14,885	\$ 14,675	\$ 14,950
Non-current assets	9,402	6,973	85,974	71,518	94,983	92,805	60,135	67,500	139,569	168,744
Current liabilities	(1,935)	(2,302)	(14,565)	(8,038)	(10,903)	(11,705)	(12,166)	(14,355)	(30,034)	(49,286)
Non-current liabilities	(1,576)	(1,096)	(43,788)	(38,111)	(63,834)	(55,063)	(46,000)	(49,498)	(67,992)	(68,538)
Non-controlling interests	(2,269)	(2,247)	(32,635)	(25,677)	(27,651)	(31,479)	(15,429)	(15,241)	(25,725)	(35,314)
Equity attributable to Brookfield	\$ 6,142	\$ 6,783	\$ 3,821	\$ 4,302	\$ 2,202	\$ 2,537	\$ 1,879	\$ 3,291	\$ 30,493	\$ 30,556
Revenues	\$ 3,798	\$ 3,569	\$ 5,876	\$ 5,038	\$ 21,039	\$ 17,931	\$ 40,620	\$ 55,068	\$ 14,600	\$ 15,034
Net income (loss) attributable to:										
Non-controlling interests	\$ 486	\$ 433	\$ 261	\$ 684	\$ 1,676	\$ 1,391	\$ 808	\$ 2,865	\$ (860)	\$ (551)
Shareholders	1,343	1,269	(270)	(68)	7	57	87	912	(1,053)	(1,033)
	\$ 1,829	\$ 1,702	\$ (9)	\$ 616	\$ 1,683	\$ 1,448	\$ 895	\$ 3,777	\$ (1,913)	\$ (1,584)
Other comprehensive income (loss) attributable to:										
Non-controlling interests	\$ (2)	\$ 4	\$ 2,967	\$ 1,400	\$ 216	\$ 778	\$ (779)	\$ 258	\$ (166)	\$ 459
Shareholders	(4)	11	390	20	45	101	(153)	30	(439)	420
	\$ (6)	\$ 15	\$ 3,357	\$ 1,420	\$ 261	\$ 879	\$ (932)	\$ 288	\$ (605)	\$ 879

The summarized cash flows of the company's subsidiaries with significant non-controlling interests are as follows:

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	BAM		BEP		BIP		BBU		BPG	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Cash flows from (used in):										
Operating activities	\$ 1,863	\$ 1,439	\$ 1,274	\$ 1,865	\$ 4,653	\$ 4,078	\$ 3,280	\$ 2,130	\$ 826	\$ (786)
Financing activities	(1,995)	(475)	7,649	2,596	2,612	9,419	(504)	(4,371)	5,456	4,135
Investing activities	(2,119)	(1,842)	(6,800)	(4,356)	(6,901)	(12,990)	(2,327)	2,537	(6,260)	(6,556)
Distributions paid to non-controlling interests in common equity	\$ 653	\$ 526	\$ 447	\$ 503	\$ 949	\$ 868	\$ 22	\$ 19	\$ —	\$ —

5. ACQUISITIONS OF CONSOLIDATED ENTITIES

a) Completed During 2024

The following table summarizes the balance sheet impact as a result of business combinations that occurred in the year ended December 31, 2024. The valuations of the assets acquired are still under evaluation and as such the business combinations have been accounted for on a provisional basis:

AS AT DEC. 31, 2024 (MILLIONS)	Renewable Power and Transition	Infrastructure	Private Equity and Other	Total
Cash and cash equivalents	\$ 553	\$ 393	\$ 4	\$ 950
Accounts receivable and other	443	283	50	776
Other financial assets	345	294	10	649
Assets classified as held for sale	861	270	—	1,131
Property, plant and equipment	7,439	4,141	77	11,657
Intangible assets	—	1,580	52	1,632
Goodwill	3,556	294	49	3,899
Deferred income tax assets	60	—	—	60
Total assets	13,257	7,255	242	20,754
Less:				
Accounts payable and other	(1,137)	(2,677)	(41)	(3,855)
Liabilities associated with assets classified as held for sale ..	(340)	(70)	—	(410)
Non-recourse borrowings	(4,736)	(478)	(14)	(5,228)
Deferred income tax liabilities	(437)	(454)	(10)	(901)
Non-controlling interests ¹	(3,015)	—	(4)	(3,019)
	(9,665)	(3,679)	(69)	(13,413)
Net assets acquired²	\$ 3,592	\$ 3,576	\$ 173	\$ 7,341

1. Includes non-controlling interests recognized on business combinations measured as the proportionate share of fair value of the identifiable assets and liabilities on the date of acquisition.

2. Net assets acquired is typically equal to total consideration. Total consideration includes amounts paid by non-controlling interests that participated in the acquisition as investors in Brookfield-sponsored private funds or as co-investors.

Brookfield recorded \$337 million of revenue and \$22 million of net income in 2024 from the acquired operations as a result of the acquisitions made during the year. If the acquisitions had occurred at the beginning of the year, they would have contributed \$1.8 billion and \$130 million to total revenues and net income, respectively.

The following table summarizes the balance sheet impact as a result of material business combinations that occurred in 2024. The valuations of the assets acquired are still under evaluation and as such the business combinations have been accounted for on a provisional basis.

AS AT DEC. 31, 2024 (MILLIONS)	Renewable Power and Transition	Infrastructure	
	Neoen	ATC India	Cyxtera
Cash and cash equivalents	\$ 544	\$ 368	\$ 14
Accounts receivable and other	417	136	140
Other financial assets	345	279	—
Assets classified as held for sale	861	—	270
Property, plant and equipment	7,185	1,785	2,356
Intangible assets	—	582	379
Goodwill	3,531	294	—
Deferred income tax assets	60	—	—
Total assets	12,943	3,444	3,159
Less:			
Accounts payable and other	(1,123)	(1,122)	(1,503)
Liabilities associated with assets classified as held for sale	(340)	—	(70)
Non-recourse borrowings	(4,611)	(119)	—
Deferred income tax liabilities	(423)	(162)	(229)
Non-controlling interests ¹	(3,005)	—	—
	(9,502)	(1,403)	(1,802)
Net assets acquired²	\$ 3,441	\$ 2,041	\$ 1,357

1. Includes non-controlling interests recognized on business combinations measured as the proportionate share of fair value of the identifiable assets and liabilities on the date of acquisition.

2. Net assets acquired is typically equal to total consideration. Total consideration includes amounts paid by non-controlling interests that participated in the acquisition as investors in Brookfield-sponsored private funds or as co-investors.

Renewable Power and Transition

In December 2024, a subsidiary of the company, alongside institutional partners, acquired a 53% interest in Neoen S.A. (“Neoen”), a leading listed global renewables developer headquartered in France. The total consideration paid for the business was \$3.4 billion. Goodwill of \$3.5 billion was recognized, which is not deductible for income tax purposes. Total revenues and net income that would have been recorded if the transaction had occurred at the beginning of the year are \$579 million and \$15 million, respectively.

Infrastructure

On January 12, 2024, a subsidiary of the company, alongside institutional partners, completed the acquisition of Cyxtera Technologies Inc. (“Cyxtera”), a data center portfolio in the U.S., through its U.S. retail colocation data center operation subsidiary. The subsidiary has an effective 29% interest in Cyxtera. The total consideration paid for the business was \$803 million, and a bargain purchase gain of \$554 million was recorded in fair value changes. No goodwill was recognized.

On September 12, 2024, a subsidiary of the company, alongside institutional partners, completed the acquisition of ATC Telecom Infrastructure Private Limited (“ATC India”), an Indian telecom tower operation. The subsidiary has an effective 16% interest in ATC India. The total consideration paid for the business was \$2.0 billion. Goodwill of \$294 million was recognized, which is not deductible for income tax purposes.

Had the acquisitions of ATC India and Cyxtera been effective January 1, 2024, the Corporation’s revenue and net income would have increased by approximately \$827 million and \$96 million, respectively, for the year ended.

b) Completed During 2023

The following table summarizes the balance sheet impact as a result of business combinations that occurred in 2023. No material changes were made to those allocations disclosed in the 2023 consolidated financial statements.

AS AT DEC. 31, 2023 (MILLIONS)	Infrastructure	Renewable Power and Transition	Private Equity and Other	Total
Cash and cash equivalents	\$ 921	\$ 228	\$ 22	\$ 1,171
Accounts receivable and other	1,475	585	10	2,070
Other financial assets	1,519	47	1	1,567
Assets classified as held for sale	—	293	—	293
Investment properties	3,244	—	—	3,244
Property, plant and equipment	8,964	7,200	240	16,404
Intangible assets	4,020	8	83	4,111
Goodwill	5,334	1,674	203	7,211
Deferred income tax assets	—	97	—	97
Total assets	25,477	10,132	559	36,168
Less:				
Accounts payable and other	(1,500)	(1,944)	(46)	(3,490)
Liabilities associated with assets classified as held for sale	—	(138)	—	(138)
Non-recourse borrowings	(9,084)	(2,868)	—	(11,952)
Deferred income tax liabilities	(1,558)	(333)	(47)	(1,938)
Non-controlling interests ¹	—	(414)	(1)	(415)
Preferred equity	(641)	—	—	(641)
	(12,783)	(5,697)	(94)	(18,574)
Net assets acquired ²	\$ 12,694	\$ 4,435	\$ 465	\$ 17,594

1. Includes non-controlling interests recognized on business combinations measured as the proportionate share of fair value of the identifiable assets and liabilities on the date of acquisition.

2. Net assets acquired is typically equal to total consideration. Total consideration includes amounts paid by non-controlling interests that participated in the acquisition as investors in Brookfield-sponsored private funds or as co-investors.

Brookfield recorded \$3.1 billion of revenue and \$464 million of net income in 2023 from the acquired operations as a result of the acquisitions made during the year. If the acquisitions had occurred at the beginning of the year, they would have contributed \$5.1 billion and \$644 million to total revenues and net income, respectively.

The following table summarizes the balance sheet impact as a result of material business combinations that occurred in 2023. No material changes were made to those allocations disclosed in the 2023 consolidated financial statements.

(MILLIONS)	Infrastructure			Renewable Power and Transition		
	HomeServe	Triton	Data4	X-Elio	Deriva	Banks
Cash and cash equivalents	\$ 205	\$ 491	\$ 189	\$ 42	\$ 88	\$ 60
Accounts receivable and other	806	376	284	53	328	27
Other financial assets	21	1,495	3	1	38	8
Assets classified as held for sale	—	—	—	293	—	—
Investment properties	—	—	3,244	—	—	—
Property, plant and equipment	118	8,811	35	1,160	4,024	995
Intangible assets	2,827	710	6	—	—	—
Goodwill	3,337	1,163	808	1,333	—	159
Deferred income tax assets	—	—	—	75	—	—
Total assets	7,314	13,046	4,569	2,957	4,478	1,249
Less:						
Accounts payable and other	(792)	(406)	(260)	(126)	(1,561)	(142)
Liabilities associated with assets classified as held for sale	—	—	—	(138)	—	—
Non-recourse borrowings	(1,006)	(7,041)	(845)	(795)	(1,092)	(297)
Deferred income tax liabilities	(613)	(446)	(416)	(105)	(29)	(151)
Non-controlling interests ¹	—	—	—	—	(343)	(34)
Preferred equity	—	(641)	—	—	—	—
	(2,411)	(8,534)	(1,521)	(1,164)	(3,025)	(624)
Net assets acquired ²	\$ 4,903	\$ 4,512	\$ 3,048	\$ 1,793	\$ 1,453	\$ 625

1. Includes non-controlling interests recognized on business combinations measured as the proportionate share of fair value of the identifiable assets and liabilities on the date of acquisition.

2. Net assets acquired is typically equal to total consideration. Total consideration includes amounts paid by non-controlling interests that participated in the acquisition as investors in Brookfield-sponsored private funds or as co-investors.

Infrastructure

On January 4, 2023, a subsidiary of the company, alongside institutional partners, completed the acquisition of HomeServe PLC (“HomeServe”), a residential infrastructure business operating in North America and Europe. The subsidiary has an effective 26% and 25% interest in HomeServe’s North American and European businesses, respectively. The total consideration paid for the business was \$4.9 billion. Goodwill of \$3.3 billion was recognized, which is not deductible for tax purposes. Total revenues and net loss that would have been recorded in 2023 if the transaction had occurred at the beginning of the year are \$2.3 billion and \$36 million, respectively.

On August 1, 2023, a subsidiary of the company, alongside institutional partners, completed the acquisition of Data4 Group (“Data4”), a high-quality European hyperscale data center platform. The subsidiary has an effective 19% interest in Data4. The total consideration paid for the business was \$3.0 billion. Goodwill of \$808 million was recognized, which is not deductible for income tax purposes. Total revenues and net loss that would have been recorded in 2023 if the transaction had occurred at the beginning of the year are \$364 million and \$47 million, respectively.

On September 28, 2023, a subsidiary of the company, alongside institutional partners completed the acquisition of Triton International Limited (“Triton”), the world’s largest owner and lessor of intermodal shipping containers. The subsidiary has an effective 28% interest in Triton. The total consideration for the business was \$4.5 billion. Goodwill of \$1.2 billion was recognized, which is not deductible for tax purposes. Total revenues and net income that would have been recorded in 2023 if the transaction had occurred at the beginning of the year are \$1.6 billion and \$407 million, respectively.

Renewable Power and Transition

On October 10, 2023, a subsidiary of the company, alongside institutional partners, completed the acquisition of a 100% interest in X-Elio Energy S.L. (“X-Elio”), a global solar development platform headquartered in Spain. The transaction was acquired in stages and was accounted for as a business combination as of the date on which control was attained. The total consideration paid for the business was \$1.8 billion, comprising of \$893 million of debt and an existing 50% interest valued at \$900 million. Goodwill of \$1.3 billion was recognized, which is not deductible for income tax purposes. Total revenues and net loss that would have been recorded in 2023 if the transaction had occurred at the beginning of the year are \$58 million and \$77 million, respectively.

On October 25, 2023, a subsidiary of the company, alongside institutional partners, acquired a 100% interest in Deriva Energy (“Deriva”), a U.S. renewable portfolio. The total consideration paid for the business was \$1.1 billion. Total revenues and net income that would have been recorded in 2023 if the transaction had occurred at the beginning of the year are \$401 million and \$263 million, respectively.

On December 14, 2023, a subsidiary of the company, alongside institutional partners, acquired a 100% interest in Banks Renewables (“Banks”), a U.K. renewable developer. The total consideration paid for the business was \$625 million. Goodwill of \$159 million was recognized, which is not deductible for income tax purposes. Total revenues and net income that would have been recorded in 2023 if the transaction had occurred at the beginning of the year are \$100 million and \$35 million, respectively.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

a) Financial Instruments Classification

The following tables list the company’s financial instruments by their respective classification as at December 31, 2024 and 2023:

AS AT DEC. 31, 2024 (MILLIONS)	Fair Value Through Profit or Loss	Fair Value Through OCI	Amortized Cost	Total
Financial assets¹				
Cash and cash equivalents	\$ —	\$ —	\$ 15,051	\$ 15,051
Other financial assets				
Government bonds	—	1,383	—	1,383
Corporate bonds	788	1,506	436	2,730
Fixed income securities and other	5,287	2,092	509	7,888
Common shares and warrants	3,913	1,831	—	5,744
Loans and notes receivable	41	—	8,101	8,142
	10,029	6,812	9,046	25,887
Accounts receivable and other ²	4,740	—	16,020	20,760
	<u>\$ 14,769</u>	<u>\$ 6,812</u>	<u>\$ 40,117</u>	<u>\$ 61,698</u>
Financial liabilities				
Corporate borrowings	\$ —	\$ —	\$ 14,232	\$ 14,232
Non-recourse borrowings of managed entities				
Property-specific borrowings	—	—	204,558	204,558
Subsidiary borrowings	—	—	16,002	16,002
	—	—	220,560	220,560
Accounts payable and other ²	5,560	—	40,140	45,700
Subsidiary equity obligations	129	—	4,630	4,759
	<u>\$ 5,689</u>	<u>\$ —</u>	<u>\$ 279,562</u>	<u>\$ 285,251</u>

1. Financial assets include \$8.5 billion of assets pledged as collateral.

2. Includes derivative instruments which are elected for hedge accounting, totaling \$3.2 billion included in accounts receivable and other and \$2.4 billion included in accounts payable and other, for which changes in fair value are recorded in other comprehensive income.

AS AT DEC. 31, 2023
(MILLIONS)

	Fair Value Through Profit or Loss	Fair Value Through OCI	Amortized Cost	Total
Financial assets¹				
Cash and cash equivalents	\$ —	\$ —	\$ 11,222	\$ 11,222
Other financial assets				
Government bonds	—	1,600	—	1,600
Corporate bonds	866	1,573	2	2,441
Fixed income securities and other	4,451	1,865	2,882	9,198
Common shares and warrants	3,354	1,827	—	5,181
Loans and notes receivable	63	—	9,841	9,904
	8,734	6,865	12,725	28,324
Accounts receivable and other ²	2,615	—	16,849	19,464
	<u>\$ 11,349</u>	<u>\$ 6,865</u>	<u>\$ 40,796</u>	<u>\$ 59,010</u>
Financial liabilities				
Corporate borrowings	\$ —	\$ —	\$ 12,160	\$ 12,160
Non-recourse borrowings of managed entities				
Property-specific borrowings	—	—	205,336	205,336
Subsidiary borrowings	—	—	16,214	16,214
	—	—	221,550	221,550
Accounts payable and other ²	8,387	—	41,622	50,009
Subsidiary equity obligations	263	—	3,882	4,145
	<u>\$ 8,650</u>	<u>\$ —</u>	<u>\$ 279,214</u>	<u>\$ 287,864</u>

1. Financial assets include \$9.4 billion of assets pledged as collateral.

2. Includes derivative instruments which are elected for hedge accounting, totaling \$2.1 billion included in accounts receivable and other and \$3.3 billion included in accounts payable and other, for which changes in fair value are recorded in other comprehensive income.

Gains or losses arising from changes in fair value through profit or loss (“FVTPL”) financial assets are presented in the Consolidated Statements of Operations in the period in which they arise. Dividends from FVTPL and fair value through other comprehensive income (“FVTOCI”) financial assets are recognized in the Consolidated Statements of Operations when the company’s right to receive payment is established. Interest on FVTOCI financial assets is calculated using the effective interest method and reported in the Consolidated Statements of Operations.

FVTOCI debt and equity securities are recorded on the balance sheet at fair value with changes in FVTOCI. As at December 31, 2024, the unrealized gains and losses relating to the fair value of FVTOCI securities amounted to \$418 million (2023 – \$500 million) and \$66 million (2023 – \$278 million), respectively.

During the year ended December 31, 2024, net deferred income of \$20 million (2023 – \$27 million) previously recognized in accumulated other comprehensive income was reclassified to net income as a result of the disposition or impairment of certain of our FVTOCI financial assets that are not equity instruments.

Included in cash and cash equivalents is cash of \$10.5 billion (2023 – \$8.8 billion) and short-term deposits of \$4.6 billion (2023 – \$2.4 billion) as at December 31, 2024.

b) Carrying and Fair Value

The following table lists the company's financial instruments by their carrying value and fair value as at December 31, 2024 and 2023:

AS AT DEC. 31 (MILLIONS)	2024		2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	\$ 15,051	\$ 15,051	\$ 11,222	\$ 11,222
Other financial assets				
Government bonds	1,383	1,383	1,600	1,600
Corporate bonds	2,730	2,730	2,441	2,441
Fixed income securities and other	7,888	7,888	9,198	9,198
Common shares and warrants	5,744	5,744	5,181	5,181
Loans and notes receivable	8,142	8,142	9,904	9,904
	<u>25,887</u>	<u>25,887</u>	<u>28,324</u>	<u>28,324</u>
Accounts receivable and other	20,760	20,760	19,464	19,464
	<u>\$ 61,698</u>	<u>\$ 61,698</u>	<u>\$ 59,010</u>	<u>\$ 59,010</u>
Financial liabilities				
Corporate borrowings	\$ 14,232	\$ 13,471	\$ 12,160	\$ 11,350
Non-recourse borrowings of managed entities				
Property-specific borrowings	204,558	204,502	205,336	205,003
Subsidiary borrowings	16,002	16,076	16,214	16,030
	<u>220,560</u>	<u>220,578</u>	<u>221,550</u>	<u>221,033</u>
Accounts payable and other	45,700	45,700	50,009	50,009
Subsidiary equity obligations	4,759	4,759	4,145	4,145
	<u>\$ 285,251</u>	<u>\$ 284,508</u>	<u>\$ 287,864</u>	<u>\$ 286,537</u>

The current and non-current balances of other financial assets are as follows:

AS AT DEC. 31 (MILLIONS)	2024	2023
Current	\$ 5,132	\$ 5,670
Non-current	20,755	22,654
Total	<u>\$ 25,887</u>	<u>\$ 28,324</u>

c) Fair Value Hierarchy Levels

The following table categorizes financial assets and liabilities, which are carried at fair value, based upon the fair value hierarchy levels:

AS AT DEC. 31 (MILLIONS)	2024			2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Other financial assets						
Government bonds	\$ 21	\$ 1,362	\$ —	\$ 25	\$ 1,575	\$ —
Corporate bonds	—	1,554	740	—	1,662	777
Fixed income securities and other	475	878	6,026	455	958	4,903
Common shares and warrants	661	1,319	3,764	857	1,309	3,015
Loans and notes receivables	—	31	10	—	46	17
	1,157	5,144	10,540	1,337	5,550	8,712
Accounts receivable and other	—	4,387	353	6	2,520	89
	<u>\$ 1,157</u>	<u>\$ 9,531</u>	<u>\$ 10,893</u>	<u>\$ 1,343</u>	<u>\$ 8,070</u>	<u>\$ 8,801</u>
Financial liabilities						
Accounts payable and other	\$ —	\$ 2,037	\$ 3,523	\$ 9	\$ 5,119	\$ 3,259
Subsidiary equity obligations	—	—	129	4	—	259
	<u>\$ —</u>	<u>\$ 2,037</u>	<u>\$ 3,652</u>	<u>\$ 13</u>	<u>\$ 5,119</u>	<u>\$ 3,518</u>

Fair values of financial instruments are determined by reference to quoted bid or ask prices, as appropriate. If bid and ask prices are unavailable, the closing price of the most recent transaction of that instrument is used. In the absence of an active market, fair values are determined based on prevailing market rates for instruments with similar characteristics and risk profiles or internal or external valuation models, such as option pricing models and discounted cash flow analysis, using observable market inputs.

The following table summarizes the valuation techniques and key inputs used in the fair value measurement of Level 2 financial instruments:

(MILLIONS)	Carrying Value	Valuation Techniques and Key Inputs
Type of Asset/Liability	Dec. 31, 2024	
Other financial assets	\$ 5,144	Valuation models based on observable market data
Derivative assets/Derivative liabilities (accounts receivable/ accounts payable)	4,387 / (2,037)	Foreign currency forward contracts – discounted cash flow model – forward exchange rates (from observable forward exchange rates at the end of the reporting period) and discounted at credit adjusted rate
		Interest rate contracts – discounted cash flow model – forward interest rates (from observable yield curves) and applicable credit spreads discounted at a credit adjusted rate
		Energy derivatives – quoted market prices, or in their absence internal valuation models, corroborated with observable market data

Fair values determined using valuation models requiring the use of unobservable inputs (Level 3 financial assets and liabilities) include assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those unobservable inputs, the company uses observable external market inputs such as interest rate yield curves, currency rates and price and rate volatilities, as applicable, to develop assumptions regarding those unobservable inputs.

The following table summarizes the valuation techniques and significant unobservable inputs used in the fair value measurement of Level 3 financial instruments:

(MILLIONS) Type of Asset/Liability	Carrying Value Dec. 31, 2024	Valuation Techniques	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
Corporate bonds	\$ 740	Discounted cash flows	• Future cash flows • Discount rate	• Increases (decreases) in future cash flows increase (decrease) fair value • Increases (decreases) in discount rate decrease (increase) fair value
Fixed income securities and other	6,026	Discounted cash flows	• Future cash flows • Discount rate	• Increases (decreases) in future cash flows increase (decrease) fair value • Increases (decreases) in discount rate decrease (increase) fair value
Common shares and warrants	3,764	Discounted cash flows	• Future cash flows • Discount rate	• Increases (decreases) in future cash flows increase (decrease) fair value • Increases (decreases) in discount rate decrease (increase) fair value
		Black-Scholes model	• Volatility • Term to maturity	• Increases (decreases) in volatility increase (decreases) fair value • Increases (decreases) in term to maturity increase (decrease) fair value
Derivative assets/Derivative liabilities (accounts receivable/payable)	353 / (3,523)	Discounted cash flows	• Future cash flows • Discount rate	• Increases (decreases) in future cash flows increase (decrease) fair value • Increases (decreases) in discount rate decrease (increase) fair value
Limited-life funds (subsidiary equity obligations)	(129)	Discounted cash flows	• Future cash flows • Discount rate • Terminal capitalization rate • Investment horizon	• Increases (decreases) in future cash flows increase (decrease) fair value • Increases (decreases) in discount rate decrease (increase) fair value • Increases (decreases) in terminal capitalization rate decrease (increase) fair value • Increases (decreases) in the investment horizon decrease (increase) fair value

The following table presents the changes in the balance of financial assets and liabilities classified as Level 3 for the years ended December 31, 2024 and 2023:

AS AT AND FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024		2023	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
Balance, beginning of year	\$ 8,801	\$ 3,518	\$ 5,831	\$ 3,092
Fair value changes in net income	603	(432)	317	(444)
Fair value changes in other comprehensive income ¹	102	105	654	(108)
Transfers in	176	—	773	—
Transfers out	(622)	(42)	(44)	(56)
Additions, net of disposals	1,833	503	1,270	1,034
Balance, end of year	<u>\$ 10,893</u>	<u>\$ 3,652</u>	<u>\$ 8,801</u>	<u>\$ 3,518</u>

1. Includes foreign currency translation.

During the year ended December 31, 2024, \$622 million of financial assets primarily in our real estate LP investments included within our Asset Management segment were transferred out of Level 3 financial assets to investment properties. Transfers out of Level 3 were a result of prior year loans secured by a multifamily asset portfolio in the U.S. that was subsequently acquired out of foreclosure and is now reported as investment properties in the current period. No other significant transfers were made between Levels 1, 2, or 3 during the year ended December 31, 2024.

During the year ended December 31, 2023, \$773 million of direct investments in equity securities within our Asset Management segment were transferred from Level 2 to Level 3 of the fair value hierarchy due to the implied price or cost previously used in the fair valuation of the investments not being observable due to minimal market activity for the securities. No other significant transfers were made between Levels 1, 2, or 3 during the year ended December 31, 2023.

The following table categorizes financial liabilities measured at amortized cost, but for which fair values are disclosed based upon the fair value hierarchy levels:

AS AT DEC. 31 (MILLIONS)	2024			2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Corporate borrowings	\$ 13,408	\$ 63	\$ —	\$ 11,280	\$ 70	\$ —
Property-specific borrowings	8,986	123,385	72,131	8,526	108,076	88,401
Subsidiary borrowings	7,715	671	7,690	7,527	—	8,503
Subsidiary equity obligations	—	—	4,630	—	1,211	2,671

Fair values of Level 2 and Level 3 liabilities measured at amortized cost but for which fair values are disclosed are determined using valuation techniques such as adjusted public pricing and discounted cash flows.

d) Hedging Activities

The company uses derivatives and non-derivative financial instruments to manage or maintain exposures to interest, currency, credit and other market risks. Derivative financial instruments are recorded at fair value. For certain derivatives which are used to manage exposures, the company determines whether hedge accounting can be applied. Hedge accounting is applied when the derivative is designated as a hedge of a specific exposure and there is assurance that it will continue to be highly effective as a hedge based on an expectation of offsetting cash flows or fair value. Hedge accounting is discontinued prospectively when the derivative no longer qualifies as a hedge or the hedging relationship is terminated. Once discontinued, the cumulative change in fair value of a derivative that was previously recorded in other comprehensive income by the application of hedge accounting is recognized in profit or loss over the remaining term of the original hedging relationship as amounts related to the hedged item are recognized in profit or loss. The assets or liabilities relating to unrealized mark-to-market gains and losses on derivative financial instruments are recorded in financial assets and liabilities, respectively.

i. Cash Flow Hedges

The company uses the following cash flow hedges: foreign exchange contracts to hedge currency volatility, energy derivative contracts to hedge the sale of power; interest rate swaps to hedge the variability in cash flows or future cash flows related to a variable rate asset or liability; and equity derivatives to hedge long-term compensation arrangements. For the year ended December 31, 2024, pre-tax net unrealized loss of \$17 million (2023 – \$754 million of loss) were recorded in other comprehensive income for the effective portion of the cash flow hedges. As at December 31, 2024, there was an unrealized

derivative asset balance of \$78 million (2023 – \$1.0 billion asset) relating to derivative contracts designated as cash flow hedges.

ii. Net Investment Hedges

The company uses foreign exchange contracts and foreign currency denominated debt instruments to manage its foreign currency exposures arising from net investments in foreign operations. For the year ended December 31, 2024, unrealized pre-tax net gain of \$2.8 billion (2023 – \$1.2 billion of loss) were recorded in other comprehensive income for the effective portion of hedges of net investments in foreign operations. As at December 31, 2024, there was an unrealized derivative asset balance of \$758 million (2023 – \$2.2 billion liability) relating to derivative contracts designated as net investment hedges.

e) Netting of Financial Instruments

Financial assets and liabilities are offset with the net amount reported in the Consolidated Balance Sheets, where the company currently has a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The company enters into derivative transactions under International Swaps and Derivatives Association (“ISDA”) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day are aggregated into a single net amount that is payable by one party to the other. The agreements provide the company with the legal and enforceable right to offset these amounts and accordingly the following balances are presented net in the consolidated financial statements:

AS AT DEC. 31 (MILLIONS)	Accounts Receivable and Other		Accounts Payable and Other	
	2024	2023	2024	2023
Gross amounts of financial instruments before netting	\$ 4,882	\$ 3,204	\$ 3,371	\$ 5,305
Gross amounts of financial instruments set-off in the Consolidated Balance Sheets	(142)	(589)	(135)	(506)
Net amounts of financial instruments in the Consolidated Balance Sheets	<u>\$ 4,740</u>	<u>\$ 2,615</u>	<u>\$ 3,236</u>	<u>\$ 4,799</u>

7. ACCOUNTS RECEIVABLE AND OTHER

AS AT DEC. 31 (MILLIONS)	Note	2024	2023
Accounts receivable	(a)	\$ 14,493	\$ 14,879
Prepaid expenses and other assets		13,649	11,363
Restricted cash	(b)	2,076	2,270
Total		<u>\$ 30,218</u>	<u>\$ 28,512</u>

The current and non-current balances of accounts receivable and other are as follows:

AS AT DEC. 31 (MILLIONS)	2024	2023
Current	\$ 20,283	\$ 20,263
Non-current	9,935	8,249
Total	<u>\$ 30,218</u>	<u>\$ 28,512</u>

a) Accounts Receivable

Accounts receivable includes contract assets of \$709 million (2023 – \$451 million). Contract assets primarily relate to work-in-progress on our long-term construction services contracts for which customers have not yet been billed.

b) Restricted Cash

Restricted cash primarily relates to the financing arrangements including defeasement of debt obligations, debt service accounts and deposits held by the company’s insurance operations across our segments.

8. INVENTORY

The following table presents the components of inventory:

AS AT DEC. 31 (MILLIONS)	2024	2023
Industrial products	\$ 2,174	\$ 2,303
Completed residential properties	1,542	1,396
Residential properties under development	1,376	2,109
Land held for development	1,073	1,715
Other ¹	2,293	3,889
Total	<u>\$ 8,458</u>	<u>\$ 11,412</u>

1. As at December 31, 2024, the significant components of other inventory are office, industrial, retail and commercial developments of \$1.1 billion (2023 – \$1.1 billion), and logistics buildings of \$152 million (2023 – \$773 million).

The current and non-current balances of inventory are as follows:

AS AT DEC. 31 (MILLIONS)	2024	2023
Current	\$ 5,418	\$ 7,060
Non-current	3,040	4,352
Total	<u>\$ 8,458</u>	<u>\$ 11,412</u>

During the year ended December 31, 2024, the company recognized \$28.1 billion of inventory relating to cost of goods sold (2023 – \$41.9 billion) and a \$186 million expense for impaired inventory (2023 – \$315 million). The carrying amount of inventory pledged as collateral as at December 31, 2024 was \$4.2 billion (2023 – \$5.4 billion).

9. HELD FOR SALE

The following is a summary of the assets and liabilities classified as held for sale as at December 31, 2024 and 2023:

AS AT DEC. 31 (MILLIONS)	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate (Core and Transitional & Development) ¹	Real Estate (LP Investments) and Other ¹	2024 Total	2023 Total
Assets							
Cash and cash equivalents	\$ 48	\$ —	\$ 115	\$ —	\$ 63	\$ 226	\$ 11
Accounts receivable and other ..	87	7	352	948	121	1,515	79
Equity accounted investments...	421	819	—	—	242	1,482	132
Investment properties	—	—	—	1,064	2,411	3,475	2,141
Property, plant and equipment ..	1,396	—	1,575	—	454	3,425	112
Intangible assets	—	—	—	—	14	14	10
Other long-term assets	152	—	—	—	—	152	—
Deferred income tax assets	2	—	—	—	—	2	4
Assets classified as held for sale ..	<u>\$ 2,106</u>	<u>\$ 826</u>	<u>\$ 2,042</u>	<u>\$ 2,012</u>	<u>\$ 3,305</u>	<u>\$ 10,291</u>	<u>\$ 2,489</u>
Liabilities							
Accounts payable and other	\$ 113	\$ 4	\$ 282	\$ 115	\$ 161	\$ 675	\$ 112
Non-recourse borrowings of managed entities	824	525	1,425	—	1,130	3,904	4
Deferred income tax liabilities ..	133	—	3	—	6	142	2
Liabilities associated with assets classified as held for sale	<u>\$ 1,070</u>	<u>\$ 529</u>	<u>\$ 1,710</u>	<u>\$ 115</u>	<u>\$ 1,297</u>	<u>\$ 4,721</u>	<u>\$ 118</u>

1. Real estate core and transitional and development investments are included in our Real Estate segment. Real estate LP investments are included within our Asset Management segment as we include the discretionary capital that we invest directly into and alongside private funds managed by BAM and other investments within this segment.

As at December 31, 2024, assets held for sale primarily relate to:

- Several office, retail, hospitality, and multifamily assets in the U.S., and logistics assets across the U.S., Japan and Europe within our LP investments included within our Asset Management segment;
- An office asset and three retail assets in the U.S., and an office asset in Australia, within our Real Estate segment;
- An interest in a 2 GW pumped storage facility in the U.K., a 30 MW biomass facility in Brazil, and a 1,004 MW portfolio of wind and solar assets in India, within our Renewable Power and Transition segment; and
- Our offshore oil services operation's shuttle tanker business within our Private Equity segment.

For the year ended December 31, 2024, we disposed of \$6.2 billion and \$1.4 billion of assets and liabilities, respectively, primarily related to the sales of a portfolio of 63 MW solar assets, 682 MW wind assets, and a 1.6 GW development pipeline in Spain and Portugal, a partial interest in a core office building in the Middle East, several office, multifamily, and hospitality assets in the U.S., and a hospitality asset in South Korea.

10. EQUITY ACCOUNTED INVESTMENTS

The following table presents the ownership interests and carrying values of the company's investments in associates and joint ventures, all of which are accounted for using the equity method:

AS AT DEC. 31 (MILLIONS)	Ownership Interest ¹		Carrying Value	
	2024	2023	2024	2023
Renewable Power and Transition				
Associates				
Wind	13 – 50%	32 – 50%	\$ 2,763	\$ 577
Sustainable solutions	4 – 67%	4 – 51%	2,529	2,586
Other	12 – 67%	8 – 65%	1,696	1,748
			<u>6,988</u>	<u>4,911</u>
Infrastructure				
Associates				
Utilities	50%	50%	658	783
Transport	26 – 58%	26 – 58%	1,907	1,799
Data	26 – 49%	26 – 49%	6,232	6,023
Other	11 – 65%	11 – 65%	166	179
Joint ventures				
Utilities	50%	50%	235	1,200
Transport	21 – 50%	21 – 50%	2,700	2,599
Midstream	25%	25%	457	461
Data	49 – 50%	49 – 50%	5,378	4,042
			<u>17,733</u>	<u>17,086</u>
Private Equity				
Associates				
Industrial operations	13 – 54%	13 – 54%	1,032	553
Other	11 – 50%	14 – 50%	3,174	2,950
			<u>4,206</u>	<u>3,503</u>
Real Estate				
Associates				
Transitional and development	25 – 27%	25 – 27%	111	96
Joint ventures				
Core	17 – 56%	22 – 56%	10,603	10,702
Transitional and development	5 – 60%	5 – 60%	7,539	7,394
			<u>18,253</u>	<u>18,192</u>
Wealth Solutions²	83%	71%	8,699	4,411
Asset Management and Other				
Associates				
Oaktree	72%	68%	7,457	6,974
Real estate LP investments ³	27 – 50%	16 – 50%	222	258
Joint ventures				
Real estate LP investments ³	18 – 93%	18 – 93%	3,715	3,387
Other equity accounted investments	25 – 85%	25 – 85%	1,037	402
			<u>12,431</u>	<u>11,021</u>
Total			\$ 68,310	\$ 59,124

1. Joint ventures or associates in which the ownership interest is greater than 50% represent investments for which control is either shared or does not exist resulting in the investment being equity accounted.

2. Wealth Solutions relates to our capital in our equity accounted investment in Brookfield Wealth Solutions Ltd.

3. Real estate LP investments are included within our Asset Management segment as we include the discretionary capital that we invest directly into and alongside private funds managed by BAM and other investments within this segment.

The following table presents the change in the balance of investments in associates and joint ventures:

AS AT AND FOR THE YEARS ENDED DEC. 31 (MILLIONS)	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Wealth Solutions ²	Asset Management and Other ³	2024 Total	2023 Total
Balance, beginning of year	\$ 4,911	\$ 17,086	\$ 3,503	\$ 18,192	\$ 4,411	\$ 11,021	\$ 59,124	\$ 47,094
Additions, net of disposals ¹	1,880	1,528	1,004	474	2,732	1,544	9,162	10,798
Acquisitions through business combinations	8	—	—	—	—	—	8	44
Share of comprehensive income ..	424	1,143	10	375	1,556	619	4,127	2,755
Distributions received	(86)	(743)	(274)	(365)	—	(620)	(2,088)	(1,628)
Return of capital	—	—	—	(308)	—	(27)	(335)	(480)
Foreign currency translation	(149)	(1,281)	(37)	(115)	—	(106)	(1,688)	541
Balance, end of year	<u>\$ 6,988</u>	<u>\$ 17,733</u>	<u>\$ 4,206</u>	<u>\$ 18,253</u>	<u>\$ 8,699</u>	<u>\$ 12,431</u>	<u>\$ 68,310</u>	<u>\$ 59,124</u>

1. Includes assets sold and amounts reclassified to held for sale.

2. Wealth Solutions relates to our capital in our equity accounted investment in Brookfield Wealth Solutions Ltd.

3. Asset Management equity accounted investments primarily relate to Oaktree and real estate LP investments. Real estate LP investments are included within our Asset Management segment as we include the discretionary capital that we invest directly into and alongside private funds managed by BAM and other investments within this segment.

Additions, net of disposals, of \$9.2 billion during the year included the incremental capital invested in BWS via the conversion of preferred shares, contribution of BBU units, and contribution of BAM shares to support the acquisition of AEL, all in exchange for additional Class C shares of BWS. Additions, net of disposals, also included the acquisition of an offshore wind portfolio in the U.K. in our Renewable Power and Transition segment, our payment processing services operation in our Private Equity segment and additions within our Infrastructure segment. Our equity accounted investments balance also increased due to our proportionate share of comprehensive income earned by our equity accounted investments.

In the prior year, additions, net of disposals, of \$10.8 billion included the acquisition of our equity accounted investment in our nuclear technology services operation in our Renewable Power and Transition segment from Brookfield Business Partners L.P., a subsidiary of the Corporation. In connection with this transaction, the Corporation recognized gains of \$3.9 billion in other income and gains within net income upon loss of control due to the disposition of our nuclear technology services operation.

The following table presents current and non-current assets, as well as current and non-current liabilities of the company's investments in associates and joint ventures:

AS AT DEC. 31 (MILLIONS)	2024				2023			
	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities
Renewable Power and Transition								
Associates								
Wind	\$ 890	\$ 19,395	\$ 677	\$ 1,420	\$ 695	\$ 2,132	\$ 452	\$ 733
Sustainable solutions	2,978	13,930	2,515	6,128	2,862	13,952	2,623	6,055
Other	1,987	9,638	2,908	4,882	1,641	10,560	1,578	5,835
Infrastructure								
Associates								
Utilities	160	1,882	67	1,228	208	2,563	74	1,132
Transport	1,293	10,782	1,208	6,072	1,641	12,862	2,065	6,994
Data	1,927	42,012	2,142	22,600	1,061	42,547	2,725	21,996
Other	112	532	83	237	134	1,032	94	321
Joint ventures								
Utilities	94	1,358	58	914	437	6,025	337	4,177
Transport	230	11,051	72	6,147	239	10,563	148	6,131
Midstream	195	6,257	259	4,080	226	6,143	190	4,058
Data	382	15,453	2,544	2,351	355	8,272	188	3,883
Private Equity								
Associates								
Industrial operations	1,257	1,649	564	1,041	908	650	367	334
Other	3,787	13,618	3,114	8,406	3,306	10,917	2,020	6,992
Real Estate								
Associates								
Transitional and development	53	448	26	108	170	329	11	118
Joint ventures								
Core	1,458	41,236	4,244	15,482	2,315	39,945	3,942	16,150
Transitional and development	1,774	29,903	4,835	9,940	1,265	29,675	7,044	7,096
Wealth Solutions¹	32,524	107,936	1,005	126,379	11,930	49,494	1,654	53,646
Asset Management and Other								
Associates								
Oaktree	2,261	19,142	1,775	10,372	2,493	19,733	2,277	10,730
Real estate LP Investments ²	—	354	—	—	20	473	11	80
Joint ventures								
Real estate LP Investments ²	1,544	21,399	3,110	3,526	2,491	9,670	1,575	4,705
Other equity accounted investments	366	586	240	414	189	220	126	52
	<u>\$ 55,272</u>	<u>\$ 368,561</u>	<u>\$ 31,446</u>	<u>\$ 231,727</u>	<u>\$ 34,586</u>	<u>\$ 277,757</u>	<u>\$ 29,501</u>	<u>\$ 161,218</u>

1. Wealth Solutions relates to our capital in our equity accounted investment in Brookfield Wealth Solutions Ltd.

2. Real estate LP investments are included within our Asset Management segment as we include the discretionary capital that we invest directly into and alongside private funds managed by BAM and other investments within this segment.

Certain of the company's investments in associates are subject to restrictions on the extent to which they can remit funds to the company in the form of cash dividends or repay loans and advances as a result of borrowing arrangements, regulatory restrictions and other contractual requirements.

The following table presents total revenues, net income and other comprehensive income (“OCI”) of the company’s investments in associates and joint ventures:

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024			2023		
	Revenue	Net Income	OCI	Revenue	Net Income	OCI
Renewable Power and Transition						
Associates						
Wind	\$ 353	\$ 16	\$ (128)	\$ 185	\$ 11	\$ —
Sustainable solutions	5,350	(365)	124	394	(15)	(67)
Other	2,465	198	880	2,893	662	(355)
Infrastructure						
Associates						
Utilities	193	(91)	(114)	1,136	39	(376)
Transport	3,119	342	(820)	3,044	27	330
Data	2,732	964	(764)	2,272	(45)	685
Other	228	(11)	(123)	206	(180)	(283)
Joint ventures						
Utilities	272	87	(179)	724	286	183
Transport	9,353	2,481	(59)	12,102	4,114	36
Midstream	902	198	66	924	315	188
Data	475	(127)	(658)	1,047	511	(53)
Private Equity						
Associates						
Industrial operations	2,388	130	1	2,216	80	(5)
Other	6,888	(15)	(80)	6,951	208	6
Real Estate						
Associates						
Transitional and development	355	51	—	26	22	—
Joint ventures						
Core	2,227	1,173	(38)	2,328	(66)	(60)
Transitional and development	3,045	469	(25)	2,956	76	(30)
Wealth Solutions¹	14,366	898	750	6,785	452	484
Asset Management and Other						
Associates						
Oaktree	1,781	651	(1)	1,503	475	16
Real estate LP Investments ²	17	(15)	(78)	40	(55)	(56)
Joint ventures						
Real estate LP Investments ²	1,503	724	82	1,878	336	34
Other equity accounted investments	496	77	(2)	285	50	18
	<u>\$ 58,508</u>	<u>\$ 7,835</u>	<u>\$ (1,166)</u>	<u>\$ 49,895</u>	<u>\$ 7,303</u>	<u>\$ 695</u>

1. Wealth Solutions relates to our capital in our equity accounted investment in Brookfield Wealth Solutions Ltd.

2. Real estate LP investments are included within our Asset Management segment as we include the discretionary capital that we invest directly into and alongside private funds managed by BAM and other investments within this segment.

Certain of the company’s investments are publicly listed entities with active pricing in a liquid market.

11. INVESTMENT PROPERTIES

The following table presents the change in the fair value of the company's investment properties:

AS AT AND FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024	2023
Fair value, beginning of year	\$ 124,152	\$ 115,100
Additions	13,228	9,278
Acquisitions through business combinations	11	3,244
Dispositions ¹	(6,538)	(4,258)
BSREP IV deconsolidation ²	(24,862)	—
Fair value changes	556	(105)
Foreign currency translation and other	(2,882)	893
Fair value, end of year ³	<u>\$ 103,665</u>	<u>\$ 124,152</u>

1. Includes amounts reclassified to held for sale.

2. Following the completion of the partial sale of BSREP IV to BWS, our investment in BSREP IV was deconsolidated and recognized within equity accounted investments. BN was issued additional Class C shares in BWS as consideration for the acquisition by BWS.

3. As at December 31, 2024, the ending balance includes \$96.5 billion (December 31, 2023 – \$114.8 billion) of investment properties leased to third parties and \$4.2 billion of ROU investment properties (December 31, 2023 – \$4.8 billion).

Investment properties include the company's office, retail, multifamily and other properties. Additions and acquisitions of \$13.2 billion (2023 – \$12.5 billion) primarily relate to the acquisitions of three U.S. multifamily asset portfolios, a U.S. student housing portfolio, and a logistics asset portfolio in Europe, all within our LP investments included in our Asset Management segment, and enhancement of existing assets during the year.

Dispositions of \$6.5 billion (2023 – \$4.3 billion) included the sale of manufactured housing communities in the U.S., certain office and retail assets in the U.S., and a hospitality asset in South Korea. In addition, the current year includes the reclassification of certain office, retail, and logistics assets held within our real estate funds to assets held for sale.

Investment properties generated \$6.9 billion (2023 – \$6.6 billion) in rental income and incurred \$4.8 billion (2023 – \$4.8 billion) in direct operating expenses. Most of our investment properties are pledged as collateral for the non-recourse borrowings at their respective properties.

The following table presents our investment properties measured at fair value:

AS AT DEC. 31 (MILLIONS)	2024	2023
Core	\$ 18,501	\$ 18,970
Transitional and development	21,495	23,016
LP Investments ¹	58,446	77,627
Other investment properties	5,223	4,539
	<u>\$ 103,665</u>	<u>\$ 124,152</u>

1. The balance as at December 31, 2024 reflects the impact of the deconsolidation of BSREP IV within our LP investments.

Significant unobservable inputs (Level 3) are utilized when determining the fair value of investment properties. The significant Level 3 inputs include:

Valuation Technique	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value	Mitigating Factors
Discounted cash flow analysis ¹	• Future cash flows – primarily driven by net operating income	• Increases (decreases) in future cash flows increase (decrease) fair value	• Increases (decreases) in cash flows tend to be accompanied by increases (decreases) in discount rates that may offset changes in fair value from cash flows
	• Discount rate	• Increases (decreases) in discount rate decrease (increase) fair value	• Increases (decreases) in discount rates tend to be accompanied by increases (decreases) in cash flows that may offset changes in fair value from discount rates
	• Terminal capitalization rate	• Increases (decreases) in terminal capitalization rate decrease (increase) fair value	• Increases (decreases) in terminal capitalization rates tend to be accompanied by increases (decreases) in cash flows that may offset changes in fair value from terminal capitalization rates
	• Investment horizon	• Increases (decreases) in the investment horizon decrease (increase) fair value	• Increases (decreases) in the investment horizon tend to be the result of changing cash flow profiles that may result in higher (lower) growth in cash flows prior to stabilizing in the terminal year

1. Certain investment properties are valued using the direct capitalization method instead of a discounted cash flow model. Under the direct capitalization method, a capitalization rate is applied to estimated current year cash flows.

The company's investment properties are diversified by asset type, asset class, geography and market. Therefore, there may be mitigating factors in addition to those noted above, such as changes to assumptions that vary in direction and magnitude across different geographies and markets.

The following table summarizes the key valuation metrics of the company's investment properties:

	2024			2023		
	Discount Rate	Terminal Capitalization Rate	Investment Horizon (years)	Discount Rate	Terminal Capitalization Rate	Investment Horizon (years)
AS AT DEC. 31						
Core	6.3%	4.8%	11	6.2%	4.8%	11
Transitional and development ¹	7.9%	6.3%	10	7.9%	6.2%	10
LP Investments ^{1,2}	9.1%	6.2%	14	8.6%	5.8%	13
Other investment properties ³	7.9%	n/a	n/a	7.4%	n/a	n/a

1. The rates presented are for investment properties valued using the discounted cash flow method. These rates exclude multifamily, triple net lease, student housing, manufactured housing and other investment properties valued using the direct capitalization method.

2. The rates as at December 31, 2024 reflect the impact of the deconsolidation of BSREP IV.

3. Other investment properties include investment properties held in our Infrastructure segment and other direct investments within our Asset Management segment.

12. PROPERTY, PLANT AND EQUIPMENT

The company's PP&E relates to the operating segments as shown below:

	Renewable Power and Transition (a)		Infrastructure (b)		Private Equity (c)		Real Estate (Core and Transitional & Development) ² (d)		Real Estate (LP Investments and Other) ² (e)		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
AS AT DEC. 31 (MILLIONS)												
Cost	\$52,279	\$46,284	\$56,560	\$51,635	\$19,317	\$22,470	\$ 545	\$ 543	\$11,105	\$16,663	\$139,806	\$137,595
Accumulated fair value changes	36,324	31,989	5,419	4,137	(549)	(701)	9	50	1,676	2,464	42,879	37,939
Accumulated depreciation	(12,189)	(11,922)	(9,354)	(7,226)	(5,381)	(5,934)	(239)	(248)	(2,503)	(2,587)	(29,666)	(27,917)
Total ¹	\$76,414	\$66,351	\$52,625	\$48,546	\$13,387	\$15,835	\$ 315	\$ 345	\$10,278	\$16,540	\$153,019	\$147,617

1. As at December 31, 2024, the total includes \$6.2 billion (2023 – \$6.8 billion) of PP&E leased to third parties as operating leases. Our ROU PP&E assets include \$1.1 billion (2023 – \$757 million) in our Renewable Power and Transition segment, \$5.2 billion (2023 – \$3.6 billion) in our Infrastructure segment, \$924 million (2023 – \$1.3 billion) in our Private Equity, \$80 million (2023 – \$86 million) in our core and transitional and development investments within our Real Estate segment, and \$829 million (2023 – \$1.1 billion) within our Asset Management segment, totaling \$8.1 billion (2023 – \$6.8 billion) of ROU assets.

2. Real estate core and transitional and development investments are included in our Real Estate segment. Real estate LP investments are included within our Asset Management segment as we include the discretionary capital that we invest directly into and alongside private funds managed by BAM and other investments within this segment.

Renewable Power and Transition, Infrastructure, and Real Estate segments, as well as real estate LP Investments within our Asset Management segment primarily carry PP&E assets at fair value, classified as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs when determining fair value. The carrying amount that would have been recognized had our assets been accounted for under the cost model is \$99.5 billion (2023 – \$96.4 billion). The Private Equity segment carries PP&E assets at amortized cost. As at December 31, 2024, \$92.3 billion (2023 – \$92.3 billion) of PP&E, at cost, were pledged as collateral for the property debt at their respective properties.

a) Renewable Power and Transition

Our Renewable Power and Transition PP&E consists of the following:

	Hydroelectric		Wind		Solar and Other		Total	
AS AT AND FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024	2023	2024	2023	2024	2023	2024	2023
Cost, beginning of year	\$ 13,656	\$ 12,480	\$ 16,787	\$ 11,904	\$ 15,841	\$ 10,099	\$ 46,284	\$ 34,483
Additions, net of disposals and assets reclassified as held for sale	(187)	148	(862)	1,147	2,472	1,981	1,423	3,276
Acquisitions through business combinations	—	—	3,263	3,712	4,176	3,488	7,439	7,200
Foreign currency translation and other	(1,646)	1,028	(840)	24	(381)	273	(2,867)	1,325
Cost, end of year	11,823	13,656	18,348	16,787	22,108	15,841	52,279	46,284
Accumulated fair value changes, beginning of year	26,653	25,642	3,614	3,253	1,722	1,831	31,989	30,726
Fair value changes	3,215	(596)	1,531	296	1,185	(84)	5,931	(384)
Dispositions and assets reclassified as held for sale	—	49	—	6	(60)	(23)	(60)	32
Foreign currency translation and other	(1,307)	1,558	(168)	59	(61)	(2)	(1,536)	1,615
Accumulated fair value changes, end of year	28,561	26,653	4,977	3,614	2,786	1,722	36,324	31,989
Accumulated depreciation, beginning of year	(6,332)	(5,564)	(3,560)	(2,861)	(2,030)	(1,541)	(11,922)	(9,966)
Depreciation expenses	(646)	(667)	(802)	(709)	(602)	(499)	(2,050)	(1,875)
Dispositions and assets reclassified as held for sale	143	5	566	4	221	2	930	11
Foreign currency translation and other	698	(106)	382	6	(227)	8	853	(92)
Accumulated depreciation, end of year	(6,137)	(6,332)	(3,414)	(3,560)	(2,638)	(2,030)	(12,189)	(11,922)
Balance, end of year	\$ 34,247	\$ 33,977	\$ 19,911	\$ 16,841	\$ 22,256	\$ 15,533	\$ 76,414	\$ 66,351

The following table presents our Renewable Power and Transition PP&E measured at fair value by geography:

AS AT DEC. 31 (MILLIONS)	2024	2023
North America	\$ 44,538	\$ 41,636
Colombia	12,431	10,585
Brazil	4,283	5,578
Europe	7,144	5,409
Asia and other	8,018	3,143
	<u>\$ 76,414</u>	<u>\$ 66,351</u>

Renewable Power and Transition assets are accounted for under the revaluation model and the most recent date of revaluation was December 31, 2024. Valuations utilize significant unobservable inputs (Level 3) when determining the fair value of Renewable Power and Transition assets. The significant Level 3 inputs include:

Valuation Technique	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value	Mitigating Factors
Discounted cash flow analysis	• Future cash flows – primarily impacted by future electricity price assumptions	• Increases (decreases) in future cash flows increase (decrease) fair value	• Increases (decreases) in cash flows tend to be accompanied by increases (decreases) in discount rates that may offset changes in fair value from cash flows
	• Discount rate	• Increases (decreases) in discount rate decrease (increase) fair value	• Increases (decreases) in discount rates tend to be accompanied by increases (decreases) in cash flows that may offset changes in fair value from discount rates
	• Terminal capitalization rate	• Increases (decreases) in terminal capitalization rate decrease (increase) fair value	• Increases (decreases) in terminal capitalization rates tend to be accompanied by increases (decreases) in cash flows that may offset changes in fair value from terminal capitalization rates
	• Terminal year	• Increases (decreases) in the terminal year decrease (increase) fair value	• Increases (decreases) in the terminal year tend to be the result of changing cash flow profiles that may result in higher (lower) growth in cash flows prior to stabilizing in the terminal year

Key valuation metrics of the company's hydroelectric, wind and solar generating facilities at the end of 2024 and 2023 are summarized below.

AS AT DEC. 31	North America		Colombia		Brazil		Europe	
	2024	2023	2024	2023	2024	2023	2024	2023
Discount rate								
Contracted.....	5.1% – 5.8%	5.1% – 5.7%	8.5%	8.7%	9.6%	8.4%	4.9% – 6.6%	4.8%
Uncontracted.....	6.3% – 7.2%	6.3% – 7.0%	9.8%	10.0%	10.9%	9.7%	4.9% – 6.6%	4.8%
Terminal capitalization rate ¹ ..	4.3% – 5.1%	4.4% – 5.0%	7.3%	8.0%	n/a	n/a	n/a	n/a
Terminal year.....	2048	2046	2044	2043	2052	2053	2047	2037

1. Terminal capitalization rate applies only to hydroelectric assets in North America and Colombia.

Terminal values are included in the valuation of hydroelectric assets in the U.S., Canada, and Colombia. For the hydroelectric assets in Brazil, cash flows have been included based on the duration of the authorization or useful life of a concession asset plus a one-time 30-year renewal term for the majority of the hydroelectric assets. The weighted-average remaining duration or useful life of a concession asset as at December 31, 2024, including a one-time 30-year renewal for applicable hydroelectric assets, is 30 years (2023 – 34 years). Consequently, there is no terminal value attributed to the hydroelectric assets in Brazil at the end of the authorization term.

Key assumptions on contracted generation and future power pricing are summarized below:

AS AT DEC. 31, 2024	Total Generation Contracted under Power Purchase Agreements		Power Prices from Long-Term Power Purchase Agreements (weighted average)		Estimates of Future Electricity Prices (weighted average)	
	1 – 10 years	11 – 20 years	1 – 10 years	11 – 20 years	1 – 10 years	11 – 20 years
North America (prices in US\$/MWh) ..	64%	25%	61	65	90	104
Colombia (prices in COP\$/MWh).....	49%	4%	310	398	494	684
Brazil (prices in R\$/MWh).....	79%	36%	310	393	309	430
Europe (prices in €/MWh).....	95%	45%	91	93	94	86

The company's estimate of future renewable power pricing is based on management's estimate of the cost of securing new energy from renewable sources to meet future demand between 2028 and 2035 (2023 – between 2027 and 2035), which will maintain system reliability and provide adequate levels of reserve generation.

b) Infrastructure

Our Infrastructure PP&E consists of the following:

AS AT AND FOR THE YEARS ENDED DEC. 31 (MILLIONS)	Utilities		Transport		Midstream		Data		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Cost, beginning of year	\$ 8,278	\$ 7,292	\$ 18,866	\$ 9,285	\$ 15,405	\$ 14,679	\$ 9,086	\$ 8,184	\$ 51,635	\$ 39,440
Additions, net of disposals and assets reclassified as held for sale	572	547	867	606	480	407	818	918	2,737	2,478
Acquisitions through business combinations	—	118	—	8,811	—	—	4,141	35	4,141	8,964
Foreign currency translation and other	(270)	321	(330)	164	(1,127)	319	(226)	(51)	(1,953)	753
Cost, end of year	<u>8,580</u>	<u>8,278</u>	<u>19,403</u>	<u>18,866</u>	<u>14,758</u>	<u>15,405</u>	<u>13,819</u>	<u>9,086</u>	<u>56,560</u>	<u>51,635</u>
Accumulated fair value changes, beginning of year	1,894	1,624	1,410	1,104	833	523	—	—	4,137	3,251
Disposition and assets reclassified as held for sale	—	—	—	—	—	—	(4)	—	(4)	—
Fair value changes	120	143	92	330	1,189	312	12	—	1,413	785
Foreign currency translation and other	(57)	127	(69)	(24)	(1)	(2)	—	—	(127)	101
Accumulated fair value changes, end of year	<u>1,957</u>	<u>1,894</u>	<u>1,433</u>	<u>1,410</u>	<u>2,021</u>	<u>833</u>	<u>8</u>	<u>—</u>	<u>5,419</u>	<u>4,137</u>
Accumulated depreciation, beginning of year	(1,836)	(1,456)	(2,605)	(2,040)	(1,538)	(982)	(1,247)	(920)	(7,226)	(5,398)
Depreciation expenses	(413)	(392)	(1,003)	(601)	(629)	(557)	(775)	(419)	(2,820)	(1,969)
Dispositions and assets reclassified as held for sale	109	72	103	82	101	30	28	90	341	274
Foreign currency translation and other	70	(60)	128	(46)	120	(29)	33	2	351	(133)
Accumulated depreciation, end of year	<u>(2,070)</u>	<u>(1,836)</u>	<u>(3,377)</u>	<u>(2,605)</u>	<u>(1,946)</u>	<u>(1,538)</u>	<u>(1,961)</u>	<u>(1,247)</u>	<u>(9,354)</u>	<u>(7,226)</u>
Balance, end of year	<u>\$ 8,467</u>	<u>\$ 8,336</u>	<u>\$ 17,459</u>	<u>\$ 17,671</u>	<u>\$ 14,833</u>	<u>\$ 14,700</u>	<u>\$ 11,866</u>	<u>\$ 7,839</u>	<u>\$ 52,625</u>	<u>\$ 48,546</u>

Infrastructure's PP&E assets are accounted for under the revaluation model, and the most recent date of revaluation was December 31, 2024. The utilities assets consist of regulated transmission and regulated distribution networks, which are operated primarily under regulated rate base arrangements. In the transport operations, the PP&E assets consist of railroads, toll roads and ports. PP&E assets in the midstream operations are comprised of energy transmission, distribution and storage. Data PP&E include mainly telecommunications towers, fiber optic networks and data storage assets.

Valuations utilize significant unobservable inputs (Level 3) when determining the fair value of infrastructure's utilities, transport, midstream and data assets. The significant Level 3 inputs include:

Valuation Technique	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value	Mitigating Factors
Discounted cash flow analysis	• Future cash flows	• Increases (decreases) in future cash flows increase (decrease) fair value	• Increases (decreases) in cash flows tend to be accompanied by increases (decreases) in discount rates that may offset changes in fair value from cash flows
	• Discount rate	• Increases (decreases) in discount rate decrease (increase) fair value	• Increases (decreases) in discount rates tend to be accompanied by increases (decreases) in cash flows that may offset changes in fair value from discount rates
	• Terminal value multiple	• Increases (decreases) in terminal value multiple increases (decreases) fair value	• Increases (decreases) in terminal value multiple tend to be accompanied by increases (decreases) in cash flows that may offset changes in fair value from terminal value multiple
	• Investment horizon	• Increases (decreases) in the investment horizon decrease (increase) fair value	• Increases (decreases) in the investment horizon tend to be the result of changing cash flow profiles that may result in higher (lower) growth in cash flows prior to stabilizing in the terminal year

Key valuation metrics of the company's utilities, transport, and midstream assets at the end of 2024 and 2023 are summarized below.

	Utilities		Transport		Midstream	
	2024	2023	2024	2023	2024	2023
AS AT DEC. 31						
Discount rates	8% – 15%	8% – 11%	10%	9 %	15%	15%
Terminal value multiples	16x	15x	9x – 20x	8x – 20x	8x – 10x	10x
Investment horizon	10 – 20 yrs	10 – 20 yrs	10 yrs	10 yrs	1 – 2 yrs	6 yrs

c) Private Equity

Private Equity PP&E primarily includes assets owned by the company's Private Equity segment. These assets are accounted for under the cost model, which requires the assets to be carried at cost less accumulated depreciation and any accumulated impairment losses. The following table presents the changes to the carrying value of the company's PP&E assets included in these businesses:

	Cost		Accumulated Impairment		Accumulated Depreciation		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
AS AT AND FOR THE YEARS ENDED DEC. 31 (MILLIONS)								
Balance, beginning of year	\$ 22,470	\$ 21,548	\$ (701)	\$ (611)	\$ (5,934)	\$ (5,271)	\$ 15,835	\$ 15,666
Additions/(dispositions) ¹ , net of assets reclassified as held for sale	(1,908)	(137)	307	93	1,960	1,469	359	1,425
Acquisitions through business combinations	32	239	—	—	—	—	32	239
Foreign currency translation and other ..	(1,277)	820	12	(9)	257	(234)	(1,008)	577
Depreciation expenses	—	—	—	—	(1,664)	(1,898)	(1,664)	(1,898)
Impairment charges	—	—	(167)	(174)	—	—	(167)	(174)
Balance, end of year	\$ 19,317	\$ 22,470	\$ (549)	\$ (701)	\$ (5,381)	\$ (5,934)	\$ 13,387	\$ 15,835

1. For accumulated impairment and accumulated depreciation, (additions)/dispositions.

d) Real Estate (Core and Transitional & Development)

	Cost		Accumulated Fair Value Changes		Accumulated Depreciation		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
AS AT AND FOR THE YEARS ENDED DEC. 31 (MILLIONS)								
Balance, beginning of year	\$ 543	\$ 562	\$ 50	\$ 58	\$ (248)	\$ (236)	\$ 345	\$ 384
Additions/(dispositions) ¹ , net of assets reclassified as held for sale	13	(19)	—	—	48	30	61	11
Foreign currency translation and other ..	(11)	—	—	24	8	1	(3)	25
Fair value changes	—	—	(21)	(32)	—	—	(21)	(32)
Depreciation expenses	—	—	—	—	(47)	(43)	(47)	(43)
Impairment charges	—	—	(20)	—	—	—	(20)	—
Balance, end of year	\$ 545	\$ 543	\$ 9	\$ 50	\$ (239)	\$ (248)	\$ 315	\$ 345

1. For accumulated depreciation, (additions)/dispositions.

The company's Real Estate core and transitional and development PP&E assets include assets accounted for under the revaluation model, with the most recent revaluation as at December 31, 2024. The company determined fair value for these assets by using the depreciated replacement cost method. Valuations utilize significant unobservable inputs (Level 3) when determining the fair value of Real Estate assets. The significant Level 3 inputs include estimates of assets' replacement cost and remaining economic life.

e) Real Estate LP Investments and Other

PP&E within the segment primarily consists of our hospitality portfolio within our real estate LP investments, accounted for under the revaluation model, with the most recent revaluation as at December 31, 2024. The company determined fair value for these assets by using the depreciated replacement cost method. Valuations utilize significant unobservable inputs (Level 3) when determining the fair value of the assets. The significant Level 3 inputs include estimates of assets' replacement cost and remaining economic life. The following table presents the changes to the carrying value of the company's PP&E assets included in these businesses:

AS AT AND FOR THE YEARS ENDED DEC. 31 (MILLIONS)	Cost		Accumulated Fair Value Changes		Accumulated Depreciation		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Balance, beginning of year	\$ 16,663	\$ 16,281	\$ 2,464	\$ 1,506	\$ (2,587)	\$ (2,105)	\$ 16,540	\$ 15,682
Changes in basis of accounting ¹	(4,668)	—	(476)	—	304	—	(4,840)	—
Additions/(dispositions) ² , net of assets reclassified as held for sale	(634)	613	(234)	(34)	359	106	(509)	685
Acquisitions through business combinations	45	—	—	—	—	—	45	—
Foreign currency translation and other	(301)	(231)	(36)	86	81	72	(256)	(73)
Fair value changes	—	—	20	976	—	—	20	976
Depreciation expenses	—	—	—	—	(660)	(660)	(660)	(660)
Impairment charges	—	—	(62)	(70)	—	—	(62)	(70)
Balance, end of year	<u>\$ 11,105</u>	<u>\$ 16,663</u>	<u>\$ 1,676</u>	<u>\$ 2,464</u>	<u>\$ (2,503)</u>	<u>\$ (2,587)</u>	<u>\$ 10,278</u>	<u>\$ 16,540</u>

1. Following the completion of the partial sale of BSREP IV to BWS, our investment in BSREP IV was deconsolidated and recognized within equity accounted investments. BN was issued additional Class C shares in BWS as consideration for the acquisition by BWS.

2. For accumulated depreciation, (additions)/dispositions.

13. INTANGIBLE ASSETS

The following table presents a continuity of the company's intangible assets:

AS AT AND FOR THE YEARS ENDED DEC. 31 (MILLIONS)	Cost		Accumulated Amortization and Impairment		Total	
	2024	2023	2024	2023	2024	2023
Balance, beginning of year	\$ 46,592	\$ 44,409	\$ (7,598)	\$ (5,998)	\$ 38,994	\$ 38,411
Additions	614	899	—	—	614	899
Disposals ¹	(714)	(3,989)	306	1,243	(408)	(2,746)
Acquisitions through business combinations	1,632	4,096	—	—	1,632	4,096
Amortization and impairment	—	—	(2,520)	(2,653)	(2,520)	(2,653)
Foreign currency translation and other	(2,873)	1,177	633	(190)	(2,240)	987
Balance, end of year	\$ 45,251	\$ 46,592	\$ (9,179)	\$ (7,598)	\$ 36,072	\$ 38,994

1. Includes assets sold and amounts reclassified to held for sale.

Intangible assets are allocated to the following operating segments:

AS AT DEC. 31 (MILLIONS)	Note	2024	2023
Private Equity	(a)	\$ 18,907	\$ 21,217
Infrastructure	(b)	15,682	15,845
Real Estate (LP Investments) and Other ¹	(c)	1,483	1,932
		<u>\$ 36,072</u>	<u>\$ 38,994</u>

1. Real estate LP investments are included within our Asset Management segment as we include the discretionary capital that we invest directly into and alongside private funds managed by BAM and other investments within this segment.

a) Private Equity

The intangible assets in our Private Equity segment are primarily related to:

- Customer relationships of \$11.1 billion (2023 – \$12.4 billion), which decreased from the prior year primarily due to the impact of foreign exchange. The customer relationships are attributable to the acquisitions of our modular building leasing services, lottery services operations, advanced energy storage operations, dealer software and technology services operations and engineered components manufacturing operation. The customer relationships acquired have a useful life of 10 to 20 years.
- Brands and trademarks of \$2.7 billion (2023 – \$2.9 billion), which decreased from the prior year mainly due to the impact of foreign exchange. The brands and trademarks are attributable to our dealer software and technology services operations, modular building leasing services operations, advanced energy storage operations, engineered components manufacturing operations, fleet management and car rental services, and lottery services operations. The majority have an indefinite useful life and the remainder have a useful life of 10 to 40 years.
- Water and sewage concession agreements, the majority of which are arrangements with municipal governments across Brazil, of \$1.8 billion (2023 – \$2.4 billion) decreased from the prior year primarily due to the impact of foreign exchange. The concession agreements provide the company the right to charge fees to users over the terms of the agreements in exchange for water treatment services, ongoing and regular maintenance work on water distribution assets and improvements to the water treatment and distribution systems. The concession agreements have an average remaining term of 22 years at which point the underlying concession assets will be returned to the various grantors.
- Computer software and proprietary technology of \$1.8 billion (2023 – \$2.2 billion), which decreased from the prior year mainly due to dispositions completed in the year. The proprietary technology pertains to the combination of processes, tools, techniques and developed systems for exclusive use and benefit within the Private Equity business. The proprietary technology is attributable to our advanced energy storage operation, engineered components manufacturing operation and dealer software and technology services operation, and is assessed to have an estimated useful life of 5 to 15 years.
- The remaining intangible assets in our Private Equity segment relate to other indefinite life assets.

b) Infrastructure

The intangible assets in our Infrastructure segment are primarily related to:

- Contractual customer relationships, customer contracts, proprietary technology and brands of \$4.2 billion (2023 – \$4.5 billion) at our North American and European residential decarbonization infrastructure operations. The contractual customer relationships and customer contracts represent ongoing economic benefits from leasing customers and annuity-based management agreements. This business generates revenue under long-term contracts with a diversified customer base across North America and Europe.
- Concession arrangements of \$2.3 billion (2023 – \$3.0 billion) at our Brazilian regulated transmission operation that provide the right to charge a tariff over the terms of the agreements. On April 8, 2021, new legislation was passed in Brazil which extended these finite authorizations in perpetuity. These assets are amortized on a straight-line basis over the estimated useful life of the underlying infrastructure.
- Customer relationships and shipping agreements of \$1.7 billion (2023 – \$2.1 billion) at our Canadian diversified midstream operation, relating to long-term take-or-pay and fee-for-service contractual arrangements. These agreements are with investment grade counterparties. These assets are amortized on a straight-line basis over the estimated useful life.
- Customer relationships, operating network agreements and track access rights of \$1.7 billion (2023 – \$1.7 billion) at our North American rail operations. These intangible assets include long-term leases.
- Customer contracts of \$1.2 billion (2023 – \$652 million) at our Indian telecom tower operation relate to contracts with India's largest cellular network operator, which is an anchor tenant of our telecom tower operation under a 30-year master service agreement.
- Concession arrangement of \$1.0 billion (2023 – \$505 million) at our Brazilian electricity transmission concession, which grants the right to construct, maintain, and operate the transmission lines in exchange for a regulated return during the concession period.
- The remaining intangible assets in our Infrastructure segment relate to other indefinite life assets.

c) Real Estate LP Investments and Other

The intangible assets in real estate LP Investments are primarily attributable to indefinite life trademarks associated with our real estate LP investments, including short-break destinations across the U.K. and Ireland ("U.K. Short Stay"). The U.K. Short Stay trademark assets have been determined to have an indefinite useful life as the company has the legal right to operate these trademarks exclusively in certain territories and in perpetuity.

Inputs Used to Determine Recoverable Amounts of Intangible Assets

We test finite life intangible assets for impairment when an impairment indicator is identified. Indefinite life intangible assets are tested for impairment annually. We use a discounted cash flow valuation to determine the recoverable amount and consider the following significant unobservable inputs as part of our valuation:

Valuation Technique	Significant Unobservable Input(s)	Relationship of Unobservable Input(s) to Fair Value	Mitigating Factor(s)
Discounted cash flow models	• Future cash flows	• Increases (decreases) in future cash flows increase (decrease) the recoverable amount	• Increases (decreases) in cash flows tend to be accompanied by increases (decreases) in discount rates that may offset changes in recoverable amounts from cash flows
	• Discount rate	• Increases (decreases) in discount rate decrease (increase) the recoverable amount	• Increases (decreases) in discount rates tend to be accompanied by increases (decreases) in cash flows that may offset changes in recoverable amounts from discount rates
	• Terminal capitalization rate	• Increases (decreases) in terminal capitalization rate decrease (increase) the recoverable amount	• Increases (decreases) in terminal capitalization rates tend to be accompanied by increases (decreases) in cash flows that may offset changes in recoverable amounts from terminal capitalization rates
	• Investment horizon	• Increases (decreases) in the investment horizon decrease (increase) the recoverable amount	• Increases (decreases) in the investment horizon tend to be the result of changing cash flow profiles that may result in higher (lower) growth in cash flows prior to stabilizing in the terminal year

14. GOODWILL

The following table presents the balance and nature of the changes in goodwill:

AS AT AND FOR THE YEARS ENDED DEC. 31 (MILLIONS)	Cost		Accumulated Impairment		Total	
	2024	2023	2024	2023	2024	2023
Balance, beginning of year	\$ 36,758	\$ 29,767	\$ (1,847)	\$ (1,105)	\$ 34,911	\$ 28,662
Acquisitions through business combinations	3,899	7,211	—	—	3,899	7,211
Impairment losses	—	—	(828)	(659)	(828)	(659)
Foreign currency translation and other ¹	(2,386)	(220)	134	(83)	(2,252)	(303)
Balance, end of year	\$ 38,271	\$ 36,758	\$ (2,541)	\$ (1,847)	\$ 35,730	\$ 34,911

1. Includes adjustment to goodwill based on final purchase price allocation.

Goodwill is allocated to the following operating segments:

AS AT DEC. 31 (MILLIONS)	Note	2024	2023
Infrastructure	(a)	\$ 14,209	\$ 14,487
Private Equity	(b)	12,726	14,396
Renewable Power and Transition	(c)	6,903	3,335
Real Estate (LP Investments) and Other ¹	(d)	1,855	2,674
Real Estate (Core and Transitional & Development) ¹		37	19
Total		\$ 35,730	\$ 34,911

1. Real estate core and transitional and development investments are included in our Real Estate segment. Real estate LP investments are included within our Asset Management segment as we include the discretionary capital that we invest directly into and alongside private funds managed by BAM and other investments within this segment.

a) Infrastructure

Goodwill in our Infrastructure segment decreased from the prior year primarily as incremental goodwill from the acquisition of our Indian telecom tower operation was more than offset by the impact of foreign exchange.

A discounted cash flow model was used to determine the recoverable amount of goodwill. The key inputs are discount rates ranging from 10% to 20%, terminal value multiples of 7x to 21x and cash flow periods from 1 to 26 years. The recoverable amounts for the years ended 2024 and 2023 were determined to be in excess of their carrying values.

b) Private Equity

Goodwill in our Private Equity segment decreased from the prior year primarily due to the deconsolidation of our payment processing services operation, goodwill impairment at our healthcare services operation, and the impact of foreign exchange. For the remaining goodwill balance, the recoverable amounts for the years ended 2024 and 2023 were determined to be in excess of their carrying values.

The key inputs are revenue growth rates ranging from 4.6% to 12.1%, discount rates of 8.7% to 11.9% and perpetuity growth rates of 0.8% to 3.0%. These assumptions and inputs are forecasted over a period of 5 years except for specific cases.

c) Renewable Power and Transition

Goodwill in our Renewable Power and Transition segment includes a hydroelectric portfolio and distributed generation and utility-scale solar portfolios. The increase in goodwill was primarily due to the acquisition of a leading listed global renewables developer headquartered in France.

The goodwill on the hydroelectric portfolio arose from the inclusion of a deferred tax liability as the tax bases of the net assets acquired were lower than their fair values. The goodwill is recoverable as long as the tax circumstances that gave rise to the goodwill do not change. To date, no such changes have occurred. For the remaining goodwill balance, the recoverable amounts for the years ended 2024 and 2023 were determined to be in excess of their carrying values. The key inputs are discount rates ranging from 10% to 14%, terminal capitalization rate of 3x to 5x, cash flow periods from 2 to 7 years and future leverage assumptions of the operating segment.

(d) Real Estate LP Investments and Other

Goodwill in real estate LP investments and other is primarily comprised of our real estate LP investments, including U.K. and Ireland Short Stay and a mixed-use asset in South Korea, and our Private Equity direct investments. The decrease in goodwill was primarily due to the deconsolidation of BSREP IV.

The valuation assumptions used to determine the recoverable amount for U.K. and Ireland Short Stay were a discount rate of 11.4% based on a market-based-weighted-average cost of capital, terminal capitalization rate of 6.0% and a long-term growth rate of 3.0%. The recoverable amounts for the years ended 2024 and 2023 were determined to be in excess of their carrying values.

Inputs used to Determine Recoverable Amounts of Goodwill

The recoverable amounts used in goodwill impairment testing are calculated using discounted cash flow models based on the following significant unobservable inputs:

Valuation Technique	Significant Unobservable Input(s)	Relationship of Unobservable Input(s) to Fair Value	Mitigating Factor(s)
Discounted cash flow models	• Future cash flows	• Increases (decreases) in future cash flows increase (decrease) the recoverable amount	• Increases (decreases) in cash flows tend to be accompanied by increases (decreases) in discount rates that may offset changes in recoverable amounts from cash flows
	• Discount rate	• Increases (decreases) in discount rate decrease (increase) the recoverable amount	• Increases (decreases) in discount rates tend to be accompanied by increases (decreases) in cash flows that may offset changes in recoverable amounts from discount rates
	• Terminal capitalization rate/multiple	• Increases (decreases) in terminal capitalization rate/multiple decrease (increase) the recoverable amount	• Increases (decreases) in terminal capitalization rates/multiple tend to be accompanied by increases (decreases) in cash flows that may offset changes in recoverable amounts from terminal capitalization rates
	• Investment horizon/terminal year of cash flows	• Increases (decreases) in the investment horizon/terminal year of cash flows decrease (increase) the recoverable amount	• Increases (decreases) in the investment horizon/terminal year of cash flows tend to be the result of changing cash flow profiles that may result in higher (lower) growth in cash flows prior to stabilizing in the terminal year

15. INCOME TAXES

The major components of income tax expense for the years ended December 31, 2024 and 2023 are set out below:

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024	2023
Current income tax expense	\$ 1,323	\$ 1,908
Deferred income tax (recovery)/expense		
Origination and reversal of temporary differences	(319)	(789)
Recovery arising from previously unrecognized tax assets	(23)	(116)
Change in tax rates and new legislation	1	8
Total deferred income tax (recovery)/expense	(341)	(897)
Income tax expense	\$ 982	\$ 1,011

The company's Canadian domestic statutory income tax rate has remained consistent at 26% throughout both of 2024 and 2023. The company's effective income tax rate is different from the company's domestic statutory income tax rate due to the following differences set out below:

FOR THE YEARS ENDED DEC. 31	2024	2023
Statutory income tax rate	26%	26%
(Reduction)/increase in rate resulting from:		
Portion of gains subject to different tax rates	(15)	(8)
Taxable loss (income) attributable to non-controlling interests	24	(6)
International operations subject to different tax rates	1	1
Recognition of deferred tax assets	(19)	(5)
Non-recognition of the benefit of current year's tax losses	14	5
Non-deductible expenses	10	7
Investment and production tax credits	(10)	—
Other	4	(3)
Effective income tax rate	35%	17%

Deferred income tax assets and liabilities as at December 31, 2024 and 2023 relate to the following:

AS AT DEC. 31 (MILLIONS)	2024	2023
Non-capital losses (Canada)	\$ 1,922	\$ 2,132
Capital losses (Canada)	12	5
Losses (U.S.)	2,833	3,472
Losses (International)	2,360	2,900
Difference in basis	(28,672)	(30,158)
Total net deferred tax liabilities	\$ (21,545)	\$ (21,649)

The aggregate amount of temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognized as at December 31, 2024 is approximately \$18 billion (2023 – approximately \$18 billion).

The company regularly assesses the status of open tax examinations and its historical tax filing positions for the potential for adverse outcomes to determine the adequacy of the provision for income and other taxes. The company believes that it has adequately provided for any tax adjustments that are more likely than not to occur as a result of ongoing tax examinations or historical filing positions.

The dividend payment on certain preferred shares of the company results in the payment of cash taxes in Canada and the company obtaining a deduction based on the amount of these taxes.

The following table details the expiry date, if applicable, of the unrecognized deferred tax assets:

AS AT DEC. 31 (MILLIONS)	2024	2023
One year from reporting date	\$ 32	\$ 10
Two years from reporting date	31	13
Three years from reporting date	24	17
After three years from reporting date	465	667
Do not expire	2,661	2,212
Total	\$ 3,213	\$ 2,919

The components of the income taxes in other comprehensive income for the years ended December 31, 2024 and 2023 are set out below:

FOR THE YEARS ENDED DEC. 31
(MILLIONS)

	2024	2023
Revaluation of property, plant and equipment	\$ 1,949	\$ 120
Financial contracts and power sale agreements	(116)	(29)
Fair value through OCI securities	160	76
Foreign currency translation	(1)	(72)
Revaluation of pension obligation	29	5
Total deferred tax in other comprehensive income	<u>\$ 2,021</u>	<u>\$ 100</u>

16. CORPORATE BORROWINGS

AS AT DEC. 31
(MILLIONS)

	Maturity	Annual Rate	Currency	2024	2023
Term debt					
Public – Canadian	Mar. 8, 2024	5.04 %	C\$	\$ —	\$ 377
Public – U.S.	Apr. 1, 2024	4.00 %	US\$	—	200
Public – U.S. ¹	Jan. 15, 2025	4.00 %	US\$	500	500
Public – Canadian	Jan. 28, 2026	4.82 %	C\$	592	645
Public – U.S.	Jun. 2, 2026	4.25 %	US\$	499	499
Public – Canadian	Mar. 16, 2027	3.80 %	C\$	348	377
Public – U.S.	Jan. 25, 2028	3.90 %	US\$	1,064	1,067
Public – U.S.	Mar. 29, 2029	4.85 %	US\$	999	999
Public – U.S.	Apr. 15, 2030	4.35 %	US\$	750	750
Public – U.S.	Apr. 15, 2031	2.72 %	US\$	500	500
Public – U.S.	Jan. 30, 2032	2.34 %	US\$	600	600
Public – Canadian	Dec. 14 2032	5.43 %	C\$	695	755
Public – U.S.	Mar. 1, 2033	7.38 %	US\$	250	250
Public – U.S.	Jun. 14, 2033	6.09 %	US\$	550	550
Public – U.S.	Jan. 5, 2034	6.35 %	US\$	700	700
Public – U.S.	Jan. 15, 2035	5.68 %	US\$	450	—
Public – Canadian	Jun. 14, 2035	5.95 %	C\$	294	319
Private – Japanese	Dec. 1, 2038	1.42 %	JPY	64	71
Public – U.S.	Sep. 20, 2047	4.70 %	US\$	902	902
Public – U.S.	Apr. 15, 2050	3.45%	US\$	595	595
Public – U.S.	Mar. 30, 2051	3.50%	US\$	757	758
Public – U.S.	Feb 15, 2052	3.63%	US\$	400	400
Public – U.S.	Mar. 4, 2054	5.97%	US\$	953	—
Public – U.S.	Jan 15, 2055	6.30%	US\$	700	—
Public – U.S.	Oct. 16, 2080	4.63%	US\$	400	400
				<u>13,562</u>	<u>12,214</u>
Commercial Paper				767	31
Deferred financing costs ²				(97)	(85)
Total				<u>\$ 14,232</u>	<u>\$ 12,160</u>

1. Corporate borrowings of \$500 million due on January 15, 2025 were repaid subsequent to December 31, 2024.

2. Deferred financing costs are amortized to interest expense over the term of the borrowing using the effective interest method.

Corporate borrowings, excluding revolving facilities, have a weighted-average interest rate of 4.7% (2023 – 4.5%). A portion of corporate borrowings are denominated in foreign currencies, which include C\$2.8 billion (2023 – C\$3.3 billion) payable in Canadian dollars or \$1.9 billion (2023 – \$2.5 billion) and ¥10 billion (2023 – ¥10 billion) payable in Japanese Yen or \$64 million (2023 – \$71 million).

17. ACCOUNTS PAYABLE AND OTHER

AS AT DEC. 31 (MILLIONS)	2024	2023
Accounts payable	\$ 13,202	\$ 13,470
Lease liabilities	9,801	8,882
Provisions	3,845	3,457
Other liabilities	28,654	33,084
Total	<u>\$ 55,502</u>	<u>\$ 58,893</u>

The current and non-current balances of accounts payable, provisions and other liabilities are as follows:

AS AT DEC. 31 (MILLIONS)	2024	2023
Current	\$ 30,125	\$ 33,414
Non-current	25,377	25,479
Total	<u>\$ 55,502</u>	<u>\$ 58,893</u>

Post-Employment Benefits

The company offers pension and other post-employment benefit plans to employees of certain of its subsidiaries. The company's obligations under its defined benefit pension plans are determined periodically through the preparation of actuarial valuations. The benefit plans' valuation change during the year was an increase of \$118 million (2023 – decrease of \$11 million). The discount rate used was 5% (2023 – 5%) with a rate of compensation of 2% (2023 – 2%), and an investment rate of 5% (2023 – 5%).

AS AT DEC. 31 (MILLIONS)	2024	2023
Plan assets	\$ 1,300	\$ 1,380
Less accrued benefit obligation:		
Defined benefit pension plan	(1,384)	(1,583)
Other post-employment benefits	(100)	(131)
Net liability	(184)	(334)
Less: net actuarial (losses) gains and other	(6)	6
Accrued benefit liability	<u>\$ (190)</u>	<u>\$ (328)</u>

18. NON-RECOURSE BORROWINGS OF MANAGED ENTITIES

AS AT DEC. 31 (MILLIONS)	Note	2024	2023
Subsidiary borrowings	(a)	\$ 16,002	\$ 16,214
Property-specific borrowings	(b)	204,558	205,336
Total		<u>\$ 220,560</u>	<u>\$ 221,550</u>

a) Subsidiary Borrowings

Principal repayments on subsidiary borrowings due over the next five calendar years and thereafter are as follows:

(MILLIONS)	Real Estate	Renewable Power and Transition	Infrastructure	Private Equity	Total
2025	\$ 678	\$ 709	\$ 850	\$ 13	\$ 2,250
2026	348	—	—	123	471
2027	931	348	313	—	1,592
2028	348	—	487	—	835
2029	2,604	570	787	2,150	6,111
Thereafter	499	2,190	2,133	—	4,822
Total Principal repayments	5,408	3,817	4,570	2,286	16,081
Deferred financing costs and other	(26)	(16)	(29)	(8)	(79)
Total – Dec. 31, 2024	\$ 5,382	\$ 3,801	\$ 4,541	\$ 2,278	\$ 16,002
Total – Dec. 31, 2023	\$ 6,882	\$ 2,832	\$ 4,911	\$ 1,589	\$ 16,214

The weighted-average interest rate on subsidiary borrowings as at December 31, 2024 was 5.6% (2023 – 5.7%).

The current and non-current balances of subsidiary borrowings are as follows:

AS AT DEC. 31 (MILLIONS)	2024	2023
Current	\$ 2,250	\$ 2,596
Non-current	13,752	13,618
Total	<u>\$ 16,002</u>	<u>\$ 16,214</u>

Subsidiary borrowings by currency include the following:

AS AT DEC. 31 (MILLIONS)	2024	Local Currency	2023	Local Currency
U.S. dollars	\$ 8,239	USD 8,239	\$ 7,915	USD 7,915
Canadian dollars	7,627	CAD 10,970	8,208	CAD 10,875
Brazilian reais	136	BRL 839	91	BRL 443
Total	<u>\$ 16,002</u>		<u>\$ 16,214</u>	

b) Property-Specific Borrowings

Principal repayments on property-specific borrowings due over the next five calendar years and thereafter are as follows:

(MILLIONS)	Real Estate ^{1,2,3}	Renewable Power and Transition	Infrastructure	Private Equity and Other	Total
2025	\$ 32,428	\$ 9,232	\$ 4,189	\$ 2,405	\$ 48,254
2026	13,045	4,936	4,827	4,524	27,332
2027	8,517	2,863	4,983	5,356	21,719
2028	2,908	3,007	5,077	7,442	18,434
2029	8,195	3,799	6,731	11,040	29,765
Thereafter	5,472	14,666	30,634	10,831	61,603
Total Principal repayments	70,565	38,503	56,441	41,598	207,107
Deferred financing costs and other	(389)	(354)	(1,143)	(663)	(2,549)
Total – Dec. 31, 2024	\$ 70,176	\$ 38,149	\$ 55,298	\$ 40,935	\$ 204,558
Total – Dec. 31, 2023	\$ 86,734	\$ 28,635	\$ 46,083	\$ 43,884	\$ 205,336

1. Real estate property-specific borrowings maturing in 2025 of \$32.4 billion include office of \$6.7 billion, retail of \$5.6 billion, and LP investments and other of \$20.1 billion. Real estate property-specific borrowings maturing in 2026 of \$13.0 billion include office of \$2.8 billion, retail of \$1.7 billion, and LP investments and other of \$8.5 billion. The real estate property-specific borrowings included in the table above do not consider available extension options on \$25.7 billion of debt.
2. Includes \$45.8 billion of borrowings associated with real estate LP investments from our Asset Management segment and \$24.4 million associated with core and transitional and development investments in our Real Estate segment.
3. Real estate property-specific borrowings of \$70.2 billion includes \$35.4 billion related to BPY investment properties, \$7.9 billion for BPY hospitality assets, and \$26.9 billion for real estate direct investments.

The weighted-average interest rate on property-specific borrowings as at December 31, 2024 was 6.8% (2023 – 7.1%).

The current and non-current balances of property-specific borrowings are as follows:

AS AT DEC. 31 (MILLIONS)	2024 ¹	2023
Current	\$ 48,254	\$ 54,975
Non-current	156,304	150,361
Total	\$ 204,558	\$ 205,336

1. At December 31, 2024, non-current property-specific borrowings of \$156.3 billion had \$20.1 billion (December 31, 2023 – \$26.6 billion) of debt obligations, which were classified as non-current but are subject to covenants that are required to be complied with during the twelve months following the reporting date.

Property-specific borrowings by currency include the following:

AS AT DEC. 31 (MILLIONS)	2024	Local Currency	2023	Local Currency
U.S. dollars	\$ 119,612	USD 119,612	\$ 112,510	USD 112,510
British pounds	12,583	GBP 10,054	13,457	GBP 10,571
Indian rupees	10,911	INR 934,088	9,930	INR 826,265
Canadian dollars	15,830	CAD 22,767	17,124	CAD 22,690
Euros	17,164	EUR 16,578	22,825	EUR 20,670
Australian dollars	9,498	AUD 15,350	10,051	AUD 14,755
Brazilian reais	10,634	BRL 65,848	10,868	BRL 52,606
Colombian pesos	3,533	COP 15,566,206	3,334	COP 12,914,945
Korean won	2,185	KRW 3,230,442	2,199	KRW 2,855,358
Other currencies	2,608	Various n/a	3,038	Various n/a
Total	\$ 204,558		\$ 205,336	

19. SUBSIDIARY EQUITY OBLIGATIONS

Subsidiary equity obligations consist of the following:

AS AT DEC. 31 (MILLIONS)	Note	2024	2023
Subsidiary preferred shares and capital	(a)	\$ 3,578	\$ 2,257
Subsidiary preferred equity units	(b)	1,042	1,625
Limited-life funds and redeemable fund units	(c)	139	263
Total		<u>\$ 4,759</u>	<u>\$ 4,145</u>

a) Subsidiary Preferred Shares and Capital

Preferred shares are classified as liabilities if the holders of the preferred shares have the right, after a fixed date, to convert the shares into common equity of the issuer based on the market price of the common equity of the issuer at that time unless they are previously redeemed by the issuer. The dividends paid on these securities are recorded in interest expense. As at December 31, 2024 and 2023, the balances consist of the following:

AS AT DEC. 31 (MILLIONS, EXCEPT SHARE INFORMATION)	Shares Outstanding	Cumulative Dividend Rate	Local Currency	2024	2023
India Infrastructure Investment Trusts	664,000,000	See footnote ¹	INR	\$ 1,906	\$ 1,138
Brookfield India Real Estate Trust ("BIRET")	414,972,231	See footnote ¹	US\$	1,392	729
Rouse Series A preferred shares	5,600,000	5.00%	US\$	158	145
BSREP V Iron REIT L.P. Preferred Shares	n/a	5.00%	US\$	69	—
Alstria Office Prime Portfolio GmbH & Co. KG	n/a	n/a	EUR€	—	109
BIP Investment Corporation Series 1 Senior preferred shares	n/a	n/a	C\$	—	73
Brookfield Property Split Corp. ("BOP Split") senior preferred shares					
Series 1	568,066	5.25%	US\$	14	16
Series 2	253,017	5.75%	C\$	4	7
Series 3	333,730	5.00%	C\$	6	8
Series 4	272,261	5.20%	C\$	5	7
BSREP III U.S. Senior Living Investment	n/a	n/a	US\$	24	25
Total				<u>\$ 3,578</u>	<u>\$ 2,257</u>

1. The dividend rate pertaining to India Infrastructure Investment Trusts and BIRET is equal to a minimum of 90% of net distributable cash flows.

Subsidiary preferred capital also includes \$1.9 billion as at December 31, 2024 (2023 – \$1.1 billion) of preferred equity interests held by third-party investors in India Infrastructure Investment Trusts, which have been classified as liabilities, as a result of contractual obligations to make distributions at an amount no less than 90% of net distributable cash flows.

Subsidiary preferred capital includes \$1.4 billion as at December 31, 2024 (2023 – \$729 million) of preferred equity interests held by third-party investors in BIRET, which have been classified as a liability, due to the fact BIRET has a contractual obligation to make distributions to unitholders every six months at an amount no less than 90% of net distributable cash flows.

Subsidiary preferred shares include \$158 million as at December 31, 2024 (2023 – \$145 million) of preferred equity interests held by a third-party investor in Rouse Properties, L.P., which have been classified as a liability, due to the fact that the interests are mandatorily redeemable on or after November 12, 2025 for a set price per unit plus any accrued but unpaid distributions; distributions are capped and accrue regardless of available cash generated.

b) Subsidiary Preferred Equity Units

In 2014, BPY issued \$1.8 billion of exchangeable preferred equity units in three \$600 million tranches redeemable in 2021, 2024 and 2026, respectively. The preferred equity units were originally exchangeable into equity units of BPY at \$25.70 per unit, at the option of the holder, at any time up to and including the maturity date. Following the privatization of BPY ("BPY privatization"), the preferred equity units became exchangeable into cash equal to the value of the consideration that would have been received upon the BPY privatization (a combination of cash, BN and BAM shares, and New LP Preferred Units), based on the value of that consideration on the date of exchange. BPY also has the option of delivering the actual consideration (a combination of cash, BN and BAM shares, and New LP Preferred Units). Following the BPY privatization, we have agreed with the holder to grant the company the right to purchase all or any portion of the preferred equity units of the holder at maturity, and to grant the holder the right to sell all or any portion of the preferred equity units of the holder at maturity, in each case at a price equal to the issue price for such preferred equity units plus accrued and unpaid distributions. On December 30, 2021 and December 31, 2024, the company acquired the tranches redeemable in 2021 and 2024 from the holder and subsequently exchanged such units for LP Units and Redemption-Exchange Units of BPY. The preferred equity units were subsequently cancelled.

Subsidiary preferred equity units include \$466 million as at December 31, 2024 (2023 – \$474 million) of preferred equity interests issued in connection with the BPY privatization which have been classified as a liability due to the fact the holders of such interests can demand cash payment upon maturity on July 26, 2081, for the liquidation preference of \$25.00 per unit and any accumulated unpaid dividends.

AS AT DEC. 31 (MILLIONS, EXCEPT SHARE INFORMATION)	Shares Outstanding	Cumulative Dividend Rate	Local Currency	2024	2023
Series 2	n/a	6.50%	US\$	\$ —	\$ 587
Series 3	24,000,000	6.75%	US\$	576	564
New LP Preferred Units	19,000,749	6.25%	US\$	466	474
Total				<u>\$ 1,042</u>	<u>\$ 1,625</u>

c) Limited-Life Funds and Redeemable Fund Units

Limited-life funds and redeemable fund units represent interests held in our consolidated funds by third-party investors that have been classified as a liability, as holders of these interests can cause our funds to redeem their interest in the fund for cash equivalents at a specified time. As at December 31, 2024, we have \$139 million (2023 – \$263 million) of subsidiary equity obligations arising from limited-life funds and redeemable fund units.

In our Real Estate business, limited-life fund obligations include \$139 million (2023 – \$189 million) of equity interests held by third-party investors in two consolidated funds that have been classified as a liability, as holders of these interests can cause the funds to redeem their interests in the fund for cash equivalents at the fair value of the interest at a set date.

20. SUBSIDIARY PUBLIC ISSUERS AND FINANCE SUBSIDIARIES

Brookfield Finance Inc. (“BFI”) was incorporated on March 31, 2015 under the *Business Corporations Act* (Ontario) and is a subsidiary of the Corporation. Historically, we have also issued debt securities through other subsidiaries, including Brookfield Finance LLC (“BFL”) and Brookfield Finance I (UK) PLC (“BF U.K.”). As at December 31, 2024, BFI is the issuer of the following series of notes (together with BFL and BF U.K. as co-obligors, as noted below):

- \$500 million of 4.25% notes due in 2026;
- \$1.1 billion of 3.90% notes due in 2028;
- \$1.0 billion of 4.85% notes due in 2029;
- \$750 million of 4.35% notes due in 2030;
- \$500 million of 2.724% notes due in 2031;
- \$600 million of 2.34% notes due in 2032 (BF U.K. co-obligor).
- \$700 million of 6.35% notes due in 2034;
- \$450 million of 5.675% notes due in 2035;
- \$900 million of 4.70% notes due in 2047;
- \$600 million of 3.45% notes due in 2050 (BFL co-obligor);
- \$750 million of 3.50% notes due in 2051;
- \$400 million of 3.625% notes due in 2052;
- \$950 million of 5.968% notes due in 2054;
- \$700 million of 6.30% subordinated notes due in 2055; and
- \$400 million of 4.625% subordinated notes due in 2080.

Subsequent to year-end, BFI issued \$500 million of 5.813% notes due in 2055. In addition, Brookfield Finance II Inc. (“BFI II”) is the issuer of C\$1.0 billion of 5.431% notes due in 2032, Brookfield Capital Finance LLC (the “US LLC Issuer”) is the issuer of \$550 million of 6.087% notes due in 2033, and BF U.K. is the issuer of \$230 million of 4.50% perpetual subordinated notes.

BFL is a Delaware limited liability company formed on February 6, 2017 and is a subsidiary of the Corporation. The US LLC Issuer is a Delaware limited liability company formed on August 12, 2022 and a subsidiary of the Corporation. BFI II was incorporated on September 24, 2020 under the *Business Corporations Act* (Ontario) and is a subsidiary of the Corporation. Brookfield Finance (Australia) Pty Ltd (“BF AUS”) was incorporated on September 24, 2020 under the Corporations Act 2001 (Commonwealth of Australia) and is a subsidiary of the Corporation. BF U.K. (collectively with BFI, BFI II, BFL, BF AUS, and the US LLC Issuer, the “Debt Issuers”) was incorporated on September 25, 2020 under the U.K. Companies Act 2006 and is a subsidiary of the Corporation. Brookfield Finance II LLC (“BFL II”) was formed on September 24, 2020 under the Delaware Limited Liability Company Act and is a subsidiary of the Corporation. The Debt Issuers are consolidated subsidiaries of the Corporation that may offer and sell debt securities. BFL II is a consolidated subsidiary of the Corporation that may offer and sell preferred shares representing limited liability company interests. Any debt securities issued by the Debt Issuers are, or will be, fully and unconditionally guaranteed as to payment of principal, premium (if any), interest and certain other amounts by the Corporation. Any preferred shares representing limited liability company interests issued by BFL II will be fully and unconditionally guaranteed as to payment of distributions when due, amounts due on redemption, and amounts due on the liquidation, dissolution or winding-up of BFL II, in each case by the Corporation.

The US LLC Issuer, BFI II, BFL, BFL II, BF AUS and BF U.K. have no independent activities, assets or operations other than in connection with any securities that they may issue.

Brookfield Investments Corporation (“BIC”) is an investment company that holds investments in the real estate, renewable power and infrastructure sectors, as well as a portfolio of preferred shares issued by the Corporation’s subsidiaries. The Corporation provided a full and unconditional guarantee of the Class 1 Senior Preferred Shares, Series A issued by BIC. As at December 31, 2024, C\$20 million of these senior preferred shares were held by third-party shareholders and are retractable at the option of the holder.

The following tables contain summarized financial information of the Corporation, BFI, BFI II, BFL, BFL II, BF AUS, BF U.K., the US LLC Issuer, BIC and non-guarantor subsidiaries:

AS AT AND FOR THE YEAR ENDED DEC. 31, 2024 (MILLIONS)	The Corporation ¹	BFI	BFI II	BFL	BFL II	BF AUS	BF U.K.	US LLC Issuer	BIC	Other Subsidiaries of the Corporation ²	Consolidating Adjustments ³	The Company Consolidated
Revenues	\$ 3,432	\$ 830	\$ 100	\$ —	\$ —	\$ —	\$ 15	\$ 45	\$ 189	\$ 95,220	\$ (13,825)	\$ 86,006
Net income (loss) attributable to shareholders	641	416	60	—	—	—	15	(1)	123	9,749	(10,362)	641
Total assets	85,449	11,640	699	—	—	—	169	552	3,907	557,003	(168,995)	490,424
Total liabilities	39,472	10,457	693	2	—	—	1	550	3,423	312,176	(41,733)	325,041
Non-controlling interest – preferred equity	—	—	—	—	—	—	230	—	—	—	—	230

AS AT AND FOR THE YEAR ENDED DEC. 31, 2023 (MILLIONS)	The Corporation ¹	BFI	BFI II	BFL	BFL II	BF AUS	BF U.K.	US LLC Issuer	BIC	Other Subsidiaries of the Corporation ²	Consolidating Adjustments ³	The Company Consolidated
Revenues	\$ 2,787	\$ 312	\$ 24	\$ —	\$ —	\$ —	\$ 15	\$ 24	\$ 188	\$ 104,516	\$ (11,942)	\$ 95,924
Net income (loss) attributable to shareholders	1,130	(27)	(17)	—	—	—	15	—	34	8,348	(8,353)	1,130
Total assets	77,567	10,813	757	—	—	—	160	552	4,165	561,498	(165,417)	490,095
Total liabilities	31,790	8,793	752	2	—	—	1	549	3,546	320,691	(44,271)	321,853
Non-controlling interest – preferred equity	—	—	—	—	—	—	230	—	—	—	—	230

1. This column accounts for investments in all subsidiaries of the Corporation under the equity method.

2. This column accounts for investments in all subsidiaries of the Corporation other than BFI, BFI II, BFL, BFL II, BF AUS, BF U.K., the US LLC Issuer and BIC on a combined basis.

3. This column includes the necessary amounts to present the company on a consolidated basis.

21. EQUITY

Equity consists of the following:

AS AT DEC. 31 (MILLIONS)	Note	2024	2023
Preferred equity	(a)	\$ 4,103	\$ 4,103
Non-controlling interests	(b)	119,406	122,465
Common equity	(c)	41,874	41,674
		<u>\$ 165,383</u>	<u>\$ 168,242</u>

a) Preferred Equity

Preferred equity includes perpetual preferred shares and rate-reset preferred shares and consists of the following:

AS AT DEC. 31 (MILLIONS)	Average Rate		2024	2023
	2024	2023		
Perpetual preferred shares				
Floating rate	4.52%	5.29%	\$ 463	\$ 463
Fixed rate	4.82%	4.82%	739	739
	4.70%	5.00%	1,202	1,202
Fixed rate-reset preferred shares	5.04%	4.72%	2,901	2,901
	4.94%	4.80%	<u>\$ 4,103</u>	<u>\$ 4,103</u>

Further details on each series of preferred shares are as follows:

AS AT DEC. 31 (MILLIONS, EXCEPT PER SHARE INFORMATION)	Rate	Issued and Outstanding		2024	2023
		2024	2023		
Class A preferred shares					
Perpetual preferred shares					
Series 2	70% P	10,220,175	10,220,175	\$ 169	\$ 169
Series 4	70% P	3,983,910	3,983,910	45	45
Series 13	70% P	8,792,596	8,792,596	195	195
Series 17	4.75%	7,840,204	7,840,204	171	171
Series 18	4.75%	7,681,088	7,681,088	178	178
Series 36	4.85%	7,842,909	7,842,909	197	197
Series 37	4.90%	7,830,091	7,830,091	193	193
Series 51	Variable up to P	3,320,486	3,320,486	54	54
				1,202	1,202
Rate-reset preferred shares ¹					
Series 24	3.24%	10,808,027	10,808,027	265	265
Series 26	3.85%	9,770,928	9,770,928	240	240
Series 28	4.61%	9,233,927	9,233,927	232	232
Series 30	6.09%	9,787,090	9,787,090	241	241
Series 32 ²	6.74%	11,750,299	11,750,299	297	297
Series 34 ³	6.15%	9,876,735	9,876,735	253	253
Series 38	3.57%	7,906,132	7,906,132	179	179
Series 40 ⁴	5.83%	11,841,025	11,841,025	271	271
Series 42	3.25%	11,887,500	11,887,500	266	266
Series 44	5.00%	9,831,929	9,831,929	187	187
Series 46	5.39%	11,740,797	11,740,797	217	217
Series 48	6.23%	11,885,972	11,885,972	244	244
Series 52	2.75%	1,177,580	1,177,580	9	9
				2,901	2,901
Total				\$ 4,103	\$ 4,103

1. Dividend rates are fixed for 5 to 6 years from the quarter end dates after issuance, June 30, 2011, March 31, 2012, June 30, 2012, December 31, 2012, September 30, 2013, March 31, 2014, June 30, 2014, December 31, 2014, December 31, 2015, December 31, 2016 and December 31, 2017, respectively and reset after 5 to 6 years to the 5-year Government of Canada bond rate plus between 180 and 417 basis points.

2. Dividend rate reset commenced October 1, 2023.

3. Dividend rate reset commenced April 1, 2024.

4. Dividend rate reset commenced October 1, 2024.

P – Prime Rate

The company is authorized to issue an unlimited number of Class A preferred shares and an unlimited number of Class AA preferred shares, issuable in series. No Class AA preferred shares have been issued.

The Class A preferred shares are entitled to preference over the Class A and Class B Limited Voting Shares (“Class A and B shares”) on the declaration of dividends and other distributions to shareholders. All series of the outstanding preferred shares have a par value of C\$25.00 per share, except for Series 51 and Series 52, which have a par value of C\$22.44 and C\$22.00 respectively.

b) Non-controlling Interests

Non-controlling interests represent the common and preferred equity in consolidated entities that are owned by other shareholders.

AS AT DEC. 31 (MILLIONS)	2024	2023
Common equity.....	\$ 114,389	\$ 117,318
Preferred equity.....	5,017	5,147
Total.....	<u>\$ 119,406</u>	<u>\$ 122,465</u>

Further information on non-controlling interests is provided in Note 4 Subsidiaries.

c) Common Equity

The company's common equity is comprised of the following:

AS AT DEC. 31 (MILLIONS)	2024	2023
Common shares.....	\$ 10,806	\$ 10,879
Contributed surplus.....	114	112
Retained earnings.....	17,066	18,006
Ownership changes.....	5,045	4,510
Accumulated other comprehensive income.....	8,843	8,167
Common equity.....	<u>\$ 41,874</u>	<u>\$ 41,674</u>

The company is authorized to issue an unlimited number of Class A Limited Voting Shares ("Class A shares") and 85,120 Class B Limited Voting Shares ("Class B shares"). The company's Class A shares and Class B shares have no stated par value. The holders of Class A shares and Class B shares rank on par with each other with respect to the payment of dividends and the return of capital on the liquidation, dissolution or winding up of the company or any other distribution of the assets of the company among its shareholders for the purpose of winding up its affairs. Holders of the Class A shares are entitled to elect half of the Board of Directors of the company and holders of the Class B shares are entitled to elect the other half of the Board of Directors. With respect to the Class A and Class B shares, there are no dilutive factors, material or otherwise, that would result in different diluted earnings per share between the classes. This relationship holds true irrespective of the number of dilutive instruments issued in either one of the respective classes of Class A and Class B shares, as both classes of shares participate equally, on a pro rata basis, in the dividends, earnings and net assets of the company, whether taken before or after dilutive instruments, regardless of which class of shares is diluted.

The holders of the company's Class A shares and Class B shares received cash dividends during 2024 of \$0.32 per share (2023 – \$0.28 per share).

The number of issued and outstanding Class A and Class B shares and unexercised options are as follows:

AS AT DEC. 31	2024	2023
Class A shares ¹	1,506,464,968	1,523,372,339
Class B shares.....	85,120	85,120
Shares outstanding ¹	1,506,550,088	1,523,457,459
Unexercised options, other share-based plans ² and exchangeable shares of affiliate.....	95,805,397	91,632,045
Total diluted shares.....	<u>1,602,355,485</u>	<u>1,615,089,504</u>

1. Net of 104,786,155 Class A shares held by the company in respect of long-term compensation agreements as at December 31, 2024 (December 31, 2023 – 81,849,805).
2. Includes management share option plan and escrowed stock plan.

The authorized common share capital consists of an unlimited number of Class A shares and 85,120 Class B shares. Shares issued and outstanding changed as follows:

FOR THE YEARS ENDED DEC. 31	2024	2023
Outstanding, beginning of year ¹	1,523,457,459	1,573,371,868
Issued (Repurchased)		
Issuances	3,351,357	794,418
Repurchases ²	(26,676,978)	(54,547,332)
Long-term share ownership plans ³	6,371,747	3,722,567
Dividend reinvestment plan and other	46,503	115,938
Outstanding, end of year ⁴	1,506,550,088	1,523,457,459

1. Net of 81,849,805 Class A shares held by the company in respect of long-term compensation agreements as at December 31, 2023 (December 31, 2022 – 62,910,220).
2. During 2023, 32,934,574 BN Class A shares (“BN shares”) were voluntarily exchanged for newly-issued BWS class A-1 exchangeable non-voting shares on a one-for-one basis. BWS Class A-1 shares are convertible in BN shares.
3. Includes management share option plan and restricted stock plan.
4. Net of 104,786,155 Class A shares held by the company in respect of long-term compensation agreements as at December 31, 2024 (December 31, 2023 – 81,849,805).

Earnings Per Share

The components of basic and diluted earnings per share are summarized in the following table:

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024	2023
Net income attributable to shareholders	\$ 641	\$ 1,130
Preferred share dividends	(168)	(166)
Net income available to shareholders	473	964
Dilutive impact of exchangeable shares	12	5
Net income available to shareholders including dilutive impact of exchangeable shares	\$ 485	\$ 969

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024	2023
Weighted average – Class A and Class B shares	1,511.5	1,558.5
Dilutive effect of conversion of options and escrowed shares using treasury stock method and exchangeable shares of affiliate	73.1	29.7
Class A and Class B shares and share equivalents	1,584.6	1,588.2

Share-Based Compensation

The expense arising from share-based compensation is summarized in the following table:

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024	2023
Expense arising from equity-settled share-based payment transactions	\$ 103	\$ 104
Expense arising from cash-settled share-based payment transactions	410	290
Total expense arising from share-based payment transactions	513	394
Effect of hedging program	(407)	(289)
Total expense included in consolidated income	\$ 106	\$ 105

The company’s share-based payment plans are described below.

Equity-settled Share-based Awards

Management Share Option Plan

Options issued under the company’s Management Share Option Plan (“MSOP”) vest over a period of up to five years, expire ten years after the grant date and are settled through issuance of Class A shares. The exercise price is equal to the market price at the grant date. For the year ended December 31, 2024, the total expense incurred with respect to MSOP totaled \$15 million (2023 – \$17 million).

The changes in the number of options during 2024 and 2023 were as follows:

	NYSE	
	Number of Options (000's) ¹	Weighted- Average Exercise Price
Outstanding as at January 1, 2024	39,745	US\$ 26.30
Granted	1,165	40.03
Exercised	(10,187)	20.58
Cancelled	(232)	40.96
Outstanding as at December 31, 2024	30,491	US\$ 28.63

1. Options to acquire NYSE listed Class A shares.

	NYSE	
	Number of Options (000's) ¹	Weighted- Average Exercise Price
Outstanding as at January 1, 2023	44,093	US\$ 25.16
Granted	716	36.37
Exercised	(4,731)	16.25
Cancelled	(333)	39.57
Outstanding as at December 31, 2023	39,745	US\$ 26.30

1. Options to acquire NYSE listed Class A shares.

The weighted-average fair value of options granted for the year ended December 31, 2024 was \$12.51 (2023 – \$9.61), and was determined using the Black-Scholes valuation model, with inputs to the model as follows:

FOR THE YEARS ENDED DEC. 31	Unit	2024	2023
Weighted-average share price	US\$	40.03	36.37
Average term to exercise	Years	7.5	7.5
Share price volatility ¹	%	35.0	28.7
Liquidity discount	%	25.0	25.0
Weighted-average annual dividend yield	%	1.0	1.0
Risk-free rate	%	4.2	4.0

1. Share price volatility was determined based on historical share prices over a similar period to the average term to exercise.

As at December 31, 2024, the following options to purchase Class A shares were outstanding:

Exercise Price	Weighted-Average Remaining Life	Options Outstanding (000's)		
		Vested	Unvested	Total
US\$14.61 – US\$16.70	1.1 years	2,611	—	2,611
US\$18.43 – US\$22.05	2.5 years	10,142	—	10,142
US\$24.15 – US\$31.64	4.2 years	5,776	102	5,878
US\$35.56 – US\$46.62	6.6 years	6,127	5,733	11,860
		24,656	5,835	30,491

As at December 31, 2023, the following options to purchase Class A shares were outstanding:

Exercise Price	Weighted-Average Remaining Life	Options Outstanding (000's)		
		Vested	Unvested	Total
US\$13.77 – US\$16.70	1.8 years	4,845	—	4,845
US\$18.43 – US\$22.05	3.0 years	16,604	—	16,604
US\$24.15 – US\$31.64	5.2 years	5,539	1,390	6,929
US\$35.56 – US\$46.62	7.3 years	4,175	7,192	11,367
		31,163	8,582	39,745

Escrowed Stock Plan

The Escrowed Stock Plan (the “ES Plan”) provides executives with indirect ownership of Class A shares. Under the ES Plan, executives are granted common shares (the “ES Shares”) in one or more private companies that own Class A shares. The Class A shares are purchased on the open market with the purchase cost funded by the company. The ES shares generally vest over five years and must be held to the fifth anniversary of the grant date. At a date no more than ten years from the grant date, all outstanding ES shares will be exchanged for Class A shares issued by the company based on the market value of Class A shares at the time of the exchange. The number of Class A shares issued on exchange will be less than the Class A shares purchased under the ES Plan resulting in a net reduction in the number of Class A shares issued by the company.

During 2024, 16.4 million Class A shares were purchased in respect of ES shares granted to executives under the ES Plan (2023 – 2.2 million Class A shares) during the year. For the year ended December 31, 2024, the total expense incurred with respect to the ES Plan totaled \$36 million (2023 – \$30 million).

The weighted-average fair value of escrowed shares granted for the year ended December 31, 2024 was \$12.51 (2023 – \$9.61), and was determined using the Black-Scholes model of valuation with inputs to the model as follows:

FOR THE YEARS ENDED DEC. 31	Unit	2024	2023
Weighted-average share price	US\$	40.03	36.37
Average term to exercise	Years	7.5	7.5
Share price volatility ¹	%	35.0	28.7
Liquidity discount	%	25.0	25.0
Weighted-average annual dividend yield	%	1.0	1.0
Risk-free rate	%	4.2	4.0

1. Share price volatility was determined based on historical share prices over a similar period to the average term to exercise.

The change in the number of ES shares during 2024 and 2023 was as follows:

	Number of Units (000's)	Weighted- Average Exercise Price
Outstanding as at January 1, 2024	41,337	\$ 35.03
Granted	16,375	40.03
Exercised	(1,292)	35.70
Cancelled	(10)	42.18
Outstanding as at December 31, 2024	56,410	\$ 36.47

	Number of Units (000's)	Weighted- Average Exercise Price
Outstanding as at January 1, 2023	39,425	\$ 35.00
Granted	2,155	36.37
Exercised	(228)	34.84
Cancelled	(15)	43.51
Outstanding as at December 31, 2023	41,337	\$ 35.03

Restricted Stock Plan

The Restricted Stock Plan awards executives with Class A shares purchased on the open market (“Restricted Shares”). Under the Restricted Stock Plan, Restricted Shares awarded vest over a period of up to five years, except for Restricted Shares awarded in lieu of a cash bonus, which may vest immediately. Vested and unvested Restricted Shares are subject to a hold period of up to five years. Holders of Restricted Shares are entitled to vote Restricted Shares and to receive associated dividends. Employee compensation expense for the Restricted Stock Plan is charged against income over the vesting period.

During 2024, Brookfield granted 1.7 million Class A shares (2023 – 1.5 million) pursuant to the terms and conditions of the Restricted Stock Plan, resulting in the recognition of \$52 million (2023 – \$57 million) of compensation expense.

Cash-settled Share-based Awards

Deferred Share Unit Plan and Restricted Share Unit Plan

The Deferred Share Unit Plan and Restricted Share Unit Plan provide for the issuance of DSUs and RSUs, respectively. Under these plans, qualifying employees and directors receive varying percentages of their annual incentive bonus or directors' fees in the form of DSUs and RSUs. The DSUs and RSUs vest over periods of up to five years, and DSUs accumulate additional DSUs at the same rate as dividends on common shares based on the market value of the common shares at the time of the dividend. Participants are not allowed to convert DSUs and RSUs into cash until retirement or cessation of employment.

The value of the DSUs, when converted to cash, will be equivalent to the market value of the common shares at the time the conversion takes place. The value of the RSUs, when converted into cash, will be equivalent to the difference between the market price of equivalent number of common shares at the time the conversion takes place and the market price on the date the RSUs are granted. The company uses equity derivative contracts to offset its exposure to the change in share prices in respect of vested and unvested DSUs and RSUs. The fair value of the vested DSUs and RSUs as at December 31, 2024 was \$1.1 billion (2023 – \$1.3 billion).

Employee compensation expense for these plans is charged against income over the vesting period of the DSUs and RSUs. The amount payable by the company in respect of vested DSUs and RSUs changes as a result of dividends and share price movements. All of the amounts attributable to changes in the amounts payable by the company are recorded as employee compensation expense in the period of the change. For the year ended December 31, 2024, employee compensation expense totaled \$3 million (2023 – \$1 million), net of the impact of hedging arrangements.

During the year ended December 31, 2024, the RSU plan was terminated and all participants received cash or other financial instruments equivalent to the fair value at the date of settlement. As the RSUs have been settled, the fair value is \$nil as at December 31, 2024 (2023 – \$486 million).

The change in the number of DSUs and RSUs during 2024 and 2023 was as follows:

	DSUs	RSUs		
	Number of Units (000's)	Number of Units (000's)		Weighted-Average Exercise Price
Outstanding as at January 1, 2024	20,951	13,679	C\$	6.10
Granted and reinvested	219	—		—
Exercised and cancelled	(1,703)	(13,679)		6.10
Outstanding as at December 31, 2024	19,467	—	C\$	—

	DSUs	RSUs		
	Number of Units (000's)	Number of Units (000's)		Weighted-Average Exercise Price
Outstanding as at January 1, 2023	21,648	13,679	C\$	6.10
Granted and reinvested	271	—		—
Exercised and cancelled	(968)	—		—
Outstanding as at December 31, 2023	20,951	13,679	C\$	6.10

The fair value of each DSU is equal to the traded price of the company's common shares.

	Unit	Dec. 31, 2024	Dec. 31, 2023
Share price on date of measurement	C\$	82.62	53.15
Share price on date of measurement	US\$	57.45	40.12

The fair value of RSUs was determined primarily using the following inputs:

	Unit	Dec. 31, 2024	Dec. 31, 2023
Share price on date of measurement	C\$	—	53.15
Weighted-average fair value of a unit	C\$	—	47.05

22. REVENUES

We perform a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of our revenues by segment and type, as well as a breakdown of whether revenues from goods or services are recognized at a point in time or delivered over a period of time.

a) Revenue by Type

FOR THE YEAR ENDED DEC. 31, 2024 (MILLIONS)	Asset Management	Corporate Activities	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Total Revenues
Revenue from contracts with customers	\$ 5,299	\$ —	\$ 5,856	\$ 18,885	\$ 37,977	\$ 3,298	\$ 71,315
Other revenue	4,744	476	629	2,640	3,344	2,858	14,691
	<u>\$ 10,043</u>	<u>\$ 476</u>	<u>\$ 6,485</u>	<u>\$ 21,525</u>	<u>\$ 41,321</u>	<u>\$ 6,156</u>	<u>\$ 86,006</u>

FOR THE YEAR ENDED DEC. 31, 2023 (MILLIONS)	Asset Management	Corporate Activities	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Total Revenues
Revenue from contracts with customers	\$ 5,229	\$ —	\$ 4,878	\$ 16,899	\$ 52,570	\$ 3,156	\$ 82,732
Other revenue	4,990	309	432	1,335	3,113	3,013	13,192
	<u>\$ 10,219</u>	<u>\$ 309</u>	<u>\$ 5,310</u>	<u>\$ 18,234</u>	<u>\$ 55,683</u>	<u>\$ 6,169</u>	<u>\$ 95,924</u>

b) Timing of Recognition of Revenue from Contracts with Customers

FOR THE YEAR ENDED DEC. 31, 2024 (MILLIONS)	Asset Management	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Total Revenues
Goods and services provided at a point in time	\$ 1,504	\$ 350	\$ —	\$ 30,408	\$ 2,300	\$ 34,562
Services transferred over a period of time	3,795	5,506	18,885	7,569	998	36,753
	<u>\$ 5,299</u>	<u>\$ 5,856</u>	<u>\$ 18,885</u>	<u>\$ 37,977</u>	<u>\$ 3,298</u>	<u>\$ 71,315</u>

FOR THE YEAR ENDED DEC. 31, 2023 (MILLIONS)	Asset Management	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Total Revenues
Goods and services provided at a point in time	\$ 1,562	\$ 221	\$ —	\$ 42,562	\$ 2,165	\$ 46,510
Services transferred over a period of time	3,667	4,657	16,899	10,008	991	36,222
	<u>\$ 5,229</u>	<u>\$ 4,878</u>	<u>\$ 16,899</u>	<u>\$ 52,570</u>	<u>\$ 3,156</u>	<u>\$ 82,732</u>

Remaining Performance Obligation

Private Equity

In our construction services business, backlog is defined as revenue yet to be delivered (i.e. remaining performance obligations) on construction projects that have been secured via an executed contract or work order. As at December 31, 2024, our backlog of construction projects was approximately \$5.7 billion (2023 – \$6.2 billion).

Our dealer software and technology services operation had remaining performance obligations related to its long-term software and maintenance and support contracts of approximately \$3.0 billion (2023 – \$2.3 billion).

In our Brazilian water and wastewater operation business, our long-term, inflation-adjusted concession service contracts with various municipalities have an average remaining contract duration of 22 years as at December 31, 2024 (2023 – 23 years), and the remaining performance obligations were approximately \$8.3 billion (2023 – \$10.6 billion).

Others

In our other businesses, revenue is generally recognized as invoiced for contracts recognized over a period of time as the amounts invoiced are commensurate with the value provided to the customers.

c) Lease Income

Our leases in which the company is a lessor are primarily operating in nature. Total lease income from our assets leased out on operating leases totaled \$10.4 billion (2023 – \$8.8 billion) including \$141 million (2023 – \$155 million) of income related to variable lease income that is not dependent on an index or rate.

The following table presents the undiscounted contractual earnings receivable of the company's leases by expected period of receipt:

AS AT DEC. 31, 2024 (MILLIONS)	Payments Receivable by Period				
	Less than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years	Total
Receivables from lease contracts	\$ 6,215	\$ 9,821	\$ 7,160	\$ 15,025	\$ 38,221

AS AT DEC. 31, 2023 (MILLIONS)	Payments Receivable by Period				
	Less than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years	Total
Receivables from lease contracts	\$ 6,826	\$ 11,229	\$ 8,268	\$ 17,671	\$ 43,994

23. DIRECT COSTS

Direct costs include all attributable expenses except interest, taxes and fair value changes, and primarily relate to cost of sales, depreciation and amortization, and compensation. The following table lists direct costs for 2024 and 2023 by nature:

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024	2023
Cost of sales ¹	\$ 40,124	\$ 52,224
Depreciation and amortization	9,737	9,075
Compensation	9,410	11,155
Selling, general and administrative expenses	4,932	5,354
Property taxes, sales taxes and other	3,733	3,601
	<u>\$ 67,936</u>	<u>\$ 81,409</u>

1. Cost of sales primarily relate to inventory costs in our Private Equity segment. In the third quarter of 2024, we disposed of our road fuels operation within our Private Equity segment.

24. FAIR VALUE CHANGES

Fair value changes recorded in net income represent gains or losses arising from changes in the fair value of assets and liabilities, including derivative financial instruments, accounted for using the fair value method and are comprised of the following:

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024	2023
Investment properties	\$ 556	\$ (105)
Transaction related income, net of expenses	143	(608)
Financial contracts	857	337
Impairment and provisions	(2,404)	(1,276)
Other fair value changes	(1,672)	256
	<u>\$ (2,520)</u>	<u>\$ (1,396)</u>

25. DERIVATIVE FINANCIAL INSTRUMENTS

The company's activities expose it to a variety of financial risks, including market risk (i.e. currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company selectively uses derivative financial instruments principally to manage these risks.

The aggregate notional amount of the company's derivative positions as at December 31, 2024 and 2023 is as follows:

AS AT DEC. 31 (MILLIONS)	Note	2024	2023
Foreign exchange	(a)	\$ 63,064	\$ 58,175
Interest rates	(b)	97,961	124,265
Equity derivatives	(c)	1,936	2,017
Commodity instruments	(d)		
Energy (GWh)		173,523	98,345
Natural gas (MMBtu – 000's)		110,828	144,104

a) Foreign Exchange

The company held the following foreign exchange contracts with notional amounts as at December 31, 2024 and 2023:

(MILLIONS)	Notional Amount (U.S. Dollars)		Average Exchange Rate	
	2024	2023	2024	2023
Foreign exchange contracts				
Canadian dollars	\$ 7,878	\$ 7,360	0.74	0.76
British pounds	8,334	7,608	1.15	1.07
European Union euros	15,497	14,814	1.01	1.09
Australian dollars	5,228	3,417	0.66	0.69
Indian rupee ¹	7,280	5,233	88.12	85.57
Korean won ¹	1,002	1,091	1,380	1,303
Chinese yuan ¹	3,604	3,083	6.97	6.86
Japanese yen ¹	142	77	137.64	138.41
Colombian pesos ¹	2,463	2,652	4,541	4,629
Brazilian reais	1,981	3,969	0.19	0.18
Other currencies	763	1,532	Various	Various
Cross currency interest rate swaps				
Canadian dollars	5,661	6,457	0.80	0.80
Australian dollars	346	502	0.66	0.68
Chinese yuan ¹	825	—	7.17	—
Foreign exchange options				
Indian rupee ¹	2,060	379	82.87	74.20

1. Average rate is quoted using USD as base currency.

Included in net income are unrealized net gains on foreign currency derivative contracts amounting to \$236 million (2023 – gains of \$47 million) and included in the cumulative translation adjustment account in other comprehensive income are gains in respect of foreign currency contracts entered into for hedging purposes amounting to \$2.8 billion (2023 – losses of \$1.6 billion).

b) Interest Rates

As at December 31, 2024, the company held interest rate swap and forward starting swap contracts having an aggregate notional amount of \$70.5 billion (2023 – \$76.1 billion), interest rate swaptions with an aggregate notional amount of \$nil (2023 – \$292 million) and interest rate cap contracts with an aggregate notional amount of \$27.5 billion (2023 – \$47.9 billion).

c) Equity Derivatives

As at December 31, 2024, the company held equity derivatives with a notional amount of \$1.9 billion (2023 – \$2.0 billion) which include approximately \$1.9 billion (2023 – \$2.0 billion) notional amount that hedges long-term compensation

arrangements. The balance represents common equity positions established in connection with the company's investment activities as well as general equity market hedges. The fair value of these instruments was reflected in the company's consolidated financial statements at year end.

d) Commodity Instruments

The company has entered into energy derivative contracts primarily to hedge the sale of generated power. The company endeavors to link forward electricity sale derivatives to specific periods in which it expects to generate electricity for sale. All energy derivative contracts are recorded at an amount equal to fair value and are reflected in the company's consolidated financial statements. The company has financial contracts outstanding on 110,828,000 MMBtu's (2023 – 144,104,000 MMBtu's) of natural gas as part of its electricity sale price risk mitigation strategy.

Other Information Regarding Derivative Financial Instruments

The following table classifies derivatives elected for hedge accounting during the years ended December 31, 2024 and 2023 as either cash flow hedges or net investment hedges. Changes in the fair value of the effective portion of the hedge are recorded in either other comprehensive income or net income, depending on the hedge classification, whereas changes in the fair value of the ineffective portion of the hedge are recorded in net income:

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024			2023		
	Notional	Effective Portion	Ineffective Portion	Notional	Effective Portion	Ineffective Portion
Cash flow hedges ¹	\$ 71,646	\$ (17)	\$ 7	\$ 84,119	\$ (754)	\$ (12)
Net investment hedges	47,408	2,814	—	45,979	(1,200)	—
	<u>\$ 119,054</u>	<u>\$ 2,797</u>	<u>\$ 7</u>	<u>\$ 130,098</u>	<u>\$ (1,954)</u>	<u>\$ (12)</u>

1. Notional amount does not include 131,526 GWh and 69,082 MMBtu – 000's – of commodity derivatives as at December 31, 2024 (2023 – 28,952 GWh, 49,386 MMBtu – 000's).

The following table presents the change in fair values of the company's derivative positions during the years ended December 31, 2024 and 2023, for derivatives that are fair valued through profit or loss, and derivatives that qualify for hedge accounting:

(MILLIONS)	Unrealized Gains During 2024	Unrealized Losses During 2024	Net Change During 2024	Net Change During 2023
Foreign exchange derivatives	\$ 271	\$ (35)	\$ 236	\$ 47
Interest rate derivatives	222	(461)	(239)	(10)
Equity derivatives	500	—	500	(32)
Commodity derivatives	248	(126)	122	98
	<u>\$ 1,241</u>	<u>\$ (622)</u>	<u>\$ 619</u>	<u>\$ 103</u>

The following table presents the notional amounts underlying the company's derivative instruments by term to maturity as at December 31, 2024 and 2023, for derivatives that are classified as fair value through profit or loss, and derivatives that qualify for hedge accounting:

	2024				2023
AS AT DEC. 31 (MILLIONS)	<1 Year	1 to 5 Years	>5 Years	Total Notional Amount	Total Notional Amount
Fair value through profit or loss					
Foreign exchange derivatives	\$ 2,576	\$ 4,489	\$ 2,594	\$ 9,659	\$ 6,133
Interest rate derivatives	15,044	15,264	1,393	31,701	45,100
Equity derivatives	1,704	198	34	1,936	2,017
Commodity instruments					
Energy (GWh)	3,507	24,011	14,479	41,997	69,394
Natural gas (MMBtu – 000's)	41,276	470	—	41,746	94,718
Elected for hedge accounting					
Foreign exchange derivatives	\$ 15,741	\$ 35,776	\$ 1,888	\$ 53,405	\$ 52,041
Interest rate derivatives	23,888	33,208	9,164	66,260	79,165
Commodity instruments					
Energy (GWh)	14,553	42,697	74,276	131,526	28,951
Natural gas (MMBtu – 000's)	<u>41,921</u>	<u>27,161</u>	<u>—</u>	<u>69,082</u>	<u>49,386</u>

26. MANAGEMENT OF RISKS ARISING FROM HOLDING FINANCIAL INSTRUMENTS

The company is exposed to the following risks as a result of holding financial instruments: market risk (i.e., interest rate risk, currency exchange risk and other price risk that impact the fair value of financial instruments), credit risk and liquidity risk. The following is a description of these risks and how they are managed:

a) Market Risk

Market risk is defined for these purposes as the risk that the fair value or future cash flows of a financial instrument held by the company will fluctuate because of changes in market prices. Market risk includes the risk of changes in interest rates, currency exchange rates and changes in market prices due to factors other than interest rates or currency exchange rates, such as changes in equity prices, commodity prices or credit spreads.

The company manages market risk from foreign currency assets and liabilities and the impact of changes in currency exchange rates and interest rates by funding assets with financial liabilities in the same currency and with similar interest rate characteristics, and by holding financial contracts such as interest rate and foreign exchange derivatives to minimize residual exposures.

Financial instruments held by the company that are subject to market risk include other financial assets, borrowings and derivative instruments such as interest rate, currency, equity and commodity contracts.

i. Interest Rate Risk

The observable impacts on the fair values and future cash flows of financial instruments that can be directly attributable to interest rate risk include changes in the net income from financial instruments whose cash flows are determined with reference to floating interest rates and changes in the value of financial instruments whose cash flows are fixed in nature.

The company's assets largely consist of long-duration interest-sensitive physical assets. Accordingly, the company's financial liabilities consist primarily of long-term fixed-rate debt or floating-rate debt that has been swapped with interest rate derivatives. These financial liabilities are, with few exceptions, recorded at their amortized cost. The company also holds interest rate caps to limit its exposure to increases in interest rates on floating rate debt that has not been swapped, and holds interest rate contracts to lock in fixed rates on anticipated future debt issuances and as an economic hedge against the changes in value of long duration interest sensitive physical assets that have not been otherwise matched with fixed rate debt.

The result of a 50 basis-point increase in interest rates on the company's net floating rate financial assets and liabilities would have resulted in a corresponding decrease in net income before tax of \$257 million (2023 – \$278 million) on a current basis.

Changes in the value of fair value through profit or loss interest rate contracts are recorded in net income and changes in the value of contracts that are elected for hedge accounting are recorded in other comprehensive income. The impact of a 50 basis-point parallel increase in the yield curve on the aforementioned financial instruments is estimated to result in a corresponding increase in net income before tax of \$199 million (2023 – \$228 million) and an increase in other comprehensive income of \$836 million (2023 – \$956 million) for the years ended December 31, 2024 and 2023, respectively.

ii. Currency Exchange Rate Risk

Changes in currency rates will impact the carrying value of financial instruments denominated in currencies other than the U.S. dollar.

The company holds financial instruments with net unmatched exposures in several currencies, changes in the translated value of which are recorded in net income. The impact of a 1% increase in the U.S. dollar against these currencies would have resulted in a \$94 million (2023 – \$51 million) increase in the value of these positions on a combined basis. The impact on cash flows from financial instruments would be insignificant. The company holds financial instruments to limit its exposure to the impact of foreign currencies on its net investments in foreign operations whose functional and reporting currencies are other than the U.S. dollar. A 1% increase in the U.S. dollar would increase the value of these hedging instruments by \$503 million (2023 – \$490 million) as at December 31, 2024, which would be recorded in other comprehensive income and offset by changes in the U.S. dollar carrying value of the net investment being hedged.

iii. Other Price Risk

Other price risk is the risk of variability in fair value due to movements in equity prices or other market prices such as commodity prices and credit spreads.

Financial instruments held by the company that are exposed to equity price risk include equity securities and equity derivatives. A 5% decrease in the market price of equity securities and equity derivatives held by the company, excluding equity derivatives that hedge compensation arrangements, would have decreased net income by \$196 million (2023 – \$168 million) and decreased other comprehensive income by \$92 million (2023 – \$91 million), prior to taxes. The company's liability in respect of equity compensation arrangements is subject to variability based on changes in the company's underlying common share price. The company holds equity derivatives to hedge almost all of the variability. A 5% increase in the common equity price of the company in respect of compensation agreements would increase the compensation liability and compensation expense by \$68 million (2023 – \$80 million). This increase would be offset by a \$124 million (2023 – \$87 million) change in value of the associated equity derivatives of which \$68 million (2023 – \$80 million) would offset the above-mentioned increase in compensation expense and the remaining \$56 million (2023 – \$7 million) would be recorded in net income.

The company sells power and generation capacity under long-term agreements and financial contracts to stabilize future revenues. Certain of the contracts are considered financial instruments and are recorded at fair value in the consolidated financial statements, with changes in value being recorded in either net income or other comprehensive income as applicable. A 5% increase in energy prices would have decreased net income for the year ended December 31, 2024 by approximately \$60 million (2023 – \$72 million) and decreased other comprehensive income by \$183 million (2023 – \$31 million), prior to taxes. The corresponding increase in the value of the revenue or capacity being contracted, however, is not recorded in net income until subsequent periods.

b) Credit Risk

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfill its contractual obligations. The company's exposure to credit risk in respect of financial instruments relates primarily to counterparty obligations regarding derivative contracts, loans receivable and credit investments such as bonds and preferred shares.

The company assesses the creditworthiness of each counterparty before entering into contracts with a view to ensuring that counterparties meet minimum credit quality requirements. Management evaluates and monitors counterparty credit risk for derivative financial instruments and endeavors to minimize counterparty credit risk through diversification, collateral arrangements, and other credit risk mitigation techniques. The credit risk of derivative financial instruments is generally limited to the positive fair value of the instruments, which, in general, tends to be a relatively small proportion of the notional value. Substantially all of the company's derivative financial instruments involve either counterparties that are banks or other financial institutions in North America, the U.K. and Australia, or arrangements that have embedded credit risk mitigation features. The company does not expect to incur credit losses in respect of any of these counterparties. The maximum exposure in respect of loans receivable and credit investments is equal to the carrying value.

c) Liquidity Risk

Liquidity risk is the risk that the company cannot meet a demand for cash or fund an obligation as it comes due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

To help ensure the company is able to react to contingencies and investment opportunities quickly, the company maintains sources of liquidity at the corporate and subsidiary levels. The primary source of liquidity consists of cash and other financial assets, net of deposits and other associated liabilities, and undrawn committed credit facilities.

The company is subject to the risks associated with debt financing, including the ability to refinance indebtedness at maturity. The company believes these risks are mitigated through the use of long-term debt secured by high quality assets, maintaining debt levels that are in management's opinion relatively conservative, and by diversifying maturities over an extended period of time. The company also seeks to include in its agreements terms that protect the company from liquidity issues of counterparties that might otherwise impact the company's liquidity.

The following tables present the contractual maturities of the company's financial liabilities as at December 31, 2024 and 2023.

AS AT DEC. 31, 2024 (MILLIONS)	Payments Due by Period				
	<1 Year	2 to 3 Years	4 to 5 Years	After 5 Years	Total
Principal repayments					
Corporate borrowings ¹	\$ 1,258	\$ 1,430	\$ 2,049	\$ 9,495	\$ 14,232
Non-recourse borrowings of managed entities	49,898	50,501	54,518	65,643	220,560
Subsidiary equity obligations	182	779	115	3,683	4,759
Interest expense²					
Corporate borrowings	620	1,135	992	6,226	8,973
Non-recourse borrowings	11,888	19,311	12,693	20,866	64,758
Subsidiary equity obligations	176	331	302	1,794	2,603
Lease obligations ³	1,211	2,249	1,811	11,531	16,802

1. Payments due in less than one year includes \$767 million of short-term commercial paper as at December 31, 2024.
2. Represents the aggregated interest expense expected to be paid over the term of the obligations. Variable interest rate payments have been calculated based on current rates.
3. The lease obligations as disclosed in the table above include leases that are classified as finance leases, short-term leases, low-value leases and variable lease payments not based on an index or rate, which are immaterial.

AS AT DEC. 31, 2023 (MILLIONS)	Payments Due by Period				
	<1 Year	2 to 3 Years	4 to 5 Years	After 5 Years	Total
Principal repayments					
Corporate borrowings ¹	\$ 604	\$ 1,631	\$ 1,434	\$ 8,491	\$ 12,160
Non-recourse borrowings of managed entities	56,854	54,360	48,795	61,541	221,550
Subsidiary equity obligations	932	774	44	2,395	4,145
Interest expense²					
Corporate borrowings	520	948	821	3,975	6,264
Non-recourse borrowings	13,461	20,000	13,970	22,156	69,587
Subsidiary equity obligations	169	253	174	933	1,529
Lease obligations ³	1,131	2,044	1,638	12,180	16,993

1. Payments due in less than one year includes \$31 million of short-term commercial paper as at December 31, 2023.
2. Represents the aggregated interest expense expected to be paid over the term of the obligations. Variable interest rate payments have been calculated based on current rates.
3. The lease obligations as disclosed in the table above include leases that are classified as finance leases, short-term leases, low-value leases and variable lease payments not based on an index or rate, which are immaterial.

27. RELATED PARTY TRANSACTIONS

a) Related Parties

Related parties include subsidiaries, associates, joint ventures, key management personnel, the Board of Directors (“Directors”), immediate family members of key management personnel and Directors and entities which are directly or indirectly controlled by, jointly controlled by or significantly influenced by key management personnel, Directors or their close family members.

b) Key Management Personnel and Directors

Key management personnel are those individuals who have the authority and responsibility for planning, directing and controlling the company’s activities, directly or indirectly, and consist of the company’s Senior Executives. The company’s Directors do not plan, direct or control the activities of the company directly; they provide oversight over the business.

The remuneration of key management personnel and Directors of the company during the years ended December 31, 2024 and 2023 was as follows:

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024	2023
Salaries, incentives and short-term benefits	\$ 5	\$ 5
Share-based payments	21	19
	<u>\$ 26</u>	<u>\$ 24</u>

The remuneration of key management personnel and Directors is determined by the Management Resources and Compensation Committee of the Board of Directors having regard to the performance of individuals and alignment of interests between shareholders, Directors, and key management personnel.

c) Related Party Transactions

In the normal course of operations, the company executes transactions on market terms with related parties that have been measured at exchange value and are recognized in the consolidated financial statements, including, but not limited to: base management fees, performance fees and incentive distributions; loans, interest and non-interest bearing deposits; power purchase and sale agreements; capital commitments to private funds; the acquisition and disposition of assets and businesses; derivative contracts; and the construction and development of assets. Transactions and balances between consolidated entities are fully eliminated upon consolidation. However, transactions and balances between the company and equity accounted investments do not eliminate.

The following table lists the related party balances included within the consolidated financial statements for the years ended December 31, 2024 and 2023:

FOR THE YEARS ENDED DEC. 31 (MILLIONS)	2024	2023
Management fees earned	\$ 304	\$ 149

The company provided BWS with an equity commitment in the amount of \$2.0 billion to fund future growth, which BWS may draw on from time to time. As of December 31, 2024, there was no amount drawn under this equity commitment (2023 – \$nil).

BWS may seek to add duration and diversification to its investment portfolio by acquiring public and private assets across many asset classes, including, but not limited to, real estate, royalties, public securities, and private credit. These investments could be made in the open market or from the Corporation and its related party affiliate entities.

During the year, the Corporation invested incremental capital in BWS to support the business as it continues to scale. Specifically, in the second quarter of 2024, the Corporation contributed approximately \$1 billion of BAM shares in exchange for BWS Class C shares to support the acquisition of AEL. In the fourth quarter of 2024, the Corporation transferred a \$1 billion economic interest in BBU in exchange for BWS Class C shares to capitalize the business and support its growth. Both transactions were at arm’s length on market terms, and on a combined basis with BWS, the Corporation continues to hold a 66% interest in BBU.

In addition, BWS acquired \$2.2 billion of real estate from the Corporation and approximately \$3.5 billion of other assets and non-recourse debt issued by the Corporation and its subsidiaries for cash consideration. These transactions were at arm’s length on market terms and are expected to support the continued repositioning of BWS’s investment portfolio.

Following the completion of the partial sale of BSREP IV to BWS, our investment in BSREP IV was deconsolidated and recognized within equity accounted investments. BN was issued additional Class C shares in BWS as consideration for the acquisition by BWS.

As at December 31, 2024, BWS, Partners Value Investments Inc., and Oaktree had cash on deposit with wholly-owned subsidiaries of the company of \$493 million, \$107 million, and \$nil, respectively (2023 – \$266 million, \$133 million, and \$40 million, respectively).

28. OTHER INFORMATION

a) Guarantees and Contingencies

In the normal course of business, the company enters into contractual obligations which include commitments to provide bridge financing and letters of credit and guarantees provided in respect of power sales contracts and reinsurance obligations as well as capital expenditure commitments related to contracted project costs assumed as part of recent acquisitions. As at December 31, 2024, the company had \$6.3 billion (2023 – \$6.2 billion) of such commitments outstanding.

In addition, the company executes agreements that provide for indemnifications and guarantees to third parties in transactions or dealings such as business dispositions, business acquisitions, sales of assets, provision of services, securitization agreements and underwriting and agency agreements. The company has also agreed to indemnify its directors and certain of its officers and employees. The nature of substantially all of the indemnification undertakings prevents the company from making a reasonable estimate of the maximum potential amount the company could be required to pay third parties, as in most cases the agreements do not specify a maximum amount, and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Neither the company nor its consolidated subsidiaries have made significant payments in the past, nor do they expect at this time to make any significant payments under such indemnification agreements in the future.

The company periodically enters into joint venture, consortium or other arrangements that have contingent liquidity rights in favor of the company or its counterparties. These include buy sell arrangements, registration rights and other customary arrangements. These agreements generally have embedded protective terms that mitigate the risk to us. The amount, timing and likelihood of any payments by the company under these arrangements is, in most cases, dependent on either future contingent events or circumstances applicable to the counterparty and therefore cannot be determined at this time.

The company is contingently liable with respect to litigation and claims that arise in the normal course of business. It is not reasonably possible that any of the ongoing litigation as at December 31, 2024 could result in a material settlement liability.

The company has insurance for damage and business interruption costs sustained as a result of an act of terrorism. The amount of coverage is reviewed on an individual basis and can range up to \$4 billion. However, a terrorist act could have a material effect on the company's assets to the extent damages exceed coverage.

The company, through its subsidiaries within the residential properties operations, is contingently liable for obligations of its associates in its land development joint ventures. In each case, all of the assets of the joint venture are available first for the purpose of satisfying these obligations, with the balance shared among the participants in accordance with predetermined joint venture arrangements.

As discussed in Note 19 Subsidiary Equity Obligations, in 2014, BPY issued \$1.8 billion of exchangeable preferred equity units in three \$600 million tranches redeemable in 2021, 2024 and 2026, respectively. The preferred equity units were originally exchangeable into equity units of BPY at \$25.70 per unit, at the option of the holder, at any time up to and including the maturity date. Following the BPY privatization, the preferred equity units became exchangeable into cash equal to the value of the consideration that would have been received upon the BPY privatization (a combination of cash, BN and BAM shares, and New LP Preferred Units), based on the value of that consideration on the date of exchange. BPY also has the option of delivering the actual consideration (a combination of cash, BN and BAM shares, and New LP Preferred Units). Following the BPY privatization, we have agreed with the holder to grant the company the right to purchase all or any portion of the preferred equity units of the holder at maturity, and to grant the holder the right to sell all or any portion of the preferred equity units of the holder at maturity, in each case at a price equal to the issue price for such preferred equity units plus accrued and unpaid distributions. On December 30, 2021 and December 31, 2024, the company acquired the tranches redeemable in 2021 and 2024 from the holder and subsequently exchanged such units for LP Units and Redemption-Exchange Units of BPY. The preferred equity units were subsequently cancelled.

b) Supplemental Cash Flow Information

During the year, the company capitalized \$477 million (2023 – \$471 million) of interest primarily to investment properties and residential inventory under development.