Condensed Consolidated Balance Sheets

Unaudited (U.S. Millions)	Note	Sept. 30, 2015	Dec. 31, 2014
Assets			
Non-current assets			
Investment properties			
Commercial properties	4	**$ 25,464**	$ 25,912
Commercial developments	4	**3,079**	2,465
Equity accounted investments and participating loan interests			
Investments in joint ventures	5	**2,346**	1,794
Investments in associates	6	**192**	159
Participating loan interests	7	**420**	426
Other non-current financial assets	8	**1,430**	820
		32,931	31,576
Current assets			
Receivables and other assets	9	**415**	434
Restricted cash and deposits		**140**	162
Cash and cash equivalents		**344**	557
		899	1,153
Assets held for sale	10	**524**	1,676
Total assets		**$ 34,354**	$ 34,405
Liabilities			
Non-current liabilities			
Commercial property debt	11	**$ 9,685**	$ 12,405
Capital securities – corporate	12	**113**	129
Capital securities – fund subsidiaries	13	**706**	643
Other non-current financial liabilities	14	**252**	331
Deferred tax liabilities	16	**1,071**	1,400
		11,827	14,908
Current liabilities			
Commercial property debt	11	**4,411**	1,650
Capital securities – corporate	12	**409**	454
Accounts payable and accrued liabilities	15	**1,232**	1,032
		6,052	3,136
Liabilities associated with assets held for sale	10	**303**	825
Total liabilities		**18,182**	18,869
Equity			
Preferred equity	17	**1,543**	1,542
Common equity		**12,830**	11,985
Total shareholders' equity		**14,373**	13,527
Non-controlling interests	17	**1,799**	2,009
Total equity		**16,172**	15,536
Total liabilities and equity		**$ 34,354**	$ 34,405

See accompanying notes to the condensed consolidated financial statements

Condensed Consolidated Statements of Income

Unaudited		Three months ended Sept. 30		Nine months ended Sept. 30	
(U.S. Millions)	Note	**2015**	2014	**2015**	2014
Commercial property revenue	18	**$ 531**	$ 593	**$ 1,637**	$ 1,772
Direct commercial property expense	18	**248**	262	**752**	785
Interest and other income	18	**16**	13	**46**	56
Interest expense					
Commercial property debt	18	**141**	162	**436**	482
Capital securities – corporate	18	**7**	8	**22**	24
Capital securities – fund subsidiaries	18	**21**	95	**34**	210
Administrative expense	18	**33**	37	**110**	117
Gains (losses) and other items, net	19	**—**	—	**(37)**	—
Fair value gains (losses), net	20	**74**	748	**1,013**	1,870
Share of net earnings from equity accounted investments	21	**53**	77	**227**	203
Income (loss) before income taxes		**224**	867	**1,532**	2,283
Income tax expense (recovery)	16	**23**	81	**(237)**	531
Net income (loss)		**$ 201**	$ 786	**$ 1,769**	$ 1,752
Net income (loss) attributable to					
Shareholders		**$ 171**	$ 745	**$ 1,661**	$ 1,606
Non-controlling interests		**30**	41	**108**	146
		$ 201	$ 786	**$ 1,769**	$ 1,752

See accompanying notes to the condensed consolidated financial statements

Condensed Consolidated Statements of Comprehensive Income

Unaudited (U.S. Millions)	Three months ended Sept. 30 **2015**	 2014	Nine months ended Sept. 30 **2015**	 2014
Net income (loss)	**$ 201**	$ 786	**$ 1,769**	$ 1,752
Foreign currency translation				
Unrealized foreign currency translation gains (losses) in respect of foreign operations	**(385)**	(361)	**(738)**	(208)
Gains (losses) on hedges of net investments in foreign operations, net of income tax expense (benefit) for the three and nine months ended Sept. 30, 2015 of $23 million and $28 million, respectively (2014 – $8 million and $5 million)	**101**	84	**160**	67
	(284)	(277)	**(578)**	(141)
Derivatives designated as cash flow hedges				
Gains (losses) on derivatives designated as cash flow hedges, net of income tax expense (benefit) for the three and nine months ended Sept. 30, 2015 of ($30) million and ($21) million, respectively (2014 – ($4) million and ($36) million)	**(72)**	(11)	**(57)**	(103)
Reclassification of losses (gains) on derivatives designated as cash flow hedges, net of income tax benefit (expense) for the three and nine months ended Sept. 30, 2015 of $1 million and $3 million, respectively (2014 – $1 million and $3 million)	**3**	3	**8**	8
	(69)	(8)	**(49)**	(95)
Unrealized gains (losses) on equity securities designated as available-for-sale, net of income tax expense (benefit) for the three and nine months ended Sept. 30, 2015 of nil and nil, respectively (2014 – nil and nil)	**1**	1	**4**	6
Revaluation surplus, net of income tax expense (benefit) for the three and nine months ended Sept. 30, 2015 of nil and nil, respectively (2014 – nil and nil)	**—**	1	**—**	1
Other comprehensive income (loss)	**(352)**	(283)	**(623)**	(229)
Comprehensive income (loss)	**$ (151)**	$ 503	**$ 1,146**	$ 1,523
Comprehensive income (loss) attributable to				
Shareholders				
Net income	**$ 171**	$ 745	**$ 1,661**	$ 1,606
Other comprehensive income (loss)	**(289)**	(229)	**(487)**	(208)
	(118)	516	**1,174**	1,398
Non-controlling interests				
Net income	**30**	41	**108**	146
Other comprehensive income (loss)	**(63)**	(54)	**(136)**	(21)
	$ (33)	$ (13)	**$ (28)**	$ 125

See accompanying notes to the condensed consolidated financial statements

Condensed Consolidated Statements of Changes in Equity

Unaudited (U.S. Millions)	Common Shares	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	**Total Common Equity**	Preferred Equity	Non-Controlling Interests	**Total Equity**
Balance at Dec. 31, 2014	$ 3,230	$ 200	$ 9,196	$ (641)	**$ 11,985**	$ 1,542	$ 2,009	**$ 15,536**
Changes in period								
Net income (loss)	—	—	1,661	—	**1,661**	—	108	**1,769**
Other comprehensive income (loss)	—	—	—	(487)	**(487)**	—	(136)	**(623)**
Comprehensive income (loss)	—	—	1,661	(487)	**1,174**	—	(28)	**1,146**
Shareholder distributions								
Common equity	—	—	(300)	—	**(300)**	—	—	**(300)**
Preferred equity	—	—	(47)	—	**(47)**	—	—	**(47)**
Non-controlling interests	—	—	—	—	**—**	—	(52)	**(52)**
Other items								
Equity issuances	—	—	—	—	**—**	1	—	**1**
Share-based compensation	—	9	—	—	**9**	—	—	**9**
Ownership changes, net	—	—	9	—	**9**	—	(130)	**(121)**
Change in period	—	9	1,323	(487)	**845**	1	(210)	**636**
Balance at Sept. 30, 2015	$ 3,230	$ 209	$ 10,519	$ (1,128)	**$ 12,830**	$ 1,543	$ 1,799	**$ 16,172**

Unaudited (U.S. Millions)	Common Shares	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	**Total Common Equity**	Preferred Equity	Non-Controlling Interests	**Total Equity**
Balance at Dec. 31, 2013	$ 3,371	$ 413	$ 7,195	$ (188)	**$ 10,791**	$ 1,542	$ 1,485	**$ 13,818**
Changes in period								
Net income (loss)	—	—	1,606	—	**1,606**	—	146	**1,752**
Other comprehensive income (loss)	—	—	—	(208)	**(208)**	—	(21)	**(229)**
Comprehensive income (loss)	—	—	1,606	(208)	**1,398**	—	125	**1,523**
Shareholder distributions								
Common equity	—	—	(409)	—	**(409)**	—	—	**(409)**
Preferred equity	—	—	(60)	—	**(60)**	—	—	**(60)**
Non-controlling interests	—	—	—	—	**—**	—	(43)	**(43)**
Other items								
Equity issuances	7	—	—	—	**7**	—	—	**7**
Equity redemptions	(149)	(340)	(46)	—	**(535)**	(260)	—	**(795)**
Dividend reinvestment	1	—	—	—	**1**	—	—	**1**
Share-based compensation	—	6	—	—	**6**	—	—	**6**
Ownership changes, net	—	111	(124)	—	**(13)**	—	483	**470**
Change in period	(141)	(223)	967	(208)	**395**	(260)	565	**700**
Balance at Sept. 30, 2014	$ 3,230	$ 190	$ 8,162	$ (396)	**$ 11,186**	$ 1,282	$ 2,050	**$ 14,518**

See accompanying notes to the condensed consolidated financial statements

Condensed Consolidated Statements of Cashflow

Unaudited		Nine months ended Sept. 30	
(U.S. Millions)	Note	**2015**	2014
Operating activities			
Net income (loss)		**$ 1,769**	$ 1,752
Share of undistributed net earnings from equity accounted investments		**(194)**	(174)
Fair value (gains) losses, net	20	**(1,013)**	(1,870)
(Gains) losses and other items, net	19	**37**	—
Deferred income tax expense (recovery)	16	**(264)**	533
Depreciation and amortization	18	**11**	13
Accretion of debt discount and transaction costs	26	**30**	28
Share-based compensation expense	22	**16**	15
Redemption of stock options		**—**	(92)
Initial direct leasing costs	4	**(65)**	(70)
Settlement of interest rate hedges on commercial property debt		**4**	1
Working capital and other		**(97)**	(4)
		234	132
Financing activities			
Commercial property debt arranged		**1,482**	2,107
Commercial property debt repaid		**(690)**	(1,675)
Corporate credit facilities arranged		**586**	909
Corporate credit facilities repaid		**(364)**	(331)
Non-controlling interests issued		**2**	13
Non-controlling interest purchased		**(64)**	—
Distribution to co-investors in Brookfield DTLA Holding LLC (“DTLA”)		**—**	(103)
Distributions to non-controlling interests		**(34)**	(45)
Preferred shares redeemed		**—**	(260)
Preferred share dividends	17	**(47)**	(60)
Common shares redeemed		**—**	(195)
Common share dividends	17	**(300)**	(409)
		571	(49)
Investing activities			
Acquisition of real estate	26	**(70)**	(179)
Disposition of real estate	26	**380**	717
Investment in real estate joint ventures		**(19)**	(56)
Disposition of investment in joint ventures		**—**	103
Distributions from equity accounted investments		**586**	250
Settlement of foreign currency hedges of net investments		**44**	—
Cash acquired in business combinations		**—**	8
Loan advances to affiliate		**(654)**	—
Restricted cash and deposits		**22**	(28)
Capital expenditures – development and redevelopment	4	**(725)**	(391)
Capital expenditures – commercial properties		**(582)**	(454)
		(1,018)	(30)
Increase (decrease) in cash and cash equivalents		**(213)**	53
Cash and cash equivalents, beginning of period		**557**	713
Cash and cash equivalents, end of period		**$ 344**	$ 766

See accompanying notes to the condensed consolidated financial statements

Notes to the Condensed Consolidated Financial Statements

NOTE 1: NATURE AND DESCRIPTION OF THE COMPANY

Brookfield Office Properties Inc. (“Brookfield Office Properties” or “the company”) is incorporated under the laws of Canada. The company owns, develops and manages premier office properties in the United States (“U.S.”), Canada, Australia and the United Kingdom (“U.K.”). The company is an indirect subsidiary of Brookfield Property Partners L.P. (“BPY”), which owns 100% of the company’s common shares and Class A preferred voting shares as well as certain quantities of Class AA and AAA preferred shares. Brookfield Asset Management Inc. (“BAM”) is the company’s ultimate parent. The registered office of the company is P.O. Box 770, Suite 330, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3 and it operates head offices in New York, Toronto, Sydney and London.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The condensed consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosure normally included in consolidated financial statements prepared in accordance with International Financial Reporting Standards as issued by the IASB (“IFRS”) has been omitted or condensed.

The condensed consolidated financial statements are prepared using the same accounting policies and methods as those used in the consolidated financial statements for the year ended December 31, 2014. The condensed consolidated financial statements have been presented in United States dollars rounded to the nearest million unless otherwise indicated.

The condensed consolidated financial statements should be read in conjunction with the company’s consolidated financial statements for the year ended December 31, 2014.

(b) Estimates

The preparation of condensed consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise judgment in applying the company’s accounting policies. The critical accounting estimates and judgments have been set out in Note 2 to the company’s consolidated financial statements for the year ended December 31, 2014.

NOTE 3: FUTURE ACCOUNTING POLICY CHANGES

(a) Financial Instruments

On July 25, 2014, the IASB issued its final version of IFRS 9, "Financial Instruments". IFRS 9, as amended, introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle based approach replaces existing rule-based requirements that are generally considered to be overly complex and difficult to apply. The new model results in a single impairment model being applied to all financial instruments, thereby removing a source of complexity associated with previous accounting requirements. It also introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and should be applied retrospectively. The company is currently evaluating the impact to the condensed consolidated financial statements.

(b) Joint Arrangements

In May 2014, the IASB issued Amendments to IFRS 11, "Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations". The objective of the amendments is to add new guidance to IFRS 11 on accounting for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3, "Business Combinations". Acquirers of such interests are to apply the relevant principles on business combination accounting in IFRS 3 and other standards, as well as disclosing the relevant information specified in these standards for business combinations. This amendment to IFRS 11 is effective for annual periods beginning on or after January 1, 2016 and should be applied prospectively. The company is currently evaluating the impact to the condensed consolidated financial statements.

(c) Revenue from Contracts with Customers

In May 2014, the IASB issued its new revenue standard, IFRS 15, "Revenue from Contracts with Customers". IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. IFRS 15 supersedes IAS 18, "Revenue Recognition", IAS 11, "Construction Contracts" and a number of revenue-related interpretations. Application of the standard applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is effective for annual periods on or after January 1, 2018 and should be applied retrospectively. The company is currently evaluating the impact to the condensed consolidated financial statements.

NOTE 4: INVESTMENT PROPERTIES

(Millions)	Nine months ended Sept. 30, 2015 Commercial Properties	Nine months ended Sept. 30, 2015 Commercial Developments	Year ended Dec. 31, 2014 Commercial Properties	Year ended Dec. 31, 2014 Commercial Developments
Balance, beginning of period	**$ 25,912**	**$ 2,465**	$ 25,152	$ 1,673
Additions				
Property acquisitions and investments	**70**	**—**	1,115	—
Capital expenditures	**571**	**725**	732	586
Initial direct leasing costs	**65**	**—**	107	—
Dispositions	**—**	**(25)**	(1,594)	(6)
Reclassification to assets held for sale	**(1,198)**	**—**	(1,638)	—
Fair value gains (losses)	**897**	**55**	2,676	257
Foreign currency translation	**(992)**	**(142)**	(719)	(103)
Other changes	**139**	**1**	81	58
Balance, end of period	**$ 25,464**	**$ 3,079**	$ 25,912	$ 2,465

On May 29, 2015, the company sold 65-68 Leadenhall in London for £18 million.

On July 1, 2015, the company acquired one office condominium in a two condominium building at 424 West 33rd Street in Midtown New York for $70 million.

The company determines the fair value of each commercial property based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting market conditions at the applicable balance sheet dates, less future cash outflows in respect of such leases. Fair values are primarily determined by 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. Commercial developments under active development are also measured using a discounted cash flow model, net of costs to complete, at the balance sheet date. Development sites in the planning phases are measured using comparable market values for similar assets. In accordance with its policy, the company measures its commercial properties and commercial developments using valuations prepared by management. The company does not measure its investment properties based on valuations prepared by external valuation professionals.

The key valuation metrics for commercial properties, including properties accounted for under the equity method ("EAIs"), are set out in the following table:

	Sept. 30, 2015 Maximum	Sept. 30, 2015 Minimum	Sept. 30, 2015 Weighted Average	Dec. 31, 2014 Maximum	Dec. 31, 2014 Minimum	Dec. 31, 2014 Weighted Average
Consolidated Properties and EAIs						
United States						
Discount rate	**8.75%**	**5.50%**	**6.78%**	9.25%	6.00%	6.87%
Terminal cap rate	**7.00%**	**5.00%**	**5.66%**	7.00%	5.00%	5.72%
Investment horizon (years)	**18**	**5**	**10**	19	3	10
Canada						
Discount rate	**6.75%**	**5.75%**	**6.18%**	7.00%	6.00%	6.32%
Terminal cap rate	**6.50%**	**5.00%**	**5.55%**	6.50%	5.25%	5.63%
Investment horizon (years)	**15**	**10**	**10**	15	10	11
Australia						
Discount rate	**9.00%**	**7.00%**	**7.81%**	8.51%	8.00%	8.24%
Terminal cap rate	**7.00%**	**6.00%**	**6.15%**	7.50%	6.73%	6.78%
Investment horizon (years)	**10**	**10**	**10**	10	10	10
United Kingdom						
Discount rate	**6.00%**	**6.00%**	**6.00%**	8.40%	6.50%	7.25%
Terminal cap rate	**5.00%**	**5.00%**	**5.00%**	5.00%	5.00%	5.00%
Investment horizon (years)	**10**	**10**	**10**	10	2	7

Fair values are most sensitive to changes in discount rates and timing or variability of cashflows. At September 30, 2015, a 25 basis point decrease in the discount and terminal capitalization rates will increase the fair value of commercial properties by $471 million and $702 million or 1.86% and 2.77%, respectively.

During the three and nine months ended September 30, 2015, the company capitalized a total of $237 million and $725 million, respectively, (2014 – $152 million and $391 million) of costs related to commercial developments. Included in this amount is $211 million and $655 million, respectively, (2014 – $132 million and $335 million) of construction and related costs and $26 million and $70 million, respectively, (2014 – $20 million and $56 million) of capitalized borrowing costs. The weighted average capitalization rate used for capitalization of borrowing costs to commercial developments is 4.72% (December 31, 2014 – 4.92%). Included in construction and related costs for the three and nine months ended September 30, 2015 is $78 million and $217 million, respectively, (2014 – $50 million and $130 million) paid to a subsidiary of BAM pursuant to contracts to construct investment properties.

NOTE 5: INVESTMENTS IN JOINT VENTURES

Summarized financial information of the company's investments in joint ventures is set out below:

(Millions)	**Sept. 30, 2015**	Dec. 31, 2014
Non-current assets		
Commercial properties	**$ 7,248**	$ 5,149
Commercial developments	**476**	392
Current assets	**220**	152
Total assets	**7,944**	5,693
Non-current liabilities		
Commercial property debt	**3,087**	1,985
Other non-current financial liabilities	**81**	68
Current liabilities	**128**	85
Total liabilities	**3,296**	2,138
Net assets	**$ 4,648**	$ 3,555
Company's share of net assets	**$ 2,346**	$ 1,794

	Three months ended Sept. 30		Nine months ended Sept. 30	
(Millions)	**2015**	2014	**2015**	2014
Revenue	**$ 138**	$ 92	**$ 342**	$ 253
Expense	**(77)**	(46)	**(196)**	(124)
Fair value gains (losses)	**28**	101	**186**	243
Net earnings	**$ 89**	$ 147	**$ 332**	$ 372
Company's share of net earnings	**$ 45**	$ 72	**$ 167**	$ 186

On April 30, 2015, the company sold a 49% interest in 75 State Street in Boston, which was previously consolidated within commercial properties, for $238 million, net of assumed debt. The company retained joint control and initially recognized the equity accounted investment at its fair value of $148 million.

On June 18, 2015, the company formed Brookfield D.C. Office Partners LLC ("D.C. Fund") by contributing 650 Massachusetts Avenue, 77 K Street, 799 9th Avenue and interests in properties formerly held in the U.S. Office Fund (1400 K Street, 1200 K Street, 1250 Connecticut Avenue, Bethesda Crescent and the Victor Building) from its Washington, D.C. portfolio. An institutional investor in the U.S. Office Fund also contributed its share of the U.S. Office Fund assets mentioned above to the D.C. Fund. The company sold an interest in the D.C. Fund for proceeds of $250 million and initially recognized a 51% equity accounted investment at its fair value of $305 million less $26 million of notes payable and $39 million of capital securities, both of which are held by the U.S. Office Fund investor and are convertible into equity interests in the D.C. Fund. The company retained a 39.8% economic interest in the D.C. Fund.

NOTE 6: INVESTMENTS IN ASSOCIATES

Summarized financial information in respect of the company's investments in associates is set out below:

(Millions)	**Sept. 30, 2015**	Dec. 31, 2014
Total assets	**$ 951**	$ 1,040
Total liabilities	**407**	566
Net assets	**$ 544**	$ 474
Company's share of net assets	**$ 192**	$ 159

	Three months ended Sept. 30		Nine months ended Sept. 30	
(Millions)	**2015**	2014	**2015**	2014
Revenue	**$ 14**	$ 22	**$ 54**	$ 56
Expense	**(38)**	(10)	**(62)**	(38)
Fair value gains (losses)	**48**	1	**159**	28
Net earnings	**$ 24**	$ 13	**$ 151**	$ 46
Company's share of net earnings	**$ 8**	$ 5	**$ 60**	$ 17

NOTE 7: PARTICIPATING LOAN INTERESTS

Participating loan interests represent interests in certain properties in Australia that do not provide the company with control over the entity that owns the underlying property and are accounted for as loans and receivables. The instruments, which are receivable from a wholly-owned subsidiary of BAM, have a contractual maturity date of September 26, 2020, subject to the company's prior right to convert them into direct ownership interests in the underlying commercial properties, and a contractual interest rate that varies with the results of operations of those properties.

The outstanding principal of the participating loan interests relates to the following commercial properties:

(Millions)	Participation Interest			
Name of Property	**Sept. 30, 2015**	Dec. 31, 2014	**Sept. 30, 2015**	Dec. 31, 2014
Darling Park Complex, Sydney	**30%**	30%	**$ 180**	$ 155
IAG House, Sydney	**50%**	50%	**89**	103
Bourke Place Trust, Melbourne	**43%**	43%	**151**	168
Total participating loan interests			**$ 420**	$ 426

Included in the balance of participating loan interests is an embedded derivative representing the company's right to participate in the changes in the fair value of the referenced properties. The embedded derivative is measured at fair value with changes in fair value reported through earnings in fair value gains (losses), net. The carrying value of the embedded derivative at September 30, 2015 was $92 million (December 31, 2014 – $43 million). For the three and nine months ended September 30, 2015, the company recognized interest income of $7 million and $21 million, respectively, (2014 – $9 million and $27 million) on the participating loan interests and fair value gains (losses) on the associated embedded derivative of $21 million and $62 million, respectively (2014 – $2 million and ($1) million).

NOTE 8: OTHER NON-CURRENT FINANCIAL ASSETS

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

(Millions)	**Sept. 30, 2015**	Dec. 31, 2014
Preferred shares in affiliate	**$ 256**	$ 293
Loans receivable from affiliate	**962**	308
Equity securities designated as available-for-sale ("AFS")	**141**	137
Other loans receivable	**71**	82
Total other non-current financial assets	**$ 1,430**	$ 820

(e) Preferred shares in affiliate

At September 30, 2015, preferred shares in affiliate consists of 13,629,794 Class C Junior Canadian dollar denominated preferred shares of a subsidiary of BPY with a carrying value of $256 million (December 31, 2014 – $293 million).

(f) Loans receivable from affiliate

At September 30, 2015, loans receivable from affiliate includes $148 million (December 31, 2014 – $164 million) of 4.5% Canadian dollar denominated interest bearing notes including accrued interest and $814 million (December 31, 2014 – $144 million) of 3.6% interest bearing notes from a subsidiary of BPY.

(g) Equity securities designated as AFS

At September 30, 2015, equity securities designated as AFS includes $107 million (December 31, 2014 – $106 million) which represents the company's 10% common equity interest and $92 million preferred equity interest in 1625 Eye Street in Washington, D.C. The preferred equity securities, bearing a fixed dividend of 6.5%, are redeemable by the issuer at par in 2016 and are pledged as security for a loan payable to the issuer in the amount of $92 million at September 30, 2015 (December 31, 2014 – $92 million) recognized in other non-current financial liabilities.

Equity securities designated as AFS also includes $34 million at September 30, 2015 (December 31, 2014 – $31 million) which represents the company's 10% common equity interest in Heritage Plaza in Houston.

(h) Other loans receivable

At September 30, 2015, other loans receivable includes $71 million (December 31, 2014 – $82 million) receivable from BAM upon the earlier of the exercise of the company's option to convert its participating loan interests into direct ownership of the Australian portfolio or the maturity of the participating loan notes.

NOTE 9: RECEIVABLES AND OTHER ASSETS

The components of receivables and other assets are as follows:

(Millions)		**Sept. 30, 2015**		Dec. 31, 2014
Accounts receivable	**$**	**307**	$	321
Prepaid expenses and other assets		**108**		113
Total receivables and other assets	**$**	**415**	$	434

Included in receivables and other assets are derivative assets with a carrying value of $79 million at September 30, 2015 (December 31, 2014 – $19 million). Refer to Note 24, Financial Instruments.

NOTE 10: ASSETS AND ASSOCIATED LIABILITIES HELD FOR SALE

At December 31, 2014, 1250 Connecticut Avenue, 650 Massachusetts Avenue, 77 K Street, 799 9th Street, 1400 K Street, 1200 K Street, Bethesda Crescent and Victor Building, all in Washington, D.C., 151 Yonge Street in Toronto and Metropolitan Park East & West in Seattle were presented in assets held for sale.

On January 22, 2015, the company sold 151 Yonge Street in Toronto for C$38 million.

On March 26, 2015, the company sold Metropolitan Park East & West in Seattle for $273 million.

During the first quarter of 2015, 75 State Street in Boston was reclassified to assets held for sale and on April 30, 2015, the company sold a 49% interest, which was previously consolidated within commercial properties for $238 million, net of assumed debt. The company retained joint control and initially recognized the equity accounted investment at its fair value of $148 million.

On June 18, 2015, the company formed the D.C. Fund by contributing 650 Massachusetts Avenue, 77 K Street, 799 9th Avenue and interests in properties formerly held in the U.S. Office Fund (1400 K Street, 1200 K Street, 1250 Connecticut Avenue, Bethesda Crescent and the Victor Building) from its Washington, D.C. portfolio. An institutional investor in the U.S. Office Fund also contributed its share of the U.S. Office Fund assets mentioned above to the D.C. Fund. The company sold an interest in the D.C. Fund for proceeds of $250 million and initially recognized a 51% equity accounted investment at its fair value of $305 million less $26 million of notes payable and $39 million of capital securities, both of which are held by the U.S. Office Fund investor and are convertible into equity interests in the D.C. Fund. The company retained a 39.8% economic interest in the D.C. Fund.

During the second quarter of 2015, HSBC Building in Toronto was reclassified to assets held for sale and on September 30, 2015, the company sold the property for C$110 million.

At September 30, 2015, 99 Bishopsgate in London is presented in assets held for sale and on October 6, 2015, the company sold a controlling interest in the property.

(Millions)		**Sept. 30, 2015**		Dec. 31, 2014
Assets				
Commercial properties	**$**	**514**	$	1,638
Receivables and other assets		**10**		38
Assets held for sale	**$**	**524**	$	1,676
Liabilities				
Commercial property debt	**$**	**272**	$	794
Accounts payable and other liabilities		**31**		31
Liabilities associated with assets held for sale	**$**	**303**	$	825

NOTE 11: COMMERCIAL PROPERTY DEBT

(Millions)	Sept. 30, 2015 Weighted Average Rate	Sept. 30, 2015 Debt Balance	Dec. 31, 2014 Weighted Average Rate	Dec. 31, 2014 Debt Balance
Unsecured corporate debt				
Corporate revolving facility	**2.06%**	**$ 1,359**	1.86%	$ 683
Senior unsecured notes	**5.10%**	**262**	4.17%	299
Brookfield Canada Office Properties ("BOX") revolving facility	**2.21%**	**106**	2.73%	159
Australian property loans(1)	**3.90%**	**340**	4.37%	397
Secured commercial property debt				
Fixed rate property debt	**5.15%**	**6,422**	5.10%	7,533
Variable rate property debt	**3.08%**	**5,879**	3.25%	5,778
Total	**3.93%**	**$ 14,368**	4.16%	$ 14,849
Current		**$ 4,411**		$ 1,650
Non-current		**9,685**		12,405
Associated with assets held for sale		**272**		794
Total		**$ 14,368**		$ 14,849

(1) *Property level debt payable to a subsidiary of BAM*

Commercial property debt includes foreign currency denominated debt payable in the functional currencies of the borrowing subsidiaries. Commercial property debt by currency is as follows:

(Millions)	Sept. 30, 2015 U.S. Dollars	Sept. 30, 2015 Local Currency	Dec. 31, 2014 U.S. Dollars	Dec. 31, 2014 Local Currency
U.S. dollars	**$ 8,765**	**$ 8,765**	$ 10,035	$ 10,035
Canadian dollars	**3,439**	**C$ 4,578**	2,621	C$ 3,324
Australian dollars	**1,556**	**A$ 2,217**	1,731	A$ 2,119
British pounds	**608**	**£ 402**	462	£ 296
Total	**$ 14,368**		$ 14,849	

NOTE 12: CAPITAL SECURITIES – CORPORATE

The company has the following capital securities – corporate outstanding:

(Millions, except share information)	Shares Outstanding	Cumulative Dividend Rate	Sept. 30, 2015	Dec. 31, 2014
Class AAA Series E(1)	8,000,000	70% of bank prime	**$ —**	$ —
Class AAA Series G(2)	4,400,000	5.25%	**110**	110
Class AAA Series H(2)	8,000,000	5.75%	**150**	172
Class AAA Series J(2)	7,902,768	5.00%	**149**	172
Class AAA Series K(2)	6,000,000	5.20%	**113**	129
Total capital securities – corporate			**$ 522**	$ 583
Current			**$ 409**	$ 454
Non-current			**113**	129
Total capital securities – corporate			**$ 522**	$ 583

(1) *Class AAA Series E capital securities are owned by BPY, the company's parent. The company has an offsetting loan receivable against these securities earning interest at 108% of bank prime*

(2) *BPY and its subsidiaries own 1,003,549, 1,000,000, 1,000,000 and 1,004,586 shares of Class AAA Series G, H, J and K capital securities, respectively*

On September 30, 2015, 51,988 Class AAA Series J shares were redeemed at C$25 per share following the tender for conversion by the holders.

On June 30, 2015, 45,244 Class AAA Series J shares were redeemed at C$25 per share following the tender for conversion by the holders.

At September 30, 2015, capital securities – corporate includes $412 million (December 31, 2014 – $473 million) repayable in Canadian dollars of C$548 million (December 31, 2014 – C$550 million).

Cumulative preferred dividends are payable quarterly, as and when declared by the Board of Directors, on the last business day of March, June, September and December. On November 9, 2015 the Board of Directors of the company declared quarterly dividends payable for the Class AAA Series E, G, H, J and K preferred shares.

The redemption and conversion terms of capital securities – corporate are as follows:

	Redemption Date[1]	Redemption Price[1,2]	Company's Option[3]	Holder's Option[4]
Class AAA Series E	Retractable at par	—	—	—
Class AAA Series G	June 30, 2011	$25.00	June 30, 2011	September 30, 2015
Class AAA Series H	December 31, 2011	C$25.00	December 31, 2011	December 31, 2015
Class AAA Series J	June 30, 2010	C$25.00	June 30, 2010	December 31, 2014
Class AAA Series K	December 31, 2012	C$25.33	December 31, 2012	December 31, 2016

(1) *Subject to applicable law and the company's rights, the company may, on or after the dates specified above, redeem Class AAA preferred shares Series K at a price of C$26.00 if redeemed during the 12 months commencing December 31, 2012 and decreasing by C$0.33 each 12-month period thereafter to a price per share of C$25.00 if redeemed on or after December 31, 2015*

(2) *Subject to applicable law and rights of the company, the company may purchase Class AAA preferred shares for cancellation at the lowest price or prices at which, in the opinion of the Board of Directors of the company, such shares are obtainable*

(3) *Subject to applicable law and, if required, other regulatory approvals, the company may, on or after the dates specified above, convert the Class AAA, Series G, H, J and K into units of BPY. The Class AAA Series G, H, J and K preferred shares may be converted into that number of BPY units determined by dividing the then applicable redemption price by the greater of C$2.00 (Series G - $2.00) or 95% of the weighted average trading price of BPY units at such time*

(4) *Subject to applicable law, BPY's call rights and the company's right to redeem or find substitute purchasers, the holder may, on the dates specified above and on specified dates thereafter, convert Class AAA, Series G, H, J and K preferred shares into that number of BPY units determined by dividing the then applicable redemption price by the greater of C$2.00 (Series G - $2.00) or 95% of the weighted average trading price of units at such time*

NOTE 13: CAPITAL SECURITIES – FUND SUBSIDIARIES

The company has $706 million of capital securities – fund subsidiaries outstanding at September 30, 2015 (December 31, 2014 – $643 million). Capital securities – fund subsidiaries includes $666 million (December 31, 2014 – $643 million) of equity interests in DTLA held by the company's co-investors in the fund which have been classified as a liability, rather than as non-controlling interest, due to the fact that on October 15, 2023, and on every fifth anniversary thereafter, the holders of these interests can cause DTLA to redeem their interests in the fund for cash equivalent to the fair value of the interests. Capital securities – fund subsidiaries are measured at redemption amount. Earnings attributable to the equity interests presented as capital securities – fund subsidiaries, including changes in the redemption amount, are recognized as interest expense in the statement of income.

Capital securities – fund subsidiaries also includes $40 million at September 30, 2015 (December 31, 2014 – nil) which represents the equity interests held by the company's co-investor in the D.C. Fund which have been classified as a liability, rather than as non-controlling interest, due to the fact that on June 18, 2023, and on every second anniversary thereafter, the holders of these interests can redeem their interest in the D.C. Fund for cash equivalent to the fair value of the interests.

NOTE 14: OTHER NON-CURRENT FINANCIAL LIABILITIES

The components of other non-current financial liabilities are as follows:

(Millions)	**Sept. 30, 2015**	Dec. 31, 2014
Loan payable	**$ 118**	$ 100
Other financial liabilities	**134**	231
Total other non-current financial liabilities	**$ 252**	$ 331

Included in other non-current financial liabilities is a loan payable of $92 million at September 30, 2015 (December 31, 2014 – $92 million) maturing in 2019, bearing interest at 7% and secured by the company's preferred equity interest in 1625 Eye Street in Washington, D.C. and convertible notes of $26 million (December 31, 2014 – nil) maturing in 2018, bearing interest at 6%.

At September 30, 2015, other non-current financial liabilities also includes derivative liabilities with a carrying amount of $46 million (December 31, 2014 – $142 million) and obligations under ground leases accounted for as finance leases in the United Kingdom of $88 million (December 31, 2014 – $89 million).

NOTE 15: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities was $1,232 million at September 30, 2015 (December 31, 2014 – $1,032 million). Current tax liabilities included in accounts payable amount to $1 million at September 30, 2015 (December 31, 2014 – $27 million).

Included in accounts payable and accrued liabilities are derivative liabilities with a carrying amount of $348 million at September 30, 2015 (December 31, 2014 – $161 million). Refer to Note 24, Financial Instruments.

NOTE 16: INCOME TAXES

At September 30, 2015, the company had a net deferred tax liability of $1,071 million (December 31, 2014 – $1,400 million).

The movements of deferred income tax balances are as follows:

		Recognized in			
(Millions)	Dec. 31, 2014	Income	OCI	Reclassified	**Sept. 30, 2015**
Deferred tax assets related to non-capital losses and capital losses	$ 219	$ (21)	$ (35)	$ —	**$ 163**
Deferred tax liabilities related to differences in tax and book basis, net	(1,619)	282	88	15	**(1,234)**
Net deferred tax liabilities	$ (1,400)	$ 261	$ 53	$ 15	**$ (1,071)**

At September 30, 2015, the company and its Canadian subsidiaries have deferred tax assets of $63 million (December 31, 2014 – $94 million) related to non-capital losses that expire over the next 20 years, and $68 million (December 31, 2014 – $85 million) related to capital losses that have no expiry. At September 30, 2015, the company's U.S. subsidiaries have deferred tax assets of $32 million (December 31, 2014 – $40 million) related to net operating losses that expire over the next 20 years.

During the second quarter of 2015, the company undertook a reorganization of its interests in certain subsidiaries that resulted in a change in the tax rate applicable to those subsidiaries. As a result of this reorganization, a $464 million deferred tax recovery was recorded, which reduced deferred tax liabilities.

The major components of income tax expense include the following:

	Three months ended Sept. 30		Nine months ended Sept. 30	
(Millions)	**2015**	2014	**2015**	2014
Current tax expense (recovery)	**$ 9**	$ (26)	**$ 27**	$ —
Deferred tax expense (recovery)[1]	**14**	107	**(264)**	531
Total income taxes	**$ 23**	$ 81	**$ (237)**	$ 531

[1] Includes for the three and nine months ended $1 million and $3 million, respectively, tax benefit amortization recorded in accumulated other comprehensive income (loss) related to losses on derivatives designated as cash flow hedges (2014 – $1 million and $2 million, respectively)

	Three months ended Sept. 30		Nine months ended Sept. 30	
(Millions)	**2015**	2014	**2015**	2014
Income tax expense at the Canadian federal and provincial income tax rate of 26.5% (2014 – 26.5%)	**$ 59**	$ 229	**$ 406**	$ 605
Increase (decrease) in income tax expense due to				
Non-deductible preferred share dividends and other expenses	**2**	2	**6**	6
Lower income tax rates in other jurisdictions	**(17)**	(101)	**(150)**	(279)
Non-controlling interests in income of flow-through entities	**(8)**	(10)	**(29)**	(38)
Net reversal of reserves	**—**	(39)	**—**	(37)
Change in future Canadian tax rates	**—**	—	**11**	—
Change in tax rates applicable to temporary differences in other jurisdictions	**—**	—	**(464)**	273
Foreign exchange gains and losses	**(10)**	—	**(10)**	—
Other	**(3)**	—	**(7)**	1
Total income taxes	**$ 23**	$ 81	**$ (237)**	$ 531

For the nine months ended September 30, 2015, the applicable tax rate is the aggregate of the Canadian Federal income tax rate of 15.0% (2014 – 15.0%) and the Provincial income tax rate of 11.5% (2014 – 11.5%).

NOTE 17: EQUITY

(a) Common Shares

The authorized common share capital consists of an unlimited number of common shares. Common shares issued and outstanding changed as follows:

	Nine months ended Sept. 30, 2015	Year ended Dec. 31, 2014
Common shares issued and outstanding, beginning of period	**484,839,782**	506,701,648
Shares cancelled as a result of the redemption alternative	**—**	(22,536,647)
Shares issued on exercise of options	**—**	638,368
Dividend reinvestment	**—**	33,249
Other[1]	**—**	3,164
Common shares issued and outstanding, end of period	**484,839,782**	484,839,782

[1] At December 31, 2014, other consists of shares sold to cover income taxes less dividends received net of shares repurchased in connection with the company's restricted stock plan

Total common share dividends for the three and nine months ended September 30, 2015, were $100 million and $300 million, respectively, or $0.21 and $0.62 per share. On November 9, 2015, the Board of Directors of the company declared common share dividends of $0.21 per share to be paid in the fourth quarter of 2015.

(b) Accumulated Other Comprehensive Income (Loss)

At September 30, 2015 and December 31, 2014, accumulated other comprehensive income (loss) consists of the following amounts:

(Millions)	Sept. 30, 2015	Dec. 31, 2014
Foreign currency translation gains (losses) on investments in subsidiaries, net of related hedging activities, net of income tax expense (benefit) of $21 million (December 31, 2014 – ($7) million), net of non-controlling interest	**$ (840)**	$ (398)
Gains (losses) on derivatives designated as cash flow hedges, net of income tax expense (benefit) of ($107) million (December 31, 2014 – ($89) million)(1)	**(309)**	(260)
Unrealized gains (losses) on equity securities designated as AFS, net of income tax expense (benefit) of nil (December 31, 2014 – nil)	**8**	4
Net change in revaluation surplus, net of income tax expense (benefit) of nil (December 31, 2014 – nil)	**13**	13
Accumulated other comprehensive income (loss)(2)	**$ (1,128)**	$ (641)

(1) *Includes losses of $27 million at September 30, 2015 (December 31, 2014 - $28 million) which will be reclassified to interest expense over the next 12 months*

(2) *Each component of the company's accumulated other comprehensive income may be reclassified to profit (or loss) in the future*

(c) Preferred Equity

The company has the following preferred shares authorized and outstanding included in equity:

(Millions, except share information)	Shares Outstanding	Cumulative Dividend Rate	Sept. 30, 2015	Dec. 31, 2014
Class A Series A and B redeemable voting(1)	13,797,320	7.50%	**$ 10**	$ 10
Class AA Series E(2)	2,000,000	70% of bank prime	**34**	34
Class AAA Series N	11,000,000	6.15%	**257**	257
Class AAA Series P	12,000,000	5.15%	**287**	287
Class AAA Series R	10,000,000	5.10%	**247**	247
Class AAA Series T	10,000,000	4.60%	**250**	250
Class AAA Series V(3)	1,805,489	70% of bank prime	**25**	25
Class AAA Series W(3)	3,816,527	70% of bank prime	**55**	55
Class AAA Series X(3)	300	30-day BA + 0.4%	**66**	66
Class AAA Series Y(3)	2,847,711	70% of bank prime	**42**	42
Class AAA Series Z(3)	800,000	30-day BA + 0.4%	**9**	9
Class AAA Series AA	12,000,000	4.75%	**261**	260
Total preferred equity			**$ 1,543**	$ 1,542

(1) *BPY and its subsidiaries own all 13,797,320 of the Class A redeemable voting preferred shares*

(2) *BPY and its subsidiaries own 1,997,701 of the Class AA Series E preferred shares*

(3) *BPY and its subsidiaries own 514,700, 1,932,100, 300, 1,604,800 and 200,000 shares of Class AAA Series V, W, X, Y and Z preferred shares, respectively*

For the three and nine months ended September 30, 2015, the company paid preferred dividends of $15 million and $47 million, respectively (2014 – $20 million and $60 million). Cumulative preferred dividends are payable, as and when declared by the Board of Directors, on the last business day of March, June, September and December, the 14th day of February, May, August and November or the Thursday following the third Wednesday of every month depending on the series of preferred shares. On November 9, 2015, the Board of Directors of the company declared dividends payable for the Class A, Class AA Series E and Class AAA Series N, P, R, T, V, W, X, Y, Z and AA preferred shares.

(d) Non-Controlling Interests

Non-controlling interests consist of the following:

(Millions)	Sept. 30, 2015	Dec. 31, 2014
Preferred equity – subsidiaries	**$ 253**	$ 261
Other non-controlling interests	**1,546**	1,748
Total non-controlling interests	**$ 1,799**	$ 2,009

Preferred Equity – Subsidiaries

Subsidiaries' preferred shares outstanding totaled $253 million at September 30, 2015 (December 31, 2014 – $261 million) as follows:

(Millions, except share information)	Shares Outstanding	Preferred Shares Series	Cumulative Dividend Rate	Sept. 30, 2015	Dec. 31, 2014
Brookfield DTLA Fund Office Trust Investor Inc. ("DTLA Investor")	9,357,469	Series A	7.63%	**$ 253**	$ 261

Other non-controlling interests

Other non-controlling interests include the amounts of common equity related to non-controlling shareholders' interests in the company's subsidiaries. The balances are as follows:

(Millions)	Others' Equity Ownership		Sept. 30, 2015		Dec. 31, 2014
Units of BOX[(1)]	38.0%	$	939	$	1,037
Units of Brookfield Prime Property Fund[(2)]	19.5%		46		47
Interest in 1801 California Street	49.0%[(3)]		111		102
Members interest in BOP Met Park LLC[(4)]	—		—		69
Members interest in Broadway West 33rd JV LLC	1.0%		10		9
U.S. Office Fund	15.7%		438		484
Shares of 9165789 Canada Inc.	100%		2		—
Total other non-controlling interests		$	1,546	$	1,748

(1) *Canadian dollar denominated*
(2) *Australian dollar denominated*
(3) *The company controls 100% of 1801 California Street as the managing member based on the control provided in the venture agreements*
(4) *During the first quarter of 2015, the company completed the sale of Metropolitan Park East & West in Seattle for $273 million. The 50% non-controlling interest previously consolidated was redeemed*

On June 5, 2015, 9165789 Canada Inc. acquired $12 million of voting preferred shares of a subsidiary of the company, BOP Management Holdings Inc., representing a 60% voting interest. 9165789 Canada Inc. was formed by the company and 16 individuals who are the company's and other BAM subsidiaries' senior officers, who were given the opportunity to invest in 9165789 Canada Inc. as part of the company's goal of retaining top executives and aligning executives' interests with those of the company. The senior officers acquired an aggregate of $2 million of common shares of 9165789 Canada Inc. for investment purposes in exchange for cash in an amount equal to the fair value of the shares. These shares are accounted for as a non-controlling interest. The company also holds a $10 million non-voting preferred share interest in 9165789 Canada Inc. BOP Management Holdings Inc. indirectly owns 33% of the company's economic interest in DTLA and an interest in the company's U.S. asset management and certain promote fee streams.

NOTE 18: REVENUE AND EXPENSES

(a) Commercial property revenue

The following represents an analysis of the nature of the revenue included in commercial property revenue:

	Three months ended Sept. 30				Nine months ended Sept. 30			
(Millions)		2015		2014		2015		2014
Rental revenue	$	523	$	581	$	1,605	$	1,742
Recurring fee income		5		6		28		17
Lease termination, fee and other income		3		6		4		13
Total commercial property revenue	$	531	$	593	$	1,637	$	1,772

(b) Expenses

The following represents an analysis of the nature of the expenses included in direct commercial property expense, interest expense, and administrative expense:

	Three months ended Sept. 30				Nine months ended Sept. 30			
(Millions)		2015		2014		2015		2014
Interest expense	$	169	$	265	$	492	$	716
Property maintenance		133		137		390		417
Real estate taxes		80		92		261		268
Employee benefits		40		46		127		138
Ground rents		12		9		31		24
Depreciation and amortization		3		4		11		13
Other		13		11		42		42
Total expenses	$	450	$	564	$	1,354	$	1,618

(c) Interest and other income

The components of interest and other income are as follows:

	Three months ended Sept. 30				Nine months ended Sept. 30			
(Millions)		2015		2014		2015		2014
Interest income on loans receivable from parent companies	$	7	$	2	$	14	$	5
Interest income on participating loan interests with subsidiaries of BAM		7		9		21		27
Other interest income		—		—		—		2
Other income[(1)]		2		2		11		22
Total interest and other income	$	16	$	13	$	46	$	56

(1) *Includes $9 million fee related to the disposition of Heritage Plaza in Houston and $4 million gain on a loan settlement for the nine months ended September 30, 2014*

NOTE 19: GAINS (LOSSES) AND OTHER ITEMS, NET

During the second quarter of 2015, the company recognized a loss of ($37) million primarily related to the difference between the carrying value and fair value of commercial property debt on the eight assets contributed to the D.C. Fund.

NOTE 20: FAIR VALUE GAINS (LOSSES), NET

The components of fair value gains (losses), net are as follows:

(Millions)	Three months ended Sept. 30 2015	Three months ended Sept. 30 2014	Nine months ended Sept. 30 2015	Nine months ended Sept. 30 2014
Investment properties				
Commercial properties	**$ 109**	$ 638	**$ 897**	$ 1,616
Commercial developments	**(54)**	95	**55**	243
	55	733	**952**	1,859
Gain (loss) on assets held for sale	**6**	—	**8**	—
Gain (loss) on foreign exchange collar contracts	**(10)**	—	**(11)**	—
Participating loan interests	**21**	3	**62**	—
Gain (loss) on sale of investment properties	**2**	12	**2**	11
Total fair value gains (losses), net	**$ 74**	$ 748	**$ 1,013**	$ 1,870

NOTE 21: SHARE OF NET EARNINGS FROM EQUITY ACCOUNTED INVESTMENTS

The components of share of net earnings of equity accounted investments are as follows:

(Millions)	Three months ended Sept. 30 2015	Three months ended Sept. 30 2014	Nine months ended Sept. 30 2015	Nine months ended Sept. 30 2014
Joint ventures	**$ 45**	$ 72	**$ 167**	$ 186
Associates	**8**	5	**60**	17
Total share of net earnings from equity accounted investments	**$ 53**	$ 77	**$ 227**	$ 203

NOTE 22: SHARE-BASED COMPENSATION

BPY Unit Option Plans

On March 26, 2015, the BPY Unit Option Plan ("BPY Plan") was amended and restated. The BPY Plan originally provided for a cash payment on the exercise of an option equal to the amount by which the fair market value of a BPY LP Unit ("LP Unit") on the date of exercise exceeds the exercise price of the option. The amended BPY Plan allows for the settlement of the in-the-money amount of an option upon exercise in BPY Units for certain qualifying employees whose location of employment is outside of Australia and Canada. This amendment applies to all options granted under the BPY Plan, including those options currently outstanding. Consequently, as a result of this amendment, options granted to employees whose location of employment is outside of Australia and Canada, under the amended and restated BPY Plan are accounted for as an equity-based compensation agreement.

Awards under the BPY Plan ("BPY Awards") are linked to LP Units and generally vest 20% per year over a period of five years and expire 10 years after the grant date, with the exercise price set at the time such options were granted at an amount that is generally equal to the market price of a LP Unit on the New York Stock Exchange ("NYSE") on the last trading day preceding the grant date. Subject to a separate adjustment arising from forfeitures, the estimated expense related to options granted to employees whose location of employment is in either Australia or Canada is revalued every reporting period using the Black-Scholes valuation model as a result of the cash settlement provisions of the plan and recorded as a liability within accounts payable and accrued liabilities.

The company estimated the fair value of the awards granted during 2015 for the BPY Plan using the Black-Scholes valuation model, with inputs to the model and resulting weighted average fair value per option as follows:

	Sept. 30, 2015
Weighted average unit price	**$21.46**
Average term to exercise	**7.5 Years**
Share price volatility	**30.00%**
Liquidity discount	**25.00%**
Weighted average annual dividend yield	**6.50%**
Risk-free rate	**1.75%**
Weighted average fair value per option	**$1.75**

Equity Settled BPY Awards

The change in the number of options outstanding under the equity-settled BPY Awards for the nine months ended September 30, 2015 is as follows:

	Nine months ended Sept. 30, 2015	
	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	**—**	**$—**
Granted	**1,915,784**	**25.18**
Exercised	**(164,687)**	**18.50**
Reclassification[1]	**11,456,542**	**19.58**
Expired/Forfeited	**(174,153)**	**21.40**
Outstanding, end of period	**13,033,486**	**$20.39**
Exercisable at end of period	**2,897,290**	**$19.03**

[1] Relates to the reclassification of options for employees outside of Canada and Australia whose options are now considered equity-settled subsequent to the amendment of the BPY Plan

The following table sets out details of options issued and outstanding at September 30, 2015 under the equity-settled BPY Awards by expiry date:

Issue Date	Expiry Date	Number of Options	Weighted Average Exercise Price
2010	2020	298,400	$13.07
2011	2021	430,245	18.00
2012	2022	1,468,300	18.27
2013	2023	1,146,880	16.80
2014	2024	7,826,092	20.59
2015	2025	1,863,569	25.18
Total		13,033,486	$20.39

Liability Settled BPY Awards

The change in the number of options outstanding under the liability-settled BPY Awards for the nine months ended September 30, 2015 is as follows:

	Nine months ended Sept. 30, 2015	
	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	**17,285,412**	**$19.61**
Granted	**753,993**	**25.18**
Exercised	**(89,540)**	**17.40**
Reclassification[1]	**(11,456,542)**	**19.58**
Outstanding, end of period	**6,493,323**	**$20.34**
Exercisable at end of period	**1,171,595**	**$18.73**

[1] Relates to the reclassification of options for employees outside of Canada and Australia whose options are now considered equity-settled subsequent to the amendment of the BPY Plan

The following table sets out details of options issued and outstanding at September 30, 2015 under the liability-settled BPY Awards by expiry date:

Issue Date	Expiry Date	Number of Options	Weighted Average Exercise Price
2010	2020	78,000	$12.72
2011	2021	226,800	17.44
2012	2022	581,200	18.07
2013	2023	604,200	16.80
2014	2024	4,249,130	20.59
2015	2025	753,993	25.18
Total		6,493,323	$20.34

Restricted BPY LP Unit Plans

At September 30, 2015, the total number of BPY restricted units granted was 347,466 with a weighted average purchase price of $20.85.

Deferred Share Unit Plan

At September 30, 2015, the company has 1,440,026 BPY equivalent deferred share units outstanding and vested (December 31, 2014 – 1,421,139).

Share-based compensation expense recognized for the BPY Unit Option Plans, Restricted BPY LP Unit Plans and Deferred Share Unit Plan for the three and nine months ended September 30, 2015 was $6 million and $16 million, respectively (2014 – $6 million and $15 million).

NOTE 23: GUARANTEES, CONTINGENCIES AND OTHER

In the normal course of operations, the company and its consolidated entities execute agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions, business acquisitions, sales of assets and sales of services.

Guarantees, Commitments and Contingencies

The company and its operating subsidiaries may be contingently liable with respect to litigation and claims that arise from time to time in the normal course of business or otherwise. During the first quarter of 2015, the company reached an agreement to settle a specific litigation brought by the former MPG Office Trust, Inc.'s preferred shareholders related to the acquisition of MPG Office Trust, Inc. As per the settlement, the company is required to pay a portion of previously accrued and unpaid preferred dividends as well as the plaintiff's attorney fees.

At September 30, 2015, the company has commitments totaling approximately $1,200 million for the development of Manhattan West in Midtown New York, approximately C$357 million for the development of Bay Adelaide East in Toronto and Brookfield Place East Tower in Calgary, approximately A$154 million for the development of Brookfield Place Perth Tower 2 and approximately £238 million for the development of London Wall Place and Principal Place Commercial in London.

The company has also agreed to indemnify certain of its directors and certain of its officers and employees. The nature of substantially all of the indemnification undertakings prevent the company from making a reasonable estimate of the maximum potential amount that it could be required to pay third parties as 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. Historically, neither the company nor its consolidated subsidiaries have made significant payments under such indemnification agreements.

The company does not conduct its operations, other than those of equity accounted investments, through entities that are not fully or proportionately consolidated in its condensed consolidated financial statements, and has not guaranteed or otherwise contractually committed to support any material financial obligations not reflected in its condensed consolidated financial statements.

NOTE 24: FINANCIAL INSTRUMENTS

(a) Derivatives and hedging activities

Interest rate hedging

The following table provides details of derivatives designated as cash flow hedges in interest rate hedging relationships outstanding at September 30, 2015 and December 31, 2014:

(Millions)	Hedging Item		Notional	Rates	Maturity Dates		Fair Value
Sept. 30, 2015	Interest rate caps of US$ LIBOR debt	$	1,831	3.0% to 5.8%	Nov 2015 to Oct 2018	$	—
	Interest rate swaps of US$ LIBOR debt	$	285	2.1% to 2.2%	Oct 2020 to Nov 2020	$	(12)
	Interest rate swaps on forecasted fixed rate debt	$	1,885	2.8% to 5.3%	Nov 2025 to Jun 2029	$	(345)
	Interest rate swaps of A$ BBSW/BBSY debt	A$	670	3.5% to 5.9%	Jan 2016 to Jul 2017	$	(13)
Dec. 31, 2014	Interest rate caps of US$ LIBOR debt	$	2,137	3.0% to 5.8%	Jan 2015 to Oct 2018	$	—
	Interest rate swaps of US$ LIBOR debt	$	483	0.6% to 2.2%	Dec 2015 to Nov 2020	$	(7)
	Interest rate swaps of forecasted fixed rate debt	$	1,995	2.3% to 5.1%	May 2025 to Jun 2029	$	(262)
	Interest rate swaps of £ LIBOR debt	£	131	1.1%	Sep 2017	$	(1)
	Interest rate swaps of A$ BBSW/BBSY debt	A$	670	3.5% to 5.9%	Jan 2016 to Jul 2017	$	(26)

For the three and nine months ended September 30, 2015 and 2014, the amount of hedge ineffectiveness recorded in earnings in connection with the company's interest rate hedging activities was not significant.

Foreign currency hedging

The following table provides details of derivatives designated as foreign currency hedges outstanding at September 30, 2015 and December 31, 2014:

(Millions)	Hedging Item	Hedged Currency		Notional	Rate	Fair Value	Maturity	Hedged Item
Sept. 30, 2015	Foreign currency forward	Australian dollars	A$	326	A$1.28/US$ to A$1.44/US$	$15	Oct 2015 to Aug 2016	A$ denominated net investment
	Foreign currency forward	British pounds	£	279	£0.64/US$	$13	Oct 2015 to Dec 2015	£denominated net investment
Dec. 31, 2014	Foreign currency forward	Australian dollars	A$	725	A$1.10/US$ to A$1.26/US$	$9	Apr 2015 to Dec 2015	A$ denominated net investment
	Foreign currency forward	British pounds	£	79	£0.64/US$	$1	Oct 2015	£denominated net investment

In addition to the above, the company has designated foreign currency forwards and zero cost collars as net investment hedges at September 30, 2015:

(Millions)	Hedging Item	Hedged Currency	Notional		Forward rate	Call Strike Price	Put Strike Price	Maturity	Fair Value
Sept. 30, 2015	Zero cost collar[(1)]	A$ denominated net investment	A$	150	A$1.29/US$	A$1.22/US$	A$1.44/US$	Apr 2016	$8
	Zero cost collar[(1)]	A$ denominated net investment	A$	150	A$1.31/US$	A$1.22/US$	A$1.47/US$	Apr 2016	$7
	Zero cost collar[(1)]	A$ denominated net investment	A$	250	A$1.31/US$	A$1.22/US$	A$1.47/US$	Apr 2016	$12

(1) Zero cost collars consist of a bought call and a sold put together with a foreign currency forward contract

In connection with these hedges ($10) million and ($11) million relating to the time value component of their valuation has been recorded in fair value gains (losses), net on the condensed consolidated income statement for the three and nine months ended September 30, 2015, respectively (2014 – nil and nil, respectively).

At September 30, 2015, the company had designated C$750 million (December 31, 2014 – C$900 million) of its Canadian dollar financial liabilities as hedges of the company's net investment in its Canadian operations.

For the three and nine months ended September 30, 2015 and 2014, the amount of hedge ineffectiveness recorded in earnings in connection with the company's foreign currency hedging activities was not significant.

Other derivatives

The following tables provides details of other derivatives outstanding at September 30, 2015 and December 31, 2014:

(Millions)	Derivative Type	Fair Value	Fair Value (Gain)/Loss	Classification of Gain/Loss
Sept. 30, 2015	Total return swap[(1)]	$ —	$ —	Administrative expense
Dec. 31, 2014	Total return swap[(1)]	$ —	$ (3)	Administrative expense

(1) Relates to the total return swap on BPY equivalent shares in connection with its liability based Deferred Share Unit Plans

(b) Fair value of financial instruments

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. The fair value of interest bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk.

The carrying value and fair values of the company's financial instruments are summarized in the following table:

	Sept. 30, 2015						Dec. 31, 2014	
			Loans & Receivables Other Financial Liabilities					
	FVTPL	**FVTOCI**				**Total**		Total
(Millions)	**Fair**	**Fair**	**Fair**	**Amortized**	**Carrying**	**Fair**	Carrying	Fair
Measurement Basis	**Value**	**Value**	**Value**	**Cost**	**Value**	**Value**	Value	Value
Financial assets								
Participating loan interests	**$ 92**	**$ —**	**$ 328**	**$ 328**	**$ 420**	**$ 420**	$ 426	$ 426
Non-current financial assets								
Preferred shares in affiliate	**—**	**—**	**256**	**256**	**256**	**256**	293	293
Loans receivable from affiliate	**—**	**—**	**962**	**962**	**962**	**962**	308	308
Equity securities designated as AFS	**—**	**141**	**—**	**—**	**141**	**141**	137	137
Other loans receivable	**—**	**—**	**71**	**71**	**71**	**71**	82	82
Receivables and other assets								
Accounts receivable[(1)]	**—**	**79**	**238**	**238**	**317**	**317**	359	359
Restricted cash and deposits	**—**	**—**	**140**	**140**	**140**	**140**	162	162
Cash and equivalents	**—**	**—**	**344**	**344**	**344**	**344**	557	557
	$ 92	**$ 220**	**$ 2,339**	**$ 2,339**	**$ 2,651**	**$ 2,651**	$ 2,324	$ 2,324
Financial liabilities								
Commercial property debt[(1)]	**$ —**	**$ —**	**$ 14,835**	**$ 14,368**	**$ 14,368**	**$ 14,835**	$ 14,849	$ 15,362
Capital securities – corporate	**—**	**—**	**523**	**522**	**522**	**523**	583	592
Capital securities – fund subsidiaries	**—**	**—**	**706**	**706**	**706**	**706**	643	643
Other non-current financial liabilities								
Loan payable	**26**	**—**	**92**	**92**	**118**	**118**	100	100
Other financial liabilities	**—**	**46**	**88**	**88**	**134**	**134**	231	231
Accounts payable and accrued liabilities[(1)]	**—**	**348**	**845**	**845**	**1,193**	**1,193**	973	973
	$ 26	**$ 394**	**$ 17,089**	**$ 16,621**	**$ 17,041**	**$ 17,509**	$ 17,379	$ 17,901

(1) Includes balances associated with assets held for sale

(c) Fair value hierarchy

The company values assets and liabilities carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The following table outlines financial assets and liabilities measured at fair value in the condensed consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above.

	Sept. 30, 2015			Dec. 31, 2014		
(Millions)	**Level 1**	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets						
Participating loan interests – embedded derivative	**$ —**	**$ —**	**$ 92**	$ —	$ —	$ 43
Equity securities designated as AFS	**—**	**—**	**141**	—	—	137
Derivative assets	**—**	**79**	**—**	—	19	—
Liabilities						
Derivative liabilities	**$ —**	**$ 394**	**$ —**	$ —	$ 303	$ —
Loan payable	**—**	**—**	**26**	—	—	—

There were no transfers between levels during the nine months ended September 30, 2015 or year ended December 31, 2014. A reconciliation of fair value measurements of financial instruments in Level 3 is set out below:

	Nine months ended Sept. 30, 2015		Year ended Dec. 31, 2014	
(Millions)	**Assets**	**Liabilities**	Assets	Liabilities
Balance, beginning of period	**$ 180**	**$ —**	$ 161	$ —
Acquisitions (dispositions)	**—**	**26**	26	—
Fair value gains (losses) and other	**53**	**—**	(7)	—
Balance, end of period	**$ 233**	**$ 26**	$ 180	$ —

NOTE 25: RELATED PARTIES

In the normal course of operations, the company enters into various transactions on market terms with related parties, which have been measured at exchange value. The following table summarizes transactions and balances with BAM and its subsidiaries:

	Three months ended Sept. 30		Nine months ended Sept. 30	
(Millions)	**2015**	2014	**2015**	2014
Transactions with related parties				
Commercial property revenue[1]	**$ 5**	$ 4	**$ 13**	$ 10
Interest and other income	**14**	13	**35**	34
Interest expense	**5**	6	**15**	10
Management fees paid	**—**	2	**2**	9
Administrative expense[2]	**8**	12	**24**	38
Construction costs[3]	**78**	50	**217**	130
			Sept. 30, 2015	Dec. 31, 2014
Balances with related parties				
Participating loan interests			**$ 420**	$ 426
Other non-current financial assets			**1,289**	683
Receivables and other assets			**—**	73
Commercial property debt			**(340)**	(397)
Capital securities – corporate			**(82)**	(91)
Other liabilities			**(99)**	(51)

(1) *Amounts received from BAM and its subsidiaries for the rental of office premises*
(2) *Amounts paid to BAM and its subsidiaries for administrative services*
(3) *Amounts paid to BAM and its subsidiaries for construction costs of development property*

On February 18, 2015, FM Co., an associate of the company accounted for under the equity method, sold its interest in Brookfield Johnson Controls Australia and Brookfield Johnson Controls Canada, which were previously owned by FM Co., to a subsidiary of BAM.

On June 5, 2015, 9165789 Canada Inc. acquired $12 million of voting preferred shares of a subsidiary of the company, BOP Management Holdings Inc., representing a 60% voting interest. 9165789 Canada Inc. was formed by the company and 16 individuals who are the company's and other BAM subsidiaries' senior officers, who were given the opportunity to invest in 9165789 Canada Inc. as part of the company's goal of retaining top executives and aligning executives' interests with those of the company. The senior officers acquired an aggregate of $2 million of common shares of 9165789 Canada Inc. for investment purposes in exchange for cash in an amount equal to the fair value of the shares. These shares are accounted for as a non-controlling interest. The company also holds a $10 million non-voting preferred share interest in 9165789 Canada Inc. BOP Management Holdings Inc. indirectly owns 33% of the company's economic interest in DTLA and an interest in the company's U.S. asset management and certain promote fee streams.

NOTE 26: OTHER INFORMATION

Supplemental cashflow information

(Millions)	Nine months ended Sept. 30 2015	2014
Acquisitions of real estate	**$ 70**	$ 783
Mortgages and other balances assumed on acquisition	**—**	(413)
Previously recognized investment in joint venture	**—**	(191)
Net acquisitions of real estate	**$ 70**	$ 179
Dispositions of real estate	**$ 412**	$ 1,069
Mortgages and other balances assumed by purchasers	**(32)**	(352)
Net dispositions of real estate	**$ 380**	$ 717

(Millions)	Three months ended Sept. 30 2015	2014	Nine months ended Sept. 30 2015	2014
Cash taxes paid	**$ 15**	$ 16	**$ 36**	$ 47
Cash interest paid (excluding dividends on capital securities)	**156**	168	**493**	511

For the three and nine months ended September 30, 2015, interest expense included $12 million and $30 million, respectively, (2014 – $9 million and $28 million) relating to amortization of transaction costs included in the carrying amount of commercial property debt and capital securities which has been recognized in interest expense using the effective interest method.

NOTE 27: SUBSEQUENT EVENTS

On October 6, 2015, the company disposed of an 80% interest in 99 Bishopsgate in London at a gross property value of £340 million. The asset was classified as held for sale as of September 30, 2015. The property will be accounted for under the equity method.

On October 19, 2015, the company acquired a parcel of land for residential development in Brooklyn New York for $101 million.

On October 28, 2015, the company entered into a joint venture on the mixed-use Manhattan West development project in New York City. In the transaction, the company sold a 44% interest in the development. The total value of the development upon completion and stabilization is estimated to be $8.6 billion. The development will be accounted for under the equity method.

On November 2, 2015, the company acquired the other office condominium not previously owned at 424 West 33rd Street in Midtown New York for $88 million.

On November 5, 2015, the company announced that it had agreed in principle to acquire the Potsdamer Platz Estate, a 16-building, 3-million square-foot mixed-use campus in Berlin, Germany, for approximately €1.3 billion. The transaction is expected to close in December 2015. The company is in advanced negotiations with potential joint venture partners to acquire up to a 75% financial interest in the Potsdamer Platz Estate.

NOTE 28: SEGMENTED INFORMATION

The company operates four reportable segments, the United States, Canada, Australia and the United Kingdom, in the commercial property business. The commercial markets in which the company operates are primarily New York, Washington, D.C., Los Angeles, Houston, Boston, Denver and San Francisco in the United States; Toronto, Calgary, Ottawa and Vancouver in Canada; Sydney, Melbourne and Perth in Australia; and London in the United Kingdom.

Information regarding the results of each reportable segment is included below. Performance is measured based upon funds from operations, the measure used by management in assessing segment profit or loss. Although funds from operations is a non-IFRS measure on a total basis, it is an IFRS measure on a segment basis because it is the measure of segment profit and loss. The company's definition of funds from operations includes all of the adjustments that are outlined in the National Association of Real Estate Investment Trusts ("NAREIT") definition of funds from operations such as the exclusion of gains (or losses) from the sale of real estate property, the add back of any depreciation and amortization related to real estate assets and the adjustment to reflect the company's interest in unconsolidated partnerships and joint ventures. In addition to the adjustments prescribed by NAREIT, the company also makes adjustments to exclude any unrealized fair value gains (or losses) that arise as a result of reporting under IFRS and income taxes that arise as a result of the company's structure as a corporation as opposed to a real estate investment trust.

	United States		Canada		Australia		United Kingdom		Total	
(Millions) Nine months ended	**Sept. 30, 2015**	Sept. 30, 2014	**Sept. 30, 2015**	Sept. 30, 2014	**Sept. 30, 2015**	Sept. 30, 2014	**Sept. 30, 2015**	Sept. 30, 2014	**Sept. 30, 2015**	Sept. 30, 2014
Commercial property revenue	**$ 1,087**	$ 1,128	**$ 318**	$ 364	**$ 184**	$ 215	**$ 48**	$ 65	**$ 1,637**	$ 1,772
Direct commercial property expense	**(540)**	(550)	**(149)**	(159)	**(44)**	(52)	**(19)**	(24)	**(752)**	(785)
Interest and other income	**17**	23	**6**	5	**22**	30	**1**	(2)	**46**	56
Interest expense[(1)]	**(348)**	(353)	**(75)**	(95)	**(58)**	(72)	**—**	(8)	**(481)**	(528)
Administrative expense[(2)]	**(71)**	(78)	**(24)**	(28)	**(8)**	(8)	**(7)**	(3)	**(110)**	(117)
Other	**(1)**	(3)	**1**	2	**4**	3	**—**	—	**4**	2
Funds from operations of equity accounted investments	**62**	47	**4**	9	**19**	19	**5**	5	**90**	80
Non-controlling interests	**(25)**	(34)	**(32)**	(28)	**(1)**	(2)	**—**	—	**(58)**	(64)
Funds from operations	**181**	180	**49**	70	**118**	133	**28**	33	**376**	416
Gains (losses) and other items, net	**(37)**	—	**—**	—	**—**	—	**—**	—	**(37)**	—
Fair value gains (losses), net	**615**	1,737	**74**	12	**235**	27	**89**	94	**1,013**	1,870
Fair value gains (losses), net of equity accounted investments	**85**	122	**45**	—	**11**	1	**(4)**	—	**137**	123
Other	**7**	9	**(1)**	(2)	**(3)**	(2)	**(12)**	(13)	**(9)**	(8)
Income taxes	**400**	(483)	**(47)**	3	**(93)**	(36)	**(18)**	(9)	**242**	(525)
Interest expense – capital securities – fund subsidiaries	**(11)**	(188)	**—**	—	**—**	—	**—**	—	**(11)**	(188)
Non-controlling interests	**25**	34	**32**	28	**1**	2	**—**	—	**58**	64
Net income (loss)	**1,265**	1,411	**152**	111	**269**	125	**83**	105	**1,769**	1,752
Net income (loss) attributable to non-controlling interests	**45**	125	**58**	19	**5**	2	**—**	—	**108**	146
Net income (loss) attributable to shareholders	**$ 1,220**	$ 1,286	**$ 94**	$ 92	**$ 264**	$ 123	**$ 83**	$ 105	**$ 1,661**	$ 1,606

(1) Includes allocation of interest expense on corporate debt and capital securities – corporate of $20 million to United States and $28 million to Canada for the nine months ended September 30, 2015 (2014 - $16 million and $38 million, respectively)

(2) Includes allocation of corporate level administrative expenses of $12 million to United States and $5 million to Canada for the nine months ended September 30, 2015 (2014 - $14 million and $6 million, respectively)

	United States		Canada		Australia		United Kingdom		Total	
(Millions)	**Sept. 30, 2015**	Dec. 31, 2014	**Sept. 30, 2015**	Dec. 31, 2014	**Sept. 30, 2015**	Dec. 31, 2014	**Sept. 30, 2015**	Dec. 31, 2014	**Sept. 30, 2015**	Dec. 31, 2014
Total assets	**$ 23,469**	$ 22,963	**$ 5,232**	$ 5,753	**$ 3,661**	$ 3,926	**$ 1,992**	$ 1,763	**$ 34,354**	$ 34,405
Total liabilities	**$ 12,316**	$ 12,663	**$ 3,183**	$ 3,546	**$ 1,846**	$ 2,004	**$ 837**	$ 656	**$ 18,182**	$ 18,869

NOTE 29: APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved by the board of directors and authorized for issue on November 9, 2015.