

Brookfield Infrastructure Partners L.P.

Interim Report Q3 2020

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS

*AS OF SEPTEMBER 30, 2020 AND DECEMBER 31, 2019 AND
FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019*

INDEX

	Page
Unaudited Interim Condensed and Consolidated Statements of Financial Position of Brookfield Infrastructure Partners L.P.	2
Unaudited Interim Condensed and Consolidated Statements of Operating Results of Brookfield Infrastructure Partners L.P.	3
Unaudited Interim Condensed and Consolidated Statements of Comprehensive Income (Loss) of Brookfield Infrastructure Partners L.P.	4
Unaudited Interim Condensed and Consolidated Statements of Partnership Capital of Brookfield Infrastructure Partners L.P.	5
Unaudited Interim Condensed and Consolidated Statements of Cash Flows of Brookfield Infrastructure Partners L.P.	9
Notes to the Unaudited Interim Condensed and Consolidated Financial Statements of Brookfield Infrastructure Partners L.P.	10
Management's Discussion & Analysis	43

Brookfield Infrastructure Partners L.P. (our “partnership” and together with its subsidiary and operating entities “Brookfield Infrastructure”) owns and operates high quality, long-life assets that generate stable cash flows, require relatively minimal maintenance capital expenditures and, by virtue of barriers to entry or other characteristics, tend to appreciate in value over time. Our current operations consist of utilities, transport, energy and data infrastructure businesses in North and South America, Asia Pacific and Europe.

Brookfield Asset Management Inc. (together with its affiliates other than Brookfield Infrastructure, “Brookfield”) has an approximate 30% interest in Brookfield Infrastructure. Brookfield Infrastructure has appointed Brookfield as its Service Provider to provide certain management, administrative and advisory services, for a fee, under the Master Services Agreement.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

US\$ MILLIONS, UNAUDITED	Notes	As of	
		September 30, 2020	December 31, 2019
Assets			
Cash and cash equivalents	6	\$ 1,012	\$ 827
Financial assets	6	583	432
Accounts receivable and other	6	2,118	1,960
Inventory		225	242
Assets classified as held for sale		—	2,380
Current assets		3,938	5,841
Property, plant and equipment	7	27,999	23,013
Intangible assets	8	13,084	14,386
Investments in associates and joint ventures	9	4,700	4,967
Investment properties		451	416
Goodwill	5	6,269	6,553
Financial assets	6	934	763
Other assets		613	257
Deferred income tax asset		152	112
Total assets		\$ 58,140	\$ 56,308
Liabilities and Partnership Capital			
Liabilities			
Accounts payable and other	6	\$ 3,342	\$ 2,410
Non-recourse borrowings	6,10	1,651	1,381
Financial liabilities	6	632	329
Liabilities directly associated with assets classified as held for sale		—	1,319
Current liabilities		5,625	5,439
Corporate borrowings	6,10	2,882	2,475
Non-recourse borrowings	6,10	18,953	17,163
Financial liabilities	6	2,755	1,844
Other liabilities		2,844	2,570
Deferred income tax liability		4,419	4,620
Preferred shares	6	20	20
Total liabilities		37,498	34,131
Partnership capital			
Limited partners	14	3,695	5,048
General partner	14	17	24
Non-controlling interest attributable to:			
Redeemable Partnership Units held by Brookfield	14	1,466	2,039
Class A shares of Brookfield Infrastructure Corporation	14	556	—
Exchange LP Units	14	10	18
Interest of others in operating subsidiaries		13,768	14,113
Preferred unitholders	14	1,130	935
Total partnership capital		20,642	22,177
Total liabilities and partnership capital		\$ 58,140	\$ 56,308

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF OPERATING RESULTS

US\$ MILLIONS, UNAUDITED	Notes	For the three-month period ended September 30		For the nine-month period ended September 30	
		2020	2019	2020	2019
Revenues	13	\$ 2,209	\$ 1,664	\$ 6,351	\$ 4,942
Direct operating costs		(1,185)	(850)	(3,487)	(2,488)
General and administrative expenses		(86)	(75)	(219)	(200)
Depreciation and amortization expense	7,8	(411)	(317)	(1,186)	(932)
		527	422	1,459	1,322
Interest expense		(278)	(229)	(807)	(682)
Share of earnings from investments in associates and joint ventures	9	17	36	76	88
Mark-to-market on hedging items	6	(66)	70	57	104
Other income (expense)		16	(36)	(218)	(14)
Income before income tax		216	263	567	818
Income tax (expense) recovery					
Current		(70)	(55)	(183)	(180)
Deferred		2	(3)	(54)	(14)
Net income		\$ 148	\$ 205	\$ 330	\$ 624
Attributable to:					
Limited partners		\$ (26)	\$ 29	\$ (41)	\$ 65
General partner		46	41	137	118
Non-controlling interest attributable to:					
Redeemable Partnership Units held by Brookfield		(11)	12	(19)	27
Class A shares of Brookfield Infrastructure Corporation		(4)	—	(14)	—
Exchange LP Units		—	—	—	—
Interest of others in operating subsidiaries		143	123	267	414
Basic and diluted (loss) income per limited partner unit ⁽¹⁾ :	14	\$ (0.12)	\$ 0.06	\$ (0.22)	\$ 0.13

1. Basic and diluted (loss) income per limited partner unit for the three and nine-month periods ended September 30, 2020 have been restated to reflect the impact of the special distribution on March 31, 2020. Refer to Note 2, Summary of Accounting Policies, for further details.

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

US\$ MILLIONS, UNAUDITED	Notes	For the three-month period ended September 30		For the nine-month period ended September 30	
		2020	2019	2020	2019
Net income		\$ 148	\$ 205	\$ 330	\$ 624
Other comprehensive income (loss):					
Items that will not be reclassified subsequently to profit or loss:					
Marketable securities, net of tax	6	13	(2)	59	27
Unrealized actuarial losses		(1)	—	(3)	(12)
Investment in associates and joint ventures	9	1	—	—	—
Tax impact of remeasurement of revaluation surplus and other		—	—	(28)	—
		13	(2)	28	15
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation		260	(732)	(1,460)	(499)
Cash flow hedge	6	16	(15)	(249)	(70)
Net investment hedge	6	(37)	43	93	14
Taxes on the above items		5	1	55	13
Investment in associates and joint ventures	9	(37)	62	(3)	(10)
		207	(641)	(1,564)	(552)
Total other comprehensive income (loss)		220	(643)	(1,536)	(537)
Comprehensive income (loss)		\$ 368	\$ (438)	\$ (1,206)	\$ 87
Attributable to:					
Limited partners		\$ 26	\$ (190)	\$ (563)	\$ (164)
General partner		46	40	134	117
Non-controlling interest attributable to:					
Redeemable Partnership Units held by Brookfield		11	(79)	(237)	(68)
Class A shares of Brookfield Infrastructure Corporation		4	—	(5)	—
Exchange LP Units		—	(1)	(2)	(1)
Interest of others in operating subsidiaries		281	(208)	(533)	203

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020 US\$ MILLIONS	Limited Partners				Non-Controlling Interest – Redeemable Partnership Units held by Brookfield											
	Limited partners' capital	(Deficit)	Ownership changes	Accumulated other comprehensive loss ⁽¹⁾	Limited partners	General partner	Redeemable units held by Brookfield	(Deficit)	Ownership changes	Accumulated other comprehensive loss ⁽¹⁾	Non-controlling interest – Redeemable Partnership Units held by Brookfield	Non-controlling interest – class A shares of BIPC	Non-controlling interest – Exchange LP Units	Non-controlling interest – in operating subsidiaries	Preferred Unitholders Capital	Total partners' capital
Balance as at June 30, 2020	\$ 5,520	\$ (2,087)	\$ 547	\$ (157)	\$ 3,823	\$ 17	\$ 2,328	\$ (893)	\$ 128	\$ (43)	\$ 1,520	\$ 576	\$ 12	\$ 11,860	\$ 935	\$ 18,743
Net (loss) income	—	(26)	—	—	(26)	46	—	(11)	—	—	(11)	(4)	—	143	—	148
Other comprehensive income	—	—	—	52	52	—	—	—	—	22	22	8	—	138	—	220
Comprehensive (loss) income	—	(26)	—	52	26	46	—	(11)	—	22	11	4	—	281	—	368
Unit issuance ⁽²⁾	2	—	—	—	2	—	—	—	—	—	—	—	—	—	—	2
Partnership distributions ⁽³⁾	—	(143)	—	—	(143)	(46)	—	(59)	—	—	(59)	(22)	(1)	—	—	(271)
Partnership preferred distributions ⁽³⁾	—	(8)	—	—	(8)	—	—	(3)	—	—	(3)	(1)	—	—	—	(12)
Acquisition of subsidiaries ⁽⁴⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	1,880	—	1,880
Capital provided by non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	18	—	18
Subsidiary distributions to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	(131)	—	(131)
Acquisition of non-controlling interest ⁽⁴⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	(107)	—	(107)
Preferred units issued ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	195	195
Other items ^{(1),(4)}	2	16	(7)	(16)	(5)	—	—	7	(3)	(7)	(3)	(1)	(1)	(33)	—	(43)
Balance as at September 30, 2020	\$ 5,524	\$ (2,248)	\$ 540	\$ (121)	\$ 3,695	\$ 17	\$ 2,328	\$ (959)	\$ 125	\$ (28)	\$ 1,466	\$ 556	\$ 10	\$ 13,768	\$ 1,130	\$ 20,642

1. Refer to Note 16 Accumulated Other Comprehensive Income (Loss).

2. Refer to Note 14 Partnership Capital.

3. Refer to Note 15 Distributions.

4. Refer to Note 5 Acquisition of Businesses.

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019 US\$ MILLIONS	Limited Partners					Non-Controlling Interest – Redeemable Partnership Units held by Brookfield									
	Limited partners' capital	(Deficit)	Ownership changes	Accumulated other comprehensive income ⁽¹⁾	Limited partners	General partner	Redeemable units held by Brookfield	(Deficit)	Ownership changes	Accumulated other comprehensive income ⁽¹⁾	Non-controlling interest – Redeemable Partnership Units held by Brookfield	Non-controlling interest – Exchange LP Units	Non-controlling interest – in operating subsidiaries	Preferred Unitholders Capital	Total partners' capital
Balance as at June 30, 2019	\$ 4,938	\$ (1,144)	\$ 502	\$ 225	\$ 4,521	\$ 23	\$ 2,078	\$ (492)	\$ 109	\$ 120	\$ 1,815	\$ 21	\$ 8,918	\$ 935	\$ 16,233
Net income	—	29	—	—	29	41	—	12	—	—	12	—	123	—	205
Other comprehensive loss	—	—	—	(219)	(219)	(1)	—	—	—	(91)	(91)	(1)	(331)	—	(643)
Comprehensive income (loss)	—	29	—	(219)	(190)	40	—	12	—	(91)	(79)	(1)	(208)	—	(438)
Unit issuance ⁽²⁾	553	—	—	—	553	—	250	—	—	—	250	—	—	—	803
Partnership distributions ⁽³⁾	—	(147)	—	—	(147)	(41)	—	(62)	—	—	(62)	(1)	—	—	(251)
Partnership preferred distributions ⁽³⁾	—	(8)	—	—	(8)	—	—	(4)	—	—	(4)	—	—	—	(12)
Acquisition of subsidiaries ⁽⁴⁾	—	—	—	—	—	—	—	—	—	—	—	—	49	—	49
Subsidiary distributions to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	(176)	—	(176)
Other items ⁽¹⁾	1	—	8	—	9	—	—	—	(8)	—	(8)	(1)	—	—	—
Balance as at September 30, 2019	\$ 5,492	\$ (1,270)	\$ 510	\$ 6	\$ 4,738	\$ 22	\$ 2,328	\$ (546)	\$ 101	\$ 29	\$ 1,912	\$ 18	\$ 8,583	\$ 935	\$ 16,208

1. Refer to Note 16 Accumulated Other Comprehensive Income (Loss).
2. Refer to Note 14 Partnership Capital.
3. Refer to Note 15 Distributions.
4. Refer to Note 5 Acquisition of Businesses.

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020 US\$ MILLIONS	Limited Partners						Non-Controlling Interest – Redeemable Partnership Units held by Brookfield									
	Limited partners' capital	(Deficit)	Ownership changes	Accumulated other comprehensive income (loss) ⁽¹⁾	Limited partners	General partner	Redeemable units held by Brookfield	(Deficit)	Ownership changes	Accumulated other comprehensive income (loss) ⁽¹⁾	Non-controlling interest – Redeemable Partnership Units held by Brookfield	Non-controlling interest – class A shares of BIPC	Non-controlling interest – Exchange LP Units	Non-controlling interest – in operating subsidiaries	Preferred Unitholders Capital	Total partners' capital
Balance as at January 1, 2020	\$ 5,495	\$ (1,430)	\$ 510	\$ 473	\$ 5,048	\$ 24	\$ 2,328	\$ (613)	\$ 101	\$ 223	\$ 2,039	\$ —	\$ 18	\$ 14,113	\$ 935	\$ 22,177
Net (loss) income	—	(41)	—	—	(41)	137	—	(19)	—	—	(19)	(14)	—	267	—	330
Other comprehensive (loss) income	—	—	—	(522)	(522)	(3)	—	—	—	(218)	(218)	9	(2)	(800)	—	(1,536)
Comprehensive (loss) income	—	(41)	—	(522)	(563)	134	—	(19)	—	(218)	(237)	(5)	(2)	(533)	—	(1,206)
Unit issuance ⁽²⁾	7	—	—	—	7	—	—	—	—	—	—	—	—	—	—	7
Partnership distributions ⁽³⁾	—	(444)	—	—	(444)	(139)	—	(182)	—	—	(182)	(44)	(3)	—	—	(812)
Partnership preferred distributions ⁽³⁾	—	(25)	—	—	(25)	—	—	(9)	—	—	(9)	(2)	—	—	—	(36)
Acquisition of subsidiaries ⁽⁴⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	1,880	—	1,880
Disposition of subsidiaries ⁽⁵⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	(866)	—	(866)
Capital provided by non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	63	—	63
Subsidiary distributions to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	(778)	—	(778)
Acquisition of non-controlling interest ⁽⁴⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	(107)	—	(107)
Preferred units issued ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	195	195
Issuance of class A shares of BIPC ^{(2),(6)}	—	(398)	(61)	18	(441)	(2)	—	(174)	(14)	5	(183)	626	—	—	—	—
Other items ^{(1),(4)}	22	90	91	(90)	113	—	—	38	38	(38)	38	(19)	(3)	(4)	—	125
Balance as at September 30, 2020	\$ 5,524	\$ (2,248)	\$ 540	\$ (121)	\$ 3,695	\$ 17	\$ 2,328	\$ (959)	\$ 125	\$ (28)	\$ 1,466	\$ 556	\$ 10	\$ 13,768	\$ 1,130	\$ 20,642

1. Refer to Note 16 Accumulated Other Comprehensive Income (Loss).
2. Refer to Note 14 Partnership Capital.
3. Refer to Note 15 Distributions.
4. Refer to Note 5 Acquisition of Businesses.
5. Refer to Note 4 Disposition of Businesses.
6. Refer to Note 2 Summary of Accounting Policies.

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019 US\$ MILLIONS	Limited Partners					Non-Controlling Interest – Redeemable Partnership Units held by Brookfield					Non-controlling interest – Exchange LP Units	Non- controlling interest – in operating subsidiaries	Preferred Unit holders Capital	Total partners' capital	
	Limited partners' capital	(Deficit)	Ownership changes	Accumulated other comprehensive income ⁽¹⁾	Limited partners	General partner	Redeemable units held by Brookfield	(Deficit)	Ownership changes	Accumulated other comprehensive income ⁽¹⁾					Non-controlling interest – Redeemable Partnership Units held by Brookfield
Balance as at January 1, 2019	\$ 4,911	\$ (856)	\$ 249	\$ 209	\$ 4,513	\$ 22	\$ 2,078	\$ (370)	\$ 3	\$ 112	\$ 1,823	\$ 71	\$ 7,303	\$ 936	\$ 14,668
Net income	—	65	—	—	65	118	—	27	—	—	27	—	414	—	624
Other comprehensive loss	—	—	—	(229)	(229)	(1)	—	—	—	(95)	(95)	(1)	(211)	—	(537)
Comprehensive income (loss)	—	65	—	(229)	(164)	117	—	27	—	(95)	(68)	(1)	203	—	87
Unit issuance ⁽²⁾	557	—	—	—	557	—	250	—	—	—	250	—	—	—	807
Unit repurchases ⁽²⁾	(28)	—	—	—	(28)	—	—	—	—	—	—	—	—	(1)	(29)
Partnership distributions ⁽³⁾	—	(428)	—	—	(428)	(117)	—	(179)	—	—	(179)	(3)	—	—	(727)
Partnership preferred distributions ⁽³⁾	—	(25)	—	—	(25)	—	—	(12)	—	—	(12)	—	—	—	(37)
Acquisition of subsidiaries ⁽⁴⁾	—	—	—	—	—	—	—	—	—	—	—	—	1,933	—	1,933
Subsidiary distributions to non- controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	(667)	—	(667)
Other items ^{(1),(2)}	52	(26)	261	26	313	—	—	(12)	98	12	98	(49)	(189)	—	173
Balance as at September 30, 2019	\$ 5,492	\$ (1,270)	\$ 510	\$ 6	\$ 4,738	\$ 22	\$ 2,328	\$ (546)	\$ 101	\$ 29	\$ 1,912	\$ 18	\$ 8,583	\$ 935	\$ 16,208

1. Refer to Note 16 Accumulated Other Comprehensive Income (Loss).
2. Refer to Note 14 Partnership Capital.
3. Refer to Note 15 Distributions.
4. Refer to Note 5 Acquisition of Businesses.

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

US\$ MILLIONS, UNAUDITED	Notes	For the three-month period ended September 30		For the nine-month period ended September 30	
		2020	2019	2020	2019
Operating Activities					
Net income		\$ 148	\$ 205	\$ 330	\$ 624
Adjusted for the following items:					
Earnings from investments in associates and joint ventures, net of distributions received	9	3	46	75	78
Depreciation and amortization expense	7,8	411	317	1,186	932
Mark-to-market on hedging items, provisions and other	6	130	(4)	395	6
Deferred income tax (recovery) expense		(2)	3	54	14
Changes in non-cash working capital, net		86	22	73	76
Cash from operating activities		<u>776</u>	<u>589</u>	<u>2,113</u>	<u>1,730</u>
Investing Activities					
Acquisition of subsidiaries, net of cash acquired	5	(3,405)	(22)	(3,405)	(2,212)
Disposal of subsidiaries, net of cash disposed	4	—	—	722	—
Investments in associates and joint ventures	9	(369)	(424)	(369)	(424)
Disposal of investments in associates and joint ventures	9	—	—	—	135
Disposal of assets classified as held for sale	9	60	—	60	—
Purchase of long-lived assets	7,8	(338)	(311)	(1,000)	(837)
Disposal of long-lived assets	7,8	10	9	30	22
Purchase of financial assets		(296)	(99)	(830)	(147)
Sale of financial assets		244	9	522	18
Net settlement of foreign exchange hedging items	6	—	23	83	59
Cash used by investing activities		<u>(4,094)</u>	<u>(815)</u>	<u>(4,187)</u>	<u>(3,386)</u>
Financing Activities					
Distributions to general partner	15	(46)	(41)	(139)	(117)
Distributions to other unitholders	15	(237)	(222)	(709)	(647)
Subsidiary distributions to non-controlling interest		(131)	(176)	(778)	(667)
Capital provided by non-controlling interest		2,868	26	3,091	1,311
Capital provided to non-controlling interest	4	—	—	(616)	—
(Acquisition) disposal of partial interest (from) to non-controlling interest, net of taxes	4,5	(150)	—	18	165
Deposit received from (repaid to) parent	17	545	(823)	545	—
Proceeds from corporate borrowings	10	382	—	657	—
Proceeds from corporate credit facility	10	990	757	2,445	3,376
Repayment of corporate credit facility	10	(1,593)	(179)	(2,658)	(3,308)
Proceeds from non-recourse borrowings	10	474	223	2,684	2,274
Repayment of non-recourse borrowings	10	(322)	(112)	(2,301)	(1,316)
Lease liability repaid		(42)	(14)	(128)	(83)
Preferred units and preferred shares issued, net of repurchases	14	195	—	195	72
Partnership units repurchased	14	—	—	—	(28)
Partnership units issued, net of issuance costs	14	2	803	7	807
Cash from financing activities		<u>2,935</u>	<u>242</u>	<u>2,313</u>	<u>1,839</u>
Cash and cash equivalents					
Change during the period		(383)	16	239	183
Cash reclassified as assets held for sale		—	(16)	—	(16)
Impact of foreign exchange on cash		15	(38)	(54)	(30)
Balance, beginning of period		1,380	715	827	540
Balance, end of period		<u>\$ 1,012</u>	<u>\$ 677</u>	<u>\$ 1,012</u>	<u>\$ 677</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO THE UNAUDITED INTERIM CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2020 AND DECEMBER 31, 2019 AND

FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

1. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

Brookfield Infrastructure Partners L.P. (our “partnership” and, together with its subsidiaries and operating entities, “Brookfield Infrastructure”) owns and operates utilities, transport, energy and data infrastructure businesses in North and South America, Europe and the Asia Pacific region. Our partnership was formed as a limited partnership established under the laws of Bermuda, pursuant to a limited partnership agreement dated May 17, 2007, as amended and restated. Our partnership is a subsidiary of Brookfield Asset Management Inc. (“Brookfield”). Our partnership’s units are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbols “BIP” and “BIP.UN”, respectively. Our cumulative Class A preferred limited partnership units, Series 1, Series 3, Series 5, Series 7, Series 9 and Series 11 are listed on the Toronto Stock Exchange under the symbols “BIP.PR.A”, “BIP.PR.B”, “BIP.PR.C”, “BIP.PR.D”, “BIP.PR.E” and “BIP.PR.F”, respectively. Our cumulative Class A preferred limited partnership units, Series 13, are listed on the New York Stock Exchange under the symbol “BIP.PR.A.” Our partnership’s registered office is 73 Front Street, 5th Floor, Hamilton, HM12, Bermuda.

In these notes to the interim condensed and consolidated financial statements, references to “units” are to the limited partnership units in our partnership other than the preferred units, references to our “preferred units” are to preferred limited partnership units in our partnership and references to our “unitholders” and “preferred unitholders” are to the holders of our units and preferred units, respectively. References to “Series 5 Preferred Units”, “Series 7 Preferred Units”, “Series 9 Preferred Units”, “Series 11 Preferred Units” and “Series 13 Preferred Units” are to cumulative Class A preferred limited partnership units, Series 5, cumulative Class A preferred limited partnership units, Series 7, cumulative Class A preferred limited partnership units, Series 9, cumulative Class A preferred limited partnership units, Series 11, and cumulative Class A preferred limited partnership units, Series 13, in our partnership, respectively.

2. SUMMARY OF ACCOUNTING POLICIES

a) Brookfield Infrastructure Corporation

On August 30, 2019, Brookfield Infrastructure Corporation (“BIPC”) was established by the partnership. On March 30, 2020, the partnership contributed our U.K. regulated distribution operation and Brazilian regulated gas transmission operation to BIPC. On March 31, 2020, the partnership completed a special distribution (the “special distribution”) whereby unitholders as of March 20, 2020 (the “Record Date”) received one class A exchangeable subordinate voting share (“exchangeable share” or the “class A shares of BIPC”) for every nine units held. Immediately prior to the special distribution, the partnership received exchangeable shares through a distribution by Brookfield Infrastructure L.P. (“Holding LP”), or the Holding LP Distribution, of the class A shares to all of its unitholders. As a result of the Holding LP Distribution, (i) Brookfield and its subsidiaries received approximately 13.7 million class A shares and (ii) the partnership received approximately 32.6 million class A shares, which it subsequently distributed to unitholders pursuant to the special distribution. Immediately following the special distribution, (i) holders of units held approximately 70.4% of the issued and outstanding class A shares (ii) Brookfield and its affiliates held approximately 29.6% of the issued and outstanding class A shares, and (iii) a subsidiary of the partnership owned all of the issued and outstanding class B multiple voting shares, or class B shares, which represent a 75.0% voting interest in BIPC, and all of the issued and outstanding class C non-voting shares, or class C shares, of BIPC, which entitle the partnership to the residual value in BIPC after payment in full of the amount due to holders of class A shares and class B shares. The partnership directly and indirectly controlled BIPC prior to the special distribution and continues to control BIPC subsequent to the special distribution through its interests in the company.

The class A shares of BIPC are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol “BIPC”.

i) Class A Shares

At any time, holders of class A shares shall have the right to exchange all or a portion of their shares for one unit per class A share held or its cash equivalent based on the NYSE closing price of one unit on the date that the request for exchange is received, on a fixed-for-fixed basis. The partnership has the ability to redeem class A shares in units instead of cash when the exchange is requested by the shareholder. Additionally, the partnership has the ability to exchange all class A shares for units at our election, on a fixed-for-fixed basis. As a result of the share characteristics, class A shares have been classified as non-controlling interests in the interim condensed and consolidated financial statements of our partnership.

ii) Basic and diluted income per unit:

The special distribution resulted in the issuance of approximately 46.3 million exchangeable shares. All historical per unit disclosures have been retroactively adjusted for the impact of the special distribution.

b) Statement of Compliance

These interim condensed and consolidated financial statements of our partnership and its subsidiaries (together “Brookfield Infrastructure”) have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”) and using the accounting policies Brookfield Infrastructure applied in its consolidated financial statements as of and for the year-ended December 31, 2019. The accounting policies that our partnership applied in its annual consolidated financial statements as of and for the year-ended December 31, 2019 are disclosed in Note 3 of such financial statements, with which reference should be made in reading these interim condensed and consolidated financial statements.

These interim condensed and consolidated financial statements were authorized for issuance by the Board of Directors of our partnership on November 10, 2020.

c) Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In preparing our consolidated financial statements, we make judgments in applying our accounting policies. The areas of policy judgment are consistent with those reported in our consolidated financial statements as of and for the year ended December 31, 2019. As disclosed in our 2019 annual consolidated financial statements, our partnership uses critical assumptions and estimates to determine the fair value of our property, plant and equipment and the value-in-use or fair value less costs of disposal of the cash-generating units or groups of cash generating units to which goodwill or an intangible asset has been allocated.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. To date, there has been significant volatility in commodity and foreign exchange markets as well as restrictions on the conduct of business in many jurisdictions and the global movement of people and certain goods. In light of the economic environment, our partnership has assessed the impact of the economic shutdowns on our asset valuations. In making these assessments, we reviewed business risks, cash flow assumptions, and discount rates for the impacts of government imposed shutdowns. We have applied certain assumptions as to the pace of economic recovery and continue to monitor operating results against them. As a provider of essential services, substantially all of our businesses have remained in operation while we continue to safeguard the health of our employees. In addition, the majority of our businesses are subject to regulated cash flows or long-term take-or-pay contracts with minimal volume risk. Based on our partnership’s assessment, no impairments to our asset values were required as at September 30, 2020. Please refer to Note 7, *Property Plant and Equipment*, Note 8, *Intangible Assets*, and Note 9, *Investments in Associates and Joint Ventures* for further details.

d) Recently adopted accounting standards

Brookfield Infrastructure provides an update to the previously announced amendment to interest rate benchmarks. The impact of these amendments on our partnership’s accounting policies are as follows:

Amendments to IFRS 9 and IFRS 7: Disclosures

Interbank offered rates (“IBOR”) reform refers to the global reform of interest reference rates, which includes the replacement of specified IBORs with alternative benchmark rates. It is currently expected that Secured Overnight Financing Rate (“SOFR”) will replace US\$ LIBOR, Sterling Overnight Index Average (“SONIA”) will replace £ LIBOR, and Euro Short-term Rate (“€STR”) will replace € EURIBOR. The partnership adopted Interest Rate Benchmark Reform - Amendments to IFRS 9, and IFRS 7, issued by the IASB in September 2019 (“Phase I Amendments”), effective October 1, 2019 in advance of its mandatory effective date. The Phase I Amendments provided clarity where uncertainty could arise in the lead-up to transition.

The IBOR Phase I Amendments have been applied retrospectively to hedging relationships existing at the start of the reporting period or designated subsequently, and to the amount accumulated in the cash flow hedge reserve at that date. The IBOR Phase I Amendments provide temporary relief from applying specific hedge accounting requirements to the partnership’s hedging relationships that are directly affected by IBOR reform, which primarily include US\$ LIBOR, £ LIBOR, and € EURIBOR. The relief provided has the effect that the Partnership should not have to discontinue hedging relationships solely due to the uncertainty arising from IBOR reform. In assessing whether a hedge is expected to be highly effective on a forward-looking basis, the partnership assumes the interest rate benchmarks associated with our partnership’s hedges are generally not altered by IBOR reform. These reliefs cease to apply to a hedged item or hedging instrument, as applicable, at the earlier of (i) when the uncertainty arising from IBOR reform is no longer present with respect to the timing and amount of the interest rate benchmark based future cash flows, and (ii) when the hedging relationship is discontinued. The Phase I Amendments had no impact on our partnership since these amendments enable our partnership to continue hedge accounting for hedging relationships which have been previously designated.

e) Standards issued but not yet adopted

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Disclosures

On August 27, 2020, the IASB published Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (“Phase II Amendments”), effective January 1, 2021, with early adoption permitted. The Phase II Amendments provide additional guidance to address issues that will arise during the transition of benchmark interest rates. The Phase II Amendments primarily relate to the modification of financial assets, financial liabilities and lease liabilities where the basis for determining the contractual cash flows changes as a result of IBOR reform, allowing for prospective application of the applicable benchmark interest rate and to the application of hedge accounting, providing an exception such that changes in the formal designation and documentation of hedge accounting relationships that are needed to reflect the changes required by IBOR reform do not result in the discontinuation of hedge accounting or the designation of new hedging relationships.

The partnership is currently completing an assessment and implementing its transition plan to address the impact and effect changes as a result of amendments to the contractual terms of IBOR referenced floating-rate borrowings, interest rate swaps, interest rate caps, and updating hedge designations. We expect to have completed our assessment in advance of January 1, 2021. The adoption is not expected to have a significant impact on our partnership’s financial reporting.

3. SEGMENT INFORMATION

IFRS 8, *Operating Segments*, requires operating segments to be determined based on information that is regularly reviewed by the Executive Management and the Board of Directors for the purpose of allocating resources to the segment and to assess its performance. Key measures used by the Chief Operating Decision Maker (“CODM”) in assessing performance and in making resource allocation decisions are Funds from Operations (“FFO”) and earnings before interest, tax, depreciation and amortization (“Adjusted EBITDA”), which enable the determination of return on the equity deployed. FFO is calculated as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, and non-cash valuation gains or losses. Adjusted EBITDA is calculated as net income excluding the impact of depreciation and amortization, interest expense, current and deferred income taxes, breakage and transaction costs, and non-cash valuation gains or losses.

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020 US\$ MILLIONS	Total attributable to Brookfield Infrastructure						Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials ⁽¹⁾
	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total			
Revenues	\$ 284	\$ 319	\$ 280	\$ 122	\$ —	\$ 1,005	\$ (314)	\$ 1,518	\$ 2,209
Costs attributed to revenues	(99)	(148)	(130)	(57)	—	(434)	134	(885)	(1,185)
General and administrative costs	—	—	—	—	(86)	(86)	—	—	(86)
Adjusted EBITDA	185	171	150	65	(86)	485	(180)	633	
Other (expense) income	(13)	(6)	—	—	35	16	14	(35)	(5)
Interest expense	(33)	(30)	(35)	(15)	(23)	(136)	27	(169)	(278)
FFO	139	135	115	50	(74)	365	(139)	429	
Depreciation and amortization	(45)	(86)	(63)	(45)	—	(239)	98	(270)	(411)
Deferred taxes	(16)	(5)	(5)	8	15	(3)	3	2	2
Mark-to-market on hedging items and other	(7)	—	(34)	(12)	(65)	(118)	21	(18)	(115)
Share of earnings from associates	—	—	—	—	—	—	17	—	17
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(143)	(143)
Net income (loss) attributable to partnership ⁽²⁾	\$ 71	\$ 44	\$ 13	\$ 1	\$ (124)	\$ 5	\$ —	\$ —	\$ 5

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019 US\$ MILLIONS	Total attributable to Brookfield Infrastructure						Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials ⁽¹⁾
	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total			
Revenues	\$ 285	\$ 312	\$ 260	\$ 91	\$ —	\$ 948	\$ (329)	\$ 1,045	\$ 1,664
Costs attributed to revenues	(95)	(138)	(132)	(45)	—	(410)	139	(579)	(850)
General and administrative costs	—	—	—	—	(75)	(75)	—	—	(75)
Adjusted EBITDA	190	174	128	46	(75)	463	(190)	466	
Other (expense) income	(12)	1	5	2	24	20	4	(25)	(1)
Interest expense	(33)	(47)	(33)	(12)	(20)	(145)	41	(125)	(229)
FFO	145	128	100	36	(71)	338	(145)	316	
Depreciation and amortization	(43)	(79)	(62)	(35)	—	(219)	92	(190)	(317)
Deferred taxes	(12)	3	(3)	2	—	(10)	6	1	(3)
Mark-to-market on hedging items and other	(5)	(36)	(17)	(3)	34	(27)	11	(4)	(20)
Share of earnings from associates	—	—	—	—	—	—	36	—	36
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(123)	(123)
Net income (loss) attributable to partnership ⁽²⁾	\$ 85	\$ 16	\$ 18	\$ —	\$ (37)	\$ 82	\$ —	\$ —	\$ 82

Total attributable to Brookfield Infrastructure									
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020 US\$ MILLIONS	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non- controlling interest	As per IFRS financials ⁽¹⁾
Revenues	\$ 807	\$ 927	\$ 823	\$ 335	\$ —	\$ 2,892	\$ (941)	\$ 4,400	\$ 6,351
Costs attributed to revenues	(255)	(445)	(382)	(161)	—	(1,243)	401	(2,645)	(3,487)
General and administrative costs	—	—	—	—	(219)	(219)	—	—	(219)
Adjusted EBITDA	552	482	441	174	(219)	1,430	(540)	1,755	
Other (expense) income	(35)	2	—	—	94	61	11	(99)	(27)
Interest expense	(102)	(121)	(105)	(39)	(68)	(435)	115	(487)	(807)
FFO	415	363	336	135	(193)	1,056	(414)	1,169	
Depreciation and amortization	(132)	(252)	(190)	(134)	—	(708)	301	(779)	(1,186)
Deferred taxes	(70)	8	(11)	27	8	(38)	1	(17)	(54)
Mark-to-market on hedging items and other	(30)	(98)	(83)	(35)	(1)	(247)	36	(106)	(317)
Share of earnings from associates	—	—	—	—	—	—	76	—	76
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(267)	(267)
Net income (loss) attributable to partnership ⁽²⁾	\$ 183	\$ 21	\$ 52	\$ (7)	\$ (186)	\$ 63	\$ —	\$ —	\$ 63

Total attributable to Brookfield Infrastructure									
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019 US\$ MILLIONS	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non- controlling interest	As per IFRS financials ⁽¹⁾
Revenues	\$ 832	\$ 1,087	\$ 761	\$ 220	\$ —	\$ 2,900	\$ (1,066)	\$ 3,108	\$ 4,942
Costs attributed to revenues	(271)	(540)	(383)	(99)	—	(1,293)	496	(1,691)	(2,488)
General and administrative costs	—	—	—	—	(200)	(200)	—	—	(200)
Adjusted EBITDA	561	547	378	121	(200)	1,407	(570)	1,417	
Other (expense) income	(31)	2	19	4	64	58	6	(78)	(14)
Interest expense	(105)	(147)	(94)	(31)	(62)	(439)	128	(371)	(682)
FFO	425	402	303	94	(198)	1,026	(436)	968	
Depreciation and amortization	(132)	(264)	(186)	(90)	(1)	(673)	295	(554)	(932)
Deferred taxes	(52)	14	(2)	5	4	(31)	16	1	(14)
Mark-to-market on hedging items and other	28	(113)	(56)	(18)	47	(112)	37	(1)	(76)
Share of earnings from associates	—	—	—	—	—	—	88	—	88
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(414)	(414)
Net income (loss) attributable to partnership ⁽²⁾	\$ 269	\$ 39	\$ 59	\$ (9)	\$ (148)	\$ 210	\$ —	\$ —	\$ 210

1. The above table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods under IFRS. The above table reconciles Brookfield Infrastructure's proportionate results to our partnership's Consolidated Statements of Operating Results on a line by line basis by aggregating the components comprising the earnings from our partnership's investments in associates and joint ventures and reflecting the portion of each line item attributable to non-controlling interests.
2. Includes net income (loss) attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, non-controlling interests—Exchange LP Units, general partner, limited partners and class A shares of BIPC.

Segment assets

For the purpose of monitoring segment performance and allocating resources between segments, the CODM monitors the assets, including investments accounted for using the equity method, attributable to each segment.

The following is an analysis of Brookfield Infrastructure's assets by reportable operating segment.

		Total Attributable to Brookfield Infrastructure								
AS OF SEPTEMBER 30, 2020 US\$ MILLIONS	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non- controlling interest	Working capital adjustment and other	As per IFRS financials ⁽¹⁾
Total assets	\$ 5,330	\$ 7,650	\$ 5,559	\$ 3,141	\$ (1,959)	\$19,721	\$ (4,149)	\$ 35,417	\$ 7,151	\$ 58,140

		Total Attributable to Brookfield Infrastructure								
AS OF DECEMBER 31, 2019 US\$ MILLIONS	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non- controlling interest	Working capital adjustment and other	As per IFRS financials ⁽¹⁾
Total assets	\$ 5,825	\$ 6,916	\$ 5,589	\$ 2,204	\$ (1,284)	\$19,250	\$ (2,884)	\$ 32,621	\$ 7,321	\$ 56,308

1. The above table provides each segment's assets in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby our partnership either controls or exercises significant influence over the investment respectively. The above table reconciles Brookfield Infrastructure's proportionate assets to total assets presented on our partnership's Consolidated Statements of Financial Position by removing net liabilities contained within investments in associates and joint ventures and reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.

4. DISPOSITION OF BUSINESSES

a) Disposition of Colombian regulated distribution operation

On January 14, 2020, Brookfield Infrastructure, alongside institutional partners (collectively the "EBSA consortium") completed the sale of its 17% interest in a Colombian regulated distribution operation for proceeds of approximately \$88 million (EBSA consortium total of approximately \$495 million). Our partnership recognized a gain of \$36 million (EBSA consortium total of \$197 million) in the Consolidated Statement of Operating Results. The partnership's share of accumulated revaluation surplus was \$61 million which was reclassified from accumulated other comprehensive income directly to retained earnings and recorded within Other items on the Consolidated Statements of Partnership Capital. The partnership's share of net losses relating to previous foreign exchange movements and cash flow hedges was \$44 million which were reclassified from accumulated other comprehensive income to other income (expense) on the Consolidated Statement of Operating Results.

b) Partial disposition of our interest in our Chilean toll road business

On February 6, 2020, Brookfield Infrastructure completed the sale of a further 33% interest in its Chilean toll road business for net proceeds of approximately \$170 million. Brookfield Infrastructure will retain control over the business subsequent to the sale. As a result of the partial disposition, a gain of approximately \$140 million (net of tax) and accumulated other comprehensive losses of \$44 million were recognized directly in retained earnings (deficit) on the Consolidated Statements of Partnership Capital.

c) Disposition of the Australian portion of our North American rail operation

On February 15, 2020, Brookfield Infrastructure, together with institutional partners, completed the sale of its 51% interest in the Australian operations of its North American rail infrastructure business for total consideration of approximately \$420 million, of which approximately \$40 million is attributable to our partnership. The total consideration includes deferred consideration of approximately \$195 million. Our partnership recognized no gain or loss on disposition.

5. ACQUISITION OF BUSINESSES

2020 Business Combinations

a) Acquisition of a telecom tower operation in India

On August 31, 2020, Brookfield Infrastructure, alongside institutional partners (the “Jio consortium”), acquired an effective 17% interest in an Indian telecom tower operation (“Jio”) from Reliance Industries Limited (“RIL”) for \$584 million (Jio consortium total of approximately \$3.4 billion). Brookfield Infrastructure entered into a voting agreement with an affiliate of Brookfield, providing Brookfield Infrastructure the right to direct the relevant activities of the entity, thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidated the entity effective August 31, 2020. Acquisition costs of approximately \$15 million (Brookfield Infrastructure’s share - \$3 million) were recorded in Other income (expense) within the Consolidated Statements of Operating Results.

Consideration transferred

US\$ MILLIONS	
Cash	\$ 584
Total Consideration	\$ 584

Fair value of assets and liabilities acquired as of August 31, 2020 (provisional)⁽¹⁾:

US\$ MILLIONS	
Accounts receivable and other	\$ 349
Property, plant and equipment	5,233
Intangible assets	494
Accounts payable and other liabilities	(315)
Non-recourse borrowings	(2,356)
Net assets acquired before non-controlling interest	3,405
Non-controlling interest ⁽²⁾	(2,821)
Net assets acquired	\$ 584

1. The fair values of all acquired assets, liabilities, and non-controlling interest for this operation have been determined on a provisional basis given the proximity of the acquisition to the reporting date, pending finalization of the determination of the fair values of the acquired assets and liabilities. Our partnership is in the process of obtaining additional information in order to assess the fair value of property, plant and equipment, intangible assets, and liabilities as at the date of acquisition.
2. Non-controlling interest represents the consideration paid for the interest not acquired by Brookfield Infrastructure, measured at fair value at the acquisition date, and includes capital provided by non-controlling interest in the form of shareholder loan to the operating business.

Supplemental information

Had the acquisition of Jio been effective January 1, 2020, the revenue and net income of Brookfield Infrastructure would have been approximately \$6,695 million and \$350 million, respectively, for the nine-month period ended September 30, 2020.

In determining the pro-forma revenue and net income, management has:

- Calculated depreciation of property, plant and equipment and amortization of intangible assets acquired on the basis of the fair values at the time of the business combination rather than the carrying amounts recognized in the pre-acquisition financial statements and;
- Based borrowing costs on the funding levels, credit ratings and debt and equity position of Brookfield Infrastructure after the business combination.

b) Partial acquisition of interest in our Colombian natural gas transmission operation

On July 15, 2020, Brookfield Infrastructure, alongside institutional partners (the “Vanti consortium”), completed a take private tender offer resulting in the acquisition of an additional 20% interest (Brookfield Infrastructure’s share - approximately 6%) in our Colombian natural gas transmission operation, increasing our ownership of the business to approximately 21%. Total consideration paid was approximately \$45 million (Vanti consortium total of \$150 million), of which approximately \$25 million (Vanti consortium total of approximately \$90 million) was funded through equity and the remainder with asset level debt raised on closing. As a result of the partial acquisition, a loss of approximately \$10 million was recognized directly in retained earnings (deficit) on the Consolidated Statements of Partnership Capital as a result of the purchase price exceeding the previous carrying value of non-controlling interests.

2019 Business Combinations

a) Acquisition of a Western Canadian natural gas midstream business (federally regulated)

On December 31, 2019, Brookfield Infrastructure, alongside institutional partners (the “NorthRiver consortium”), acquired an effective 29% interest in the federally regulated portion of Enbridge Inc.’s Canadian natural gas midstream business for total consideration of \$377 million (NorthRiver consortium total of \$1.3 billion). Under Brookfield’s ownership, the business is operated alongside the provincial assets acquired in 2018 and rebranded NorthRiver Midstream Inc. (“NorthRiver”). The acquisition was funded through equity of \$246 million (NorthRiver consortium total of \$861 million) and the remainder with asset level debt raised on closing. Brookfield Infrastructure entered into a voting agreement with an affiliate of Brookfield, providing Brookfield Infrastructure the right to direct the relevant activities of the entity, thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidated the entity effective December 31, 2019. Acquisition costs of \$8 million were recorded as Other income (expense) within the Consolidated Statements of Operating Results in 2019.

Consideration transferred

US\$ MILLIONS	
Cash	\$ 377
Total Consideration	\$ 377

Fair value of assets and liabilities acquired as of December 31, 2019 (provisional)⁽¹⁾:

US\$ MILLIONS	
Accounts receivable and other	\$ 5
Property, plant and equipment	1,198
Intangible assets	74
Goodwill	218
Deferred income tax assets	41
Accounts payable and other liabilities	(218)
Net assets acquired before non-controlling interest	1,318
Non-controlling interest ⁽²⁾	(941)
Net assets acquired	\$ 377

1. The fair values of certain acquired assets and liabilities for this operation have been determined on a provisional basis given the proximity of the acquisition to the reporting date, pending finalization of the determination of the fair values of the acquired assets and liabilities. Our partnership is in the process of obtaining additional information primarily related to the fair value of property, plant and equipment, intangible assets and the resulting impact to goodwill as at the date of acquisition.
2. Non-controlling interest represents the consideration paid for the interest not acquired by Brookfield Infrastructure, measured at fair value at the acquisition date.

The goodwill recorded on acquisition is largely reflective of the potential to obtain long-term contracts for the business’ unutilized capacity and production growth in certain locations. The goodwill recognized is deductible for income tax purposes.

b) Acquisition of a North American rail business

On December 30, 2019, Brookfield Infrastructure, alongside institutional partners (the “G&W consortium”), acquired an effective 9% interest in Genesee & Wyoming Inc. (“G&W”), a North American rail infrastructure business, for total consideration of approximately \$602 million (G&W consortium total of \$6.5 billion). The acquisition was funded through equity of \$502 million (G&W consortium total of \$5.4 billion) and the remainder with asset level debt raised on closing. Concurrently, Brookfield Infrastructure entered into a voting agreement with affiliates of Brookfield, providing Brookfield Infrastructure the right to direct the relevant activities of the entity, thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidated the entity effective December 30, 2019. Acquisition costs of \$38 million were recorded within Other income (expense) in the Consolidated Statements of Operating Results in 2019.

Consideration transferred

US\$ MILLIONS	
Cash	\$ 602
Total Consideration	\$ 602

Fair value of assets and liabilities acquired as of December 30, 2019 (provisional)⁽¹⁾:

US\$ MILLIONS	
Cash and cash equivalents	\$ 67
Accounts receivable and other	509
Assets classified as held for sale ⁽²⁾	1,584
Property, plant and equipment	5,283
Intangible assets	1,992
Investment in associate	48
Goodwill	2,042
Accounts payable and other liabilities	(612)
Non-recourse borrowings	(1,567)
Liabilities directly associated with assets classified as held for sale ⁽²⁾	(893)
Other liabilities	(566)
Deferred income tax liabilities	(1,111)
Net assets acquired before non-controlling interest	6,776
Non-controlling interest ⁽³⁾	(6,174)
Net assets acquired	\$ 602

1. The fair values of certain acquired assets and liabilities for this operation have been determined on a provisional basis given the proximity of the acquisition to the reporting date, pending finalization of the determination of the fair values of the acquired assets and liabilities. Our partnership is in the process of obtaining additional information primarily in order to assess the fair values of property, plant and equipment, intangible assets, deferred income taxes and other tax matters, provisions and the resulting impact to goodwill as at the date of the acquisition.
2. Brookfield Infrastructure agreed to sell the Australian operations of G&W. As a result, the assets and liabilities of these businesses were classified as held for sale as at December 31, 2019. The sale was completed on February 15, 2020. Refer to Note 4 Disposition of Businesses for further details.
3. Non-controlling interest represents the consideration paid for the interest not acquired by Brookfield Infrastructure, measured at fair value at the acquisition date.

The goodwill recorded on acquisition reflects potential growth prospects and a strong market position as a key provider of rail infrastructure in North America. None of the goodwill recognized is deductible for income tax purposes.

c) Acquisition of a U.K. telecommunication business

On December 19, 2019, Brookfield Infrastructure, alongside institutional partners (the “consortium”), acquired an effective 25% interest in Wireless Infrastructure Group Limited (“WIG”), a U.K. telecommunication business, for total consideration by Brookfield Infrastructure of approximately \$141 million (consortium total of \$564 million). Brookfield Infrastructure’s consideration consists of \$73 million in cash (consortium total of \$293 million) and deferred consideration of \$68 million (consortium total of \$270 million) payable over two years from the close of the transaction. Concurrently, Brookfield Infrastructure entered into a voting agreement with an affiliate of Brookfield, providing Brookfield Infrastructure the right to direct the relevant activities of the entity, thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidated the entity effective December 19, 2019. Acquisition costs of \$6 million were recorded as Other income (expense) within the Consolidated Statements of Operating Results in 2019.

Consideration transferred

US\$ MILLIONS	
Cash	\$ 73
Deferred consideration	68
Total Consideration	\$ 141

Fair value of assets and liabilities acquired as of December 19, 2019 (provisional)⁽¹⁾:

US\$ MILLIONS	
Cash and cash equivalents	\$ 9
Accounts receivable and other	18
Property, plant and equipment	95
Intangible assets	465
Goodwill	301
Accounts payable and other liabilities	(53)
Non-recourse borrowings	(195)
Deferred income tax liability	(76)
Net assets acquired before non-controlling interest	564
Non-controlling interest ⁽²⁾	(423)
Net assets acquired	\$ 141

1. The fair values of certain acquired assets and liabilities for this operation have been determined on a provisional basis given the proximity of the acquisition to the reporting date, pending finalization of the determination of the fair values of the acquired assets and liabilities. Our partnership is in the process of obtaining additional information primarily in order to assess the fair values of property, plant and equipment, intangible assets, non-recourse borrowings, deferred income taxes and other tax matters, and the resulting impact to goodwill as at the date of the acquisition.
2. Non-controlling interest represents the consideration paid for the interest not acquired by Brookfield Infrastructure, measured at fair value at the acquisition date.

Upon consolidation of WIG, an additional deferred tax liability of \$25 million was recorded. The deferred income tax liability arose as the tax bases of the net assets acquired were lower than their fair values. The inclusion of this liability in the net book value of the acquired business gave rise to goodwill of \$25 million, which is recoverable so long as the tax circumstances that gave rise to the goodwill do not change. To date, no such changes have occurred. The remaining goodwill recognized on acquisition is largely reflective of potential customer growth, arising from the business' position as one of the key telecommunication infrastructure providers in the U.K., and the increasing reliance on core telecom networks.

d) Acquisition of a natural gas pipeline in India

On March 22, 2019, Brookfield Infrastructure, along with institutional partners (the "EWPL consortium"), acquired an effective 24% interest in a cross country gas pipeline business in India, East-West Pipeline ("EWPL"), for total consideration of \$443 million (EWPL consortium total of \$1,879 million). The partnership's share of the acquisition was funded through equity of \$226 million (EWPL consortium total of \$959 million) and \$217 million (EWPL consortium total of \$920 million) of asset level debt raised on closing. Concurrently, Brookfield Infrastructure entered into a voting agreement with an affiliate of Brookfield, providing Brookfield Infrastructure the right to direct the relevant activities of the entity, thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidated the entity effective March 22, 2019. Acquisition costs of \$3 million were recorded within Other income (expense) in the Consolidated Statements of Operating Results in 2019.

Consideration transferred

US\$ MILLIONS

Cash	\$ 443
Total Consideration	\$ 443

Fair value of assets and liabilities acquired as of March 22, 2019:

US\$ MILLIONS

Accounts receivable and other	\$ 94
Property, plant and equipment	2,134
Intangible assets	295
Accounts payable and other liabilities	(66)
Net assets acquired before non-controlling interest	2,457
Non-controlling interest ⁽¹⁾	(2,014)
Net assets acquired	\$ 443

1. Non-controlling interest represents the consideration paid for the interest not acquired by Brookfield Infrastructure, measured at fair value at the acquisition date.

e) Acquisition of DCI Data Centers

On January 4, 2019, Brookfield Infrastructure, alongside institutional partners (the “DCI consortium”), acquired an effective 29% interest in DCI Data Centers (“DCI”), an Australian data storage business, for total consideration of \$78 million (DCI consortium total of \$272 million). The partnership’s share of the acquisition was funded through equity of \$48 million (DCI consortium total of \$166 million) and the remainder with asset level debt raised on closing. Concurrently, Brookfield Infrastructure entered into a voting agreement with an affiliate of Brookfield, providing Brookfield Infrastructure the right to direct the relevant activities of the entity, thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidated the entity effective January 4, 2019. Acquisition costs of \$11 million were recorded within Other income (expense) in the Consolidated Statements of Operating Results in 2019.

Consideration transferred

US\$ MILLIONS

Cash	\$ 78
Total Consideration	\$ 78

Fair values of assets and liabilities acquired as of January 4, 2019:

US\$ MILLIONS

Accounts receivable and other	\$ 2
Investment properties	211
Goodwill	68
Accounts payable and other liabilities	(9)
Net assets acquired before non-controlling interest	272
Non-controlling interest ⁽¹⁾	(194)
Net assets acquired	\$ 78

1. Non-controlling interest represents the consideration paid for the interest not acquired by Brookfield Infrastructure, measured at fair value at the acquisition date.

The goodwill recorded on acquisition is largely reflective of potential customer growth, arising from the business’ position as one of the key data storage providers in Australia, and the increasing rate of worldwide data consumption. None of the goodwill recognized is deductible for income tax purposes.

f) Individually insignificant business combinations

The following table summarizes the purchase price allocation of individually insignificant business combinations that were completed in 2019.

US\$ MILLIONS	
Cash	\$ 24
Pre-existing interest in business ⁽¹⁾	30
Total consideration	\$ 54

1. Prior to the acquisition, Brookfield held an interest in two of the acquirees which were accounted for using the equity method.

Fair value of assets and liabilities acquired during 2019:

US\$ MILLIONS	
Cash and cash equivalents	\$ 16
Accounts receivable and other	6
Intangible assets	422
Goodwill	15
Accounts payable and other liabilities	(21)
Non-recourse borrowings	(210)
Deferred income tax liabilities	(55)
Net assets acquired before non-controlling interest	173
Non-controlling interest ⁽¹⁾	(119)
Net assets acquired	\$ 54

1. Non-controlling interest represents the interest not acquired by Brookfield Infrastructure, measured at fair value at the acquisition date.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument 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. Fair values 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. In the absence of an active market, fair values are determined based on prevailing market rates such as bid and ask prices, as appropriate for instruments with similar characteristics and risk profiles or internal or external valuation models, such as option pricing models and discounted cash flow analyses, using observable market inputs.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, Brookfield Infrastructure looks primarily to external readily observable market inputs such as interest rate yield curves, currency rates, and price and rate volatilities as applicable. The fair value of interest rate swap contracts which form part of financing arrangements is calculated by way of discounted cash flows using market interest rates and applicable credit spreads.

Classification of Financial Instruments

Financial instruments classified as fair value through profit or loss are carried at fair value on the Consolidated Statements of Financial Position. Changes in the fair values of financial instruments classified as fair value through profit or loss are recognized in profit or loss. Mark-to-market adjustments on hedging items for those in an effective hedging relationship and changes in the fair value of securities designated as fair value through other comprehensive income are recognized in other comprehensive income.

Carrying Value and Fair Value of Financial Instruments

The following table provides the allocation of financial instruments and their associated classifications as at September 30, 2020:

US\$ MILLIONS

Financial Instrument Classification

MEASUREMENT BASIS	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
Financial assets				
Cash and cash equivalents	\$ —	\$ —	\$ 1,012	\$ 1,012
Accounts receivable and other	—	—	2,118	2,118
Financial assets (current and non-current) ⁽¹⁾	770	30	314	1,114
Marketable securities	195	208	—	403
Total	\$ 965	\$ 238	\$ 3,444	\$ 4,647
Financial liabilities				
Corporate borrowings	\$ —	\$ —	\$ 2,882	\$ 2,882
Non-recourse borrowings (current and non-current)	—	—	20,604	20,604
Accounts payable and other	—	—	3,342	3,342
Financial liabilities (current and non-current) ⁽¹⁾	814	—	2,573	3,387
Preferred shares ⁽²⁾	—	—	20	20
Total	\$ 814	\$ —	\$ 29,421	\$ 30,235

1. Derivative instruments which are elected for hedge accounting totaling \$613 million are included in financial assets and \$550 million of derivative instruments are included in financial liabilities.
2. \$20 million of preferred shares issued to wholly-owned subsidiaries of Brookfield.

The following table provides the allocation of financial instruments and their associated classifications as at December 31, 2019:

US\$ MILLIONS

Financial Instrument Classification

MEASUREMENT BASIS	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
Financial assets				
Cash and cash equivalents	\$ —	\$ —	\$ 827	\$ 827
Accounts receivable and other	—	—	1,960	1,960
Financial assets (current and non-current) ⁽¹⁾	893	16	144	1,053
Marketable securities	69	73	—	142
Total	\$ 962	\$ 89	\$ 2,931	\$ 3,982
Financial liabilities				
Corporate borrowings	\$ —	\$ —	\$ 2,475	\$ 2,475
Non-recourse borrowings (current and non-current)	—	—	18,544	18,544
Accounts payable and other	—	—	2,410	2,410
Financial liabilities (current and non-current) ⁽¹⁾	490	—	1,683	2,173
Preferred shares ⁽²⁾	—	—	20	20
Total	\$ 490	\$ —	\$ 25,132	\$ 25,622

1. Derivative instruments which are elected for hedge accounting totaling \$694 million are included in financial assets and \$285 million of derivative instruments are included in financial liabilities.
2. \$20 million of preferred shares issued to wholly-owned subsidiaries of Brookfield.

The following table provides the carrying values and fair values of financial instruments as at September 30, 2020 and December 31, 2019:

US\$ MILLIONS	September 30, 2020		December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	\$ 1,012	\$ 1,012	\$ 827	\$ 827
Accounts receivable and other	2,118	2,118	1,960	1,960
Financial assets (current and non-current)	1,114	1,114	1,053	1,053
Marketable securities	403	403	142	142
Total	\$ 4,647	\$ 4,647	\$ 3,982	\$ 3,982
Financial liabilities				
Corporate borrowings ⁽¹⁾	\$ 2,882	\$ 3,065	\$ 2,475	\$ 2,507
Non-recourse borrowings ⁽²⁾	20,604	20,807	18,544	18,891
Accounts payable and other (current and non-current)	3,342	3,342	2,410	2,410
Financial liabilities (current and non-current)	3,387	3,387	2,173	2,173
Preferred shares ⁽³⁾	20	20	20	20
Total	\$ 30,235	\$ 30,621	\$ 25,622	\$ 26,001

1. Corporate borrowings are classified under level 1 of the fair value hierarchy; quoted prices in an active market are available.
2. Non-recourse borrowings are classified under level 2 of the fair value hierarchy with the exception of certain borrowings at our U.K. port operation and margin loans associated with certain financial assets, which are classified under level 1. For level 2 fair values, future cash flows are estimated based on observable forward interest rates at the end of the reporting period.
3. \$20 million of preferred shares issued to wholly-owned subsidiaries of Brookfield.

Hedging Activities

Brookfield Infrastructure uses derivatives and non-derivative financial instruments to manage or maintain exposures to interest and currency risks. For certain derivatives which are used to manage exposures, Brookfield Infrastructure determines whether hedge accounting can be applied. When hedge accounting can be applied, a hedge relationship can be designated as a fair value hedge, cash flow hedge or a hedge of foreign currency exposure of a net investment in a foreign operation with a functional currency other than the U.S. dollar. To qualify for hedge accounting, the derivative must be designated as a hedge of a specific exposure and the hedging relationship must meet all of the hedge effectiveness requirements in accomplishing the objective of offsetting changes in the fair value or cash flows attributable to the hedged risk both at inception and over the life of the hedge. If it is determined that the hedging relationship does not meet all of the hedge effectiveness requirements, hedge accounting is discontinued prospectively.

Cash Flow Hedges

Brookfield Infrastructure uses interest rate swaps to hedge the variability in cash flows related to a variable rate asset or liability and highly probable forecasted issuances of debt. The settlement dates coincide with the dates on which the interest is payable on the underlying debt, and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss. For the three and nine-month periods ended September 30, 2020, pre-tax net unrealized gains of \$16 million and losses of \$249 million, respectively (2019: losses of \$15 million and \$70 million) were recorded in other comprehensive income for the effective portion of the cash flow hedges. As of September 30, 2020, there was a net derivative asset balance of \$47 million relating to derivative contracts designated as cash flow hedges (December 31, 2019: \$363 million).

Net Investment Hedges

Brookfield Infrastructure uses foreign exchange contracts and foreign currency denominated debt instruments to manage its foreign currency exposures arising from net investments in foreign operations having a functional currency other than the U.S. dollar. For the three and nine-month periods ended September 30, 2020, losses of \$37 million and gains of \$93 million, respectively, (2019: gains of \$43 million and \$14 million) were recorded in other comprehensive income relating to the effective portion of hedges of net investments in foreign operations. Further, for the three and nine-month periods ended September 30, 2020, Brookfield Infrastructure received less than \$1 million and \$83 million, respectively (2019: received \$23 million and \$59 million) relating to the settlement of foreign exchange contracts in the periods. As of September 30, 2020, there was a net unrealized derivative asset balance of \$16 million relating to derivative contracts designated as net investment hedges (December 31, 2019: \$46 million).

Fair Value Hierarchical Levels—Financial Instruments

Fair value hierarchical levels are directly determined by the amount of subjectivity associated with the valuation inputs of these assets and liabilities, and 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 instrument’s anticipated life. Fair valued assets and liabilities that are included in this category are primarily certain derivative contracts and other financial assets carried at fair value in an inactive market.
- Level 3 – Inputs 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 to determining the estimate. Fair valued assets and liabilities that are included in this category are interest rate swap contracts, derivative contracts, certain equity securities carried at fair value which are not traded in an active market and the non-controlling interest’s share of net assets of limited life funds.

The fair value of our partnership’s financial assets and financial liabilities are measured at fair value on a recurring basis. The following table summarizes the valuation techniques and significant inputs for Brookfield Infrastructure’s financial assets and financial liabilities:

US\$ MILLIONS	Fair value hierarchy	September 30, 2020	December 31, 2019
Marketable securities	Level 1 ⁽¹⁾	\$ 403	\$ 142
Foreign currency forward contracts	Level 2 ⁽²⁾		
Financial asset		\$ 82	\$ 140
Financial liability		109	97
Interest rate swaps & other	Level 2 ⁽²⁾		
Financial asset		\$ 713	\$ 765
Financial liability		615	311
Other contracts	Level 3 ⁽³⁾		
Financial asset		\$ 5	\$ 4
Financial liability		90	82

1. Valuation technique: Quoted bid prices in an active market.

2. Valuation technique: Discounted cash flow. Future cash flows are estimated based on forward exchange and interest rates (from observable forward exchange and interest rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects our credit risk and the credit risk of various counterparties.

3. Valuation technique: Discounted cash flow. Future cash flows primarily driven by assumptions concerning the amount and timing of estimated future cash flows and discount rates.

Assets and liabilities measured at fair value on a recurring basis include \$1,203 million (2019: \$1,051 million) of financial assets and \$814 million (2019: \$490 million) of financial liabilities which are measured at fair value using valuation inputs based on management’s best estimates.

During the three-month period ended September 30, 2020, no transfers were made between level 1 and 2 or level 2 and 3. The following table categorizes financial assets and liabilities, which are carried at fair value, based upon the level of input.

US\$ MILLIONS	September 30, 2020			December 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Marketable securities	\$ 403	\$ —	\$ —	\$ 142	\$ —	\$ —
Financial assets (current and non-current)	—	795	5	—	905	4
Financial liabilities						
Financial liabilities (current and non-current)	\$ —	\$ 724	\$ 90	\$ —	\$ 408	\$ 82

7. PROPERTY, PLANT AND EQUIPMENT

US\$ MILLIONS	Utilities Assets	Transport Assets	Energy Assets	Data Infrastructure Assets	Total Assets
Gross Carrying Amount:					
Balance at January 1, 2019	\$ 4,020	\$ 2,485	\$ 4,681	\$ 444	\$ 11,630
Change in accounting policies	21	356	197	633	1,207
Additions, net of disposals	467	122	419	8	1,016
Non-cash (disposals) additions	(2)	49	(270)	(51)	(274)
Acquisitions through business combinations ⁽¹⁾	—	5,283	3,332	95	8,710
Assets reclassified as held for sale	(458)	—	—	—	(458)
Net foreign currency exchange differences	135	4	72	2	213
Balance at December 31, 2019	\$ 4,183	\$ 8,299	\$ 8,431	\$ 1,131	\$ 22,044
Additions, net of disposals	278	293	307	19	897
Acquisitions through business combinations ⁽¹⁾	—	—	—	5,233	5,233
Non-cash additions (disposals)	2	(153)	(2)	15	(138)
Net foreign currency exchange differences	(145)	15	(164)	4	(290)
Balance at September 30, 2020	\$ 4,318	\$ 8,454	\$ 8,572	\$ 6,402	\$ 27,746
Accumulated depreciation:					
Balance at January 1, 2019	\$ (613)	\$ (744)	\$ (492)	\$ —	\$ (1,849)
Depreciation expense	(171)	(178)	(328)	(87)	(764)
Disposals (additions)	7	2	(4)	—	5
Assets reclassified as held for sale	194	—	—	—	194
Non-cash disposals (additions)	3	(27)	50	—	26
Net foreign currency exchange differences	(14)	(3)	(11)	(1)	(29)
Balance at December 31, 2019	\$ (594)	\$ (950)	\$ (785)	\$ (88)	\$ (2,417)
Depreciation expense	(112)	(333)	(305)	(90)	(840)
Disposals	4	4	3	—	11
Non-cash disposals	—	110	3	18	131
Net foreign currency exchange differences	15	(5)	8	—	18
Balance at September 30, 2020	\$ (687)	\$ (1,174)	\$ (1,076)	\$ (160)	\$ (3,097)
Accumulated fair value adjustments:					
Balance at January 1, 2019	\$ 1,401	\$ 810	\$ 822	\$ —	\$ 3,033
Assets reclassified as held for sale	(416)	—	—	—	(416)
Fair value adjustments	347	45	327	—	719
Net foreign currency exchange differences	38	2	22	—	62
Non-cash disposals	—	—	(12)	—	(12)
Balance at December 31, 2019	\$ 1,370	\$ 857	\$ 1,159	\$ —	\$ 3,386
Net foreign currency exchange differences	(35)	11	(12)	—	(36)
Balance at September 30, 2020	\$ 1,335	\$ 868	\$ 1,147	\$ —	\$ 3,350
Net book value:					
December 31, 2019	\$ 4,959	\$ 8,206	\$ 8,805	\$ 1,043	\$ 23,013
September 30, 2020⁽²⁾	\$ 4,966	\$ 8,148	\$ 8,643	\$ 6,242	\$ 27,999

1. Refer to Note 5, Acquisition of Businesses for further details.

2. Includes right-of-use assets of \$14 million in our utilities segment, \$1,231 million in our transport segment, \$257 million in our energy segment and \$554 million in our data infrastructure segment. Current lease liabilities of \$228 million have been included in accounts payable and other and non-current lease liabilities of \$1,502 million have been included in other liabilities in the Consolidated Statement of Financial Position.

The partnership's property, plant, and equipment is measured at fair value on a recurring basis with an effective date of revaluation for all asset classes of December 31, 2019 and 2018. Brookfield Infrastructure determined fair value under the income method or on a depreciated replacement cost basis. The partnership's right-of-use assets recorded as property, plant, and equipment are measured using the cost model. Assets under development were revalued where fair value could be reliably measured.

Due to the recent volatility observed in capital market prices and the interruption to global supply chains, our partnership reviewed the significant inputs to the valuation of our property, plant, and equipment. In our assessment, we considered the nature of the operations' cash flows, whether the asset is exposed to volume risk, the applicable regulatory framework and the business' actual performance against plan, amongst other factors. While some of the assumptions used in determining fair values have changed, the overall valuation of our assets have not been significantly impacted. In making this assessment, we have also assumed that the economic impact of the global pandemic will not materially persist in the long term. Our partnership undertook a process to assess the appropriateness of discount rates considering changes to risk-free rates, changes to credit spreads as well as changes to our businesses' operating cash flows and changes to any risk premium inherent in such cash flows. These considerations led us to conclude the discount rates for the current period should remain consistent with year-end rates. Our partnership considered changes to risk-free borrowing rates, equity risk premiums as well as any impact to asset-level cash flows built into fair value models which we believe address future cash flow risks at this time. Terminal values and investment horizons are largely unaffected as the partnership employs a long-term investment strategy for critical infrastructure assets. In addition, the partnership has made assumptions with respect to the length and severity of these restrictions and closures as well as the recovery period in estimating the impact on future cash flows. Based on our analysis, no impairments to our property, plant and equipment were required as at September 30, 2020.

Property, plant and equipment within our Utilities segment is predominantly comprised of last mile utility connections at our U.K. regulated distribution operation and gas distribution infrastructure at our South American natural gas distribution operation. These businesses provide essential services and generate regulated cash flows. For our U.K. regulated distribution operation, tariffs are established using our regulated asset base, they provide inflation protection and are typically adjusted annually. Our U.K. operation has a diverse customer base throughout England, Scotland, and Wales, which underpins its cash flows. Our South American natural gas distribution business earns a regulated return on the replacement cost of the system plus a charge to cover operating expenses. The regulated nature of these cash flows minimizes business risk during economic downturns.

Property, plant and equipment within our Transport segment is predominantly comprised of railroads and freight equipment at our North American and Australian rail operations as well as terminals and logistics equipment at our U.K. and Australian port operations. Revenues at our Australian rail operation have been unaffected due to fixed long-term contracts. Our North American rail operations include short line and regional freight railroads connecting customers to Class I track which enables transport of large volumes of commodities. Its diversified commodity and customer mix were not significantly impacted during the current period. Cash flows from our U.K. port operations were stable as a large component is generated through fixed-price rental agreements and toll-like revenues earned on volumes moved through the harbor. Our Australian port operations were exposed to softer shipping and trade volumes. Overall, our Transport businesses are the most gross domestic product sensitive and have therefore experienced some impacts as a result of the economic shutdowns. The long-term outlook of these infrastructure businesses or the recoverable amount of their property, plant and equipment has not been significantly impacted by the global economic shutdowns and therefore, no impairment is required.

Property, plant and equipment within our Energy segment is predominantly comprised of critical residential infrastructure in North America, compression and storage facilities at our North American gas storage operation and pipelines at our natural gas operations in India. Our North American residential energy infrastructure operation has been unaffected by the economic slowdowns as the vast majority of its cash flows are generated through long-term annuity-based rental contracts with customers. Natural gas storage revenues have performed in line with plans as higher than anticipated volumes have been partially offset by weaker pricing in the current environment. Cash flows earned from our pipeline in India are supported by fixed take-or-pay contracts which minimize volume and price risk.

Property, plant and equipment within our Data Infrastructure segment is predominantly comprised of data center facilities at our North American data center operation, a portfolio of communication towers in India and communication networks at our U.K. telecommunications business. Cash flows from these businesses are supported by long-term contracts which have not been affected by the current market environment.

8. INTANGIBLE ASSETS

US\$ MILLIONS	As of	
	September 30, 2020	December 31, 2019
Cost	\$ 14,563	\$ 15,695
Accumulated amortization	(1,479)	(1,309)
Total	\$ 13,084	\$ 14,386

Intangible assets are allocated to the following cash generating units, or group of cash generating units:

US\$ MILLIONS	As of	
	September 30, 2020	December 31, 2019
Brazilian regulated gas transmission operation	\$ 2,694	\$ 3,885
North American rail operations	1,924	1,992
Australian regulated terminal	1,795	1,758
North American residential energy infrastructure operation	1,700	1,806
Peruvian toll roads	1,070	1,159
Chilean toll roads	756	814
Indian toll roads ⁽¹⁾	718	769
Indian telecom tower operation ⁽²⁾	495	—
U.K. telecom towers operation	457	472
U.K. port operation	276	283
Brazilian electricity transmission operation	246	401
Other ⁽³⁾	953	1,047
Total	\$ 13,084	\$ 14,386

1. Indian toll roads include \$642 million of intangible assets at our investment in Simhapuri Expressway Ltd and Rayalseema Expressway Private Limited and \$76 million at BIF India Holdings Pte Ltd.
2. Refer to Note 5, Acquisition of Businesses, for further details.
3. Other intangibles are comprised of customer contracts at our Australian port operation, our contracted order book at our U.K. regulated distribution operation, and pipeline authorization agreements at our cross-country gas pipeline business in India.

Due to the recent volatility observed in commodity and foreign exchange markets and the interruption to global supply chains as a result of the global pandemic, our partnership performed an evaluation of potential impairment indicators on each of our intangible assets as of September 30, 2020. Based on the analysis performed, our intangible assets remain largely unaffected, with no impairment required. Our intangible assets represent long-term critical infrastructure supported by regulated or highly contracted revenues which help protect value over the long term.

The intangible assets at our Brazilian gas transmission operation relate to concession arrangements with the local energy regulator, Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (“ANP”). Total capacity is fully contracted under long-term “ship-or-pay” gas transportation agreements (“GTA”) and therefore the business is exposed to no volume or price risk. Each GTA took into account a return on regulatory asset base (“RAB”), and the tariffs were calculated on an inflation adjusted regulatory weighted average cost of capital (“WACC”) fixed for the GTA life.

The intangible assets at Brookfield Infrastructure’s North American rail operations mainly relate to customer relationships, operating network agreements and track access rights. The business provides critical first and last mile rail services which connect large Class I railroad operators to end customers. Our North American freight revenue is diversified across numerous commodities and the business largely performed in line with expectations. Customer relationships and operating network agreements as well as trackage rights, which are long-term leases, are not expected to be negatively impacted in the long term.

The terms and conditions of access granted to our Australian regulated terminal’s services, including tariffs that can be charged to users, are regulated by the Queensland Competition Authority. Our Australian regulated terminal operation has Standard Access Agreements with customers which entail 100% take-or-pay contracts at a designated tariff rate. Therefore, the business is not exposed to volume risks and we expect minimal impact as a result of the current market environment. The concession arrangement has an expiration date of 2051 with an option to extend the arrangement for an additional 49 years.

The intangible assets at our North American 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. The business generates revenues under long-term contracts with a diversified customer base across North America and is exposed to minimum volume risk. The business has continued to benefit from strong volumes and organic growth initiatives during nine-month period ending September 30, 2020.

The intangible assets at our Peruvian, Chilean and Indian toll roads relate to concession arrangements with local transportation authorities. While our toll roads operations have experienced reduced volumes as a result of local government imposed shutdowns, we are engaged in discussions to determine if we will be compensated under the regulatory frameworks either through increased tariffs or extensions of our concession agreements and believe that the long-term value of our concession arrangements will be not impacted. In several instances, we have already received positive indications that the global pandemic qualifies as an act of force majeure within our concession arrangements.

The following table presents the change in the cost balance of intangible assets:

US\$ MILLIONS	For the nine-month period ended September 30, 2020	For the 12 month period ended December 31, 2019
Cost at beginning of the period	\$ 15,695	\$ 12,515
Additions through business combinations	494	3,248
Additions, net of disposals	61	109
Held for sale	—	(1)
Non-cash (disposals) additions	(68)	15
Foreign currency translation	(1,619)	(191)
Ending Balance	\$ 14,563	\$ 15,695

The following table presents the accumulated amortization for Brookfield Infrastructure's intangible assets:

US\$ MILLIONS	For the nine-month period ended September 30, 2020	For the 12 month period ended December 31, 2019
Accumulated amortization at beginning of the period	\$ (1,309)	\$ (880)
Disposals	1	12
Amortization	(346)	(450)
Foreign currency translation	175	9
Ending Balance	\$ (1,479)	\$ (1,309)

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

US\$ MILLIONS	For the nine-month period ended September 30, 2020	For the 12 month period ended December 31, 2019
Balance at the beginning of the period	\$ 4,967	\$ 4,591
Share of earnings for the period	76	224
Foreign currency translation and other	(558)	(62)
Share of other reserves for the period—OCI	(3)	54
Distributions	(151)	(254)
Disposition of interest ^{(1),(2)}	—	(135)
Held for sale ⁽²⁾	—	(38)
Acquisitions ^{(3),(4),(5),(6)}	369	587
Ending Balance⁽⁷⁾	\$ 4,700	\$ 4,967

- In June 2019, Brookfield Infrastructure sold its 40% interest in its European port operation to a third party for \$135 million.*
- In July 2020, Brookfield Infrastructure sold its 11% interest in its Texas electricity transmission operation for total consideration, net of tax, of approximately \$60 million. On disposition, Brookfield Infrastructure recognized a gain on sale of approximately \$20 million. The investment was classified as held for sale effective December 31, 2019.*
- In March 2019, Brookfield Infrastructure, alongside its institutional partners, acquired an effective 12% interest in a Brazilian data center operation, Ascenty Participacoes S.A (“Ascenty”), for approximately \$190 million. Brookfield maintains 50% of the voting rights of Ascenty in a joint venture with Digital Realty Trust Inc. Brookfield Infrastructure has joint control through its position in the business. Accordingly, our partnership equity accounts for the entity. Subsequent to the initial acquisition, Brookfield Infrastructure has made additional injections into the business to fund growth capital expenditures.*
- In July 2019, Brookfield Infrastructure, alongside its institutional partners, acquired an effective 12% interest in a New Zealand integrated data provider, Vodafone New Zealand (“VNZ”), for approximately \$170 million. Brookfield maintains 50% of the voting rights of VNZ in a joint venture with Infratil Limited. Brookfield Infrastructure has joint control through its position in the business. Accordingly, our partnership equity accounts for the entity.*
- Brookfield Infrastructure acquired a 13% interest in Ramones II Norte (“Norte”) on October 7, 2019 and an 11% interest in Ramones II Sur (“Sur”) on October 21, 2019, collectively the regulated North American natural gas transmission operation (“Los Ramones”), for approximately \$140 million. Brookfield maintains 50% of the voting rights in Norte and 45% of the voting rights in Sur. Brookfield Infrastructure has joint control of Los Ramones through its ownership and governance rights.*
- In September 2020, Brookfield Infrastructure, acquired an effective 6% interest in a U.S. LNG export facility (“Sabine Pass”), Cheniere Energy Partners, L.P. for \$369 million. Brookfield maintains a co-controlling interest in a joint venture with Blackstone Infrastructure Partners, which holds an approximate 41% interest in Sabine Pass. Based on our ownership interest and governance rights retained, our partnership equity accounts for the entity. The fair value of this investment as of September 30, 2020 was approximately \$370 million.*
- Investments in associates include a shareholder loan of \$500 million receivable from our North American natural gas pipeline.*

Due to the interruption to global supply chains as a result of the global pandemic, our partnership performed an evaluation of potential impairment indicators on each of our investments in associates and joint ventures as of September 30, 2020. Based on the analysis performed, our investments in associates and joint ventures remain largely unaffected, with no impairment required. Investments in associates and joint ventures represent long-term critical infrastructure supported by regulated or highly contracted revenues and are not substantively impacted over a long-term horizon.

Our investments in associates and joint ventures are predominantly comprised of our North American natural gas pipeline, our U.S. LNG export facility, our European telecommunications infrastructure operations and our Brazilian toll road operation. Both our North American natural gas pipeline and U.S. LNG export facility generate cash flows through capacity based “ship-or-pay” or “take-or-pay” agreements with high-quality investment grade counterparties which minimize volume and price risk. Our European telecommunications business includes approximately 7,000 multi-purpose towers and active rooftop sites and 5,500 kilometers of fiber backbone located in France. Cash flows are supported by long-term contracts which have not been affected by the current market environment. Investments in associates and joint ventures at our Brazilian toll road operation relate to concession arrangements with local transportation authorities. While our toll road operations have experienced reduced volumes as a result of local government imposed shutdowns, we are engaged in discussions to determine if we will be compensated under the regulatory framework either through increased tariffs or extension of our concession agreement and believe that the long-term value of our concession arrangement will be not impacted. We have received positive indications that the global pandemic qualifies as an act of force majeure within our concession arrangements.

The following table represents the carrying value of our partnership's investments in associates and joint ventures:

US\$ MILLIONS	As of	
	September 30, 2020	December 31, 2019
Utilities	\$ 227	\$ 245
Transport	2,191	2,398
Energy	1,296	1,267
Data infrastructure	972	1,029
Corporate	14	28
Ending Balance	\$ 4,700	\$ 4,967

The following tables summarize the aggregate balances of investments in associates and joint ventures on a 100% basis:

US\$ MILLIONS	As of			
	September 30, 2020		December 31, 2019	
Financial position:				
Total assets	\$ 47,531	\$	45,480	
Total liabilities	(24,537)		(25,537)	
Net assets	\$ 22,994	\$	19,943	
US\$ MILLIONS	For the three-month period ended September 30		For the nine-month period ended September 30	
	2020	2019	2020	2019
Financial performance:				
Total revenue	\$ 1,817	\$ 1,555	\$ 5,408	\$ 4,405
Total net income for the period	63	40	282	174
Brookfield Infrastructure's share of net income before reclassification	17	36	76	76
Reclassification of previously recognized foreign currency movements	—	—	—	12
Brookfield Infrastructure's share of net income	\$ 17	\$ 36	\$ 76	\$ 88

10. BORROWINGS

a) Corporate Borrowings

Brookfield Infrastructure has a \$1.975 billion senior unsecured revolving credit facility used for general working capital purposes including acquisitions. The \$1.975 billion is available on a revolving basis for the full term of the facility. All amounts outstanding under this facility will be repayable on June 28, 2024. All obligations of Brookfield Infrastructure under the facility are guaranteed by our partnership. Loans under this facility accrue interest at a floating rate based on LIBOR plus 1.2%. Brookfield Infrastructure is required to pay an unused commitment fee under the facility of 13 basis points per annum. As at September 30, 2020, draws on the credit facility were \$607 million (2019: \$820 million) and \$58 million of letters of credit were issued (2019: \$54 million).

	Maturity	Annual Rate	Currency	As of	
				September 30, 2020	December 31, 2019
Corporate revolving credit facility	June 28, 2024	LIBOR plus 1.2%	US\$	\$ 607	\$ 820
Corporate revolving credit facility	April 14, 2022	LIBOR plus 2.1%	US\$	—	—
Medium-term notes⁽¹⁾:					
Non-current:					
Public - Canadian	March 11, 2022	3.5%	C\$	338	346
Public - Canadian	February 22, 2024	3.3%	C\$	225	231
Public - Canadian	February 22, 2024	3.3%	C\$	300	308
Public - Canadian	September 11, 2028	4.2%	C\$	526	384
Public - Canadian	October 9, 2029	3.4%	C\$	526	386
Public - Canadian	September 1, 2032	2.9%	C\$	375	—
				2,897	2,475
Deferred financing costs and other				(15)	—
Total				\$ 2,882	\$ 2,475

1. See Note 12, *Subsidiary Public Issuers* for further details.

Brookfield Infrastructure has entered into a \$500 million revolving credit facility with Brookfield to provide additional liquidity for general corporate purposes and capital expenditures, if required. The revolving credit facility automatically renews for four consecutive one-year terms, which would result in the facility ultimately maturing on February 8, 2023. Brookfield has the option to terminate the agreement prior to February 8 each year by providing Brookfield Infrastructure with written notice. Loans under this facility accrued interest on LIBOR plus 1.8% and no commitment fees were incurred for any undrawn balance. As of September 30, 2020, there were \$nil (2019: \$nil) borrowings outstanding.

On September 1, 2020, Brookfield Infrastructure Finance ULC issued C\$500 million of medium-term notes maturing September 1, 2032 with a coupon of 2.9% per annum. On October 6, 2020, the proceeds were used to early redeem C\$450 million of medium-term notes maturing March 11, 2022.

On April 14, 2020, the partnership secured an incremental \$1.0 billion syndicated revolving credit facility. The facility was secured to fund new investment opportunities that may arise while other sources of capital, including asset sales, are delayed. The facility matures on April 14, 2022 and all amounts not previously repaid will be due on such date. All obligations under the facility are guaranteed by our partnership and its subsidiary, BIPC Holdings Inc. Loans under this facility accrue interest at LIBOR plus 2.1% with an annual unused commitment fee of 42 basis points during the period prior to April 14, 2021, and LIBOR plus 2.2% thereafter with an annual unused commitment fee of 44 basis points. As of September 30, 2020, the balance remains undrawn.

On April 7, 2020, Brookfield Infrastructure Finance ULC, a wholly owned subsidiary of Brookfield Infrastructure, issued C\$400 million of medium-term notes. C\$200 million of the medium-term notes mature September 11, 2028 and have a coupon rate of 4.2% per annum. These notes were issued at a premium with an effective interest rate of 4.1% per annum. The remaining C\$200 million medium term notes mature on October 9, 2029 and have a coupon rate of 3.4% per annum. These notes were issued at a discount with an effective interest rate of 4.1%. Refer to Note 12, *Subsidiary Public Issuer*, for further details.

On October 7, 2019, Brookfield Infrastructure Finance ULC issued C\$500 million of medium-term notes maturing October 9, 2029 with a coupon of 3.4% per annum. On November 6, 2019, the proceeds were used to early redeem C\$375 million of medium-term notes maturing October 30, 2020.

The increase in corporate borrowings during the nine-month period ended September 30, 2020 is attributable to the issuance of C\$900 million of medium-term notes, partially offset by net repayments of \$213 million on the corporate revolving credit facility and the impact of a weaker Canadian dollar relative to the U.S. dollar.

b) Non-Recourse Borrowings

US\$ MILLIONS	As of	
	September 30, 2020	December 31, 2019
Current	\$ 1,651	\$ 1,381
Non-current	18,953	17,163
Total	\$ 20,604	\$ 18,544

Non-recourse borrowings have increased by \$2.1 billion since year-end. The increase is attributable to net borrowings of \$2.7 billion to fund growth initiatives including our recent acquisition of a telecom tower operation in India. This increase was partially offset by a decrease in foreign denominated debt as most currencies underlying non-recourse borrowings depreciated relative to the U.S. dollar during the nine-month period ended September 30, 2020.

11. CAPITAL MANAGEMENT

Our partnership's approach to capital management is focused on maximizing returns to unitholders and ensuring capital is deployed in a manner consistent with achieving our investment return objectives.

Invested Capital, which tracks the amount of capital that has been contributed to our partnership, is a measure we utilize to assess returns on capital deployed, relative to targeted returns. Investment decisions are based on, amongst other measures and factors, targeted returns on Invested Capital of 12% to 15% annually over the long term. We measure return on Invested Capital as Adjusted Funds from Operations ("AFFO"), less estimated returns of capital on operations that are not perpetual in life, divided by the weighted average Invested Capital for the period.

We define Invested Capital as partnership capital removing the impact of the following items: non-controlling interest in operating subsidiaries, retained earnings or deficit, accumulated other comprehensive income and ownership changes.

US\$ MILLIONS	As of	
	September 30, 2020	December 31, 2019
Partnership Capital	\$ 20,642	\$ 22,177
Remove impact of the following items since inception:		
Non-controlling interest - in operating subsidiaries	(13,768)	(14,113)
Deficit	2,703	2,048
Accumulated other comprehensive loss (income)	161	(705)
Ownership changes and other	(527)	(398)
Invested Capital	\$ 9,211	\$ 9,009

The following table presents the change in Invested Capital during the three and nine-month periods ended September 30, 2020:

US\$ MILLIONS	For the three-month period ended September 30		For the nine-month period ended September 30	
	2020	2019	2020	2019
Opening balance	\$ 9,014	\$ 8,204	\$ 9,009	\$ 8,156
Issuance of preferred units and preferred shares, net of repurchases	195	—	195	72
Issuances of limited partnership units and redeemable partnership units, net of repurchases	2	803	7	779
Ending balance	\$ 9,211	\$ 9,007	\$ 9,211	\$ 9,007
Weighted Average Invested Capital	\$ 9,034	\$ 8,855	\$ 9,018	\$ 8,414

12. SUBSIDIARY PUBLIC ISSUERS

An indenture dated as of October 10, 2012 between certain wholly-owned subsidiaries of our partnership, Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Pty Ltd and Brookfield Infrastructure Finance Limited (collectively, the "Debt Issuers"), and Computershare Trust Company of Canada, as supplemented and amended from time to time ("Indenture") provides for the issuance of one or more series of unsecured notes of the Debt Issuers.

On September 1, 2020, the Debt Issuers issued C\$500 million of medium-term notes under the Indenture maturing September 1, 2032 in the Canadian bond market with a coupon of 2.9%, which was swapped into U.S. dollars on a matched maturity basis at an all-in rate of 3.9%. On October 6, 2020, the proceeds were used to early redeem C\$450 million of medium-term notes maturing March 11, 2022.

On April 7, 2020, the Debt Issuers issued C\$200 million of medium-term notes under the Indenture maturing September 11, 2028 in the Canadian bond market with a coupon of 4.2%. The principal balance was hedged to U.S. dollars using foreign exchange contracts.

On April 7, 2020, the Debt Issuers issued C\$200 million of medium-term notes under the Indenture maturing October 9, 2029 in the Canadian bond market with a coupon of 3.4%. The principal balance was hedged to U.S. dollars using foreign exchange contracts.

On October 7, 2019, the Debt Issuers issued C\$500 million of medium-term notes under the Indenture maturing October 9, 2029 in the Canadian bond market with a coupon of 3.4%. Our partnership swapped C\$92 million of the total issuance to U.S. dollars on a matched maturity basis at an all-in rate of 3.5% and the remaining principal balance of the issuance was subsequently hedged using foreign exchange contracts. On November 6, 2019, the proceeds were used to early redeem C\$375 million of medium-term notes maturing October 30, 2020.

On September 10, 2018, the Debt Issuers issued C\$500 million of medium-term notes under the Indenture maturing September 11, 2028 in the Canadian bond market with a coupon of 4.2%, which was swapped into U.S. dollars on a matched maturity basis at an all-in rate of 4.7%.

On April 17, 2017, the Debt Issuers issued C\$400 million of medium-term notes under the Indenture maturing February 22, 2024 in the Canadian bond market with a coupon of 3.3%, which was swapped into U.S. dollars on a matched maturity basis at an all-in rate of 4.0%.

On February 22, 2017, the Debt Issuers issued C\$300 million of medium-term notes under the Indenture maturing February 22, 2024 in the Canadian bond market with a coupon of 3.3%, which was swapped into U.S. dollars on a matched maturity basis at an all-in rate of 4.1%.

As they matured, the Debt Issuers repaid C\$400 million of medium-term notes on October 10, 2017 and C\$125 million of medium-term notes on October 30, 2018.

These notes are fully and unconditionally guaranteed by our partnership and its subsidiaries, Brookfield Infrastructure L.P. (the "Holding LP"), Brookfield Infrastructure Holdings (Canada) Inc., Brookfield Infrastructure US Holdings I Corporation, BIP Bermuda Holdings I Limited (collectively, the "BIP Guarantors") and BIPC Holdings Inc. ("BIPC Holdings").

The BIP Guarantors will also fully and unconditionally guarantee the payment obligations of Brookfield Infrastructure Preferred Equity Inc. ("Pref Finco" and collectively with the Debt Issuers, the "Fincos") in respect of any Class A preference shares issued to the public by the Pref Finco, if and when issued.

A base shelf prospectus of BIP Investment Corporation ("BIPIC") dated as of November 23, 2018 provides for the issuance of one or more series of senior preferred shares of BIPIC. The BIP Guarantors and BIPC Holdings will fully and unconditionally guarantee the payment obligations of BIPIC in respect of any senior preferred shares issued by BIPIC under the prospectus.

Each of the Fincos and BIPIC are subsidiaries of our partnership. In the tables below, information relating to the Fincos has been combined. The Fincos have not guaranteed the obligations of BIPIC, nor has BIPIC guaranteed the obligations of the Fincos.

On February 5, 2019, BIPIC issued 4 million Series 1 Senior Preferred Shares at C\$25 per share with a quarterly fixed dividend at a rate of 5.85% annually for the initial period ending March 31, 2024. In total, C\$100 million or \$75 million of gross proceeds were raised, \$2 million in underwriting costs were incurred and less than \$1 million in issuance costs were incurred. The preferred shares are retractable at the option of the holders and are therefore classified as liabilities.

BIPC Holdings has also fully and unconditionally guaranteed the payment obligations of the partnership in respect of the partnership's currently outstanding cumulative class A preferred limited partnership units and may guarantee the payment obligations of the partnership in respect of additional cumulative class A preferred limited partnership units issued to the public, if and when issued.

The following tables set forth consolidated summary financial information for our partnership, the Fincos, and BIPIC:

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020 US\$ MILLIONS	Our partnership ⁽²⁾	The Fincos	BIPIC	BIPC Holdings	Subsidiaries of our partnership other than the Fincos, BIPIC, and BIPC Holdings ⁽³⁾	Consolidating adjustments ⁽³⁾	Our partnership consolidated
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,209	\$ 2,209
Net (loss) income attributable to partnership ⁽¹⁾	(26)	—	—	(301)	306	26	5
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,664	\$ 1,664
Net income (loss) attributable to partnership ⁽¹⁾	29	—	—	—	82	(29)	82
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,351	\$ 6,351
Net (loss) income attributable to partnership ⁽¹⁾	(41)	—	—	(450)	513	41	63
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,942	\$ 4,942
Net income (loss) attributable to partnership ⁽¹⁾	65	—	—	—	210	(65)	210
AS OF SEPTEMBER 30, 2020							
Current assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,938	\$ 3,938
Non-current assets	4,825	—	992	2,238	6,483	39,664	54,202
Current liabilities	—	—	74	—	—	5,551	5,625
Non-current liabilities	—	2,275	—	564	—	29,034	31,873
Non-controlling interests – Redeemable Partnership Units held by Brookfield	—	—	—	—	—	1,466	1,466
Non-controlling interests – Class A shares of Brookfield Infrastructure Corporation	—	—	—	—	—	566	566
Non-controlling interests – Exchange LP Units	—	—	—	—	—	10	10
Non-controlling interests – in operating subsidiaries	—	—	—	—	—	13,768	13,768
Preferred unitholders	—	—	—	—	—	1,130	1,130
AS OF DECEMBER 31, 2019							
Current assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,841	\$ 5,841
Non-current assets	5,983	—	889	—	8,905	34,690	50,467
Current liabilities	—	—	75	—	—	5,364	5,439
Non-current liabilities	—	1,655	—	—	—	27,037	28,692
Non-controlling interests – Redeemable Partnership Units held by Brookfield	—	—	—	—	—	2,039	2,039
Non-controlling interests – Exchange LP Units	—	—	—	—	—	18	18
Non-controlling interests – in operating subsidiaries	—	—	—	—	—	14,113	14,113
Preferred unitholders	—	—	—	—	—	935	935

1. Includes net income attributable to non-controlling interest – Redeemable Partnership Units held by Brookfield, Exchange LP units, class A shares of BIPC, general partner and limited partners.

2. Includes investments in all subsidiaries of our partnership under the equity method.

3. Includes investments in all other subsidiaries of the Holding LP, Brookfield Infrastructure Holdings (Canada) Inc., Brookfield Infrastructure US Holdings I Corporation and BIP Bermuda Holdings I Limited under the equity method.

4. Includes elimination of intercompany transactions and balances necessary to present our partnership on a consolidated basis.

13. REVENUE

The following table disaggregates revenues by our operating segments:

US\$ MILLIONS	For the three-month period ended September 30		For the nine-month period ended September 30	
	2020	2019	2020	2019
Transport	\$ 810	\$ 312	\$ 2,329	\$ 998
Utilities	653	770	1,923	2,241
Energy	615	505	1,793	1,467
Data Infrastructure	131	77	306	236
Total	\$ 2,209	\$ 1,664	\$ 6,351	\$ 4,942

Substantially all of our partnership's revenues are recognized over time as services are rendered.

The following table disaggregates revenues by geographical region:

US\$ MILLIONS	For the three-month period ended September 30		For the nine-month period ended September 30	
	2020	2019	2020	2019
United States of America	\$ 573	\$ 237	\$ 1,688	\$ 698
Canada	363	229	1,054	734
United Kingdom	359	171	958	504
Brazil	237	287	735	865
Australia	237	260	691	799
Colombia	205	280	599	788
India	131	105	337	257
Chile	27	41	82	125
Peru	21	24	54	81
Other	56	30	153	91
Total	\$ 2,209	\$ 1,664	\$ 6,351	\$ 4,942

Brookfield Infrastructure's customer base is comprised predominantly of investment grade companies. Our revenues are well diversified by region and counterparty with only one customer making up greater than 10% of our partnership's consolidated revenues. For the three and nine-month periods ended September 30, 2020, revenue generated from this customer within the utilities segment was \$228 million and \$706 million, respectively (2019: \$287 million and \$865 million). Our partnership has completed a review of the credit risk of key counterparties. Based on their liquidity position, business performance, and aging of our accounts receivable, we do not have any significant changes in expected credit losses at this time. Our partnership continues to monitor the credit risk of our counterparties in light of the current economic environment.

14. PARTNERSHIP CAPITAL

As at September 30, 2020, our partnership's capital structure was comprised of three classes of partnership units: limited partnership units, preferred units and general partnership units. Limited partnership units entitle the holder to their proportionate share of distributions. Preferred units entitle the holder to cumulative preferential cash distributions in accordance with their terms. General partnership units entitle the holder to the right to govern the financial and operating policies of our partnership. The Holding LP's capital structure is composed of four classes of partnership units: special general partner units, Holding LP Class A preferred units, managing general partner units and redeemable partnership units held by Brookfield.

(a) Special General and Limited Partnership Capital

UNITS MILLIONS	Special General Partner Units		Limited Partnership Units		Total	
	As of and for the nine-month period ended Sept. 30, 2020	As of and for the 12 month period ended Dec. 31, 2019	As of and for the nine-month period ended Sept. 30, 2020	As of and for the 12 month period ended Dec. 31, 2019	As of and for the nine-month period ended Sept. 30, 2020	As of and for the 12 month period ended Dec. 31, 2019
Opening balance	1.6	1.6	293.5	277.3	295.1	278.9
Issued for cash	—	—	0.2	13.8	0.2	13.8
Conversion from Exchange LP Units	—	—	0.2	3.2	0.2	3.2
Conversion from class A shares of BIPC	—	—	1.4	—	1.4	—
Repurchased and cancelled	—	—	—	(0.8)	—	(0.8)
Ending balance	1.6	1.6	295.3	293.5	296.9	295.1

The weighted average number of special general partner units outstanding for the three and nine-month periods ended September 30, 2020 was 1.6 million (2019: 1.6 million). The weighted average number of limited partnership units outstanding for the three and nine-month periods ended September 30, 2020 was 295.3 million and 294.5 million, respectively (2019: 290.9 million and 282.9 million).

US\$ MILLIONS	Special General Partner		Limited Partners		Total	
	As of and for the nine-month period ended Sept. 30, 2020	As of and for the 12 month period ended Dec. 31, 2019	As of and for the nine-month period ended Sept. 30, 2020	As of and for the 12 month period ended Dec. 31, 2019	As of and for the nine-month period ended Sept. 30, 2020	As of and for the 12 month period ended Dec. 31, 2019
Opening balance	\$ 19	\$ 19	\$ 5,495	\$ 4,911	\$ 5,514	\$ 4,930
Unit issuance	—	—	7	559	7	559
Conversion from Exchange LP Units	—	—	3	53	3	53
Conversion from class A shares of BIPC	—	—	19	—	19	—
Repurchased and cancelled	—	—	—	(28)	—	(28)
Ending balance	\$ 19	\$ 19	\$ 5,524	\$ 5,495	\$ 5,543	\$ 5,514

During the nine-month period ending September 30, 2020, our partnership repurchased and cancelled less than 0.1 million units for a total cost of less than \$0.1 million (2019: 0.8 million units for a total cost of \$28 million, including less than \$1 million of commission costs).

In July 2019, Brookfield Infrastructure issued 13.5 million L.P. units at \$42.5 per unit under shelf registrations in the U.S. and Canada. In total, \$575 million of gross proceeds were raised through the issuance and \$24 million in equity issuance costs were incurred. Concurrently, Brookfield Infrastructure issued approximately 6.1 million Redeemable Partnership Units to Brookfield for gross proceeds of \$250 million. As Brookfield participated in the unit offering at a percentage greater than its ownership interest in the Holding LP prior to the equity offering, this resulted in a slight decrease in our partnership's ownership interest in the Holding LP without resulting in a loss of control. The difference between the proportionate amount by which the non-controlling interest in Holding LP was increased and the proceeds of the Redeemable Partnership Unit offering resulted in a gain of \$8 million that was recognized directly in equity.

In June 2010, we implemented a distribution reinvestment plan (the "Plan") that allows eligible holders of our partnership to purchase additional units by reinvesting their cash distributions. Under the Plan, units are acquired at a price per unit calculated by reference to the volume weighted average of the trading price for our units on the New York Stock Exchange for the five trading days immediately preceding the relevant distribution date. During the nine-month period ending September 30, 2020, our partnership issued less than 0.2 million units for proceeds of \$7 million (2019: less than 1 million units for proceeds of \$6 million).

(b) Non-controlling interest – Redeemable Partnership Units held by Brookfield

<u>UNITS MILLIONS</u>	Non-controlling interest – Redeemable Partnership Units held by Brookfield	
	As of and for the nine-month period ended Sept. 30, 2020	As of and for the 12 month period ended Dec. 31, 2019
Opening balance	121.9	115.8
Issued for cash	—	6.1
Ending balance	121.9	121.9

The weighted average number of Redeemable Partnership Units outstanding for the three and nine-month periods ended September 30, 2020 was 121.9 million (2019: 120.8 million and 117.5 million, respectively).

<u>US\$ MILLIONS</u>	Non-controlling interest – Redeemable Partnership Units held by Brookfield	
	As of and for the nine-month period ended Sept. 30, 2020	As of and for the 12 month period ended Dec. 31, 2019
Opening balance	\$ 2,328	\$ 2,078
Unit issuance	—	250
Ending balance	\$ 2,328	\$ 2,328

(c) Non-controlling interest – Class A shares of Brookfield Infrastructure Corporation

<u>SHARES MILLIONS</u>	Non-controlling interest – Class A shares of Brookfield Infrastructure Corporation	
	As of and for the nine-month period ended Sept. 30, 2020	As of and for the 12 month period ended Dec. 31, 2019
Opening balance	—	—
Non-cash issuance	46.3	—
Class A shares of Brookfield Infrastructure Corporation conversion	(1.4)	—
Ending balance	44.9	—

<u>US\$ MILLIONS</u>	Non-controlling interest – Class A shares of Brookfield Infrastructure Corporation	
	As of and for the nine-month period ended Sept. 30, 2020	As of and for the 12 month period ended Dec. 31, 2019
Opening balance	\$ —	\$ —
Class A shares of Brookfield Infrastructure Corporation conversion	(19)	—
Ending balance	\$ (19)	\$ —

On March 31, 2020, BIPC, a subsidiary of our partnership, issued 46.3 million class A shares of BIPC to unitholders as part of a special distribution. The distribution resulted in no cash proceeds to the partnership. The class A shares provide holders with economic terms that are substantially equivalent to those of our units and are exchangeable, on a one-for-one basis, for our units. Given the exchangeable feature, the class A shares are presented as a component of non-controlling interests. Refer to Note 2, *Summary of Accounting Policies*, for further details.

During the nine-month period ended September 30, 2020, class A shareholders of Brookfield Infrastructure Corporation exchanged 1.4 million Class A shares of Brookfield Infrastructure Corporation for \$19 million of our units.

On July 29, 2020, Brookfield completed a secondary offering of class A shares of BIPC for approximately 5 million shares, inclusive of the over-allotment option, for net proceeds of approximately C\$305 million. This transaction was conducted between BIPC and Brookfield and does not impact the partnership capital of our partnership.

(d) Non-controlling interest – Exchange LP Units

<u>UNITS MILLIONS</u>	<u>Non-controlling interest – Exchange LP Units</u>	
	<u>As of and for the nine-month period ended Sept. 30, 2020</u>	<u>As of and for the 12 month period ended Dec. 31, 2019</u>
Opening balance	1.2	4.4
Special distribution	0.1	—
Exchange LP conversion	(0.2)	(3.2)
Ending balance	1.1	1.2

<u>US\$ MILLIONS</u>	<u>Non-controlling interest – Exchange LP Units</u>	
	<u>As of and for the nine-month period ended Sept. 30, 2020</u>	<u>As of and for the 12 month period ended Dec. 31, 2019</u>
Opening balance	\$ 159	\$ 212
Exchange LP conversion	(3)	(53)
Ending balance	\$ 156	\$ 159

On October 16, 2018, Brookfield Infrastructure Partners Exchange LP (“Exchange LP”), a subsidiary of our partnership, issued 5.7 million Exchange LP units for proceeds of \$232 million in connection with the privatization of Enercare Inc. The Exchange LP units provide holders with economic terms that are substantially equivalent to those of our units and are exchangeable, on a one-for-one basis, for our units. Given the exchangeable feature, we present the Exchange LP units as a component of non-controlling interests.

On March 31, 2020, the partnership executed a special distribution of its Exchange LP units whereby each Exchange LP unitholder received one additional Exchange LP unit for every nine Exchange LP units held. The special distribution resulted in no cash proceeds to the partnership. In total, 0.1 million Exchange LP units were issued.

During the nine-month period ended September 30, 2020, Exchange LP unitholders exchanged 0.2 million (2019: 3.2 million) Exchange LP units for \$3 million (2019: \$52 million) of our units.

(e) Preferred Unitholders’ Capital

<u>UNITS MILLIONS</u>	<u>Preferred Units</u>	
	<u>As of and for the nine-month period ended Sept. 30, 2020</u>	<u>As of and for the 12 month period ended Dec. 31, 2019</u>
Opening balance	49.9	49.9
Issued for cash	8.0	—
Ending balance	57.9	49.9

<u>US\$ MILLIONS</u>	<u>Preferred Units</u>	
	<u>As of and for the nine-month period ended Sept. 30, 2020</u>	<u>As of and for the 12 month period ended Dec. 31, 2019</u>
Opening balance	\$ 935	\$ 936
Unit issuance	195	—
Repurchased and cancelled	—	(1)
Ending balance	\$ 1,130	\$ 935

During the nine-month period ended September 30, 2020, our partnership did not repurchase or cancel any preferred units (2019: less than 0.1 million preferred units for \$1 million).

On September 21, 2020, our partnership issued 8 million Series 13 Preferred Units, at \$25 per unit, with a quarterly fixed distribution of 5.125% annually (the “Green Preferred Issuance”). In total, \$200 million of gross proceeds were raised and \$5 million in underwriting and issuance costs were incurred. Net proceeds of the Green Preferred Issuance are in alignment with Green Bond Principles, with eligible green projects following criteria outlined by the International Capital Markets Association.

15. DISTRIBUTIONS

The following table outlines distributions made to each class of partnership units, including class A shares of BIPC and Exchange LP units that are exchangeable into limited partner units.

US\$ MILLIONS EXCEPT PER UNIT INFORMATION	For the three-month period ended September 30			
	2020		2019	
	Total	Per Unit ⁽¹⁾	Total	Per Unit ⁽¹⁾
Limited Partners	\$ 143	\$ 0.485	\$ 147	\$ 0.452
General Partner	46		41	
Non-controlling interest attributable to:				
Redeemable Partnership Units held by Brookfield	59	0.485	62	0.452
Class A shares of Brookfield Infrastructure Corporation	22	0.485	—	0.452
Exchange LP Units	1	0.485	1	0.452
Preferred unitholders	12	0.24	12	0.24
Total Distributions	\$ 283		\$ 263	

US\$ MILLIONS EXCEPT PER UNIT INFORMATION	For the nine-month period ended September 30			
	2020		2019	
	Total	Per Unit ⁽¹⁾	Total	Per Unit ⁽¹⁾
Limited Partners	\$ 444	\$ 1.455	\$ 428	\$ 1.356
General Partner	139		117	
Non-controlling interest attributable to:				
Redeemable Partnership Units held by Brookfield	182	1.455	179	1.356
Class A shares of Brookfield Infrastructure Corporation	44	1.455	—	1.356
Exchange LP Units	3	1.455	3	1.356
Preferred unitholders	36	0.72	37	0.74
Total Distributions	\$ 848		\$ 764	

1. Distributions to the General Partner include \$46 million and \$137 million of incentive distributions for the three and nine-month periods ended September 30, 2020, respectively.
2. Our partnership paid a distribution of \$0.5375 per unit in March 2020. On March 31, 2020, our partnership completed the previously announced creation of BIPC with a special distribution of class A shares of BIPC. The special distribution resulted in the issuance of approximately 46.3 million class A shares of BIPC. Current and historical per unit disclosures have been retroactively adjusted for the impact of the special distribution. Refer to Note 2, Summary of Accounting Policies for further details.

For the period up until June 30, 2020, holders of the Cumulative Class A Preferred Limited Partnership Units, Series 1 (“Series 1 Units”), received a cumulative quarterly fixed distribution at an annual rate of 4.50% (C\$0.2813 per unit per quarter). On June 1, 2020, our partnership announced the fixed distribution rate reset on its Series 1 Units for the five years commencing July 1, 2020 and ending June 30, 2025 at 3.974% (C\$0.2484 per unit per quarter).

16. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

a) Attributable to Limited Partners

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income (loss)
Balance at January 1, 2020	\$ 899	\$ (1,324)	\$ 30	\$ (82)	\$ —	\$ (18)	\$ 968	\$ 473
Other comprehensive (loss) income	(16)	(565)	43	(28)	39	—	5	(522)
Issuance of class A shares of BIPC ⁽¹⁾	—	18	—	—	—	—	—	18
Other items ^{(2),(3),(4)}	(59)	(31)	—	—	—	—	—	(90)
Balance at September 30, 2020	\$ 824	\$ (1,902)	\$ 73	\$ (110)	\$ 39	\$ (18)	\$ 973	\$ (121)

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2019	\$ 667	\$ (1,336)	\$ 95	\$ (96)	\$ (33)	\$ (18)	\$ 930	\$ 209
Other comprehensive income (loss)	1	(247)	10	(4)	20	(2)	(7)	(229)
Other items ⁽⁵⁾	—	20	6	—	—	—	—	26
Balance at September 30, 2019	\$ 668	\$ (1,563)	\$ 111	\$ (100)	\$ (13)	\$ (20)	\$ 923	\$ 6

b) Attributable to General Partner

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2020	\$ 6	\$ (9)	\$ 2	\$ —	\$ —	\$ —	\$ 5	\$ 4
Other comprehensive loss	—	(3)	—	—	—	—	—	(3)
Balance at September 30, 2020	\$ 6	\$ (12)	\$ 2	\$ —	\$ —	\$ —	\$ 5	\$ 1

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2019	\$ 5	\$ (9)	\$ 2	\$ —	\$ —	\$ —	\$ 5	\$ 3
Other comprehensive loss	—	(1)	—	—	—	—	—	(1)
Balance at September 30, 2019	\$ 5	\$ (10)	\$ 2	\$ —	\$ —	\$ —	\$ 5	\$ 2

c) Attributable to Non-controlling interest – Redeemable Partnership Units held by Brookfield

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income (loss)
Balance at January 1, 2020	\$ 391	\$ (546)	\$ 14	\$ (37)	\$ (2)	\$ (4)	\$ 407	\$ 223
Other comprehensive (loss) income	(7)	(234)	18	(12)	15	(1)	3	(218)
Issuance of class A shares of BIPC ⁽¹⁾	—	5	—	—	—	—	—	5
Other items ^{(2),(3),(4)}	(25)	(13)	—	—	—	—	—	(38)
Balance at September 30, 2020	\$ 359	\$ (788)	\$ 32	\$ (49)	\$ 13	\$ (5)	\$ 410	\$ (28)

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2019	\$ 296	\$ (552)	\$ 40	\$ (43)	\$ (16)	\$ (4)	\$ 391	\$ 112
Other comprehensive (loss) income	—	(100)	4	(2)	7	(1)	(3)	(95)
Other items ⁽⁵⁾	—	9	3	—	—	—	—	12
Balance at September 30, 2019	\$ 296	\$ (643)	\$ 47	\$ (45)	\$ (9)	\$ (5)	\$ 388	\$ 29

d) Attributable to Non-controlling interest – Class A shares of Brookfield Infrastructure Corporation

US\$ MILLIONS	Revaluation surplus	Foreign currency translation & other	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income (loss)
Balance at January 1, 2020	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Other comprehensive income (loss)	—	10	(1)	7	5	(1)	(11)	9
Issuance of class A shares of BIPC ⁽¹⁾	—	(23)	—	—	—	—	—	(23)
Other items ⁽⁴⁾	(2)	—	—	—	—	—	—	(2)
Balance at September 30, 2020	\$ (2)	\$ (13)	\$ (1)	\$ 7	\$ 5	\$ (1)	\$ (11)	\$ (16)

e) Attributable to Non-controlling interest – Exchange LP Units

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2020	\$ 3	\$ 1	\$ —	\$ (1)	\$ —	\$ —	\$ 2	\$ 5
Other comprehensive loss	—	(2)	—	—	—	—	—	(2)
Balance at September 30, 2020	\$ 3	\$ (1)	\$ —	\$ (1)	\$ —	\$ —	\$ 2	\$ 3

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2019	\$ 2	\$ 1	\$ —	\$ (1)	\$ —	\$ —	\$ 2	\$ 4
Other comprehensive loss	—	(1)	—	—	—	—	—	(1)
Balance at September 30, 2019	\$ 2	\$ —	\$ —	\$ (1)	\$ —	\$ —	\$ 2	\$ 3

- In relation to the special distribution of BIPC, \$23 million of accumulated other comprehensive income was reallocated to class A shares of BIPC. Refer to Note 2, Summary of Accounting Policies for further details.
- In relation to the partial disposition of a further 33% interest in our Chilean toll road business, \$44 million of accumulated other comprehensive loss was reclassified directly to retained earnings in the Consolidated Statements of Partnership Capital. Refer to Note 4, Disposition of Businesses for further details.
- In relation to the disposition of a 17% interest in our Colombian regulated distribution operation, \$61 million (net of tax) of revaluation surplus gains were reclassified from accumulated other comprehensive income directly to retained earnings and recorded within Other items on the Consolidated Statements of Partnership Capital. Refer to Note 4, Disposition of Businesses for further details.
- In relation to the disposition of a 11% interest in our Texas electricity transmission operation, \$25 million (net of tax) of revaluation surplus gains were reclassified from accumulated other comprehensive income directly to retained earnings and recorded within Other items on the Consolidated Statements of Partnership Capital. Refer to Note 9, Investments in Associates and Joint Ventures for further details.
- In relation to the initial partial disposition of a 33% interest in our Chilean toll road business, \$38 million of accumulated other comprehensive loss was reclassified directly to retained earnings in the Consolidated Statements of Partnership Capital.

17. RELATED PARTY TRANSACTIONS

In the normal course of operations, Brookfield Infrastructure entered into the transactions below with related parties. The immediate parent of Brookfield Infrastructure is our partnership. The ultimate parent of Brookfield Infrastructure is Brookfield. Other related parties of Brookfield Infrastructure represent its subsidiary and operating entities.

Throughout the year, the General Partner, in its capacity as our partnership's general partner, incurs director fees, a portion of which are charged at cost to our partnership in accordance with our limited partnership agreement. Less than \$1 million in director fees were incurred during the three and nine-month periods ended September 30, 2020 (2019: less than \$1 million for the three and nine-month periods).

Since inception, Brookfield Infrastructure has had a management agreement (the "Master Services Agreement") with certain service providers (the "Service Provider"), which are wholly-owned subsidiaries of Brookfield.

Pursuant to the Master Services Agreement, on a quarterly basis, Brookfield Infrastructure pays a base management fee, referred to as the Base Management Fee, to the Service Provider equal to 0.3125% per quarter (1.25% annually) of the combined market value of our partnership and BIPC. The Base Management Fee was \$83 million and \$211 million, respectively, for the three and nine-month periods ended September 30, 2020 (2019: \$73 million and \$194 million). As of September 30, 2020, \$81 million was outstanding as payable to the Service Provider (December 31, 2019: \$76 million).

For purposes of calculating the Base Management Fee, the market value of our partnership is equal to the aggregate value of all the outstanding units of our partnership (assuming full conversion of Brookfield's Redeemable Partnership Units in the Holdings LP into units of our partnership), preferred units and securities of the other Service Recipients (as defined in Brookfield Infrastructure's Master Services Agreement) that are not held by Brookfield Infrastructure, plus all outstanding third party debt with recourse to a Service Recipient, less all cash held by such entities.

As of September 30, 2020, Brookfield Infrastructure had a receivable balance of \$21 million from subsidiaries of Brookfield (December 31, 2019: \$21 million) and loans payable of \$99 million to subsidiaries of Brookfield (December 31, 2019: \$99 million). The loans are payable in full between 2020 and 2026 with interest rates ranging from 3.8% to 8.5% per annum.

Brookfield Infrastructure, from time to time, will place deposits with, or receive deposits from, Brookfield. As at September 30, 2020, our net deposit from Brookfield was \$545 million (December 31, 2019: \$nil) and Brookfield Infrastructure incurred interest expense of less than \$1 million for three and nine-month periods ended September 30, 2020 (2019: \$2 million and \$6 million). Deposits bear interest at market rates.

Brookfield Infrastructure has entered into a \$500 million revolving credit facility with Brookfield to provide additional liquidity for general corporate purposes and capital expenditures, if required. As of September 30, 2020, there were \$nil borrowings outstanding (December 31, 2019: \$nil).

Brookfield Infrastructure's subsidiaries provide heating, cooling and connection services in the normal course of operations on market terms to subsidiaries and associates of Brookfield Property Partners L.P. In addition, our subsidiaries lease office space and obtain construction, consulting and engineering services in the normal course of operations on market terms from subsidiaries and associates of Brookfield Property Partners L.P. For the three and nine-month periods ended September 30, 2020, revenues of \$6 million, and \$13 million, respectively, were generated (2019: \$9 million and \$20 million) and expenses of \$3 million and \$6 million were incurred (2019: \$5 million and \$11 million). In addition, subsidiaries of Brookfield Infrastructure reported lease assets and liabilities with Brookfield Property Partners L.P. of \$12 million (2019: \$11 million).

Brookfield Infrastructure utilizes a wholly-owned subsidiary of Brookfield to negotiate and purchase insurance and assess the adequacy of insurance on behalf of our partnership and certain subsidiaries. During the three and nine-month periods ended September 30, 2020, Brookfield Infrastructure paid less than \$1 million for these services (2019: less than \$1 million for the three and nine-month periods).

Brookfield Infrastructure's U.K. port operation provides port marine services on market terms to a subsidiary of Brookfield Business Partners L.P. For the three and nine-month periods ended September 30, 2020, revenues of less than \$1 million and \$2 million, respectively, were generated (2019: \$1 million and \$3 million).

Brookfield Infrastructure's subsidiaries purchase electricity from, and distribute electricity on behalf of, a subsidiary of Brookfield Renewable Partners L.P. in the normal course of operations on market terms. For the three and nine-month periods ended September 30, 2020, no revenues were generated (2019: less than \$1 million and \$2 million) and expenses of \$nil and \$1 million, respectively, were incurred (2019: \$14 million and \$39 million).