Empresa de Transporte de Pasajeros Metro S.A. and Subsidiaries

Interim Consolidated Financial Statements

For the periods ended

as of September 30, 2019 and 2018 and as of December 31, 2018

EMPRESA DE TRANSPORTE DE PASAJEROS METRO S.A. AND SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended
as of September 30, 2019 and 2018 and as of December 31, 2018

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- ✓ Interim Consolidated Statements of Comprehensive Income by Function
- ✓ Interim Consolidated Statements of Changes in Equity
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- ✓ Notes to the Interim Consolidated Financial Statements

ThCh$	Figures expressed in thousands of Chilean Pesos
MCh$	Figures expressed in millions of Chilean Pesos
US$	Figures expressed in United States dollars
ThUS$	Figures expressed in thousands of United States dollars
MUS$	Figures expressed in millions of United States dollars
ThUF	Figures expressed in thousands of Unidades de Fomento (inflation-adjusted units)
Ch$	Figures expressed in Chilean pesos

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

C O N T E N T S

Interim Consolidated Statements of Financial Position

As of September 30, 2019 and as of December 31, 2018

(In thousands of Chilean pesos)

ASSETS	NOTE	09-30-2019 (Unaudited)	12-31-2018
CURRENT ASSETS			
Cash and cash equivalents	4	72,403,482	165,110,682
Other current financial assets	10	110,781,116	187,303,313
Other current non-financial assets	11	11,795,324	6,870,615
Trade and other receivables current	5	18,126,068	14,973,044
Current inventories	6	15,935,977	16,401,194
Current tax assets		1,006,333	1,752,674
Total current assets		230,048,300	392,411,522

NON-CURRENT ASSETS			
Other non-current financial assets	10	55,296,723	58,237,285
Other non-financial assets, non-current	11	34,055,673	24,812,750
Accounts receivable, non-current		1,067,913	1,286,725
Intangible assets other than goodwill	7	8,476,997	6,392,116
Property, plant and equipment	8	4,890,294,087	4,705,488,071
Investment property	9	25,436,892	22,641,419
Total non-current assets		5,014,628,285	4,818,858,366
TOTAL ASSETS		5,244,676,585	5,211,269,888

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Financial Position, continued

As of September 30, 2019 and as of December 31, 2018

(In thousands of Chilean pesos)

EQUITY AND LIABILITIES	NOTE	09-30-2019 (Unaudited)	12-31-2018
LIABILITIES			
CURRENT LIABILITIES			
Other current financial liabilities	12	130,634,691	115,056,111
Trade and other payables	15	142,662,837	125,820,310
Other short-term provisions	19	601,615	795,662
Employee benefits, current	17	15,359,568	14,788,867
Other current non-financial liabilities	13	14,162,695	24,961,977
Total current liabilities		303,421,406	281,422,927
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	12	2,071,953,126	2,059,719,311
Non-current accounts payable	15	1,548,151	1,130,140
Due to related companies, non-current	14	83,517,309	3,500,000
Employee benefits, non-current	17	13,407,640	12,797,234
Other non-financial liabilities, non-current	13	50,923,530	54,793,619
Total non-current liabilities		2,221,349,756	2,131,940,304
Total liabilities		2,524,771,162	2,413,363,231
EQUITY			
Share capital	20	3,552,148,699	3,455,533,978
Treasury shares	20	(96,614,721)	-
Accumulated losses	20	(758,114,297)	(690,995,637)
Other reserves	20	22,496,387	33,378,961
Equity attributable to owners of parent		2,719,916,068	2,797,917,302
Non-controlling interests	20	(10,645)	(10,645)
Total equity		2,719,905,423	2,797,906,657
Total equity and liabilities		5,244,676,585	5,211,269,888

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Comprehensive Income by Function

For the periods of nine and three months ended as of September 30, 2019 and 2018

(In thousands of Chilean pesos)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION	NOTE	ACCUMULATED		QUARTER	
PROFIT (LOSS)		01-01-2019 09-30-2019 (Unaudited)	01-01-2018 09-30-2018 (Unaudited)	07-01-2019 09-30-2019 (Unaudited)	07-01-2018 09-30-2018 (Unaudited)
Revenue	21	335,322,366	285,250,077	117,389,432	96,479,938
Cost of sales	21	(284,948,599)	(238,979,414)	(94,657,684)	(86,379,421)
Gross profit		50,373,767	46,270,663	22,731,748	10,100,517
Other income by function	21	32,223,467	1,792,280	3,922,387	550,306
Administrative expenses	21	(30,184,700)	(29,800,002)	(10,683,899)	(11,306,603)
Other expenses by function	21	(979,714)	(739,934)	(181,114)	(159,306)
Other income (expenses)	21	90,696	(1,210,823)	25,773	166,132
Finance income	21	7,808,422	6,303,824	2,272,114	2,300,669
Finance costs	21	(64,043,226)	(47,570,349)	(22,388,095)	(16,239,631)
Foreign currency translation differences	21	(44,827,783)	(68,641,612)	(66,956,646)	(13,512,512)
Profit (loss) from inflation-adjusted units	21	(17,579,589)	(20,863,587)	(4,798,652)	(7,719,489)
Profit (loss) before taxes		(67,118,660)	(114,459,540)	(76,056,384)	(35,819,917)
Income tax expense					
Profit (loss) from continued operations		(67,118,660)	(114,459,540)	(76,056,384)	(35,819,917)
Profit (loss) from discontinued operations					
Income (loss)		(67,118,660)	(114,459,540)	(76,056,384)	(35,819,917)
PROFIT (LOSS) ATTRIBUTABLE TO:					
Owners of parent		(67,118,660)	(114,459,540)	(76,056,384)	(35,819,917)
Income (loss)		(67,118,660)	(114,459,540)	(76,056,384)	(35,819,917)

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Comprehensive Income by Function, continued

For the periods of nine and three months ended as of September 30, 2019 and 2018

(In thousands of Chilean pesos)

STATEMENTS OF COMPREHENSIVE INCOME	NOTE	ACCUMULATED		QUARTER	
		01-01-2019 09-30-2019 (Unaudited)	01-01-2018 09-30-2018 (Unaudited)	07-01-2019 09-30-2019 (Unaudited)	07-01-2018 09-30-2018 (Unaudited)
Income (loss)		(67,118,660)	(114,459,540)	(76,056,384)	(35,819,917)
Other comprehensive income, before taxes,income (loss) from new measurements of defined benefit plans	21	(739,712)	(248,979)	(209,599)	(34,759)
Total other comprehensive income that will not be reclassified to profit or loss for the period, before taxes	21	(739,712)	(248,979)	(209,599)	(34,759)
Components of other comprehensive income that will be reclassified to profit or loss for the period, before taxes		-	-	-	-
Income (loss) from exchange rate differences, before taxes		-	-	-	-
Profit (loss) on cash flow hedges, before taxes	21	(10,142,862)	-	(4,943,225)	-
Total other comprehensive income that will be reclassified to profit or loss for the period, before taxes	21	(10,142,862)	-	(4,943,225)	-
Other components from other comprehensive income, before taxes	21	(10,882,574)	(248,979)	(5,152,824)	(34,759)
Income taxes related to components of other comprehensive income that will be reclassified to profit or loss for the period		-	-	-	-
Total other comprehensive income	21	(10,882,574)	(248,979)	(5,152,824)	(34,759)
Total comprehensive income		(78,001,234)	(114,708,519)	(81,209,208)	(35,854,676)

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Changes in Net Equity

For the periods of nine months ended as of September 30, 2019 and 2018 (non-audited)

(In thousands of Chilean pesos)

Items	Share capital	Treasury shares	Other Reserves					Retained earnings (accumulated deficit)	Equity attributable to owners of parent	Non-controlling interests	Total net equity
			Other sundry reserves	Revaluation surplus	Cash flow hedges	Reserves for gain (loss) on defined benefit plans	Total Other Reserves				
Opening balance 01-01-2019	3,455,533,978	-	30,336,377	3,042,584	-	-	33,378,961	(690,995,637)	2,797,917,302	(10,645)	2,797,906,657
Loss	-	-	-	-	-	-	-	(67,118,660)	(67,118,660)	-	(67,118,660)
Other comprehensive income	-	-	-	-	(10,142,862)	(739,712)	(10,882,574)	-	(10,882,574)	-	(10,882,574)
Comprehensive income	-	-	-	-	(10,142,862)	(739,712)	(10,882,574)	(67,118,660)	(78,001,234)	-	(78,001,234)
Equity issuance	96,614,721	-	-	-	-	-	-	-	96,614,721	-	96,614,721
Increase (decrease) from transactions of shares in portfolio	-	(96,614,721)	-	-	-	-	-	-	(96,614,721)	-	(96,614,721)
Closing balance 09-30-2019	3,552,148,699	(96,614,721)	30,336,377	3,042,584	(10,142,862)	(739,712)	22,496,387	(758,114,297)	2,719,916,068	(10,645)	2,719,905,423
Opening balance 01-01-2018	3,082,361,491	-	30,336,377	3,042,584	-	-	33,378,961	(515,120,610)	2,600,619,842	(10,645)	2,600,609,197
Loss	-	-	-	-	-	-	-	(114,459,540)	(114,459,540)	-	(114,459,540)
Other comprehensive income	-	-	-	-	-	(248,979)	(248,979)	-	(248,979)	-	(248,979)
Comprehensive income	-	-	-	-	-	(248,979)	(248,979)	(114,459,540)	(114,708,519)	-	(114,708,519)
Equity issuance	97,500,000	-	-	-	-	-	-	-	97,500,000	-	97,500,000
Increase (decrease) from transactions of shares in portfolio	-	(97,500,000)	-	-	-	-	-	-	(97,500,000)	-	(97,500,000)
Increase (decrease) through transfers and other changes	-	-	-	-	-	248,979	248,979	(248,979)	-	-	-
Closing balance 09-30-2018	3,179,861,491	(97,500,000)	30,336,377	3,042,584	-	-	33,378,961	(629,829,129)	2,485,911,323	(10,645)	2,485,900,678

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows

For the periods of nine months ended as of September 30, 2019 and 2018

(In thousands of Chilean pesos)

Consolidated Statements of Cash Flows (direct method)	01-01-2019 09-30-2019 (Unaudited)	01-01-2018 09-30-2018 (Unaudited)
Net cash flows provided by (used in) operating activities		
Collection from sales of assets and service renderings	323,170,072	275,117,065
Other collections for operating activities	21,953,250	10,083,174
Payments to suppliers for the provision of goods and services	(150,642,223)	(123,149,656)
Payments to, and on behalf of, employees	(75,938,227)	(71,856,617)
Other payments for operating activities	(5,622,433)	(4,620,444)
Net cash flows from operating activities	112,920,439	85,573,522
Cash flows provided by (used in) investing activities		
Purchases of property, plant and equipment	(244,093,087)	(228,426,122)
Purchases of intangible assets	(3,400)	-
Other collections to acquire equity or debt instruments of other entities	322,102,118	293,558,424
Other payments to acquire equity or debt instruments of other entities	(248,592,529)	(356,179,020)
Interest paid	(17,965,189)	(26,198,770)
Net cash flows used in investing activities	(188,552,087)	(317,245,488)
Net cash flows provided by (used in) financing activities		
Loans from related entities - Contribution from the Chilean Treasury	80,017,309	243,515,684
Amounts from long-term loans	16,619,127	21,707,950
Other collections of cash	10,510,451	9,716,003
Repayment of loans	(51,984,815)	(32,282,891)
Interest paid	(72,347,349)	(59,633,282)
Other cash outflows	(547,000)	(1,065,793)
Net cash flows provided by (used in) financing activities	(17,732,277)	181,957,671
Net increase (decrease) in cash and cash equivalents before effect of changes in the exchange rate	(93,363,925)	(49,714,295)
Effects of variations in the exchange rate on cash and cash equivalents	656,725	1,131,684
Net decrease in cash and cash equivalents	(92,707,200)	(48,582,611)
Cash and cash equivalents at the beginning of the period	165,110,682	152,240,118
Cash and cash equivalents at the end of the period	72,403,482	103,657,507

The accompanying notes are an integral part of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2019 AND 2018 AND AS OF DECEMBER 31, 2018

(In thousands of Chilean pesos)

1. Company Profile

Empresa de Transporte de Pasajeros Metro S.A., (hereinafter also referred to as the Company) is a Chilean state-owned company created by Law 18,772 on January 28, 1989 as the legal successor to the Dirección General de Metro, as a result of which all the assets and liabilities of the latter were transferred to the Company.

The Company is a stock corporation bound by the principles applicable to open stock corporations, and has its registered office at 1414 Avenida Libertador Bernardo O'Higgins, Santiago, Chile.

The Company is registered on the Register of Securities under number 421 and is subject to the supervision of the Financial Market Commission (referred to as CMF).

The Company's corporate purpose is to carry out all the activities associated with passenger transportation in metropolitan railways or other complementary electrical vehicles, and the provision of ground transportation services by buses or vehicles of any technology, as well as activities related to such line of business.

These Interim Consolidated Financial Statements are presented in thousands of Chilean pesos (unless expressly stated otherwise) since this is the functional currency of the primary economic environment in which the Company operates.

2. Summary of significant accounting policies

The main accounting policies adopted in preparing these Interim Consolidated Financial Statements, as required by IAS 1, are based on International Financial Reporting Standards (hereinafter "IFRS") in effect as of September 30, 2019, and have been applied on a consistent basis to all accounting periods presented in the Interim Consolidated Financial Statements.

2.1. Basis of preparation

The Interim Consolidated Financial Statements comprise the Interim Consolidated Statement of Financial Position as of September 30, 2019 and as of December 31, 2018; the Interim Consolidated Statements of Comprehensive Income for the periods of nine and three months ended as of September 30, 2019 and 2018 and the Interim Consolidated Statements of Changes in Equity and the Interim Consolidated Statements of Cash Flows for the periods of nine months then ended, prepared in accordance with the standards and instructions issued by the Financial Market Commission. These standards and instructions require the Company to comply with IAS 34, Interim Financial Reporting, of the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB)), except for certain IFRS standards. Through Ruling No. 6158 dated March 5, 2012, the Company was authorized by the Financial Market Commission to exceptionally apply International Public Sector Accounting Standard 21 (hereinafter "IPSAS 21"), instead of IAS 36. Please see Note 2.8 for further details regarding this exception.

The Management of the Company is responsible for the information contained in these Interim Consolidated Financial Statements, which have been approved by the Board of Directors on November 25, 2019, with the Management being authorized to publish them.

The Interim Consolidated Financial Statements have been prepared on the basis of historical cost. In general, the historical cost is based on the fair value of the consideration given in exchange for the goods and services. Fair value is the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether this price is observable or estimated using another valuation technique. The Company considers the characteristics of the assets and liabilities if the market participants take those characteristics at the time of fixing the price of the asset or liability at the measurement date.

The preparation of these Interim Consolidated Financial Statements, in accordance with IFRS, requires the use of certain critical accounting estimates, necessary for the quantification of certain assets, liabilities, income and expenses.

It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 "Management's Estimates and Accounting Criteria".

2.2. Basis of consolidation

The Interim Consolidated Financial Statements include the financial statements of the Parent Company and of the entities controlled by the Company. Control is achieved when the Company has:

Power over the investee.

Exposure, or rights, to variable returns from involvement with the investee.

The ability to use power over the investee to affect the amount of those returns.

The Company evaluated control based on all facts and circumstances and the conclusion is re-evaluated if there is an indication that a change has occurred in at least one of the three conditions detailed above.

Empresa de Transporte Suburbano de Pasajeros S.A. (Transub S.A.), Sociedad Metro SpA and Sociedad Metro Emisora de Medios de Pago S.A. (MetroPago S.A.) are consolidated from the date on which control of these entities was transferred to the Company. Consolidation includes the financial statements of the Parent company and its subsidiaries, which comprises all assets, liabilities, income, expenses and cash flows of the subsidiaries, once adjustments and eliminations for intra-group transactions have been made.

The non-controlling interest in the consolidated subsidiaries is presented under shareholders' equity, in non-controlling interests, in the Interim Consolidated Statement of Financial Position and in income (loss) attributable to non-controlling interest in the Interim Consolidated Statements of Comprehensive Income.

Empresa de Transporte Suburbano de Pasajeros S.A. is in an organization and start-up period, has not yet registered any activity since its inception to the present date and was consolidated under the instructions of General Ruling No.1819 issued by the Financial Market Commission on November 14, 2006.

On April 26, 2019, by public deed, the Company “Metro Emisora de Medios de Pago S.A” (MetroPago S.A.) Taxpayer ID Number 77,057,498-6 is incorporated which must be governed according to the regulations of public limited companies.

On May 30, 2019, the Superintendence of Banks and Financial Institutions granted the authorization of existence to MetroPago, as a special corporation, in accordance with Title XIII of Law No. 18,046 on Public Limeted Companies. The respective extract was registered at pages 57735, No. 28465, of the Commercial Registry of the year 2019, of the Santiago Real Estate Conservator. Likewise, the extract was published in the Official Gazette dated July 26, 2019.

The Company's sole purpose is the issuance of its own payment cards with provision of funds under the terms authorized by Law No. 20,950 and the other regulations governing the issuance of payment cards with provision of funds. In the same way, the Company may develop complementary activities for the execution of the draft authorized by the Superintendence of Banks and Financial Institutions or the Organization that succeeds or replaces it.

This company is in the stage of organization and start-up, since it requires authorization from the Commission for the Financial Market for its registration in the Single Register of Issuers of Payment Cards that the Commission is carrying.

Tax ID No.	Company name	Ownership percentage					
		09-30-2019			12-31-2018		
		Direct	Indirect	Total	Direct	Indirect	Total
96.850.680-3	Transub S.A.	66.66	-	66.66	66.66	-	66.66
76.920.952-2	Metro SpA.	100.00	-	100.00	100.00	-	100.00
77.057.498-6	MetroPago S.A.	99.00	1.00	100.00	-	-	-

The ownership in these subsidiaries is not subject to joint control.

The Company does not have ownership interests in joint ventures or in associates.

Non-controlling interests - Non-controlling interests in the Consolidated Statement of Financial Position are presented, within equity, separately from the equity of the owners of the parent company.

2.3. Foreign currency transactions

2.3.1. Functional and presentation currency

Items included in the Interim Consolidated Financial Statements are measured using the currency of the primary economic environment in which the reporting entity operates (the "functional currency"). The Company's functional currency is the Chilean peso.All information is presented in thousands of Chilean pesos (ThCh$) rounded to the nearest unit.

2.3.2. Transactions and balances in foreign currency and indexation units

Foreign currency and indexation unit transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the interim comprehensive income statement, unless they have to be deferred, then they are recorded in equity, as in the case of cash flow hedges, if any.

Exchange rate differences affecting financial assets classified as measured at fair value through profit or loss are presented as part of the profit or loss in fair value.

2.3.3. Foreign currency translations

Assets and liabilities in foreign currency and in Unidades de Fomento (an inflation-linked unit of account used in Chile referred to as UF), are presented at the following exchange and translation rates and closing values, respectively:

Date	USD	EUR	UF
09-30-2019	728,21	793,86	28,048.53
12-31-2018	694,77	794,75	27,565.79
09-30-2018	660,42	767,22	27,357.45
12-31-2017	614,75	739,15	26,798.14

US$ = US dollar

EUR = Euro

UF = Unidad de Fomento (an inflation-linked unit of account)

2.4. Property, plant and equipment

All property, plant and equipment are initially stated at acquisition cost, plus all costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating for its intended use.

Subsequently they are stated at historical cost less accumulated depreciation and impairment losses, which, if any, are recorded in the interim consolidated statement of comprehensive income.

Costs include expenditure directly attributable to the acquisition of assets and the capitalized interest incurred during the construction and development period.

The cost of constructed assets includes the cost of materials and direct labor costs; any other cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and the costs of dismantling and removing the items and restoring the site in which they are located.

Work in progress is reclassified as operating assets under property, plant and equipment once the testing period has been completed and the assets are available for use, at which point their depreciation begins.

Costs of additions, modernization or improvements that represent an increase in productivity, capacity, efficiency or extension of the useful lives of assets are capitalized as an increase of the cost of the corresponding assets.

Substitutions or renovation of assets that increase their useful lives, or their economic capacity, are recorded as an increase in the value of the respective assets, and the substituted or renovated assets are derecognized in the accounting.

Periodic expenses for maintenance, conservation and repair are recognized directly in profit or loss as costs of the period in which they are incurred.

Major maintenance costs of rolling stock, which includes among other things, replacement of parts and pieces, are capitalized as an asset that is independent from the main asset, if it is probable that future economic benefits related to the costs are received.

Depreciation of property, plant and equipment items is calculated using the straight-line method to allocate costs over their estimated economic useful lives, except in the case of certain technical components identified in rolling stock, which are depreciated on the basis of cycles and kilometers traveled.

Amortization (depreciation) of property, plant and equipment according to IAS 16 must be recorded separately for each significant part that makes up a final property, plant and equipment item. In the case of rolling stock, the Company separately depreciates the significant components of a property, plant and equipment item that have different useful lives than the rest of the items that form it.

Residual values, where they are defined, and useful lives of assets are reviewed and adjusted prospectively in each statement of financial position, so that the remaining useful lives are consistent with the asset's current service use and effective use.

Gains and losses on the sale of property, plant and equipment are calculated by comparing the income obtained to the carrying amount and are included in the interim consolidated statement of comprehensive income.

At least once a year the Company evaluates the existence of possible impairment of property, plant and equipment, in accordance with IPSAS 21, as described in Note 2.8.

The effects of the impairment analysis are recognized directly in profit or loss.

2.5. Investment property

The Company's investment property includes real estate (land and buildings) held to earn rentals or for capital appreciation as a result of possible future increases in their market prices.

The Company has commercial stores, land and buildings leased under operating leases.

Investment property that corresponds to land and buildings are valued using the cost model.

Reclassification of a property within, or outside of, the investment property category requires performing an assessment of whether the involved property meets, or has ceased to meet, the definition of investment property, and this must be backed up by observable evidence that a change in use has occurred.

As of the date of issuance of these financial statements, the above modification has not had any substantial impact of the Company's Interim Consolidated Financial Statements, since the Company has not conducted any reclassification of a property within, or outside of, the investment property category.
The estimated useful lives of investment property are detailed as follows:

Type of asset	**Residual useful life**
Commercial stores	68 years on average
Other buildings	88 years on average

2.6. Intangible assets other than goodwill

2.6.1. Easements

Easements are presented at historical cost. If easements have indefinite useful lives, they are not subject to amortization.However, indefinite useful life assets are subject to review at each reporting period, to determine whether the determination of indefinite useful life is still applicable. These assets are subject to annual impairment testing.

2.6.2. Computer software

Licenses for information technology programs acquired are capitalized on the basis of the costs incurred to acquire them and prepare them for use. Such costs are amortized over their estimated useful lives.

Expenses related to in-house developing and maintaining computer programs do not qualify for capitalization and are expensed when incurred.

2.7. Finance income and expenses

Finance income consists of interest from investing cash and cash equivalents, from derivative transactions and other finance income, and is recognized in the Interim Consolidated Statement of Comprehensive Income over the term of the financial instrument, using the effective interest method and fair value in the case of derivative transactions.

Finance costs, both interest and expenses on bank borrowings, bonds and other finance expenses are recognized in the Interim Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method. Costs of interest incurred in the construction of any asset qualified as property, plant and equipment, are capitalized over the period necessary to complete the asset for its intended use, other interest costs are recorded as an expense in the consolidated statement of comprehensive income.

2.8. Losses due to impairment of non-financial assets

Since the Company is a state-owned entity, its business model is focused on serving the public and puts emphasis on providing social benefits. It has an operating, services and infrastructure operation model, which means that its main source of income is established through a technical fare determined by the authority that does not cover recovery of its assets.

This business model defined by its shareholders, the Ministry of Finance and the Corporación de Fomento de la Producción, referred to as CORFO, goes against the concept of economic profitability of assets, as per IAS 36, where the value in use corresponds to the present value of estimated future cash flows expected to be obtained from the operation of the assets.

Therefore, the Company formally requested authorization from the Financial Market Commission to apply IPSAS 21 instead of IAS 36, a standard specific rule for State-owned entities which hold non-cash-generating assets. Through Ruling 6158 dated March 5, 2012 the Financial Market Commission authorized the Company to apply IPSAS 21 to assess the impairment of its assets.

The application of this standard allows the Interim Consolidated Financial Statements to present the economic and financial reality of the Company.

This standard defines the value in use of a non-cash generating asset as the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using the Depreciated Replacement Cost Approach or the Restoration Cost Approach.

However, under specific circumstances in which certain assets lose their service potential, the loss of value is recognized directly in profit or loss.

2.9. Financial assets

The Company classifies its financial assets in accordance with IFRS 9, in the following valuation categories: at amortized cost, at fair value through profit or loss, at fair value in other comprehensive income (equity). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2.9.1. Financial assets at amortized cost

A financial asset must be measured at amortized cost, if the following two conditions are met:

(a) The financial asset is held within a business model whose purpose is to hold the financial assets to obtain contractual cash flows and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In accordance with "IFRS 7 Financial Instruments: Disclosures", we consider that the carrying value of the assets, measured at amortized cost, is a reasonable approximation of fair value. Therefore, as indicated in IFRS 7, it is not necessary to make disclosures regarding the fair value of each asset.

2.9.2. Financial assets at fair value through other comprehensive income.

A financial asset should be measured at fair through other comprehensive income, if the following two conditions are met:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.9.3. Financial assets at fair value through profit or loss

A financial asset should be measured at fair value through profit or loss, unless measured at amortized cost or at fair value through other comprehensive income.

When a derivative financial instrument is not designated as a hedging instrument, all changes in fair value are recognized immediately in profit or loss.

Derecognition of financial assets

The Company and its subsidiaries derecognize a financial asset only when the contractual rights on the financial assets' cash flows have expired, or when all the risks and rewards of ownership of the financial asset are substantially transferred to some other entity. If the Company does not transfer substantially all the risks and rewards of ownership and continues to exercise control over the transferred asset, the asset is accounted for against an associated liability for the amounts that must be paid. If the Company substantially retains all the risks and rewards of ownership of the financial asset, the Company still recognizes the financial asset and also a liability for the received cash flows.

2.10. Inventories

Inventories correspond to spare parts required for the operations and which are estimated to be used or consumed during one year.

Inventories are initially valued at their acquisition cost, subsequently valued at the lower of cost value or net realizable value. Cost is determined using the weighted average price method.

Spare parts classified as inventory are adjusted to their net realizable value, and their technological obsolescence is recognized with a direct charge to profit or loss.

2.11. Trade and other receivables

Trade accounts receivable are recognized initially at fair value (nominal value which includes an implicit interest rate) and subsequently at amortized costs by the effective interest method, less the provision for impairment. The provision is established for expected credit losses during the life of the asset, at each balance sheet date, applying the simplified approach for trade accounts receivable.

The Company is using the expected loss model, which contains historical collection information for each tranche/stratification of its accounts receivable for the last three years (using a matrix where the provision is stratified by maturity or default per days) and additionally includes the expected losses projected by the statistical calculation of "forward looking", which takes into account the most relevant macroeconomic factors that affect uncollectibility, and the projection is based on the probability of each scenario.

Trade receivables are presented net of the provision for uncollectible accounts and losses are recognized as a charge to the Interim Consolidated Statement of Comprehensive Income.

2.12. Cash and cash equivalents

Cash and cash equivalents include cash, checking account balances, term deposits and other highly liquid short-term investments with original maturities of three months or less and with no restrictions on their use.

2.13. Share capital

The Company´s share capital are the Series A and Series B common shares.

2.14. Trade and other payables

Suppliers and other accounts payable are initially recognized at their fair value net of directly attributable costs. They are subsequently valued at amortized cost.

2.15. Financial liabilities

Financial liabilities are classified either as financial liability “at fair value through profit and loss” or as “other financial liabilities”.

a) Financial liabilities at fair value through profit or loss (FVTPL):

Financial liabilities are classified at fair value through profit or loss when they are held for trading or are designated at fair value through profit and loss.

IFRS 9 largely preserves the existing requirements of IAS 39 for the classification of financial liabilities. However, under IAS 39 all changes in the fair value of liabilities designated as FVTPL are recognized in profit or loss, whereas under IFRS 9 these changes in fair value are generally presented as follows:

i) the amount of the change in fair value that is attributable to changes in the liability 's credit risk is presented in the other comprehensive income; and

ii) the remaining amount of the change in fair value is presented in profit or loss.

b) Other financial liabilities:

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortized cost using the effective interest rate method, in which interest expense is recognized on the basis of effective interest rate.

The effective interest rate corresponds to the method of calculating the amortized cost of a financial asset or liabilities and of allocating the interest income (expense) over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows receivable or payable (including all costs on points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life of the financial instrument. All the Company's long-term bank liabilities and financial liabilities are accounted for under this method.

Derivative Financial Instruments

The Company uses derivative financial instruments to manage its exposure to volatility risks in interest rates and exchange rates, including foreign currency forward contracts and interest rate swaps. See Note 23 for a detailed explanation of derivative financial instruments.

Derivatives are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value at each reporting period's end. The resulting gain or loss is recognized immediately in profit or loss, unless the derivative is designated and is effective as a hedging instrument, in which case the timing for recognizing it in profit or loss will depend on the nature of the hedging relationship.

Hedge accounting.

The Company designates certain derivatives as hedging instruments with respect to the risk of exchange rate and inflation risk, such as cash flow hedges.

At the beginning of the hedging relationship, the Company documents the relationship between the hedging instrument and the hedged item, as well as the risk management objectives and the Company's strategy to carry out various hedging transactions. In addition, at the beginning of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective to offset changes in the hedged item's fair value or cash flows attributable to the hedged risk, which occurs when the hedging relationship meets the following effectiveness requirements:

- ✓ There is an economic relationship between the hedged item and the hedging instrument;
- ✓ The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- ✓ The hedge ratio is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If the hedge ratio of a hedging relationship fails to meet the hedge effectiveness requirement, but the risk management objective for that designated hedging relationship remains unchanged, the Company will adjust the hedge ratio of the hedging relationship (this is referred to in IFRS 9 as "rebalancing the hedge relationship") so that it complies with hedge effectiveness requirement again.

Cash flow hedges - (cross currency swap - exchange rate and inflation)

The effective portion of changes in the fair value of derivatives that are designated and considered as cash flow hedges is recognized in other comprehensive income and accrued in the line "Cash flow hedge reserve" in equity, limited to the cumulative change in the fair value of the hedged item from the inception of the hedge. The gain or loss relating to the ineffective portion of the hedging instrument is immediately recognized in profit or loss and is included in "other profits (losses)".

The amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item is recognized in profit or loss.

The Company discontinues hedge accounting only when the hedging relationship (or a part of it) fails to meet the classification requirements (after rebalancing the hedge relationship, if applicable). This includes instances where the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in equity until that date remains in equity and is recognized when the forecasted transaction is finally recognized in profit or loss. When the forecasted transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Embedded derivatives

The Company and its subsidiaries have established a procedure that enables them to check for embedded derivatives in financial and non-financial contracts. In case there is an embedded derivative, and if the host contract is not accounted for at fair value, the procedure determines whether its characteristics and risks are not closely related to the host contract, in which case it requires to be separately recorded.

To date, the analyses carried out indicate that there are no embedded derivatives in the contracts of the Company and its subsidiary that require to be accounted for separately.

2.16. Income tax and deferred taxes

The income tax provision is determined through the application of the tax rate on the net taxable profit for the period, after applying the permitted tax deductions, plus variations in deferred tax assets and liabilities and tax credits.

Differences between the carrying amount of the assets and liabilities and their tax base generate deferred tax assets or liabilities balances, which are calculated using the tax rates that are expected to be in force when the assets and liabilities are realized.

The tax system applicable to the Company as of January 1, 2017, as it is a stock corporation with no connection to final taxpayers, is the first category tax (the Chilean corporate income tax) for the profits it obtains from operating its business. According to the Chilean Income Tax Act (Act No. 824) this tax has a rate of 25%.

The deferred tax rate is measured using the tax rates expected to be applicable to the temporary differences in the period when they are reversed using tax rates that by default will be applicable to the Company at the reporting date.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized, (See Note 18).

2.17. Employee benefits

2.17.1. Accrued vacations

The Company recognizes accrued vacation expenses using the accrual method.

2.17.2. Severance indemnity payments

The Company has created provisions for its obligations to pay severance indemnity payments to all employees whose contracts and collective agreements state that they are entitled to this benefit in all cases.

The liability recognized is the present value of that obligation plus/minus adjustments on actuarial profits or losses and discounted debt service. The present value of the obligation is determined by discounting estimated outgoing cash flows, at a market interest rate for long-term debt instruments that approximates the term of the termination benefits obligation up to their expiration date.

2.17.3. Incentive bonuses

The Company has an annual incentive bonus plan for achieving objectives, based on the individual conditions of each employment contract. These incentives consist of a percentage of the applicable monthly salary and are accrued on the basis of the estimated amount to be paid.

2.18. Provisions

The Company recognizes provisions when:

- ✓ It has a present obligation, whether legal or constructive, as a result of past events;
- ✓ It is probable that an outflow of resources will be necessary to settle the obligation; and
- ✓ The amount of the obligation can be estimated reliably.

The amount recognized as a provision must be the best estimate of the disbursement necessary to pay the present obligation at the end of the reporting period.

2.19. Classification of balances (current and non-current)

In the Consolidated Statements of Financial Position, balances are classified as current when the maturity is equal to twelve months or less from the cut-off date of the Interim Consolidated Financial Statements and as non-current, when it is in excess of that period.

2.20. Revenue and Expense Recognition

The Company recognizes revenue from the following main sources:

- ✓ Passenger transportation service
- ✓ Sales channel
- ✓ Lease of stores, and commercial and advertising spaces
- ✓ Lease of inter-modal terminals
- ✓ Lease of spaces for phone and fiber optic antennas
- ✓ Lease of land
- ✓ Advisory services

The income is measured based on the consideration specified in the contracts with customers. The Company recognizes revenue when it transfers control of a product or service to a customer.

Revenue from passenger transportation service: The Company has a contract in place with the Ministry of Transport and Telecommunications of Chile to provide public passenger transportation services in Santiago.

Passenger transportation service revenue is recognized at fair value, and is recorded daily based on use (number of trips) when a user passes the Bip card through the turnstile. This number is multiplied by the technical fare.

Revenue sales channel - Santiago Metro maintains a contract with the Ministry of Transport and Telecommunications of Chile, providing services of issuance and post sale of the means of access and provision of marketing network and loading the means of access to the transportation system public passenger of Santiago. These revenues are recognized monthly and are equivalent to a total percentage of collections for transport fees charged in the means of payment. Consequently, revenues are recognized over time to the extent that the performance obligation is met.

Revenue from lease of stores, and commercial and advertising spaces: Revenue from operating leases are recognized monthly on an accrual basis.

Revenue from lease of intermodal terminals: Intermodal terminal revenue is recognized monthly on an accrual basis.

Revenue from lease space for telephone and fiber optic antennas: This kind or revenue are recognized monthly on an accrual basis.

Revenue from lease of land: Revenue from lease of land is recognized monthly on an accrual basis.

Revenue from advisory services: Metro de Santiago provides advisory services to foreign both public and private companies that are developing railway systems. This revenue is recognized over time in the Financial Statements based on the hours incurred in the advisory services project, to the extent that the performance obligations under the service contract are fulfilled.

Expenses include both losses and expenses that arise in the ordinary activities of the Company. Expenses also include cost of sales, salaries and depreciation. In general, expenses represent an outflow or decrease in assets such as cash and cash equivalents, inventory or property, plant and equipment.

2.21. Lease agreements

The Company as lessor

The Company has a contract with the characteristics of a financial lease, which has been accounted for as established in IFRS 16 "Leases". Finance leases are leases where the lessor transfers substantially all the risks and rewards incidental to ownership of the asset to the lessee. Contracts that do not fulfill the characteristics of a financial lease are classified as operating leases, i.e., a lease is an operating lease when the lessor conserves a significant part of the risks and advantages, derived from the ownership of the assets leased.

When the assets are leased under finance leases, the Company recognizes the assets held in finance leases and presents them as account receivable for an amount equivalent to the net investment in the lease. The net investment is calculated as the right of collection of the lease, calculated at the current value of the installments lease.

Subsequently, the Company recognizes the finance income over the term of the lease, based on a model that reflects a constant rate of return on the net financial investment made in the lease.

The Company as lessee

The Company evaluates whether a contract is or contains a lease, at the beginning of the contract, if it contains, it recognizes a right to use the asset and a liability for lease. The start date of the lease is that on which the lessor makes the asset available to the lessee for its use.

The valuation of the right to use the asset includes the following items:

- ✓ The amount of the initial valuation of the lease liability
- ✓ Any lease payment made to the lessor prior to the start date or on the start date.
- ✓ Any initial direct cost incurred by the lessee.
- ✓ An estimate of the costs that the Company will incur in dismantling and withdrawing or restoring the asset.

Subsequently, the right-of-use asset will be accounted for in accordance with

IAS 16 Properties, plants and equipment.

The valuation of the lease liabilities corresponds to the current value of the lease installments, discounted using the implicit interest rate and / or otherwise the incremental interest in the lease.

2.22. New IFRS and interpretations issued by the IFRS Interpretations Committee (IFRIC).

New standards, amendments to standards and interpretations that are mandatory for the first time for periods beginning on January 1, 2019.

New IFRS	**Mandatory effective date**
IFRS 16 — Leases	Annual periods beginning on or after January 1, 2019
IFRS Amendments	**Mandatory effective date**
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	Annual periods beginning on or after January 01, 2019
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	Annual periods beginning on or after January 01, 2019
Annual Improvements 2015-2017 cycle (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	Annual periods beginning on or after January 01, 2019
Plan Amendment, Curtailment or Settlement (Amendment to IAS 19)	Annual periods beginning on or after January 01, 2019
New Interpretations	**Mandatory effective date**
IFRIC 23 Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 01, 2019

Management evaluated the impact of the application of IFRS 16 by analyzing the lease contracts and also the service contracts, where there might be assets providing exclusive use and enjoyment (imbedded assets).

Under this evaluation, these contracts meet the definition of a lease under IFRS 16 and therefore the Company would recognize an asset for right of use and also a liability in regards to all the installments payable for those leases.

In accordance with the provisions of IFRS 16, the Company analyzed the contracts in force as of September 30, 2019. This review process considered the formal aspects and in addition the information provided by the Project Chiefs, in order to determine whether there are embedded assets that can substantially be used and enjoyed exclusively by the Company.

At the end of the review, the Company concludes that there are no significant contracts under the scope of IFRS 16, as they are smaller contracts or low amounts, however, the Company is constantly evaluating new contracts capable of applying this standard.

Impact of application of Amendments, New Interpretations

The application of the amendments and new interpretations did not have a significant impact on the amounts reported in these Interim Consolidated Financial Statements. However, they may affect the accounting for future transactions or arrangements.

The following new standards and interpretations have been issued but their application date is not yet mandatory:

New IFRS	**Mandatory effective date**
IFRS 17 — Insurance Contracts	Annual periods beginning on or after January 1, 2021
IFRS Amendments	**Mandatory effective date**
Sale or Contributions of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date indefinitely postponed
Definition of a Business (Amendments to IFRS 3)	Annual periods beginning on or after January 1, 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	Annual periods beginning on or after January 1, 2020
Revised Conceptual Framework for Financial Reporting	Annual periods beginning on or after January 1, 2020

Management believes that the future application of these rules and amendments and interpretations will not have a significant effect on the Interim Consolidated Financial Statements.

3. Management estimates and accounting criteria

The estimates and criteria used by management are continuously assessed and are based on historical experience and other factors, including the expectation of occurrence of future events that are considered reasonable based on the circumstances.

The most relevant are detailed below:

3.1. Severance indemnity payments

The Company recognizes the liability for provision for compensation years of service agreed upon using an actuarial methodology that considers factors such as the discount rate, effective turnover and other factors specific to the Company. Any change in these factors and their assumptions will have an impact on the carrying amount of the obligation.

The Company determines the discount rate periodically according to market conditions, as of the valuation date. This interest rate is used to determine the present value of estimated future cash outflows to be required to settle the severance obligation. When determining interest rates, the Company considers representative rates of financial instruments that are denominated in the currency in which the obligation is expressed and which have expiry terms that are close to the payment terms of such obligation.

Actuarial gains and losses arise from variances between estimated and actual performance of actuarial assumptions and/or the restatement of established actuarial assumptions, which are reported directly in Other Comprehensive Income for the period.

3.2. Useful life of property, plant and equipment

Property, plant and equipment and intangible assets with finite useful lives are depreciated using the straight-line method on the basis of an estimated useful life. Such estimate takes into consideration technical aspects, nature and conditions of use of those assets and might vary significantly as a consequence of technological innovations or other variables, which will imply adjusting the remaining useful lives, and recognizing higher or lower depreciation, as applicable. Likewise, residual values are determined based on technical aspects that might vary in accordance with the specific conditions of each asset.

3.3. Litigation and other contingencies

The Company has various types of lawsuits for which it is not possible to determine exactly the economic effects that these may have on the Interim Consolidated Financial Statements. In cases where the Administration and the lawyers expect an unfavorable result, provisions have been made with a charge to expense based on estimates of the maximum amounts to be paid.

3.4. Measurements and/or valuations at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses the assumptions that market participants would use when establishing the price of the asset or liability under current market conditions, including assumptions regarding risk. To measure fair value the following must be determined:

a) The concrete asset or liability to be measured.

b) For a non-financial asset, the maximum and best use of the asset and if the asset is used in combination with other assets or in an independent manner.

c) The market in which an orderly transaction would take place for the asset or liability; and

d) The appropriate valuation technique(s) to be used when measuring fair value. The valuation technique(s) used must maximize the use of relevant observable entry data and minimize non-observable entry data.

To determine the expected loss model of IFRS 9 (simplified model), the Company and its subsidiary have introduced variables in the simplified model so that they can measure fair value based on historical data, percentages of recoverability of accounts receivable and macroeconomic variables.

Market value hierarchies for items at fair value:

Each of the market values for the financial instruments is supported by a methodology for calculation and entry of information. Each of them has been analyzed to determine at which of the following levels they can be allocated:

Level 1, corresponds to methodologies using market units (without adjustment) in active markets and considering the same assets and liabilities valued.

Level 2, corresponds to methodologies using market trading data, not included in Level 1, which are observable for the assets and liabilities valued, whether directly (prices) or indirectly (derived from prices).

Level 3, corresponds to methodologies using valuation techniques, which include data on the assets and liabilities valued, which are not supported on observable market data.

The Company measures and/or evaluates all financial instruments at their fair value upon initial measurement and they are subsequently valued at amortized cost, except for derivative transactions and cross currency swaps (CCS), which continue to be valued at their fair value after their initial recognition.

The Company hierarchically classifies its measurement of fair value under level 2, as established in IFRS 13, and the costs of transactions attributable to those instruments are recognized in income as they are incurred.

The changes in the fair value for the Interest Rate Swap (IRS) are considered as components of the net profit or loss of the year, while for the Cross Currency Swap (CCS) the changes in the fair value are considered in Equity.

Valuation techniques used to measure fair value for assets and liabilities:

The valuation techniques used by the Company are appropriate under the circumstances and there is sufficient data available on the Company's assets and liabilities to measure their fair value, maximizing the use of observable variables and minimizing the use of non-observable variables. The specific technique used by the Company to valuate and/or measure the fair value of its assets (derivative financial instruments) is the discounted cash flow method, based on market demand curves.

Entry data for fair value measurement:

Level 1:

- ✓ Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2:

- ✓ Quoted prices for identical or similar assets in markets that are not active.
- ✓ Variables other than quoted prices that are observable for the asset, for example: Interest rates, observable yield curves at commonly quoted intervals and implicit volatilities.

Level 3:

- ✓ Unobservable inputs.

Items where gains (losses) are recognized on fair value measurements.

Fair value measurement gains (losses) in Interest Rate Swaps (IRS) are recognized as Other Gains (Losses) in profit or loss, while for Cross Currency Swaps (CCS) they are recognized in Equity.

Fair value measurement for assets and liabilities

A fair value measurement requires determining the particular asset or liability to be measured (Derivative financial instruments). This is why, when measuring fair value the Company keeps in mind the characteristics of the asset or liability in the same manner as market participants would take them into account when establishing the price of that asset or liability on the measurement date. The characteristics include the restrictions for asset recognition or the payment of the liability (if any).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2019 AND 2018 AND AS OF DECEMBER 31, 2018

The detail and classification of financial assets as of September 30, 2019 and as of December 31, 2018 is as follows:

09-30-2019	Amortized Cost ThCh$	Assets at Fair value through profit or loss ThCh$	Assets at Fair value through equity ThCh$	Total ThCh$
Trade and other receivables	19,193,981	-	-	19,193,981
Cash and cash equivalents	**70,102,075**	**2,301,407**	-	**72,403,482**
Cash and banks	-	2,301,407	-	2,301,407
Term deposits	67,656,278	-	-	67,656,278
Repurchase agreements	2,445,797	-	-	2,445,797
Other financial assets	**159,520,631**	**225,425**	**6,331,783**	**166,077,839**
Term deposits	106,220,586	-	-	106,220,586
Derivative transactions	-	225,425	6,331,783	6,557,208
Financial lease	2,054,500	-	-	2,054,500
Promissory notes receivable	665,607	-	-	665,607
Advertising receivables	48,041,628	-	-	48,041,628
Other financial assets	2,538,310	-	-	2,538,310
Total financial assets	**248,816,687**	**2,526,832**	**6,331,783**	**257,675,302**

12-31-2018	Amortized Cost ThCh$	Assets at Fair value through profit or loss ThCh$	Assets at Fair value through equity ThCh$	Total ThCh$
Trade and other receivables	16,259,769	-	-	16,259,769
Cash and cash equivalents	**163,592,097**	**1,518,585**	-	**165,110,682**
Cash and banks	-	1,518,585	-	1,518,585
Term deposits	148,658,483	-	-	148,658,483
Repurchase agreements	14,933,614	-	-	14,933,614
Other financial assets	**237,296,031**	**8,244,567**	-	**245,540,598**
Term deposits	183,001,269	-	-	183,001,269
Derivative transactions	-	8,244,567	-	8,244,567
Financial lease	1,838,732	-	-	1,838,732
Promissory notes receivable	665,620	-	-	665,620
Advertising receivables	51,783,963	-	-	51,783,963
Other financial assets	6,447	-	-	6,447
Total financial assets	**417,147,897**	**9,763,152**	-	**426,911,049**

The detail and classification of financial liabilities as of September 30, 2019 and as of December 31, 2018 is as follows:

09-30-2019	Amortized Cost ThCh$	Liabilities at Fair value through profit or loss ThCh$	Liabilities at Fair value through equity ThCh$	Total ThCh$
Interest-bearing loans	2,201,465,296	-	-	2,201,465,296
Trade and other payables	144,210,988	-	-	144,210,988
Hedge liabilities	-	1,865	1,089,714	1,091,579
Other financial liabilities	30,942	-	-	30,942
Total financial liabilities	**2,345,707,226**	**1,865**	**1,089,714**	**2,346,798,805**

12-31-2018	Amortized Cost ThCh$	Liabilities at Fair value through profit or loss ThCh$	Liabilities at Fair value through equity ThCh$	Total ThCh$
Interest-bearing loans	2,171,840,271	-	-	2,171,840,271
Trade and other payables	126,950,450	-	-	126,950,450
Hedge liabilities	-	2,906,557	-	2,906,557
Other financial liabilities	28,594	-	-	28,594
Total financial liabilities	**2,298,819,315**	**2,906,557**	-	**2,301,725,872**

4. Cash and cash equivalents

Balances of cash and cash equivalents are detailed as follows:

Item	Currency	09-30-2019 ThCh$	12-31-2018 ThCh$
Cash			
Cash on hand	Ch$	214,510	125,150
	USD	15,708	7,247
	Euros	-	3,380
Bank	Ch$	2,067,290	1,378,595
	USD	3,899	4,213
Total cash		**2,301,407**	**1,518,585**
Term deposits	Ch$	63,519,011	133,152,535
	USD	4,137,267	15,505,948
Total term deposits		**67,656,278**	**148,658,483**
Repurchase agreements	Ch$	2,445,797	11,806,167
	USD	-	3,127,447
Total repurchase agreements		**2,445,797**	**14,933,614**
Total cash and cash equivalents		**72,403,482**	**165,110,682**
Subtotal by currency	Ch$	68,246,608	146,462,447
	USD	4,156,874	18,644,855
	Euros	-	3,380

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2019 AND 2018 AND AS OF DECEMBER 31, 2018

Cash equivalents represent short-term highly liquid investments such as term deposits and fixed income investments –repurchase agreements- that are easily convertible into cash, and are subject to insignificant risk of changes in value, which are maintained to comply with short-term payment commitments. The detail for the 2019 period and the 2018 year is as follows:

Term deposits

Type of investment	Currency of origin	Principal in currency of origin in thousands	Annual average rate	Average days to maturity	Principal in domestic currency ThCh$	Accrued interest in domestic currency ThCh$	Carrying amount 09-30-2019 ThCh$
Term deposits	Ch$	63,465,618	2.15%	16	63,465,618	53,393	63,519,011
	USD	5,674.50	2.56%	3	4,132,224	5,043	4,137,267
Total					**67,597,842**	**58,436**	**67,656,278**

Type of investment	Currency of origin	Principal in currency of origin in thousands	Annual average rate	Average days to maturity	Principal in domestic currency ThCh$	Accrued interest in domestic currency ThCh$	Carrying amount 12-31-2018 ThCh$
Term deposits	Ch$	132,920,188	2.99%	25	132,920,188	232,347	133,152,535
	USD	22,273.87	2.72%	18	15,475,217	30,731	15,505,948
Total					**148,395,405**	**263,078**	**148,658,483**

Repurchase agreements

Code	Date		Counterparty	Original currency	Subscription rate ThCh$	Annual rate %	Amount as of closing ThCh$	Instrument identification	Carrying amount 09-30-2019 ThCh$
	Beginning	End							
CRV	09-26-2019	1-10-2019	BCI CORREDOR DE BOLSA S.A.	Ch$	945,000	1.99%	945,252	PAGARE NR	945,202
CRV	09-23-2019	3-10-2019	ITAU CORREDOR DE BOLSA	Ch$	1,500,000	1.99%	1,500,850	PAGARE NR	1,500,595
Total					**2,445,000**		**2,446,102**		**2,445,797**

Code	Date		Counterparty	Original currency	Subscription rate ThCh$	Annual rate %	Amount as of closing ThCh$	Instrument identification	Carrying amount 12-31-2018 ThCh$
	Beginning	End							
CRV	12-28-2018	01-02-2019	ITAU CORREDOR DE BOLSA	Ch$	800,000	2.30%	800,307	PAGARE NR	800,184
CRV	12-21-2018	01-02-2019	BCI CORREDOR DE BOLSA S.A.	Ch$	5,100,000	2.50%	5,105,100	PAGARE NR	5,104,250
CRV	12-28-2018	01-03-2019	ITAU CORREDOR DE BOLSA	Ch$	1,000,000	2.30%	1,000,460	PAGARE NR, PDBC	1,000,230
CRV	12-27-2018	01-04-2019	ITAU CORREDOR DE BOLSA	Ch$	4,900,000	2.30%	4,903,005	PAGARE NR	4,901,503
CRV	12-28-2018	01-03-2019	BCI CORREDOR DE BOLSA S.A.	USD	695,690	2.10%	695,013	PAGARE R	694,891
CRV	12-27-2018	01-03-2019	BANCO DE CHILE	USD	2,428,428	2.45%	2,433,052	BCP	2,432,556
Total					**14,924,118**		**14,936,937**		**14,933,614**

5. Trade and other receivables, current

As of September 30, 2019 and as of December 31, 2018, this item consists of the following:

Trade and Other Receivables, Gross	09-30-2019 ThCh$	12-31-2018 ThCh$
Trade debtors and other accounts receivable, gross	**18,748,028**	**15,584,946**
Trade receivables, gross (*)	9,696,538	9,088,968
Sales channel accounts receivable, gross	7,345,527	4,474,084
Other receivables, gross	1,705,963	2,021,894

Trade and Other Receivables, Net	09-30-2019 ThCh$	12-31-2018 ThCh$
Trade and other receivables, net	**18,126,068**	**14,973,044**
Trade receivables, net	9,074,578	8,477,066
Sales channel accounts receivable, net	7,345,527	4,474,084
Other receivables, net	1,705,963	2,021,894

(*) Effective as of July 1, 2018, a contract was made with Massiva S.A., lasting a period of 10 years, which establishes a minimum annual guaranteed income (MAG) payable during the term of the contract.

As of September 30, 2019 and as of December 31, 2018, the analysis of net trade and accounts receivable by age and expiration date is detailed below:

Trade receivables, net	09-30-2019 ThCh$	12-31-2018 ThCh$
Aged 3 months	1,730,296	2,711,980
Aged more than 3 months up to 1 year	1,971,740	5,548,940
Aged more than 1 year	5,372,542	216,146
	9,074,578	**8,477,066**

Sales Channel Accounts Receivable, net	09-30-2019 ThCh$	12-31-2018 ThCh$
Aged 3 months	4,624,759	4,160,380
Aged more than 3 months up to 1 year	2,663,722	302,020
Aged more than 1 year	57,046	11,684
Total	**7,345,527**	**4,474,084**

Other Receivables, net	09-30-2019 ThCh$	12-31-2018 ThCh$
With 3 months maturity	458,372	547,072
With 3 months up to 1 year maturity	1,247,591	1,474,822
Total	**1,705,963**	**2,021,894**

Movements as of September 30, 2019 and as of December 31, 2018 in the impairment provision are as follows:

Past due and outstanding trade receivables with impairment	ThCh$
Balance as of December 31, 2017	**752,768**
Increase for the period	164,800
Decrease for the period	(169,197)
Write-offs for the period	(136,469)
Balance as of December 31, 2018	**611,902**
Increase for the period	126,831
Decrease for the period	(115,273)
Write-offs for the period	(1,500)
Balance as of September 30, 2019	**621,960**

The Company establishes a provision based on an expected loss for trade receivables.

The Company only uses the provision method and no direct write-offs, for better control of this item. Once pre-judicial and judicial collection measures have been exhausted, the assets are written-off against the provision recorded.

6. Inventories

This item comprises the following:

Classes of inventories	09-30-2019 ThCh$	12-31-2018 ThCh$
Inventories and stock	2,030,563	1,674,937
Spare parts and accessories for maintenance	13,495,448	14,350,329
Imports in transit and other	409,966	375,928
Total	**15,935,977**	**16,401,194**

As of September 2019 and 2018, the consumption of inventories was recorded within the cost of sale line of the Consolidated Interim Statement of Comprehensive Income, for a value of ThCh$ 6,936,662 and ThCh$ 6,078,314, respectively.

As of September 2019, the write-offs of inventories amount to ThCh$ 6,624. As of the same period of the previous year they amounted to ThCh$ 67. Based on the analysis carried out by the Technical Management for the stock of spare parts, maintenance accessories and supplies presented in this group, no objective evidence of impairment was found for this asset class.

During the year, the Company records no inventory items subject to pledge or guarantee.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2019 AND 2018 AND AS OF DECEMBER 31, 2018

7. Intangible assets other than goodwill

They correspond to licences and software and transit easemets. Their accounting recognition is initially carried out at their acquisition cost and subsequently they are valued at the net cost of their corresponding accumulated amortization and the impairment losses they have experienced.

Licences ans software are amortized linearly over their economic useful life, which is estimated at four years, while easements, products that contracts are established in perpetuity, are considered to have an indefinite useful life and, therefore, are not amortized.

At the balance sheet date, the Company found no objective evidence of impairment for this type of asset.

The items within the Interim Consolidated Statement of Comprehensive Income that include amortization of intangible assets with finite useful lives are in the cost of sales and administrative expenses line items.

There are no intangible assets with ownership restrictions or that provide security for any liabilities of the Company.

a) Intangible assets other than goodwill for the 2019 period and the 2018 year, are as follows:

Item	09-30-2019			12-31-2018		
	Intangible assets, ThCh$	Accumulated amortization ThCh$	Intangible assets, net ThCh$	Intangible assets, gross ThCh$	Accumulated amortization ThCh$	Intangible assets, net ThCh$
Licenses and Software	9,112,308	(4,962,540)	4,149,768	6,533,324	(4,471,100)	2,062,224
Easements	4,327,229	-	4,327,229	4,329,892	-	4,329,892
Total	**13,439,537**	(4,962,540)	8,476,997	10,863,216	(4,471,100)	6,392,116

b) Movements of intangible assets other than goodwill for the period ended as of September 30, 2019, are as follows:

Movements	Licenses and Software ThCh$	Easements ThCh$	Total intangible assets, net ThCh$
Opening balance 01-01-2019	2,062,224	4,329,892	6,392,116
Additions	2,578,984	3,000	2,581,984
Transfers	-	(5,663)	(5,663)
Amortization	(491,440)	-	(491,440)
Closing balance 09-30-2019	4,149,768	4,327,229	8,476,997
Average remaining useful life	4 years	Indefinite	

c) Movements of intangible assets other than goodwill for the year ended as of December 31, 2018, are as follows:

Movements	Licenses and Software ThCh$	Easements ThCh$	Total intangible assets, net ThCh$
Opening balance 01-01-2018	1,699,561	4,236,078	5,935,639
Additions	198,498	93,814	292,312
Transfers	549,115	-	549,115
Amortization	(384,950)	-	(384,950)
Closing balance 12-31-2018	2,062,224	4,329,892	6,392,116
Average remaining useful life	3 years	Indefinite	

8. Property, plant and equipment

a) Property, plant and equipment items comprise the following:

Property, plant and equipment	09-30-2019 ThCh$	12-31-2018 ThCh$
Classes of property, plant and equipment, net		
Property, plant and equipment, net	**4,890,294,087**	**4,705,488,071**
Works in progress, net	472,562,712	1,436,411,396
Land, net	132,899,647	132,620,404
Civil works, net	2,699,974,256	1,916,968,710
Buildings, net	168,374,098	111,266,828
Rolling stock, net	1,011,781,979	807,013,830
Electrical equipment, net	364,030,961	262,608,816
Machinery and equipment, net	23,225,928	23,294,181
Other, net	17,444,506	15,303,906
Classes of property, plant and equipment, gross		
Property, plant and equipment, gross	**5,678,777,852**	**5,407,739,528**
Works in progress, gross	472,562,712	1,436,411,396
Land, gross	132,899,647	132,620,404
Civil works, gross	2,910,783,007	2,101,706,180
Buildings, Gross	190,245,220	130,851,477
Rolling stock, gross	1,318,628,081	1,080,002,565
Electrical equipment, gross	590,941,406	467,357,214
Machinery and equipment, gross	45,273,273	43,486,386
Other, gross	17,444,506	15,303,906
Classes of accumulated depreciation and impairment, Property, plant and equipment		
Total accumulated depreciation and impairment, Property, plant and equipment	**788,483,765**	**702,251,457**
Accumulated depreciation of civil works	210,808,751	184,737,470
Accumulated depreciation of buildings	21,871,122	19,584,649
Accumulated depreciation of rolling stock	306,846,102	272,988,735
Accumulated depreciation of electrical equipment	226,910,445	204,748,398
Accumulated depreciation of machinery and equipment	22,047,345	20,192,205

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2019 AND 2018 AND AS OF DECEMBER 31, 2018

b) The detail of movements in property, plant and equipment for the 2019 period and 2018 year, is as follows:

	2019 movements	Works in progress	Land	Civil works	Buildings	Rolling stock	Electrical equipment	Machinery and equipment	Other	Property, plant and equipment, net
	Opening balance at January 1, 2019	1,436,411,396	132,620,404	1,916,968,710	111,266,828	807,013,830	262,608,816	23,294,181	15,303,906	4,705,488,071
Movements	Additions	117,082,206	447,231	99,598,163	121,139	10,740,587	46,424,484	763,770	11,517	275,189,097
	Transfers	(1,080,930,890)	-	709,478,821	59,289,688	227,908,469	77,426,035	1,219,109	-	(5,608,768)
	Spare parts transfer	-	-	-	-	-	-	-	2,129,083	2,129,083
	Derecognition or sales	-	(167,988)	-	(16,799)	(16,789)	(46,858)	(7,722)	-	(256,156)
	Depreciation expenses	-	-	(26,071,438)	(2,286,758)	(33,864,118)	(22,381,516)	(2,043,410)	-	(86,647,240)
	Total movements	(963,848,684)	279,243	783,005,546	57,107,270	204,768,149	101,422,145	(68,253)	2,140,600	184,806,016
	Closing balance as of September 30, 2019	472,562,712	132,899,647	2,699,974,256	168,374,098	1,011,781,979	364,030,961	23,225,928	17,444,506	4,890,294,087

	2018 movements	Works in progress	Land	Civil works	Buildings	Rolling stock	Electrical equipment	Machinery and equipment	Other	Property, plant and equipment, net
	Opening balance at January 1, 2018	1,157,111,593	120,662,471	1,925,737,534	113,577,576	779,374,981	286,157,192	24,535,587	16,286,386	4,423,443,320
Movements	Additions	336,592,039	12,956,156	9,038,190	18,606	14,657,494	(355,514)	1,121,933	-	374,028,904
	Transfers	(57,292,236)	-	6,520,574	137,269	49,544,364	378,238	162,676	-	(549,115)
	Spare parts transfer	-	-	-	-	-	-	-	(884,222)	(884,222)
	Derecognition or sales	-	(998,223)	(72)	-	(55,775)	(90,739)	(34,599)	(98,258)	(1,277,666)
	Depreciation expenses	-	-	(24,327,516)	(2,466,623)	(36,507,234)	(23,480,361)	(2,491,416)	-	(89,273,150)
	Total movements	279,299,803	11,957,933	(8,768,824)	(2,310,748)	27,638,849	(23,548,376)	(1,241,406)	(982,480)	282,044,751
	Closing balance as of December 31, 2018	1,436,411,396	132,620,404	1,916,968,710	111,266,828	807,013,830	262,608,816	23,294,181	15,303,906	4,705,488,071

c) The useful lives of the main assets are as follows:

Item	Estimated useful life in years
Road network	60
Stations	100
Tunnels	100
Rolling stock	41

d) Impairment

As of the reporting date, the Company did not find objective evidence of impairment of its property, plant and equipment as described in Note 2.8.

e) Investment projects

As of September 30, 2019, the estimated balance to be executed for the authorized projects that are part of the Company's expansion plan amounts to approximately MCh$ 474,158, composed, by investment type, of: MCh$ 273,339 Civil Works, MCh$ 164,978 Systems and Equipment and MCh$ 35,841 Rolling Stock, with scheduled end in the year 2026.

As of December 31, 2018, the estimated balance to be executed for the authorized projects that are part of the Company's expansion plan amounts to approximately MCh$ 342,971, composed of investment type in: MCh$ 108,956 Civil Works, MCh$ 82,919 Systems and Equipment and MCh$ 151,096 Rolling Stock, with term in the year 2026.

f) Spare parts and accessories

As of September 30, 2019, spare parts and accessories and maintenance materials amounted to ThCh$ 20,000,286 (ThCh$ 17,871,203 in 2018). These amounts include spare parts that have remained idle for over four years, which resulted in an allowance for obsolescence of ThCh$ 2,643,866 during the 2019 period and 2018 year.

g) Other disclosures

1. There are no property, plant and equipment items that are out of service.

   The gross carrying amount of property, plant and equipment that is fully amortized and is still in use is ThCh$ 38,398,633 as of September 30, 2019 (ThCh$ 24,659,873 in 2018).

2. There are no material property, plant and equipment items that have been removed and not classified, that are recorded as held for sale in accordance with IFRS 5.

3. The Company revalued the useful life of rolling stock NS74.

h) Financing costs

During 2019, costs of capitalized interests of property, plant and equipment amounted to ThCh$ 12,119,157 (ThCh$ 32,116,945 in 2018).

9. Investment property

Investment property corresponds mainly to commercial stores, land and buildings that are held by the Company to be exploited under operating leases.

Investment property is measured using the cost model.

The total investment property amounts to ThCh$ 25,436,892 as of September 30, 2019 (ThCh$ 22,641,419 in 2018).

Investment property	Commercial stores	Land	Buildings	Total
Balance as of 01-01-2019	13,781,411	607,816	8,252,192	22,641,419
Movements	3,040,440	-	-	3,040,440
Depreciation	(173,987)	-	(70,980)	(244,967)
Balances as of 09-30-2019	**16,647,864**	**607,816**	**8,181,212**	**25,436,892**

Investment property	Commercial stores	Land	Buildings	Total
Balance 01-01-2018	13,982,989	607,816	8,346,832	22,937,637
Depreciation	(201,578)	-	(94,640)	(296,218)
Balances as of 12-31-2018	**13,781,411**	**607,816**	**8,252,192**	**22,641,419**

As established by IAS 40, an estimate of the fair value must be disclosed, for investment properties valued at the Cost Model, for this purpose we have determined their calculation through internal valuations, based on projected future discounted cash flows. It is estimated that as of September 30, 2019 this fair value amounts to ThCh$ 198,876,396 (ThCh$ 125,895,646 in 2018).

Investment property has been classified as a Level 3 fair value, based on the inputs for the valuation technique used (see Note 3.4).

Item	09-30-2019 ThCh$	12-31-2018 ThCh$
Commercial stores	127,794,574	77,614,269
Land	58,036,930	39,851,927
Buildings	13,044,892	8,429,450
Total	**198,876,396**	**125,895,646**

Income and expenses from investment property as of September 2019 and 2018 is as follows:

Investment property income and expenses	Accumulated		Quarter	
	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	07-01-2019 09-30-2019 ThCh$	07-01-2018 09-30-2018 ThCh$
Commercial stores	4,679,983	4,091,822	1,002,112	869,948
Land	2,035,360	2,041,650	1,113,857	1,159,439
Buildings	567,675	517,987	191,183	159,690
Total rental income	**7,283,018**	**6,651,459**	**2,307,152**	**2,189,077**
Commercial stores (real estate tax)	(115,706)	(115,620)	(39,271)	(40,119)
Land (real estate tax)	(41,543)	(35,305)	(13,848)	(9,771)
Buildings (real estate tax)	(84,068)	(83,153)	(28,023)	(28,483)
Commercial stores (depreciation)	(173,987)	(151,052)	(61,523)	(50,263)
Buildings (depreciation)	(35,459)	(40,307)	(11,820)	(16,668)
Total lease expenses	**(450,763)**	**(425,437)**	**(154,485)**	**(145,304)**

The Company has no evidence of impairment of investment property nor does it maintain pledges, mortgages or other guarantees.

Lease contracts generally establish the obligation to maintain and repair properties. Therefore, expenses are borne by the lessees, except for expenses for the payment of property taxes, which are borne by the less or.

The future cash flow projections associated with commercial stores, land and buildings, based on a discount rate of 3.32% as of September 2019 (4.92% as of September 2018), are the following:

Item	09-30-2019 ThCh$	09-30-2018 ThCh$
Commercial stores		
Up to 1 year	4,319,312	3,645,778
More than 1 year up to 5 years	19,601,739	15,819,279
More than 5 years	107,061,478	55,799,203
Land		
Up to 1 year	1,939,716	1,912,261
More than 1 year up to 5 years	8,802,744	8,297,432
More than 5 years	48,079,139	29,267,460
Buildings		
Up to 1 year	462,669	376,025
More than 1 year up to 5 years	2,099,667	1,631,599
More than 5 years	11,468,035	5,755,124
Total	**203,834,499**	**122,504,161**

10. Other financial assets, current and non-current

Other current and non-current financial assets are detailed below:

Item	09-30-2019		12-31-2018	
	Current ThCh$	Non-current ThCh$	Current ThCh$	Non-current ThCh$
Financial investments, more than three months	106,220,586	-	183,001,269	-
Derivative transactions	1,839,625	4,717,583	4,244,173	4,000,394
Financial lease	187,924	1,866,576	57,871	1,780,861
Promissory notes receivable	-	665,607	-	665,620
Advertising receivable (*)	-	48,041,628	-	51,783,963
Other accounts receivable (**)	2,532,981	5,329	-	6,447
Total	**110,781,116**	**55,296,723**	**187,303,313**	**58,237,285**

(**) Effective as of July 1, 2018, a contract was made with Massiva S.A., lasting a period of 10 years, which establishes a minimum annual guaranteed income (MAG) payable during the term of the contract.

(**) This is an escrow contract made with Banco Santander for the custody of Metro Emisora de Medios de Pago S.A. funds.

Financial investments, over 3 months

Term deposits

Type of investment	Currency of origin	Principal in currency of origin in thousands	Annual average rate	Average days to maturity	Principal in domestic currency ThCh$	Accrued interest in domestic currency ThCh$	Carrying amount 09-30-2019 ThCh$
Term deposits	Ch$	105,783,348	2.44%	71	105,783,348	422,313	106,205,661
	USD	20.00	3.23%	45	14,564	361	14,925
Total					105,797,912	422,674	106,220,586

Type of investment	Currency of origin	Principal in currency of origin in thousands	Annual average rate	Average days to maturity	Principal in domestic currency ThCh$	Accrued interest in domestic currency ThCh$	Carrying amount 12-31-2018 ThCh$
Term deposits	Ch$	177,585,521	3.21%	77	177,585,521	996,658	178,582,179
	USD	6,299.10	2.84%	38	4,376,430	42,660	4,419,090
Total					181,961,951	1,039,318	183,001,269

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Derivative transactions

Financial assets as of 09-30-2019

									Current			Non-current		
									Maturity		Total, current	Maturity		Total non-current
Tax ID No.	Name	Country	Tax ID No.	Name	Country	Currency	Nominal rate	Type of amortization	Up to 90 days	90 days - 1 year	09-30-2019	1 to 3 years	Over 5 years	09-30-2019
									ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	-	161,420	161,420	-	(202,467)	(202,467)
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	USD	4.75000%	maturity	-	161,420	161,420	-	33,569	33,569
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	-	161,420	161,420	-	788,826	788,826
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	-	161,420	161,420	-	719,363	719,363
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	-	161,420	161,420	-	289,255	289,255
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	-	161,420	161,420	-	456,307	456,307
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	-	161,420	161,420	-	458,623	458,623
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	USD	4.75000%	maturity	-	161,420	161,420	-	416,732	416,732
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	-	215,227	215,227	-	1,911,540	1,911,540
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	-	107,613	107,613	-	(154,165)	(154,165)
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	USD	4.19000%	half-yearly	-	225,425	225,425	-	-	-
						Total			**-**	**1,839,625**	**1,839,625**	**-**	**4,717,583**	**4,717,583**

Financial assets as of 12-31-2018

									Maturity		Total, current	Maturity		Total non-current
Tax ID No.	Name	Country	Tax ID No.	Name	Country	Currency	Nominal rate	Type of amortization	Up to 90 days	90 days - 1 year	12-31-2018	1 to 3 years	Over 5 years	12-31-2018
									ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	(287,261)	(287,261)
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	(57,552)	(57,552)
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	657,975	657,975
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	607,324	607,324
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	202,936	202,936
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	347,956	347,956
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	359,245	359,245
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	USD	4.75000%	maturity	401,519	-	401,519	-	313,433	313,433
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	535,359	-	535,359	-	1,677,903	1,677,903
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	4.75000%	maturity	267,680	-	267,680	-	(216,565)	(216,565)
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	USD	4.19000%	half-yearly	228,982	-	228,982	395,000	-	395,000
						Total			**4,244,173**	**-**	**4,244,173**	**395,000**	**3,605,394**	**4,000,394**

Financial lease agreements

On August 1, 2004 and through July 31, 2034, the Company leased out to Enel Distribución Chile S.A. (Ex ChilectraS.A.) each and every one of the components of the SEAT Rectification Substations, Vicente Valdés and the 20 KV networks up to their arrival to the verifying spots. The useful life of the assets has the same duration as the respective lease contract, therefore and in accordance with IFRS 16, it is a finance lease. For that reason, machinery and equipment was derecognized from property, plant and equipment and was recognized as a right to collect payments for lease, calculated at the present value of the lease payments.

The present value of the lease payments receivable is projected until the year 2034, considering a discount rate of 10% that is expressed in the respective lease agreement.

Metro S.A. issues an annual invoice to Enel Distribución Chile S.A., during the first 15 days of July, which shall be paid 30 days after that invoice is received. The payments that the tenant makes are divided into two parts, one that represents the financial burden and another which reduces the existing debt. The total financial burden is distributed among the years that constitute the term of the lease.

There are no amounts of unsecured residual values accrued in favor of the lessor.

There is no accumulated provision for minimum payments on uncollectible leases.

There are no contingent leases recognized as income for the year.

Outstanding future minimum lease payments	09-30-2019			12-31-2018		
	Gross Amount ThCh$$	Interest ThCh$	Current Value ThCh$	Gross Amount ThCh$$	Interest ThCh$	Current Value ThCh$
Up to 1 year	230,346	42,422	187,924	219,769	161,897	57,871
More than 1 year up to 5 years	1,151,730	744,378	407,352	1,098,842	710,196	388,646
More than 5 years	2,073,113	613,889	1,459,224	1,977,914	585,699	1,392,215
Total	**3,455,189**	**1,400,689**	**2,054,500**	**3,296,525**	**1,457,792**	**1,838,732**

11. Other non-financial assets, current and non-current

Other current and non-current non-financial assets are detailed below:

Other non-financial assets, current	09-30-2019 ThCh$	12-31-2018 ThCh$
Pre-paid expenses	5,279	68,913
Advance payments to suppliers and personnel	8,971,277	5,516,348
Advance for collective bargaining recognition and fulfillment bonus	2,038,465	-
Other accounts receivable	780,303	1,285,354
Total	**11,795,324**	**6,870,615**

Other non-financial assets, non-current	09-30-2019 ThCh$	12-31-2018 ThCh$
Funds allocated to pay for expropriations of new lines	13,838,369	14,964,451
VAT credit	12,607,877	7,197,689
Investment land under lease contracts	1,008,758	991,623
Advance for severance indemnities and other loans to personnel	2,523,740	1,658,987
Advance for collective bargaining recognition and fulfillment bonus	4,076,929	-
Total	**34,055,673**	**24,812,750**

12. Other financial liabilities, current and non-current

This item comprises the following:

Item	09-30-2019		12-31-2018	
	Current ThCh$	Non-current ThCh$	Current ThCh$	Non-current ThCh$
Interest-bearing loans	70,181,100	428,976,505	45,616,568	425,286,270
Bonds	59,362,012	1,642,945,679	66,532,986	1,634,404,447
Derivative transactions	1,091,579	-	2,906,557	-
Other	-	30,942	-	28,594
Total	**130,634,691**	**2,071,953,126**	**115,056,111**	**2,059,719,311**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2019 AND 2018 AND AS OF DECEMBER 31, 2018

Half-yearly and equivalent interest-bearing loans as of 09-30-2019

								Current			Non-current			
								Maturity		Total, current	Maturity			Total non-current
Tax ID No.	Name	Country	Tax ID No.	Name	Country	Currency	Nominal and effective rate	Up to 90 days ThCh$	90 days - 1 year ThCh$	09-30-2019 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	09-30-2019 ThCh$
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	USD	5.00%	21,340,439	21,380,259	42,720,698	100,988,891	63,686,906	102,656,302	267,332,099
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	USD	0.66%	907,480	2,201,558	3,109,038	9,262,075	4,814,997	5,438,557	19,515,629
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	Euros	2.00%	24,271	39,120	63,391	169,649	21,289	-	190,938
61.219.000-3	Metro S.A.	Chile	O-E	Sumitomo Mitsui Banking Corp	Japan	USD	4.05%	13,369,678	10,918,295	24,287,973	65,509,772	43,673,181	32,754,886	141,937,839
						Total		**35,641,868**	**34,539,232**	**70,181,100**	**175,930,387**	**112,196,373**	**140,849,745**	**428,976,505**

Half-yearly and equivalent interest-bearing loans as of 12-31-2018

								Current			Non-current			
								Maturity		Total, current	Maturity			Total non-current
Tax ID No.	Name	Country	Tax ID No.	Name	Country	Currency	Nominal and effective rate	Up to 90 days ThCh$	90 days - 1 year ThCh$	12-31-2018 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	12-31-2018 ThCh$
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	USD	5.20%	14,943,983	16,433,799	31,377,782	95,843,637	56,951,928	105,703,788	258,499,353
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	USD	0.67%	1,490,658	1,473,014	2,963,672	8,836,753	5,328,258	6,554,736	20,719,747
61.219.000-3	Metro S.A.	Chile	O-E	Natixis Bank	France	Euros	2.00%	31,651	31,255	62,906	178,685	51,630	-	230,315
61.219.000-3	Metro S.A.	Chile	O-E	Sumitomo Mitsui Banking Corp	Japan	USD	4.37%	-	11,212,208	11,212,208	62,501,509	41,667,673	41,667,673	145,836,855
						Total		**16,466,292**	**29,150,276**	**45,616,568**	**167,360,584**	**103,999,489**	**153,926,197**	**425,286,270**

Interest-bearing loans:

- ✓ Loan from Natixis Bank (financial protocol of the French Government to the Chilean government) in the amount of US$ 87,793,769.88. As of September 30, 2019 it has been fully used, leaving a principal balance of US$ 31,039,107.03 (US$ 34,062,109.03 in 2018).

- ✓ Loan from Natixis Bank (financial protocol of the French Government to the Chilean government) in the amount of €1,573,093.76. As of September 30, 2019 it has been fully used, leaving a principal balance of Euros 319,171.51 (Euros 368,450.20 in 2018).

- ✓ Buyer Credit Agreement for Extension Projects on Line 5 to Maipú and Extension of Line 1 to Los Dominicos, with a syndicate of international banks headed by BNP Paribas, in the amount of US$ 260,000,000.00. This financing is not guaranteed by the Government. As of September 30, 2019 it has been fully used, leaving a principal balance of US$ 22,487,467.88 (US$ 29,983,290.50 in 2018).

- ✓ Buyer Credit Agreement for Extension Projects on Lines 3 and 6, with a syndicate of international banks headed by BNP Paribas S.A., of US$ 550,000,000,00 signed on December 18, 2014. On October 26, 2016, the Company agreed with the bank on reducing the authorized amount to US$ 450,000,000,00. This financing is not guaranteed by the Government. As of September 30, 2019 US$ 420,143,077.71 have been used, leaving a principal balance of US$ 395,658,397.82 (US$ 385,099,856.32 in 2018).

  This agreement requires, in each calendar year, a debt to equity ratio equal to or less than 1.70 times and a minimum equity of ThCh$ 700 million. Those covenants are calculated and determined using the consolidated financial statements prepared as of December 31 of each calendar year and presented to the CMF.

- ✓ Financial Loan Agreement for Extension Projects on Lines 3 and 6, with a syndicate of international banks headed by Sumitomo Mitsui Banking, in the amount of US$ 250,000,000,00 signed on December 18, 2014. On October 26, 2016, the Company agreed with the bank on reducing the authorized amount to US$ 225,000,000.00. This financing is not guaranteed by the Government. As of September 30, 2019 and 2018, US$ 224,900,000.00 have been used.

  This agreement requires, in each calendar year, a debt to equity ratio equal to or less than 1.70 times and a minimum equity of ThCh$ 700 million. Those covenants are calculated and determined using the consolidated financial statements prepared as of December 31 of each calendar year and presented to the CMF.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2019 AND 2018 AND AS OF DECEMBER 31, 2018

Bonds payable

The Company’s domestic and foreign bonds as of 09-30-2019

											Current			Non-current			
											Maturity		Total current	Maturity			Total non-current
Series	Tax ID No. Debtor	Name	Country Debtor	Tax ID No. Bank	Banco RTB (*) and payer	Country	Currency	Nominal rate	Nominal effective	Type of amortization	Up to 90 days ThCh$	90 days - 1 year ThCh$	09-30-2019 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	09-30-2019 ThCh$
A	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	6.3%	half-yearly	2,945,095	3,906,709	6,851,804	27,978,409	32,396,052	14,231,751	74,606,212
B	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	5.9%	half-yearly	2,455,399	1,472,548	3,927,947	11,412,246	16,198,026	11,607,642	39,217,914
C	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.5%	5.5%	half-yearly	2,804,853	3,768,800	6,573,653	16,829,118	30,853,383	30,783,068	78,465,569
D	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.1%	half-yearly	2,804,853	3,833,063	6,637,916	16,829,118	21,036,398	47,907,754	85,773,270
E	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	4.9%	half-yearly	2,650,566	1,308,932	3,959,498	11,780,383	7,853,588	45,148,043	64,782,014
F	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.0%	half-yearly	888,204	1,396,954	2,285,158	7,993,831	5,329,221	30,518,442	43,841,494
G	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	4.5%	3.1%	half-yearly	1,308,931	1,443,562	2,752,493	10,471,452	7,853,588	52,859,467	71,184,507
H	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.3%	4.5%	half-yearly	2,804,853	2,855,241	5,660,094	-	-	-	-
I	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.7%	4.8%	half-yearly	3,633,556	4,346,337	7,979,893	21,801,336	14,534,224	28,635,736	64,971,296
J	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.5%	4.5%	half-yearly	5,584,468	-	5,584,468	22,438,802	14,959,201	70,711,692	108,109,695
K	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.8%	4.0%	half-yearly	-	240,849	240,849	-	-	142,333,211	142,333,211
L	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.9%	3.8%	maturity	610,603	-	610,603	-	-	41,765,973	41,765,973
M	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	2.9%	2.5%	half-yearly	-	221,634	221,634	-	-	114,538,707	114,538,707
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	USD	4.8%	4.9%	maturity	-	2,738,373	2,738,373	-	-	361,234,402	361,234,402
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	USD	5.0%	5.2%	maturity	-	3,337,629	3,337,629	-	-	352,121,415	352,121,415
							Total				**28,491,381**	**30,870,631**	**59,362,012**	**147,534,695**	**151,013,681**	**1,344,397,303**	**1,642,945,679**

The Company’s domestic and foreign bonds as of 12-31-2018

											Current			Non-current			
											Maturity		Total current	Maturity			Total non-current
Series	Tax ID No. Debtor	Name	Country Debtor	Tax ID No. Bank	Banco RTB (*) and payer	Country	Currency	Nominal rate	Nominal effective	Type of amortization	Up to 90 days ThCh$	90 days - 1 year ThCh$	12-31-2018 ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	12-31-2018 ThCh$
A	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	6.3%	half-yearly	5,106,067	2,894,408	8,000,475	17,366,448	31,838,487	29,605,690	78,810,625
B	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.6%	5.9%	half-yearly	1,447,204	1,846,902	3,294,106	8,683,224	15,919,244	15,306,272	39,908,740
C	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	5.5%	5.5%	half-yearly	4,963,753	2,756,579	7,720,332	16,539,474	20,674,343	45,411,840	82,625,657
D	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.1%	half-yearly	4,136,860	1,837,720	5,974,580	16,539,474	11,026,316	62,441,784	90,007,574
E	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	4.9%	half-yearly	1,286,404	1,741,301	3,027,705	10,934,430	7,718,421	46,506,158	65,159,009
F	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	5.5%	5.0%	half-yearly	2,008,692	872,917	2,881,609	6,983,334	5,237,500	32,738,233	44,959,067
G	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	4.5%	3.1%	half-yearly	2,196,700	1,286,406	3,483,106	9,004,826	7,718,421	56,352,873	73,076,120
H	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.3%	4.5%	half-yearly	2,972,905	2,756,579	5,729,484	5,492,137	-	-	5,492,137
I	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.7%	4.8%	half-yearly	5,254,094	3,571,018	8,825,112	21,426,115	14,284,077	35,228,709	70,938,901
J	61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	4.5%	4.5%	half-yearly	-	586,132	586,132	22,052,610	14,701,740	73,145,128	109,899,478
K	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.8%	4.0%	half-yearly	1,568,166	-	1,568,166	-	-	139,688,410	139,688,410
L	61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.9%	3.8%	maturity	-	205,872	205,872	-	-	41,034,893	41,034,893
M	61.219.000-3	Metro S.A.	Chile	97.080.000-K	Banco Bice	Chile	UF	2.9%	2.5%	half-yearly	971,810	-	971,810	-	-	112,733,235	112,733,235
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	USD	4.8%	4.9%	maturity	6,737,822	-	6,737,822	-	-	344,245,879	344,245,879
	61.219.000-3	Metro S.A.	Chile		Deutsche Bank T	USA	USD	5.0%	5.2%	maturity	7,526,675	-	7,526,675	-	-	335,824,722	335,824,722
							Total				**46,177,152**	**20,355,834**	**66,532,986**	**135,022,072**	**129,118,549**	**1,370,263,826**	**1,634,404,447**

(*) RTB: Representative of Bondholders.

On July 31, 2001, December 5, 2001, August 9, 2002, September 3, 2003, June 23, 2004 and September 14, 2005, the Company issued Series A to G bonds in the domestic market, all calculated on the basis of a 360-day year, at a 25-year term with 10 years of grace period for the principal payment, with half-yearly interest payments and without early redemption.

On September 3, 2008, the Company placed Series H and I bonds in the domestic market, calculated on the basis of a 360-day year, with a 12-year term and 7 years of grace period for series H and a 21-year term with 10 years of grace period for Series I, with half-yearly interest payments and early redemption.

On November 18, 2009, the Company placed Series J bonds in the domestic market, calculated on the basis of a 360-day year, at a 25-year term with 10 years of grace period, with half-yearly payment of interest and without early redemption.

On October 6, 2011, the Company placed series K bonds in the domestic market, calculated on the basis of a 360-day year, at a 21-year term with 16 years of grace period for principal payment, with half-yearly interest payments and allowing early redemption.

On May 24, 2012, the Company placed Series L bonds in the domestic market, calculated on the basis of a 360-day year, at a 21-year term with 21 years of grace period for principal payment, with payment of half-yearly interest and allowing early redemption.

On February 4, 2014, the Company placed a bond in the international market for MUS$500 with a 4.846% interest rate for placement. The bond’s coupon rate is 4.75%, calculated on the basis of a 360-day year, at 10-year term with 10 years of grace period for principal payment, with payment of half-yearly interest and allowing early redemption.

On September 29, 2016, the Company issued Series M bonds in the domestic market, calculated on the basis of a 360-day year, at a 30-year term with 26 years of grace period for principal payment, with payment of half-yearly interest and allowing early redemption.

On January 25, 2017, the Company placed a bond in the international market for MUS$500 with a 5.151% interest rate for placement. The bond’s coupon rate is 5.00%, calculated on the basis of a 360-day year, at 30-year term with 30 years of grace period for principal payment, with payment of half-yearly interest and allowing early redemption.

The Series A and B bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196, 18,382 and 19,702, in Exempt Decree 117 issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 389 issued by the Ministry of Finance, both on April 20, 2001.

The Series C bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196, 18,382 and 19,774, in Exempt Decree 274 issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 363 issued by the Ministry of Finance, both on May 13, 2002.

The Series D and E bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196 and 19,847, Exempt Decree 222 dated April 29, 2003 issued by the Ministries of Finance and Economy and of Development and Reconstruction, and Supreme Decree 356 issued by the Ministry of Finance on May 7, 2003.

The Series F bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196 and 19,847. The authorization to issue and guarantee bonds in the domestic market was authorized by Supreme Decree 1,024, dated November 11, 2003 issued by the Ministries of Finance and Economy and of Development and Reconstruction.

The Series G bonds are guaranteed by the State, in accordance with Law Decree 1,263 and Laws No, 18,196 and 19,847. The authorization to issue and guarantee bonds in the domestic market was authorized by Supreme Decree 592, dated May 11, 2005 issued by the Ministries of Finance and Economy and of Development and Reconstruction.

The Series H, I, J, K, L, M and International bonds are not guaranteed, notwithstanding the creditors' general pledge right set forth in Chilean law.

The Company is not subject to any financial or other restrictive covenants under the instruments governing its Series A to G bonds. For the Series H, I, J, K and L bonds, the Company is required during each calendar year to maintain a debt/equity ratio that is lower than 1,7, equity in excess of ThCh$ 700 million and an interest coverage ratio greater than 1.0. Those covenants are calculated and determined using the consolidated financial statements prepared as of December 31 of each calendar year and presented to the CMF. International bonds are not subject to related restrictions or covenants.

Series M bonds require in each calendar year a debt to equity ratio equal to or less than 1.70 times and a minimum equity of ThCh$ 700 million.

Those covenants are calculated and determined using the consolidated financial statements prepared as of December 31 of each calendar year and presented to the CMF. International bonds are not subject to related restrictions or covenants.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS ENDED AS OF SEPTEMBER 30, 2019 AND 2018 AND AS OF DECEMBER 31, 2018

Derivative transactions

Financial liabilities as of 09-30-2019

									Current		
									Maturity		Total, current
Tax ID No.	Name	Country	Tax ID No.	Name	Country	Currency	Nominal rate	Type of amortization	Up to 90 days	90 days - 1 year	09-30-2019
									ThCh$	ThCh$	ThCh$
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.66%	maturity	-	115,659	115,659
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.59%	maturity	-	112,799	112,799
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.51%	maturity	-	107,105	107,105
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.41%	maturity	-	104,939	104,939
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.44%	maturity	-	107,632	107,632
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.51%	maturity	-	108,723	108,723
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.45%	maturity	-	107,092	107,092
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.50%	maturity	-	108,494	108,494
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.50%	maturity	-	138,800	138,800
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.73%	maturity	-	78,471	78,471
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	USD	1.56%	half-yearly	-	1,865	1,865
						Total			-	1,091,579	1,091,579

Financial liabilities as of 12-31-2018

									Current		
									Maturity		Total, current
Tax ID No.	Name	Country	Tax ID No.	Name	Country	Currency	Nominal rate	Type of amortization	Up to 90 days	90 days - 1 year	12-31-2018
									ThCh$	ThCh$	ThCh$
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.66%	maturity	296,349	-	296,349
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.59%	maturity	289,021	-	289,021
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.51%	maturity	274,433	-	274,433
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.41%	maturity	268,881	-	268,881
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.44%	maturity	275,782	-	275,782
61.219.000-3	Metro S.A.	Chile	97.036.000-K	Banco Santander	Chile	UF	3.51%	maturity	278,578	-	278,578
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.45%	maturity	274,398	-	274,398
61.219.000-3	Metro S.A.	Chile	97.032.000-8	Bilbao Vizcaya Argentaria	Chile	UF	3.50%	maturity	277,992	-	277,992
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.50%	maturity	355,643	-	355,643
61.219.000-3	Metro S.A.	Chile	97.004.000-5	Banco de Chile	Chile	UF	3.73%	maturity	201,064	-	201,064
61.219.000-3	Metro S.A.	Chile	59.046.320-5	BNP Paribas	France	USD	1.95%	half-yearly	114,416	-	114,416
						Total			2,906,557	-	2,906,557

Reconciliation of financial liabilities derived from financing activities.

Item	Balance as of 12-31-2018	Cash flows from financing activities		Changes that have no effect on cash flow from financing activities		Balance as of 09-30-2019
		From	Used	Exchange rate differences	Other	
Interest-bearing loans	470,902,838	16,619,127	(26,201,215)	22,972,632	14,864,223	499,157,605
Bonds	1,700,937,433	-	(90,810,511)	49,801,529	42,379,240	1,702,307,691
Derivative transactions	2,906,557	10,510,451	(7,320,438)	-	(5,004,991)	1,091,579
Total	**2,174,746,828**	**27,129,578**	**-124,332,164**	**72,774,161**	**52,238,472**	**2,202,556,875**

13. Other non-financial liabilities, current and non-current

Other current and non-current non-financial liabilities are detailed below:

Current	09-30-2019 ThCh$	12-31-2018 ThCh$
Real estate tax	5,664,271	5,082,556
Deferred income (*)	776,263	759,859
Deferred advertising income (**)	6,198,920	5,013,831
Guarantees received	1,523,241	14,105,731
Total	**14,162,695**	**24,961,977**

Non-Current	09-30-2019 ThCh$	12-31-2018 ThCh$
Deferred income (*)	2,881,902	3,009,656
Deferred advertising income (**)	48,041,628	51,783,963
Total	**50,923,530**	**54,793,619**

(*) Corresponds to advances on operating leases.

(**) Effective as of July 1, 2018, a contract was made with Massiva S.A., lasting a period of 10 years, which establishes a minimum annual guaranteed income (MAG) payable during the term of the contract.

14. Balances and transactions with related parties

Documents and accounts receivable:

As of September 30, 2019 and as of December 31, 2018, the Company records no outstanding balances of receivables from related parties.

Documents and accounts payable:

These are contributions received from the Government of Chile for network expansion projects. As of September 30, 2019, contributions pending capitalization amounted to ThCh$ 83,517,309 (ThCh$ 3,500,000 in 2018).

Transactions:

The Company received ThCh$ 80,017,309 in contributions from the Chilean Treasury in the third quarter of 2019 and contributions of ThCh$ 243,515,684 in the third quarter of 2018.

The outstanding balance to be capitalized amounts to ThCh $ 83,517,309 as of September 30, 2019, and consists of contributions received during the years 2019 and 2018.

As detailed in Note 12 to the financial statements, the Chilean Treasury is guarantor of certain bank loans and bonds issued by the Company.

Key management personnel

The key personnel of Metro S.A. are those persons with authority and responsibility for planning, directing and controlling the entity's activities. The Company has determined that the key management personnel are the Directors, General Manager and Managers of the Company's different areas (principal executives).

The expense for compensation received by key management personnel is detailed as follows:

Directors' income are as follows:

Directors' income	Accumulated		Quarter	
	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	07-01-2019 09-30-2019 ThCh$	07-01-2018 09-30-2018 ThCh$
Fixed remuneration	152,183	123,054	50,097	43,429
Variable remunerations	8,089	38,249	8,089	7,310
Total	**160,272**	**161,303**	**58,186**	**50,739**

Board of Directors' expenses

As of September 30, 2019, there were no airplane ticket expenses (ThCh$ 534 as of September 30, 2018).

As of September 30, 2019, there were no Per Diem travel allowance expenses (ThCh$ 910 as of September 30, 2018).

Remunerations of the General Manager and Other Managers:

As of September 30, 2019, the compensation paid to the General Manager was ThCh$ 198,918 (ThCh$ 181,760 as of September 30, 2018) and compensation paid to Other Managers (19 most senior executives) was ThCh$ 2,416,900 (ThCh$ 2,229,492 paid to the 18 most senior executives as of September 30, 2018).

15. Trade and other payables

This item comprises the following:

Current Liabilities	09-30-2019 ThCh$	12-31-2018 ThCh$
Debts for purchases or services received	59,888,663	81,078,971
Accounts payable to Transantiago system	7,305,904	8,254,913
Withholdings	2,077,219	3,223,693
Supplier of property, plant and equipment	70,658,964	27,543,656
Megaproject contract withholding	2,005,608	4,707,124
Other payables	493,394	778,868
Accounts payable to AVO (Americo Vespucio Oriente)	233,085	233,085
Total	**142,662,837**	**125,820,310**

Non-Current Liabilities	09-30-2019 ThCh$	12-31-2018 ThCh$
Megaproject contract withholding	-	390,845
Accounts payable to AVO (Americo Vespucio Oriente)	1,548,151	739,295
Total	**1,548,151**	**1,130,140**

16. Segment information

The Company reports segmented information in accordance with what is established in IFRS 8 "Operating Segments". IFRS 8 stipulates that this Standard must be applied by entities with capital stock or debt securities of which are publicly traded or by entities that are in the process of issuing securities to be traded in public markets.

The Company is a joint-stock that must be subject to the rules of open stock corporations in Chile, and its purpose is to carry out all activities of the passenger transport service in metropolitan railways or other complementary electrical systems, and surface transport services by bus or vehicles of any technology, as well as those annexed to said line of business. In this regard, the Company may incorporate, or have an interest in, companies, and carry out any act or operation related to the corporate purpose, whose main income corresponds to the transportation of passengers.

The processes associated with the provision of services are based on a common technological and administrative infrastructure, the current activities are framed in the provision of services in a national environment, and have a common environment in terms of economic and political conditions.

The Company manages its operations and presents its financial information as one single operating segment: transportation of passengers in the city of Santiago, Chile, considering that all other areas of business are derived by this main business.

17. Employee benefits

Current

Item	09-30-2019 ThCh$	12-31-2018 ThCh$
Accrued vacations	6,996,853	4,516,177
Employee benefit obligations	2,874,339	2,592,006
Production bonus obligations	5,488,376	7,680,684
Total	**15,359,568**	**14,788,867**

Non-current

Item	09-30-2019 ThCh$	12-31-2018 ThCh$
Provision for terminations of employment contracts	14,587,200	13,825,546
Provision for resignations	42,327	45,490
Provision for mortality	622,017	658,621
Advance for severance indemnity payments	(1,843,904)	(1,732,423)
Total	**13,407,640**	**12,797,234**

Movements in severance indemnity payments for the period ended September 30, 2019 and for the 2018 year are detailed as follows:

Item	ThCh$
Liabilities as of 01.01.2019	12,797,234
Service interest	459,458
Benefits paid	(588,764)
Actuarial profit (loss)	739,712
Liabilities as of 09-30-2019	**13,407,640**

Item	ThCh$
Liabilities as of 01.01.2018	13,191,367
Service interest	679,712
Benefits paid	(1,224,035)
Actuarial profit (loss)	150,190
Liabilities as of 12-31-2018	**12,797,234**

Sensitivity analysis

Reasonable possible changes in the relevant actuarial assumptions at the reporting date, provided that other assumptions remain constant, would have affected the defined benefit obligation by the following amounts:

2019

Items	Increase	Base	Decrease	Increase ThCh$	Decrease ThCh$
Discount rates (change of 0.5)	3.620%	3.120%	2.620%	13,308,084	13,411,700
Increase in salary (change of 0.5)	4.530%	4.030%	3.530%	13,148,457	13,676,365
Labor turnover (25% change)	1.813%	1.450%	1.088%	13,383,687	13,432,490
Mortality rate (25% change)	25.00%	CB14 and RV14	-25.00%	13,392,969	13,422,491

2018

Items	Increase	Base	Decrease	Increase ThCh$	Decrease ThCh$
Discount rates (change of 0.5)	5.290%	4.790%	4.290%	12,574,678	13,027,381
Increase in salary (change of 0.5)	4.530%	4.030%	3.530%	13,069,182	12,534,729
Labor turnover (25% change)	1.813%	1.450%	1.088%	12,786,668	12,808,257
Mortality rate (25% change)	25.00%	CB14 and RV14	-25.00%	12,787,140	12,807,471

Projection of the actuarial calculation for the following year:

The projected calculation for the following year is ThCh$ 13,849,265.

Estimate of expected cash flows for the following year:

The Company estimates that for the following years there will be expected payment flows for obligations on a monthly average of ThCh$ 86,061 as of September 30, 2019 (ThCh$ 97,547 as of September 30, 2018).

Opening for actuarial revaluation of obligations:

The Company made the revaluation of its obligations as of September 30, 2019, there being a gain of ThCh$ 464,882 for the update of the financial assumptions (gain ThCh$ 716,986 as of September 30, 2018) and a loss of ThCh$ 1,204,594 from experience (loss of ThCh$ 965,965 as of September 30, 2018).

Item/Profit (loss)	**09-30-2019 ThCh$**	**09-30-2018 ThCh$**
Revaluation of financial parameters	464,882	716,986
Revaluation due to experience	(1,204,594)	(965,965)
Total deviation for the period	(739,712)	(248,979)

General considerations

The Company has benefits that are agreed upon with its active employees and frozen severance indemnity payments, which require actuarial valuation and it has collective agreements, which include benefits for the concept of termination, voluntary retirement and death of an employee. In agreements with its unions, the Company froze the benefits accrued by employees on different dates.

Frozen severance:

Frozen indemnity corresponds to the severance benefits established in the respective collective agreements of the Company. The benefit is based on the various reasons for termination of the employment contract, such as on employee’s resignation and death.

The freezing dates established in the agreements are May 31, 2002, August 31, 2003 and November 30, 2003, depending on the union and the reason for the termination.

Legal indemnity:

The company does not record liabilities associated to legal severance pay since this qualifies under IAS 19 as a termination benefit and it is an uncertain obligation.

Actuarial assumptions:

Actuarial assumptions are long-term assumptions and should there be sufficient substantive evidence, they must be updated.

1. Mortality:

   The CB-H-2014 men and RV-M-2014 women's mortality tables established by the Chilean Superintendence of Pensions and Financial Market Commission were used.

2. Employee turnover:

   The turnover tables were prepared using information available in the Company. Constant ratios may be observed in the following table:

Reason	Rate %
Dismissal	1.26
Resignation	0.12
Other	0.07

3. Discount rate:

The real annual discount rates used for each year are as follows:

Year	Rate %
12-31-2018	1.74
09-30-2019	3.12

4. Termination:

The estimated maximum average termination ages are:

Employee	Age
Women	62 years
Men	68 years

18. Income tax

The Company had a negative first category (corporate) tax base of ThCh$ 1,241,057,044 as of September 2019, of ThCh$ 1,147,464,084 as of December 2018, and of ThCh$ 1,016,182,354 as of September 2018, determined in accordance with current legal provisions; therefore no income tax provision has been recognized as of these dates.

Because the Company has consistently recorded tax losses since the 1996 taxable year, the Company considers that it is unlikely that there will be sufficient future taxable profits to allow it to reverse the deferred tax assets, therefore these have been recognized up to the amount of deferred tax liabilities(1).

Temporary Difference	Tax assets		Tax liabilities	
	09-30-2019 ThCh$	12-31-2018 ThCh$	09-30-2019 ThCh$	12-31-2018 ThCh$
Provision for impairment of accounts receivable	155,490	152,976	-	-
Deferred revenue	914,541	942,379	-	-
Accrued vacations	1,749,213	1,129,044	-	-
Severance indemnity	1,348,792	1,594,368	-	-
Provision for lawsuits	150,404	198,915	-	-
Maintenance provision	1,706,686	620,104	-	-
Provision for employee benefits	718,585	648,001	-	-
Provision for spare parts	660,967	660,967	-	-
Irrecoverable VAT credit for extensions	-	-	32,012,775	31,415,873
Capitalized expenses	-	-	61,934,109	55,966,525
Property, plant and equipment	149,861,486	130,341,061	-	-
Tax loss	310,264,261	286,866,021	-	-
Other	2,247,086	3,633,174	-	-
Subtotal	469,777,511	426,787,010	93,946,884	87,382,398
Deferred tax assets, net	375,830,627	339,404,612	-	-
Reduction of deferred tax assets (1)	(375,830,627)	(339,404,612)	-	-
Deferred taxes, net	-	-	-	-

19. Provisions, contingencies and guarantees

As of September 30, 2019 and as of December 31, 2018, the Company is involved in legal proceedings (civil and labor), which include subsidiary lawsuits, which are not provisioned because of the application of IAS 37, due to their almost non-existent probability of unfavorable judgment.

The amount of the provision for lawsuit is as follows:

Other short-term provisions	09-30-2019 ThCh$	12-31-2018 ThCh$
Provision for lawsuits	601,615	795,662
Total	**601,615**	**795,662**

According to the current status of legal proceeding, Management believes those provisions recorded in the Interim Consolidated Financial Statements properly cover the risks associated with the litigation, which are not expected to generate any additional liabilities.

Considering the risk’s characteristics that these provisions cover, is impossible to determinate a reasonable payment schedule.

Movements of provisions are as follows:

Item	Amount ThCh$
Balance 01-01-2018	1,744,461
Accrued provisions	1,458,581
Cash payments	(2,407,380)
Balances as of 12-31-2018	795,662
Accrued provisions	599,280
Cash payments	(793,327)
Balances as of 09-30-2019	601,615

Direct guarantees

The guarantees granted by the Company are in UF, expressed in thousands of Chilean pesos as of September 30, 2019. They are according to the following detail.

Type of guarantee	No. of guarantee	Issuing entity	Currency	Amount	Beneficiary	Issue date	Maturity date	Status	Rate ThCh$
Bank Guarantee	390834	Banco Santander	UF	150.00	Aguas Andina S.A.	05-24-2018	10-19-2019	Valid	4,207
Bank Guarantee	3733113	Banco Santander	UF	10,000.00	Enel Distribuidora S.A.	09-28-2018	11-17-2019	Valid	280,485
Bank Guarantee	3865891	Banco Santander	UF	1,128.00	Director Gral de Concesiones de O. Publicas	11-26-2018	12-31-2019	Valid	31,639
Bank Guarantee	141234	Banco Santander	UF	22,500.00	Pelicano Solar Company SpA	09-28-2018	12-31-2019	Valid	631,092
Bank Guarantee	168873	Banco Scotiabank	UF	10,000.00	San Juan S.A.	03-08-2019	04-01-2020	Valid	280,485
Bank Guarantee	4439142	Banco Santander	UF	5,000.00	Subsecretaría de Transportes	07-01-2019	08-10-2020	Valid	140,243
Bank Guarantee	4439143	Banco Santander	UF	5,000.00	Subsecretaría de Transportes	07-01-2019	08-10-2020	Valid	140,243
Bank Guarantee	4439144	Banco Santander	UF	5,000.00	Subsecretaría de Transportes	07-01-2019	08-10-2020	Valid	140,243
Bank Guarantee	4439145	Banco Santander	UF	5,000.00	Subsecretaría de Transportes	07-01-2019	08-10-2020	Valid	140,243
Bank Guarantee	4439146	Banco Santander	UF	5,000.00	Subsecretaría de Transportes	07-01-2019	08-10-2020	Valid	140,243
Bank Guarantee	4439148	Banco Santander	UF	5,000.00	Subsecretaría de Transportes	07-01-2019	08-10-2020	Valid	140,243
Bank Guarantee	4439149	Banco Santander	UF	5,000.00	Subsecretaría de Transportes	07-01-2019	08-10-2020	Valid	140,243
Bank Guarantee	4439150	Banco Santander	UF	5,000.00	Subsecretaría de Transportes	07-01-2019	08-10-2020	Valid	140,243
Bank Guarantee	4439151	Banco Santander	UF	5,000.00	Subsecretaría de Transportes	07-01-2019	08-10-2020	Valid	140,243
Bank Guarantee	4439152	Banco Santander	UF	5,000.00	Subsecretaría de Transportes	07-01-2019	08-10-2020	Valid	140,243
Bank Guarantee	4399158	Banco Santander	UF	1,000.00	Subsecretaría de Transportes	07-01-2019	08-10-2020	Valid	28,049
Bank Guarantee	4437905	Banco Santander	UF	19,607.45	Junaeb	05-30-2019	06-30-2022	Valid	549,960

As of the closing date of the Interim Consolidated Financial Statements, there are no balances pending payment, since they are Performance Guarantees.

20. Changes in equity

2019 Capital increase

On September 27, 2019, an Extraordinary Shareholders' Meeting was held, in which it was agreed:

- ✓ Increase the capital through the capitalization of government contributions in the amount of ThCh$ 96,614,721, nominal value, through the issuance 3,427,269,280 payment shares of the "A" series, which CORFO will subscribe and pay no later than December 31 of 2019.

2018 Capital increase

On December 28, 2018, an Extraordinary Shareholders' Meeting was held, in which it was agreed:

- ✓ Increase the Company's capital by capitalizing government contributions of ThCh$ 275,672,487 at a nominal value, intended for financing extension and improvement projects for the Metro Network and for the debt service, through the issuance of 10,109,002,111 Series A shares which the Chilean Government and CORFO would have to subscribe and pay in pro rata of their ownership interest.

On December 11, 2018, CORFO paid the government contributions signed on September 24, 2018.

At the Extraordinary Shareholders' Meeting held on September 24, 2018, the shareholders of the Company agreed to:

✓ Increase capital through the capitalization of government contributions in the amount of ThCh$ 97,500,000, nominal value, through the issuance 3,320,844,687 payment shares of the “A” series, which CORFO will subscribe and pay no later than December 31 of 2018.

a. Capital

The capital as of September 30, 2019, is represented by 83,599,501,224 and 19,163,677,063 registered shares with no nominal value Series A and B respectively, corresponding 68,784,746,639 shares to the CORFO and 33,978,431,648 shares to the Chilean Government.

The capital as of December 31, 2018, is represented by 80,172,231,944 and 19,163,677,063 registered shares with no nominal value Series A and B respectively, corresponding 65,357,477,359 shares to the CORFO and 33,978,431,648 shares to the Chilean Government.

Series A shares correspond to the initial capital and capital increases that are subscribed and paid by the Government and CORFO and cannot be disposed of. Series B shares correspond to capital increases that could allow the incorporation of other shareholders.

Shareholders are detailed as follows:

Shareholders	09-30-2019			12-31-2018		
	Number of shares and percentages					
	Subscribed shares	Paid-in shares	Ownership %	Subscribed shares	Paid-in shares	Ownership %
Corporación de Fomento de la Producción	68,784,746,639	65,357,477,359	66.94%	65,357,477,359	65,357,477,359	65.79%
Chilean Treasury - Ministry of Finance	33,978,431,648	33,978,431,648	33.06%	33,978,431,648	33,978,431,648	34.21%
Total	**102,763,178,287**	**99,335,909,007**	**-**	**99,335,909,007**	**99,335,909,007**	**-**
Corporación de Fomento de la Producción						
Series A	56,681,275,333	53,254,006,053	-	53,254,006,053	53,254,006,053	-
Series B	12,103,471,306	12,103,471,306	-	12,103,471,306	12,103,471,306	-
Total	**68,784,746,639**	**65,357,477,359**	**-**	**65,357,477,359**	**65,357,477,359**	**-**
Chilean Treasury - Ministry of Finance						
Series A	26,918,225,891	26,918,225,891	-	26,918,225,891	26,918,225,891	-
Series B	7,060,205,757	7,060,205,757	-	7,060,205,757	7,060,205,757	-
Total	**33,978,431,648**	**33,978,431,648**	**-**	**33,978,431,648**	**33,978,431,648**	**-**

b. Distribution of net income and dividends

The Company's dividend policy is in accordance with current legislation according to which at least 30% of net profits for the year must be distributed as cash dividends, unless otherwise resolved by the Shareholders' Meeting by the unanimous vote of the outstanding shares issued.

At the Ordinary Shareholders' Meeting held on April 29, 2019, it was agreed not to distribute profits or distribute dividends.

c. Non-controlling interests

Non-controlling interests correspond to the recognition by the Company of the share in the equity and net income of its subsidiary not directly or indirectly attributable to the Company, The detail for periods ended as of September 30, 2019 and 2018, respectively, is as follows:

Subsidiary	Percentage Non-controlling interest		Non-controlling interest equity		Share of profit or loss income (expense)	
	2019 %	2018 %	2019 ThCh$	2018 ThCh$	2019 ThCh$	2018 ThCh$
Transub S.A.	33.33	33.33	(10,645)	(10,645)	-	-

d. Other reserves

Other reserves are composed of revaluation of paid-in capital for the year of transition to IFRS, revaluation surplus (first-time adoption) of land and adjustments originating from the change in IFRS accounting standard, as stated in Ruling 456 issued by the Financial Market Commission:

The cash flow hedge reserve arises from the application of hedge accounting in certain financial assets and liabilities. The purpose of this reserve is to affect the profit or loss or the assets only when the hedges are settled.

Other reserves	**09-30-2019 ThCh$**	**12-31-2018 ThCh$**
Price-level restatement of paid-in capital	30,336,377	30,336,377
Revaluation surplus	3,042,584	3,042,584
Reserves for defined benefit plans	(739,712)	-
Cash flow hedges	(10,142,862)	-
Total	**22,496,387**	**33,378,961**

Additional and supplementary information is presented in the Interim Consolidated Statement of Changes in Net Equity.

21. Income and expenses

Revenue:

For the periods ended as of September 30, 2019 and 2018, revenue is detailed as follows:

Revenue	Accumulated 01-01-2019 09-30-2019 ThCh$	Accumulated 01-01-2018 09-30-2018 ThCh$	Quarter 07-01-2019 09-30-2019 ThCh$	Quarter 07-01-2018 09-30-2018 ThCh$
Revenue from passenger transportation services	277,107,389	229,608,694	97,611,908	78,154,200
Sales channel income	36,485,880	36,293,938	11,764,527	11,515,969
Lease of commercial stores, and commercial and advertising spaces	13,486,967	7,968,885	5,069,891	316,010
Lease in inter-modal terminals	1,284,259	1,315,370	383,581	435,525
Lease of spaces for telephone and fiber optic antennas	5,611,330	8,801,707	1,926,517	5,514,013
Lease of land	595,846	546,367	198,530	185,704
Advisory services	203,501	224,880	46,477	161,902
Other	547,194	490,236	388,001	196,615
Total	335,322,366	285,250,077	117,389,432	96,479,938

Other income, by function

For the periods ended as of September 30, 2019 and 2018, other income by function is detailed as follows:

Other income by function	Accumulated 01-01-2019 09-30-2019 ThCh$	Accumulated 01-01-2018 09-30-2018 ThCh$	Quarter 07-01-2019 09-30-2019 ThCh$	Quarter 07-01-2018 09-30-2018 ThCh$
Income from fines and indemnities	24,047,533	959,964	371,703	335,968
Welfare income	407,527	369,746	140,382	129,874
Sale of proposals	38,059	55,379	17,804	6,609
Other income	7,730,348	407,191	3,392,498	77,855
Total	32,223,467	1,792,280	3,922,387	550,306

Operating income

The operating income for the periods ended as of September 30, 2019 and 2018, is as follows:

Operating income	Accumulated 01-01-2019 09-30-2019 ThCh$	Accumulated 01-01-2018 09-30-2018 ThCh$	Quarter 07-01-2019 09-30-2019 ThCh$	Quarter 07-01-2018 09-30-2018 ThCh$
Revenue	335,322,366	285,250,077	117,389,432	96,479,938
Cost of sales	(284,948,599)	(238,979,414)	(94,657,684)	(86,379,421)
Administrative expenses	(30,184,700)	(29,800,002)	(10,683,899)	(11,306,603)
Total	20,189,067	16,470,661	12,047,849	(1,206,086)

Note: The operating income excludes the amounts that make up non-operating income and expenses, as per the Company's accounting policies.

Expenses by nature:

Cost of sales, administrative expenses and other expenses by function for the periods ended as of September 30, 2019 and 2018, is detailed as follows:

Expenses by nature	Accumulated		Quarter	
	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	07-01-2019 09-30-2019 ThCh$	07-01-2018 09-30-2018 ThCh$
Employee expenses	71,976,750	73,481,104	24,143,579	29,425,177
Operation and maintenance expenses	64,477,098	53,173,437	22,289,120	18,674,110
Purchase of energy	44,066,691	33,900,425	13,318,601	13,199,464
General and other expenses	48,208,827	42,543,132	16,286,266	14,282,681
Depreciation and amortization	87,383,647	66,421,252	29,485,131	22,263,898
Total	316,113,013	269,519,350	105,522,697	97,845,330

Personnel expenses:

For the periods ended as of September 30, 2019 and 2018, other comprehensive income is detailed as follows:

Employee expenses	Accumulated		Quarter	
	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	07-01-2019 09-30-2019 ThCh$	07-01-2018 09-30-2018 ThCh$
Salaries and wages	49,681,077	47,096,088	16,400,506	15,908,673
Other Benefits	17,507,998	22,108,953	6,317,479	12,302,252
Expenses for social security and collective bargaining benefits	2,437,220	2,155,823	695,445	479,972
Social security contribution	2,350,455	2,120,240	730,149	734,280
Total	71,976,750	73,481,104	24,143,579	29,425,177

Maintenance and operating expenses:

For the periods ended as of September 30, 2019 and 2018, other comprehensive income is detailed as follows:

Operation and maintenance expenses	Accumulated		Quarter	
	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	07-01-2019 09-30-2019 ThCh$	07-01-2018 09-30-2018 ThCh$
Maintenance of rolling stock, stations and other	49,060,057	42,977,548	17,156,469	14,468,011
Spare parts and materials	10,503,516	8,208,997	2,687,812	3,236,924
Repairs, leases and other	4,913,525	1,986,892	2,444,839	969,175
Total	64,477,098	53,173,437	22,289,120	18,674,110

General and other expenses:

For the periods ended as of September 30, 2019 and 2018, other comprehensive income is detailed as follows:

General and other expenses	Accumulated		Quarter	
	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	07-01-2019 09-30-2019 ThCh$	07-01-2018 09-30-2018 ThCh$
Service contracts	22,233,369	18,904,608	7,697,098	6,638,767
Real estate taxes	4,424,596	3,057,953	1,740,703	1,059,750
Corporate image expenses	1,383,828	1,116,713	290,455	299,939
Sales channel operator expense	16,378,513	16,306,973	5,433,887	5,306,692
Insurance, materials and other	3,788,521	3,156,885	1,124,123	977,533
Total	48,208,827	42,543,132	16,286,266	14,282,681

Depreciation and amortization:

For the periods ended as of September 30, 2019 and 2018, other comprehensive income is detailed as follows:

Depreciation, amortization	Accumulated		Quarter	
	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	07-01-2019 09-30-2019 ThCh$	07-01-2018 09-30-2018 ThCh$
Depreciation	86,892,207	66,163,813	29,274,747	22,173,258
Amortization	491,440	257,439	210,384	90,640
Total	87,383,647	66,421,252	29,485,131	22,263,898

Financial result and exchange differences:

The Company's financial result and exchange differences for the periods ended September 30, 2019 and 2018, is detailed as follows:

Financial profit or loss	Accumulated		Quarter	
	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	07-01-2019 09-30-2019 ThCh$	07-01-2018 09-30-2018 ThCh$
Finance income				
Interest from cash and cash equivalents	5,422,876	6,116,841	1,225,764	2,269,848
Finance income from swaps	2,114,748	-	928,462	-
Other finance income	270,798	186,983	117,888	30,821
Subtotal	7,808,422	6,303,824	2,272,114	2,300,669
Finance expenses				
Interest and expenses on bank loans	(13,076,128)	(5,441,482)	(4,491,270)	(2,025,237)
Bond interest and expenses	(49,048,699)	(40,626,020)	(17,174,873)	(13,624,796)
Other financial costs	(1,918,399)	(1,502,847)	(721,952)	(589,598)
Subtotal	(64,043,226)	(47,570,349)	(22,388,095)	(16,239,631)
Profit (loss) from financial result	(56,234,804)	(41,266,525)	(20,115,981)	(13,938,962)

Foreign currency translation and indexation units	Accumulated		Quarter	
	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	07-01-2019 09-30-2019 ThCh$	07-01-2018 09-30-2018 ThCh$
Foreign currency translation difference				
Profit (loss) from exchange differences (foreign loans, bonds and	(44,827,783)	(68,641,612)	(66,956,646)	(13,512,512)
Total foreign currency translation difference	(44,827,783)	(68,641,612)	(66,956,646)	(13,512,512)
Indexation units				
Profit (loss) from Indexation unit (bonds)	(17,579,589)	(20,863,587)	(4,798,652)	(7,719,489)
Total indexation units	(17,579,589)	(20,863,587)	(4,798,652)	(7,719,489)

Other profit (losses):

Other profit (losses) of the Company for the periods ended as of September 30, 2019 and 2018, is detailed as follows:

Other income (expenses)	Accumulated		Quarter	
	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	07-01-2019 09-30-2019 ThCh$	07-01-2018 09-30-2018 ThCh$
Net present value of swap USD	90,696	7,183,303	25,773	2,149,370
Net present value of swap UF	-	(9,054,657)	-	(2,428,392)
Net present value VAT	-	660,531	-	445,154
Total	90,696	(1,210,823)	25,773	166,132

Other comprehensive income:

For the periods ended as of September 30, 2019 and 2018, other comprehensive income is detailed as follows:

Other comprehensive income	Accumulated		Quarter	
	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	07-01-2019 09-30-2019 ThCh$	07-01-2018 09-30-2018 ThCh$
Actuarial profit (loss) on defined benefit plans	(739,712)	(248,979)	(209,599)	(34,759)
Profit (loss) on cash flow hedges	(10,142,862)	-	(4,943,225)	-
Total	(10,882,574)	(248,979)	(5,152,824)	(34,759)

22. Third-party guarantees

The detail of the guarantees received at the end of the period is as follows:

Grantor	Guarantee amount ThCh$	Originating operation	Relationship
Abengoa Chile S.A.	65,318,375	Services contract	Supplier
Alstom Chile S.A.	251,643,121	Services contract	Supplier
Alstom Transport S.A.	79,713,823	Services contract	Supplier
Besalco Dragados S.A.	64,035,757	Services contract	Supplier
Bitelco Diebold Chile Ltda	2,986,310	Services contract	Supplier
CAF Chile S.A.	863,474,071	Services contract	Supplier
China Railway Tunnel GR.CO. Ltda.	34,331,629	Services contract	Supplier
Colas Rail	3,789,762	Services contract	Supplier
Compañía Americana de Multiservicios	4,656,715	Services contract	Supplier
Construcciones Piques y Túneles	13,131,994	Services contract	Supplier
Consorcio Copisa Chile SpA	3,608,586	Works contract	Supplier
Consorcio EI-OSSA S.A.	106,609,331	Works contract	Supplier
Construcción y Auxiliar de Ferrocarril	36,423,546	Works contract	Supplier
Constructora Jorge Orellana Lavanderos	6,135,197	Works contract	Supplier
Construcciones Especializadas	3,303,224	Works contract	Supplier
Elecnor Chile S.A.	8,836,960	Services contract	Supplier
ETF	11,609,610	Services contract	Supplier
ETF Agencia en Chile	93,879,616	Services contract	Supplier
Eulen Seguridad S.A.	3,788,178	Services contract	Supplier
Ferrostal Chile S.A.	4,470,622	Services contract	Supplier
Ferrovial Agroman Chile S.A.	17,578,074	Services contract	Supplier
Indra Sistemas Chile S.A.	9,720,951	Services contract	Supplier
ISS Servicios Integrales Limitada	3,808,078	Services contract	Supplier
Obrascon Huarte Laín	32,341,398	Services contract	Supplier
OFC SpA	10,855,717	Services contract	Supplier
Servicios de Aseo y Jardines Maclean	3,116,841	Services contract	Supplier
Servicios de Respaldo de Energía Teknica Ltda.	5,253,324	Services contract	Supplier
SGS Chile Ltda.	3,700,680	Services contract	Supplier
Sice Agencia Chile S.A.	47,248,752	Services contract	Supplier
Soler y Palau S.A.	36,454,632	Services contract	Supplier
Strukton Arrigoni SpA	10,885,332	Works contract	Supplier
Strukton International B.V.	28,051,334	Works contract	Supplier
Systra Agencia en Chile	4,520,091	Services contract	Supplier
Thales Canadá INC.	21,101,318	Services contract	Supplier
Thyssenkrupp Elevadores S.A.	80,839,455	Services contract	Supplier
Other	91,239,285	Services contract	Supplier
TOTAL	**2,068,461,689**		

23. Risk management policies

The Company is exposed to several risks which are inherent to the activities that are carried out in the public passenger transportation services, in addition to risks of an economic and financial nature associated with changes in market conditions or force majeure, among others.

23.1 Description of the market in which the Company operates

The main market in which the Company operates is the public transportation of passengers in the Metropolitan Region of Santiago and is composed of users seeking a quick and safe journey.

As activities annexed to the main line of the Company are the services of collection of transport fees and sale of means of payment (Bip cards), rental of advertising space, leasing of premises and commercial spaces in the stations of the network, among others.

Fares

As of February 10, 2007, the Company is part of the Integrated Passenger Public Transport System of Santiago, (Metropolitan Mobility Network) and its fare revenues are based on the number of passengers actually transported and the fare technique is established in Annex No. 1 of the Tender Guidelines for the Use of Roads in the city of Santiago.

On December 14, 2012 a transportation agreement was signed by the Company with the Ministry of Transportation and Telecommunications of Chile to replace the aforementioned Exhibit 1.

Beginning on February 11, 2019 a new transportation agreement is in force between the Company and the Ministry of Transportation and Telecommunications of Chile, which established a flat-rate technical fare of Ch$$480.18 per confirmed transported passenger, taking November 2018 as a base, and which is updated monthly by the indexation polynomial, included in this new agreement, which takes into consideration changes in the variables making up the Company's long-term cost structure (CPI, US dollar, euro, power and electric energy price. This allows for a natural hedge in case of cost variations caused by an increase in any of the variables making up the polynomial.

The fare paid by the public is different than the fare that the Company receives per transported passenger. In September 2019, customers paid Ch$800 at peak hours, Ch$720 at valley hours and Ch$ 670 at low hours, whereas on average the Company received a technical fare of Ch$ 494.62 per passenger.

On the other hand, as of July 1, 2013, the contract for the provision of complementary services for the issuance and after-sales of the means of access and provision of the commercialization network and loading of the means of access to the public passenger transport system begins to govern. of Santiago, between the Ministry of Transport and Telecommunications of Chile and Metro S.A.

Demand

To date, the Company is the structuring pillar of the Integrated Public Passenger Transport System (Metropolitan Mobility Network) and as of September 2019 reached a level of 2.59 million trips on a business day.

The risk related to the demand of Metro passengers is mainly associated with the level of economic activity in Chile, level of use and quality of the ground passenger transportation service (buses). In effect, the demand for passenger transport is a demand derived from other economic activities. Thus, as of September 2019, there was an increase of 39.98 million trips, a positive variation of 7.5% compared to the same date in 2018, which is explained mainly by the increase in traffic due to the entry into operation of Line 3 (January 2019).

23.2 Financial risks

The main risks to which the Company is exposed and which arise from financial assets and liabilities are: market risk, liquidity risk and credit risk.

In loans from financial institutions, the nominal rate is similar to the effective rate since there are no additional transaction costs to be considered.

Market risk

The technical fare that the Company receives is updated monthly by the indexation polynomial which takes into consideration changes in the variables making up the Company's long- term cost structure (CPI, US dollar, euro, power and electric energy price). This allows for a natural hedge in case of cost variations caused by an increase in certain variables making up the polynomial.

The Company, as per its financial risk management policy, takes financial derivatives to hedge its exposure to currency variations (exchange rate) and to inflation. Currency derivatives are used to set the exchange rate of the US dollar against the Chilean peso (CLP) and Unidad de Fomento (UF), in the case of investments or obligations in currencies other than the Chilean peso. These instruments are Cross Currency Swaps, which amount to MUSD 300 as of September 30, 2019 and as of December 31, 2018, and which meet the hedge accounting criteria under IFRS 9. On the other hand, the Company maintains other derivative transactions as financial hedges against the exposure to the market value of interest rates on financial obligations. These are interest rate swaps which do not comply with the minimum requirements to qualify as accounting hedges under IFRS 9.

In particular, the Company is exposed to two market risks, these are interest rate risk and exchange rate risk.

Interest rate risk

Market risks include possible changes in the Libor rate, affecting foreign borrowings obtained by the Company at variable rates.

As of September 2019, the share of the debt at a variable rate does not show a significant change with respect to December 2018, as indicated in the following table:

Detail of debt	09-30-2019 %	12-31-2018 %
Fixed rate	78.8	79.3
Variable rate	21.2	20.7
Total	100.0	100.0

In conducting a sensitivity analysis as of September 30, 2019 on the net debt at a variable Libor rate, not hedged by current derivatives, which amounts to MUS$635 (MUS$610 as of December 31, 2018), we note in the following table that the effect on profit or loss in a scenario where the Libor rate is increased by 100 basis points would result in an annual increase in finance expenses of MUS$6.2 as of September 30, 2019 (MUS$6.4 as of December 31, 2018).

Sensitivity analysis	Equivalent in MUS$	Total %
Total Debt (equivalent to MUS$)	**2,995**	**100%**
Debt at LIBOR rate	620	
IRS	15	
Total Debt at Variable Rate	**635**	21%
Total Debt at Fixed Rate	**2,360**	79%

Variation in Financial Expenses	ThCh$	Equivalent in MUS$
Impact on financial expenses of a variation of 100 basis points in LIBOR	4,515	6.2

Exchange rate risk and inflation

The Company has obligations with financial institutions and has issued bonds in foreign markets, agreed in foreign currencies, to finance the extensions in the Metro network. To minimize exchange rate risks, the Company has contracted cross currency swap (CCS) financial derivatives, which amount to MUS$ 300 as of September 30, 2019.

The Company also exposed to inflationary risk as it maintains a debt with bondholders for UF-denominated bonds issued in the domestic market.

The following table shows the composition of the Company's debt, expressed in millions of US dollars (considers current derivatives transactions):

Financial Debt Structure	09-30-2019				12-31-2018			
	Original currency		Equivalent in MUS$	%	Original currency		Equivalent in MUS$	%
Debt in UF	ThUF	41,389	1,594	53%	ThUF	42,648	1,692	55%
Debt in USD	MUS$	1,401	1,401	47%	MUS$	1,393	1,393	45%
Total Financial Debt			2,995	100%			3,085	100%

As of September 30, 2019, the structure of the financial debt is divided into UF (53%) and US dollars (47%).

This is in line with Metro's operating cash flows, in which the indexation polynomial updates the Company's technical fare in case of changes in the US dollar and the Euro, in addition to other variables, which produces a natural hedge in long-term operating cash flows.

When we analyze the sensitivity of the Interim Consolidated Statement of Comprehensive Income as of September 30, 2019, in case of a possible 10% depreciation/appreciation of the Chilean peso in respect to the US dollar, leaving all the rest of the parameters constant, we estimate that a loss or profit of ThCh$ 102,020,820 would arise.

Sensitivity analysis Effect on profit or loss as of September 2019	10% Depreciation ThCh$	10% Appreciation ThCh$
Impact of variation of 10% in Ch$/ USD exchange rate	(102,020,820)	102,020,820

Likewise, in case of a possible appreciation of 3% of the value of UF, leaving all the rest of the parameters constant, we estimate that a loss of ThCh$ 34,827,188 would arise.

Sensitivity analysis Effect on profit or loss as of September 2019	3% Appreciation ThCh$
Impact of variation of 3% in UF	(34,827,188)

Liquidity risk

Revenue from fares associated with Metro S.A. passenger transportation, based on the new transport contract, are deducted daily from the funds collected by the Company's sales channel, generating the liquidity necessary to cover the Company's commitments. This revenue corresponds to 83% of total revenue.

Additionally, the Company operates with bank credit lines properly approved by BNP Paribas and Sumitomo Mitsui Banking, which reduces liquidity risk (see Note12).

The maturity of interest-bearing debt, by terms, separated in principal and interest payable, is detailed as follows:

	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Principal	105,835,742	208,434,093	606,202,692	1,260,839,466	2,181,311,993
Accrued	87,916,638	167,926,646	139,956,624	584,324,185	980,124,093
Total	**193,752,380**	**376,360,739**	**746,159,316**	**1,845,163,651**	**3,161,436,086**

Financial liability structure

The Company's financial debt classified by maturity is presented as follows:

Financial Liabilities	09-30-2019				
	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Interest-bearing loans	70,181,100	175,930,387	112,196,373	140,849,745	499,157,605
Bonds	59,362,012	147,534,695	151,013,681	1,344,397,303	1,702,307,691
Derivative transactions	1,091,579	-	-	-	1,091,579
Total	**130,634,691**	**323,465,082**	**263,210,054**	**1,485,247,048**	**2,202,556,875**

Financial Liabilities	12-31-2018				
	Up to 1 year ThCh$	1 to 3 years ThCh$	3 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Interest-bearing loans	45,616,568	167,360,584	103,999,489	153,926,197	470,902,838
Bonds	66,532,986	135,022,072	129,118,549	1,370,263,826	1,700,937,433
Derivative transactions	2,906,557	-	-	-	2,906,557
Total	**115,056,111**	**302,382,656**	**233,118,038**	**1,524,190,023**	**2,174,746,828**

In general, the Company's debt structure consists mainly of long-term bonds and bank loans, which are intended to ensure financial stability and improve matching with the maturity terms of the Company's assets.

Carrying amounts and fair value of the debt in loans and bonds of the Company as of September 30, 2019 are detailed as follows.

	Book value ThCh$	Fair value ThCh$
Loans	499,157,605	539,627,351
Bonds	1,702,307,691	2,012,700,901

Valuation technique: Discounted cash flows: The Level 2 valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate.

The following methodology is used to calculate the fair value:

Loans: Discounted cash flows of each credit using the LIBOR 180 days in US dollars at each quarter-end, where the fair value is the addition of the present value of each credit.

Local bonds: Discounted cash flows of each bond using the valuation rates provided by Risk America, where each bond is discounted at its related rate.

International bond: For such calculation the Company uses the rate reported by Bloomberg for transactions performed as of the quarter-end.

Credit risk

The Company's credit risk refers to the exposure to possible losses due to a counterparty's breach of conditions stipulated in a contract or financial instrument. It considers both credit granted to customers and financial assets in portfolio.

Accounts receivable

The risk of accounts receivable arising from the Company's main business (passenger transportation) is limited, since 83% of the Company's revenue is received daily in cash, whereas the remaining 17% corresponds to income not related to the main business.

The maximum exposure to credit risk arises from trade receivables.

Trade and other receivables	09-30-2019 ThCh$	12-31-2018 ThCh$
Trade receivables, gross	9,696,538	9,088,968
Impairment of trade receivables	(621,960)	(611,902)
Trade receivables, net	9,074,578	8,477,066
Sales channel accounts receivable, net	7,345,527	4,474,084
Other receivables, net	1,705,963	2,021,894
Total	**18,126,068**	**14,973,044**

Other receivables relate mainly to leases of commercial stores, advertising and invoices receivable with low delinquency.

Impairment of accounts receivable is determined using the legal reports issued by the Company´s Legal Affairs Management, and considering the level of default of the receivable and the judicial collection and non-judicial collection measures taken.

Analysis of accounts receivable based on age is detailed as follows:

Age of trade receivables, net	**09-30-2019 ThCh$**	**12-31-2018 ThCh$**
Less than 3 month	1,730,296	2,711,980
3 months to 1 year	1,971,740	5,548,940
More than 1 year	5,372,542	216,146
Total	**9,074,578**	**8,477,066**

Age of Sales channel accounts receivable, net	**09-30-2019 ThCh$**	**12-31-2018 ThCh$**
Less than 3 month	4,624,759	4,160,380
3 months to 1 year	2,663,722	302,020
More than 1 year	57,046	11,684
Total	**7,345,527**	**4,474,084**

Age of Other receivables, net	**09-30-2019 ThCh$**	**12-31-2018 ThCh$**
Less than 3 month	458,372	547,072
3 months to 1 year	1,247,591	1,474,822
Total	**1,705,963**	**2,021,894**

Financial assets

The level of exposure of financial assets to risk is established in the Company's financial investment policy.

As of September 30, 2019, financial asset balances are as follows:

Financial Assets	09-30-2019			
	Up to 1 year ThCh$	1 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Cash and cash equivalents				
Cash	2,301,407	-	-	2,301,407
Term deposits	67,656,278	-	-	67,656,278
Repurchase agreements	2,445,797	-	-	2,445,797
Subtotal	72,428,463	-	-	72,403,482
Other financial assets				
Financial Investments	106,220,586	-	-	106,220,586
Derivative transactions	1,839,625	4,717,583	-	6,557,208
Financial lease	187,924	1,866,576	-	2,054,500
Promissory notes receivable	-	665,607	-	665,607
Advertising receivables	5,543,265	27,716,324	14,782,039	48,041,628
Other accounts receivable	2,532,981	5,329	-	2,538,310
Subtotal	116,324,381	34,971,419	14,782,039	166,077,839
Total	188,752,844	34,971,419	14,782,039	238,481,321

At the close of 2018, financial asset balances are as follows:

Financial Assets	12-31-2018 Up to 1 year ThCh$	1 to 5 years ThCh$	Over 5 years ThCh$	Total ThCh$
Cash and cash equivalents				
Cash	1,518,585	-	-	1,518,585
Term deposits	148,658,483	-	-	148,658,483
Repurchase agreements	14,933,614	-	-	14,933,614
Subtotal	165,110,682	-	-	165,110,682
Other financial assets				
Financial Investments	183,001,269	-	-	183,001,269
Derivative transactions	4,244,173	395,000	3,605,394	8,244,567
Financial lease	57,871	388,646	1,392,215	1,838,732
Promissory notes receivable	-	665,620	-	665,620
Advertising receivables	-	27,254,717	24,529,246	51,783,963
Other accounts receivable	-	6,447	-	6,447
Subtotal	187,303,313	28,710,430	29,526,855	245,540,598
Total	352,413,995	28,710,430	29,526,855	410,651,280

The average period of maturity of financial investments as of September 30, 2019 is less than 90 days and they are invested in banks; none of them represent a significant percentage with respect to the others.

The above is due to the Company's financial investment policy, which focuses on reducing the risks by diversifying the portfolio, and establishing maximum limits of investment per bank and minimum risk ratings per issuer.

23.3 Capital risk management

Pursuant to capital management, the Company seeks to maintain an optimal capital structure while reducing its cost and ensuring its long-term financial stability. At the same time, it complies with its financial obligations and covenants established in the debt contracts.

Every year the Company, through the Extraordinary Shareholders' Meeting, capitalizes Government contributions associated to the financing of its expansion projects.

The Company follows up on the capital structure through debt and equity ratios, which are detailed below:

Index	09-30-2019	12-31-2018
Leverage (times)	0.93	0.86
Equity (MCh$)	2,719,905	2,797,907

23.4 Commodities risk

The Company's commodities risk factors include the supply of electric energy it requires for its operation and the need for continuity of service, in case of possible supply interruptions. In this respect, the Company has a supply system that allows it to decrease exposure in case of supply interruption by having two points of direct connection to the National Electrical System, which supply Lines 1, 2, 3, 5 and 6, as well as two points for supplying Line 4.

In addition it should be noted that the electric energy supply systems are redundant and in the event either fails, there is always a back-up to ensure the Company maintains the energy supply for normal network operation.

Operational control systems are designed with redundant criteria, that is, they operate in the standby mode, so that in the absence of one of the systems, the other goes into operation immediately, maintaining normal network operation.

In the case of Lines 1, 2, 3, 5 and 6, if there is an interruption in the National Electrical Coordinator, the distribution company has defined replacement of the supply that feeds the civic neighborhood of Santiago as a first priority, which allows the Metro network to have energy almost immediately, since Metro is supplied by the same sources.

Currently, the power supply is provided by three companies: San Juan, El Pelicano and Enel. The first two companies relate to wind and photovoltaic power generation, respectively, the contracts of which were entered into on May 19, 2016, for 15 years and both supply 60% of Metro’s energy through Non-Conventional Renewable Energies (NCRE). Likewise, Enel is a distributor entity with which the Company entered into a contract on September 2015 for 40% of power supply until December 2023.

On December 29, 2018 El Pelicano was sold, resulting in the change only of its majority shareholder (Sunpower), generating no operating risks for Metro’s electrical supply.

24. Environment

Disbursements related to improvements and/or investments that directly or indirectly affect protection of the environment, for the periods ended September 30, 2019 and 2018, are detailed as follows:

Project	Allocated to administration expenses		Allocated to property, plant and equipment		Expenditures commited in the future
	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	01-01-2019 09-30-2019 ThCh$	01-01-2018 09-30-2018 ThCh$	2019 Amount ThCh$
Noises and vibrations	498	12,427	1,533,423	1,147,349	2,063,999
Waste treatment	46,782	74,278	17,949	6,423	391,051
Run-off water	88,290	104,674	-	-	46,214
Environmental management	6,649	36,816	3,294,726	711,004	3,639,027
Monitoring of polluting parameters	-	1,270	-	-	7,957
Total	**142,219**	**229,465**	**4,846,098**	**1,864,776**	**6,148,248**

The aforementioned projects are currently in progress as of September 30, 2019.

25. Sanctions

During the periods 2019 and 2018, the Company and its Directors have not been sanctioned by the Chilean Financial Market Commission or any other regulator.

26. Subsequent events

During the period between October 1 and November 25, 2019 the following events occurred.

1. Letter No. 470 dated October 21 reported that, as a result of the demonstrations that broke out in the days preceding the date of such letter, the Company's facilities have sustained damages and its operations have undergone stoppages.

   Although the damages were constantly being assessed as of that date, it was preliminarily reported that some of the stations and the systems required for the operation of the transport network, including some trains and tracks, had sustained damages of varying seriousness.

   Up until October 21, the damages sustained by the Company were estimated at approximately 300 million US dollars. However, this figure could vary after an estimate of the actual damages was completed. The repair of the aforementioned damages for the total restoration of the network will take significant amount that at that date could not be determined until they are concluded the corresponding analyzes

The transportation network suspended all its operations beginning on October 18. The Company's strategy was to gradually get the network and services back in operation to the extent that repairs were done, and ensured adequate technical safety conditions. On October 21, 85% of the stations of Line 1, which represents 36% of the Company's operating revenue, went back into operation again (the stations which were not operational were San Pablo, Neptuno, Baquedano and Los Héroes, due to technical and infrastructure issues). Although at the time there was no certainty as to when Line 1 would be fully operational again, estimations pointed to a date prior to March 2020.

Considering the information indicated above, on that occasion we informed that the ability to pay our obligations would not be affected and that the next maturities of our credits and bonds, both local and international, as well as our commitments to our suppliers, were duly provisioned.

2. Letter No. 474 dated October 23 supplemented the essential fact dated October 21, in accordance with ordinary order No. 33688 dated October 22, and reported that the Company has purchased insurance policies providing coverage for Property/Equity, Life and Disability and Civil Liability, all of which involve policies (POL) and additional clauses (CAD) registered with the Financial Market Commission (FMC), because they must comply with the standard defined by the FMC.

3. On October 24, the Company posted on its corporate website, as a Fact of Interest to the Market, that it holds several types of insurance policies, which were purchased chiefly to provide coverage for property and equity, life and disability and civil liability, all of which were registered with the Financial Market Commission (FMC). In particular, it was reported that the purchased fire insurance covers only the corporate buildings called "CCA" and "SEAT", the workshops, the garages and five intermodal stations in the Metro network, but not the stations and the trains. The above decision was based on the high cost of premiums and the low accident rate in the history of the Company, and was backed up by the recommendation of our external advisors, who are experts in insurance issues, and who recommended not to expand the insurance structure, enabling the Company to allocate more resources to funding new projects and improving its service. In this regard, Metro reported that it has enough funds to repair the damages and to overcome operational contingencies.

   In connection with the same Fact of Interest, a report updated as October 23 was provided, which stated that out of 136 stations, 118 had sustained damaged. In 25 of those stations, the damages were caused by fires, and that 7 stations were completely torched. Also, 93 stations sustained multiple damages. In regards to the trains, 10 sustained damages of varying seriousness and 7 of them were torched.

   As of October 24, 2019, the estimation of damages stood at 376 million US dollars.

4. As of November 25, 2019, 101 out of the 136 stations are operational, i.e., 74% of the network. In addition, all the lines are operational (L1, L2, L3, L4, L4A, L5 and L6). From the point of view of the extension in kilometers, 92% of the total network is operational.

   On the other hand, the Rating Agencies maintained the international risk classification of “A +” granted by Standard & Poor’s and “A” by Fitch Ratings. In the case of the local risk classification, both Feller Rate and Humphreys maintained the “AA +” classification. The fact that the rating agencies maintained their risk classification is explained basically by the backing given by the owner of the Company, which is the State of Chile, and by the critical role played by Metro in the system of public transportation in the metropolitan region.

Julio E, Pérez Silva General Accountant	Rubén Alvarado Vigar General Manager