



SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Consolidated financial statements
as of December 31, 2018



INDEPENDENT AUDITOR'S REPORT

Santiago, March 8, 2019
(Free translation from the original in Spanish)

To the Shareholders and Directors
Sociedad Matriz SAAM S.A.

We have audited the accompanying consolidated financial statements of Sociedad Matriz SAAM S.A and subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2018 and the corresponding consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes the design, implementation and maintenance of a relevant internal control for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Chilean generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Consequently, we do not express such an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



Santiago, March 8, 2019
Sociedad Matriz SAAM S.A.
2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sociedad Matriz SAAM S.A. and subsidiaries as of December 31, 2018, and the results of their operations and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

Other matters

The consolidated financial statements of Sociedad Matriz SAAM S.A. and subsidiaries for the year ended December 31, 2017, before being restated, as described in Note 41, were audited by other auditors, who issued an unqualified opinion on those financial statements in their report dated March 2, 2018.

As part of our audit of the financial statements for the year ended December 31, 2018, we also audited the adjustments described in Note 41, which were applied to restate the consolidated financial statements for 2017. In our opinion, those adjustments are appropriate and have been applied correctly. We were not engaged to audit, review or apply any procedure on the 2017 financial statements of Sociedad Matriz SAAM S.A. and subsidiaries, other than to the restatement adjustments and, consequently, we do not express an opinion or any other type of assurance on the consolidated financial statements for 2017 taken as a whole.

A blue ink signature consisting of several loops and a long horizontal stroke.

Jonathan Yeomans Gibbons
RUT: 13.473.972-K

A blue ink signature in a cursive script that reads 'PricewaterhouseCoopers'.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

CONTENTS

Independent auditor's report

Consolidated Statements of Financial Position

Consolidated Statements of Comprehensive Income by Function

Consolidated Statements of Cash Flows

Consolidated Statements of Changes in Equity

Notes to the Consolidated Financial Statements

ThUS\$- (denominated in thousands of United States dollars)

Consolidated statements of financial position

Statement of financial position	Notes	12-31-2018 ThUS\$	12-31-2017 ThUS\$	01-01-2017 ThUS\$
Assets				
Current assets				
Cash and cash equivalents	9	241,412	222,062	143,029
Other financial assets - current	10	11	35,696	5,906
Other non-financial assets, current	14	9,455	10,766	9,387
Trade and other receivables, current	11	74,271	73,588	81,209
Accounts receivable from related entities, current	12	11,007	7,788	15,225
Inventories, current	13	12,885	13,705	14,189
Tax assets, current	20.1	25,619	22,189	18,341
Total current assets other than assets or groups of assets for disposal, classified as held for sale or held as distributable to owners		<u>374,660</u>	<u>385,794</u>	<u>287,286</u>
Non-current assets or groups of assets for disposal classified as held for sale or held as distributable to owners	8	<u>18,142</u>	<u>19,120</u>	<u>10,445</u>
Total current assets		<u>392,802</u>	<u>404,914</u>	<u>297,731</u>
Non-current assets				
Other financial assets, non-current	10	3,661	9,134	1,751
Other non-financial assets, non-current	14	22,158	21,445	7,558
Accounts receivable, non-current	11	15,832	19,909	19,510
Accounts receivable from related entities, non-current	12	-	-	131
Inventories, non-current	13	1,056	1,091	2,433
Investments accounted for using equity method	16	216,257	226,360	296,207
Intangible assets other than goodwill	17,2	226,832	246,048	100,979
Goodwill	17,1	45,664	54,661	54,661
Property, plant and equipment	18	484,299	490,125	478,205
Investment properties	19	1,854	2,089	1,999
Deferred tax assets	21.1 and 21.2	<u>14,822</u>	<u>12,352</u>	<u>11,499</u>
Total non-current assets		<u>1,032,435</u>	<u>1,083,214</u>	<u>974,933</u>
Total assets		<u>1,425,237</u>	<u>1,488,128</u>	<u>1,272,664</u>

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

Consolidated statements of financial position

Equity and liabilities	Notes	12-31-2018	12-31-2017	01-01-2017
Liabilities		ThUS\$	ThUS\$	ThUS\$
Current liabilities				
Other financial liabilities, current	22	43,787	53,613	75,682
Trade and other payables	23	36,267	33,364	29,701
Accounts payable to related entities, current	12	332	469	1,197
Other short-term provisions	24	950	932	919
Tax liabilities, current	20.2	13,375	39,869	4,472
Current provisions for employee benefits	26,2	18,243	18,122	15,158
Other non-financial liabilities, current	25	17,309	20,296	18,909
Total current liabilities		<u>130,263</u>	<u>166,665</u>	<u>146,038</u>
Non-current liabilities				
Other non-current financial liabilities	22	290,328	317,818	207,276
Accounts payable to related entities, non-current	12	-	-	12
Other long-term provisions	24	999	798	1,089
Deferred tax liabilities	21.1 and 21.2	74,614	77,488	47,507
Non-current provisions for employee benefits	26,2	8,666	10,821	11,763
Total non-financial liabilities, non-current	25	-	20	292
Total non-current liabilities		<u>374,607</u>	<u>406,945</u>	<u>267,939</u>
Total liabilities		<u>504,870</u>	<u>573,610</u>	<u>413,977</u>
Equity				
Issued capital		586,506	586,506	586,506
Retained earnings		201,550	184,287	156,689
Other reserves	27,2	(15,650)	(8,464)	(831)
Equity attributable to owners of parent		<u>772,406</u>	<u>762,329</u>	<u>742,364</u>
Non-controlling interests		<u>147,961</u>	<u>152,189</u>	<u>116,323</u>
Total equity		<u>920,367</u>	<u>914,518</u>	<u>858,687</u>
Total liabilities and equity		<u>1,425,237</u>	<u>1,488,128</u>	<u>1,272,664</u>

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

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income by Function

Statement of income by function	Notes	01-01-2018	01-01-2017
		12-31-2018	12-31-2017
		ThUS\$	ThUS\$
Profit (loss)			
Operating revenue	28	515,987	467,826
Cost of sales	29	(366,442)	(346,265)
Gross profit		149,545	121,561
Other income	32	2,273	3,214
Administrative expenses	30	(74,811)	(73,581)
Other expenses, by function	32	(5,991)	(10,425)
Other gains (losses)	34	9,756	74,031
Gains (losses) from operating activities		80,772	114,800
Finance income	31	5,908	3,389
Finance costs	31	(18,106)	(17,033)
Share of profit (loss) of associates and joint ventures accounted for using equity method	16,1	18,256	22,935
Exchange differences	37	(3,730)	(122)
Income from indexation units		(78)	(10)
Profit (loss) before tax		83,022	123,959
Income tax expense, continuing operations	21,3	(21,231)	(56,104)
Profit (loss) from continuing operations		61,791	67,855
Profit, attributable to			
Profit (loss), attributable to owners of parent		49,607	59,325
Profit (loss), attributable to non-controlling interests		12,184	8,530
Profit (loss)		61,791	67,855
Earnings per share (see note 27)			
Basic earnings per share from continuing operations	US\$/share	0.005095	0.006093
Diluted earnings per share from discontinued operations	US\$/share	0.005095	0.006093

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

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Consolidated statements of comprehensive income by function, continued

Statement of comprehensive income	<u>01-01-2018</u> <u>12-31-2018</u> ThUS\$	<u>01-01-2017</u> <u>12-31-2017</u> ThUS\$
Profit (loss)	61,791	67,855
Components of other comprehensive income, before tax		
Differences on translation^(*)		
Gains (losses) on exchange differences on translation, before tax	(16,069)	8,074
Reclassification adjustments in exchange difference on translation, before taxes	-	-
Other comprehensive income, before tax, exchange, exchange difference on translation	(16,069)	8,074
Cash flows^(*)		
Gains (losses) on cash flows hedges, before taxes	4,497	(2,222)
Reclassification adjustments in cash flows hedges, before taxes	-	-
Other comprehensive income, before tax, cash flow hedges	4,497	(2,222)
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	(1,670)	(1,182)
Other components of other comprehensive income, before tax	(13,242)	4,670
Income tax relating to components of other comprehensive income^(*)		
Income tax relating to exchange difference on translation	-	-
Income tax relating to cash flow hedges	(17)	(25)
Income tax relating to defined benefit plans	6	259
Sum of income tax relating to components of other comprehensive income	(11)	234
Other comprehensive income	(13,253)	4,904
Total comprehensive income	48,538	72,759
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	42,498	63,107
Comprehensive income attributable to non-controlling interests	6,040	9,652
Total comprehensive income	48,538	72,759

(*) Items that are reclassified or can be reclassified after the income for the period.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	<u>01-01-2018</u> <u>12-31-2018</u> <u>ThUS\$</u>	<u>01-01-2017</u> <u>12-31-2017</u> <u>ThUS\$</u>
Statement of Cash Flows (indirect method)		
Cash flows from (used in) operating activities		
Types of collections in operating activities		
Receipts from sales of goods and rendering of services	545,922	507,297
Receipts from premiums and claims, annuities and other policy benefits	2,201	949
Other receipts from operating activities	4,152	6,322
Classes of payments		
Payments to suppliers for goods and services	(238,930)	(243,117)
Payments to and on behalf of employees	(131,177)	(129,747)
Payments for premiums and claims, annuities and other policy benefits	(8,046)	(7,990)
Other payments from operating activities	(37,766)	(35,540)
Net cash flows from (used in) operating activities	136,356	98,174
Interest paid	-	-
Interest received	29	67
Income taxes refund (paid)	(19,406)	(21,377)
Other inflows (outflows) of cash	-	-
Net cash flows from (used in) operating activities	116,979	76,864

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Notes	01-01-2018 12-31-2018 ThUS\$	01-01-2017 12-31-2017 ThUS\$
Cash flows from (used in) investing activities			
Cash flows used in obtaining control of subsidiaries or other businesses	15,2	-	(48,500)
Cash flows used in purchase of non-controlling interests	15,2	-	(11,215)
Proceeds from sales of property, plant and equipment	39	9,877	9,044
Purchase of property, plant and equipment	39	(47,854)	(62,595)
Purchase of intangible assets	39	(8,791)	(6,896)
Dividends received	39	23,902	36,867
Purchase of other long-term assets		-	(61)
Interest received		3,118	703
Other inflows (outflows) of cash	39	5,045	(21,531)
Cash flows from sale of non-controlling interests	34	-	126,990
Net cash flows from (used in) investing activities		(14,703)	22,806
Cash flows from (used in) financing activities			
Proceeds from long-term borrowings	39	21,834	165,281
Proceeds from long-term borrowing		2,061	22,407
Repayments of borrowings	39	(47,356)	(156,454)
Payments of finance lease liabilities		(2,542)	(2,605)
Dividends paid	39	(43,994)	(41,198)
Interest paid		(8,955)	(8,314)
Other inflows (outflows) of cash		(1,687)	-
Net cash flows from (used in) financing activities		(80,639)	(20,883)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes		21,637	78,787
Effect of exchange rate changes on cash and cash equivalents		(2,287)	246
Net increase (decrease) in cash and cash equivalents		19,350	79,033
Cash and cash equivalents at beginning of period		222,062	143,029
Cash and cash equivalents at end of period	9	241,412	222,062

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

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

	Issued capital ThUS\$	Reserve of exchange difference on translation ThUS\$	Reserve of cash flow hedges ThUS\$	Reserve of actuarial gains or losses on defined benefit plans ThUS\$	Other miscellaneous reserves ThUS\$	Other reserves ThUS\$	Retained earnings (losses) ThUS\$	Equity attributable to owners of parent ThUS\$	Non-controlling interests ThUS\$	Equity ThUS\$
Equity at January 1, 2018	586,506	(50,872)	725	(2,597)	44,280	(8,464)	184,287	762,329	152,189	914,518
Increase (decrease) due to changes in accounting policy	-	-	-	-	-	-	(275)	(275)	-	(275)
Opening equity restated	586,506	(50,872)	725	(2,597)	44,280	(8,464)	184,012	762,054	152,189	914,243
Changes in equity										
Comprehensive income										
Profit (loss)	-	-	-	-	-	-	49,607	49,607	12,184	61,791
Other comprehensive income	-	(10,029)	4,485	(1,565)	-	(7,109)	-	(7,109)	(6,144)	(13,253)
Comprehensive income	-	(10,029)	4,485	(1,565)	-	(7,109)	49,607	42,498	6,040	48,538
Issue of equity										
Increase (decrease) through transfers and other changes	-	-	-	-	(77)	(77)	77	-	(340)	(340)
Dividends (note 27.3)	-	-	-	-	-	-	(32,146)	(32,146)	(9,928)	(42,074) ⁽¹⁾
Increase (decrease) in equity	-	(10,029)	4,485	(1,565)	(77)	(7,186)	17,538	10,352	(4,228)	6,124
Equity as of December 31, 2018:	586,506	(60,901)	5,210	(4,162)	44,203	(15,650)	201,550	772,406	147,961	920,367
Notes		27.2.1	27.2.2	27.2.3	27.2.4	27.2				

	Issued capital ThUS\$	Reserve for exchange difference on translation ThUS\$	Reserve of cash flow hedges ThUS\$	Reserve of actuarial gains or losses on defined benefit plans ThUS\$	Other miscellaneous reserves ThUS\$	Other reserves ThUS\$	Retained earnings (losses) ThUS\$	Equity attributable to owners of parent ThUS\$	Non-controlling interests ThUS\$	Equity ThUS\$
Equity at January 1, 2017	586,506	(57,774)	2,922	(1,674)	55,695	(831)	162,533	748,208	116,323	864,531
Increase (decrease) due to corrections of errors (Note 41)	-	-	-	-	-	-	(5,844)	(5,844)	-	(5,844)
Opening equity restated	586,506	(57,774)	2,922	(1,674)	55,695	(831)	156,689	742,364	116,323	858,687
Changes in equity										
Comprehensive income										
Profit (loss)	-	-	-	-	-	-	59,325	59,325	8,530	67,855
Other comprehensive income	-	6,902	(2,197)	(923)	-	3,782	-	3,782	1,122	4,904
Comprehensive income	-	6,902	(2,197)	(923)	-	3,782	59,325	63,107	9,652	72,759
Issue of equity	-	-	-	-	-	-	-	-	-	-
Increase (decrease) through transfers and other changes	-	-	-	-	(11,415)	(11,415) ⁽²⁾	(295)	(11,710)	38,225	26,515
Dividends (note 27.3)	-	-	-	-	-	-	(31,432)	(31,432)	(12,011)	(43,443) ⁽¹⁾
Increase (decrease) in equity	-	6,902	(2,197)	(923)	(11,415)	(7,633)	27,598	19,965	35,866	55,831
Equity as of December 31, 2017:	586,506	(50,872)	725	(2,597)	44,280	(8,464)	184,287	762,329	152,189	914,518

1) See note 39 b

2) See note 27.2.4

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

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note	Page	Note	Page
1 Corporate information	11	21 Deferred taxes and income tax	76
2 Basis of presentation of the consolidated financial statements	12	1) Detail of deferred tax	77
		2) Movement in deferred assets and liabilities	78
3 Summary de accounting policies applied	13	3) Income tax expense	80
4 Accounting change	35	4) Reconciliation of income tax rate	80
5 Risk management	36	22 Other financial liabilities	81
6 Financial information by segment	43	1) Bank interest-bearing loans	82
7 Fair value of financial assets and liabilities	47	2) Financial lease payable	84
8 Non-current assets held for sale	50	3) Derivatives	85
9 Cash and cash equivalents	51	4) Obligations with the public (bonds)	86
		5) guaranteed factoring obligations	87
		6) Concession contract obligations	88
10 a) Other financial assets, current	52	7) Undiscounted financial liabilities	89
b) Other financial assets, non-current	53	23 Trade and other payables	93
11 Trade and other receivables	53	a) Trade creditors with up-to-date payments	93
12 Balances and transactions with related entities	55	b) Trade creditors with overdue payments	94
1) Accounts receivable (current and non-current)	55	24 Provisions	94
2) Accounts payable (current and non-current)	56	25 Other non-financial liabilities	95
3) Effect on income of transactions with related entities	57	26 Employee benefits and personnel expense	96
4) Directors fee	59	1) Employee benefit expense	96
13 Current and non-current inventories	60	2) Defined benefits	96
14 Other non-financial assets, current and non-current	60	3) Breakdown of the plan of benefits to be settled	96
1) Prepaid expenses	60	4) Sensitivity analysis actuarial variables	97
2) Tax credit	60	27 Equity and reserves	98
3) Other non-financial assets, current and non-current	61	1) Share capital	98
15 Financial information on subsidiaries, associates and joint ventures	61	2) Reserves	99
1) Summarized financial information by subsidiary, aggregated	61	3) Distributable net profit and dividends	101
2) Movement of investment during the period	62	28 Operating revenue	102
3) Financial information by associate	64	29 Cost of sales	102
16 Investment in associates	66	30 Administrative expenses	102
1) Detail of investments in associates	66	31 Finance income and costs	103
2) Interest in associates and joint ventures	68	32 Other income and expenses by function	103
3) Restrictions and contingent liabilities	69	33 Board of Directors and key management personnel	104
4) Explanation of investments with ownership interest lower than 20%	70	34 Other gains (losses)	104
17 Intangible assets and goodwill	70	35 Concession agreement of services and others	105
1) Goodwill	70	36 Contingencies and commitments	108
2) Intangible assets	71	1) Guarantees provided	108
3) Reconciliation of changes in intangible assets	71	2) Special guarantees	109
4) Concessions	72	3) Pledges and mortgages	110
18 Property, plant and equipment	72	4) Mutual guarantees	111
1) Composition of balance	72	5) Lawsuits	111
2) Asset purchase and construction commitments	73	6) Restrictions to management or financial indicators	111
3) Reconciliation of changes in property, plant and equipment	74	37 Exchange difference	115
4) Guarantees and compensations	75	38 Foreign currency	116
19 Investment properties	75	39 Statement of cash flows	117
20 Accounts receivable and payable on current taxes	76	40 Environment	121
1) Accounts receivable on current taxes	76	41 Correction of accounting error	121
2) Accounts payable on current taxes	76	42 Subsequent events	122

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 1 Corporate information

Sociedad Matriz SAAM S.A. was incorporated on February 15, 2012. Its bylaws are recorded in a public deed dated October 14, 2011, executed at the Valparaiso Notary's office of Mr. Luis Enrique Fischer Yávar, to which the minutes of the aforementioned Extraordinary Shareholders' Meeting on October 5, 2011 were abridged.

Sociedad Matriz SAAM SA, (hereinafter SM SAAM or the Company) is the holder of approximately 99.9995% of the shares in which the capital of SAAM SA, a closed corporation, is distributed, whose corporate purpose is the provision of services to maritime transport, mainly in the tugboat, ports and logistics businesses.

The stock certificates of Sociedad Matriz SAAM SA, Rut 76.196.718-5, registered in the Securities Registry of the Commission for the Financial Market (Former Superintendency of Securities and Insurance) under No. 1,091, began to be traded on March 1, 2012 and its capital was divided into 736,791,983 shares.

The Company's domicile is established at Avenida Apoquindo 4800 Torre II Piso 18, Las Condes, Santiago Its corporate purpose is the acquisition, purchase, sale and disposal of shares of corporations, shares or rights in other companies, bonds, debentures, commercial paper and other transferable securities; administer, transfer, exploit them, perceive their fruits and take advantage of their sale and disposal; as well as the granting of financing to related companies and the provision of all kinds of services and advisory services, thus being classified as an investment company whose economic activity code corresponds to No. 1,300.

These consolidated financial statements include the indirect subsidiary, Iquique Terminal Internacional S.A., inscribed in the Register of Reporting Entities under No. 57 (Law No. 20,382) of the Commission for the Financial Market. The remaining indirect subsidiaries are not directly subject to the control of such Commission

Hereinafter "Sociedad Matriz SAAM S.A. and Subsidiaries" will be named as SM SAAM, the Company. The Company conducts its business through the direct subsidiaries SAAM S.A., SAAM Ports S.A. and SAAM Logistics S.A., providing tugboat and port terminals and logistics services, respectively.

SM SAAM is controlled since January 11, 2016 by the Quiñenco group, according to the provisions of articles 97 and 99 of the Securities Market Law No. 18,045, with 52.20% ownership through the following companies:

Company	Ownership interest	N° of shares
Quiñenco S.A.	15.64%	1,522,794,376
Inversiones Rio Bravo S.A.	33,25%	3,237,543,274
Inmobiliaria Norte Verde S.A.	3.31%	322,149,301
Total Quiñenco Group	52.20%	5,082,486,951

As of December 31, 2018 and 2017, SM SAAM has 3,371 shareholders inscribed in its register, (3,422 shareholders as of December 31, 2017).

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 2 Basis of presentation of the consolidated financial statements

a. *Statement on compliance*

The consolidated financial statements as of December 31, 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and approved by its Board in session held on March 1, 2019.

b. *Basis of preparation of the consolidated financial statements*

These consolidated financial statements faithfully reflect the financial position of Sociedad Matriz SAAM S.A. and its subsidiaries as of December 31, 2018 and 2017, the comprehensive income by function, changes in equity and cash flows for the periods ended December 31, 2018 and 2017.

These consolidated financial statements have been prepared under the principle of an ongoing concern, based on the principle of historic cost, except for the items that are recognized at fair value.

The carrying amount of assets and liabilities, hedged with the operations that qualify for hedge accounting, is adjusted to reflect changes in fair value in relation to the risks covered.

c. *Use of estimates and judgments*

In the preparation of these consolidated financial statements, certain critical accounting estimates have been used to quantify certain assets, liabilities, income, expenses, and commitments. The areas involving a higher degree of judgment or complexity or areas in which the assumptions and estimates are significant for the financial statements are described below.

1. The assessment of impairment losses of specific assets. (See notes, 3.6e, 3.7e, 3.8, 3.15a 2, 3.15a 7, 3.15c, 3.16).
2. The assumptions used in the actuarial calculation of the employee benefit liabilities. (See note 26.3).
3. Useful lives of property, plant and equipment and intangible assets. (See notes 3.6d, 3.7c).
4. The probability of occurrence and valuation of certain liabilities and contingencies (See note 24).
5. El fair value of specific financial instruments (See Note 3.19).
6. The probability of recoverability of deferred tax assets (See Note 21).

These estimates are made according to the best information available over the facts analyzed.

In any case, it possible that certain events which might take place in the future oblige to modify those estimates in the next years, which, if it occurs, would be made prospectively, recognizing the effects of the change in the future financial statements.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 3 Summary de accounting policies applied

3.1.- Basis of consolidation

a) *Subsidiaries*

The Subsidiaries are all entities controlled by SM SAAM. Control exists when the Company has the power to direct the financial and operational policies of the entity with the purpose of obtaining benefits from its activities. In assessing whether SM SAAM controls another entity, the existence and effect of potential voting rights that are currently exercised or convertible in shares or other instruments that allow exercising the control of another entity, are considered. The subsidiaries are consolidated from the date that control is transferred to SM SAAM and are excluded from the consolidation on the date it ceases.

b) *Transactions eliminated from consolidation*

Intercompany balances and any unrealized income or expense arising from their transactions are eliminated during the preparation of the consolidated statements. Unrealized gains or losses from transactions with companies whose investment is recognized under the equity method are eliminated in the percentage their equity interest.

c) *Investments in associates and joint ventures (equity method)*

The associates are those entities where the Company has significant influence, but not control over financial and operating policies. It is assumed that there is significant influence when SM SAAM owns between 20% and 50% of the voting rights of another entity. Joint ventures are those entities in which SM SAAM has joint control over its activities, established by contractual agreements and which requires unanimous consent to make financial, operational and strategic decisions. Investments in associates and joint ventures are recognized according to the equity method and initially recognized at cost. The investment of SM SAAM includes the goodwill identified in the acquisition, net of any accumulated impairment loss.

An investment will be accounted for using the equity method, from the date it becomes an associate or joint venture. At the time of the acquisition of the investment, any difference between the cost of the investment and the part of the entity in the net fair value of the identifiable assets and liabilities of the investee will be accounted for as goodwill, and included in the book amount of the investment.

NOTE 3 Summary of accounting policies applied, continued**3.1.- Basis of consolidation, continued*****c) Investments in associates and joint ventures (equity method), continued***

The requirements of IAS 28 are applied to determine whether it is necessary to recognize an impairment loss with respect to the investments of the company in associates or joint ventures. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of assets, as a single asset by comparing its recoverable amount (the higher of the value in use and fair value less costs to sell) with their book value. Any impairment loss recognized is part of the book value of the investment. Any reversal of such impairment loss recognized in accordance with IAS 36 increases the value of the investment, based on the recoverable amount of the investment.

The Company discontinues the use of the equity method, on the date when the investment ceases to be an associate or joint venture, or when the investment is classified as held for sale.

The consolidated financial statements include the equity in earnings and participation in the equity movements of the investments recognized according to the equity method, after making adjustments to align the accounting criteria of those associated with those of SM SAAM, from the date when significant influence and / or joint control begin.

When the equity in the losses generated in the associates exceeds the book value of that equity interest, including any long-term investment, said investment is reduced to zero and the recognition of more losses is discontinued except in the case that SM SAAM has the obligation or has made payments on behalf of the company in which it participates.

When the Company reduces its equity interest in an associate or joint venture, and continues to use the equity method, the effects that had previously been recognized in other comprehensive income must be reclassified to profit or loss according to the proportion of the equity interest reduction in said associate or joint venture.

When a Group company enters into transactions with an associate or joint venture, gains or losses resulting from transactions with the associate or joint venture are recognized in the consolidated financial statements of the Company only to the extent of the equity interests of third parties of the associate or joint venture.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 3 Summary of accounting policies applied, continued

3.1.- Basis of consolidation, continued

d) Changes in las equity interests de la Company in existing subsidiaries

Changes in ownership interests of a controller in a subsidiary that do not result in loss of control are equity transaction. Any difference between the fair value of the consideration transferred and the book value of the assigned interest is recognized directly in equity and attributed to the owners of parent.

When the control of a subsidiary is lost, a gain or loss is recognized in income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

3.2 Entities included in the consolidation

These consolidated financial statements include the following subsidiaries:

Tax N°	Company	Country	Functional Currency	Direct	Indirect	12-31-2018	12-31-2017
						Total	Total
92.048.000-4	Saam S.A. and Subsidiaries ⁽⁴⁾	Chile	US Dollar	99.9995%	0.0005%	100.00%	100.00%
76.729.932-K	Saam S.A. and Subsidiaries ⁽⁴⁾	Chile	US Dollar	99.99945%	0.0055%	100.00%	100.00%
76.757.003-1	Saam Ports S.A. and Subsidiaries ^(3 and 4)	Chile	US Dollar	99.9995%	0.0005%	100.00%	100.00%
96.973.180-0	SAAM Internacional S.A. and Subsidiaries	Chile	US Dollar	-	100.00%	100.00%	100.00%
76.479.537-7	SAAM Inversiones SPA	Chile	US Dollar	100.00%	-	100.00%	100.00%
76.002.201-2	SAAM Puertos S.A. and subsidiaries	Chile	US Dollar	-	100.00%	100.00%	100.00%
76.708.840-K	Inmobiliaria San Marco Ltda. y subsidiary ⁽²⁾	Chile	US Dollar	-	100.00%	100.00%	100.00%
96.720.220-7	Inversiones San Marco Ltda. and subsidiaries	Chile	US Dollar	-	100.00%	100.00%	100.00%
0-E	SAAM Remolques S.A. de C.V. and Subsidiaries	Mexico	US Dollar	-	51.00%	51.00%	51.00%
0-E	Concesionaria SAAM Costa Rica S.A.	Costa Rica	US Dollar	-	100.00%	100.00%	100.00%
0-E	Ecuastibas S.A.	Ecuador	US Dollar	-	100.00%	100.00%	100.00%
0-E	SAAM Remolcadores Colombia S.A.	Colombia	US Dollar	-	100.00%	100.00%	100.00%
0-E	Inversiones Habsburgo S.A.	Panama	US Dollar	-	100.00%	100.00%	100.00%
0-E	Inversiones Alaria S.A. II	Panama	US Dollar	-	100.00%	100.00%	100.00%
0-E	Saam Remolcadores Panamá S.A.	Panama	US Dollar	-	100.00%	100.00%	100.00%

(1) Subsidiary as from March 21, 2017.

(2) Company that changed its functional currency as from 01-01-2017

(3) Subsidiary as from July 1017.

(4) As of July 1, 2017, the division of SAAM was carried out, according to the business segments, thus, SAAM (legal continuator) was assigned the tug segment, while the logistics and ports businesses were assigned to SAAM Logistics S.A. and SAAM Ports S.A., respectively.

To ensure uniformity in the presentation of the consolidated financial statements of SM SAAM, the subsidiaries included in the consolidation and its subsidiaries have adopted the same accounting criteria as the parent company.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 3 Summary of accounting policies applied, continued

3.3 Presentation currency and functional currency

a) Functional Currency

The consolidated financial statements are presented in United States dollars, which is the functional currency or SM SAAM. Each group entity has determined its functional currency based on the currency of the main economic environment in which it operates.

The items in a currency other than the functional currency are considered transactions in foreign currency and are initially recorded at the exchange rate of the transaction date, at the end of each period the monetary assets and liabilities in foreign currency are translated at the exchange rate of the closing date, non-monetary items in foreign currency remain translated at the exchange rate of the transaction date.

The exchange differences account in the consolidated statement of comprehensive income by function includes the recognition of exchange rate changes in foreign currency assets and liabilities.

b) Presentation currency

Group entities with a functional currency other than the currency of SM SAAM must translate, at the reporting date, their results and statement of financial position at the presentation currency of the parent through the translation of their assets and liabilities at the exchange rate of closing date and its results at the average exchange rate. The main reporting company in dollar presentation currency is SAAM SMIT Marine Canada Inc. and Subsidiaries, whose functional currency is the Canadian dollar.

The exchange differences that arise from the translation to the presentation currency are recognized as a separate component of the equity, in other comprehensive income, in the reserve account of exchange differences on translation.

3.4 Translation basis for transactions in foreign currency and indexed unit

The principal foreign currency assets and liabilities are stated at their equivalent value in dollars, calculated at the following closing exchange rates.

Currency	12-31-2018	12-31-2017
Chilean peso	694.77	614.75
Chilean peso	19.6812	19.6558
Canadian dollar	1.3633	1.2519

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 3 Summary of accounting policies applied, continued

3.4 Translation basis for transactions in foreign currency and indexed unit, continued

The assets and liabilities indexed in Unidades de Fomento (UF) have been valued at the following dollar values at the balance sheet date.

Closing date of the financial statements	12-31-2018	12-31-2017
	US\$	US\$
(UF/US\$)	39.68	43.59

3.5 Inventories

Inventories are valued at the lower of cost or net realizable value. The cost of inventories is based on the FIFO (first in, first out) method, and includes the cost of acquiring inventories and other costs incurred in moving them to their current location and conditions.

The net realizable value is the sale price estimated in the normal course of the business, less estimated sales costs.

Spare parts are valued at historic acquisition cost and recognized in income through the PEPS method.

Low-turnover spare parts, mainly those that are used in the repair and maintenance of the Company's main assets, tugs and cranes, constitute strategic inventories, and given their unpredictable demand, they are classified as non-current inventory.

3.6 Intangible assets

These are identifiable non-monetary assets without physical appearance that come from commercial transactions. Only intangible assets whose costs can be reasonably estimated objectively and from which it is probable that future economic benefits will flow are recognized.

Intangible assets with finite useful lives are initially recognized at acquisition or development cost and will be valued at cost less accumulated amortization and any impairment losses.

a) Port concessions

Port concession assets that are recognized under IFRIC12 are recorded as intangible assets as they have the right to collect revenues based on use. The cost of these related intangible assets includes the mandatory infrastructure works defined in the concession contract and the current value of all minimum contract payments. Accordingly, a financial liability is recorded at present value equivalent to the value of the recognized intangible asset.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 3 Summary of accounting policies applied, continued

a) Port concessions, continued

These consolidated financial statements contain port concession agreements registered with indirect subsidiaries Iquique Terminal Internacional S.A. and Maritime Terminal Mazatlán S.A. of C.V., Sociedad Portuaria Caldera S.A. and Sociedad Portuaria Granelera de Caldera S.A. (See note 35).

The associates that record port concession agreements in their financial statements are Terminal Puerto Arica S.A. (held for sale), Antofagasta Terminal Internacional S.A., San Antonio Terminal Internacional S.A. and San Vicente Terminal Internacional S.A.

b) Relationship with clients

Intangible assets denominated as "Relationship with Customers" generated in the business combinations carried out are amortized over the estimated return period of the benefits associated with the portfolio of current customers in each company at the acquisition date. These assets are amortized as from July 1, 2014, date on which these operations were carried out.

c) Goodwill

Goodwill represents the difference between the acquisition value of the shares or rights of subsidiaries, associates and joint ventures and the fair value of the identifiable contingent assets and liabilities at the acquisition date. Goodwill related to acquisitions of associates and joint ventures is included in investments accounted for under the equity method and joint ventures.

Goodwill arising on acquisitions of subsidiaries, joint ventures and businesses associated with functional currencies other than the U.S. dollar is valued in the functional currency of the acquired company, translating it into U.S. dollars at the exchange rate prevailing at the date of the statement of financial position.

Goodwill is not amortized, and at the end of each accounting period. It is estimated whether there are indications of impairment that could reduce its recoverable value to an amount lower than the recorded cost, in which case an impairment adjustment is made.

As of the closing date of these consolidated financial statements, there are no signs of impairment that imply any adjustment.

d) Amortization of intangible assets

Depreciation is recognized in the profit and loss accounts based on the straight-line method of depreciation over the estimated use or duration of the period of right of use in the case of concessions, counted from the date on which the asset is available for use.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 3 Summary of accounting policies applied, continued

3.6 Intangible assets, continued

d) Amortization of intangible assets, continued

The estimated useful lives by asset class are as follows:

Class	Minimum range	Maximum range
Goodwill		Indefinite
Water rights		Indefinite
Licenses and franchises	5 years	20 years
Port concessions (Note 35)		Concession period.
For the operation of tugboat (Note 35)		Concession period.
Relationships with customers (Note 17.2)	10 years	15 years
Software	3 years	7 years

e) Impairment of intangible assets

Intangible assets with indefinite useful lives are valued at cost and are tested annually for impairment.

At the year-end, or when deemed necessary, the Company and its subsidiaries evaluate whether there are signs of impairment in their assets. If there are such indicators, an estimate of the recoverable amount of such assets is made. The recoverable amount of an asset is the higher of the fair value less cost to sell and the value in use.

To determine the fair value less costs to sell, independent expert reports and / or available objective information are used. To determine the value in use, the estimated future cash flows are discounted at the WACC rate of the Company.

As of the closing date, SM SAAM S.A. and its subsidiaries do not present evidence of impairment due to significant changes such as a decrease in market value, obsolescence, physical damage, market return, etc. that may affect the valuation of intangible assets, other than those already recognized in this year.

3.7 Property, Plant and Equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at acquisition cost, less accumulated depreciation and impairment losses, where appropriate.

NOTE 3 Summary of accounting policies applied, continued**Property, plant and equipment, continued****a) Recognition and measurement, continued**

The cost includes expenses that have been directly attributed to the acquisition of the asset. The cost of self-built assets includes the cost of materials, direct labor, financial expenses related to external financing that are directly attributable, until the normal start-up of said asset, and any other cost directly allocated to the process of making the asset fit for its use, and the costs of dismantling and removing the items and restoring the place where they are located.

When the significant parts of an item of property, plant and equipment have different useful lives, they are recorded as separate elements within the subledger of property, plant and equipment.

Gains and losses on the sale of an item of property, plant and equipment are determined by comparing the selling price to the book value of property plant and equipment and are recognized net within "other gains (losses)".

b) Subsequent costs

The cost for replacing part of an item of property, plant and equipment is recognized in its carrying amount if it is possible that the future economic benefits incorporated within the part will flow in more than one period to SM SAAM and its cost can be measured reliably.

The costs of daily maintenance of property, plant and equipment are recognized in income when incurred.

Subsequent to the acquisition, only disbursements incurred that increase the economic useful life of the asset or its economic capacity and that are different from routine maintenance will be capitalized.

c) Depreciation and useful lives

Depreciation is recognized in the consolidated statement of income by function based on the method of straight-line depreciation over the useful lives of each item of property, plant and equipment. This is the method that best reflects the use and consumption of the good

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 3 Summary of accounting policies applied, continued

3.8 Property, plant and equipment, continued

c) Depreciation and useful lives, continued

The estimated useful lives for the current periods are as follows:

Class	Range years	
	Minimum	Maximum
Building and constructions	40	80
Infrastructure of port terminals ⁽¹⁾	Concession period.	
Facilities and improvements in leased property	Lease period	
Vessels, tugboats, barges and lighters	10	30
Machinery	5	15
Transport equipment	3	10
Office machinery	1	3
Furniture, fixtures and accessories	3	5

(1) Includes assets not controllable by the entity granting the concession. The useful lives of these assets may exceed the concession period when the asset is transferable to other operations of the Company.

d) Leases

The current lease agreements that transfer to SM SAAM substantially all the risks and benefits inherent to the ownership of the leased assets will be classified and valued as financial leases and, if not, they will be recorded as an operating lease.

At the beginning of the term of the financial lease, an asset will be recognized for the lower of the fair value of the leased asset and the present value of the minimum payments of the lease contract.

The instalments consist of interest expense and amortization of capital. The instalment of operating lease are recognized as an expense on a straight-line basis during the lease term.

Finance lease liabilities are presented as current and non-current interest-bearing liabilities. The Company does not hold implied leases in contracts that require separation.

e) Impairment of property, plant and equipment

At the year-end, or when deemed necessary, the Company and its subsidiary evaluate whether there are signs of impairment in their assets, such as significant decreases in value, indicators of obsolescence or physical deterioration, changes in the legal, economic or technological environment in which the asset operates. If there are such indicators, an estimate of the recoverable amount of such assets is made. The recoverable amount of an asset is the higher of the fair value less cost to sell and the value in use.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 3 Summary of accounting policies applied, continued

Property, plant and equipment, continued

e) Impairment of property, plant and equipment, continued

To determine the fair value less costs to sell, independent expert reports and / or available objective information are used. To determine the value in use, the estimated future cash flows are discounted at the WACC rate of the Company.

In the case of assets that do not generate cash flows independently, impairment will be evaluated based on the grouping of assets that generate identifiable flows (cash generating units).

In the event that the recoverable amount of the asset is lower than the net book value, the corresponding adjustment for impairment will be recorded with a charge to income, leaving the asset recorded at its recoverable value.

In the case of revalued assets, impairment losses are recognized with a charge to equity up to the amount of the previous revaluation.

Impairment losses recognized in prior periods will be evaluated at each year-end, in order to determine any indication that the loss has decreased or disappeared, recognizing the reversal with credit to results unless an asset is recorded at the revalued amount, in which case the reversal is credited to equity.

As of the closing date, SM SAAM S.A. and its subsidiaries do not present evidence of impairment due to significant changes such as a decrease in market value, obsolescence, physical damage, market return, etc. that may affect the valuation of Property, Plant and Equipment, other than those already recognized in this fiscal year.

3.8 Investment properties

Investment properties are real estate held for the purpose of obtaining rent for lease or to obtain capital appreciation in the investment or both at the same time, but not for sale in the normal course of business, use in the production or supply of goods or services, or for administrative purposes. Investment properties are valued at cost less accumulated depreciation and accumulated impairment losses. When the use of a property changes, the value is reclassified to the item of the balance sheet that best reflects the new use of the property.

NOTE 3 Summary of accounting policies applied, continued**3.9 Provisions**

A provision is recognised when there is a present legal or constructive obligation as a result of a past event and it is probable that there will be an outflow of resources embodying future economic benefits to from the settlement of the obligation and a reliable estimate of the amount of the obligation can be made. The amount for which the provision is recognised is the best estimate at the end of the reporting period of the disbursement required to settle the obligation.

When the estimated payment time is long term and can be estimated with sufficient reliability, the provision is recorded at its current value, discounting estimated cash flows at a market interest rate that reflects the specific risks of the obligation.

Provisions must be reviewed at the end of each reporting period, and adjusted accordingly to reflect at all times the best estimate available.

3.10 Employee benefits***a) Defined benefit plans***

The Company is obliged to pay severance indemnities under the collective bargaining agreements. This obligation is provisioned applying the actuarial value method of the accrued cost of the benefit, at a nominal annual discount rate of 2.03%, considering estimates such as future permanence, mortality rate of the workers and future wage increases, determined on the basis of actuarial calculations. Discount rates are determined by reference to market interest curves.

The present value of the obligation is determined through actuarial evaluations. The actuarial evaluation involves making assumptions about the discount rate, future salary increases, mortality rates and future pension increases. All assumptions are reviewed once a year. In the determination of the discount rate, the interest rates of the instruments issued by the Central Bank of Chile are considered as reference. The mortality rate is based on publicly available mortality tables for the country. Future salary and pension increases are based on projected future increases in the inflation rate for the country. See details of the actuarial assumptions used in (Note 26.3)

b) Short-term benefits

Obligations for short-term employee benefits are measured on an undiscounted basis and accounted for in the statement of income by function as the related service is accrued.

NOTE 3 Summary of accounting policies applied, continued

3.11 Revenue from operating activities and costs of sales

Revenue from ordinary activities and the cost of sales derived from the provision of services is recognized in income on accrual basis.

Revenue from ordinary activities is recognized only to the extent that it can be reliably measured and it is probable that the economic benefits will flow to the Company regardless of when the effective recovery occurs.

The costs of sales associated with the services rendered are recognized on an accrual basis directly to the respective business areas of the Company.

Revenue from ordinary activities and cost of sales are recognized net of discounts.

3.12 Finance income and finance costs

Finance income is recognized in the statement of comprehensive income by function according to its accrual.

Finance costs are generally taken to income when incurred, except those to finance the construction or development of qualifying assets that require a substantial period to start operating, and those related to the actuarial cost of personnel benefits.

3.13 Income tax

The Company and its subsidiaries in Chile account for income tax based on the net taxable income determined according to the rules established in the Income Tax Law. Its subsidiaries abroad do so according to the standards of the respective countries.

On September 29, 2014, Tax Reform Law No. 20,780 was published, which, among other aspects, defines the default tax regime that applies to the Company, the corporate tax rate that by default will be applied gradually to companies between 2014 and 2018 and allows companies to also opt for one of the two tax regimes established as attributed or partially integrated, being subject to different tax rates beginning in 2017.

It should be noted that, according to the Tax Reform established by Law No. 20,780 and Law No. 20,899 that simplifies it, companies could have been left by default or by option in one of the two tax systems or regimes established by the new tax regulations. The first regime "Attributed income", implies for companies to pay a corporate tax rate of 25% from the commercial year 2017, the second regime, "Partially integrated", implies for the company to pay a corporate tax rate of 25.5% for the 2017 commercial year and 27% for the 2018 and following commercial years.

NOTE 3 Summary of accounting policies applied, continued**3.13 Income tax, continued**

According to the above and depending on the regime for which it has opted or be left by default, the company or the group companies will disclose the income tax and deferred tax rates, in the latter case considering the current tax rate at the date on which the temporary differences will be reversed.

3.14 Deferred taxes

Deferred tax assets and liabilities are recognized using the statement of financial position method, determining the temporary differences between the book value of the assets and liabilities and their tax base and are recorded as set forth in IAS 12 "Income tax".

Deferred taxes are measured at the tax rates expected to be applied to the temporary difference when they are reversed based on laws approved or to be approved on the closing date of each financial statement.

3.15 Financial instruments***a) Non-derivative financial instruments***

Financial instruments are classified at the time of initial recognition as a financial asset, a financial liability or an equity instrument, in accordance with the economic fund of the contractual agreement.

Likewise, and for the purpose of their valuation, financial instruments are classified in the categories of financial assets at fair value through profit or loss, loans and accounts receivable, investments held to maturity and financial liabilities. The classification in the previous categories is made according to the characteristics of the instrument and the purpose that determined its acquisition. SM SAAM derecognizes a financial liability when its contractual obligations are cancelled or expire.

After the initial recognition, the non-derivative financial instruments are measured as described below:

a) 1. Cash and cash equivalents

Cash and cash equivalents recognized in the financial statements include cash on hand, current bank accounts, and other highly liquid short-term investments (with original maturities of three months or less) that are quickly realizable in cash and that do not have significant risk of changes in value.

NOTE 3 Summary of accounting policies applied, continued

a) 2. Trade and other receivables

Trade receivables are recognized at fair value, less impairment losses.

This classification also includes non-commercial debts, such as sundry debtors, loans to personnel and other entities abroad.

3.15 Financial instruments, continued

a) Non-derivative financial instruments, continued

a) 3. Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such since its initial recognition.

A financial asset or liability is classified as held for trading if:

- It is acquired or incurred primarily for the purpose of selling or repurchasing it in the immediate future,
- It is part of a portfolio of identified financial instruments, which are managed jointly and for which there is evidence of a recent pattern of obtaining short-term benefits or,
- It is a derivative, except for a derivative that has been designated as a hedging instrument and meets the conditions to be effective.

Financial assets at fair value through profit or loss are initially recognized at fair value. Transaction costs directly attributable to the purchase or issue are recognized as an expense when incurred. Subsequent to their initial recognition, they are recognized at fair value by recording the changes in results.

a) 4. Held-to-maturity investments

Held-to-maturity investments are those non-derivative financial assets with fixed or determinable payments and fixed maturities over which SM SAAM has the effective intention and the ability to hold until maturity. The valuation criteria applicable to financial instruments classified in this category are the same as those applicable to loans and accounts receivable.

a) 5. Financial liabilities

These liabilities are initially recognized at their transaction value. The costs incurred that are directly attributable to the transaction are amortized during the period of the loan and are presented net of the liability. They are measured at amortized cost, using the effective interest rate method (annual equivalent charge).

NOTE 3 Summary of accounting policies applied, continued

3.15 Financial instruments, continued

a) *Non-derivative financial instruments, continued*

a) 6. *Trade and other payables*

Included in this item are the amounts pending payment for commercial purchases and related expenses, in addition to non-commercial debts, such as sundry creditors, withholdings related to the remuneration of personnel and others.

a)7. *Other*

Other non-derivative financial instruments, which include accounts receivable and loans, are measured at amortized cost using the effective interest method, less any impairment loss.

b) *Financial derivative instruments*

Derivative financial instruments to hedge foreign currency risk exposure and the interest rate are initially recognized at fair value. The costs of attributable transactions are recognized in the income statement when incurred.

After the initial recognition, the non-derivative financial instruments are measured at fair value, and their changes are recorded as described below:

b.1) *Accounting hedges*

Derivative financial instruments, which meet the hedge accounting criteria, will initially be recognized at their fair value, plus / minus the transaction costs that are directly attributable to their contracting or issuance as appropriate.

The gain or loss resulting from the valuation of the hedging instrument is recognized immediately in comprehensive income accounts as well as the change in the fair value of the hedged item, attributable to the hedged risk.

If the instrument no longer meets the criteria of hedge accounting, this coverage will be discontinued prospectively. Accumulated gains or losses previously recognized in equity will remain until the projected transactions occur.

b.2) *Economic hedges*

Hedge accounting is not applicable to derivative instruments that economically cover monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of these derivatives are recognized in the statement of income by function as part of foreign currency gains and losses.

NOTE 3 Summary of accounting policies applied, continued**3.15 Financial instruments, continued*****b.2) Economic hedges, hedges***

Derivative financial instruments that do not meet the criteria for hedge accounting are classified and valued as financial assets or liabilities at fair value through profit or loss by function.

c) Impairment of financial assets

The provisions for doubtful debts are determined based on the expected loss of the assets, determined by evaluating the historical payment behavior of the clients of the various segments that make up the portfolio. For this evaluation, recoverability matrices are elaborated consisting of age tranches, which show the percentages of doubtful debts that are expected to occur during the life of the asset and are recognized from the initial moment.

Loans and accounts receivable are included in "Trade and other receivables" in the consolidated statement of financial position, except those with maturities exceeding twelve months from the closing date that are classified as trade and other receivables, non-current. They are accounted for at amortized cost using the effective interest rate method, with this corresponding to their initial fair value.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of allocating the financial income or expense over the relevant period. The effective interest rate is the discount rate that exactly matches the estimated cash flows receivable or payable over the expected life of the financial instrument (or when appropriate in a shorter period) with the net carrying amount of the financial asset or financial liability.

Current trade accounts are not discounted. The Company has determined that the calculation of amortized cost does not differ from the invoiced amount because the transaction has no significant associated costs.

3.16 Non-current assets held for sale

Non-current assets, or groups of assets and / or liabilities, that are expected to be recovered mainly through sales instead of being recovered through their continuous use are classified as available for sale and valued at the lower of carrying amount and fair value less costs to sell.

Immediately prior to this classification, the assets, or elements of an available-for-sale group, are valued at the lower of carrying amount and fair value less cost to sell.

NOTE 3 Summary of accounting policies applied, continued

3.16 Non-current assets held for sale, continued

Any impairment loss in a group for disposal is first allocated to the goodwill, and then to the remaining assets and liabilities based on apportionment. Impairment losses in the initial classification of available for sale and gains or losses subsequent to such classification, are recognized in profit or loss. Gains are only recognized once the accumulated impairment losses are covered.

3.17 Cash and cash equivalents

The Company considers cash and cash equivalents to be cash balances held in cash and bank current accounts, time deposits and other financial investments that are expected to be settled in less than 90 days. Also included in this item are those investments related to cash management, such as repurchase and resale agreements whose maturity is as defined above.

The bank overdraft lines used are included in short-term loans under current liabilities.

3.18 Determination of fair values

Some criteria and accounting disclosures of the Group require that the fair value of certain financial assets be determined in accordance with the following:

a) Financial assets

The fair value of financial assets at fair value through profit or loss and financial assets available for sale are determined at market value.

b) Trade and other receivables

Given that trade accounts receivable are due mainly within less than 120 days, it is estimated that their fair value does not differ significantly from their book value.

c) Derivatives

The fair value of derivative contracts is based on their quoted price.

NOTE 3 Summary of accounting policies applied, continued**3.19 Minimum dividend**

As of December 31, 2018, the Company has provisioned the minimum dividend according to Article 79 of Chilean Corporate Law, which establishes that listed corporations should distribute an annual cash dividend to their shareholders, in proportion to their shares or the proportion established in the company's by-laws if it has preferred shares, of at least 30% of net income for each period, except when accumulated losses from prior years must be absorbed, and unless unanimously agreed otherwise by shareholders of all issued shares. SM SAAM determines the amount of minimum dividends to be paid to its shareholders during the next year, and it is recorded under "Other non-financial liabilities" with a charge to an item included in Equity called "Retained Earnings (Losses)".

3.20 Environment

The disbursements associated with the environment protection are recognized in income when incurred.

3.21 New accounting pronouncements

- a) Standards, interpretations and amendments which are mandatory for the first time for years starting on January 1, 2018

Standards and interpretations

IFRS 9 "Financial Instruments" – Issued in July 2014. IASB has published the complete version of IFRS 9, which replaces the application guidelines of IAS 39. This final version includes requirements related to the classification and measurement of financial assets and liabilities and a model of expected credit loss that replaces the current model of impairment loss incurred. The part related to hedge accounting included in this final version of IFRS 9 was already published in November 2013. The effect of the application of this standard resulted in a charge to retained earnings amounting to ThUS\$ 275.

IFRS 15 "Revenue from contracts with customers" – Issued in May 2014. It establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Its application replaces IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue - Barter Transactions Involving Advertising Services. In general, the economic benefits for the services provided are immediately consumed by the client. No impact was observed in the application of this standard.

NOTE 3 Summary of accounting policies applied, continued

3.21 New accounting pronouncements, continued

- a) Standards, interpretations and amendments which are mandatory for the first time for years starting on January 1, 2018, continued

IFRIC 22 “Transactions in Foreign Currency and Advanced Considerations”. Issued in December 2016. This interpretation applies to a transaction in foreign currency (or part of it) when an entity recognizes a non-financial asset or liability arising from the payment or collection of an advanced consideration before the entity recognizes the related asset, expense or income (or the portion of these as appropriate). The interpretation provides guidance for when a single payment / receipt is made, as well as for situations in which multiple payments / receipts are made. Its purpose is to reduce diversity in practice.

Amendments and improvements

Amendment to IFRS 2 “Share-based payments”. Issued in June 2016. The amendment clarifies the measurements of share-based payments settled in cash and the accounting for modifications changing those payments to settlement with equity instruments. In addition, it introduces an exception to the principles of IFRS 2 that will require the treatment of premiums as if everything were settlement as an equity instrument, when the employer is obliged to withhold the tax related to share-based payments.

Amendment to IFRS 15 “Revenue from Contracts with Customers” Issued in April 2016. The amendment introduces clarifications to the guidance for identification of performance obligations in contracts with customers, accounting for copyrights and evaluation of principal versus agent (gross versus net income presentation). It includes new and modified illustrative examples as guidance, as well as practical examples related to the transition to the new income standard.

Amendment to IFRS 4 “Insurance Contracts”, regarding the application of IFRS 9 “Financial Instruments”. Issued in September 2016. The amendment introduces two approaches: (1) overlay approach, which gives all the companies that issue insurance contracts the option of recognizing in other comprehensive income, instead of profit or loss, the volatility that might arise when IFRS 9 is applied before the new standard of insurance contracts and (2) temporary exemption of IFRS 9, which allows the companies whose activities are predominantly related to insurance to optionally apply a temporary exemption of IFRS 9 until 2021, continuing until then with the application of IAS 39.

Amendment to IAS 40 “Investment Properties”, in relation to transfers of investment properties. Issued in December 2016. The amendment clarifies that, in transferring to, or from, investment properties, there must be a change in use. To conclude if the use of a property has changed, there must be an evaluation (supported by evidence) about whether the property meets the definition.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 3 Summary of accounting policies applied, continued

3.21 New accounting pronouncements, continued

- a) Standards, interpretations and amendments which are mandatory for the first time for years starting on January 1, 2018, continued

Amendment to IFRS 1 “First-time adoption of IFRS”, relating to the suspension of the short-term exceptions for first-time adopters with regard to IFRS 7, IAS 19 and IFRS 10. Issued in December 2016.

Amendment to IAS 28 “Investments in Associates and Joint Ventures”, in relation to the measurement of the associate or joint venture at fair value. Issued in December 2016.

The adoption of the standards, amendments and interpretations described above does not have a significant impact on the consolidated financial statements of the Company.

- b) Standards, interpretations and amendments issued, whose adoption is not mandatory yet, for which no early adoption has been made.

Standards and interpretations	Mandatory for years starting on
IFRS 16 “Leases” – Issued in January, 2016, it established the principle of recognition, measurement, presentation and disclosure of leases. IFRS 16 replaces the current IAS 17 and introduces a single lease accounting model. It also requires a lessee to recognize assets and liabilities for all lease contracts with terms over 12 months, unless the value of the underlying assets is low. IFRS 16 is effective for annual periods that begin on or after January 1, 2019, early adoption is permitted for entities that apply IFRS 15 before the first-adoption date of IFRS 16.	01/01/2019
IFRS 17 “Insurance Contracts”. Issued in May 2017, replaces the current IFRS 4. IFRS 17 shall change accounting mainly for all entities issuing insurance and investment contracts with discretionary participation characteristics. The standard applies to annual periods starting on January 1, 2021, with earlier application permitted if IFRS 15, 'Revenue from Contracts with Customers', and IFRS 9, 'Financial Instruments', are also applied.	01/01/2021
IFRIC 23 “ Uncertainty over income tax treatments”. Issued in June 2016. This interpretation clarifies how the recognition and measurement requirements of IAS 12 apply when there is uncertainty about the tax treatment.	01/01/2019
Amendment to IFRS 9 “Financial instruments”. Issued in October 2017. The amendment allows more assets to be measured at amortized costs than in the previous version of IFRS 9, particularly certain financial assets prepaid with a negative compensation. The qualifying assets included are certain loans and debt securities, which otherwise would have been measured at fair value through profit or loss (FVTPL). For them to qualify at amortized cost, the negative compensation must be a "fair compensation for the advance termination of contract".	01/01/2019
Amendment to IAS 28 “Investment in associates and joint ventures.” Issued in October 2017. This amendment clarifies that companies that account for long-term interests in an associate or joint venture - in which the equity method is not applied - must account for said interests under IFRS 9. The IASB Board has published an example illustrating how companies apply the requirements of IFRS 9 and IAS 28 to long-term interests in an associate or joint venture.	01/01/2019
Amendment to IFRS 3 “Business combinations” Issued in December 2017. The amendment clarified that obtaining control of a company that is a joint venture is a business combination that is achieved in stages. The acquirer must re-measure its previously held interest in the joint venture at fair value at the acquisition date.	01/01/2019
Amendment to IFRS 11 “Joint Arrangements” Issued in December 2017. The amendment clarified that the party obtaining joint control of a company which is a joint venture should not re-measure its previously held interest in the joint venture.	01/01/2019

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 3 Summary of accounting policies applied, continued

3.21 New accounting pronouncements, continued

Amendment to IAS 12 “Income tax” Issued in December 2017. The amendment clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognized in accordance with where past transactions or events that generated distributable income were recognized.	01/01/2019
Amendment to IAS 23 “Borrowing Costs” Issued in December 2017. The amendment clarified that, if a specific loan remains outstanding after the qualifying asset is ready for its intended use or sale, it becomes part of the general loans.	01/01/2019
Amendment to IAS 19 “Employee Benefits” Issued in February 2018. The amendment requires entities to use updated assumptions to determine the current service cost and net interest for the rest of the period after a plan modification, reduction, or liquidation; and to recognize in profit or loss as part of the past service cost, or a gain or loss in liquidation, any reduction in a surplus, even if that surplus was not previously recognized because it did not exceed the asset's maximum limit.	01/01/2019

b) Standards, interpretations and amendments issued, whose adoption is not mandatory yet, for which no early adoption has been made.

Standards and interpretations	Mandatory for years starting on
Amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” Issued in October 2018. It uses a consistent definition of materiality in all IFRSs and the Conceptual Framework for Financial Reporting; it clarifies the explanation of the definition of material; and it incorporates some of the guidance in IAS 1 on non-significant information.	01/01/2020
Amendments to IFRS 3 “Definition of a business” Issued in October 2018. It revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.	01/01/2020
Amendment to IFRS 10 “Consolidated financial statements” and IAS 28 “Investments in associates and joint ventures” Issued in September 2014. The amendment addresses an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	Not specified

Except for the application of IFRS 16, the management of the Company believes that adoption of the standards, amendments and interpretations described above will not have a significant impact on the consolidated financial statements of the Company in the period of first-time adoption.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 3 Summary of accounting policies applied, continued

3.21 New accounting pronouncements, continued

Application of IFRS 16

The Company assessed the lease contracts exceeding one year starting on 12.31.2018, estimating an initial effect on the Company's financial liabilities of ThUS\$ 28,191, with a counterpart in the Company's non-current non-financial assets of equal value. The impact that the recording of these financial liabilities will have on the Company's covenants was verified and any negative effect on SM SAAM was ruled out.

The accounting effects of the application of IFRS 16 on SM SAAM are the following:

Subsidiary	Contract purpose	Contract term as of 01.01.2019	Discount rate applied (annual)	Asset / Liability opening balance	Highest expense in income statement 2019
				ThUS\$	ThUS\$
Florida International Terminal LLC.	Lease port area	81 months	4.25%	22,876	450
Florida International Terminal LLC.	Crane lease	40 months	3.59%	793	11
Florida International Terminal LLC.	Crane lease	49 months	5.57%	928	18
SAAM S.A.	Office lease	94 months	5.6%	1,907	50
Inarpi S.A.	Land lease	456 months	3.5%	551	19
Inarpi S.A.	Real estates lease	15 and 18 months	3.5%	302	2
Inarpi S.A.	Vehicle lease	25, 13 and 37 months	3.5%	99	2
Ecuaestibas S.A.	Vehicle lease	37 months	3.5%	38	-
Sociedad Portuaria Caldera S.A.	Vehicle lease	16 months	8.09%	36	(1)
Sociedad Portuaria Granelera de Caldera S.A.	Vehicle lease	16 months	8.09%	16	(4)
Iquique Terminal Internacional S.A.	Vehicle lease	18 months	2.21%	35	(1)
Saam Smit Towage Mexico S.A.	Vehicle lease	30 months	7.4%	137	4
Saam Smit Towage Mexico S.A.	Office lease	38 months	7.0%	349	12
SAAM Logistics S.A.	Crane lease	36 months	3%	53	1
Concesionaria SAAM Costa Rica S.A.	Office lease	24 months	4%	71	5
Total				28,191	568

NOTE 4 Accounting change

During the year from January 1 to December 31, 2018, the Company has applied the accounting principles uniformly in relation to year 2017.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 5 Risk management

The risks arising from the Company's operations are credit risk, liquidity risk, market risk, currency risk, operational risk and capital management risk. The Company manages exposure to them in accordance with its strategy.

SM SAAM manages its risks with the purpose of identifying and analyzing the risks faced by the Company, setting limits and appropriate risk controls.

The Company's financing sources consist mainly of equity, financial debt from loans and lease operations, and accounts payable. In order to mitigate the effects of credit, the financing is intended to have a balanced structure between short and long term sources, a low risk exposure and that these are in line with the flows generated by the Company.

a) Credit risk

Credit risk is the risk of financial loss for the Company in the event that a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises mainly from accounts receivable from customers. The loans granted are periodically reviewed in order to apply the controls defined by the Company and monitor the statement of accounts receivable.

Services to customers of direct subsidiaries SAAM S.A. and SAAM Logistics S.A. are performed under market conditions, which are simple credits that currently do not exceed 120 days.

These transactions are not concentrated in relevant customers; instead, the Company's customers are quite atomized, which allows the risk to be distributed.

a) Credit risk, continued

From 1 January 2018 onwards, the companies composing the SAAM group use the provision criteria defined in IFRS 9 when faced with evidence of impairment of accounts receivable, with the percentage parameters of constituted expected losses being as follows:

	12-31-2018	12-31-2018	12-31-2017
	SAAM Logistics S.A.	Other Companies	Prior criterion
Ageing of the fixed asset	Expected loss	Expected loss (ranges)	Factor
Not past due	0.170%	0.13% - 0.22%	-
30 days after the due date of the note receivable	3.574%	0.22% - 4.65%	-
60 days after the due date of the note receivable	12.098%	0.37% - 15.73%	-
90 days after the due date of the note receivable	19.591%	1.63% - 25.47%	25%
120 days after the due date of the note receivable	28.096%	11.47% - 36.52%	25%
180 days after the due date of the note receivable	37.493%	15.90% - 48.74%	50%
240 days after the due date of the note receivable	56.670%	20.11% - 73.67%	50%
300 days after the due date of the note receivable	72.470%	40.11% - 94.21%	75%
360 days after the due date of the note receivable	84.570%	55.06% - 100%	100%
Over 360 days after the due date of the note receivable	100%	98.44% - 100%	100%
Judicial collection, bad checks and other related	100%	100%	100%
High-risk customers, case by case review	100%	100%	100%

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued

a) Credit risk, continued

Currently, the determination of the percentages of expected loss due to the impairment of accounts receivable is carried out separately by each company composing the SAAM Group. This is because each Company behaves differently in the loans granted and in its collection management.

The book value of the financial assets represents the maximum exposure to credit risk. The maximum credit risk exposure as of the reporting date is as follows:

At the indirect subsidiary Iquique Terminal Internacional S.A., when granting credit to customers, they are credit evaluated in order to reduce the delinquency risk. The loans granted are periodically reviewed in order to apply the controls defined by the Company's policies and monitor the statement of accounts receivable. Services sold on credit are made to customers who have previously provided a guarantee in favor of ITI, which ensures payment compliance.

Impairment losses

The maximum credit risk exposure for trade receivables as of December 31, 2018 and December 31, 2017 was as follows:

	Note	12-31-2018			12-31-2017		
		Current	Non-current	Total	Current	Non-current	Total
Trade receivables		67,344	-	67,344	68,482	-	68,482
Impairment of trade receivables		(3,954)	-	(3,954)	(4,661)	-	(4,661)
Trade receivables, net		63,390	-	63,390	63,821	-	63,821
Other receivables		10,881	15,832	26,713	9,767	19,909	29,676
Impairment of other receivables		-	-	-	-	-	-
Other receivables, net		10,881	15,832	26,713	9,767	19,909	29,676
Total Trade and other receivables	11	74,271	15,832	90,103	73,588	19,909	93,497

	12-31-2018		12-31-2017	
	ThUS\$		ThUS\$	
Change in impairment provision				
Opening balance as of January 1			4,661	5,752
Provision increase (Note 30)			221	807
Increase from change in accounting policy (IFRS 9)			183	-
Impairment reversal			(511)	(1,133)
Debtors write-off			(268)	(696)
Effect from change in foreign currency			(332)	(69)
Total impairment provision			3,954	4,661

b) Liquidity risk

Liquidity risk is the risk in which the Company would face difficulties in meeting its obligations related to financial liabilities which would be settled through the delivery of cash or another financial asset. The Company's approach to managing liquidity risk is to ensure, to the extent possible, that it always has sufficient liquidity to meet its obligations at maturity, whether under normal or more demanding conditions, without incurring unacceptable losses or causing damage to the Company's reputation.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued

Impairment losses

b) Liquidity risk

SM SAAM estimates the projected liquidity requirements for each year, between the amounts of cash receivable (balances receivable from customers, dividends, etc.), the corresponding outflows (commercial, financial, etc.) and the amounts of cash available, in order to avoid having to resort to short-term external financing to the extent possible.

If there are cash surpluses, they can be invested in low-risk financial instruments.

b.1) Exposure to liquidity risk

The contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of balance offsetting agreements, are shown below:

12-31-2018	Note	Book value	Contractual cash flows	0 - 12 months	1 - 2 years	2 - 5 years	Over 5 years
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-derivative financial liabilities							
Bank loans with guarantee	22.1	(130,416)	(152,260)	(27,584)	(24,479)	(73,057)	(27,140)
Bank loans without guarantee	22.1	(43,435)	(46,979)	(14,119)	(13,704)	(15,601)	(3,555)
Financial lease liabilities	22.2	(3,119)	(3,375)	(2,183)	(1,192)	-	-
Obligations with the public	22.4	(113,603)	(127,757)	(2,980)	(2,980)	(61,617)	(60,180)
Guaranteed factoring obligations	22.5	-	-	-	-	-	-
Trade and other payables, and payables to related entities	12 and 23	(36,595)	(36,595)	(36,595)	-	-	-
Assets on derivatives							
Derivatives of interest rate and currency used for hedging	10	3,041	3,041	11	-	1,515	1,515
Liabilities on derivatives							
Derivatives of interest rate and currency used for hedging	22.3	-	-	-	-	-	-
Total		(324,127)	(363,925)	(83,450)	(42,355)	(148,760)	(89,360)

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued

Impairment losses, continued

b) Liquidity risk, continued

b.1) Exposure to liquidity risk, continued

The payment dates of the cash flows included in the maturity analysis are not expected to differ significantly from the settlement date.

12-31-2017	Note	Book value ThUS\$	Contractual cash flows ThUS\$	0 - 12 months ThUS\$	1 - 2 years ThUS\$	2 - 5 years ThUS\$	Over 5 years ThUS\$
Non-derivative financial liabilities							
Bank loans with guarantee	22.1	(135,195)	(156,765)	(27,818)	(27,944)	(64,792)	(36,211)
Bank loans without guarantee	22.1	(56,699)	(60,954)	(18,794)	(11,746)	(26,372)	(4,042)
Financial lease liabilities	22.2	(5,531)	(5,704)	(2,522)	(2,177)	(949)	(56)
Obligations with the public	22.4	(125,021)	(146,458)	(3,274)	(3,274)	(70,352)	(69,558)
Guaranteed factoring obligations	22.5	(4,956)	(4,956)	(4,956)	-	-	-
Trade and other payables, and payables to related entities	12 and 23	(33,833)	(33,833)	(33,833)	-	-	-
Assets on derivatives							
Derivatives of interest rate and currency used for hedging	10	8,704	8,704	72	-	-	8,632
Liabilities on derivatives							
Derivatives of interest rate and currency used for hedging	22.3	(568)	(568)	(536)	(32)	-	-
Total		(353,099)	(400,534)	(91,661)	(45,173)	(162,465)	(101,235)

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued

c) Market risk

It is the risk of changes in tariffs and market prices, such as exchange rates, interest rates or share prices, affecting the revenue of SM SAAM or the value of the financial instruments it holds. The Market risk management aims to manage and control market risk exposures within reasonable parameters while optimizing profitability.

The Company contracts derivatives and incurs in financial obligations to manage market risks. Usually, SM SAAM seeks to mitigate the volatility in income generated by the existence of unhedged net positions of assets and liabilities in foreign currency by contracting derivative instruments.

The Company regularly assesses the profitability of its businesses in accordance with changes in the market that could substantially affect the Company's profitability.

c.1) Interest rate risk and sensitization

Interest rate risk arises mainly from those sources of the Company's funding exposed to variable interest rates indexed at London InterBank Offered Rate ("LIBOR").

At each balance sheet date, the financial liabilities of SM SAAM and its subsidiaries, subject to changes in rates, are as follows:

As of December 31, 2018							
Debtor entity	Creditor entity	Total Debt	Agreed interest rate	Effective rate	Finance cost for the year ThUS\$	Finance costs sensitization +100bp ThUS\$	Finance costs sensitization -100bp ThUS\$
Inarpi S.A.	Banco Santander Madrid	13,271	Libor +1.8%	4.96%	(658)	(724)	(592)
SAAM Remolques S. A. de C. V.	Corpbanca New York Branch	24,696	Libor 180 +3%	4.31%	(1,064)	(1,171)	(958)
Sociedad Operadora de Puertos de Estiba y Desestiba Costa Rica	Banco Estado	8,260	Libor 180 +2.0%	3.84%	(317)	(349)	(285)
Sociedad Portuaria de Caldera S.A.	Banco Davivienda de Costa Rica	2,300	Libor + 5.5%	6.43%	(145)	(163)	(133)
Sociedad Portuaria Granelera de Caldera S.A.	Banco Davivienda de Costa Rica	2,262	Libor + 5.35%	6.85%	(155)	(170)	(139)
Florida International Terminal LLC.	Banco Crédito e Inversiones Miami	4,568	Libor + 3%	5.97%	(273)	(300)	(245)
SAAM SMIT Marine Canada	Scotiabank Canada (75% fixed rate 25% variable rate)	4,041	BA of Canada + 1.75%	3.20%	(129)	(142)	(116)
SAAM SMIT Marine Canada	Scotiabank Canada (75% fixed rate 25% variable rate)	2,921	BA of Canada + 1.45%	4.10%	(120)	(132)	(108)
Total financial liabilities at variable rate		62,319			(2,861)	(3,151)	(2,576)
Total financial liabilities accruing interests (Notes 22.1, 22.2, 22.4 and 22.5)		290,573					
Proportion financial liabilities with variable rate		21.45%					

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued

c) Market Risk, continued

c.1) Interest rate risk and sensitization, continued

As of December 31, 2017							
Debtor entity	Creditor entity	Total Debt	Agreed interest rate	Effective rate	Finance cost for the year ThUS\$	Finance costs sensitization +100bp ThUS\$	Finance costs sensitization -100bp ThUS\$
Iquique Terminal Internacional S.A.	Banco Estado	3,039	Libor 180 +2.5%	4.13%	(126)	(138)	(113)
Inarpi S.A.	Banco Santander Madrid	15,067	Libor +1.8%	4.89%	(644)	(708)	(579)
SAAM Remolques S. A. de C. V.	Corpbanca New York Branch	32,572	Libor 180 +3%	4.31%	(1,404)	(1,544)	(1,263)
Sociedad Operadora de Puertos de Estiba y Desestiba Costa Rica	Banco Estado	9,504	Libor 180 +2.0%	3.53%	(335)	(369)	(302)
Sociedad Portuaria de Caldera S.A.	Banco Davivienda de Costa Rica	3,417	Libor + 5.5%	6.42%	(219)	(241)	(197)
Sociedad Portuaria Granelera de Caldera S.A.	Banco Davivienda de Costa Rica	3,213	Libor + 5.35%	6.65%	(214)	(235)	(192)
Florida International Terminal LLC.	Banco Crédito e Inversiones Miami	1,526	Libor + 3%	5.12%	(78)	(86)	(70)
SAAM SMIT Marine Canada	Scotiabank Canada (75% fixed rate 25% variable rate)	4,667	BA of Canada + 1.75%	3.42%	(266)	(293)	(240)
Total financial liabilities at variable rate		73,005			(3,286)	(3,614)	(2,956)
Total financial liabilities accruing interests (Notes 22.1, 22.2, 22.4 and 22.5)		327,402					
Proportion financial liabilities with variable rate		22.30%					

The method used to determine the effect of interest rate changes for variable rate financial instruments that are not hedged consists of sensitizing the interest rate at 100 basis points in order to determine an adjusted rate and its effect at the end of each period.

As of December 31, 2018, the consolidated exposure of variable interest rate liabilities amounts to ThUS\$ 62,319 (ThUS\$ 73,005 as of December 31, 2017).

d) Currency sensitivity

	Average exchange rate 12-31-2018	Cash exchange rate 12-31-2018	Average exchange rate 12-31-2017	Cash exchange rate 12-31-2017
Chilean peso	640.29	694.77	649.33	614.75
Mexican peso	19.2280	19.6812	18.9229	19.6558
Canadian dollar	1.2951	1.3633	1.2988	1.2519

The main currencies other than the functional currency to which the Company is exposed are the Chilean peso, the Canadian dollar and the Mexican peso. Based on the Company's net financial assets and liabilities at each year-end, a weakening/strengthening of the dollar against these currencies and all other variants held constant could have affected profit after tax and equity, as shown in the table below:

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued

d) Currency sensitivity, continued

Foreign currency exposure, year 2018:

	Effect on income					Effect in Equity ⁽¹⁾				
	Assets	Liabilities	Net Position	+10% exchange rate	-10% exchange rate	Assets	Liabilities	Net Position	+10% exchange rate	-10% exchange rate
Currency	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
CLP	26,714	(26,384)	330	(30)	37	28,673	-	28,673	(2,606)	3,185
CAD	-	-	-	-	-	134,459	(43,846)	90,613	(8,236)	10,066
MXP	19,594	(32,495)	(12,901)	1,173	(1,433)	-	-	-	-	-
Total Effect on income				1,143	(1,396)	Total Effect in Equity			(10,842)	13,251

(1) The effect of the change in the exchange rate is recorded against equity in conversion reserves.

Foreign currency exposure, year 2017:

	Effect on income					Effect in Equity ⁽¹⁾				
	Assets	Liabilities	Net Position	+10% exchange rate	-10% exchange rate	Assets	Liabilities	Net Position	+10% exchange rate	-10% exchange rate
Currency	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
CLP	32,484	(29,884)	2,600	(236)	289	29,715	-	29,715	(2,702)	3,302
CAD	-	-	-	-	-	128,503	(31,417)	97,086	(8,827)	10,788
MXP	10,816	(32,117)	(21,301)	1,937	(2,367)	-	-	-	-	-
Total Effect on income				1,701	(2,078)	Total Effect in Equity			(11,529)	14,090

(1) The effect of the change in the exchange rate is recorded against equity in conversion reserves.

The variables used to calculate currency sensitization for the years 2018 and 2017 are as follows:

Currency	2018			2017		
	Exchange rate	+10% change exchange rate	-10% change exchange rate	Exchange rate	+10% change exchange rate	-10% change exchange rate
CLP	694.77	764.25	625.29	614.75	676.22	553.28
MXP	19.6812	21.6493	17.7131	19.6558	21.6214	17.6902
CAD	1.3633	1.4996	1.2270	1.2519	1.3771	1.1267

The effects recorded in equity correspond to the conversion effect of those companies whose functional currency is equivalent to the currency of the country in which they operate, considering the conversion criteria established by IAS 21.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued

e) Capital management

The management of SM SAAM aims to maintain a solid capital base in order to keep the confidence of investors, creditors and the market, and support the future development of the business. The Company's Board of Directors monitors the return on capital on a monthly basis.

The Company's senior management keeps a balance between the higher returns that can be obtained with higher levels of credit and the advantages and security provided by a solid capital position.

The capital management maintained by SM SAAM is restricted exclusively by the covenants stipulated in the debt contracts in force signed with national banks. These restrictions are limited to maintaining indexes which are disclosed in note 36.6.

NOTE 6 Financial information by segment

a.1) Assets, liabilities and impairment by segment:

	Tugboats and corporate		Ports		Logistics		Total	
	12-31-2018	12-31-2017	12-31-2018	12-31-2017	12-31-2018	12-31-2017	12-31-2018	12-31-2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Assets	646,492	681,587	440,969	444,155	121,519	136,026	1,208,980	1,261,768
Investments accounted for using equity method	108,697	116,861	86,800	93,390	20,760	16,109	216,257	226,360
Total Assets	755,189	798,448	527,769	537,545	142,279	152,135	1,425,237	1,488,128
Total liabilities	(254,939)	(296,694)	(240,565)	(260,989)	(9,366)	(15,928)	(504,870)	(573,611)
Equity	(500,250)	(501,754)	(287,204)	(276,556)	(132,913)	(136,207)	(920,367)	(914,517)
(Loss), reversal of impairment recorded in income for the period	(1,060)	(1,378)	527	(85)	290	(4,952)	(243)	(6,415)

a.2) Non-current assets by geographic zone:

	Chile		South America		Central America		North America		Total	
	12-31-2018	12-31-2017	12-31-2018	12-31-2017	12-31-2018	12-31-2017	12-31-2018	12-31-2017	12-31-2018	12-31-2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-current assets other than financial instruments, investments accounted for using equity method and deferred tax assets	205,201	240,967	143,171	147,951	156,369	149,759	292,954	296,691	797,695	835,368
Total	205,201	240,967	143,171	147,951	156,369	149,759	292,954	296,691	797,695	835,368

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 6 Financial information by segment, continued

a.3) Income by geographic zone:

	Tugboats		Ports		Logistics		Total	
	01-01-2018	01-01-2017	01-01-2018	01-01-2017	01-01-2018	01-01-2017	01-01-2018	01-01-2017
	12-31-2018	12-31-2017	12-31-2018	12-31-2017	12-31-2018	12-31-2017	12-31-2018	12-31-2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Chile	37,713	39,416	45,520	45,126	57,700	68,912	140,933	153,454
South America	30,312	27,040	99,585	71,450	-	-	129,897	98,490
Central America	14,132	13,224	64,802	55,079	-	-	78,934	68,303
North America	104,529	100,938	61,694	46,641	-	-	166,223	147,579
Total	186,686	180,618	271,601	218,296	57,700	68,912	515,987	467,826

a.4) The breakdown of revenue by business and service area, opened by customers, is as follows:

Segment	Service	Customer	01-01-2018	01-01-2017
			12-31-2018	12-31-2017
			ThUS\$	ThUS\$
Tugboats	Tugboat operations	Total tugboat operations	186,686	180,618
		Revenue from services provided to customers exceeding 10% of the total revenue related to this segment	-	21,003
		Revenue from services provided to customers not exceeding 10% of the total revenue related to this segment	186,686	159,615
Ports	Port operations	Total Port operations	271,601	218,296
		Revenue from services provided to customers exceeding 10% of the total revenue related to this segment	-	-
		Revenue from services provided to customers not exceeding 10% of the total revenue related to this segment	271,601	218,296
Logistics	Contract Logistics	Total Logistics operations	57,700	68,912
		Revenue from services provided to customers exceeding 10% of the total revenue related to this segment	1,778	-
		Revenue from services provided to customers not exceeding 10% of the total revenue related to this segment	55,922	68,912
		Total Revenue	515,987	467,826

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

NOTE 6 Financial information by segment, continued

a.5) Income by segment is as follows:

December 31, 2018

Continuing operations	Notes	Tugboats	Ports	Logistics	Other	Removals	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	28	188,846	271,601	58,735	-	(3,195)	515,987
Cost of sales	29	(129,093)	(193,740)	(47,516)	-	3,907	(366,442)
Gross profit		59,753	77,861	11,219	-	712	149,545
Administrative expenses	30	(23,807)	(22,440)	(7,626)	(23,866)	2,928	(74,811)
Operating income		35,946	55,421	3,593	(23,866)	3,640	74,741
Non-operating income		(6,675)	(9,418)	157	9,608	(3,640)	(9,968)
Share of profit (loss) of associates accounted for using equity method	16	7,500	3,397	6,949	410	-	18,256
Profit (loss) before tax		36,771	49,400	10,699	(13,848)	-	83,022
Tax income (expense)	21.3	(8,026)	(12,219)	(1,462)	476	-	(21,231)
Profit (loss)		28,745	37,181	9,237	(13,372)	-	61,791
Profit /loss, attributable to owners of parent		22,189	31,553	9,237	(13,372)	-	49,607
Profit /loss, attributable to non-controlling interests		6,556	5,628	-	-	-	12,184

December 31, 2017

Continuing operations	Notes	Tugboats	Ports	Logistics	Other	Removals	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	28	182,348	218,369	69,256	-	(2,147)	467,826
Cost of sales	29	(131,566)	(159,653)	(57,947)	-	2,901	(346,265)
Gross profit		50,782	58,716	11,309	-	754	121,561
Administrative expenses	30	(23,003)	(20,075)	(13,505)	(17,605)	607	(73,581)
Operating income		27,779	38,641	(2,196)	(17,605)	1,361	47,980
Non-operating income		(1,434)	(9,115)	(149)	65,103	(1,361)	53,044
Share of profit (loss) of associates accounted for using equity method	16	13,095	4,976	3,705	1,159	-	22,935
Profit (loss) before tax		39,440	34,502	1,360	48,657	-	123,959
Tax income (expense)	21.3	(7,402)	(8,244)	(1,044)	(39,414)	-	(56,104)
Profit (loss)		32,038	26,258	316	9,243	-	67,855
Profit /loss, attributable to owners of parent		27,249	22,517	316	9,243	-	59,325
Profit /loss, attributable to non-controlling interests		4,789	3,741	-	-	-	8,530

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 6 Financial information by segment, continued

a.6) Cash flows by segment:

	12-31-2018	12-31-2017
Net cash flows from (used in)	Total Flows	Total Flows
	ThUS\$	ThUS\$
Operating activities	116,979	76,864
Tugboats	44,879	44,705
Ports	80,779	45,996
Logistics	9,419	(1,250)
Corporate	(18,098)	(12,587)
Investment operations	(14,703)	22,806
Tugboats	(22,188)	45,687
Ports	(4,051)	(43,716)
Logistics	1,887	11,791
Corporate	9,649	9,044
Financing activities	(80,639)	(20,883)
Tugboats	(4,980)	(15,505)
Ports	(36,242)	12,879
Logistics	(53)	(154)
Corporate	(39,364)	(18,103)
Net increase (decrease) in cash and cash equivalents associated to segments	21,635	78,787
Tugboats	17,711	74,887
Ports	40,486	15,159
Logistics	11,251	10,387
Corporate	(47,813)	(21,646)
Net cash flows from (used in) investment activities, not allocable to segments	-	-
Net increase (decrease) in cash and cash equivalents	21,635	78,787
Effect of exchange rate changes on cash and cash equivalents	(2,285)	246
Net increase (decrease) in cash and cash equivalents	19,350	79,033
Cash and cash equivalents at beginning of period	222,062	143,029
Cash and cash equivalents at end of period	241,412	222,062

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

NOTE 7 Fair value of financial assets and liabilities

a) Composition of financial assets and liabilities:

Financial assets and liabilities	Notes	12-31-2018		12-31-2017	
		Book value ThUS\$	Fair value ThUS\$	Book value ThUS\$	Fair value ThUS\$
Cash and cash equivalents	9	241,412	241,412	222,062	222,062
Derivative instruments and other	10 a and 10 b	3,672	3,672	44,830	44,830
Trade and other receivables	11	90,103	90,103	93,497	93,497
Related party receivables	12	11,007	11,007	7,788	7,788
Total financial assets		346,194	346,194	368,177	368,177
Bank loans	22	(173,851)	(170,020)	(191,894)	(190,248)
Obligations with the public	22	(113,603)	(113,901)	(125,021)	(124,948)
Financial lease	22	(3,119)	(3,156)	(5,531)	(5,531)
Guaranteed factoring obligations	22	-	-	(4,956)	(4,956)
Hedging derivatives	22	-	-	(568)	(568)
Trade and other payables	23	(36,267)	(36,267)	(33,364)	(33,364)
Related party payables	12	(332)	(332)	(469)	(469)
Total financial liabilities		(327,172)	(323,676)	(361,803)	(360,084)
Net financial position		19,022	22,518	6,374	8,093

The book value of current accounts receivable, cash and cash equivalents, and other financial assets and liabilities is approximated to fair value due to the short-term nature of these instruments, and for accounts receivable, given that any recoverability loss is already reflected in the impairment provisions.

The fair value of non-derivative assets and liabilities that are not quoted in active markets is estimated through the use of discounted cash calculated on observable market variables as of the date of the financial statements. The fair value of derivative instruments is estimated through the use of discounts of future cash flows, determined on the basis of observable market information or on variants and prices obtained from third parties.

The fair value of bank loans and obligations with the public have a hierarchy level 2.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 7 Fair value of financial assets and liabilities, continued

b) Financial instruments by category:

12-31-2018	Fair value through profit or loss	Cash and cash equivalents, loans and accounts receivable	Hedge derivatives	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial derivative instruments	11	-	-	11
Marketable securities and investments in other companies	81	-	-	81
Hedging assets	-	-	3,030	3,030
Other financial assets	550	-	-	550
Total other financial assets	642	-	3,030	3,672
Cash and cash equivalents	-	241,412	-	241,412
Trade and other receivables	-	90,103	-	90,103
Related party receivables	-	11,007	-	11,007
Total financial assets	642	342,522	3,030	346,194

12-31-2018	Fair value through profit or loss	Hedge derivatives	Financial liabilities measured at amortized cost	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loans	-	-	173,851	173,851
Obligations with the public	-	-	113,603	113,603
Financial lease	-	-	3,119	3,119
Total other financial liabilities	-	-	290,573	290,573
Trade and other payables	-	-	36,267	36,267
Related party payables	-	-	332	332
Total financial liabilities	-	-	327,172	327,172

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 7 Fair value of financial assets and liabilities, continued

b) Financial instruments by category, continued:

12-31-2017	Fair value through profit or loss	Cash and cash equivalents, loans and accounts receivable	Hedge derivatives	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial derivative instruments	72	-	-	72
Term deposits exceeding 90 days	35,624	-	-	35,624
Marketable securities and investments in other companies	81	-	-	81
Hedging assets	-	-	8,632	8,632
Other financial assets	421	-	-	421
Total other financial assets	36,198	-	8,632	44,830
Cash and cash equivalents	-	222,062	-	222,062
Trade and other receivables	-	93,497	-	93,497
Related party receivables	-	7,788	-	7,788
Total financial assets	36,198	323,347	8,632	368,177

12-31-2017	Fair value through profit or loss	Hedge derivatives	Financial liabilities measured at amortized cost	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loans	-	-	191,894	191,894
Obligations with the public	-	-	125,021	125,021
Financial lease	-	-	5,531	5,531
Guaranteed factoring obligations	-	-	4,956	4,956
Financial derivative instruments	520	48	-	568
Total other financial liabilities	520	48	327,402	327,970
Trade and other payables	-	-	33,364	33,364
Related party payables	-	-	469	469
Total financial liabilities	520	48	361,235	361,803

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 7 Fair value of financial assets and liabilities, continued

At the end of each period, the Company presents the following structure for obtaining the fair value of its financial instruments recorded at fair value:

12-31-2018	Fair value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial derivative instruments	11	-	11	-
Marketable securities and investments in other companies	81	81	-	-
Hedging assets	3,030	-	3,030	-
Other financial assets	550	-	550	-
Financial assets	3,672	81	3,591	-
Financial derivative instruments	-	-	-	-
Hedging derivatives	-	-	-	-
Financial liabilities	-	-	-	-

12-31-2017	Fair value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial derivative instruments	72	-	72	-
Term deposits exceeding 90 days	35,624	-	35,624	-
Marketable securities and investments in other companies	81	81	-	-
Hedging assets	8,632	-	8,632	-
Other financial assets	421	-	421	-
Financial assets	44,830	81	44,749	-
Financial derivative instruments	5	-	5	-
Financial liabilities	5	-	5	-

NOTE 8 Non-current assets held for sale

A part of the property, plant and equipment is presented as a disposal group of assets held for sale in compliance with the commitment assumed by the management of the following companies:

- a) The increase in 2017 of ThUS\$ 3,139 corresponds to the reclassification of the Huasteca y Olmeca tugboat of the indirect subsidiary SAAM SMIT Remolcadores Inc. for ThUS\$ 251, the Pastaza tugboat of the indirect subsidiary Ecu aestibas S.A. for ThUS\$ 29 and ThUS\$ 2,859 for dispensable assets of the Logistics area, with a sale plan in execution stage.
- b) During 2017, sales of assets amounted to ThUS\$ 2,217, corresponding to the sale of the Huasteca tugboat ThUS\$145, machinery from the logistics area for ThUS\$ 1,203, inventories for ThUS\$ 387 and dispensable real estate for ThUS\$ 482.
- c) The Company has classified its 15% interest in Terminal Puerto Arica S.A. as an asset held for sale.

As described in note 3.1 c to these consolidated financial statements, the interest in such company has been valued at the lower of its book value and its realizable value less costs of sale. As part of the valuation described above, no retained earnings or expenses have been recognized in income for the current year.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

NOTE 8 Non-current assets held for sale, continued

- d) During the current year, the Company has achieved the sale of some of the assets held for sale, such as a property located in Puerto Montt, for ThUS\$ 309, the Olmeca tugboat in Panama for ThUS\$ 106 and assets of the Logistics area declared as dispensable in 2017, for ThUS\$ 449.

	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Opening balance	19,120	10,445
Transfers from property, plant and equipment (note 18.3)	-	3,139 ^(a)
Transfers from inventories	-	784
Transfers from investments in associate companies	-	7,786 ^(c)
Disposals assets held for sale	(911) ^(d)	(2,217) ^(b)
Value adjustment assets held for sale	-	(892)
Presentation currency	(67)	75
Total Non-current classified as assets held for sale	18,142	19,120

The detail of non-current assets held for sale is as follows:

	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Real estates	9,659	10,039
Machinery	697	1,295
Investment in associate	7,786	7,786
Total Non-current classified as assets held for sale	18,142	19,120

NOTE 9 Cash and cash equivalents

The detail of cash and cash equivalents is as follows:

	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Cash in hand	123	141
Balances in banks and overnight	55,644	48,329
Short-term deposits	180,338	172,542
Other cash and cash equivalents	5,307	1,050
Total cash and cash equivalents	241,412	222,062

Cash and cash equivalents corresponds to cash in hand and current bank accounts. Short term deposits are at fixed term with banking institutions and are recorded at their investment value plus the corresponding interest accrued at the year end.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 9 Cash and cash equivalents, continued

The detail of cash and cash equivalents by currency is as follows:

	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
US Dollar	226,402	205,078
Canadian dollar	1,377	7,348
Chilean peso	7,456	5,388
Real	13	13
Mexican peso	2,268	850
Other currencies	3,896	3,385
Total cash and cash equivalents by currency	241,412	222,062

NOTE 10 Other financial assets, current and non-current

		12-31-2018	12-31-2017
		ThUS\$	ThUS\$
Total other financial assets, current	(Note 10.a)	11	35,696
Total other financial assets, non-current	(Note 10.b)	3,661	9,134
Total other financial assets		3,672	44,830

Financial assets in 2017 correspond mainly to term deposits over 90 days and currency and interest rate derivative contracts, the former are measured at amortized cost, while derivative contracts are measured at fair value.

a) Other financial assets, current

The detail of Other financial assets, current is as follows:

	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
Currency derivative (forward) ⁽¹⁾	-	72
Interest rate derivative (swap) ⁽²⁾	11	
Term deposits over 90 days ⁽³⁾	-	35,624
Total other financial assets at fair value, current	11	35,696

⁽¹⁾ Corresponds to currency derivative contracts (forward), entered into by the Company, to minimize the risk of exchange rate fluctuations in unhedged items on the balance sheet.

⁽²⁾ Corresponds to interest rate derivative contracts (swap), entered into by the Company, to minimize the risk of changes in the Libor rate.

⁽³⁾ The decrease is explained by the redemption of the term deposit taken by Inversiones Misti S.A. used to settle the income tax arising from the sale of the investment in Tramarsa S.A. in May 2017.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 10 Other financial assets, current and non-current, continued

b) Other financial assets non-current held to maturity

	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Non-current		
CCSWAP Derivative ⁽¹⁾	3,030	8,632
Investment in companies	81	81
Financial guarantees	123	97
Other financial assets	427	324
Total other financial assets, non-current	3,661	9,134

(1) Corresponds to the fair value associated with the Cross Currency Swap contract entered into by SM SAAM and Banco Santander to minimize the risk of changes in exchange rates related to the issue of bonds in January 2017.

NOTE 11 Trade and other receivables

a) Breakdown by collection currency of trade and other receivables, current and non-current from:

	Currency	12-31-2018			12-31-2017		
		Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Trade receivables	CLP	14,703	-	14,703	17,764	-	17,764
	USD	33,121	-	33,121	36,810	-	36,810
	CAD	6,457	-	6,457	3,966	-	3,966
	MX	8,663	-	8,663	4,845	-	4,845
	Other currencies	446	-	446	436	-	436
Total trade receivables	Total	63,390	-	63,390	63,821	-	63,821
Other receivables	CLP	741	1,303	2,044	2,071	3,523	5,594
	USD	8,775	14,375	23,150	6,505	16,386	22,891
	MX	1,324	-	1,324	1,191	-	1,191
	Other currencies	41	154	195	-	-	-
Total other receivables	Total	10,881	15,832	26,713	9,767	19,909	29,676
Total Trade and other receivables		74,271	15,832	90,103	73,588	19,909	93,497

Trade debtors correspond to receivables from customers for the provision of services, mainly related to the maritime business, such as: tugboat services, port operations, and freight logistics.

The balance of other long-term accounts receivable consists mainly of loans to foreign entities with different interest rates and collection terms, which are duly documented by these debtors. Also included in this balance are loans to employees and advanced payments for severance indemnities.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 11 Trade and other receivables, continued

b) Breakdown by number and portfolio of trade and other receivables, current and non-current of:

Delinquency range	12-31-2018				12-31-2017			
	N° of customers, non-renegotiated portfolio	Amount non-renegotiated portfolio, gross (ThUS\$)	N° of customers, renegotiated portfolio	Amount renegotiated portfolio, gross (ThUS\$)	N° of customers, non-renegotiated portfolio	Amount non-renegotiated portfolio, gross (ThUS\$)	N° of customers, renegotiated portfolio	Amount renegotiated portfolio, gross (ThUS\$)
Not past-due	4,085	70,662	-	-	4,013	71,112	-	-
1-30 days	1,605	11,872	-	-	1,609	14,909	-	-
31-60 days	861	3,444	-	-	455	3,826	-	-
61-90 days	1,004	1,742	-	-	518	1,555	-	-
91-120 days	417	405	-	-	271	1,503	-	-
121-150 days	337	177	-	-	94	348	-	-
151-180 days	50	85	-	-	31	681	-	-
181-210 days	167	152	-	-	34	73	-	-
211-250 days	4	7	-	-	40	63	-	-
> 250 days	1,008	5,511	-	-	2,141	4,088	-	-
Total	9,538	94,057	-	-	9,206	98,158	-	-
Allowance for doubtful accounts		(3,954)				(4,661)		
Total net		90,103				93,497		

The Company does not have customers classified under the category guaranteed portfolio as of December 31, 2018 and December 31, 2017.

The Company, through its direct subsidiary SAAM S.A., arranged a commercial credit insurance to reduce the risk of uncollectability of its client portfolio, whose policy was in force until March 31, 2018.

c) Detail of protested notes receivable and under judicial collection, current and non-current from:

Unguaranteed portfolio	12-31-2018		12-31-2017	
	N° of customers portfolio	Amount portfolio ThUS\$	N° of customers portfolio	Amount portfolio ThUS\$
Protested notes and notes under judicial collection	10	868	22	968

Impairment provision Trade receivables				
	Non-renegotiated portfolio ThUS\$	Renegotiated portfolio ThUS\$	Write-offs for the period ThUS\$	Recoveries for the period ThUS\$
12-31-2018	3,954	-	268	511
12-31-2017	4,661	-	387	1,133

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related entities

The net balance of receivables and payables with unconsolidable related companies is as follows:

	Current 12-31-2018 ThUS\$	Non-current 12-31-2018 ThUS\$	Total 12-31-2018 ThUS\$	Current 12-31-2017 ThUS\$	Non-current 12-31-2017 ThUS\$	Total 12-31-2017 ThUS\$
Related party receivables	11,007	-	11,007	7,788	-	7,788
Related party payables	(332)	-	(332)	(469)	-	(469)
Total	10,675	-	10,675	7,319	-	7,319

All current balances pending with related parties are valued in conditions of mutual independence and will be cancelled within twelve months after the balance sheet date.

(12.1) Accounts receivable from related entities

The composition of Accounts receivable from related entities is as follows:

Tax N°	Domestic companies	Currency	Relationship	Transaction	Current 12-31-2018 ThUS\$	Non-current 12-31-2018 ThUS\$	Current 12-31-2017 ThUS\$	Non-current 12-31-2017 ThUS\$
96.885.450-K	Aerosan Airport Services S.A.	Chilean pesos	Indirect associate	Services	7	-	1	-
				Trade Current Acc.	-	-	1	-
96.566.940-K	Agencias Universales S.A.	Chilean pesos	Indirect	Services	-	-	79	-
				Other	-	-	93	-
99.511.240-K	Antofagasta Terminal Internacional S.A.	Chilean pesos	Indirect associate	Services	258	-	279	-
				Dividend	-	-	-	-
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chilean pesos and US Dollars	Common shareholders	Services	100	-	165	-
				Other	-	-	3	-
89.602.300-4	CSAV Austral SPA	Chilean pesos and US Dollars	Common shareholders	Services	257	-	358	-
99.501.760-1	Embotelladoras Chilenas Unidas S.A.	Chilean pesos	Common director	Services	2	-	10	-
76.049.840-8	Happag Lloyd SPA	Chilean pesos and US Dollars	Common shareholders	Services	-	-	1,557	-
76.380.217-5	Happag Lloyd Chile SPA	Chilean pesos and US Dollars	Common shareholders	Services	2,325	-	-	-
76.140.270-6	Inmobiliaria Carriel Ltda.	Chilean pesos	Indirect associate	Services	-	-	6	-
				Trade Current Acc.	-	-	-	-
76.028.651-6	Lng Tugs Chile S.A.	US Dollar	Indirect associate	Services	61	-	183	-
				Dividend	-	-	15	-
99.506.030-2	Muellaje del Maipo S.A.	Chilean pesos	Indirect associate	Services	-	-	2	-
96.915.770-5	Muellaje STI S.A.	Chilean pesos	Indirect associate	Other	3	-	2	-
76.028.758-K	Norgistics Chile S.A.	Chilean pesos	Common shareholder	Services	66	-	120	-
96.610.780-4	Portuaria Corral S.A.	Chilean pesos	Indirect associate	Services	-	-	11	-
				Dividends	-	-	-	-
96.908.970-K	San Antonio Terminal Internacional S.A.	Chilean pesos and US Dollar	Indirect associate	Services	16	-	102	-
				Dividend	-	-	469	-
96.908.930-0	San Vicente Terminal Internacional S.A.	Chilean pesos	Indirect associate	Services	54	-	113	-
				Dividend	-	-	-	-
78.353.000-7	Servicios Portuarios Reloncaví Ltda.	Chilean pesos	Indirect associate	Services	255	-	12	-
				Withdrawal of profits	-	-	-	-
96.783.150-6	St. Andrews Somoky Delicacias S.A	Chilean pesos	Common shareholders	Services	1	-	-	-
99.567.620-6	Terminal Puerto Arica S.A.	Chilean pesos	Indirect associate	Services	-	-	3	-
				Dividend	-	-	-	-
96.657.210-8	Transportes Fluviales Corral S.A.	Chilean pesos	Indirect associate	Services	29	-	91	-
	Total domestic companies				3,434	-	3,675	-

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related entities, continued

(12.1) Accounts receivable from related entities, continued

TAX N°	Country	Currency Account receivable	Foreign companies	Relationship	Transaction	Current	Non-current	Current	Non-current
						12-31-2018	12-31-2018	12-31-2017	12-31-2017
						ThUS\$	ThUS\$	ThUS\$	ThUS\$
0-E	Germany	US Dollar	Hapag Lloyd AG	Common shareholder	Services	3,487	-	2,687	-
0-E	Mexico	US Dollar	Hapag Lloyd México S.A. de C.V.	Common shareholder	Services	316	-	224	-
0-E	Uruguay	US Dollar	Luckymont S.A.	Indirect associate	Trade loan	5	-	207	-
0-E	Malta	US Dollar	Norasia Container Lines Ltd.	Common shareholder	Services	-	-	3	-
0-E	Brazil	US Dollar	SAAM SMIT Towage Brasil S.A.	Indirect associate	Services	-	-	1	-
					Dividend	2,774	-	-	-
0-E	Brazil	US Dollar	Tug Brasil Apoio Marítimo Portuario S.A.	Joint venture	Services	459	-	459	-
					Trade Current Acc.	532	-	532	-
Total foreign companies						7,573	-	4,113	-
Total Accounts receivable from related entities						11,007	-	7,788	-

(12.2) Accounts payable to related entities

TAX N°	Domestic companies	Currency	Relationship	Transaction	Current	Non-current	Current	Non-current
					12-31-2018	12-31-2018	12-31-2017	12-31-2017
					ThUS\$	ThUS\$	ThUS\$	ThUS\$
96.566.940-K	Agencias Universales S.A.	Chilean pesos	Indirect	Services	-	-	16	-
90.160.000-7	Cía. Sudamericana de Vapores S.A.	Chilean pesos	Common director	Services	-	-	7	-
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chilean pesos	Common director	Services	78	-	19	-
76.380.217-5	Hapag- Lloyd Chile SPA	US Dollar	Common shareholder	Services	3	-	109	-
96.908.970-K	San Antonio Terminal Internacional S.A.	Chilean pesos	Indirect associate	Other Services	75	-	63	-
94.058.000-5	Servicio Aeroportuarios Aerosan S.A.	Chilean pesos	Indirect associate	Trade Current Acc.	-	-	1	-
99.567.620-6	Terminal Puerto Arica S.A.	Chilean pesos	Indirect associate	Services	6	-	6	-
82.074.900-6	Transbordadora Austral Broom S.A.	Chilean pesos	Indirect associate	Other	3	-	-	-
Total domestic companies					165	-	221	-

TAX N°	Country	Currency Account payable	Foreign companies	Relationship	Transaction	Current	Non-current	Current	Non-current
						12-31-2018	12-31-2018	12-31-2017	12-31-2017
						ThUS\$	ThUS\$	ThUS\$	ThUS\$
0-E	Brazil	US Dollar	Companhia Libra de Navegação S.A.	Common shareholder	Services	-	-	1	-
0-E	Peru	US Dollar	Consorcio Naviero Peruano S.A.	Common shareholder	Services	-	-	15	-
0-E	Uruguay	US Dollar	Luckymont	Indirect	Trade Current Acc.	1	-	-	-
0-E	Brazil	US Dollar	Tug Brasil Apoio Marítimo Portuario S.A.	Indirect associate	Services	166	-	232	-
Total foreign companies						167	-	248	-
Total Accounts payable to related entities						332	-	469	-

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued

(12.3) Effect on income of transactions with related entities

TAX N°	Company	Relationship	Country	Transaction with effect on income of	12-31-2018	12-31-2017
					ThUS\$	ThUS\$
96.885.450-K	Aerosán Airport Services S.A.	Indirect associate	Chile	Back Office	5	-
				Advisory services	2	9
96.566.940-K	Agencias Universales S.A.	Indirect	Chile	Shipping agency	40	-
				Port services	-	1,012
				Logistics	4	-
				Logistics contracted	-	(82)
				Third-party staff	(11)	-
90.160.000-7	Compañía Sudamericana de Vapores S.A.	Common shareholders	Chile	Port operations	14	554
				Shipping agency	-	281
				Logistics	-	-
				Tugboats	561	586
				Leases	-	(92)
89.602.300-4	CSAV Austral SPA S.A.	Common shareholders	Chile	Logistics	538	735
				Cold storage terminal	-	4
				Port operations	364	200
				Tugboats	826	863
96.908.970-K	San Antonio Terminal Internacional S.A.	Indirect associate	Chile	Container deposit and central workshop	-	1
				Bulks and warehouses	-	-
				Logistics	-	42
				Leases	31	-
				Leases (cost)	-	-
				Cost port terminal services	(475)	(337)
				Back Office	3	-
				Advisory services	15	-
96.908.930-0	San Vicente Terminal Internacional S.A.	Indirect associate	Chile	Logistics	285	434
				Sale of license	22	16
				Other income	30	-
				Tugboats	10	33
				Container deposit and central workshop	77	332
				Cost port terminal services	-	(391)
				Administrative expenses	-	-
				-	-	-
99.511.240-K	Antofagasta Terminal Internacional S.A.	Indirect associate	Chile	Container deposit and central workshop	-	34
				Logistics	21	34
				Tugboats	-	19
				Leases	38	-
				Cost port terminal services	(14)	(22)
				Computer services	145	140
				Back Office	5	-
				Advisory services SAAM Group	29	72
				Fleet services	13	-
				-	-	-
99.567.620-6	Terminal Puerto Arica S.A.	Indirect associate	Chile	Cost port terminal services	(28)	(45)
96.711.590-8	Manantial S.A.	Common director	Chile	Logistics	-	2
				Administrative expenses	-	(9)
				Cost port terminal services	-	-
				Third-party staff	(2)	-
83.628.100-4	Sonda S.A.	Common director	Chile	Cost computer services	-	-
96.657.210-8	Transportes Fluviales Corral S.A.	Indirect associate	Chile	Tugboats	579	567
				Advisory services	6	-
96.610.780-4	Portuaria Corral S.A.	Indirect associate	Chile	Advisory services	6	-
82.074.900-6	Transbordadora Austral Broom S.A.	Indirect associate	Chile	Shipping agency	-	11
				Other	11	(14)
96.989.120-4	Cervecera CCU Chile Ltda.	Common director	Chile	Logistics	31	1
0-E	Hapag Lloyd AG	Common director	Germany	Port operations	10,692	8,434
				Tugboats	1,942	630
				Container deposit and central workshop	748	-
				Cold storage plant	3,245	-
				Other	412	-

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued

(12.3) Effect on income of transactions with related entities, continued

Tax N°	Company	Relationship	Country	Transaction with effect on income of	12-31-2018 ThUS\$	12-31-2017 ThUS\$
87.987.300-2	Southern Shipmanagement Ltda.	Common shareholder	Chile	Shipping agency	-	294
0-E	Southern Shipmanagement Co. S.A.	Common shareholder	Panama	Shipping agency	-	12
76.028.758-k	Norgistics Chile S.A.	Common shareholder	Chile	Logistics	-	3
				Shipping agency	-	8
92.011.000-2	Empresa Nacional de Energía ENEX S.A	Common director	Chile	Logistics	4	160
				Cost port terminal	-	-
				Other expenses	(905)	(496)
97.004.000-5	Banco de Chile S.A.	Common director	Chile	Logistics	3	13
				Port operations	5	-
				Other expenses	(2)	(6)
81.148.200-5	Ferrocarril de Antofagasta a Bolivia S.A.	Common director	Chile	Logistics	-	1
91.041.000-8	Viña San Pedro Tarapacá S.A.	Common director	Chile	Logistics	8	2
86.963.200-7	Forus S.A.	Common director	Chile	Logistics	-	-
96.783.150-6	St. Andrews Smocky Delicacies S.A.	Common director	Chile	Logistics	14	14
				Other operational services	-	-
99.501.760-1	Embotelladoras Chilenas Unidas S.A.	Common director	Chile	Logistics	91	73
78.353.000-7	Servicios Portuarios Reloncaví Ltda.	Indirect associate	Chile	Leases	63	-
				Bulks and warehouses	-	207
				Third-party staff	28	-
				Advisory services	9	-
				Container deposit and central workshop	-	63
				Cost port terminal services	-	(20)
76.028.651-6	Lng Tugs Chile S.A.	Indirect associate	Chile	Tugboats	2,009	2,537
0-E	Luckymont S.A.	Indirect associate	Uruguay	Interests	5	36
				Advisory services	1	-
99.506.030-2	Muellaje del Maipo S.A.	Indirect associate	Chile	Leases	21	9
0-E	Hapag Lloyd México S.A. de C.V.	Common shareholders	Mexico	Port services	1,236	1,325
				Container deposit and central workshop	200	-
				Cold storage plant	147	-
76.014.281-6	Antartic Seafood S.A.	Indirect	Chile	Logistics	26	3
96.790.240-3	Minera Los Pelambres	Common director	Chile	Logistics	4	1
76.079.669-7	Minera Antucoya S.A.	Common shareholder	Chile	Logistics	-	1
76.337.371-1	Bebidas CCU Pepsico SpA	Common shareholder	Chile	Logistics	-	4
99.586.280-8	Compañía Pisuera de Chile	Common director	Chile	Logistics	7	1
76.282.509-0	Eléctrica Cipresillos SpA	Common director	Chile	Logistics	2	-
86.150.200-7	Fábrica de Envases Plásticos S.A.	Common director	Chile	Logistics	7	-
81.095.400-0	Sonacol S.A.	Common shareholder	Chile	Logistics	1	3
93.453.000-6	Citroen Chile S.A.	Common director	Chile	Logistics	7	-
76.380.217-5	Hapag Lloyd Chile SpA	Common shareholders	Chile	Shipping agency	494	-
				Container deposit and central workshop	-	3,215
				Logistics	171	270
				Logistics	-	2,307
				Cold storage plant	6,482	1,944
				Port operations	834	5,394
				Leases	143	-
				Third-party staff	1,251	2,251
				Tugboats	(56)	(112)
				Costs of services	1,095	981
				Documentary services	-	-

Current transactions with related companies are operations of the line of business which are carried out under equity conditions that usually prevail in the market in terms of price and payment conditions.

Sales transactions correspond to freight services, equipment leasing, sale of services, advisory services provided by the subsidiary SAAM S.A. and its subsidiaries to related companies.

Purchase transactions with related entities refer mainly to port operation services, logistics and warehousing services, advisory services, among others.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued

(12.4) Directors fee

The following amounts paid to the Directors are recorded for the concepts detailed below:

Director	Tax N°	Relationship	Company	Paid profit sharing year 2017 12-31-2018 ThUS\$	Assistance to Board of Directors 12-31-2018 ThUS\$	Paid profit sharing year 2016 12-31-2017 ThUS\$	Assistance to Board of Directors 12-31-2017 ThUS\$
Oscar Hasbún Martínez	11.632.255-2	President (1)	SM SAAM	156	102	82	66
Jean-Paul Luksic Fontbona	6.372.368-1	Vice President	SM SAAM	111	17	82	29
Felipe Joannon V.	6.558.360-7	President (2) and (4)	SM SAAM and ITI	131	-	163	67
Juan Antonio Álvarez A.	7.033.770-3	Director	SM SAAM and SAAM	-	-	22	-
Hernán Büchi Buc	5.718.666-6	Director	SM SAAM and SAAM	-	-	22	-
Arturo Claro Fernández	4.108.676-9	Director	SM SAAM and SAAM	-	-	22	-
Mario Da-Bove A.	4.175.284-K	Director (5)	SM SAAM	184	18	109	65
Francisco Gutiérrez Ph.	7.031.728-1	Director (4)	SM SAAM and ITI	111	51	82	54
Francisco Pérez Mackenna	6.525.286-4	Director	SM SAAM	184	68	109	64
Jorge Gutiérrez Pubill	5.907.040-1	Director	SM SAAM	184	68	80	64
Christoph Schiess Schmitz	6.371.875-0	Director	SM SAAM and SAAM	-	-	22	-
Ricardo Waidele C.	5.322.238-2	Director	SM SAAM	-	-	29	-
Diego Bacigalupo Aracena	13.828.244-9	Director (3)	SM SAAM	45	51	-	17
Armando Valdivieso Montes	8.321.934-3	Director (6)	SM SAAM	-	50	-	-
Yurik Diaz Reyes	8.082.982-5	Director	ITI	-	-	-	7
Franco Montalbetti Moltedo	5.612.820-4	Director	ITI	-	-	-	2
Diego Urenda Salamanca	8.534.822-1	Director	ITI	-	-	-	2
Alberto Bórquez Calbucura	6.642.301-8	Director	ITI	-	-	-	3
Rodrigo Faura Soletic	8.465.039-0	Alternate Director	ITI	-	-	-	1
Macario Valdés Raczynski	14.123.555-9	Vice President	ITI	-	-	-	5
Total				1,106	425	824	446

(1) President of SM SAAM since August 4, 2017.

(2) President of SM SAAM until August 4, 2017.

(3) Director of SM SAAM since August 5, 2017.

(4) In addition to per diems and participations, during the current year, remunerations amounting to ThUS\$ 8 have been paid (ThUS\$ 144 in 2017).

(5) President of SM SAAM until April 9, 2018.

(6) President of SM SAAM since April 9, 2018.

As of December 31, 2018, the Company has provisioned a total amount of ThUS\$697 (ThUS\$850 in the same period of 2017) for accrued participation in earnings for 2018, which will be paid to the Directors of SM SAAM the following year (note 24).

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

NOTE 13 Inventories, current and non-current

The composition of inventories is shown in the table below:

	Current ThUS\$	12-31-2018 Non-current ThUS\$	Total ThUS\$	Current ThUS\$	12-31-2017 Non-current ThUS\$	Total ThUS\$
Supplies for service provision						
Fuels	3,987	-	3,987	3,221	-	3,221
Spare parts ⁽¹⁾	7,925	1,056	8,981	9,438	1,091	10,529
Consumables	628	-	628	695	-	695
Lubricants	188	-	188	134	-	134
Other inventories	157	-	157	217	-	217
Total inventories	12,885	1,056	13,941	13,705	1,091	14,796

(1) Spare parts and specific low-turnover parts have been classified as non-current inventories and will be used in future maintenance to the Company's main assets.

The cost of consumption of inventories, booked to income for the period as cost of sales as of December 31, 2018, amounted to ThUS\$ 31,769 (ThUS\$ 30,224 as of December 31, 2017).

As of December 31, 2018 and December 31, 2017, there are no inventories given as collateral.

NOTE 14 Other non-financial assets, current and non-current

The composition of other non-financial assets, current and non-current is as follows:

	Note	Current ThUS\$	12-31-2018 Non-current ThUS\$	Total ThUS\$	Current ThUS\$	12-31-2017 Non-current ThUS\$	Total ThUS\$
Advance payments	14.1	4,288	15,536	19,824	5,191	14,760	19,951
Tax credit	14.2	4,706	6,220	10,926	5,054	5,849	10,903
Other non-financial assets	14.3	461	402	863	521	836	1,357
Total Other non-financial assets		9,455	22,158	31,613	10,766	21,445	32,211

14.1 Advance payments		Current ThUS\$	12-31-2018 Non-current ThUS\$	Total ThUS\$	Current ThUS\$	12-31-2017 Non-current ThUS\$	Total ThUS\$
Prepaid insurance		3,097	-	3,097	3,973	-	3,973
Leases paid in advance		460	15,536	15,996	439	14,760	15,199
Licenses and subscriptions		310	-	310	123	-	123
Other(*)		421	-	421	656	-	656
Total		4,288	15,536	19,824	5,191	14,760	19,951

(*) These correspond mainly to deferred expenses, that will be amortized with charge to income during the current commercial year.

14.2 Tax credit		Current ThUS\$	12-31-2018 Non-current ThUS\$	Total ThUS\$	Current ThUS\$	12-31-2017 Non-current ThUS\$	Total ThUS\$
Tax credit surplus		4,706	6,220 ^(*)	10,926	4,881	5,849 ^(*)	10,730
Value Added Tax		-	-	-	173	-	173
Total		4,706	6,220	10,926	5,054	5,849	10,903

(*) Correspond mainly to the tax credit surplus of indirect subsidiaries Ecuastibas S.A. and Inarpi S.A., which is expected to be recovered in the long term.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 14 Other non-financial assets, current and non-current, continued

14.3 Other non-financial assets	12-31-2018			12-31-2017		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Guarantees for fulfillment of concession contracts ⁽²⁾	258	-	258	258	-	258
Other guarantees ⁽¹⁾	203	402	605	263	836	1,099
Total	461	402	863	521	836	1,357

(1) These correspond to cash guarantees granted, which will be recovered once the Company's obligation has expired.

(2) Cash guarantee that is renewed annually, as stipulated in the concession contract.

NOTE 15 Financial information of subsidiaries, associates and joint ventures

(15.1) Summary of financial information of subsidiaries, aggregated

The financial information of consolidated subsidiaries in the financial statements as of December 31, 2018 is as follows:

Tax N°	Company	Country	Functional currency	Ownership interest			Total Current assets	Total non- current assets	Total current liabilities	Total Non-current liabilities	Revenue	Cost of sales	Income for the period attributable to owners of parent
				Direct %	Indirect %	Total %	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
92.048.000-4	SAAM S.A.	Chile	US Dollar	99.9995%	0.0005%	100%	274,429	488,296	43,140	205,467	201,505	(134,785)	8,285
76.757.003-1	SAAM Ports. S.A.	Chile	US Dollar	99.9995%	0.0005%	100%	76,147	451,623	67,523	173,042	269,942	(199,001)	33,957
76.729.932-K	SAAM Logistics S.A.	Chile	US Dollar	99.99945%	0.00055%	100%	46,523	95,760	6,038	3,328	58,735	(47,539)	8,824
76.479.537-7	SAAM Inversiones SPA	Chile	Dollar	100%	-	100%	227	999	4	-	-	-	87

The financial information of consolidated subsidiaries in the financial statements as of December 31, 2017 is as follows:

Tax N°	Company	Country	Functional currency	Ownership interest			Total Current assets	Total non- current assets	Total current liabilities	Total Non-current liabilities	Revenue	Cost of sales	Income for the period attributable to owners of parent
				Direct %	Indirect %	Total %	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
92.048.000-4	SAAM S.A.	Chile	US Dollar	99.9995%	0.0005%	100%	303,000	523,844	92,700	206,051	219,271	(163,463)	52,006
76.757.003-1	SAAM Ports. S.A.	Chile	US Dollar	99.9995%	0.0005%	100%	61,532	478,097	71,635	208,526	123,013	(94,471)	9,734
76.729.932-K	SAAM Logistics S.A.	Chile	US Dollar	99.99945%	0.00055%	100%	55,112	98,355	13,012	7,674	31,039	(24,266)	845
76.479.537-7	SAAM Inversiones SPA	Chile	Dollar	100%	-	100%	155	984	4	-	-	-	47

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 15 Financial information of subsidiaries, associates and joint ventures, continued

(15.2) Detail of movements of investments for 2018 and 2017

2018

- On August 31, 2018, through a capital increase in Transporte Fluviales Corral S.A., the merger of said company with the indirect associate Empresas de Servicios Marítimos y Portuarios Hualpén Limitada took place, and 100% of the social rights of Empresas de Servicios Marítimos y Portuarios Hualpén Limitada had been brought together in Transportes Fluviales Corral, the company was dissolved.
- On October 25, 2018, the indirect subsidiary Inversiones Habsburgo Costa Rica S.A. was merged with the indirect subsidiary Saam Operadora de Puertos Empresa de Estiba y Desestiba Costa Rica S.A., the latter being the legal continuator. This corporate reorganization did not have any effect on the income or equity of the Company.

2017

- On February 8, 2017, the purchase and sale of shares between SAAM Operadora de Puertos Empresa Estiba y Desestiba Costa Rica S.A. (as buyer), a subsidiary 100% owned by SAAM Puertos S.A., and Sociedad Portuaria Regional Buenaventura S.A. (as seller) took place. By means of this contract, control of Sociedad Portuaria de Caldera S.A. and Sociedad Portuaria Granelera S.A. was acquired. The price of the transaction was ThUS\$ 48,500, for 51% of the shares of the Companies.
- The Company has made the initial registration for the acquisition, initially and based on the information received by the Company at the date of control takeover, a goodwill of ThUS\$ 8,587 was determined. On the basis of the information available to date, the allocation of fair values has been determined, allocating the total price paid to the intangible asset of the port concession in both companies, which constitutes the only adjustment with its corresponding effect in deferred tax (non-current liability), reversing the initially recognized goodwill.

This operation was recorded under the acquisition method, based on the estimated discounted cash flows projected to the end of the concession period ending in August 2026. The fair value adjustments and the determined goodwill are as follows:

Sociedad Portuaria de Caldera S.A.			
Statement of financial position	Book value ThUS\$	Adjustment at fair value ThUS\$	Balance at fair value ThUS\$
Current assets	4,199	-	4,199
Non-current assets	19,683	67,513	87,196
Total assets	23,882	67,513	91,395
Current liabilities	7,292	-	7,292
Non-current liabilities	8,751	20,254	29,005
Total liabilities	16,043	20,254	36,297
Equity	7,839	47,259	55,098
			ThUS\$
Share of SAAM on identifiable net assets (51%)			28,100
Consideration transferred			
Paid value			28,100
Goodwill determined			-

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

NOTE 15 Financial information of subsidiaries, associates and joint ventures, continued

(15.2) Detail of movements of investments for 2018 and 2017, continued

Sociedad Portuaria Granelera de Caldera S.A.

Statement of financial position	Book value ThUS\$	Adjustment at fair value ThUS\$	Balance at fair value ThUS\$
Current assets	10,226	-	10,226
Non-current assets	40,052	40,208	80,260
Total assets	50,278	40,208	90,486
Current liabilities	4,814	-	4,814
Non-current liabilities	33,609	12,062	45,671
Total liabilities	38,423	12,062	50,485
Equity	11,855	28,146	40,001
			ThUS\$
Share of SAAM on identifiable net assets (51%)			20,400
Consideration transferred			
Paid value			20,400
Goodwill determined			-

- On March 13, 2017, the indirect subsidiary Inversiones Habsburgo S.A. was split up. As a result of this corporate transaction, Inversiones Habsburgo Costa Rica S.A. was created. Given that this was a corporate reorganization, this operation did not have any effect on the Company's equity.
- On May 3, 2017, the indirect subsidiary Inversiones Misti S.A. sold the total of its share in Trabajos Marítimos S.A. The price established for the share block amounted to ThUS\$ 124,042, plus ThUS\$ 8 for minority interests in the companies Almacenes Pacifico Sur S.A., Kemfa Servicios, Inversiones y Representaciones S.A. and Diving del Perú S.A.C. This transaction generated a profit before tax of ThUS\$ 70,187 (note 34) and a tax effect in Peru of ThUS\$ 33,225.
- On May 16, 2017, indirect subsidiary Inversiones Alaria II acquired 51% of the shares of Kios S.A. The acquisition price amounted to ThUS\$6,560, which was paid by assuming the repayment of the account receivable of ThUS\$6,400 that the seller had with the Company and ThUS\$160 in cash. This transaction generated an effect in other reserves amounting to ThUS\$ 4,211 (note 27.2.4) which is generated by comparing the paid value and the book value of the acquired interest.
- On May 30, 2017, indirect subsidiary Inversiones Alaria II sold the total of its share in Gertil S.A. and Riluc S.A. The price established for the share block amounted to ThUS\$ 2,940. This transaction generated a profit before tax of ThUS\$ 636 (note 34).

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

NOTE 15 Financial information of subsidiaries, associates and joint ventures, continued

(15.2) Detail of movements of investments for 2018 and 2017, continued

2017, continued

- On June 11, 2017, the indirect subsidiary SAAM Puertos S.A. and the direct subsidiary SAAM Inversiones SpA acquired 15% of the shares of Empresas Navieras S.A. in Iquique Terminal Internacional S.A., becoming the sole controller of the Port of Iquique. The acquisition price amounted to ThUS\$ 11,050, generating an effect on other reserves of ThUS\$ 7,204, as described in note 27.2.4. The effect arises from comparing the paid value and the book value of the acquired interest.
- On July 1, 2017, the division of the subsidiary SAAM S.A. was completed. As a result of this corporate reorganization, the companies SAAM Ports S.A. and SAAM Logistics were created and assigned the Port Terminals business and the Logistics business respectively. SAAM S.A., as legal continuation, maintained the Tugboats business.
- On December 27, 2017, the direct subsidiary Saam Inversiones SpA acquired from CSAV, the minority participation of 0.00005% in ThUS\$ 5, in the subsidiaries Saam S.A, Saam Ports S.A. and Saam Logistics S.A., achieving a 100% participation in these three companies.

(15.3) Summarized financial information of associates and joint ventures as of December 31, 2018

Associates	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Operating income	Operating costs	Retained Earnings (Losses)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Aerosan Airport Services S.A. and subsidiaries	11,468	24,440	10,431	10,555	31,729	(25,360)	2,404
Antofagasta Terminal Internacional S.A. and subsidiaries	11,570	119,655	34,233	82,165	46,174	(39,534)	(537)
Empresa de Servicios Marítimos Hualpén Ltda. ⁽¹⁾	-	-	-	-	-	(4)	(4)
Inmobiliaria Carriel Ltda.	327	377	233	-	16	(140)	1,517
Inmobiliaria Sepbio Ltda.	216	3,773	1,291	2,290	300	(32)	(15)
LNG Tugs Chile S.A.	792	25	238	-	5,975	(5,685)	58
Muellaje ATI S.A.	76	697	2,213	330	5,206	(5,140)	219
Muellaje del Maipo S.A.	2,923	46	2,547	195	20,088	(19,761)	38
Muellaje STI S.A.	4,261	1,174	1,335	3,731	10,063	(9,465)	(41)
Muellaje SVTI S.A.	3,031	3,921	2,403	3,921	23,017	(22,529)	228
Portuaria Corral S.A.	4,608	9,627	2,106	1,619	9,554	(5,031)	2,559
San Antonio Terminal Internacional S.A. and subsidiary	42,715	198,929	30,583	123,997	93,631	(71,110)	8,872
San Vicente Terminal Internacional S.A. and subsidiaries	33,478	149,094	79,898	48,361	66,104	(64,135)	(3,911)
Puerto Buenavista S.A.	388	21,030	984	11,222	3,660	(2,481)	(509)
Servicios Logísticos Ltda.	2,710	332	771	-	2,594	(1,695)	554
Servicios Aeroportuarios Aerosan S.A.	12,570	4,188	4,634	1,249	24,008	(15,681)	5,379
Servicios Portuarios Reloncaví Ltda.	13,750	7,255	6,854	1,939	23,977	(18,524)	3,150
Servicios Portuarios y Extraportuarios Bío Bío Ltda.	5	-	13	-	-	-	(2)
Transbordadora Austral Broom S.A.	15,918	57,543	13,071	3,076	35,685	(16,233)	16,178
Transportes Fluviales Corral S.A.	2,578	5,159	4,422	780	6,238	(5,289)	305
Equimac S.A.	230	4,869	11	-	-	-	820
Luckymont S.A.	2,535	4,280	2,217	1,098	9,741	(7,042)	1,466
SAAM SMIT Towage Brasil S.A.	34,010	248,069	30,943	112,162	100,189	(72,487)	6,861

(1) Company merged into Transportes Fluviales Corral S.A. on August 31, 2018.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

NOTE 15 Financial information of subsidiaries, associates and joint ventures, continued

(15.3) Summarized financial information of associates and joint ventures as of December 31, 2017:

Associates	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Operating income	Operating costs	Retained Earnings (Losses)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Aerosan Airport Services S.A. and subsidiaries	6,139	9,502	1,989	2,528	12,023	(8,811)	1,904
Antofagasta Terminal Internacional S.A. and subsidiaries	11,169	128,859	31,549	93,118	41,829	(39,655)	(3,939)
Empresa de Servicios Marítimos Hualpén Ltda.	157	159	462	-	319	(771)	(163)
Inmobiliaria Carriel Ltda.	52	532	436	-	16	(119)	(109)
Inmobiliaria Sepbio Ltda.	86	4,136	976	2,766	289	-	25
LNG Tugs Chile S.A.	1,309	23	654	-	7,575	(7,205)	126
Muellaje ATI S.A.	242	762	2,595	398	6,103	(6,229)	(304)
Muellaje del Maipo S.A.	2,694	46	2,304	247	16,637	(16,367)	14
Muellaje STI S.A.	4,539	1,033	1,233	3,780	9,546	(8,764)	120
Muellaje SVTI S.A.	3,865	1,289	3,305	666	25,162	(24,864)	154
Portuaria Corral S.A.	3,777	12,536	2,024	2,313	9,398	(6,216)	1,821
San Antonio Terminal Internacional S.A. and subsidiary	41,473	208,357	24,916	134,570	86,512	(73,295)	4,399
San Vicente Terminal Internacional S.A. and subsidiaries	29,576	148,899	49,128	67,786	68,620	(62,322)	(719)
Puerto Buenavista S.A.	330	22,735	1,960	10,505	2,155	(1,488)	113
Serviair Ltda.	22	-	-	-	-	-	-
Servicios Logísticos Ltda.	1,749	282	313	-	1,282	(870)	389
Servicios Aeroportuarios Aerosan S.A.	9,189	2,273	4,172	1,878	18,073	(12,124)	3,992
Servicios Portuarios Reloncaví Ltda.	11,033	10,047	4,746	3,130	19,259	(17,572)	(267)
Servicios Portuarios y Extraportuarios Bío Bío Ltda.	6	-	13	-	-	-	(1)
Terminal Puerto Arica S.A. ⁽¹⁾	-	-	-	-	-	-	-
Transbordadora Austral Broom S.A.	17,527	52,954	11,272	4,771	32,523	(14,390)	11,840
Transportes Fluviales Corral S.A.	2,567	4,157	2,613	1,386	5,512	(5,554)	(1,230)
Elequip S.A.	100	-	208	-	-	-	92
Equimac S.A.	902	4,869	8	-	-	-	2,225
Reenwood Investment Co. ⁽²⁾	-	-	-	-	-	-	-
Luckymont S.A.	3,016	5,111	3,227	1,872	9,643	(7,761)	854
SAAM SMIT Towage Brasil S.A.	39,213	251,266	28,688	105,862	124,394	(77,125)	18,829

- (1) During this year, the Company has decided to classify this investment as held for sale, and expects to materialize its sale within the short term.
 (2) During year 2017, the Company decided to sell it, an operation that materialized during the first half of this year.

Notes to the Consolidated Financial Statements

NOTE 16 Investments in associates

16.1) Detail of investments in associates

Associate	Country	Currency	Percentage of ownership	Balance as of December 31, 2017 ThUS\$	Capital contributions ThUS\$	Share in profit or loss ThUS\$	Dividends Earnings distribution ThUS\$	Conversion reserve ThUS\$	Hedge reserve ThUS\$	Unrealized profits ThUS\$	Employee benefits reserve ThUS\$	Other variations ThUS\$	Balance as of December 31, 2018 ThUS\$
Aerosan Airport Services S.A.	Chile	US Dollar	50.00%	5,274	-	1,202	-	874	-	-	(43)	-	7,307
Antofagasta Terminal Internacional S.A.	Chile	US Dollar	35.00%	5,390	-	(188)	-	-	-	-	-	-	5,202
Empresa de Servicios Marítimos Hualpén Ltda.	Chile	Chilean peso	50.00%	(74)	-	(2)	-	12	-	-	-	64	-
Inmobiliaria Carriel Ltda.	Chile	Chilean peso	50.00%	75	-	758	(585)	(13)	-	-	-	-	235
Inmobiliaria Sepbio Ltda.	Chile	Chilean peso	50.00%	240	-	(8)	-	(28)	-	-	-	-	204
LNG Tugs Chile S.A.	Chile	US Dollar	35.00%	268	-	24	(62)	-	-	-	-	(27)	203
Muellaje ATI S.A.	Chile	Chilean peso	0.50%	(9)	-	1	-	-	-	-	-	-	(8)
Muellaje del Maipo S.A.	Chile	US Dollar	50.00%	95	-	19	-	-	-	-	-	-	114
Muellaje STI S.A.	Chile	Chilean peso	0.50%	3	-	-	-	-	-	-	(1)	-	2
Muellaje SVTI S.A.	Chile	Chilean peso	0.50%	7	-	1	-	(1)	-	-	-	(3)	4
Portuaria Corral S.A.	Chile	Chilean peso	50.00%	5,987	-	1,281	(1,315)	(688)	-	-	-	(10)	5,255
San Antonio Terminal Internacional S.A.	Chile	US Dollar	50.00%	45,424	-	4,267 ⁽¹⁾	(4,531)	-	-	-	(1,419)	(81)	43,660
San Vicente Terminal Internacional S.A.	Chile	US Dollar	50.00%	29,441	-	(1,957)	-	(65)	-	-	(462)	(7)	26,950
Servicios Aeroportuarios Aerosan S.A.	Chile	US Dollar	50.00%	2,705	-	2,690	-	-	-	-	41	-	5,436
Servicios Logísticos Ltda.	Chile	US Dollar	1.00%	16	-	6	-	-	-	-	-	-	22
Servicios Portuarios Reloncavi Ltda.	Chile	Chilean peso	50.00%	6,555	-	1,575	(1,320)	(695)	-	-	(9)	-	6,106
Servicios Portuarios y Extraportuarios Bío Bío Ltda.	Chile	Chilean peso	50.00%	(3)	-	(1)	-	-	-	-	-	-	(4)
Transbordadora Austral Broom S.A.	Chile	Chilean peso	25.00%	13,609	-	4,045	(1,445)	(1,881)	-	-	-	-	14,328
Transportes Fluviales Corral S.A.	Chile	Chilean peso	50.00%	1,407	-	154	-	(174)	-	-	-	(150)	1,237
Equimac S.A.	Colombia	US Dollar	50.00%	2,882	-	410	(748)	-	-	-	-	-	2,544
Puerto Buenavista S.A. ⁽³⁾	Colombia	Chilean peso	33.33%	5,482	-	(170)	-	(1,128)	-	-	-	-	4,184
Lucky mont S.A.	Uruguay	US Dollar	49.00%	1,484	-	718	(548)	-	-	-	-	-	1,654
SAAM SMIT Towage Brasil S.A. ⁽²⁾	Brazil	US Dollar	50.00%	100,102	-	3,431	(12,298)	387	-	-	-	-	91,622
Total				226,360	-	18,256	(22,852)	(3,400)	-	-	(1,893)	(214)	216,257
							Note 39 a)	Note 27.2.1	Note 27.2.2		Note 27.2.3		

(1) Net of the amortization of complementary investment, EV corresponds to ThUS\$ 4,392 and the amortization for the 2018 period amounts to ThUS\$ 125.

(2) The goodwill related to the acquisition of the interest in SAAM SMIT Towage Brasil is included as part of the investment value and amounts to ThUS\$ 22,136. The interest at equity value amounts to ThUS\$ 69,487.

(3) The goodwill related to the acquisition of the interest in Puerto Buenavista is included as part of the investment value and amounts to ThUS\$ 1,114. The interest at equity value amounts to ThUS\$ 3,089.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 16 Investments in associates, continued

16.1) Detail of investments in associates, continued

Associate	Country	Currency	Percentage of ownership	Balance as of December 31, 2016 ThUS\$	Capital contributions ThUS\$	Share in profit or loss ThUS\$	Dividends Earnings distribution ThUS\$	Conversion reserve ThUS\$	Hedge reserve ThUS\$	Unrealized profits ThUS\$	Employee benefits reserve ThUS\$	Other variations ThUS\$	Balance as of December 31, 2017 ThUS\$
Aerosan Airport Services S.A. ⁽⁴⁾	Chile	US Dollar	50.00%	4,322	-	952	-	-	-	-	-	-	5,274
Antofagasta Terminal Internacional S.A.	Chile	US Dollar	35.00%	6,769	-	(1,379)	-	-	-	-	-	-	5,390
Empresa de Servicios Marítimos Hualpén Ltda.	Chile	Chilean peso	50.00%	(16)	-	(58)	-	-	-	-	-	-	(74)
Inmobiliaria Carriel Ltda.	Chile	Chilean peso	50.00%	121	-	(55)	-	9	-	-	-	-	75
Inmobiliaria Sepbio Ltda.	Chile	Chilean peso	50.00%	208	-	13	-	19	-	-	-	-	240
LNG Tugs Chile S.A.	Chile	US Dollar	40.00%	248	-	50	(30)	-	-	-	-	-	268
Muellaje ATI S.A.	Chile	Chilean peso	0.50%	(8)	-	(1)	-	-	-	-	-	-	(9)
Muellaje del Maipo S.A.	Chile	US Dollar	50.00%	88	-	7	-	-	-	-	-	-	95
Muellaje STI S.A.	Chile	Chilean peso	0.50%	3	-	1	-	-	-	-	(1)	-	3
Muellaje SVTI S.A.	Chile	Chilean peso	0.50%	5	-	1	-	1	-	-	-	-	7
Portuaria Corral S.A.	Chile	Chilean peso	50.00%	6,450	-	904	(1,833)	466	-	-	-	-	5,987
San Antonio Terminal Internacional S.A.	Chile	US Dollar	50.00%	47,049	-	2,074 ⁽¹⁾	(3,647)	-	-	-	(52)	-	45,424
San Vicente Terminal Internacional S.A.	Chile	US Dollar	50.00%	31,594	-	(359)	(1,841)	47	-	-	-	-	29,441
Serviair Ltda.	Chile	Chilean peso	1.00%	-	-	-	-	-	-	-	-	-	-
Servicios Aeroportuarios Aerosan S.A. ⁽⁴⁾	Chile	US Dollar	50.00%	3,825	-	1,996	(3,116)	-	-	-	-	-	2,705
Servicios Logísticos Ltda. ⁽⁴⁾	Chile	US Dollar	1.00%	13	-	3	-	-	-	-	-	-	16
Servicios Marítimos Patillos S.A.	Chile	US Dollar	50.00%	-	-	-	-	-	-	-	-	-	-
Servicios Portuarios Reloncaví Ltda.	Chile	Chilean peso	50.00%	6,499	-	(141)	(75)	272	-	-	-	-	6,555
Servicios Portuarios y Extraportuarios Bío Bío Ltda.	Chile	Chilean peso	50.00%	(2)	-	-	-	-	-	-	(1)	-	(3)
Terminal Puerto Arica S.A.	Chile	US Dollar	15.00%	6,950	-	774	-	-	62	-	-	(7,786) ⁽⁶⁾	-
Transbordadora Austral Broom S.A.	Chile	Chilean peso	25.00%	11,655	-	2,960	(1,994)	988	-	-	-	-	13,609
Transportes Fluviales Corral S.A.	Chile	Chilean peso	50.00%	1,944	-	(658)	(70)	146	-	-	-	45	1,407
Elequip S.A.	Colombia	US Dollar	50.00%	388	-	46	(434)	-	-	-	-	-	-
Equimac S.A.	Colombia	US Dollar	50.00%	2,404	-	1,113	(635)	-	-	-	-	-	2,882
Puerto Buenavista S.A. ⁽³⁾	Colombia	Chilean peso	33.33%	5,427	-	36	-	19	-	-	-	-	5,482
G-Star Capital. Inc. Holding	Panama	US Dollar	-	-	-	-	-	-	-	-	-	-	-
Reenwood Investment Co.	Panama	US Dollar	0.0038%	-	-	-	-	-	-	-	-	-	-
Construcciones Modulares S.A.	Peru	Peruvian nuevo sol	-	-	-	-	-	-	-	-	-	-	-
Tramarsa S.A.	Peru	US Dollar	-	53,176	-	4,862	(7,700)	82	(29)	-	-	(50,391) ⁽⁵⁾	-
Gertil S.A.	Uruguay	US Dollar	-	2,343	-	(39)	-	-	-	-	-	(2,304) ⁽⁵⁾	-
Riluc S.A.	Uruguay	US Dollar	-	-	-	-	-	-	-	-	-	-	-
Luckymont S.A.	Uruguay	US Dollar	49.00%	1,361	-	418	-	-	-	-	-	(295)	1,484
SAAM SMIT Towage Brasil S.A. ⁽²⁾	Brazil	US Dollar	50.00%	103,383	-	9,415	(12,554)	(142)	-	-	-	-	100,102
Kemfa Servicios, Inversiones y Representaciones S.A.	Bolivia	Chilean peso	0.63%	8	-	-	-	-	-	-	-	(8) ⁽⁵⁾	-
Total				296,207	-	22,935	(33,929)	1,907	33	-	(54)	(60,739)	226,360

Note 27.2.1 Note 27.2.2 Note 27.2.3

(1) Net of the amortization of complementary investment, EV corresponds to ThUS\$ 1,563 and the amortization for the 2017 period amounts to ThUS\$ 125.

(2) The goodwill related to the acquisition of the interest in SAAM SMIT Towage Brasil is included as part of the investment value and amounts to ThUS\$ 22,136. The interest at equity value amounts to ThUS\$ 77,966.

(3) The goodwill related to the acquisition of the interest in Puerto Buenavista is included as part of the investment value and amounts to ThUS\$ 1,950. The interest at equity value amounts to ThUS\$ 3,532.

(4) These companies changed their functional currency as of 01.01.2016

(5) Corresponds to the sale of the investment in Peru and Uruguay that took place in May 2017, as explained in 15.2 and 34.

(6) Corresponds to the reclassification of interest to assets held for sale, as described in Note 8.

NOTE 16 Investments in associates, continued**16.2) Description of activities of joint ventures and associates**

In compliance with IFRS 12, paragraph 21, letter (a)(ii), the most significant strategic interests held by the Company in associates and joint ventures, corresponding to the following investments, are detailed below:

San Antonio Terminal Internacional S.A. (Chile)

Its purpose is the development, maintenance and operation of the Molo Sur Mooring Side of the San Antonio Port, including as lines of business the wharfage and storage of such mooring side, as a result of the concession awarded by Empresa Portuaria San Antonio.

San Vicente Terminal Internacional S.A (Chile)

Its purpose is the development, maintenance and operation of the Mooring Side of the San Vicente Port in Talcahuano, including as lines of business the wharfage and storage of such mooring side, as a result of the concession awarded by Empresa Portuaria San Vicente - Talcahuano.

Transbordadora Austral Broom S.A. – Tabsa (Chile)

Its corporate purpose is the maritime transport of cargo, vehicles and passengers mainly in the Strait of Magellan (Punta Arenas).

Antofagasta Terminal Internacional S.A. (Chile)

Its corporate purpose is the development, maintenance and operation of the Mooring Side N°2 that operates sites 4-5, 6 and 7 of the Antofagasta Port, including the possibility of carrying out wharfage activities of ships and cargo storage in such mooring side, as a result of the concession awarded by Empresa Portuaria de Antofagasta.

Aerosan (Chile and Colombia)

Through indirect associates Aerosan Airport Services S.A. and Servicios Portuarios Aerosan S.A., its purpose is the airport service of airplanes, cargo and passengers, airport maintenance, aircraft maintenance and repair, cargo handling and reception, storage, boarding and delivery, and terrestrial transport of passengers and cargo from and to the airports. These activities are carried out at the Comodoro Arturo Merino Benitez International Airport, Santiago. In Colombia, through its subsidiary Transaereo, it provides airport services with operations in Bogotá, Medellín, San Andrés, Barranquilla, Cartagena and Pereira.

Notes to the Consolidated Financial Statements

NOTE 16 Investments in associates, continued**16.2) Interest in associates and joint ventures, continued****Reloncaví (Chile)**

Through the indirect associates Empresa de Servicios Hualpén Ltda., Servicios Portuarios Reloncaví Ltda., Portuaria Corral S.A. and Transportes Fluviales Corral S.A., its corporate purpose is the service of stowage and unstowage of cargo, maritime and river transport, port operation, services related to the forestry and agricultural industries.

SAAM SMIT Towage Brasil S.A. (Brasil)

Its purpose is to provide services to companies in the maritime and port sector, through its fleet of 48 tugboats distributed in the main ports of Brazil: Santos, Sao Luis, Paranaguá, Itaguaí, Itajaí, Vitória, Río Grande, Recife, Salvador, Santana, Angra dos Reis.

16.3) Restrictions and contingent liabilities**a) Significant restrictions in associates and joint ventures**

Antofagasta Terminal Internacional S.A. Restriction to Distribute Dividends while the Net Financial Debt indicator over EBITDA exceeds or equals four comma five times or the EBITDA indicator plus Cash and Cash Equivalent over Debt Service is lower than or equals one comma one times. Debt Service will be understood as the current portion of long-term debt, plus financial costs in the same period. During this year and in 2017, the Company has not distributed dividends, and therefore complies with this restriction.

SAAM SMIT Towage Brasil S.A. To distribute dividends, prior approval from creditor banks Banco Do Brasil and Banco Nacional de Desenvolvimento Econômico e Social (BNDES) is required.

b) Contingent liabilities

As described in note 36.1, direct subsidiary SAAM S.A. has issued stand by letters of credit to guarantee credit facilities in the indirect associate Luckymont S.A.

The contingent liabilities related to associates and joint ventures have been disclosed in note 36.2, and correspond to sureties and several co-debt, granted by the direct and indirect subsidiaries SAAM S.A. and Alaria S.A. to associate Tug Brasil S.A. and SAAM Puertos S.A. to company Puerto Buenavista S.A.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 16 Investments in associates, continued
16.4) Investments whose direct ownership percentages are lower than 20% are included in Investments in Associates due to:

- In Terminal Portuario Arica S.A., for being represented in its Board of Directors. In the third quarter of 2017, the investment in this Company was classified as held for sale, discontinuing its valuation by the equity method.
- In the companies listed below, the total percentage of investment (direct plus indirect) exceeds 20%.

Company	Direct Investment %	Indirect	Total Investment	Direct	Indirect	Total Investment
	12.31.2018	Investment %	%	Investment %	Investment %	%
		12.31.2018	12.31.2018	12.31.2017	12.31.2017	12.31.2017
Muellaje ATI S.A. ⁽¹⁾	0.5%	34.825%	35.325%	0.5%	34.825%	35.325%
Muellaje STI S.A. ⁽¹⁾	0.5%	49.75%	50.25%	0.5%	49.75%	50.25%
Muellaje SVTI S.A. ⁽¹⁾	0.5%	49.75%	50.25%	0.5%	49.75%	50.25%
Servivair Ltda. ⁽²⁾	1.00%	49.00%	50.00%	1.00%	49.00%	50.00%
Servicios Logísticos Ltda. ⁽²⁾	1.00%	49.00%	50.00%	1.00%	49.00%	50.00%

⁽¹⁾ These companies are consolidated by their parent companies, STI S.A., ATI S.A. and SVTI S.A. respectively.

⁽²⁾ Company consolidated by associate Aerosán Airport Service S.A.

NOTE 17 Intangible assets and goodwill
(17.1) The goodwill paid in investments in related companies, by company, is as follows:

	12-31-2018			12-31-2017		
	Gross ThUS\$	Accumulated amortization ThUS\$	Net ThUS\$	Gross ThUS\$	Accumulated amortization ThUS\$	Net ThUS\$
Goodwill in						
Saam Remolques S.A. de C.V.	36	-	36	36	-	36
SAAM SMIT Marine Canada Inc.	45,628	-	45,628	54,625	-	54,625
Total Goodwill	45,664	-	45,664	54,661	-	54,661

Notes to the Consolidated Financial Statements

NOTE 17 Intangible assets and goodwill, continued
(17.2) The balance of intangible assets other than goodwill is as follows:

	Gross ThUS\$	12-31-2018 Accumul. amortization ThUS\$	Net ThUS\$	Gross ThUS\$	12-31-2017 Accumul. amortization ThUS\$	Net ThUS\$
Patents, Registered Trademarks and other Rights	1,018	(561)	457	973	(343)	630
Software	19,147	(12,977)	6,170	18,630	(11,152)	7,478
Port concessions, tugboats and other (17.4)	323,924	(112,264)	211,660	323,787	(96,024)	227,763
Relationship with clients	12,465	(3,920)	8,545	13,240	(3,063)	10,177
Total Intangible assets	356,554	(129,722)	226,832	356,630	(110,582)	246,048

(17.3) Reconciliation of changes in intangible assets by class for the period January to December 2017 and 2018:

	Goodwill ThUS\$	Patents, Registered Trademarks and other ThUS\$	Software ThUS\$	Port and tugboat concessions ThUS\$	Relationship with clients ThUS\$	Total Intangible assets ThUS\$
Net balance as of December 31, 2016	54,661	883	9,194	76,101	10,335	96,513
opening balance as of January 1, 2017						
Increase from error correction	-	-	-	4,466	-	4,466
Net balance as of December 31, 2016	54,661	883	9,194	80,567	10,335	100,979
opening balance as of January 1, 2017,						
restated						
Additions ⁽³⁾	-	13	1,930	4,986	-	6,929
Business combination acquisitions	-	-	-	163,973 ⁽²⁾	-	163,973
Amortization	-	(171)	(2,271)	(21,763)	(856)	(25,061) ⁽¹⁾
Write-offs retirements	-	(73)	(449)	-	-	(522)
Intangible assets impairment	-	-	(1,188) ⁽³⁾	-	-	(1,188)
Increase (decrease) in change of foreign currency	-	-	-	-	698	698
Other increase (decrease)	-	(22)	262	-	-	240
Net balance as of December 31, 2017	54,661	630	7,478	227,763	10,177	246,048
Opening balance as of January 1, 2018						
Additions ⁽³⁾	-	-	1,048	7,803	-	8,851
Amortization	-	(138)	(2,276)	(23,963)	(857)	(27,234) ⁽¹⁾
Disposals	-	-	-	-	-	-
Transfers to (from) assets held for sale	-	8	(8)	-	-	-
Increase (decrease) in change of foreign currency	(8,997)	-	-	-	(775)	(775)
Other increase (decrease)	-	(43)	(72)	57	-	(58)
Net balance as of December 31, 2018	45,664	457	6,171	211,660	8,545	226,832

⁽¹⁾ See notes 29 and 30.

⁽²⁾ Corresponds to the acquisition of Sociedad Portuaria de Caldera S.A. and Sociedad Portuaria Granelera de Caldera S.A. See notes 15.2.

⁽³⁾ See note 32.

Notes to the Consolidated Financial Statements

NOTE 17 Intangible assets and goodwill, continued
(17.4) Concessions

The item Port and tugboat concessions includes the following concessions:

	Book value in ThUS\$ 12.31.2018	Book value in ThUS\$ 12.31.2017
Concesión Portuaria de Iquique Terminal Internacional S.A.	37,263	39,939
Concesión Portuaria de Florida International Terminal, LLC	316	421
Concesión Portuaria Terminal Marítima Mazatlán S.A. de C.V.	31,064	33,259
Concesión Portuaria de Sociedad Portuaria Granelera de Caldera S.A.	63,788	72,664
Concesión Portuaria de Sociedad Portuaria de Caldera S.A.	77,646	79,697
Total port concessions	210,077	225,980
Concesión de remolcadores de Concesionaria SAAM Costa Rica S.A.	1,583	1,783
Total tugboat concessions	1,583	1,783
Total intangible assets net from port and tugboat concessions	211,660	227,763

Port concessions consist of the present value of the initial concession payment and the stipulated minimum payments and, where applicable, financing costs, plus the value of the mandatory works controlled by the grantor as per the concession contract. See detail of these concessions in note 35.

NOTE 18 Property, plant and equipment
(18.1) The composition of property, plant and equipment is as follows:

Property, plant and equipment	12-31-2018			12-31-2017		
	Gross value ThUS\$	Accumulated depreciation ThUS\$	Net value ThUS\$	Gross value ThUS\$	Accumulated depreciation ThUS\$	Net value ThUS\$
Land	54,129	-	54,129	53,479	-	53,479
Buildings and Constructions	94,575	(38,161)	56,414	87,877	(33,262)	54,615
Ships, tugboats, barges and lighters	465,678	(184,417)	281,261	477,663	(179,105)	298,558
Machinery	126,984	(61,017)	65,967	126,107	(54,294)	71,813
Transport equipment	5,357	(3,327)	2,030	5,603	(2,938)	2,665
Office machines	10,701	(8,949)	1,752	13,015	(10,769)	2,246
Furniture, fixtures and accessories	3,767	(3,003)	764	3,223	(2,293)	930
Works in progress	19,330	-	19,330	3,225	-	3,225
Other property, plant and equipment	7,969	(5,317)	2,652	7,478	(4,884)	2,594
Total property, plant and equipment	788,490	(304,191)	484,299	777,670	(287,545)	490,125

NOTE 18 Property, plant and equipment**(18.1) Composition of property, plant and equipment, continued**

The item "**Buildings and constructions**" includes buildings and offices intended for administrative use and those intended for operation such as warehouses and container terminals.

The Company keeps under financial lease in the item "Machinery", reach stackers in indirect subsidiary Florida International Terminal LLC for ThUS\$ 760 (ThUS\$ 1,141 as of December 31, 2017), 2 Harbor Cranes in indirect subsidiary Iquique Terminal Internacional S.A. for ThUS\$ 7,287 (ThUS\$ 7,847 as of December 31, 2017) and ThUS\$ 33 in indirect subsidiary Kios S.A. (ThUS\$ 73 as of December 31, 2017)

(18.2) Asset purchase and construction commitments:

Disbursements made by operating structures to support the Company's operations are classified under "**Construction in progress**". At the closing date of the financial statements, these correspond to payments made for projects related to commissioning in the port of Florida for ThUS\$ 156, tugboat under construction in subsidiary SAAM SMIT Canada Inc. for ThUS\$ 17,566, civil works executed in Chile and in the port of Ecuador for ThUS\$ 1,464 and other minor assets for ThUS\$ 144.

Inmobiliaria San Marco Ltda.

There are works in progress for the commissioning of development works of drinking water and other improvements in the Placilla sector in Valparaíso amounting to ThUS\$ 632, (ThUS\$ 264 as of December 31, 2017).

Notes to the Consolidated Financial Statements

NOTE 18 Property, plant and equipment, continued
(18.3) Reconciliation of changes in property, plant and equipment, by class during 2018 and 2017:

	Land	Buildings and Constructions	Ships, Tugboats, barges and lighters	Machinery	Transport equipment	Office machines	Furniture, fixtures and accessories	Works in progress	Other property, plant and equipment	Total property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Net balance as of December 31, 2016	49,645	40,979	309,694	48,975	2,678	2,672	431	20,631	2,500	478,205
Additions ⁽⁴⁾	2,834	2,979	13,508	3,540	1,166	758	513	32,739	521	58,558 ⁽⁵⁾
Business combination acquisitions	-	68	-	44	15	251	240	-	-	618
Divestitures (sale of assets)	-	-	(1,667)	(961)	(58)	-	-	-	-	(2,686)
Transfers to (from) assets held for sale ⁽³⁾	-	(539)	(280)	(1,634)	(540)	(146)	-	-	-	(3,139) ⁽⁴⁾
Transfers (to) plant and equipment	1,000	16,440	2,380	29,554	500	152	(57)	(50,039)	70	-
Transfers (to) investment properties	-	(100) ⁽⁶⁾	-	-	-	-	-	-	-	(100)
Depreciation Expense	-	(4,265)	(30,203)	(7,435)	(644)	(1,367)	(197)	-	(559)	(44,670) ⁽²⁾
Impairment loss ⁽⁶⁾	-	(752)	(198)	(431)	(452)	(74)	-	(106)	-	(2,013)
Increase (decrease) in change from functional to presentation currency, subsidiaries	-	-	4,591 ⁽³⁾	-	-	-	-	-	144	4,735
Other increase (decrease)	-	(195)	733	161	-	-	-	-	(82)	617
Net balance as of December 31, 2017	53,479	54,615	298,558	71,813	2,665	2,246	930	3,225	2,594	490,125
Additions ⁽⁴⁾	252	5,652	17,979	1,711	38	603	56	20,594	625	47,510
Divestitures (sale of assets)	-	(3)	(5,181)	(90)	(59)	(6)	(1)	-	-	(5,340)
Transfers (to) plant and equipment	174	1,341	2,479	208	-	73	-	(4,365)	90	-
Transfer from investment properties ⁽⁵⁾	224	-	-	-	-	-	-	-	-	224
Depreciation Expense	-	(5,040)	(28,780)	(7,592)	(592)	(1,156)	(204)	-	(577)	(43,941) ⁽²⁾
Impairment loss ⁽⁶⁾	-	(140)	(5)	(83)	-	(8)	(17)	(24)	(4)	(281)
Increase (decrease) in change from functional currency ⁽¹⁾ to presentation currency, subsidiaries	-	-	(3,789) ⁽¹⁾	-	(3)	-	-	-	(64)	(3,856)
Other increase (decrease)	-	(11)	-	-	(19)	-	-	(100)	(12)	(142)
Net balance as of December 31, 2018	54,129	56,414	281,261	65,967	2,030	1,752	764	19,330	2,652	484,299

¹ Corresponds to the effect of restating the tugboats of SAAM SMIT Canada Inc. in US Dollars, whose functional currency is the Canadian Dollar.

² See notes 29 and 30.

³ See note 8.

⁴ See note 39 (a).

⁵ See note 19.

⁶ See note 32.

Notes to the Consolidated Financial Statements

NOTE 18 Property, plant and equipment, continued
(18.4) Guarantees and compensations
a) Guarantees

Indirect subsidiary SAAM SMIT Marine Canada Inc. registers a maritime mortgage in favor of Scotiabank Canada, to guarantee the financial obligation entered into. The book value of the assets given as collateral is ThUS\$ 17,585 (ThUS\$ 21,152 in 2017). In addition, Inmobiliaria Marítima Portuaria SpA registers a mortgage in favor of Banco Estado, to guarantee the loan entered into, the book value of the assets given as collateral amounts to ThUS\$1,150 (ThUS\$1,179 in 2017). As of December 31, 2018, the financial obligation has been cancelled and the mortgage was released on June 5, 2018 and registered in the Real Estate Registrar on December 11, 2018 by Banco Estado. (Note 36.3)

b) Compensations

The Company has not recorded any income arising from compensation of claims related to property, plant and equipment in income for the period.

NOTE 19 Investment properties

	Land ThUS\$	Constructions ThUS\$	Total Investment properties ThUS\$
Net balance as of December 31, 2016	1,955	44	1,999
Transfers (to) plant and equipment	-	100	100
Depreciation Expense	-	(10)	(10) ⁽¹⁾
Net balance as of December 31, 2017	1,955	134	2,089
Transfers (to) plant and equipment	(224)	-	(224)
Depreciation Expense	-	(11)	(11) ⁽¹⁾
Net balance as of December 31, 2018	1,731	123	1,854

⁽¹⁾ See note 29 and 30

Investment properties correspond to land and real estate located in Chile, intended to obtain goodwill and income, which are valued at cost and constructions are depreciated using the straight-line method based on the life allocated.

The fair value of the Company's investment properties at the closing date of these financial statements amounts to ThUS\$ 3,016, which was determined on the basis of appraisals performed by independent experts in 2017, restated to the UF value at the closing date of these financial statements.

As of December 31, 2018, the investment properties generated direct expenses for real estate leases, amounting to ThUS\$ (20).

Notes to the Consolidated Financial Statements

NOTE 20 Accounts receivable and payable on current taxes

The composition of Current tax receivables and payables is shown in the table below:

(20.1) Accounts receivable on current taxes

	Current 12-31-2018 ThUS\$	Current 12-31-2017 ThUS\$
Monthly provisional payments	5,667	9,705
Income tax credit	27,600	31,495
Income tax (provision)	(7,648)	(19,011)
Total current tax receivables	25,619	22,189

(20.2) Accounts payable on current taxes

	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Income tax provision	28,714	91,147 ⁽¹⁾
Monthly provisional payments	(12,716)	(50,922)
Income tax credit	(2,623)	(356)
Total current tax payables	13,375	39,869

⁽¹⁾The variation is mainly due to the payment of income tax generated by the sale of the interest in Peru, which took place in May 2017.

NOTE 21 Deferred taxes and income tax

Deferred tax

Deferred taxes represent the amount of taxes over profit that the Company and subsidiaries will have to pay (liabilities) or receive (assets) in future years, related to temporary differences between the tax base and the accounting amount in books of certain assets and liabilities.

Notes to the Consolidated Financial Statements

NOTE 21 Deferred taxes and income tax, continued

(21.1) The detail of deferred taxes is as follows:

Types of temporary differences	Deferred tax	Deferred tax	Net
	asset	liability	
	12-31-2018	12-31-2018	12-31-2018
	ThUS\$	ThUS\$	ThUS\$
Provision for employee benefits	1,910	(643)	1,267
Tax loss	1,367	-	1,367
Derivative instruments	-	(12)	(12)
Property, plant and equipment	5,141	(10,092)	(4,951)
Depreciation	-	(28,828)	(28,828)
Lease obligations /Leased assets	7	(2,247)	(2,240)
Port and tugboat concessions	-	(31,646)	(31,646)
Unrealized profits	1,082	-	1,082
Impairment of receivables	790	-	790
Expense provisions and other	4,525	-	4,525
Income provisions	-	(1,146)	(1,146)
Total	14,822	(74,614)	(59,792)

Types of temporary differences	Deferred tax	Deferred tax	Net
	asset	liability	
	12-31-2017	12-31-2017	12-31-2017
	ThUS\$	ThUS\$	ThUS\$
Provision for employee benefits	1,949	(915)	1,034
Tax loss	959	-	959
Derivative instruments	13	(20)	(7)
Property, plant and equipment	5,782	(15,023)	(9,241)
Depreciation	-	(26,111)	(26,111)
Lease obligations /Leased assets	41	(2,061)	(2,020)
Port and tugboat concessions	-	(33,020)	(33,020)
Unrealized profits	717	-	717
Impairment of receivables	972	-	972
Expense provisions and other	1,919	-	1,919
Income provisions	-	(338)	(338)
Total	12,352	(77,488)	(65,137)

Notes to the Consolidated Financial Statements

NOTE 21 Deferred taxes and income tax, continued

(21.2) Movement of deferred tax assets and liabilities recognized during the period:

The following table shows the reconciliation of deferred taxes as of December 31, 2018

Types of temporary differences of assets	Balance as of 12.31.2017	Recognized in income	Recognized in retained earnings (application IFRS 9)	Recognized in equity		Balance at 12.31.2018
	ThUS\$	ThUS\$	ThUS\$	Translation adjustment companies with functional currency other than US Dollar	Booked to comprehensive income	ThUS\$
Provision for employee benefits	1,949	(62)	-	(7)	30	1,910
Tax loss	959	408	-	-	-	1,367
Derivative instruments	13	-	-	-	(13)	-
Property, plant and equipment	5,782	(641)	-	-	-	5,141
Leased assets	41	(32)	-	(2)	-	7
Impairment of receivables	972	(210)	28	-	-	790
Unrealized profits	717	365	-	-	-	1,082
Expense provision and other	1,919	2,606	-	-	-	4,525
Total Deferred tax assets	12,352	2,434⁽¹⁾	28	(9)	17	14,822

Types of temporary differences of liabilities	Balance as of 12.31.2017	Other increases	Recognized in income	Recognized in equity		Balance as of 12.31.2018
	ThUS\$	ThUS\$	ThUS\$	Translation adjustment companies with functional currency other than US Dollar	Booked to comprehensive income	ThUS\$
Provision for employee benefits	915	-	(272)	-	-	643
Derivative instruments	20	-	(14)	-	6	12
Intangible assets/property, plant and equipment	15,023	-	(4,654)	(277)	-	10,092
Depreciation	26,111	-	2,927	(210)	-	28,828
Leased assets	2,061	-	186	-	-	2,247
Port and tugboat concessions	33,020	-	(1,374)	-	-	31,646
Revenue provision	338	-	808	-	-	1,146
Total Deferred tax liabilities	77,488	-	(2,393)⁽¹⁾	(487)	6	74,614

(1) Net effect in income, loss of ThUS\$ 4,827, see note 21.3.

Notes to the Consolidated Financial Statements

NOTE 21 Deferred taxes and income tax, continued

(21.2) Movement of deferred tax assets and liabilities recognized during the period, continued:

The following table shows the reconciliation of deferred taxes in 2017

Types of temporary differences of assets	Balance as of	Increase from	Additions from	Recognized in	Recognized in equity		Balance as
	12.31.2016	accounting error	business	income	Translation	Booked to	of
	ThUS\$	correction	combination		adjustment	comprehensive	12.31.2017
		ThUS\$	ThUS\$	ThUS\$	companies with	income	
					functional		
					currency other		
					than US Dollar		
					ThUS\$	ThUS\$	ThUS\$
Provision for employee benefits	2,187	-	-	(290)	52	-	1,949
Tax loss	1,121	-	-	(162)	-	-	959
Derivative instruments	43	-	-	(5)	-	(25)	13
Inventories	-	-	-	-	-	-	-
Property, plant and equipment	3,942	-	1,268	572	-	-	5,782
Leased assets	75	-	-	(34)	-	-	41
Impairment of receivables	1,167	-	-	(195)	-	-	972
Unrealized profits	930	-	-	(213)	-	-	717
Expense provision and other	2,034	-	-	(115)	-	-	1,919
Total Deferred tax assets	11,499	-	1,268	(442)	52	(25)	12,352

Types of temporary differences of liabilities	Balance as of	Decrease from	Additions from	Recognized in	Recognized in equity		Balance as
	12.31.2016	accounting error	business	income	Translation	Booked to	of
	ThUS\$	correction	combination		adjustment	comprehensive	12.31.2017
		ThUS\$	ThUS\$	ThUS\$	companies with	income	
					functional		
					currency		
					other than US		
					Dollar		
					ThUS\$	ThUS\$	ThUS\$
Provision for employee benefits	809	-	-	362	3	(259)	915
Derivative instruments	18	-	-	2	-	-	20
Intangible assets/property, plant and equipment	11,616	-	-	3,156	251	-	15,023
Depreciation	29,433	-	-	(3,569)	247	-	26,111
Leased assets	1,847	-	-	214	-	-	2,061
Port and tugboat concessions	6,382	(2,669)	34,853	(5,546)	-	-	33,020
Revenue provision	71	-	-	267	-	-	338
Total Deferred tax liabilities	50,176	(2,669)	34,853⁽²⁾	(5,114)	501	(259)	77,488

(2) Corresponds to the effect on deferred taxes arising from the valuation at fair value of port concessions in indirect subsidiaries Sociedad Portuaria Granelera de Caldera S.A. and Sociedad Portuaria de Caldera S.A. (see note 15.2).

Notes to the Consolidated Financial Statements

NOTE 21 Deferred taxes and income tax, continued

(21.3) Income tax

Income tax expense for 2018 and 2017 is as follows:

	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
Current income tax expense		
Current tax expense ⁽¹⁾	36,554	109,760
Fiscal benefit from tax benefits	(10,543)	(55,672)
Tax expense Art. 21 Income Tax Law	56	-
Other tax expenses	929	6,688 ⁽²⁾
Total current tax expense, net	26,996	60,776
Deferred tax expenses		
Origin and reversal of temporary differences (Note 21.2)	(4,827)	(4,672)
Origin and reversal of temporary differences with effect on equity	(938)	-
Total deferred tax expense, net	(5,765)	(4,672)
Income tax expense	21,231	56,104

(1) In notes 20.1 and 20.2, an income tax provision of ThUS\$ 36,362 (ThUS\$ 110,158 in 2017) is reported. The difference against the total current tax expense of ThUS\$ 36,554 (ThUS\$ 109,760 in 2017) corresponds to the increase in the provision, in companies with a functional currency other than the U.S. dollar, whose effect as of December 31, 2017 amounts to ThUS\$ 192 (ThUS\$ 398 in 2017).

(2) In 2017, it corresponds to the retention tax on dividends of ThUS\$ 6,688, the origin of which corresponds to the profits generated by the sale of indirect associate Tramarsa.

(21.4) The analysis and reconciliation of the income tax rate calculated in accordance with Chilean tax legislation, and the effective tax rate are detailed below:

	12-31-2018		12-31-2017	
	%	ThUS\$	%	ThUS\$
Profit excluding income tax		83,022		123,459
Reconciliation of the effective tax rate	(27.00%)	(22,416)	(25.50)%	(31,482)
Tax expense using the statutory rate				
Tax effect of rates in other jurisdictions	(14.15%)	(11,748)	(37.29%)	(46,042)
Tax effect of non-taxable revenue	18.80%	15,611	21.02%	25,954
Tax effect of non-tax deductible expenses	(3.41%)	(2,834)	(3.76%)	(4,641)
Other increase (decrease) in charge for statutory taxes	0.19%	156	0.09%	107
Adjustments to tax expense using the statutory rate, total	1.43%	1,185	(19.94)%	(24,622)
Tax expense using the effective rate	(25.57%)	(21,231)	(45.44)%	(56,104)

Notes to the Consolidated Financial Statements

NOTE 22. Other financial liabilities

The composition of financial liabilities, current and non-current is as follows:

	Note	12-31-2018			12-31-2017		
		Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Interest-bearing loans	22.1	35,361	138,490	173,851	40,136	151,758	191,894
Finance leases	22.2	2,121	998	3,119	2,412	3,119	5,531
Derivatives	22.3	-	-	-	536	32	568
Obligations with the public	22.4	131	113,472	113,603	144	124,877	125,021
Guaranteed factoring obligations	22.5	-	-	-	4,956	-	4,956
Subtotal financial liabilities		37,613	252,960	290,573	48,184	279,786	327,970
Obligation concession contract ⁽¹⁾	22.6	6,174	37,368	43,542	5,429	38,032	43,461
Total other financial liabilities		43,787	290,328	334,115	53,613	317,818	371,431

⁽¹⁾The concession contract obligation corresponds to the annual fee installments stipulated in the concession contracts signed by indirect subsidiaries Iquique Terminal Internacional S.A. for ThUS\$ 13,158 (ThUS\$ 13,888 in 2017), Terminal Marítima Mazatlán S.A. de C.V. for ThUS\$ 28,122 (ThUS\$ 27,696 in 2017), ThUS\$ 1,896 of Sociedad Portuaria de Caldera S.A. (ThUS\$ 1,668 in 2017), ThUS\$ 264 of Sociedad Portuaria Granelera de Caldera S.A. (ThUS\$ 209 in 2017) and Concesionaria SAAM Costa Rica S.A. for ThUS\$ 103 (See note 22.6). In accordance with IAS 37, in the case of Iquique Terminal Internacional S.A. and Terminal Marítima Mazatlán S.A. de C.V., these obligations have been recorded at their present value considering estimated annual discount rates of 6.38% and 12.00%, respectively. For Sociedad Portuaria Granelera de Caldera and Sociedad Portuaria de Caldera S.A., the liability is determined by applying 5% and 15%, respectively, on the gross income generated by the concession, the fee is paid quarterly for expired periods.

The reconciliation of the balances of Other financial liabilities is as follows:

	Balance as of December 31, 2017	Loans secured	New consolidated companies	Loans repaid	Transfer from long term to short term	Exchange difference	Interest accrual	Costs related to credit	Balance as of December 31, 2018
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current									
Interest-bearing loans	40,136	2,061	-	(48,231)	34,042	(110)	8,296	(833)	35,361
Finance leases	2,412	-	-	(2,542)	2,121	-	127	3	2,121
Obligations with the public	144	-	-	(3,124)	-	(68)	3,179	-	131
Guaranteed factoring obligations	4,956	-	-	(4,956)	-	-	-	-	-
Non-current									
Interest-bearing loans	151,758	21,834	-	-	(34,042)	(1,060)	-	-	138,490
Finance leases	3,119	-	-	-	(2,121)	-	-	-	998
Obligations with the public	124,877	-	-	-	-	(10,964)	-	(441)	113,472
Total	327,402	23,895	-	(58,853)	-	(12,202)	11,602	(1,271)	290,573

Notes to the Consolidated Financial Statements

NOTE 22 Other financial liabilities, continued

(22.1) Bank interest-bearing loans

The balance of bank loans current as of December 31, 2018 is as follows:

Debtor Tax N°	Debtor entity	Country debtor	Creditor Tax N°	Creditor entity (banks)	Creditor country	Currency	Amortization type	Up to 90 days	More than 90 days to 1 year	Current portion	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Non-current portion	Total Debt	Interest rate Contract	
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
20-2737471	Florida International Terminal, Ll.	USA	97.006.000-6	Banco Crédito e Inversiones	USA	US Dollar	Semiannually	105	241	346	600	600	600	600	1,820	4,220	4,566	Libor+3%	5.97% ⁽²⁾
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	97.006.000-6	Banco Crédito e Inversiones	Chile	US Dollar	Semiannually	2,652	-	2,652	2,594	-	-	-	-	2,594	5,246	Libor+2.3%	4.94% ^(1 and 2)
0992247932001	Inarpi S.A.	Ecuador	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	1,069	947	2,016	1,895	1,895	1,895	946	-	6,631	8,647	3.21%	3.38%
0992247932001	Inarpi S.A.	Ecuador	97.006.000-6	Banco Crédito e Inversiones	Chile	US Dollar	Semiannually	641	625	1,266	625	-	-	-	-	625	1,891	3.50%	3.69%
0992247932001	Inarpi S.A.	Ecuador	97.006.000-6	Banco Crédito e Inversiones	Chile	US Dollar	Semiannually	385	375	760	375	-	-	-	-	375	1,135	3.50%	3.70%
0992247932001	Inarpi S.A.	Ecuador	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	-	1,932	1,932	1,875	1,875	1,875	1,875	4,688	12,188	14,120	3.95%	4.10%
0992247932001	Inarpi S.A.	Ecuador	0-E	Banco Santander Madrid	Spain	US Dollar	Semiannually	-	1,991	1,991	1,880	1,880	1,880	1,880	3,760	11,280	13,271	Libor+1.8%	4.96%
0992247932001	Inarpi S.A.	Ecuador	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	1,860	1,667	3,527	3,333	3,333	3,333	3,333	1,667	14,999	18,526	4.07%	4.28%
0-E	Saam Operadora de Ptos.de Estiba y Des.Costa Rica S.A.	Costa Rica	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	760	625	1,385	625	1,250	1,250	1,250	2,500	6,875	8,260	Libor+2%	3.84%
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco Davivienda	Costa Rica	US Dollar	Monthly	306	938	1,244	564	-	-	-	-	564	1,808	6.50%	6.50% ⁽²⁾
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco Davivienda	Costa Rica	US Dollar	Monthly	312	939	1,251	1,049	-	-	-	-	1,049	2,300	Libor + 5.5%	6.43% ⁽²⁾
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco San José	Costa Rica	US Dollar	Monthly	171	517	688	720	757	796	837	2,531	5,641	6,329	5.0%	5.0% ⁽²⁾
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco San José	Costa Rica	US Dollar	Monthly	68	191	259	266	280	294	310	915	2,065	2,324	5.0%	5.19%
0-E	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	0-E	Bac San Jose	Costa Rica	US Dollar	Quarterly	945	1,986	2,931	2,760	2,901	3,058	3,216	11,797	23,732	26,663	5.0%	5.89% ⁽²⁾
0-E	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	0-E	Banco Davivienda Costa Rica	Costa Rica	US Dollar	Monthly	276	786	1,062	1,120	83	-	-	-	1,203	2,265	Libor + 5.35% with floor 5.7%	6.85% ⁽²⁾
SRE970108SXA	Saam Remolques S.A. de C.V.	Mexico	0-E	Corpbanca New York Branch	Mexico	US Dollar	Semiannually	-	8,696	8,696	8,000	8,000	-	-	-	16,000	24,696	Libor+3%	4.31% ⁽²⁾
86412 1923	Smit Marine Canadá Inc	Canada	0-E	Scotiabank Canada	Canada	Canadian dollar	Monthly	336	1,008	1,344	1,344	13,474	-	-	-	14,818	16,162	BA of Canada + 1.75%	3.20% ⁽²⁾
86412 1923	Smit Marine Canadá Inc	Canada	0-E	Scotiabank Canada	Canada	Canadian dollar	Monthly	98	293	391	391	391	391	10,118	-	11,291	11,682	BA of Canada + 1.45%	4.10%
53286-0102	Virtual Logistics Marine Services, Inc	Panama	NL803281183801	Rabobank	Holland	US Dollar	Semiannually	253	702	955	936	936	468	-	-	2,340	3,295	3.45%	5.71%
2115520	Kios S.A. ⁽³⁾	Uruguay	21 1307180016	Banco Santander	Uruguay	US Dollar	Semiannually	665	-	665	-	-	-	-	-	-	665	6.00%	6.00%
										35,361						138,490	173,851		

(1) Corresponds to financial liabilities on which the company has minimized the risk of interest rate fluctuation by contracting derivative hedging instruments (swaps).
(2) Loans subject to compliance with covenants, disclosed in note 36.6.
(3) Corresponds to the use of a 180-day credit line.

Notes to the Consolidated Financial Statements

NOTE 22 Other financial liabilities, continued
(22.1) Bank interest-bearing loans, continued

The balance of bank loans current as of December 31, 2017 is as follows:

Debtor Tax N°	Debtor entity	Country debtor	Creditor Tax N°	Creditor entity (banks)	Creditor country	Currency	Amortization type	Up to 90 days	More than 90 days to 1 year	Current portion	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Non-current portion	Total Debt	Interest rate Contract	
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
96.696.270-4	Inmobiliaria Marítima Portuaria Ltda.	Chile	97.030.000-7	Banco Estado	Chile	UF	Monthly	40	26	66	-	-	-	-	-	-	66	4.50%	4.50%
TMM 120109 8F6	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	76.645.030-K	Banco Itau Chile	Chile	US Dollar	Semiannually	-	3,035	3,035	3,000	-	-	-	-	3,000	6,035	4.00%	4.28% ⁽¹⁾
20-2737471	Florida International Terminal, Lic.	USA	97.006.000-6	Banco Crédito e Inversiones	USA	US Dollar	Semiannually	20	251	271	251	251	251	251	251	1,255	1,526	Libor+3%	5.12%
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	1,499	1,540	3,039	-	-	-	-	-	-	3,039	Libor+2.5%	4.13% ⁽¹⁾
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	97.006.000-6	Banco Crédito e Inversiones	Chile	US Dollar	Semiannually	-	2,679	2,679	2,591	2,591	-	-	-	5,182	7,861	Libor+2.3%	4.94% ^(1 and 2)
0992247932001	Inarpi S.A.	Ecuador	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	1,096	947	2,043	1,895	1,895	1,895	1,895	947	8,527	10,570	3.21%	3.38%
0992247932001	Inarpi S.A.	Ecuador	97.006.000-6	Banco Crédito e Inversiones	Chile	US Dollar	Semiannually	653	625	1,278	1,250	624	-	-	-	1,874	3,152	3.5%	3.69%
0992247932001	Inarpi S.A.	Ecuador	97.006.000-6	Banco Crédito e Inversiones	Chile	US Dollar	Semiannually	392	375	767	750	375	-	-	-	1,125	1,892	3.50%	3.70%
0992247932001	Inarpi S.A.	Ecuador	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	61	938	999	1,875	1,875	1,875	1,875	6,563	14,063	15,062	3.95%	4.10%
0992247932001	Inarpi S.A.	Ecuador	0-E	Banco Santander Madrid	Spain	US Dollar	Semiannually	-	1,907	1,907	1,880	1,880	1,880	1,880	5,640	13,160	15,067	Libor+1.8%	4.89%
0992247932001	Inarpi S.A.	Ecuador	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	215	1,667	1,882	3,333	3,333	3,333	3,333	5,000	18,332	20,214	4.07%	4.28%
0-E	Saam Operadora de Ptos.de Estiba y Des.Costa Rica S.A.	Costa Rica	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	754	625	1,379	1,250	1,250	1,250	1,250	3,125	8,125	9,504	Libor+2%	3.53%
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco Davivienda	Costa Rica	US Dollar	Monthly	291	874	1,165	1,875	-	-	-	-	1,875	3,040	6.5%	6.66% ⁽¹⁾
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco Davivienda	Costa Rica	US Dollar	Monthly	282	890	1,172	2,245	-	-	-	-	2,245	3,417	Libor + 5.5%	6.42% ⁽¹⁾
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco San José	Costa Rica	US Dollar	Monthly	734	729	1,463	-	-	-	-	-	-	1,463	5.0%	6.28% ⁽¹⁾
0-E	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	0-E	Bac San Jose	Costa Rica	US Dollar	Quarterly	973	1,848	2,821	2,584	2,730	2,892	3,060	15,012	26,278	29,099	5.0%	5.68% ⁽¹⁾
0-E	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	0-E	Banco Davivienda Costa Rica	Costa Rica	US Dollar	Monthly	246	733	979	1,035	1,105	94	-	-	2,234	3,213	Libor + 5.35% with floor 5.7%	6.65% ⁽¹⁾
SRE970108SXA	Saam Remolques S.A. de C.V.	Mexico	0-E	Banco Inbursa	Mexico	US Dollar	Semiannually	-	2,017	2,017	-	-	-	-	-	-	2,017	4.60%	4.60% ⁽¹⁾
SRE970108SXA	Saam Remolques S.A. de C.V.	Mexico	0-E	Corpbanca New York Branch	Mexico	US Dollar	Semiannually	4,376	4,376	8,752	8,000	8,000	8,000	-	-	24,000	32,752	Libor+3%	4.31% ⁽¹⁾
86412 1923	Smit Marine Canadá Inc	Canada	0-E	Scotiabank Canada	Canada	Canadian dollar	Monthly	365	1,096	1,461	1,461	15,746	-	-	-	17,207	18,668	BA of Canada + 1.75%	3.42% ⁽²⁾
53286-0102	Virtual Logistics Marine Services, Inc	Panama	NL803281183B01	Rabobank	Holland	US Dollar	Semiannually	542	419	961	936	936	936	468	-	3,276	4,237	3.45%	5.71%
								40,136								151,758		191,894	

(1) Corresponds to financial liabilities on which the company has minimized the risk of interest rate fluctuation by contracting derivative hedging instruments (swaps).

(2) Loans subject to compliance with covenants, disclosed in note 36.6.

Notes to the Consolidated Financial Statements

NOTE 22 Other financial liabilities, continued

(22.2) Finance leases payable

Finance lease liabilities payable as of December 31, 2018 are as follows:

Creditor Tax N°	Bank or Financial institution	Debtor Tax N°	Debtor entity	Country debtor	Currency	Amortization type	Up to 90 days	More than 90 days to 1 year	Total current	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total Non-current	Total Debt	Interest rate	
							ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
97.036.000-K	Banco Santander	96.915.330-0	ITI SA	Chile	US Dollar	Monthly	455	1,386	1,841	940	-	-	-	-	940	2,781	2.86%	2.86%
94-1347393	Wells Fargo Equipment Finance, Inc.	O-E	FIT LLC	USA	US Dollar	Monthly	60	182	242	42	-	-	-	-	42	284	3.74%	3.74%
94-1347393	Wells Fargo Equipment Finance, Inc.	O-E	FIT LLC	USA	US Dollar	Monthly	2	5	7	15	-	-	-	-	15	22	4.75%	4.86%
211307180016	Banco Santander Uruguay		Kios S.A.	Uruguay	US Dollar	Monthly	2	7	9	-	-	-	-	-	-	9	5.5%	5.65%
211307180016	Banco Santander Uruguay		Kios S.A.	Uruguay	US Dollar	Monthly	3	11	14	-	-	-	-	-	-	14	5.5%	5.65%
211307180016	Banco Santander Uruguay		Kios S.A.	Uruguay	US Dollar	Monthly	2	6	8	1	-	-	-	-	1	9	5.5%	5.65%
							Total		2,121						998	3,119		

Finance lease liabilities payable as of December 31, 2017 are as follows:

Creditor Tax N°	Bank or Financial institution	Debtor Tax N°	Debtor entity	Country debtor	Currency	Amortization type	Up to 90 days	More than 90 days to 1 year	Total current	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total Non-current	Total Debt	Interest rate	
							ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
97.036.000-K	Banco Santander	96.915.330-0	ITI SA	Chile	US Dollar	Monthly	443	1,347	1,790	1,841	940	-	-	-	2,781	4,571	2.86%	2.86%
97.036.000-K	Banco Santander	96.915.330-0	ITI SA	Chile	US Dollar	Monthly	91	153	244	-	-	-	-	-	-	244	2.35%	2.35%
94-1347393	Wells Fargo Equipment Finance, Inc.	O-E	FIT LLC	USA	US Dollar	Monthly	22	87	109	-	-	-	-	-	-	109	4.00%	4.00%
94-1347393	Wells Fargo Equipment Finance, Inc.	O-E	FIT LLC	USA	US Dollar	Monthly	57	175	232	242	42	-	-	-	284	516	3.74%	3.74%
94-1347393	Wells Fargo Equipment Finance, Inc.	O-E	FIT LLC	USA	US Dollar	Monthly	2	5	7	6	15	-	-	-	21	28	4.75%	4.86%
211307180016	Banco Santander Uruguay		Kios S.A.	Uruguay	US Dollar	Monthly	2	7	9	10	-	-	-	-	10	19	5.5%	5.65%
211307180016	Banco Santander Uruguay		Kios S.A.	Uruguay	US Dollar	Monthly	3	10	13	13	-	-	-	-	13	26	5.5%	5.65%
211307180016	Banco Santander Uruguay		Kios S.A.	Uruguay	US Dollar	Monthly	2	6	8	9	1	-	-	-	10	18	5.5%	5.65%
							Total		2,412						3,119	5,531		

Notes to the Consolidated Financial Statements

NOTE 22 Other financial liabilities, continued

(22.3) Derivatives

As of December 31, 2018 and December 31, 2017, the composition of derivatives is as follows:

December 2018

As of December 31, 2018, the Company does not hold these types of financial instruments that generate a financial liability.

December 2017

Creditor entity	Debtor Tax N°	Debtor entity	Country debtor	Currency	Hedge	Notional value	Up to 90 days ThUS\$	More than 90 days to 1 year ThUS\$	Total current ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Total Non-current ThUS\$	Total liabilities ThUS\$
Banco Estado	92.048.000-4	SAAM Logistics S.A.	Chile	CLP	Forward	983,700,000	100	-	100	-	-	-	-	100
Banco Estado	76.002.201-2	SAAM Puertos S.A.	Chile	US Dollar	Forward	11,000,000	420	-	420	-	-	-	-	420
BCI	96.915.330-0	ITI S.A.	Chile	US Dollar	Swap	6,041,308	-	16	16	32	-	-	32	48
Total							520	16	536	32	-	-	32	568

"Forward" foreign currency derivatives are contracts entered into by the Company to minimize the risk of exchange rate fluctuations for those asset and liability items controlled in a currency other than the functional currency.

"Interest rate swaps" contains the Company's derivatives for hedging against interest rate risks, which meet the hedge accounting criteria. To verify compliance with these requirements, the effectiveness of the hedges has been verified and confirmed and, therefore, the hedge reserve has been recognized in equity in other comprehensive income.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 22 Other financial liabilities, continued

(22.4) Obligations with the public

Obligations with the public as of December 31, 2018 and December 31, 2017 are as follows:

December 2018

Debtor Tax N°	Debtor entity	Country debtor	Registration number	Series	Maturity	Currency	Amortization type	Effective rate	Nominal rate	Up to 90 days	More than 90 days to 1 year	Current portion	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Non-current portion	Total Debt
										ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	793	Series B	2021	UF	Semiannually	2.07%	2.6%	-	63	63	-	-	56,361	-	-	56,361	56,424
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	794	Series C	2026	UF	Semiannually	2.39%	2.8%	-	68	68	-	-	-	-	57,111	57,111	57,179
Total												131						113,472	113,603

December 2017

Debtor Tax N°	Debtor entity	Country debtor	Registration number	Series	Maturity	Currency	Amortization type	Effective rate	Nominal rate	Up to 90 days	More than 90 days to 1 year	Current portion	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Non-current portion	Total Debt
										ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	793	Series B	2021	UF	Semiannually	2.07%	2.6%	-	69	69	-	-	-	62,107	-	62,107	62,176
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	794	Series C	2026	UF	Semiannually	2.39%	2.8%	-	75	75	-	-	-	-	62,770	62,770	62,845
Total												144						124,877	125,021

On January 17, 2017, the Company placed Series B and C bonds, collecting ThUS\$ 115,013, net of related costs. The debt is agreed in Unidades de Fomento (UF), with semi-annual maturity for interest and principal payment at maturity.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 22 Other financial liabilities, continued

(22.5) Guaranteed factoring obligations

Guaranteed factoring obligations as of December 31, 2018 and December 31, 2017 are as follows:

December 2018

As of December 31, 2018, the Company does not have this type of financing.

December 2017

Creditor entity	Debtor Tax N°	Debtor entity	Country debtor	Currency	Amortization type	Effective rate	Nominal rate	Up to 90 days ThUS\$	More than 90 days to 1 year ThUS\$	Current portion ThUS\$	1 to 2 years ThUS\$	2 to 3 years ThUS\$	3 to 4 years ThUS\$	4 to 5 years ThUS\$	Over 5 years ThUS\$	Non-current portion ThUS\$	Total Debt ThUS\$
Banco Estado	96.915.330-0	Iquique Terminal Internacional S.A.	Chile	US Dollar	Monthly	1.6%	1.6%	4,956	-	4,956	-	-	-	-	-	-	4,956
Total										4,956							4,956

Notes to the Consolidated Financial Statements

NOTE 22 Other financial liabilities, continued

(22.6) Concession contract obligation

Concession contract obligations as of December 31, 2018 are as follows:

Port company	Debtor Tax N°	Debtor entity	Country debtor	Currency	Up to 90 days ThUS\$	More than 90 days to 1 year ThUS\$	Total current ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Total Non-current ThUS\$	Total liabilities ThUS\$
Empresa Portuaria Iquique	96.915.330-0	Iquique Terminal Internacional SA	Chile	US Dollar	190	589	779	1,714	1,945	8,720	12,379	13,158
API de Mazatlán	TMM1201098F6	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	Mexican peso	772	2,359	3,131	7,689	7,689	9,612	24,990	28,121
Instituto Costarricense de Puertos del Pacífico	0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	US Dollar	1,896	-	1,896	-	-	-	-	1,896
Instituto Costarricense de Puertos del Pacífico	0-E	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	US Dollar	264	-	264	-	-	-	-	264
Instituto Costarricense de Puertos del Pacífico	0-E	Concesionaria SAAM Costa Rica S.A.	Costa Rica	US Dollar	104	-	104	-	-	-	-	104
							6,174				37,369	43,543

Concession contract obligations as of December 31, 2017 are as follows:

Port company	Debtor Tax N°	Debtor entity	Country debtor	Currency	Up to 90 days ThUS\$	More than 90 days to 1 year ThUS\$	Total current ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Total Non-current ThUS\$	Total liabilities ThUS\$
Empresa Portuaria Iquique	96.915.330-0	Iquique Terminal Internacional SA	Chile	US Dollar	178	553	731	1,609	1,826	9,722	13,157	13,888
API de Mazatlán	TMM1201098F6	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	Mexican peso	645	2,176	2,821	5,417	4,812	14,646	24,875	27,696
Instituto Costarricense de Puertos del Pacífico	0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	US Dollar	1,668	-	1,668	-	-	-	-	1,668
Instituto Costarricense de Puertos del Pacífico	0-E	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	US Dollar	209	-	209	-	-	-	-	209
							5,429				38,032	43,461

Notes to the Consolidated Financial Statements

NOTE 22 Other financial liabilities, continued

(22.7) Undiscounted financial liabilities

(22.7.1) The contractual cash flows of bank loans current as of December 31, 2018 is as follows:

Debtor Tax N°	Debtor entity	Country debtor	Creditor Tax N°	Creditor entity (banks)	Creditor country	Currency	Amortization type	Up to 180 days THUS\$	More than 180 days to 1 year THUS\$	Current portion THUS\$	1 to 2 years	2 to 5 years	Over 5 years	Non-current portion THUS\$	Total Debt THUS\$	Interest rate	
											THUS\$	THUS\$	THUS\$			Contract	Effective
20-2737471	Florida International Terminal, LLC.	USA	97.006.000-6	Banco Crédito e Inversiones	USA	US Dollar	Semiannually	106	132	238	1,145	3,117	933	5,195	5,433	Libor+3%	5.97% ⁽²⁾
96915330-0	Iquique Terminal Internacional S.A.	Chile	97.006.000-6	Banco Crédito e Inversiones	Chile	US Dollar	Semiannually	1,358	1,300	2,658	2,600	-	-	2,600	5,258	Libor+2.3%	4.94% ^(1 and 2)
0992247932001	Inarpi S.A.	Ecuador	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	1,087	1,070	2,157	2,095	4,968	-	7,063	9,220	3.21%	3.38%
0992247932001	Inarpi S.A.	Ecuador	97.006.000-6	Banco Crédito e Inversiones	Chile	US Dollar	Semiannually	658	647	1,305	636	-	-	636	1,941	3.50%	3.69%
0992247932001	Inarpi S.A.	Ecuador	97.006.000-6	Banco Crédito e Inversiones	Chile	US Dollar	Semiannually	395	388	783	382	-	-	382	1,165	3.50%	3.70%
0992247932001	Inarpi S.A.	Ecuador	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	1,217	1,202	2,419	2,346	6,582	4,969	13,897	16,316	3.95%	4.10%
0992247932001	Inarpi S.A.	Ecuador	0-E	Banco Santander Madrid	Spain	US Dollar	Semiannually	1,243	1,222	2,465	2,380	6,615	3,977	12,972	15,437	Libor+1.8%	4.96%
0992247932001	Inarpi S.A.	Ecuador	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	2,042	2,013	4,055	3,919	10,928	1,701	16,548	20,603	4.07%	4.28%
0-E	Saam Operadora de Ptos.de Estiba y Des.Costa Rica S.A.	Costa Rica	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	795	786	1,581	1,532	4,301	2,622	8,455	10,036	Libor+2%	3.84%
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco Davivienda	Costa Rica	US Dollar	Monthly	1,325	1,325	2,650	1,263	-	-	1,263	3,913	6.50%	6.50% ⁽²⁾
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco Davivienda	Costa Rica	US Dollar	Monthly	684	683	1,367	1,081	-	-	1,081	2,448	Libor + 5.5%	6.43% ⁽²⁾
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco San José	Costa Rica	US Dollar	Monthly	494	494	988	988	2,966	2,635	6,589	7,577	5.0%	5.0% ⁽²⁾
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco San José	Costa Rica	US Dollar	Monthly	183	183	366	366	1,097	975	2,438	2,804	5.0%	5.19%
0-E	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	0-E	Bac San Jose	Costa Rica	US Dollar	Quarterly	1,957	1,957	3,914	3,914	11,742	12,883	28,539	32,453	5.0%	5.89% ⁽²⁾
0-E	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	0-E	Banco Davivienda Costa Rica	Costa Rica	US Dollar	Monthly	587	587	1,174	1,174	84	-	1,258	2,432	Libor + 5.35% with floor 5.7%	6.85% ⁽²⁾
SRE970108SXA	Saam Remolques S.A. de C.V.	Mexico	0-E	Corpbanca New York Branch	Mexico	US Dollar	Semiannually	4,671	4,302	8,973	8,427	8,183	-	16,610	25,583	Libor+3%	4.31% ⁽²⁾
86412 1923	Smit Marine Canadá Inc	Canada	0-E	Scotiabank Canada	Canada	Canadian dollar	Monthly	926	926	1,852	1,859	13,957	-	15,816	17,668	BA of Canada + 1.75%	3.20% ^(1 and 2)
86412 1923	Smit Marine Canadá Inc	Canada	0-E	Scotiabank Canada	Canada	Canadian dollar	Monthly	496	551	1,047	1,066	12,664	-	13,730	14,777	BA of Canada + 1.75%	4.10%
53286-0102	Virtual Logistics Marine Services, Inc	Panama	NL803281183801	Rabobank	Holland	US Dollar	Semiannually	525	517	1,042	1,010	1,454	-	2,464	3,506	3.45%	5.71%
2115520	Kios S.A. ⁽³⁾	Uruguay	21 1307180016	Banco Santander	Uruguay	US Dollar	Semiannually	669	-	669	-	-	-	-	669	6.00%	6.00%
										41,703				157,536	199,239		

(1) Corresponds to financial liabilities on which the company has minimized the risk of interest rate fluctuation by contracting derivative hedging instruments (swaps).

(2) Loans subject to compliance with covenants, disclosed in note 36.6.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 22 Other financial liabilities, continued

(22.7) Undiscounted financial liabilities, continued

(22.7.1) The contractual cash flows of bank loans current as of December 31, 2017 is as follows:

Debtor Tax N°	Debtor entity	Country debtor	Creditor Tax N°	Creditor entity (banks)	Creditor country	Currency	Amortization type	Up to 180	More than 180	Current	1 to 2	2 to 5	Over 5	Non-current	Total	Interest rate	
								days	days to 1 year	portion	years	years	years	portion	Debt	Contract	Effective
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
96696270-4	Inmobiliaria Marítima Portuaria Ltda.	Chile	97.030.000-7	Banco Estado	Chile	UF	Monthly	68	-	68	-	-	-	-	68	4.50%	4.50%
TMM 120109 8F6	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	76.645.030-K	Banco Itau Chile	Chile	US Dollar	Semiannually	1,621	1,592	3,213	3,091	-	-	3,091	6,304	4.00%	4.28% ⁽²⁾
20-2737471	Florida International Terminal, Uc.	USA	97.006.000-6	Banco Crédito e Inversiones	USA	US Dollar	Semiannually	-	163	163	315	872	394	1,581	1,744	Libor+3%	5.12%
96915330-0	Iquique Terminal Internacional S.A.	Chile	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	1,500	1,542	3,042	-	-	-	-	3,042	Libor+2.5%	4.13% ⁽²⁾
96915330-0	Iquique Terminal Internacional S.A.	Chile	97.006.000-6	Banco Crédito e Inversiones	Chile	US Dollar	Semiannually	1,388	1,388	2,776	1,300	5,200	-	6,500	9,276	Libor+2.3%	4.94% ^(1 and 2)
0992247932001	Inarpi S.A.	Ecuador	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	2,218	-	2,218	2,157	6,101	963	9,221	11,439	3.21%	3.38%
0992247932001	Inarpi S.A.	Ecuador	97.006.000-6	Banco Crédito e Inversiones	Chile	US Dollar	Semiannually	680	670	1,350	1,305	636	-	1,941	3,291	3.5%	3.69%
0992247932001	Inarpi S.A.	Ecuador	97.006.000-6	Banco Crédito e Inversiones	Chile	US Dollar	Semiannually	408	402	810	783	382	-	1,165	1,975	3.50%	3.70%
0992247932001	Inarpi S.A.	Ecuador	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	295	1,240	1,535	2,419	6,809	7,088	16,316	17,851	3.95%	4.10%
0992247932001	Inarpi S.A.	Ecuador	0-E	Banco Santander Madrid	Spain	US Dollar	Semiannually	1,121	1,170	2,291	2,293	6,514	5,962	14,769	17,060	Libor+1.8%	4.89%
0992247932001	Inarpi S.A.	Ecuador	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	409	2,083	2,492	4,055	11,342	5,206	20,603	23,095	4.07%	4.28%
0-E	Saam Operadora de Ptos.de Estiba y Des.Costa Rica S.A.	Costa Rica	97.030.000-7	Banco Estado	Chile	US Dollar	Semiannually	791	777	1,568	1,525	4,311	3,290	9,126	10,694	Libor+2%	3.53%
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco Davivienda	Costa Rica	US Dollar	Monthly	1,339	1,366	2,705	1,325	963	-	2,288	4,993	6.5%	6.66% ⁽²⁾
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco Davivienda	Costa Rica	US Dollar	Monthly	562	804	1,366	2,403	-	-	2,403	3,769	Libor + 5.5%	6.42% ⁽²⁾
0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	0-E	Banco San José	Costa Rica	US Dollar	Monthly	1,536	-	1,536	-	-	-	-	1,536	5.0%	6.28% ⁽²⁾
0-E	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	0-E	Bac San Jose	Costa Rica	US Dollar	Quarterly	2,011	2,011	4,022	4,022	12,064	16,992	33,078	37,100	5.0%	5.68% ⁽²⁾
0-E	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	0-E	Banco Davivienda Costa Rica	Costa Rica	US Dollar	Monthly	576	576	1,152	1,152	1,246	-	2,398	3,550	Libor + 5.35% with floor 5.7%	6.65% ⁽²⁾
SRE970108SXA	Saam Remolques S.A. de C.V.	Mexico	0-E	Banco Inbursa	Mexico	US Dollar	Semiannually	2,094	-	2,094	-	-	-	-	2,094	4.60%	4.60% ⁽²⁾
SRE970108SXA	Saam Remolques S.A. de C.V.	Mexico	0-E	Corpbanca New York Branch	Mexico	US Dollar	Semiannually	4,623	4,420	9,043	8,670	16,610	-	25,280	34,323	Libor+3%	4.31% ⁽²⁾
86412 1923	Smit Marine Canadá Inc	Canada	0-E	Scotiabank Canada	Canada	Canadian dollar	Monthly	992	992	1,984	1,896	16,271	-	18,167	20,151	BA of Canada + 1.75%	3.42% ^(1 and 2)
53286-0102	Virtual Logistics Marine Services, Inc	Panama	NL803281183B01	Rabobank	Holland	US Dollar	Semiannually	542	534	1,076	1,043	2,464	-	3,507	4,583	3.45%	5.71%
										46,504				171,434	217,938		

(1) Corresponds to financial liabilities on which the company has minimized the risk of interest rate fluctuation by contracting derivative hedging instruments (swaps).

(2) Loans subject to compliance with covenants, disclosed in note 36.6.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 22 Other financial liabilities, continued

(22.7) Undiscounted financial liabilities, continued

(22.7.2) The contractual cash flows of finance leases payable as of December 31, 2018 is as follows:

Creditor Tax N°	Bank or Financial institution	Debtor Tax N°	Debtor entity	Country debtor	Currency	Amortization type	Up to	More than	Total current	1 to 2	2 to 5 years	Over 5 years	Total Non-current	Total Debt	Interest rate	
							180 days	180 days to 1 year		years	years	years			Contract	Effective
							ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		
97.036.000-K	Banco Santander	96.915.330-0	ITI SA	Chile	US Dollar	Monthly	948	948	1,896	948	-	-	948	2,844	2.86%	2.86%
94-1347393	Wells Fargo Equipment Finance, Inc.	O-E	FIT LLC	USA	US Dollar	Monthly	62	186	248	228	-	-	228	476	3.74%	3.74%
94-1347393	Wells Fargo Equipment Finance, Inc.	O-E	FIT LLC	USA	US Dollar	Monthly	2	5	7	15	-	-	15	22	4.75%	4.86%
211307180016	Banco Santander Uruguay		Kios S.A.	Uruguay	US Dollar	Monthly	5	5	10	-	-	-	-	10	5.5%	5.65%
211307180016	Banco Santander Uruguay		Kios S.A.	Uruguay	US Dollar	Monthly	7	7	14	-	-	-	-	14	5.5%	5.65%
211307180016	Banco Santander Uruguay		Kios S.A.	Uruguay	US Dollar	Monthly	4	4	8	1	-	-	1	9	5.5%	5.65%
									2,183				1,192	3,375		

(22.7.2) The contractual cash flows of finance leases payable as of December 31, 2017 is as follows:

Creditor Tax N°	Bank or Financial institution	Debtor Tax N°	Debtor entity	Country debtor	Currency	Amortization type	Up to	More than	Total current	1 to 2	2 to 5 years	Over 5 years	Total Non-current	Total Debt	Interest rate	
							180 days	180 days to 1 year		years	years	years			Contract	Effective
							ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		
97.036.000-K	Banco Santander	96.915.330-0	ITI SA	Chile	US Dollar	Monthly	948	948	1,896	1,896	948	-	2,844	4,740	2.86%	2.86%
97.036.000-K	Banco Santander	96.915.330-0	ITI SA	Chile	US Dollar	Monthly	184	61	245	-	-	-	-	245	2.35%	2.35%
94-1347393	Wells Fargo Equipment Finance, Inc.	O-E	FIT LLC	USA	US Dollar	Monthly	45	65	110	-	-	-	-	110	4.00%	4.00%
94-1347393	Wells Fargo Equipment Finance, Inc.	O-E	FIT LLC	USA	US Dollar	Monthly	115	118	233	242	-	41	283	516	3.74%	3.74%
94-1347393	Wells Fargo Equipment Finance, Inc.	O-E	FIT LLC	USA	US Dollar	Monthly	3	3	6	6	-	15	21	27	4.75%	4.86%
211307180016	Banco Santander Uruguay		Kios S.A.	Uruguay	US Dollar	Monthly	5	5	10	10	-	-	10	20	5.5%	5.65%
211307180016	Banco Santander Uruguay		Kios S.A.	Uruguay	US Dollar	Monthly	7	7	14	14	-	-	14	28	5.5%	5.65%
211307180016	Banco Santander Uruguay		Kios S.A.	Uruguay	US Dollar	Monthly	4	4	8	9	1	-	10	18	5.5%	5.65%
									2,522				3,182	5,704		

Notes to the Consolidated Financial Statements

NOTE 22 Other financial liabilities, continued

(22.7) Undiscounted financial liabilities, continued

(22.7.3) The contractual flow of obligations with the public (bond) as of December 31, 2018 and December 31, 2017 are detailed as follows:

December 2018

Tax number Debtor	Debtor entity	Debtor country	Series	Maturity	Currency	Amortization	Up to 90 days	90 days to 1 year	Current portion	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Non-current portion	Total liabilities	
							ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Series H	2021	UF	Semi-annually	717	718	1,435	1,435	1,435	55,547	-	-	58,417	59,852	
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Series C	2026	UF	Semi-annually	772	773	1,545	1,545	1,545	1,545	1,545	60,180	66,360	67,905	
									2,980							124,777	127,757

December 2017

Tax number Debtor	Debtor entity	Debtor country	Series	Maturity	Currency	Amortization	Up to 90 days	90 days to 1 year	Current portion	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Non-current portion	Total liabilities	
							ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Series B	2021	UF	Semi-annually	788	789	1,577	1,577	1,577	1,577	62,107	-	66,838	68,415	
76.196.718-5	Sociedad Matriz SAAM S.A.	Chile	Series C	2026	UF	Semi-annually	848	849	1,697	1,697	1,697	1,697	1,697	69,558	76,346	78,043	
									3,274							143,184	146,458

(22.7.4) The contractual flow of obligations by concession contract as of December 31, 2018 and December 31, 2017 are detailed as follows:

December 2018

Port company	Tax No. Debtor entity	Debtor entity name	Debtor company country	Currency	Up to 90 days	90 days to 1 year	Total current	1 to 3 years	3 to 5 years	Over 5 years	Total Non-current	Total liabilities
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Port company Iquique	96.915.330-0	ITI SA	Chile	US Dollar	400	1,200	1,600	3,200	3,200	12,240	18,640	20,240
API de Mazatlán	TMM1201098F6	Terminal Maritima Mazatlán S.A. de C.V.	Mexico	Mexican peso	801	2,273	3,074	14,574	17,370	27,789	59,733	62,807
Instituto Costarricense de Puertos del Pacífico	0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	US Dollar	1,896	-	1,896	-	-	-	-	1,896
Instituto Costarricense de Puertos del Pacífico	0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	US Dollar	264	-	264	-	-	-	-	264
Instituto Costarricense de Puertos del Pacífico	0-E	Concesionaria SAAM Costa Rica S.A	Costa Rica	US Dollar	104	-	104	-	-	-	-	104
Total							6,938				78,373	85,311

December 2017

Port company	Tax No. Debtor entity	Debtor entity name	Debtor company country	Currency	Up to 90 days	90 days to 1 year	Total current	1 to 3 years	3 to 5 years	Over 5 years	Total Non-current	Total liabilities
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Port company Iquique	96.915.330-0	ITI SA	Chile	US Dollar	400	1,200	1,600	3,200	3,200	12,400	18,800	20,400
API de Mazatlán	TMM1201098F6	Terminal Maritima Mazatlán S.A. de C.V.	Mexico	Mexican peso	777	2,332	3,109	6,867	7,534	48,090	62,491	65,600
Instituto Costarricense de Puertos del Pacífico	0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	US Dollar	1,668	-	1,668	-	-	-	-	1,668
Instituto Costarricense de Puertos del Pacífico	0-E	Sociedad Portuaria de Caldera S.A.	Costa Rica	US Dollar	209	-	209	-	-	-	-	209
Total							6,586				81,291	87,877

Notes to the Consolidated Financial Statements

NOTE 23 Trade and other payables

The composition of the balance of trade and other payables is shown in the following table:

	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Trade creditors	32,898	32,803
Other accounts payable	3,369	561
Total trade and other payables	36,267	33,364

Other accounts payable mainly correspond to obligations with third parties usual concepts not directly related to operations.

Trade creditors with up-to-date payments and payments due as of December 31, 2018 and December 31, 2017 are detailed in the following tables:

a) Trade creditors with up-to-date payments

Type of supplier	Amounts per days term payments				Total up-to-date payments ThUS\$ 12.31.2018
	Up to 30 days ThUS\$	31-60 days ThUS\$	61-90 days ThUS\$	91-120 days ThUS\$	
Goods	3,530	321	101	12	3,964
Services	17,653	8,611	281	1,727	28,272
Total	21,183	8,932	382	1,739	32,236

Type of supplier	Amounts per days term payments				Total up-to-date payments ThUS\$ 12.31.2017
	Up to 30 days ThUS\$	31-60 days ThUS\$	61-90 days ThUS\$	91-120 days ThUS\$	
Goods	58	-	-	-	58
Services	24,489	4,380	379	1,331	30,579
Total	24,547	4,380	379	1,331	30,637

Notes to the Consolidated Financial Statements

NOTE 23 Trade and other payables, continued
b) Trade creditors with overdue payments⁽¹⁾

Type of supplier	Amounts as per payment terms						Total overdue payments ThUS\$ 12.31.2018
	Up to 30 days ThUS\$	31-60 days ThUS\$	61-90 days ThUS\$	91-120 days ThUS\$	121-180 days ThUS\$	Over 180 days ThUS\$	
Goods	-	-	-	-	-	-	-
Services	34	173	145	71	12	227	662
Other	-	-	-	-	-	-	-
Total	34	173	145	71	12	227	662

Type of supplier	Amounts as per term payments						Total overdue payments ThUS\$ 12.31.2017
	Up to 30 days ThUS\$	31-60 days ThUS\$	61-90 days ThUS\$	91-120 days ThUS\$	121-180 days ThUS\$	Over 180 days ThUS\$	
Goods	-	-	-	-	-	-	-
Services	1,535	145	60	67	194	165	2,166
Other	-	-	-	-	-	-	-
Total	1,535	145	60	67	194	165	2,166

- (1) The Company has a solid liquidity situation, which allows it to meet its obligations with its multiple suppliers without major inconveniences. Consequently, the amounts shown as creditors with payments due as of December 31, 2018 and December 31, 2017, are mainly due to cases in which there are invoices with differences in documentary conciliation, which for the most part, end up being resolved in the short term.

NOTE 24 Provisions

	12-31-2018			12-31-2017		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Legal provisions ⁽¹⁾	-	919	919	-	740	740
Dismantling, restoration and rehabilitation ⁽²⁾	-	80	80	-	58	58
Profit sharing ⁽³⁾	697	-	697	850	-	850
Other provisions	253	-	253	82	-	82
Total provisions	950	999	1,949	932	798	1,730

⁽¹⁾Provision for ThUS\$ 916 (ThUS\$ 740 in 2017), made by the indirect subsidiary SAAM do Brasil Ltda. for ongoing processes on import tax applied to a damaged container given to Fazenda Nacional do Brasil as agency, and notification and subsequent claim filed against the latter, in order to suspend the payment of COFINS taxes calculated on sales to foreign companies.

The expected timing of the outflows of economic benefits generated by this ongoing process will depend on the evolution of the process; however, the Company considers that no payments will be made in the short term.

⁽²⁾Corresponds to the provision for dismantling of offices located in Terminal Puerto Guayaquil.

⁽³⁾ Profit sharing is determined based on 2.5 percent over the amount of dividends that are distributed debited against profits for the year.

Notes to the Consolidated Financial Statements

NOTE 24 Provisions, continued

(24.1) Reconciliation of provisions by classes for the period:

	Legal provision, non-current ThUS\$	Other provisions current ThUS\$	Other provisions, non-current ThUS\$	Total provisions ThUS\$
Balance as of December 31, 2016				
Opening balance as of January 1, 2017	714	919	375	2,008
Additional provisions	-	916 ⁽¹⁾	58	974
Provision used	-	(891) ⁽¹⁾	(375)	(1,266)
Increase (decrease) in foreign exchange	26	(12)	-	14
Total changes in provisions	26	13	(317)	(278)
Balance as of December 31, 2017				
Opening balance as of January 1, 2018	740	932	58	1,730
Additional provisions	387	873 ⁽¹⁾	22	1,282
Provision used	(100)	(855) ⁽¹⁾	-	(955)
Increase (decrease) in foreign exchange	(108)	-	-	(108)
Total changes in provisions	179	18	22	219
Balance at December 31, 2018	919	950	80	1,949

⁽¹⁾ This corresponds mainly to the accrual and payment of shares to the Directors of the Company.

NOTE 25 Other non-financial liabilities

The detail of the account is as follows:

	Current 12-31-2018 ThUS\$	Non-current 12-31-2018 ThUS\$	Total 12-31-2018 ThUS\$	Current 12-31-2017 ThUS\$	Non-current 12-31-2017 ThUS\$	Total 12-31-2017 ThUS\$
Minimum dividend payable in the following year ⁽¹⁾	14,882	-	14,882	18,133	-	18,133
Dividends payable previous years	53	-	53	96	-	96
Deferred income	48	-	48	103	-	103
Tax payable	2,292	-	2,292	1,533	-	1,533
Other non-financial liabilities	34	-	34	431	20	451
Total other non-financial liabilities	17,309	-	17,309	20,296	20	20,316

⁽¹⁾ Corresponds to the provision of the minimum dividend, equivalent to 30% of profits for the year.

Notes to the Consolidated Financial Statements

NOTE 26 Employee benefits and personnel expense
(26.1) Expense for employee benefits for the period:

	01-01-2018 12-31-2018 ThUS\$	01-01-2017 12-31-2017 ThUS\$
Profits sharing and bonuses		
Profits sharing and bonuses, current	10,730	8,791
Total	10,730	8,791
Classes of employee expenses		
Wages & salaries	112,455	108,334
Short-term benefits	9,306	11,105
Expenses for employee benefit obligations	6,082	4,862
Other long-term provisions	532	374
Other employee expenses	5,029	3,962
Total employee expenses	133,404	128,637
Total⁽¹⁾	144,134	137,428

⁽¹⁾ The expense associated with personnel compensation is recorded in the operating cost for ThUS\$ 103,831 (ThUS\$ 96,141 in 2017) and in the administrative expense for ThUS\$ 40,303 (ThUS\$ 41,287 in 2017).

(26.2) The breakdown of the benefits pending settlement at each year-end is as follows:

Benefit	12-31-2018			12-31-2017		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Defined benefit obligations (IAS) (Note 26.3)	457	8,666	9,123	511	10,821	11,332
Vacation	3,830	-	3,830	5,460	-	5,460
Profit sharing and bonuses	8,518	-	8,518	5,640	-	5,640
Labor laws and taxes	2,426	-	2,426	2,459	-	2,459
Severance and termination benefits and remunerations payable	3,012	-	3,012	4,052	-	4,052
Total employee benefits	18,243	8,666	26,909	18,122	10,821	28,943

(26.3) Defined benefit obligations (IAS)

As of December 31, 2018 and December 31, 2017, the liability of SM SAAM and its subsidiary is determined using the criteria established in IAS 19.

The defined obligation is constituted by the staff severance indemnities that will be paid to all employees belonging to the Company by virtue of the collective agreements subscribed between the Company and its employees. This include the obligations of Iquique Terminal Internacional S.A. which recognizes the legal compensation that must be paid to all employees at the end of the concession and that of Mexican subsidiaries where compensation is a labor right of the workers.

Notes to the Consolidated Financial Statements

NOTE 26 Employee benefits and personnel expense, continued
(26.3) Defined benefit obligations (IAS)

The actuarial valuation is based on the following parameters and percentages:

- Discount rate used 2.43% (2.3% in 2017)
- Total salary increase of 1.3% (1.3% in 2017)
- Average turnover rate of the group that ranges between 3.4% and 8.8% for voluntary retirement and 3.0% and 14.70% for dismissal (4.65% and 5.00% for voluntary retirement and 5.00% and 14.70% for dismissal in 2017).
- Mortality table rv-2014 (rv-2014 in 2017)

The changes in the obligation payable to the personnel corresponding to defined benefits are shown in the following table:

	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
Present value of defined benefit plant obligations		
Balances as of January 1	11,332	13,054
Service cost:	1,404	1,279
Interest cost (Note 31)	265	285
Actuarial (gains) losses	(328)	1,128
Changes in foreign exchange	(920)	582
Payroll liquidations	(2,630)	(4,996)
Total present value of defined benefit plan obligation	9,123	11,332
Current obligation (*)	457	511
Non-current obligation	8,666	10,821
Total obligation	9,123	11,332

(*)Corresponds to the best estimate of the Company regarding the amount to be paid during the following twelve months.

(26.4) Sensitivity analysis actuarial variables

The method used to quantify the effect it would have on the provision for staff severance indemnities, considers an increase and decrease of 10 percentage points, in the actuarial variables used in the calculation of the provision.

The main actuarial variables used by SM SAAM to measure this liability, and those used in the sensitivity analysis, are the following:

Actuarial assumption	+10%	Current	-10%
Discount rate	2.67%	2.43%	2.19%
Rate of salary increase	1.43%	1.3%	1.17%
(*) Turnover rate due to resignation	3.74% - 9.68%	3.4% - 8.8%	3.06% - 7.92%
(*) Turnover rate due to dismissal	3.30% - 16.17%	3.0% - 14.70%	2.70% - 13.23%

(*) The turnover rates for resignation and dismissal considered in the analysis include the different variables applied to each company.

Notes to the Consolidated Financial Statements

NOTE 26 Employee benefits and personnel expense, continued
(26.4) Sensitivity analysis actuarial variables, continued

The results of the analysis, considering the variations described above, are summarized in the following table:

Effect of 10% increase in the variables used in the actuarial calculation	ThUS\$
Accounting balance as of 12.31.2018	9,123
Actuarial variation	(91)
Balance after actuarial variation	9,032
Effect of 10% decrease in the variables used in the actuarial calculation	ThUS\$
Accounting balance as of 12.31.2018	9,123
Actuarial variation	101
Balance after actuarial variation	9,224

NOTE 27 Equity and reserves

As of December 31, 2018 the authorized share capital comprises 9,736,791,983 shares. All the shares issued are fully paid-in:

Number of shares

Series	Number of subscribed shares	Number of paid-in shares	Number of voting shares
SINGLE	9,736,791,983	9,736,791,983	9,736,791,983

These shares have no par value and the Company does not own shares in portfolio.

Earnings per share are calculated based on the profit attributable to the owners of the parent divided by the number of shares subscribed and paid.

27.1) Share capital

In number of shares year 2018	Common shares
Subscribed and paid-in as of January 1	9,736,791,983
Business combination adjustments	-
Exercise of stock options	-
Subscribed and paid-in as of December 31, 2018	9,736,791,983

Notes to the Consolidated Financial Statements

NOTE 27 Equity and reserves, continued
27.2) Reserves

	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Reserve of exchange difference on translation (Note 27.2.1)	(60,901)	(50,872)
Reserve of cash flow hedges (Note 27.2.2)	5,210	725
Reserve of actuarial gains or losses on defined benefit plans (Note 27.2.3)	(4,162)	(2,597)
Other miscellaneous reserves (Note 27.2.4)	44,203	44,280
Total	(15,650)	(8,464)

Explanation of movements:
27.2.1) Reserve of exchange difference on translation

The translation reserve is produced by the translation of the financial statements of subsidiaries and associates of a functional currency other than the functional currency of the parent.

	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Opening balance	(50,872)	(57,774)
Changes originate in:		
Associates (Note 16.1)	(3,400)	1,907
Subsidiaries ^(*)	(6,629)	4,995
Total	(60,901)	(50,872)

(*) Corresponds mainly to the effects of translation in the indirect subsidiary Saam Smit Towage Canada Inc., whose functional currency is the Canadian dollar.

27.2.2) Reserve of cash flow hedges

The hedge reserve includes the recording of the effective part, with respect to changes in the fair value of the derivative financial instruments and the hedged item, associated with future transactions.

	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Opening balance	725	2,922
Result charged to comprehensive income of the period of:		
Associates (Note 16.1)	-	33
Subsidiaries	59	(340)
Company own derivatives ⁽¹⁾	4,426	(1,890)
Total	5,210	725

⁽¹⁾ Corresponds mainly to the hedge reserve of Sociedad Matriz Saam, associated with the CCSWAP derivative, contracted for the placement of bonds in January 2017.

Notes to the Consolidated Financial Statements

NOTE 27 Equity and reserves, continued
27.2) Reserves, continued
27.2.3 Reserve of actuarial gains or losses on defined benefit plans

The reserve of actuarial gains for defined benefits includes the variation of the actuarial values of the provision of defined benefits to the Company's personnel.

	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
Opening balance	(2,597)	(1,674)
Increase due to changes in values of the estimate of defined benefit of:		
Associates (Note 16.1)	(1,893)	(54)
Subsidiaries	328	(869)
Total	(4,162)	(2,597)

27.2.4) Other miscellaneous reserves

The balance of other miscellaneous reserves as of December 31, 2018 was ThUS\$44,204 (ThUS\$44,280 as of December 31, 2017).

- a) In the CSAV division, the financial value of the investment in SAAM as of January 1, 2012, amounting to ThUS \$ 603,349, was assigned as sole asset to Sociedad Matriz SAAM S.A. In the opening balance sheet of Sociedad Matriz SAAM S.A. as of February 15, 2012, the difference between the initial equity of the company and its share capital of ThUS \$ 586,506, established in the incorporation bylaws of October 5, 2011, is presented in the equity of SM SAAM in other reserves in the amount of ThUS \$ 16,843.
- b) The recognition of additional reserves of ThUS\$ 6, in conformity with the current legal regulations in countries where foreign subsidiaries operate.
- c) Additionally, the association agreement with Boskalis, dated July 1, 2014, as a result of the change in ownership without loss of control in the indirect subsidiary SAAM Remolques S.A. of C.V., meant to recognize credit in other reserves for ThUS \$ 40,171.
- d) On April 26 and 27, 2016, the Company acquired 1% of the rights of Inversiones San Marco Ltda. and Inmobiliaria San Marco Ltda., respectively. This transaction, which corresponds to an increase in the controlling percentage, meant recognizing a charge in other reserves for ThUS \$ 1,325.
- e) On May 16, 2017, the Company acquired the non-controlling interest in Kios S.A., this transaction generated an effect on reserves of ThUS \$ 4,211.
- f) Finally, on June 9, 2017, the Company acquired 15% of the shares of Iquique Terminal Internacional S.A. reaching 100% ownership interest in the port of Iquique. This transaction generated an effect on reserves of ThUS\$ 7,204

Notes to the Consolidated Financial Statements

NOTE 27 Equity and reserves, continued
27.2.4) Other miscellaneous reserves, continued

The balance de other miscellaneous reserves is composed of:

	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
Incorporation SM SAAM (a)	16,843	16,843
Legal Reserves (b)	(71)	6
Association with Boskalis (c)	40,171	40,171
Acquisition of non-controlling interests from CSAV (d)	(1,325)	(1,325)
Acquisition of non-controlling interests in Kios S.A.(e) ⁽¹⁾	(4,211)	(4,211)
Acquisition of non-controlling interests in Iquique Terminal Internacional (f) ⁽¹⁾	(7,204)	(7,204)
	44,203	44,280

(1)

	Iquique Terminal Internacional S.A.	Kios S.A.	Total
Purchase price ThUS\$	(11,050)	(6,560)	(17,610)
Investment Value ThUS\$	3,846	2,349	6,195
Other reserves ThUS\$	(7,204)	(4,211)	(11,415)

27.3) Distributable net profit and dividends

The distributable net income is determined based on the "gain attributable to the controllers" presented in the Income Statement by Function for each period presented.

In this way, said profits will be restored to the determination of the distributable net profit, in the year in which they are realized or accrued.

Additionally, the Company maintains control over all the gains described above, which at each year-end or quarterly period have not been realized or accrued.

On April 9, 2018, the Ordinary Shareholders' Meeting agreed to distribute a dividend of \$2.2 per share, against 2017 net income, equivalent to ThUS\$ 35,397, increasing by 28.56% the dividend provisioned in 2017 of ThUS\$ 18,133. The increase recognized during 2018 amounts to ThUS\$ 17,264

On April 7, 2017, the Ordinary Shareholders' Meeting agreed to distribute a dividend of \$2 per share, against 2016 net income, equivalent to ThUS\$ 29,662, increasing by 24% the dividend provisioned in 2016 of ThUS\$ 16,363. The increase recognized during 2017 amounts to ThUS\$ 13,299

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 28 Revenue

Business area	Service of:	01-01-2018	01-01-2017
		12-31-2018	12-31-2017
		ThUS\$	ThUS\$
Tugboats	Mooring and unmooring of vessels	186,685	180,618
Ports	Port operations	271,601	218,296
Logistics	Logistics services	57,701	68,912
Total service delivery		515,987	467,826

NOTE 29 Cost of sales

	01-01-2018	01-01-2017
	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
Wages & salaries	(103,831)	(96,141)
Inventories	(31,769)	(30,224)
Freight	(19,987)	(22,355)
Depreciation (Note 18 and 19)	(42,432)	(43,287)
Amortization (Note 17.3)	(25,053)	(22,838)
Operating costs	(143,370)	(131,420)
Total cost of sales	(366,442)	(346,265)

NOTE 30 Administrative expenses

	01-01-2018	01-01-2017
	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
Marketing costs	(224)	(290)
Publicity expenses	(150)	(242)
Other marketing expenses	(74)	(48)
Administrative expenses	(74,587)	(73,291)
Employee compensation expenses	(40,303)	(41,287)
Advisory service expenses	(4,978)	(6,410)
Travel expense	(2,303)	(2,661)
Participation fees and per diem of the Board of Directors	(1,363)	(1,547)
Impairment trade receivables (Note 5a)	(221)	(807)
Project expenses	(7,530)	(853)
Property, plant and equipment (Note 18 and 19)	(1,520)	(1,393)
Amortization intangible assets (Note 17.3)	(2,181)	(2,225)
Communication and information expenses	(784)	(1,164)
License expenses	(1,509)	(921)
Technological information expenses	(2,536)	(2,402)
Utilities expenses	(1,237)	(1,373)
Public relation expenses	(836)	(1,002)
ISO, penalties and other expenses	(199)	(567)
Conservation and maintenance expenses	(329)	(326)
Office rental expenses	(989)	(1,773)
Other administrative expenses	(5,769)	(6,580)
Total administrative expenses	(74,811)	(73,581)

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 31 Finance income and costs

	01-01-2018 12-31-2018 ThUS\$	01-01-2017 12-31-2017 ThUS\$
Financial income through profit or loss	5,908	3,389
Finance income on term deposits	4,059	2,026
Interest income	1,561	587
Other finance income	288	776
Financial costs through profit or loss	(18,106)	(17,033)
Interest expense on financial obligations and financial leases	(8,293)	(7,746)
Interest expenses on obligations with the public (bonds)	(2,738)	(2,479)
Interest expense on port concessions	(4,489)	(3,767)
Interest expense on financial instruments	(1,691)	(1,806)
Actuarial finance expense on staff severance indemnities (Note 26.3)	(265)	(285)
Other finance expenses	(630)	(950)

NOTE 32 Other income and expenses by function

Other income	01-01-2018 12-31-2018 ThUS\$	01-01-2017 12-31-2017 ThUS\$
Computer services	205	162
Insurance recovery	248	850
Reversal impairment of doubtful accounts	505	1,133
Reversal impairment of tax credit Ecuador	808	-
Back office service	78	67
Lease	-	199
Profit (loss) from investments	-	43
Indemnities	-	118
Penalties and surcharges	-	243
Total operating income	429	399
Total other income	2,273	3,214

Other expense by function	Notes	01-01-2018 12-31-2018 ThUS\$	01-01-2017 12-31-2017 ThUS\$
Impairment of property, plant and equipment	18,3	(281)	(2,013)
Impairment of intangible assets	17,3	-	(1,188)
Impairment of inventories		(1,054)	(1,962)
Impairment held-for-sale assets		-	(892)
Fee expenses		(25)	(174)
Preventive drug controls		(37)	(36)
Donations		-	(108)
Taxes on temporary admission of assets		(1,426)	(753)
irrecoverable Vat and additional tax		(2,169)	(1,222)
Complaints and labor lawsuits:		(263)	(271)
Penalties		(48)	(1,075)
Other operating losses		(688)	(731)
Total other expense by function		(5,991)	(10,425)

Notes to the Consolidated Financial Statements

NOTE 33 Board of Directors and key management personnel

For these purposes, SM SAAM has defined as key personnel those persons who have authority and responsibility to plan, direct and control the Company's activities, including directors and managers who make up the Company's management.

As of December 31, 2018, the Company's management is composed of 17 executives (7 Directors and 10 managers).

These professionals received compensation and other benefits, which are detailed below:

	01-01-2018 12-31-2018 ThUS\$	01-01-2017 12-31-2017 ThUS\$
Wages & salaries	4,389	4,668
Administrators' fees	433	590
Profit sharing	2,648	2,291
Total	7,470	7,549

NOTE 34 Other gains (losses)

	01-01-2018 12-31-2018 ThUS\$	01-01-2017 12-31-2017 ThUS\$
Gains (losses) forwards and others	906	760
Proceeds from disposal of assets (Note 39.a)	3,036	1,069
Profit from sale of non-controlling interests ⁽¹⁾	(23)	70,823
Dividends held-for-sale investments	4,864	-
Profit (loss) on sale of held-for-sale assets (Note 39.a)	441	1,040
Profit from disposal of inventories	437	344
Other gains (losses)	95	(5)
Total other gains (losses)	9,756	74,031

⁽¹⁾Profit from sale of non-controlling interests

	Tramarsa S.A.	Gertil S.A.	Riluc S.A.	Total
Selling price ThUS\$	124,050	2,934	6	126,990
Investment Cost ThUS\$	(50,399)	(2,304)	-	(52,703)
Realization reserves ThUS\$	(3,464)	-	-	(3,464)
Profit before tax ThUS\$	70,187	630	6	70,823

Notes to the Consolidated Financial Statements

NOTE 35 Concession agreement of services and others**Iquique Terminal Internacional S.A. (Chile)**

Empresa Portuaria Iquique (EPI) through the "Concession Contract for the Mooring Front number 2 of the Port of Iquique", dated May 3, 2000, granted the indirect subsidiary Iquique Terminal Internacional S.A. (ITI) an exclusive concession to develop, maintain and exploit the mooring front, including the right to collect from users basic rates for utilities, and special rates for special services rendered at said mooring front.

The original term of the contract was 20 years, starting from the date of delivery of the mooring front, materialized on July 1, 2000. The Company extended the term for a period of 10 additional years, due to the execution of the infrastructure projects stipulated in the concession contract.

On the date of termination of the concession, the mooring front, all the assets established in the concession contract, which are necessary or useful for the continuous operation of the mooring front or provision of the services, will be transferred immediately to EPI, in good working conditions and free of encumbrances.

Terminal Marítima Mazatlán S.A. de C.V. (Mexico)

Administración Portuaria Integral de Mazatlán (API) through the "Contract of Partial Assignment of Rights", dated April 16, 2012, granted to the indirect subsidiary Terminal Marítimo Mazatlan S.A. de C.V. (concessionaire) exclusive right for the exploitation, use and development of an area of water and land located in the port enclosure of the port of Mazatlan de Sinaloa, the construction of works in such area and the provision of port services.

The concession contract is valid for 20 years, with the possibility of being extended until July 26, 2044.

At the end of the concession, the area and all works and improvements that are permanently attached to it, performed by the concessionaire, for the exploitation of the area, will be transferred to API, at no cost and free of encumbrances. The concessionaire will carry out, at its own expense, the repairs that are required at the time of its return or, failing that, indemnify the API for any damage suffered by the area or the aforementioned goods due to improper handling or because of inadequate maintenance.

Florida International Terminal (FIT), LLC (USA)

On April 18, 2005, the indirect subsidiary Florida International Terminal (FIT) was awarded the operating concession of the container terminal of Port Everglades Florida USA, for an initial period of 10 years, renewable for 2 periods of 5 years each. As from July 1, 2015, FIT renegotiated the contract extending its maturity by 10 years, with the option to extend it for 2 periods of 5 years each. The terminal has 15 hectares with the capacity to move 170,000 containers a year through its yards. For the stowage and unstowage operation, FIT customers will have priority berthing on a dedicated dock with guaranteed use of reach stackers.

Notes to the Consolidated Financial Statements

NOTE 35 Concession agreement of services and others, continued**SAAM Remolques S.A. de C.V. (Mexico)**

The indirect subsidiary Saam Remolques S.A. de C.V. has entered into contracts for the partial assignment of rights and obligations whereby the Integral Port Administration of Lázaro Cárdenas, Veracruz, Tampico, Altamira and Tuxpan assign to the Company the rights and obligations with respect to the provision of port and offshore towage services in the ports, free of all encumbrances and without any limitation for their exercise.

On February 14, November 1 and December 26 of 2015, the company renewed the concessions in the ports of Lázaro Cárdenas, Veracruz and Tuxpan, for a period of 8, 10 and 8 years, respectively, which may be extended for an additional 8 years each.

On January 16, 2016 and May 21, 2016, the concessions in the port of Altamira and Tampico were renewed for 8 years, both of which can be extended for an additional 8 years each.

Concesionaria SAAM Costa Rica S.A (Costa Rica)

On August 11, 2006 the indirect subsidiary, Concesionaria SAAM Costa Rica S.A. was awarded by the Instituto Costarricense de Puertos del Pacifico the International Public Bidding No. 03-2001 the "Concession of Public Services Management of Tugboats of the Pacific Slope", a contract countersigned by the Comptroller General of the Republic by means of official letter No. 3-2001. 10711, which allowed it to begin operations on December 12 of that year. The term of the concession is 20 years, extendable for a period of 5 additional years.

Inarpi S.A. (Ecuador)

On September 25, 2003, the indirect subsidiary Inarpi S.A. signed a contract for "Commercialization, operation and management services of Multipurpose Terminal" with Fertilizantes Granulados Fertigran S.A., which grants the company the exclusive right to commercialize, operate and manage the Multipurpose Terminal in the port of Guayaquil, Ecuador.

The period of validity of the contract is 40 years, which during 2016 was extended by an additional 10 years; at the end of that period all the investments and improvements made by mutual agreement with Fertilizantes Granulados Fertilizantes S.A. will be incorporated into the Multipurpose Terminal.

Notes to the Consolidated Financial Statements

NOTE 35 Concession agreement of services and others, continued**Sociedad Portuaria de Caldera (Costa Rica)**

On 8 February 2017, SM SAAM acquired 51% of the shares of Compañía Portuaria Granelera de Caldera S.A., hereinafter SPGC, SPGC's main activities include the provision of bulk product loading and unloading services, as well as the design, planning, financing, construction, maintenance and operation of the new Bulk Terminal at Puerto Caldera, under the public works concession with public services regime, as established in the "Public Works Concession Contract with Public Services for the Construction and Operation of the Bulk Terminal at Puerto Caldera", signed on April 19, 2006, with the Instituto Costarricense de Puertos del Pacífico (INCOP).

The term of the contract is 20 years, valid until August 11, 2026, with the option to extend the term of the concession for up to 30 additional years. At the end of the concession contract, all infrastructure works and all of the rights over the acquired goods must be delivered to the INCOP free of liens.

Sociedad Portuaria de Caldera (Costa Rica)

On February 8, 2017, SM SAAM acquired 51% of the shares of Compañía Sociedad Portuaria de Caldera S.A., hereinafter SPC. The main activities of Sociedad Portuaria de Caldera (SPC), S.A. (the Company or 'SPC') include the provision of services related to the commercial scales made by all types of vessels requesting berthing in posts one, two and three in the Port of Caldera in Costa Rica, as well as the services required in relation to the general cargo, containers, vehicles, "saquería" (cargo handling) and "sobre chassis" (placing the container on the truck), in port facilities such as loading and unloading, mooring, unmooring, demurrage, wharfage, stowage, unloading, transfer and storage of cargo, as well as vessel and ship services, under the concession regime for the management of public services, as established in the "Public Services Management Concession Contract for the Puerto Caldera Terminal", signed on March 30, 2006., with the Costa Rican Institute of Ports of the Pacific (INCOP).

The term of the contract is 20 years, valid until August 11, 2026, with the option to extend the term of the concession for up to 5 additional years. At the end of the concession contract, all infrastructure works and all of the rights over the acquired goods must be delivered to the INCOP free of liens.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and commitments
(36.1) Guarantees provided

Sociedad Matriz SAAM S.A. has not granted guarantees directly.

The guarantees granted by its direct subsidiaries SAAM S.A., SAAM Ports S.A., SAAM Logistics S.A. and its subsidiaries are as follows:

Payee	Issuer	Guarantee	Object	Beneficiary	31.12.2018 ThUS\$	Maturity	31.12.2017 ThUS\$	Maturity
Inarpi, Ecuastibas, TPG	Oriente Seguros S.A.	Surety letters	Guarantee compliance with customs and temporary storage taxes in Ecuador.	Servicio Nacional de Aduana del Ecuador	18,704	Several until Jul-2019	16,070	Several until Jul-2018
Inarpi, Ecuastibas, TPG	Seg. Confianza Equinoccial/ Banco Guayaquil	Surety letters	Ensure compliance with customs duties and payment obligations of administrative confiscation in Ecuador	Servicio Nacional de Aduana del Ecuador	9,667	Several until May-2019	8,960	Several until Sep-2018
ITI	Itaú CorpBanca	Bid bonds	Guaranteeing the faithful fulfilment of the concession contract in Iquique	Empresa Portuaria Iquique	4,748	10-31-2019	4,040	31-10-2018
SAAM Tugboats	Afianzadora Sofimex S.A.	Surety letters	To guarantee the faithful fulfilment of the contract/obligations of SAAM Remolcadores S.A.	PEMEX	2,580	Several until Dec-2021	3,382	Several until Dec-2018
SAAM Tugboats	Afianzadora Sofimex S.A.	Bid bonds	To guarantee fulfilment of concession contracts, ports Mazatlan, Veracruz, Altamira, Tampico Lázaro Cárdenas and Tuxpan	Administradoras Portuarias Integrales de México	928	Several until May-2019	928	Several until May-2018
Terminal Marítima Mazatlán S.A. de C.V.	Afianzadora Sofimex S.A.	Surety letters	To guarantee the fiscal interest to provide the services of handling, storage and custody of foreign trade merchandise.	Administración Portuaria Integral de Mazatlán, S.A.	3,170	Several until Apr-2019	3,162	Several until Apr-2018
Saam Extraportuarios S.A.	BCI	Bid bonds	To guarantee fulfilment of customs obligations in Chile	Chilean tax authorities - National Customs Director	1,666	Several until Jan-2019	2,614	Several until Mar-2018
Cosem, Terminales, ITI and their wharfage	Itaú - CorpBanca	Bid bonds	To guarantee faithful fulfilment of labor and social security obligations in Chile	Labor inspectorates in Talcahuano, Iquique, Antofagasta, Huasco, Puerto Aysén and Punta Arenas	1,209	Several until Mar-2019	1,812	Several until 11-2018
SPC, SPGC	Instituto Nacional de Seguros	Letters of Credit Sby LC	To guarantee obligations arising from the concession contracts in Costa Rica	INCOPI	828	Several until Jul-2019	828	Several until Jul-2019
SPC, SPGC	Instituto Nacional de Seguros	Letters of Credit Sby LC	Environmental guarantee and compliance with dredging and maintenance in Puerto Caldera	Ministry of Environment and Energy Costa Rica	725	Several until Jul-2019	768	Several until Jul-2018
SAAM S.A.	BCI	Bid bonds	Guaranteeing the faithful fulfilment of the contract/obligations in Chile	ENAP Refinerías S.A.	820	03-30-2021	820	03-30-2021
SAAM S.A.	BCI	Letters of Credit Sby LC	Guaranteeing the provision of services in Punta Pereira. BCI issues a letter of credit in favor of Scotiabank Uruguay, which signs a bank guarantee on behalf of Luckymontt.	Celulosa y Energía Punta Pereira	627	06-14-2019	627	06-14-2018
SAAM S.A.	Itaú - CorpBanca	Bid bonds	Guaranteeing the faithful fulfilment of the contract/obligations in Chile	ENAP Refinerías S.A.	-	04-30-2018	90	04-30-2018
SAAM Brasil Logística Multimodal Ltda.	Citibank	Letters of Credit Sby LC	Guaranteeing issuance of letter for labor lawsuits for SAAM Brasil Logística	Uniao - Fazenda Nacional	325	Several until Jun-2021	575	Several until May-2021
Inv. Habsburgo	Banco Lafise	Bank guarantee	Fulfilment of concession contract	Empresa nacional portuaria	-	Several until Mar-2019	324	12-31-2018
Kios S.A.	Santander	Bank deposit	Port operator	Administración Nacional de Puertos	202	Without maturity	193	Without maturity
Total					46,199		45,193	

The subsidiaries of Sociedad Matriz SAAM S.A. have other minor guarantees granted to third parties indirectly in the total amount of ThUS \$ 2,515 as of December 31, 2018 (as of December 31, 2017; ThUS\$ 3,732).

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and commitments, continued
(36.2) Special guarantees

At the close of these financial statements, Sociedad Matriz SAAM S.A. has not acted as guarantor of subsidiaries or associates.

The obligations guaranteed by its direct subsidiaries SAAM S.A and SAAM Ports S.A. and its subsidiaries are detailed below.

Company guarantor	Guarantee	Object	Beneficiary	Maturity	12.31.2018 ThUS\$	12.31.2017 ThUS\$
SAAM Puertos S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing obligations for loan granted to Terminal Marítima Mazatlán S.A. de C.V.	Banco Itaú Chile	11.09.2019	-	6,035
SAAM Puertos S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing obligations for loan granted to Inarpi S.A.	Banco del Estado de Chile	01.24.2023	8,648	10,569
SAAM Puertos S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing obligations for loan granted to Inarpi S.A.	Banco de Crédito e Inversiones	03.30.2020	1,891	3,152
SAAM Puertos S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing obligations for loan granted to Inarpi S.A.	Banco de Crédito e Inversiones	03.30.2020	1,395	1,891
SAAM Puertos S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing obligations for loan granted to Inarpi S.A.	Banco del Estado de Chile	05.23.2026	14,120	15,061
SAAM Puertos S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing obligations for loan granted to Inarpi S.A.	Santander Madrid	10.25.2025	13,271	15,067
SAAM Puertos S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing obligations for loan granted to Inarpi S.A.	Banco del Estado de Chile	03.27.2024	18,526	20,215
SAAM Puertos S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing obligations for loan granted to Puerto BuenaVista S.A.	Bancolumbia S.A.S.	12.28.2024	2,348	2,627
SAAM Puertos S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing obligations for loan granted to SAAM Puertos Costa Rica	Banco del Estado de Chile	01.06.2025	8,260	9,505
SAAM S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing obligations for loan granted to Tubrasil Apoio Portuario S.A. pursuant to financing contracts.	Banco Nacional do Desenvolvimento Econômico e Social - BNDES	Several maturities	24,955	25,430
SAAM S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing through BCI the guarantee taken by SAAM Brasil Logística Multimodal with Citibank, pursuant to the current local contracts.	Bank Citibank S.A. (Brazil)	Several maturities	325	575
SAAM S.A. y Alaria S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing obligations for loan granted to Tubrasil Apoio Portuario S.A.	Banco do Brasil S.A.	04.03.2024	20,347	22,378
Sociedad Portuaria de Caldera S.A.	Guarantor, underwriter and several joint debtor.	Guaranteeing obligations for loan granted to Sociedad Portuaria Granelera Caldera S.A.	Banco BAC San José	01.07.2027	26,663	28,719
Sociedad Portuaria de Caldera S.A.	Several joint debtor	Guaranteeing obligations for loan granted to Sociedad Portuaria Granelera Caldera S.A.	Bank Davivienda de Costa Rica	01.13.2021	2,264	3,203
Sociedad Portuaria Granelera de Caldera S.A.	Several joint debtor	Guaranteeing obligations for loan granted to Sociedad Portuaria Caldera S.A.	Banco BAC San José	Several until 08.21.2026	8,653	1,463
SAAM Puertos S.A.	Undewriter	Guaranteeing obligations under bank guarantee letters issued for Maritime Terminal Mazatlán S.A. in favour of third parties	Sofimex S.A.	Several maturities	3,170	3,162
SAAM Remolques S.A.	Undewriter	Guaranteeing obligations under bank guarantee letters for SAAM Renikadires S.A. de C.V. issued in favour of third parties,	Sofimex S.A.	Several maturities	2,580	3,382
Inarpi S.A.	Undewriter	Guaranteeing obligation under insurance policies issued for Ecuastibas S.A. and TPG Inarpi S.A. in favour of third parties	Oriente Seguros S.A.	Several maturities	2,277	2,524
Ecuastibas S.A.	Undewriter	Guaranteeing obligation under insurance policies issued for Inarpi S.A. in favour of third parties	Oriente Seguros S.A.	Several maturities	16,533	13,547
Ecuastibas S.A.	Undewriter	Guaranteeing obligation under insurance policies issued for Inarpi S.A. in favour of third parties	Seguros Equinoccial S.A.	05.15.2018	-	7,450
Total					176,226	195,955

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and commitments, continued
(36.3) Pledges and mortgages

At the close of these financial statements, Sociedad Matriz SAAM S.A. had not established any pledges or mortgages.

The obligations guaranteed by the pledge of assets of the direct and indirect subsidiaries of Sociedad Matriz SAAM S.A. are detailed below.

Company	Guarantee	Object	Beneficiary	Maturity	12.31.2018 ThUS\$	12.31.2017 ThUS\$
SAAM Puertos S.A.	Pledge over shares of San Antonio Terminal Internacional S.A.	Guaranteeing obligations for loan granted	Banco de Crédito e Inversiones	03.31.2025	48,084	49,214
SAAM Puertos S.A.	Pledge on shares of Antofagasta Terminal Internacional S.A.	Guaranteeing obligations for loan granted	Banco Estado	12.31.2024	31,038	33,636
Inmobiliaria Marítima Portuaria Ltda.	Mortgage	Guaranteeing obligations for loan granted	Banco del Estado de Chile	05.28.2018	-	67
SAAM SMIT Canadá Inc.	Maritime mortgage	Guaranteeing obligations for loan granted	Banco Scotiabank Canadá	11.31.2020	16,162	18,669
SAAM SMIT Canadá Inc.	Maritime mortgage	Guaranteeing obligations for loan granted	Banco Scotiabank Canadá	09.30.2023	11,682	-
SAAM SMIT Panamá Inc.	Maritime mortgage	Guaranteeing obligations for loan granted	Banco Rabobank	05.16.2022	3,295	4,238
Sociedad Portuaria de Caldera S.A.	Equipment and machinery pledge	Guaranteeing obligations for loan granted	Bank Davivienda de Costa Rica	08.22.2020	6,100	6,100
Sociedad Portuaria de Caldera S.A.	Equipment and machinery pledge	Guaranteeing obligations for loan granted	Bank Davivienda de Costa Rica	10.23.2020	6,255	6,255
Sociedad Portuaria de Caldera S.A.	Equipment and machinery pledge	Guaranteeing obligations for loan granted	Banco San José	06.05.2018	-	1,401
Sociedad Portuaria de Caldera S.A.	Equipment and machinery pledge	Guaranteeing obligations for loan granted	Banco San José	08.21.2026	6,600	-
Kios S.A.	Guarantee deposit	Guaranteeing obligation as port operator in Uruguay, under Decree N°413 of September 1, 1992.	Administración Nacional de Puertos	Without maturity	202	193
Inarpi S.A.	Guarantee deposit	Ensuring compliance with payment administrative forfeiture	Servicio Nacional de Aduana del Ecuador	11.23.2018	13,271	948
Inarpi S.A.	Pledge cranes STS	Guaranteeing obligations for loan granted	Banco Santander	10.30.2025	16,162	15,067
Inv. Habsburgo	Guarantee deposit	Fulfilment of concession contract	Empresa Nacional Portuaria	12.31.2018	-	324
Total					158,851	136,112

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and commitments, continued

(36.4) Mutual guarantees

Guarantee of faithful compliance with the obligations contained in the shareholder agreements entered into between Saam Puertos S.A. and SSAHI-Chile dated December 26, 2007, in relation to the shares held by San Antonio International Terminal S.A. and San Vicente Terminal Internacional, under which SAAM and Carrix, Inc. reciprocally guarantee indemnity to its subsidiaries SSAHI-Chile and Saam Puertos, respectively. These guarantees will be maintained throughout the term of the agreement.

(36.5) Lawsuits

The Company maintains certain litigations and pending claims for damages derived from its operating activity, there are insurance policies contracted to cover possible contingencies of loss.

The Parent Company and its subsidiaries have the following contractual provisions that govern their management and financing indicators.

(36.6.1) Restrictions to management or financial indicators, Sociedad Matriz SAAM

Company	Financial Entity	Name	Condition	12-31-2018	12-31-2017
Sociedad Matriz SAAM S.A.	Junior bonds	Net financial debt over equity	Each quarter should be less than or equal to 1.2 times.	0.10	0.16
		Ratio of finance costs coverage, net	Each quarter should be less than 2.75 times.	11.91	8.37
		Collateral over total assets.	The Issuer will not grant collateral, that is, pledges and mortgages, that guarantee new Bond issues or any other credit operation of money, or other existing credits or obligations that it may contract in the future, to the extent that the total accumulated amount of all the obligations guaranteed by the Issuer, exceed five percent of the Issuer's Total Assets.	0%	0%

As set forth in the Contracts for the Issue of Bonds by Line of Securities, subscribed on 9 June 2014, between Parent company SAAM S.A. and Banco Santander Chile, registered with the Financial Market Commission under numbers 793 and 794 and their amendments, effective as of this date, which, as established in Clause ten, numeral ii /four/, referring to Obligations, Limitations and Prohibitions, the Company complies with the obligation to inform the calculation formula with its respective values of the restrictions indicated above.

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and commitments, continued
(36.6.1) Restrictions to management or financial indicators, Sociedad Matriz SAAM

1. Leverage Ratio.

To date, ThUS\$	12.31.2018	12.31.2017
Other financial liabilities, current	43,787	53,613
Other non-current financial liabilities	290,328	317,818
Cash and cash equivalents	(241,412)	(222,062)
Net financial debt [A]	92,703	149,369
Total equity [B]	920,367	914,517
Net financial debt/Equity [A]/[B] <=1.2	0.10	0.16

2. Ratio of finance costs coverage, net

Last twelve months, ThUS\$	12.31.2018	12.31.2017
Gross profit	149,545	121,561
Administrative expenses	(74,811)	(73,581)
Depreciation and amortization	71,186	69,743
EBITDA [A]	145,920	117,723
Finance costs	18,106	17,033
Finance income	(5,908)	(3,389)
Net financial expense [B]	12,198	13,644
EBITDA/Net financial expense [A]/[B] >=2.75	11.96	8.63

3. Ratio of collateral over total assets.

To date, ThUS\$	12.31.2018	12.31.2017
Collateral considered for purposes of limitation [A]	948	1,272
Total asset [B]	1,425,237	1,488,128
Collateral/Total assets [A]/[B]	0%	0%

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and commitments, continued
(36.6.2) Restrictions to management or financial indicators, subsidiaries

Company	Financial Entity	Name	Condition	12-31-2018	12-31-2017
Sociedad Matriz SAAM S.A.	Santander (Public bonds)	Net financial debt over equity	Each quarter should be lower than or equal to 1.2 times.	0.10	0.16
		Ratio of finance costs coverage, net Collateral over total assets.	Each quarter should be higher than 2.75 times.	11.91	8.37
			It cannot exceed 5%	0%	0%
Iquique Terminal Internacional S.A. (ITI)	Banco de Crédito e Inversiones	Ratio net financial debt/EBITDA	As of December 31, it should not be higher than 3.5 from 2016 onwards.	0.22	0.99
		Net financial debt over equity	As of December, 31 of each year, it should be lower than or equal to 3	0.11	0.67
Iquique Terminal Internacional S.A. (ITI)	Banco Estado	Ratio net financial debt/Equity	As of December, 31 of each year, it should be lower than or equal to 3	N/A	0.67
		Debt service coverage ratio	As of December, 31 of each year, it should not be lower than 1	N/A	1.38
		Maintain in the financial statements an equity of not less than ThUS\$ 10,000.	As of December, 31 of each year, it should not be lower than ThUS\$ 10,000	N/A	ThUS\$ 27,973
SAAM Remolques S.A. de C.V.	Banco Inbursa	Ratio net financial debt/EBITDA	Each quarter should be lower than or equal to 2.5 times.	N/A	2.21
		Ratio of interest coverage	Each quarter should be higher than 3 (EBITDA/ Financial expense)	N/A	MX 8.83
		Maintain in the financial statements an equity of not less than MX\$ 600,000.	Each quarter it should not be lower than MX\$ 600,000	N/A	MMX\$ 3,135
SAAM Remolques S.A. de C.V.	Banco Corpbanca NY	Ratio net financial debt/EBITDA	As of December, 31 of each year, it should be lower than or equal to 3 times	1.64	2.21
Terminal Marítima Mazatlán, De C.V	Banco Itaú	Net Financial Indebtedness/Equity Ratio	As of December 31 of each year since 2016 onwards it should not be higher than 1.5	N/A	0.46
		Net Financial Indebtedness/EBITDA	As of December, 31, 2018 and 2017, should be not higher than 2 and 1.5 respectively	N/A	1.34
SAAM SMIT Canadá Inc.	Banco Scotiabank Canadá	Debt over tangible assets, net	Each quarter it should be lower than to 2.5 times.	1.54	1.49
		Consolidated Ebitda, over financial expense and debt amortization	Each quarter it should be higher than or equal to 1.25.	6.88	3.77
SAAM SMIT Marine Canadá Inc ⁽¹⁾	Banco Scotiabank Canadá	Debt over tangible assets, net	Each quarter it should be lower than 2.5 times.	1.54	1.49
		Consolidated Ebitda, over financial expense and debt amortization	Each quarter it should be higher than or equal to 1.25.	6.88	3.77

(1) Corresponds to a new credit granted during the period 2018

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and commitments, continued

(36.6.2) Restrictions to management or financial indicators, subsidiaries

Company	Financial Entity	Name	Condition	12-31-2018	12-31-2017
Sociedad Portuaria de Caldera S.A.	Banco Davivienda	Debt ratio Total Liabilities/Total Assets Debt service coverage ratio	It should be 83% as a maximum	70%	63%
			Minimum of 1.2 times	2.7	2.3
Sociedad Portuaria de Caldera S.A.	BAC San José	Debt ratio Total Liabilities/Equity Debt service coverage ratio	Each quarter it should not be higher than 3.5 times.	2.3	1.7
			Each quarter should not be lower than 1.25 times.	2.7	2.3
Sociedad Portuaria Granelera de Caldera S.A.	BAC San José	Debt ratio Total Liabilities/Equity Debt service coverage ratio	Each quarter should not be higher than 3.5 times.	2.0	2.0
			Each quarter should not be lower than 1.25 times.	2.5	2.7
Sociedad Portuaria de Caldera S.A.	Banco Davivienda	Debt ratio Total Liabilities/Total Assets Debt service coverage ratio	It should be 83% as a maximum	67%	67%
			It should not be lower than 1.2 times.	2.5	2.7
Florida International Terminal	BCI Miami	Debt ratio Total Liabilities/Equity Ratio net financial debt/EBITDA	It should not be higher than 2.5 times.	0.7	0.7
			It should not be higher than 2.5 times.	0.6	0.3

N/A As of the closing date of these financial statements, the company paid the financial obligation.

S/M: Financial indicator does not require measurement in periods, which is why it is not necessary to carry out its calculation as of December 31, 2018.

As of the closing date of these financial statements, the Company comfortably complies with all its restrictions, related to the financial obligations incurred.

Notes to the Consolidated Financial Statements

NOTE 37 Exchange differences

The exchange differences generated by items in foreign currencies were credited (charged) to the income for the period according to the following detail:

	01-01-2018 12-31-2018 ThUS\$	01-01-2017 12-31-2017 ThUS\$
Chilean companies		
Current assets	(5,818)	6,482
Non-current assets	(213)	91
Current liabilities	2,967	(2,475)
Non-current liabilities	877	(3,614)
Subtotal Chilean companies	(2,187)	484
Mexican companies		
Current assets	(1,679)	1,269
Non-current assets	-	-
Current liabilities	776	(1,652)
Non-current liabilities	(253)	76
Subtotal Mexican companies	(1,156)	(307)
Companies in other jurisdictions		
Current assets	(279)	(556)
Non-current assets	-	-
Current liabilities	(342)	(17)
Non-current liabilities	234	274
Subtotal companies in other jurisdictions	(387)	(299)
Total exchange difference	(3,730)	(122)

NOTE 38 Foreign currency

a) The assets by type of currency as of December 31, 2018 are detailed below:

Assets	USD	CLP	CAD	MXP	PEN	Other currencies	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current assets							
Cash and cash equivalents	226,402	7,456	1,377	2,268	20	3,889	241,412
Other financial assets, current	11	-	-	-	-	-	11
Other non-financial assets, current	8,213	747	425	-	-	70	9,455
Trade and other receivables, current	41,896	15,444	6,457	9,987	-	487	74,271
Accounts receivable from related entities, current	9,290	1,716	-	1	-	-	11,007
Inventories, current	12,028	130	499	-	-	228	12,885
Tax assets, current	21,073	795	-	3,547	51	153	25,619
Total current assets other than assets or groups of assets for disposal, classified as held for sale or held as distributable to owners	318,913	26,288	8,758	15,803	71	4,827	374,660
Non-current assets or groups of assets for disposal classified as held for sale or held as distributable to owners	17,602	540	-	-	-	-	18,142
Total current assets	336,515	26,828	8,758	15,803	71	4,827	392,802
Non-current assets							
Other financial assets, non-current	3,589	-	72	-	-	-	3,661
Other non-financial assets, non-current	22,081	22	-	55	-	-	22,158
Accounts receivable, non-current	14,375	1,303	-	-	-	154	15,832
Inventories, non-current	1,046	10	-	-	-	-	1,056
Investments accounted for using equity method	184,970	27,084	-	-	-	4,203	216,257
Intangible assets other than goodwill	217,613	-	9,219	-	-	-	226,832
Goodwill	-	-	45,664	-	-	-	45,664
Property, plant and equipment	413,652	-	70,647	-	-	-	484,299
Investment properties	1,854	-	-	-	-	-	1,854
Deferred tax assets	10,828	140	99	3,736	-	19	14,822
Total non-current assets	870,008	28,559	125,701	3,791	-	4,376	1,032,435
Total assets	1,206,523	55,387	134,459	19,594	71	9,203	1,425,237

Notes to the Consolidated Financial Statements

NOTE 38 Foreign currency, continued

a) The liabilities by type of currency as of December 31, 2018 are detailed below:

Liabilities	USD	CLP	UF	CAD	MXP	PEN	Other currencies	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current liabilities								
Other financial liabilities, current	38,790	-	131	1,735	3,131	-	-	43,787
Trade and other payables	19,278	13,983	-	1,727	1,247	-	32	36,267
Accounts payable to related entities, current	170	162	-	-	-	-	-	332
Other short-term provisions	824	56	-	-	-	-	70	950
Tax liabilities, current	10,287	419	-	1,756	84	9	820	13,375
Current provisions for employee benefits	7,310	4,747	-	3,118	1,994	-	1,075	18,244
Other non-financial liabilities, current	15,009	930	-	402	931	16	21	17,309
Total current liabilities	91,668	20,297	131	8,738	7,387	25	2,018	130,264
Non-current liabilities								
Other non-current financial liabilities	125,757	-	113,472	26,109	24,990	-	-	290,328
Other long-term provisions	83	-	-	-	-	-	916	999
Deferred tax liabilities	65,615	-	-	8,999	-	-	-	74,614
Non-current provisions for employee benefits	2,315	6,088	-	-	118	-	145	8,666
Total non-current liabilities	193,770	6,088	113,472	35,108	25,108	-	1,061	374,607
Total liabilities	285,438	26,385	113,603	43,846	32,495	25	3,079	504,871

b) The assets by type of currency as of December 31, 2017 are detailed below:

Assets	USD	CLP	CAD	MXP	PEN	Other currencies	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current assets							
Cash and cash equivalents	205,078	5,388	7,348	850	12	3,386	222,062
Other financial assets, current	1,928	-	-	-	33,768	-	35,696
Other non-financial assets, current	9,688	324	318	232	-	204	10,766
Trade and other receivables, current	43,315	19,835	3,966	6,036	-	436	73,588
Accounts receivable from related entities, current	5,720	2,065	-	3	-	-	7,788
Inventories, current	11,175	134	515	1,594	-	287	13,705
Tax assets, current	20,040	741	34	1,211	52	111	22,189
Total current assets other than assets or groups of assets for disposal, classified as held for sale or held as distributable to owners	296,944	28,487	12,181	9,926	33,832	4,424	385,794
Non-current assets or groups of assets for disposal classified as held for sale or held as distributable to owners	18,200	920	-	-	-	-	19,120
Total current assets	315,144	29,407	12,181	9,926	33,832	4,424	404,914
Non-current assets							
Other financial assets, non-current	9,134	-	-	-	-	-	9,134
Other non-financial assets, non-current	20,916	3	-	522	-	4	21,445
Accounts receivable, non-current	16,386	3,523	-	-	-	-	19,909
Inventories, non-current	1,079	12	-	-	-	-	1,091
Investments accounted for using equity method	193,289	27,589	-	-	-	5,482	226,360
Intangible assets other than goodwill	235,092	411	10,177	368	-	-	246,048
Goodwill	-	-	54,661	-	-	-	54,661
Property, plant and equipment	433,653	771	51,397	-	-	4,304	490,125
Investment properties	2,089	-	-	-	-	-	2,089
Deferred tax assets	11,771	483	87	-	-	11	12,352
Total non-current assets	923,409	32,792	116,322	890	-	9,801	1,083,214
Total assets	1,238,553	62,199	128,503	10,816	33,832	14,225	1,488,128

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

NOTE 38 Foreign currency, continued

b) The liabilities by type of currency as of December 31, 2017 are detailed below:, continued

Liabilities	USD	CLP	UF	CAD	MXP	PEN	Other currencies	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current liabilities								
Other financial liabilities, current	49,019	101	211	1,461	2,821	-	-	53,613
Trade and other payables	18,203	13,785	-	-	1,346	-	30	33,364
Accounts payable to related entities, current	387	82	-	-	-	-	-	469
Other short-term provisions	932	-	-	-	-	-	-	932
Tax liabilities, current	3,927	75	-	620	1,250	31,562	2,435	39,869
Current provisions for employee benefits	7,158	6,860	-	2,883	581	-	640	18,122
Other non-financial liabilities, current	18,780	223	-	110	1,136	17	30	20,296
Total current liabilities	98,406	21,126	211	5,074	7,134	31,579	3,135	166,665
Non-current liabilities								
Other non-current financial liabilities	150,859	-	124,877	17,207	24,875	-	-	317,818
Other long-term provisions	80	-	-	-	-	-	718	798
Deferred tax liabilities	68,189	159	-	9,136	-	-	4	77,488
Non-current provisions for employee benefits	2,003	8,579	-	-	108	-	131	10,821
Total non-financial liabilities, non-current	-	20	-	-	-	-	-	20
Total non-current liabilities	221,131	8,758	124,877	26,343	24,983	-	853	406,945
Total liabilities	319,537	29,884	125,088	31,417	32,117	31,579	3,988	573,610

NOTE 39 Statement of cash flows
Years 2018 and 2017

a) Cash flows from investing activities

Purchases of property, plant and equipment

	Note	12-31-2018	12-31-2017
		ThUS\$	ThUS\$
Acquisitions	18,3	47,510	58,558
Value added tax		945	3,149
Acquisitions pending payment		(601)	-
Payment acquisitions previous period		-	888
Net cash flow		47,854	62,595

Disbursements for purchases of property, plant and equipment as of December 31, 2018, correspond mainly to the construction of a tugboat in the indirect subsidiary SAAM SMIT Canada Inc. and civil works carried out by the subsidiary of Florida Terminal International Llc. In fiscal year 2017, investments were significantly higher as a result of the expansion of the port terminal and the acquisition of port equipment by the indirect subsidiary Inarpi S.A., in the port of Guayaquil, Ecuador, for ThUS\$ 33,667.

Notes to the Consolidated Financial Statements

NOTE 39 Statement of cash flows, continued
Years 2018 and 2017, continued
a) Cash flows from investing activities:, continued
Purchase of intangible assets

	Note	12-31-2018	12-31-2017
		ThUS\$	ThUS\$
Acquisitions	17,3	8,851	6,929
Value added tax		68	109
Expense capitalization		(128)	(84)
Acquisitions pending payment		-	(58)
Net cash flow		8,791	6,896

Disbursements for purchases of intangible assets as of December 31, 2018, correspond mainly to investments made by the subsidiary Sociedad Portuaria de Caldera in Costa Rica of ThUS\$ 7,803.

Proceeds from sales of property, plant and equipment

	Notes	12-31-2018	12-31-2017
		ThUS\$	ThUS\$
Sale of tugboats		8,133	2,857
Sale of real estate		218	734
Expendable assets Logistics		1,294	2,774
Other assets		40	260
Price agreed in sale of assets		9,685	6,625
Cost of sales	18.3 and 8	(6,208)	(4,516)
Profit from sale of assets	34	3,477	2,109

		12-31-2018	12-31-2017
		ThUS\$	ThUS\$
Price agreed in sale of assets		9,685	6,625
Collection for sale of assets previous period		192	2,611
Advance on sale of assets		-	-
Sales pending collection		-	(192)
Net cash flow		9,877	9,044

Other inflows (outflows) of cash

	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
Redemption (placement) of time deposits	36,781	(33,994)
Payment of income tax from sale of the indirect associate Tramarsa S.A. (May 2017)	(31,736)	-
Consolidation of Sociedad Portuaria Caldera S.A. and Sociedad Portuaria Granelera de Caldera Sociedad Portuaria Granelera de Caldera S.A.	-	12,463
Net cash flow	5,045	(21,531)

Notes to the Consolidated Financial Statements

NOTE 39 Statement of cash flows, continued
Years 2018 and 2017, continued
a) Cash flows from investing activities, continued

Dividends received	Note	12-31-2018	12-31-2017
		ThUS\$	ThUS\$
Dividends / withdrawals of profits agreed upon:			
LNG Tugs Chile S.A.		62	30
Portuaria Corral S.A.		1,315	1,833
Inmobiliaria Carriel Ltda.		585	-
San Antonio Terminal Internacional S.A.		4,531	3,647
San Vicente Terminal Internacional S.A.		-	1,841
Servicios Aeroportuarios Aerosan S.A.		-	3,116
Servicios Portuarios Reloncaví Ltda.		1,320	75
Transbordadora Austral Broom S.A.		1,445	1,994
Transportes Fluviales Corral S.A.		-	70
Elequip S.A.		-	434
Equimac S.A.		748	635
Tramarsa S.A.		-	7,700
Luckymont S.A.		548	-
SAAM SMIT Towage Brasil		12,298	12,554
Total dividends agreed upon in the period	16,1	22,852	33,929
(-) Dividends pending collection	12,1	(2,774)	(484)
LNG Tugs Chile S.A.		-	(15)
San Antonio Terminal Internacional S.A.		-	(469)
SAAM SMIT Towage Brasil S.A.		(2,774)	-
(+) Dividends received, agreed upon in the previous period		5,348	3,598
San Antonio Terminal Internacional S.A.		469	1,362
San Vicente Terminal Internacional S.A.		-	1,841
Terminal Puerto Arica S.A.		-	378
LNG Tugs Chile S.A.		15	17
(+) Dividends held-for-sale investments	34	4,864	-
Effect of exchange rate		(1,524)	(176)
Net cash flow		23,902	36,867

b) Cash flows from financing activities

Dividends paid	Note	12-31-2018	12-31-2017
		ThUS\$	ThUS\$
Dividends agreed upon:			
Sociedad Matriz SAAM S.A.		(17,264)	(13,299)
Florida International Terminal, Llc		(1,630)	(1,209)
Sociedad Portuaria Granelera de Caldera S.A.		(1,636)	(1,142)
Sociedad Portuaria de Caldera S.A.		(4,252)	(4,707)
Saam Guatemala S.A.		(150)	-
Expertajes Marítimos S.A.		(300)	-
(-) Dividends received in acquisition of Puerto Caldera		-	(475)
SAAM Remolques S.A.de C.V.		(1,960)	(3,577)
Iquique Terminal Internacional S.A.		-	(901)
(+) Minimum dividends provisioned			
Sociedad Matriz SAAM S.A.	25	(14,882)	(18,133)
Total dividends agreed upon and provisioned in the year		(42,074)	(43,443)
(+) Dividends provisioned pending payment		14,882	18,133
(-) Dividends paid and agreed upon or provisioned in the previous year		(18,133)	(16,363)
(-) Dividends pending payment		330	-
(-) Dividends received in acquisition of Puerto Caldera		-	475
(+) Effect of exchange rate		1,001	-
Net cash flow		(43,994)	(41,198)

Notes to the Consolidated Financial Statements

NOTE 39 Statement of cash flows, continued
Years 2018 and 2017, continued

c) Cash flows from financing activities, continued

Proceeds from long-term borrowing

	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
Proceeds from long-term borrowings		
Sociedad Matriz SAAM S.A.	-	115,013
SAAM SMIT Canadá Inc.	11,338	-
Florida International Terminal, Llc	2,961	1,503
Sociedad Portuaria de Caldera S.A.	7,535	2,121
SAAM Operadora de Puertos Estiba y Desestiba Costa Rica S.A.	-	10,000
Inarpi S.A.	-	31,962
SAAM SMIT Panamá	-	4,682
Total proceeds from long-term financing	21,834	165,281
Total proceeds from short-term borrowing:		
Kíos S.A.	650	-
SAAM SMIT Marine Canadá Inc.	390	-
SAAM S.A.	-	16,000
Sociedad Portuaria Caldera S.A.	-	1,451
Iquique Terminal Internacional S.A.	1,021	4,956
Total proceeds from short-term financing	2,061	22,407
Loan repayment		
SAAM S.A.	-	(116,394)
Inmobiliaria Marítima Portuaria Spa	(69)	(147)
SAAM SMIT Towage México S.A. de C.V.	(10,000)	(12,000)
SAAM SMIT Marine Canadá Inc.	(1,377)	(1,902)
SAAM SMIT Towage Panamá Inc.	(936)	(468)
Inarpi S.A.	(8,379)	(7,895)
Terminal Marítima Mazatlán S.A. de C.V.	(6,135)	(3,334)
Iquique Terminal Internacional S.A.	(11,600)	(5,600)
Sociedad Portuaria Caldera S.A.	(3,280)	(3,233)
Sociedad Portuaria Granelera de Caldera S.A.	(4,162)	(4,856)
SAAM Operadora de Puertos Estiba y Desestiba Costa Rica S.A.	(1,418)	(625)
Total loan repayment	(47,356)	(156,454)

On January 17, 2017, a placement of SM SAAM bonds corresponding to Series B and C was materialized through the Santiago Stock Exchange under the Dutch auction modality. Series B was placed for a total amount of 1,400,000 Unidades de Fomento (UF), at a placement rate of 1.88% per annum, maturing on December 15, 2021 and a spread of 92 points over the reference rate; while Series C was placed for a total amount of 1,400,000 UF, at a placement rate of 2.3% per annum, maturing on December 15, 2026 and a spread of 101 points over the reference rate. The cash flows obtained from the bond placement amounted to ThUS\$ 115,103, net of associated costs.

Notes to the Consolidated Financial Statements

NOTE 40 Environment

The Parent company is not affected by this concept, as SM SAAM is an investment company.

At the closing date of the financial statements, the subsidiary SAAM S.A. has taken out civil liability insurance in favor of third parties for pollution damage and/or penalties for pollution, with an insured limit of ThUS\$ 500,000 in the annual aggregate.

NOTE 41 Correction of accounting error

In these financial statements, the Company has corrected the balances of the assets and liabilities associated with the port concession in the indirect subsidiary Terminal Marítima Mazatlán S.A. de C.V. The nature of the correction is due to a one-off deviation related to the measurement of financial liabilities for the minimum fees payable in the future, which affected the accrual of interest from prior periods in addition to the effects of exchange differences with effect on income. The correction of this error meant adjusting the accumulated retained earnings by ThUS\$6,226 as of January 1, 2017 and ThUS\$7,150 as of January 1, 2018. Additionally, minor accounting errors detected in associates and subsidiaries were corrected for ThUS\$ 382 (profit) and ThUS\$ 189 (profit) for the same mentioned above.

The adjustments made to the previous periods are detailed as follows:

	01-01-2017	12-31-2017
	ThUS\$	ThUS\$
Intangible assets (port concession)	4,466	7,079
Deferred tax assets	4,147	4,484
Investments accounted for using equity method	719	1,217
Other financial liabilities, current	(1,442)	(1,716)
Other non-current financial liabilities	(12,381)	(13,230)
Deferred tax liabilities	(1,353)	(4,795)
Net effect on equity	(5,844)	(6,961)

The Company's income, considering these changes, would have been the following

Year	Income before tax reported	Adjustment	Adjusted income
2012	77,581	(489)	77,092
2013	88,039	(2,355)	(85,684)
2014	82,247	(1,591)	80,656
2015	97,209	320	97,529
2016	74,450	(1,729)	72,721
2017	125,594	(1,117)	124,477
Total		(6,961)	

Notes to the Consolidated Financial Statements

NOTE 42 Subsequent events

On February 10, 2019, SM SAAM, through its direct subsidiary SAAM S.A., signed a Term Sheet with its partner Boskalis Holding B.V. (Boskalis) which established the essential terms and conditions for acquiring 49% of the Boskalis' interest in SAAM SMIT Towage México S.A. de C.V., which includes operations in Mexico, Canada and Panama, and 50% of its interest in SAAM SAAM SMIT Towage Brasil S.A. The total price agreed upon is ThUS\$ 201,250, subject to confirmation and usual adjustments in this type of transactions. The price would be paid with a combination of own funds and bank financing. If this transaction were completed, SAAM would pass to control 100% of the shares of both companies.

SAAM and Boskalis will sign in the next weeks the respective contracts to materialise this transaction, which be subject to approval of the respective regulatory authorities in the countries of the association and to compliance with other usual conditions for these type of operations.

To date it is not possible to determine with certainty the impact of the facts reported through this communication on SM SAAM's results.

On February 15, 2019, SM SAAM, through its subsidiary SAAM Puertos S.A., reported that the sale of 15% interest it held in Terminal Puerto Arica (TPA) was completed. The transaction was approved by the National Economic Prosecutor's Office and, from this date, Inversiones Neltume and Inversiones y Construcciones Belfi, together, control 100% of the company. It is estimated that this transaction will generate an accounting profit of ThUS\$1,475, net of taxes.

Between January 1, 2019 and that on which these Financial Statements were issued, no other significant financial or other events have occurred that might affect the proper presentation and/or interpretation thereof.