

(A free translation of the original in Portuguese)

**Centrais Elétricas
Brasileiras S.A. - Eletrobras**
Quarterly Information (ITR)
at September 30, 2019
and report on review of
quarterly information

Report on review of quarterly information

To the Board of Directors and Shareholders
Centrais Elétricas Brasileiras S.A. - Eletrobras

Introduction

We have reviewed the accompanying parent company and consolidated interim financial information of Centrais Elétricas Brasileiras S.A. - Eletrobras (the "Company" or "Eletrobras"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2019, comprising the balance sheet as at that date and the statements of operations and comprehensive income (loss) for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim financial information in accordance with the accounting standard CPC 21, Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (CPC), and the International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim financial information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Emphasis of matter

Operating situation of the subsidiaries and jointly-controlled entities

As mentioned in Note 14.6 to the parent company and consolidated interim financial information, the subsidiaries Amazonas Geração e Transmissão de Energia S.A. and Companhia de Geração Térmica de Energia Elétrica (CGTEE) had continual losses in their operations, net capital deficiency and excess of current liabilities over current assets. The subsidiary Eletrobras Termonuclear S.A. (Eletronuclear) and the jointly-controlled investees Madeira Energia S.A., Norte Energia S.A., ESBR Participações S.A. and Teles Pires Participações S.A. had significant excess of current liabilities over current assets at September 30, 2019.

The subsidiaries and jointly-controlled entities' circumstances demonstrate that it is necessary to maintain the financial support of the third parties, Company and/or other stockholders. Our conclusion is not qualified in respect of these matters.

Other matters

Statements of value added

The quarterly information referred to above include the parent company and consolidated statements of value added for the nine-month period ended September 30, 2019. These statements are the responsibility of the Company's management and are presented as supplementary information for the purposes of IAS 34. These statements have been submitted to review procedures carried out in conjunction with the review of the quarterly information, for the purpose of concluding whether they were reconciled with the interim financial information and accounting records, as applicable, and if their form and content were in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated interim financial information taken as a whole.

Audit and review of prior-year information

The Quarterly Information mentioned in paragraph one above include the financial information related to: (i) the statement of operations and comprehensive income (loss) for the quarter and nine-month period ended September 30, 2018, and the changes in equity, cash flows and value added for the nine-month period ended September 30, 2018, obtained from the quarterly information at that date, originally prepared before the adjustments described in Note 4.1.2, which were made to change this 2018 financial information, presented for comparison purposes; and (ii) the balance sheets at December 31, 2018, obtained from the financial statements at December 31, 2018. The review of the Quarterly Information (ITR) for the quarter ended September 30, 2018, as originally prepared, and the audit of the financial statements for the year ended December 31, 2018, were conducted by other independent auditors, who issued an unqualified review report thereon dated November 12, 2018 with emphasis of matter paragraphs related to: (i) the subsidiaries and jointly-controlled entities' ability to continue as going concerns; and (ii) the adoption of new accounting standards applicable in Brazil; and an unqualified opinion dated March 27, 2019 with an emphasis of matter paragraph on the subsidiaries and jointly-controlled entities' ability to continue as going concerns.

As part of our review of the financial information at September 30, 2019, we also reviewed the adjustments described in Note 4.1.2, which were made to change the interim financial information included in the Quarterly Information (ITR) Form for the quarter ended September 30, 2018, presented for comparison purposes. Based on our review, nothing has come to our attention that causes us to believe that such adjustments are not appropriate or were not correctly made, in all material respects. We were not engaged to audit, review, or apply any other procedures to the Company's Quarterly Information regarding the 2018 information, and, therefore, we do not express an opinion, conclusion or any form of assurance on the financial information for that year taken as a whole.

Rio de Janeiro, November 11, 2019

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Guilherme Naves Valle
Contador CRC 1MG070614/O-5



CENTRAIS ELÉTRICAS BRASILEIRAS S.A - ELETROBRAS
BALANCE SHEET FOR THE FINANCIAL YEARS ENDED IN 30 SEPTEMBER 2019 AND 31 DECEMBER 2018
(in thousands of reais)

ASSET	NOTE	PARENT COMPANY		CONSOLIDATED	
		30/09/2019	31/12/2018	30/09/2019	31/12/2018
CURRENT					
Cash and cash equivalent	6	11,027	47,400	447,738	583,352
Restricted Cash	6	3,075,890	1,560,088	3,075,890	1,560,088
Securities	7	4,687,462	4,034,242	9,128,767	6,408,104
Accounts Receivable	8	340,068	379,649	5,489,493	4,079,221
Contractual asset transfer	17	-	-	1,096,067	1,302,959
Financial Assets - Concessions and Itaipu	16	-	-	4,977,319	6,013,891
Financing and loans	9	7,166,587	8,257,761	3,626,429	3,903,084
Yield on equity interest	10	1,543,940	2,474,558	166,053	219,895
Recoverable Taxes	11	511,344	488,591	980,780	1,216,261
Income tax and social contribution	11	309,605	817,417	2,635,334	2,420,165
Reimbursement rights	12	-	-	37,938	454,139
Warehouse		332	274	400,184	380,292
Nuclear fuel inventory		-	-	538,827	510,638
Derivative Financial Instruments	33	716	2,195	136,432	182,760
Hydrological risk		-	-	33,133	81,301
Assets held for sale	37	1,627,008	5,282,624	3,637,447	15,424,359
Credit with subsidiaries - CCD		-	2,406,622	-	-
Others		1,792,076	1,296,560	2,411,459	2,104,904
TOTAL CURRENT ASSETS		21,066,055	27,047,981	38,819,290	46,845,413
NON-CURRENT					
Non-current receivables					
Reimbursement rights	12	5,303,319	3,234,542	5,336,032	5,802,172
Financing and loans	9	21,218,463	20,518,018	12,109,489	9,971,857
Accounts Receivable	8	-	-	25,391	8,413
Securities	7	306,134	293,509	338,221	293,833
Nuclear fuel inventory		-	-	681,142	828,410
Recoverable Taxes	11	-	-	451,084	265,805
Deferred income tax and social contribution	11	-	-	506,781	553,409
Guarantees and restricted deposits		3,632,016	3,307,301	6,278,498	5,788,905
Contractual asset transfer	17	-	-	13,332,401	13,268,837
Financial Assets - Concessions and Itaipu	16	2,560,415	2,603,118	34,596,244	34,100,453
Derivative Financial Instruments	33	-	-	147,752	188,262
Advances for future capital increase	13	1,691,379	1,140,732	208,607	459,563
Hydrological risk		-	-	189,066	227,083
Others		2,601,549	2,368,142	2,441,972	1,604,403
		37,313,275	33,465,362	76,642,680	73,361,405
INVESTMENTS					
Account for-by the equity method	14	74,205,065	70,483,342	27,020,191	26,536,198
Maintained at fair value	14	1,696,211	1,388,460	1,773,445	1,447,150
		75,901,276	71,871,802	28,793,636	27,983,348
FIXED ASSETS	15	259,250	198,711	32,318,262	32,370,392
INTANGIBLE ASSETS		13,433	13,386	633,198	649,650
TOTAL NON-CURRENT ASSETS		113,487,234	105,549,261	138,387,776	134,364,795
TOTAL ASSETS		134,553,289	132,597,242	177,207,066	181,210,208



CENTRAIS ELÉTRICAS BRASILEIRAS S.A - ELETROBRAS
BALANCE SHEET FOR THE FINANCIAL YEARS ENDED IN 30 SEPTEMBER 2019 AND 31 DECEMBER 2018
(in thousands of reais)

LIABILITIES AND EQUITY	NOTE	PARENT COMPANY		CONSOLIDATED	
		30/09/2019	31/12/2018	30/09/2019	31/12/2018
CURRENT					
Financing and loans	19	5,365,476	7,031,515	7,258,051	12,066,912
Debentures	20	126,450	-	184,980	36,073
Compulsory loan		14,171	15,659	14,171	15,659
Suppliers	18	407,535	569,218	2,492,690	3,360,550
Advance payments		675,380	357,275	744,621	421,002
Taxes payable	22	72,641	166,523	1,399,481	1,277,051
Income tax and social contribution	22	137,149	917,734	3,207,698	2,953,072
Onerous Contracts		-	-	3,913	9,436
Shareholder's compensation	23	1,312,390	1,257,502	1,318,023	1,305,633
Financial Liabilities - Concessions and Itaipu	16	1,196,901	799,401	-	-
Payroll		128,480	134,474	1,463,953	1,366,376
Reimbursement Obligations	12	2,083,104	1,250,619	2,083,104	1,250,619
Post-employment benefit		4,609	29,336	149,542	164,160
Provisions recognized	24	855,114	850,828	938,740	931,364
Sector charges		-	-	676,637	653,017
Leasing	21	7,644	-	223,013	152,122
Accounts payable with subsidiaries		-	2,866,810	-	-
Derivative Financial Instruments	33	715	928	715	962
Liabilities associated with assets held for sale	37	-	11,127,717	1,700,740	10,294,967
Others		59,986	96,496	949,054	264,996
TOTAL CURRENT LIABILITIES		12,447,745	27,472,035	24,809,126	36,523,971
NON-CURRENT					
Financing and loans	19	24,402,133	20,603,333	36,428,733	42,305,886
Suppliers	18	-	-	18,142	16,555
Debentures	20	5,002,303	-	5,414,834	432,155
Advances from clients		-	-	388,517	448,881
Compulsory loan		469,617	477,459	469,617	477,459
Asset decommissioning demobilization	25	-	-	2,734,459	2,620,128
Provisions recognized	24	17,524,770	17,604,730	24,372,778	23,196,295
Post-employment benefit		1,196,286	1,196,286	3,097,392	2,894,949
Provision for unsecured liabilities	14	4,072,626	3,883,600	-	-
Onerous Contracts		-	-	378,795	715,942
Leasing	21	57,840	-	888,616	823,993
Concessions payable - Use of public property		-	-	68,579	64,144
Advances for future capital increase	26	4,054,016	3,873,412	4,061,821	3,873,412
Derivative Financial Instruments		-	-	7,211	25,459
Sector charges		-	-	751,285	721,536
Taxes payable	22	-	-	225,208	248,582
Deferred income tax social contribution taxes	11	535,653	432,582	8,318,763	8,315,386
Others		1,740,524	1,510,899	1,235,014	1,496,527
TOTAL NON-CURRENT LIABILITIES		59,055,768	49,582,301	88,859,764	88,677,289
EQUITY					
Capital stock	27	31,305,331	31,305,331	31,305,331	31,305,331
Capital reserves		13,867,170	13,867,170	13,867,170	13,867,170
Profit Reserves		15,887,829	15,887,829	15,887,829	15,887,829
Retained earnings		7,384,005	-	7,384,005	-
Other accumulated comprehensive income		(5,394,559)	(5,517,424)	(5,394,559)	(5,517,424)
Minority shareholders		-	-	488,400	466,042
TOTAL NET WORTH		63,049,776	55,542,906	63,538,176	56,008,948
TOTAL LIABILITIES AND EQUITY		134,553,289	132,597,242	177,207,066	181,210,208



CENTRAIS ELÉTRICAS BRASILEIRAS S.A. - ELETROBRAS
STATEMENT OF INCOME FOR THE PERIODS ENDED SEPTEMBER 30, 2019 AND 2018
(in thousands of reais)

NOTE	PARENT COMPANY				CONSOLIDATED			
	07/01/2019 to 09/30/2019	09/30/2019	07/01/2018 to 09/30/2018	09/30/2018	07/01/2019 to 09/30/2019	09/30/2019	07/01/2018 to 09/30/2018	09/30/2018
CONTINUING OPERATIONS								
OPERATING INCOME								
Generation								
Power supply for distribution companies	3,476	63,778	68,573	69,223	4,297,182	11,662,060	3,561,714	9,322,674
Power supply for end consumers	-	-	-	-	579,751	1,712,119	644,322	1,735,726
Short-term electric energy - Generation	-	-	-	-	341,196	985,909	485,210	1,133,833
Revenue from operation and maintenance of renewed concessions	-	-	-	-	925,230	2,609,419	551,482	1,626,075
Revenue from construction of renewed plants	-	-	-	-	11,952	25,100	13,941	30,310
Financial effect of Itaipu	(21,215)	82,314	142,273	326,145	(21,215)	82,314	142,273	326,145
Transmission								
Operation and Maintenance Revenue - Renewed Lines	-	-	-	-	942,085	2,622,769	805,606	2,504,367
Operation and Maintenance Revenue	-	-	-	-	216,266	588,627	168,008	512,636
Finance - Return on Investment - RBSE	-	-	-	-	1,062,479	2,959,000	1,036,965	3,495,992
Construction Revenue	-	-	-	-	172,019	408,089	129,718	583,016
Contractual Revenue - Transmission	-	-	-	-	177,235	581,937	247,511	620,719
Other recipes	15,680	134,112	7,495	32,318	85,696	527,826	222,473	445,921
Deductions								
(-) Sector charges	-	-	-	-	(453,533)	(1,306,954)	(457,052)	(1,197,957)
(-) ICMS	-	-	-	-	(221,730)	(694,744)	(99,078)	(282,157)
(-) PASEP and COFINS	6,036	(38,660)	(45,318)	(88,439)	(821,070)	(2,369,744)	(808,780)	(2,211,801)
(-) Other Deductions	-	-	-	-	(2,217)	(7,229)	(2,808)	(7,202)
NET OPERATING REVENUE	3,977	241,544	173,023	339,247	7,291,326	20,386,498	6,641,505	18,638,297
OPERATIONAL COSTS								
Energy purchased for resale	(2,922)	(54,405)	(23,347)	(27,008)	(592,068)	(1,492,958)	(647,131)	(1,348,592)
Charges on use of the electricity grid	-	-	-	-	(447,220)	(1,232,548)	(344,589)	(1,211,037)
Fuel for electricity production	-	-	-	-	(555,851)	(1,466,758)	(393,274)	(799,611)
Construction	-	-	-	-	(272,610)	(539,670)	(348,665)	(833,221)
	(2,922)	(54,405)	(23,347)	(27,008)	(1,867,749)	(4,731,934)	(1,733,659)	(4,192,521)
GROSS INCOME	1,055	187,139	149,676	312,239	5,423,577	15,654,564	4,907,846	14,445,776
OPERATIONAL EXPENSES								
Personnel, Supplies and Services	(160,865)	(531,113)	(167,065)	(490,748)	(1,734,827)	(5,418,314)	(1,782,275)	(5,611,955)
Depreciation	(3,358)	(10,081)	(1,034)	(3,380)	(412,001)	(1,233,278)	(411,067)	(1,202,427)
Amortization	-	-	-	-	(27,195)	(78,648)	(22,993)	(66,578)
Donations and Contributions	(27,538)	(85,867)	(27,359)	(87,864)	(48,778)	(151,658)	(40,188)	(125,573)
Operating charges (reversals), net	(545,995)	(1,857,769)	(1,736,713)	(2,251,820)	(1,092,040)	(3,121,076)	(2,578,082)	(2,379,922)
Others	2,798	(86,121)	(64,601)	(114,940)	(253,026)	(826,921)	(410,556)	(788,650)
	(734,958)	(2,570,951)	(1,996,772)	(2,948,752)	(3,567,867)	(10,829,895)	(5,245,161)	(10,175,105)
OPERATING INCOME BEFORE FINANCIAL INCOME	(733,903)	(2,383,812)	(1,847,096)	(2,636,513)	1,855,710	4,824,669	(337,315)	4,270,671
FINANCIAL RESULT								
Financial income								
Income from interest, commission and fees	562,881	1,633,008	670,364	3,078,888	261,137	802,014	408,840	2,122,927
Income from financial investments	221,505	367,576	140,169	408,405	309,714	619,277	208,837	566,450
Additional interest on energy	2,180	2,306	2,343	6,728	32,179	193,969	70,930	186,069
Monetary adjustments gain	147,163	723,428	215,467	740,825	-	552,054	178,987	560,528
Exchange variation gain	1,230,615	2,233,891	1,183,680	4,033,281	1,156,974	2,244,126	1,144,709	3,907,523
Fair value adjustment	-	-	-	-	-	1,626,166	-	-
Gains on derivatives	-	-	-	-	-	-	(101,367)	61,637
Other financial income	8,182	486,983	77,345	149,748	224,739	836,588	228,468	478,266
Financial expenses								
Debt charges	(561,985)	(1,590,490)	(457,602)	(1,188,879)	(852,780)	(2,655,232)	(655,497)	(1,854,685)
Leasing charges	(1,538)	(4,733)	-	-	(84,416)	(256,353)	-	-
Charges on shareholder's funds	(61,528)	(180,604)	(59,630)	(175,302)	(63,793)	(210,864)	(63,911)	(205,391)
Monetary adjustment loss	(197,782)	(478,019)	(228,270)	(549,863)	(98,885)	(557,419)	(288,870)	(652,439)
Exchange variation loss	(1,081,235)	(2,072,605)	(1,224,326)	(3,992,565)	(1,152,990)	(2,180,067)	(1,244,187)	(4,122,023)
Fair value adjustment	-	-	-	-	(155,190)	-	(697,628)	(2,064,571)
Losses on derivatives	-	-	-	-	(42,017)	(67,076)	(5,591)	(5,974)
Other financial expenses	(206,715)	(1,223,145)	(179,363)	(570,857)	(395,538)	(1,718,677)	(429,309)	(1,084,379)
	61,743	(102,404)	140,177	1,940,409	(860,866)	(771,494)	(1,245,589)	(2,106,062)
INCOME BEFORE SHAREHOLDINGS	(672,160)	(2,486,216)	(1,706,919)	(696,104)	994,844	4,053,175	(1,582,904)	2,164,609
RESULT OF SHAREHOLDER INVESTMENTS	1,444,258	5,199,648	445,760	2,846,019	417,292	679,292	589,060	1,224,320
OTHER REVENUE AND EXPENDITURE	-	-	-	-	54,182	237,404	-	-
OPERATING INCOME BEFORE TAXES	772,098	2,713,432	(1,261,159)	2,149,915	1,466,318	4,969,871	(993,844)	3,388,929
Current income tax and social contribution	(121,056)	(137,149)	7,705	(586,656)	(901,323)	(2,575,092)	(572,009)	(2,160,664)
Deferred income tax and social contribution	-	-	-	-	150,877	192,241	317,466	369,687
NET INCOME FROM CONTINUING OPERATIONS	651,042	2,576,283	(1,253,454)	1,563,259	715,872	2,587,020	(1,248,387)	1,597,952
SHARE ASSIGNED TO CONTROLLERS	651,042	2,576,283	(1,253,454)	1,563,259	651,042	2,576,283	(1,253,454)	1,563,259
SHARE ASSIGNED TO CONTROLLERS	-	-	-	-	64,830	10,737	5,067	34,693
DISCONTINUED OPERATION								
NET PROFIT (LOSS) OF TAXES FROM THE DISCONTINUED OPERATION	-	5,037,140	(1,011,474)	(2,004,004)	-	5,037,140	(1,011,701)	(2,002,413)
SHARE ASSIGNED TO PARENT COMPANIES	-	5,037,140	(1,011,474)	(2,004,004)	-	5,037,140	(1,011,474)	(2,004,004)
SHARE ASSIGNED TO NON-PARENT COMPANIES	-	-	-	-	-	-	(227)	1,591
NET INCOME FOR THE PERIOD	651,042	7,613,423	(2,264,928)	(440,745)	715,872	7,624,160	(2,260,088)	(404,461)
SHARE ASSIGNED TO PARENT COMPANIES	651,042	7,613,423	(2,264,928)	(440,745)	651,042	7,613,423	(2,264,928)	(440,745)
SHARE ASSIGNED TO NON-PARENT COMPANIES	-	-	-	-	64,830	10,737	4,840	36,284
RESULT BY SHARE								
Result by share - basic (ON)	R\$0.47	R\$5.52	(R\$1.64)	(R\$0.32)	R\$0.47	R\$5.52	(R\$1.64)	(R\$0.32)
Result by share - basic (PN)	R\$0.52	R\$6.07	(R\$1.81)	(R\$0.35)	R\$0.52	R\$6.07	(R\$1.81)	(R\$0.35)
Earnings per share - diluted (ON)	R\$0.47	R\$5.47	(R\$1.62)	(R\$0.32)	R\$0.47	R\$5.47	(R\$1.62)	(R\$0.32)
Earnings per share - diluted (PN)	R\$0.51	R\$6.02	(R\$1.78)	(R\$0.35)	R\$0.51	R\$6.02	(R\$1.78)	(R\$0.35)
Continued Operation								
Result by share - basic (ON)	R\$0.47	R\$1.87	(R\$0.91)	R\$1.13	R\$0.47	R\$1.87	(R\$0.91)	R\$1.13
Result by share - basic (PN)	R\$0.52	R\$2.05	(R\$1.00)	R\$1.25	R\$0.52	R\$2.05	(R\$1.00)	R\$1.25
Earnings per share - diluted (ON)	R\$0.47	R\$1.85	(R\$0.90)	R\$1.12	R\$0.47	R\$1.85	(R\$0.90)	R\$1.12
Earnings per share - diluted (PN)	R\$0.51	R\$2.04	(R\$0.99)	R\$1.23	R\$0.51	R\$2.04	(R\$0.99)	R\$1.23



CENTRAIS ELÉTRICAS BRASILEIRAS S.A - ELETROBRAS
STATEMENT OF CHANGES IN EQUITY ON SEPTEMBER 30, 2019 AND DECEMBER 31, 2018
(in thousands of reais)

	SHARE CAPITAL	CAPITAL RESERVES	PROFIT RESERVES				ACCUMULATED PROFIT / LOSS	OTHER COMPREHENSIVE RESULTS	EQUITY OF CONTROLLING COMPANY	NON-CONTROLLING EQUITY	CONSOLIDATED NET EQUITY	
			LEGAL	PROFIT RETENTION	STATUTORY	SPECIAL DIVIDEND RESERVE						STATUTORY - INVESTMENTS
On December 31, 2018	31,305,331	13,867,170	834,414	5,947,331	183,006	2,291,889	6,631,189	-	(5,517,424)	55,542,906	466,042	56,008,948
Accumulated Conversion Adjustments	-	-	-	-	-	-	-	-	14,480	14,480	-	14,480
Financial instruments at fair value through ORA	-	-	-	-	-	-	-	-	303,151	303,151	-	303,151
Deferred income tax / social contribution on other comprehensive income	-	-	-	-	-	-	-	-	(103,071)	(103,071)	-	(103,071)
Controlled / Affiliated Adjustments	-	-	-	-	-	-	-	(229,418)	(90,162)	(319,580)	11,621	(307,959)
Financial Instruments - Hedge	-	-	-	-	-	-	-	-	(1,533)	(1,533)	-	(1,533)
Net income for the period	-	-	-	-	-	-	-	7,613,423	-	7,613,423	10,737	7,624,160
On September 30, 2019	31,305,331	13,867,170	834,414	5,947,331	183,006	2,291,889	6,631,189	7,384,005	(5,394,559)	63,049,776	488,400	63,538,176



CENTRAIS ELETRICAS BRASILEIRAS S.A - ELETROBRAS
STATEMENT OF CHANGES IN EQUITY ON SEPTEMBER 30, 2018 AND DECEMBER 31, 2017
(in thousands of reais)

	SHARE CAPITAL	CAPITAL RESERVES	PROFIT RESERVES				REFLEX ASSET ASSESSMENT ADJUSTMENTS	ACCUMULATED PROFIT / LOSS	OTHER COMPREHENSIVE RESULTS	EQUITY OF CONTROLLING COMPANY	NON-CONTROLLING EQUITY	CONSOLIDATED NET EQUITY
			LEGAL	PROFIT RETENTION	PROFIT TO BE REALIZED	STATUTORY						
On December 31, 2017	31,305,331	13,867,170	171,295	713,802	386,375	50,382	22,434	-	(4,177,412)	42,339,377	413,155	42,752,532
Adoption Adjustments - CPC 48 / IFRS 9 (Note 02)	-	-	-	-	-	-	-	(79,824)	-	(79,824)	-	(79,824)
On January 1, 2018	31,305,331	13,867,170	171,295	713,802	386,375	50,382	22,434	(79,824)	(4,177,412)	42,259,553	413,155	42,672,708
Accumulated Conversion Adjustments	-	-	-	-	-	-	-	-	34,795	34,795	-	34,795
Financial instruments at fair value through ORA	-	-	-	-	-	-	-	-	(97,704)	(97,704)	-	(97,704)
Deferred income tax / social contribution on other comprehensive income	-	-	-	-	-	-	-	-	33,219	33,219	-	33,219
Controlled / Affiliated Adjustments	-	-	-	-	-	-	-	54,947	(204,834)	(149,887)	(41,567)	(191,454)
Financial Instruments - Hedge	-	-	-	-	-	-	-	-	3,030	3,030	-	3,030
Equity valuation adjustment	-	-	-	-	-	-	(22,434)	22,434	-	-	-	-
Unclaimed Shareholder Compensation - Prescribed	-	-	-	-	-	-	-	362	-	362	-	362
Net income for the period	-	-	-	-	-	-	-	1,230,241	-	1,230,241	44,369	1,274,610
On September 30, 2018	31,305,331	13,867,170	171,295	713,802	386,375	50,382	-	1,228,160	(4,408,906)	43,313,609	415,957	43,729,566



CENTRAIS ELETRICAS BRASILEIRAS S.A. - ELETROBRAS
STATEMENT OF ADDED VALUE FOR PERIODS ENDED 30 SEPTEMBER 2019 AND 2018
(in thousands of reais)

	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	30/09/2018	09/30/2019	30/09/2018
REVENUE (EXPENSES)				
Sale of goods, products and services	280,204	427,686	26,489,791	33,544,291
Construction Revenue	-	-	431,927	1,330,083
ADA- Consumers and Sellers	-	-	(182,400)	(3,714,460)
	<u>280,204</u>	<u>427,686</u>	<u>26,739,318</u>	<u>31,159,914</u>
Inputs acquired from third parties				
Materials, services and others	(327,614)	(300,541)	(4,562,834)	(6,719,539)
Sector fees	-	-	(1,358,766)	(1,653,075)
Energy purchased for resale	(54,405)	(27,008)	(2,941,095)	(4,855,324)
Fuel for electricity production	-	-	(1,492,156)	(1,854,327)
Operating provisions/Reversals	3,179,371	(4,255,824)	2,844,322	143,618
	<u>2,797,352</u>	<u>(4,583,373)</u>	<u>(7,510,529)</u>	<u>(14,938,647)</u>
GROSS ADDED VALUE	<u>3,077,556</u>	<u>(4,155,687)</u>	<u>19,228,789</u>	<u>16,221,267</u>
WITHHOLDINGS				
Depreciation, Amortization and Depletion	(10,081)	(3,380)	(1,311,926)	(1,437,803)
NET ADDED VALUE PRODUCED BY THE ENTITY	<u>3,067,475</u>	<u>(4,159,067)</u>	<u>17,916,863</u>	<u>14,783,464</u>
ADDED VALUE RECEIVED IN TRANSFER				
Equity holdings	5,199,648	2,846,019	679,292	1,224,320
Financial income	5,447,192	8,417,875	6,968,534	6,207,026
Disposal of equity interests	-	-	237,404	-
	<u>10,646,840</u>	<u>11,263,894</u>	<u>7,885,230</u>	<u>7,431,346</u>
TOTAL ADDED VALUE TO DISTRIBUTE	<u>13,714,315</u>	<u>7,104,827</u>	<u>25,802,093</u>	<u>22,214,810</u>
ADDED VALUE DISTRIBUTION				
PERSONNEL				
Personnel, Charges and Wages	261,739	269,472	3,531,425	4,367,376
Retirement and Pension Plan	11,953	13,036	274,704	503,770
	<u>273,692</u>	<u>282,508</u>	<u>3,806,129</u>	<u>4,871,146</u>
TAXES				
Federal	175,809	675,095	5,099,261	5,612,216
State	-	-	946,913	1,806,208
Municipal	-	-	7,385	113,967
	<u>175,809</u>	<u>675,095</u>	<u>6,053,559</u>	<u>7,532,391</u>
THIRD PARTIES				
Interest	5,549,596	6,477,466	8,077,429	9,864,160
Leasing	15,928	22,639	89,073	225,475
Others	85,867	87,864	151,743	126,100
	<u>5,651,391</u>	<u>6,587,969</u>	<u>8,318,245</u>	<u>10,215,735</u>
SHAREHOLDERS				
Non-controlling interest	-	-	10,737	44,369
Retained Earnings	7,613,423	(440,745)	7,613,423	(448,831)
	<u>7,613,423</u>	<u>(440,745)</u>	<u>7,624,160</u>	<u>(404,462)</u>
	<u>13,714,315</u>	<u>7,104,827</u>	<u>25,802,093</u>	<u>22,214,810</u>



CENTRAIS ELÉTRICAS BRASILEIRAS S.A. - ELETROBRAS
STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED IN 30 SEPTEMBER 2019 AND 2018
(in thousands of reais)

	PARENT COMPANY				CONSOLIDATED			
	07/01/2019 to 09/30/2019	09/30/2019	07/01/2018 to 09/30/2018	30/09/2018	07/01/2019 to 09/30/2019	09/30/2019	07/01/2018 to 09/30/2018	30/09/2018
Profit (loss) in the year	651,042	7,613,423	(2,264,928)	(440,745)	715,872	7,624,160	(2,260,088)	(404,461)
Other comprehensive income (loss) which may not be reclassified to net profit or loss								
Other comprehensive income (loss) which may not be reclassified to net profit or loss								
Financial instruments at fair value through ORA	57,032	303,151	(136,288)	(97,704)	4,767	303,151	(163,225)	(124,641)
Deferred IR / CSLL	(19,391)	(103,071)	46,338	33,219	(1,620)	(103,071)	55,497	42,378
Adjustment of actuarial gains and losses	-	-	-	-	26,646	30,666	111,723	152,409
	<u>37,641</u>	<u>200,080</u>	<u>(89,950)</u>	<u>(64,485)</u>	<u>29,793</u>	<u>230,746</u>	<u>3,995</u>	<u>70,146</u>
Other comprehensive income (loss) which may be reclassified to net profit or loss								
Cumulative Conversion Adjustments	16,610	14,480	34,005	34,795	16,609	14,480	34,005	34,795
Cash flow hedge adjustment	(94)	(1,533)	651	3,030	(94)	(1,533)	651	3,030
Share in comprehensive income of subsidiaries, affiliates and jointly controlled companies	(31,608)	(90,162)	(141,856)	(204,834)	(5,989)	(120,828)	(226,643)	(330,307)
Deferred IR / CSLL	-	-	-	-	(17,770)	-	(9,158)	(9,158)
	<u>(15,092)</u>	<u>(77,215)</u>	<u>(107,200)</u>	<u>(167,009)</u>	<u>(7,244)</u>	<u>(107,881)</u>	<u>(201,145)</u>	<u>(301,640)</u>
Other components of comprehensive income for the period	22,549	122,865	(197,150)	(231,494)	22,549	122,865	(197,150)	(231,494)
Total comprehensive income (loss) of the year	673,591	7,736,288	(2,462,078)	(672,239)	738,421	7,747,025	(2,457,238)	(635,955)
Portion attributed to controlling shareholders					673,591	7,736,288	(2,462,078)	(672,239)
Non-controlling portion					64,830	10,737	4,840	36,284
					<u>738,421</u>	<u>7,747,025</u>	<u>(2,457,238)</u>	<u>(635,955)</u>



CENTRAIS ELÉTRICAS BRASILEIRAS S.A - ELETROBRAS
CASH FLOW STATEMENT FOR THE PERIODS ENDED 30 SEPTEMBER 2019 AND 2018
(in thousands of reais)

	PARENT COMPANY		CONSOLIDATED		
	NOTE	09/30/2019	09/30/2018	09/30/2019	09/30/2018
OPERATING ACTIVITIES					
Profit (Loss) before income tax and social contribution		2,713,432	2,149,915	4,969,870	3,388,928
Adjustments to reconcile net profit (loss) to net cash provided by operating activities					
Depreciation and amortization		10,081	3,380	1,311,926	1,269,005
Net monetary variations		(245,409)	(190,962)	5,365	91,911
Net foreign exchange variations		(161,286)	(40,716)	(64,059)	214,500
Financial charges		(862,559)	(2,148,292)	1,284,797	(526,525)
Income from financial assets		-	-	(581,937)	(620,719)
Equity income		(5,199,648)	(2,846,019)	(679,292)	(1,224,320)
Result on disposal of equity interests		-	-	(237,404)	-
Construction Revenue	29	-	-	(433,189)	(610,478)
RBSE Revenue		-	-	(2,959,000)	(3,495,992)
Provision (reversal) for uncovered liabilities	32	189,026	99,662	-	-
Provision (reversal) for doubtful accounts	32	(195,493)	16,556	(13,093)	125,249
Provision for litigation	32	282,281	1,883,406	1,039,086	3,020,990
Provision (reversal) for impairment of assets	32	-	-	-	434,586
Provision (reversal) onerous contract	32	-	-	(342,671)	(602,481)
Provision (reversal) for investment losses	32	(12,712)	316,334	(47,749)	428,475
Provision (reversal) Aneel - CCC	32	1,676,028	-	1,676,028	-
Global Reversal Reserve Charges		824,774	258,283	824,774	258,283
Non-controlling interest		-	-	(16,243)	(73,000)
Shareholder appeal charges		180,604	175,302	210,864	205,390
Financial Instruments - Derivatives		-	-	67,076	(55,663)
Others		143,941	(156,528)	(278,493)	(596,679)
		<u>(3,370,372)</u>	<u>(2,629,595)</u>	<u>766,786</u>	<u>(1,757,469)</u>
(Increases) / Decreases in operating assets					
Customers		20,441	(74)	(1,446,390)	252,813
Marketable securities		(653,220)	1,917,319	(2,752,426)	900,386
Reimbursement rights		442,367	-	882,341	1,040,368
Warehouse		(58)	(23)	(19,892)	(65,907)
Nuclear fuel inventory		-	-	119,079	9,044
Financial Assets - Itaipu		440,203	(458,425)	440,203	(458,425)
Assets held for sale	37	3,655,616	-	11,786,912	(9,628,815)
Hydrological risk		-	-	86,185	92,551
Credit with subsidiaries - CCD		2,406,622	(1,485,926)	-	-
Others		(1,494,911)	367,428	(3,442,621)	4,759,984
		<u>4,817,059</u>	<u>340,299</u>	<u>5,653,391</u>	<u>(3,098,001)</u>
Increases / (decreases) in operating liabilities					
Suppliers		(33,889)	(26,994)	(738,479)	1,893,066
Advances		-	-	(54,850)	200,290
Lease		65,484	-	547,282	232,575
Estimated Obligations		(5,994)	32,212	(138,150)	95,524
Reimbursement Obligations		-	-	-	(413,785)
Sector charges		-	-	53,369	36,666
Liabilities associated with assets held for sale	37	(2,497,757)	-	(8,594,227)	5,435,797
Accounts payable with parent companies		(2,866,810)	-	-	-
Others		326,194	126,160	(790,033)	(4,409,641)
		<u>(5,012,772)</u>	<u>131,378</u>	<u>(9,715,088)</u>	<u>3,070,492</u>
Payment of finance charges		(880,077)	(792,344)	(2,393,601)	(2,074,482)
Payment of global reversal reserve charges		(150,531)	(145,028)	(150,531)	(145,028)
Allowed Annual Revenue Receipt		-	-	772,340	722,036
Recebimentos do ativo financeiro		-	-	4,739,395	5,171,030
Receipt of finance charges		1,373,956	1,051,406	915,023	527,380
Payment of income tax and social contribution		(224,783)	(141,810)	(2,000,114)	(1,432,822)
Payment of refinancing of taxes and contributions - principal		-	-	(22,092)	(44,887)
Receipt of return on equity investments		1,956,884	943,886	563,787	608,213
Supplementary pension payment		(24,727)	(21,439)	(205,191)	(217,198)
Payment of court contingencies		(819,500)	(804,407)	(902,011)	(902,949)
Collateral and deposits		(347,894)	(150,455)	(235,819)	(218,045)
Net cash provided by (used in) operating activities of continuing operations		<u>30,675</u>	<u>(68,195)</u>	<u>2,756,144</u>	<u>3,597,197</u>
Net cash provided by (used in) operating activities of discontinued operations		-	-	(379,997)	(933,170)
Net cash provided by (used in) operating activities		<u>30,675</u>	<u>(68,195)</u>	<u>2,376,147</u>	<u>2,664,027</u>
FINANCING ACTIVITIES					
Loans and financing obtained / debentures obtained		5,000,000	-	5,690,208	732,378
Payment of loans and financing - principal		(8,671,179)	(2,275,838)	(10,806,147)	(5,042,995)
Shareholder remuneration payment		(476)	(729)	(11,569)	(10,674)
Recursos da reserva global de reversão	21	(37,519)	-	(411,768)	-
Others		-	-	(19,254)	11,592
Net cash provided by (used in) continuing operations financing activities		<u>(3,709,174)</u>	<u>(2,276,567)</u>	<u>(5,558,530)</u>	<u>(4,309,699)</u>
Net cash provided by (used in) discontinued operations financing activities		-	-	414,724	971,313
Net cash provided by (used in) financing activities		<u>(3,709,174)</u>	<u>(2,276,567)</u>	<u>(5,143,806)</u>	<u>(3,338,387)</u>
INVESTMENT ACTIVITIES					
Loans and Financing		(612,758)	(239,002)	(24,907)	-
Acquisition of fixed assets		4,299,065	2,270,594	3,661,485	1,714,585
Acquisition of intangible assets		(166)	(3,732)	(1,002,419)	(649,116)
Acquisition / capital contribution in equity interests		(53)	-	(24,736)	(20,826)
Advance grant for future capital increase		(11,460)	(140,700)	(247,973)	(613,727)
Disposal of equity investments		(447,761)	-	(99,283)	(88,524)
Others		415,259	363,813	431,259	443,140
		-	-	(26,654)	13,272
Net cash provided by (used in) continuing operations investing activities		<u>3,642,126</u>	<u>2,250,973</u>	<u>2,666,772</u>	<u>798,805</u>
Net cash provided by (used in) investing activities of discontinued operations		-	-	6,337	(25,016)
Net cash provided by (used in) investing activities		<u>3,642,126</u>	<u>2,250,973</u>	<u>2,673,109</u>	<u>773,789</u>
Increase (decrease) in cash and cash equivalents		<u>(36,373)</u>	<u>(93,789)</u>	<u>(94,550)</u>	<u>99,429</u>
Cash and cash equivalents at beginning of year of continuing operations	6	47,400	161,326	583,352	792,252
Cash and cash equivalents at year-end of continuing operations	6	11,027	67,537	447,738	878,555
Increase (decrease) in cash and cash equivalents of non-continuing operations		-	-	41,064	13,126
		<u>(36,373)</u>	<u>(93,789)</u>	<u>(94,550)</u>	<u>99,429</u>



CENTRAIS ELÉTRICAS BRASILEIRAS S.A.
Eletrobras

Notes to the financial statements at September 30, 2019
(In thousands of reais)

(A free translation of the original in Portuguese)

CENTRAIS ELÉTRICAS BRASILEIRAS S.A.
Eletrobras

Notes to the financial statements at September 30, 2019
(In thousands of reais)

NOTE 1 - OPERATIONAL CONTEXT

Centrais Elétricas Brasileiras S.A. ("Eletrobras", "Eletrobras System" or "Company") is a public company, with head office in Brasilia - DF (Federal District), registered with the Brazilian Securities and Exchange Commission (CVM) and the US Securities and Exchange Commission (SEC), with shares traded on the São Paulo - B3 S.A., Madrid - LATIBEX and New York - NYSE stock exchanges. The Company is a mixed capital company controlled by the Federal Government (the Company's ultimate parent).

The Company acts as a holding company, managing investments in equity interests, holding direct and indirect controlling interest in electric power generation and transmission companies, see Note 4.1.

The Company still holds the controlling interest of Eletrobras Participações S.A. – Eletropar. Additionally, it holds equity interests in Itaipu Binacional - Itaipu (under joint control under the International Treaty signed between the Governments of Brazil and Paraguay), Inambari Geração de Energia S.A. and Rouar S.A. (under joint control with the Uruguayan state-owned *Usina y Transmisiones Eléctricas de Uruguay* – UTE).

The Company is authorized, directly or through its subsidiaries or controlled companies, to associate, with or without funds, for the establishment of business consortia or participation in companies, with or without controlling power, abroad, which are intended directly or indirectly to the exploitation of the production or transmission or distribution of electric power.

The Company acts as an electric power trading agent for Itaipu Binacional and the agents participating in the Program for Incentive to Alternative Energy Sources - PROINFA.

The issuance of this interim financial information was authorized by the Executive Board on November 11, 2019.

NOTE 2 - THIRD QUARTER HIGHLIGHTS

2.1 - Competitive disposal procedure

On July 25, 2019, the Board of Directors initiated Competitive Disposal Procedure No. 01/2019 aiming at the sale of the equity interests in 39 SPEs, grouped in 6 lots. The purpose of this transaction is to complete the sale of the remaining equity interests of Tender No. 01/2018, which took place in September 2018.

2.2 - Bond Settlement

On July 30, 2019, the due date of the debt, the Company settled the bond in the amount of US \$ 1 billion, equivalent to R \$ 3.9 billion, with funds obtained from the raised Debentures.



CENTRAIS ELÉTRICAS BRASILEIRAS S.A.
Eletrobras

Notes to the financial statements at September 30, 2019
(In thousands of reais)

2.3 - Debt Amortization with Petrobras

With portions of the proceeds obtained from the Debentures raised and the amounts received from the first installment of the court settlement with Enel Distribuição São Paulo, in the amount of approximately R\$ 275 million, the Company amortized in the period the amount of R \$ 1.275 billion of the debt balance of the Debt Assumption Instruments (IADs) signed with Petrobras as a result of the privatization of the distributors.

NOTE 3 - ELECTRIC POWER CONCESSIONS AND AUTHORIZATIONS

The Company, through its subsidiaries, holds several electric power concessions in the generation and transmission segments or interests in Special Purpose Entities (SPEs) that also operate in these same segments. These concessions did not change significantly from the position disclosed in the 2018 financial statements, with the exception of (i) concessions of some subsidiaries whose concessions expired in the period and (ii) those tendered in the period ended 2018, which had their controlling interests transferred until September 30, 2019, further details in Note 38.

In addition to the above, the subsidiary Furnas reiterated the request for extension of the Itumbiara HPP concession for 30 years, pursuant to paragraph 14 of Article 10 of Law 13,182/2015, upon the start of the process by the Brazilian Electric Energy Regulatory Agency (ANEEL) and referral to the Ministry of Mines and Energy (MME). However, as the amendment to the concession has not yet been formalized, the presentation continues considering the closing date of this concession in February 2020 as disclosed in the 2018 Financial Statements. In addition, the subsidiary Eletronorte expressed to ANEEL its interest in extending the term of Generation Concession Contract No. 007/2004, concerning the regulation of the operation of the hydroelectric potential of the Tucuruí Hydroelectric Power Plant, which expires on August 30, 2024, pursuant to Law 12,783/2013. The claim must be submitted by ANEEL to the MME, which will disclose the pertinent conditions for the concession extension. The above statement aims to ensure the right of Eletronorte to an eventual extension of the contract. However, the effective decision will only occur after the disclosure by the MME of the conditions for the extension, which must be reviewed by the Company's governance bodies.

3.1 - Concessions to be indemnified

Indemnities after Basic Project - modernization and improvements

Hydraulic Generation

Law No. 12,783/2013 guaranteed the right of electric power generation and transmission concessionaires, which extended their concessions, to be indemnified for the portion of investments linked to reversible assets, not yet amortized or depreciated, whose value would be updated until effective payment to the concessionaire.

Decree No. 7,805/2012, which regulates Law No. 12,783/2013, established that indemnities for investments in reversible assets not yet amortized or depreciated related to generation concessions would be calculated based on the New Replacement Value (VNR), considering the accumulated depreciation and amortization from the date of commissioning of the facility until December 31, 2012, in accordance with the criteria of the Electric Sector Accounting Manual (MCSE).

Normative Resolution No. 596 of December 2013, which regulates Decree No. 7,850/2012, established that the concessionaires should prove the realization of their investments linked to reversible assets by December 2015.



CENTRAIS ELÉTRICAS BRASILEIRAS S.A.
Eletrobras

Notes to the financial statements at September 30, 2019
(In thousands of reais)

In December 2014, the subsidiary CHESF presented supporting documentation to ANEEL of investments related to reversible assets, not yet amortized or depreciated, of the Xingó, Paulo Afonso I, II, III and IV, Apolônio Sales (Moxotó), Luiz Gonzaga (Itaparica), Boa Esperança, Pedra and Funil hydroelectric projects, whose concessions were extended under Law 12,783/2013, for the purpose of the process of requesting generation supplementary compensation.

In October 2015, the subsidiary Furnas presented supporting documentation of investments related to reversible assets, not yet amortized or depreciated, of the Corumbá, Funil, Furnas, Luiz Carlos de Barreto de Carvalho, Maribondo and Porto Colômbia hydroelectric power plants, whose concessions were extended pursuant to Law 12,783/2013, for the purpose of the process of requesting generation supplementary compensation.

In February 2015, the subsidiary Eletronorte presented supporting documentation of investments related to reversible assets, not yet amortized or depreciated, of the Coaracy Nunes hydroelectric power plant, whose concession was extended under Law 12,783/2013, for the purpose of the process of requesting generation supplementary compensation.

In January 2019, ANEEL's Executive Board decided to institute a Public Hearing, No. 003/2019, in order to collect subsidies and additional information to improve the criteria and procedures for calculating investments in non-amortized and non-depreciated reversible assets, carried out during the generation concessions extended or not, pursuant to Law No. 12,783/2013.

In October 2019, the analysis of the contributions to Public Hearing No. 003/2019 was published by Technical Note 096/2019-SRG-SFF-SCG/ANEEL. The Company will await deliberation by ANEEL's Executive Board to make any necessary adjustments to its financial statements.

Eletrobras keeps the assets object of this public hearing recorded at their historical value (balance as of December 2012) due to the uncertainty regarding the approval and the manner of realization thereof, which are the minimum amounts expected to be recovered, in the total amount of R \$ 1,483,540 listed below:

	<u>CONSOLIDATED</u>
Upgrades and improvements	09/30/2019
Paulo Afonso I	92,612
Paulo Afonso II	107,093
Paulo Afonso III	66,259
Paulo Afonso IV	20,832
Apolônio Sales	38,250
Luiz Gonzaga	28,174
Zingó	15,150
Boa Esperança	98,759
Pedra	8,067
Funil	12,626
HPP Furnas	514,825
HPP Estreito	480,893
	1,483,540

Thermal Generation

It reflects the residual value at the end of the concession period of the TPP Santa Cruz thermoelectric project, which in December 2012 represented the amount of R \$ 661,997.

Law 12,738/2013 did not regulate the renewal of the concession of the thermoelectric power plants;



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however, Santa Cruz TPP continues to operate with an energy sale contract until 2025 and awaits the definition of the granting authority regarding the renewal.

The Company maintains a provision for impairment in the total amount of the asset of R \$ 731,989.

NOTE 4 - MAIN ACCOUNTING POLICIES

The main accounting policies applied in the preparation of this interim financial information are the same as those adopted in the financial statements for the year ended December 31, 2018, except for the new accounting policies related to the adoption of CPC 06(R2)/IFRS 16 - Leases, as described in item 4.1.1 of this note.

This interim financial information should be read in conjunction with the financial statements as of December 31, 2018.

4.1 - Basis of preparation

The interim financial information was prepared in reais and it is substantially based on historical cost, except for certain financial instruments measured at fair value and some assets linked to concessions that were measured at New Replacement Value (VNR). The transactions, disclosures or balances that require a higher level of judgment, which are more complex and for which assumptions and estimates are significant, together with transactions whose estimates are required by Management, are disclosed in Note 5.

The Company's interim financial information comprises the parent company's individual interim financial information, identified as Parent Company, and the consolidated interim financial information, identified as Consolidated, prepared in accordance with CPC 21 (R1) Interim Statement and IAS 34 Interim. Financial Reporting, issued by the International Accounting Standards Board (IASB), applicable to the preparation of Interim Financial Information - ITR. Accounting practices adopted in Brazil comprise those included in Brazilian corporate legislation and presented in accordance with the standards issued by the Accounting Pronouncements Committee (CPC) and approved by the Federal Accounting Council (CFC) and the Brazilian Securities and Exchange Commission (CVM).

This consolidated interim financial information includes information from Eletrobras and the following subsidiaries and investees:



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Subsidiaries	09/30/2019		12/31/2018	
	Equity-holdings Direct	Equity-holdings Indirect	Equity-holdings Direct	Equity-holdings Indirect
Amazon GT	100.00%	-	100.00%	-
Amazonas Distribuidora (1)	-	-	100.00%	-
Ceal (1)	-	-	100.00%	-
CGTEE	99.99%	-	99.99%	-
Chesf	99.58%	-	99.58%	-
Eletronorte	99.48%	-	99.48%	-
Eletronuclear	99.91%	-	99.91%	-
Eletropar	83.71%	-	83.71%	-
Eletrosul	99.88%	-	99.88%	-
Furnas	99.56%	-	99.56%	-
Chuí IX (2)	99.99%	-	99.99%	-
Vitoria saint of the Palmar (2)	78.00%	-	78.00%	-
Hermenegildo I (2)	99.99%	-	99.99%	-
Hermenegildo II (2)	99.99%	-	99.99%	-
Hermenegildo III (2)	99.99%	-	99.99%	-
Uirapuru (1)	-	-	75.00%	-
Chuí Holding (2)	-	78.00%	-	78.00%
Geribatu I	-	100.00%	-	100.00%
Geribatu II	-	100.00%	-	100.00%
Geribatu III	-	100.00%	-	100.00%
Geribatu IV	-	100.00%	-	100.00%
Geribatu V	-	100.00%	-	100.00%
Geribatu VI	-	100.00%	-	100.00%
Geribatu VII	-	100.00%	-	100.00%
Geribatu VIII	-	100.00%	-	100.00%
Geribatu IX	-	100.00%	-	100.00%
Geribatu X	-	100.00%	-	100.00%
Livramento Holding	-	78.00%	-	78.00%
Paradise Transmissora de Energia	-	100.00%	-	100.00%
Extremoz Transmissora do Nordeste S.A.	-	100.00%	-	100.00%
Transenergia Goiás S.A	-	99.99%	-	99.99%
Transmissora Sul Brasileira de Energia S.A.	-	99.88%	-	99.88%
Brasil Ventos Energia S.A.	-	100.00%	-	100.00%



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Subsidiaries	09/30/2019		12/31/2018	
	Direct	Indirect	Direct	Indirect
Complexo Eólico Pindaí I				
Acauã Energia S.A.	-	99.93%	-	99.93%
Angical 2 Energia S.A.	-	99.96%	-	99.96%
Arapapá Energia S.A.	-	99.90%	-	99.90%
Caititu 2 Energia S.A.	-	99.96%	-	99.96%
Caititu 3 Energia S.A.	-	99.96%	-	99.96%
Carcará Energia S.A.	-	99.96%	-	99.96%
Corrupião 3 Energia S.A.	-	99.96%	-	99.96%
Teiú 2 Energia S.A.	-	99.95%	-	99.95%
Complexo Eólico Pindaí II				
Coqueirinho 2 Energia S.A.	-	99.98%	-	99.98%
Papagaio Energia S.A.	-	99.96%	-	99.96%
Complexo Eólico Pindaí III				
Tamanduá Mirim 2 Energia S.A.	-	83.01%	-	83.01%
Joint Partnerships (Consortia)				
Consórcio Cruzeiro do Sul	-	49.00%	-	49.00%

(1) Company with transfer of controlling interest, see Note 38;

(2) Companies classified as held for sale, see Note 37.

The subsidiary Eletrosul has a joint operation, resulting from a 49% interest in the Cruzeiro do Sul Consortium, which operates the Governador Jayme Canet Junior HPP, in Telêmaco Borba/Ortigueira (PR), in commercial operation since 2012, for a period of 30 years. Eletrosul (and Eletrobras, in its consolidated statements) is entitled to a proportional share of revenues and assumes a proportional portion of the expenses of the joint operation.

4.1.1 - Adoption of new standards and interpretations

The Company has applied amendments and new interpretations to IFRSs and CPCs issued by the IASB and CPC, respectively, which were effective as of January 1, 2019. The impact of the adoption of new standards and interpretations, as well as the new accounting policies, are as follows:

a) CPC 06 (R2)/IFRS 16 - Leases

On January 1, 2019, the Company applied CPC 06 (R2)/IFRS 16 - Leases, which establishes the principles for the recognition, measurement, presentation and disclosure of lease transactions, and requires lessees to account for all leases under a single balance sheet model, similar to the accounting for financial leases previously applied in accordance with CPC 06 (R1)/IAS 17.

At the commencement date of a lease, the lessee recognizes a liability representing the obligation to make payments (a lease liability) and an asset representing the right to use the underlying asset over the term of the lease (a right-of-use asset). Lessees must separately recognize interest expense on lease liabilities and depreciation expense on the right-of-use asset.

Given this context, the contracts containing leases began to impact the Company's financial statements, as follows: (i) recognition of right-of-use assets and lease liabilities in the consolidated balance sheet, initially measured at present value of future minimum lease payments; (ii) recognition of depreciation expenses of right-of-use assets and interest expense on lease liabilities in the consolidated statement of



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operations; (iii) separation of the total cash paid in these operations between principal (presented within financing activities) and interest (presented in operating activities) in the consolidated statement of cash flows.

The Company opted for the modified retrospective approach, applying the effects of the initial adoption of the standard as adjustments to the opening balance of retained earnings on January 1, 2019 without the restatement of comparative information. Accordingly, all comparative balances are presented in accordance with the standards in force until 2018.

The Company has adopted practical arrangements that allow the non-application of the new standard to contracts that were not previously classified as a lease under the old standard, as well as to lease contracts previously classified as an operating lease (according to the previous standard), assets and liabilities were recognized on the date of initial application in accordance with CPC 06 (R2)/IFRS 16, adopting the following initial measurement criteria:

- Lease liabilities: lease liabilities were measured at the present value of the remaining lease payments, discounted at the lessee's incremental loan rate on the initial application date; and
- Right-of-use asset: measurement of the right-of-use asset at an amount equivalent to the lease liability, adjusted by the amount of any advance or accumulated lease payments for that lease that was recognized in the balance sheet immediately prior to the initial application date of the lease.

The main lease contracts identified correspond to real estate, land, vehicles and equipment. The lease term assessed for lease recognition corresponds to the non-terminable period, and most contracts do not offer renewal options.

In addition to those mentioned above, the Company used the following practical expedients to transition to the new requirements:

- Use of a single discount rate for each lease portfolio with reasonably similar characteristics. In this sense, the incremental loan rate, measured on January 1, 2019, applicable to each of the leased asset portfolios, was obtained. Through this methodology, the Company obtained the specific rates that cover the remaining term of each contract, between 1 and 13 years. The weighted average rate for measured contracts under IFRS 16/CPC 06 (R2) was 8.82%;
- Use of late perception to determine the term of the lease, in those cases where the contract contains options for extension or termination;
- Exclusion of initial direct costs from measurement of initial balance of the right-of-use asset; and
- No recognition was made of the lease liability of those contracts with maturity within 12 months from January 1, 2019 (date of initial application of the new standard), as well as for low value assets. Low value lease contracts refer to assets with a value equal to or less than R\$ 50,000.00 (fifty thousand reais). These include, but are not limited to, leasing contracts for printers, computers and other equipment.

The table below shows the impacts of the initial adoption of CPC 06 (R2)/IFRS 16 on the interim accounting information as of January 1, 2019:



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	Initial Acquisition 01/01/2019	
	Asset	Liabilities
Right of Use Asset	340,225	-
Leasing Liabilities	-	340,225

In addition, the table below summarizes the amounts recognized as a result of the adoption of this new accounting standard to the statements of operations and cash flows for the period ended September 30, 2019:

	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Statement of operations		
Depreciation and Amortization	30,412	58,797
Financial expenses	1,610	12,566
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Statements of Cash Flows		
Adjustments to reconcile profit with cash generated from operations:		
Depreciation and Amortization	30,412	58,797
Leasing Charges	5,012	15,968
Financing activities		
Payments on Loans and Financings	47,025	87,874

The Company also had contracts previously classified as finance leases, described in Note 21, which were not impacted by the adoption of the new standard.

b) ICPC 22/IFRIC 23 - Uncertainty over Income Tax Treatments

This Interpretation clarifies how to apply the CPC 32 recognition and measurement requirements when there is uncertainty over income tax treatments. The Interpretation requires the Company to: (1) determine whether uncertain tax positions are assessed separately or as a group; and (2) assess whether the tax authority is likely to accept the use of uncertain tax treatment or proposed use by the Company. If so, the entity shall determine its tax and accounting position in line with the tax treatment used or to be used in its income tax returns. If not, the Company should reflect the effect of uncertainty in determining its fiscal and accounting position. The Company has assessed the requirements of the standard and identified no impact upon its adoption on January 1, 2019.

4.1.2 - Restatement of comparative balances

As a result of the adoption of CPC 47/IFRS 15 and CPC 48/IFRS 9 in 2018, the Company is restating its statements of operations, cash flows and value added and related notes for the period ended September 30, 2018, presented for comparison purposes. Additionally, according to CPC 31, the amounts presented below of September 30, 2018 are excluding discontinued operations as per Note 39.



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Statement of operations for the Period

	PARENT COMPANY					
	07/01/2018 to 09/30/2018 Before adjustments	Adjustments for Adoption of CPC 47 and CPC 48	07/01/2018 to 09/30/2018 After adjustments	09/30/2018 Before adjustments	Adjustments for Adoption of CPC 47 and CPC 48	09/30/2018 after adjustments
Earnings Before Equity Holdings	(1,706,919)	-	(1,706,919)	(696,104)	-	(696,104)
Earnings from Equity Holdings	1,089,532	(643,772) (a)/(b)	445,760	4,517,005	(1,670,986) (a)/(b)	2,846,019
Income/(loss) before Income tax and the Social Contribution	(617,387)	(643,772)	(1,261,159)	3,820,901	(1,670,986)	2,149,915
Income tax and Social Contribution	7,705	-	7,705	(586,656)	-	(586,656)
Net Income/(loss) from Ongoing Operations	(609,682)	(643,772)	(1,253,454)	3,234,245	(1,670,986)	1,563,259
Loss from Discontinued Operations	(1,011,474)	-	(1,011,474)	(2,004,004)	-	(2,004,004)
Net Income/ (loss) from the period	(1,621,156)	(643,772)	(2,264,928)	1,230,241	(1,670,986)	(440,745)

	CONSOLIDATED					
	07/01/2018 to 09/30/2018 Before adjustments	Adjustments for Adoption of CPC 47 and CPC 48	07/01/2018 to 09/30/2018 After adjustments	09/30/2018 Before adjustments	Adjustments for Adoption of CPC 47 and CPC 48	09/30/2018 after adjustments
Net Operating Revenue	6,810,826	(169,321) (a)	6,641,505	18,810,022	(171,725) (a)	18,638,297
Operating Income/(loss) before Financial Income/(loss)	(167,994)	(169,321)	(337,315)	4,442,396	(171,725)	4,270,671
Net Financial Income/(loss)	(503,897)	(741,692) (b)	(1,245,589)	(41,493)	(2,064,569) (b)	(2,106,062)
Earnings Before Equity Holdings	(671,891)	(911,013)	(1,582,904)	4,400,903	(2,236,294)	2,164,609
Earnings from Equity Holdings	505,648	83,412 (a)/(b)	589,060	886,599	337,721 (a)/(b)	1,224,320
Income/(loss) before Income Tax and Social Contributions	(166,243)	(827,601)	(993,844)	5,287,502	(1,898,573)	3,388,929
Income tax and Social Contribution	(435,508)	180,965 (a)/(b)	(254,543)	(2,010,478)	219,501 (a)/(b)	(1,790,977)
Net Income/(loss) from Ongoing Operations	(601,751)	(646,636)	(1,248,387)	3,277,024	(1,679,072)	1,597,952
Loss from Discontinued Operations	(1,011,701)	-	(1,011,701)	(2,002,413)	-	(2,002,413)
Net Income/ (loss) from the period	(1,613,452)	(646,636)	(2,260,088)	1,274,611	(1,679,072)	(404,461)

Statement of Cash Flows

	PARENT COMPANY			CONSOLIDATED		
	09/30/2018 Before adjustments	Adjustments for Adoption of CPC 47/IFRS 15	09/30/2018 After adjustments	09/30/2018 Before adjustments	Adjustments for Adoption of CPC 47/IFRS 15	09/30/2018 After adjustments
OPERATIONAL ACTIVITIES						
Income/loss before income tax and the social contribution	3,820,901	(1,670,986) (a)/(b)	2,149,915	5,287,501	(1,898,573) (a)/(b)	3,388,928
Adjustments to reconcile profit (loss) with cash generated from operations:						
Income/loss from equity accounting	(4,517,005)	1,670,986 (a)/(b)	(2,846,019)	(886,599)	(337,721) (a)/(b)	(1,224,320)
Other	216,425	-	216,425	(2,769,442)	2,236,294 (b)	(533,148)
	(4,300,580)	1,670,986	(2,629,595)	(3,656,042)	1,898,573	(1,757,469)
Cash from (used in) operations	(68,195)	-	(68,195)	2,664,027	-	2,664,027
Net cash from (used in) financing activities	(2,276,567)	-	(2,276,567)	(3,338,387)	-	(3,338,387)
Net cash from (used in) investment activities	2,250,973	-	2,250,973	773,789	-	773,789
Increase (decrease) in cash and cash equivalents	(93,789)	-	(93,789)	99,429	-	99,429

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Statement of Value Added

	Parent Company			CONSOLIDATED		
	09/30/2018 Before adjustments	Adjustments from adoption of CPC 47/IFRS 15	09/30/2018 after adjustments	09/30/2018 Before adjustments	Adjustments from adoption of CPC 47/IFRS 15	09/30/2018 after adjustments
Revenue (Expenses)						
Sale of goods, products and services	427,686	-	427,686	33,716,016	(171,725)	33,544,291
	<u>427,686</u>	<u>-</u>	<u>427,686</u>	<u>31,331,639</u>	<u>(171,725)</u>	<u>31,159,914</u>
Supplies Purchased from Third Parties						
Fuel purchased for resale	(27,008)	-	(27,008)	(4,855,324)	-	(4,855,324)
	<u>(4,583,373)</u>	<u>-</u>	<u>(4,583,373)</u>	<u>(14,938,647)</u>	<u>-</u>	<u>(14,938,647)</u>
Gross Value Added	<u>(4,155,687)</u>	<u>-</u>	<u>(4,155,687)</u>	<u>16,392,992</u>	<u>(171,725)</u>	<u>16,221,267</u>
Retention	(3,380)	-	(3,380)	(1,437,803)	-	(1,437,803)
Depreciation, amortization and depletion	(3,380)	-	(3,380)	(1,437,803)	-	(1,437,803)
Net Value Added Produced by the Entity	<u>(4,159,067)</u>	<u>-</u>	<u>(4,159,067)</u>	<u>14,955,189</u>	<u>(171,725)</u>	<u>14,783,464</u>
Value Added received by Transfer						
Equity-Holdings	4,517,005	(1,670,986)	2,846,019	886,599	337,721	1,224,320
Financial incomes	8,417,875	-	8,417,875	8,271,595	(2,064,569)	6,207,026
	<u>12,934,880</u>	<u>(1,670,986)</u>	<u>11,263,894</u>	<u>9,158,194</u>	<u>(1,726,848)</u>	<u>7,431,346</u>
Total Value Added to be Distributed	<u>8,775,813</u>	<u>(1,670,986)</u>	<u>7,104,827</u>	<u>24,113,383</u>	<u>(1,898,573)</u>	<u>22,214,810</u>
Distribution of the Value Added						
Staff	282,508	-	282,508	4,871,146	-	4,871,146
Taxes	675,095	-	675,095	7,751,892	(219,501)	7,532,391
Third parties	6,587,969	-	6,587,969	10,215,735	-	10,215,735
Shareholders	1,230,241	(1,670,986)	(440,745)	1,274,610	(1,679,072)	(404,462)
	<u>8,775,813</u>	<u>(1,670,986)</u>	<u>7,104,827</u>	<u>24,113,383</u>	<u>(1,898,573)</u>	<u>22,214,810</u>

(a) Revenue from transmission assets - The Company changed the measurement of these transmission assets, previously classified as financial assets at amortized cost to revenue from contract assets, pursuant to CPC 47/IFRS 15, resulting in a reduction of R \$ 171,725 in consolidated operating revenue. For more details on the accounting estimates used for contractual transmission assets, see Note 5 (a).

(b) Revenue from transmission assets of the Existing Basic Network System (RBSE) - The Company changed the measurement of these transmission assets, previously classified as financial assets at amortized cost to measured at fair value in accordance with CPC 48/IFRS 9 resulting in a reduction of R\$ 2,064,569 in the consolidated financial result. For more details on the accounting estimates used for RBSE transmission assets, see Note 5 (b).

NOTE 5 - ACCOUNTING ESTIMATES AND JUDGMENTS

In applying accounting policies, the Company's Management must make judgments and estimates regarding the carrying amounts of revenues, expenses, assets and liabilities, as well as the disclosures in the notes.

The assumptions and accounting estimates assessed as the most critical by the Management of the Company and its subsidiaries are the same disclosed in Note 4 to the annual financial statements as of December 31, 2018, with emphasis on the estimates described below:

a) Valuation of contractual transmission assets

The Company's Management used the following main assumptions to evaluate the contractual transmission assets: (i) the concession renewal date as an initial measure of the renewed concession contracts; (ii) contract signature date as the best estimate of the operation start date for the new concession contracts; (iii) RAP established in the concession contract as the basis for calculating the concession cash flow; (iv) the expected amount of investments and costs to be made in the concession



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as a basis for allocating construction and O&M margins; (v) start date of the operation, as established in the concession contracts; (vi) term of the concession to residual assets as the best estimate to calculate indemnity at the end of the concession term; (vii) compatible market interest rate, at the rate that reflects counterparty credit risk; (viii) construction revenue calculated in accordance with the reference concession and investment contract; and (ix) construction cost as incurred. Our best estimates are based on all information available at the time it was recorded. However, the actual values and circumstances may differ and these estimates may be updated as new information becomes available.

b) Measurement of financial instruments for RBSE transmission assets

With the adoption of IFRS 9, the Company's Management measured the portion of RBSE financial assets at fair value through profit or loss. The main assumptions for such estimation measurement were as follows: (i) Estimated financial flow of Allowed Annual Revenue (RAP) according to the criteria established in Ordinance MME 120 and ANEEL calculations; (ii) Calculation of fair value by the future revenue method in accordance with item B of IFRS 13; (iii) Receipt period of 8 years as established by ANEEL; (iv) Segregation of the portion of the "ke" (Regulatory WACC) compensation to include an additional risk discount to reflect the possibility of non-payment of this portion due to the limitation imposed by Abrace's lawsuit, as disclosed in a provision for possible contingencies as of December 31, 2018; and (v) market-compatible discount rate, the rate reflecting the counterparty's credit risk. Our best estimates are based on all information available at the time it was recorded. However, the actual values and circumstances may differ and these estimates may be updated as new information becomes available.

c) Risks related to the Company

Compulsory Loan - judgment in Special Appeal No. 790288/PR, by the Superior Court of Justice (STJ)

The Compulsory Loan on Electric Power Consumption, established by Law 4,156/1962, was intended to generate funds for the expansion of the Brazilian electric power sector, and was extinguished by Law 7,181, of December 20, 1983, which set the date of December 31, 1993 as the collection deadline.

There is a significant litigation involving the Company, in which the largest number of lawsuits have the purpose of challenging the monetary restatement criteria of the Compulsory Loan book-entry credits on electric power consumption, determined by the law governing the Compulsory Loan and applied by the Company, and the application of inflationary purges arising from economic plans implemented in Brazil. As of September 30, 2019, the Company had 3,986 lawsuits related to this matter provisioned.

The credits from the compulsory loan were substantially paid by the Company through share conversions held at shareholders' meetings, on April 20, 1988, April 26, 1990, April 28, 2005 and April 30, 2008.

The dispute on the monetary restatement criteria of these credits was brought to the STJ, and the merits were decided by that Court through repetitive appeals substantiated in Special Appeal 1,003,955/RS, Special Appeal 1,028,592/RS and Divergence Appeals in Special Appeal 826,809/RS. After the judgment and publication of the collegiate decision on the repetitive theme by the Superior Court of Justice, the same solution should be applied to other processes that have identical theses.

The matter, however, is currently subject to appeals in the Federal Supreme Court (STF), which are pending judgment.

Despite the fact that the matter was submitted to the STF, in view of the precedents of the STJ, the lawsuits filed have had their normal course and, consequently, there have been several convictions to the payment of monetary restatement differences and interest rates of 6% per year, the latter as a reflection of monetary restatement differences. As a result of these, Eletrobras has been the target of prosecutions, and there is disagreement with the plaintiffs as to how to determine the amount due, especially with respect to the application of 6% a.a. after the General Meeting of conversion of these credits into shares and the five-year term for the collection of said interest.



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In the last 5 years, Eletrobras has already made a payment of approximately R \$ 6 billion, under these lawsuits, and records a provision of approximately R \$ 18 billion, as of September 30, 2019, of which approximately (i) R \$ 6.3 billion in principal difference due to monetary restatement criteria; (ii) R \$ 1.75 billion in reflex interest rates; and (iii) R \$ 9.95 billion from interest accrued (substantially at the SELIC Rate).

The most relevant controversy concerns the continued application of reflex interest rates of 6% per year after the conversion meeting. Pursuant to the current precedent of the STJ (repetitive appeals in Special Appeal 1,003,955/RS and Divergence Appeal in Special Appeal 826,809/RS), the reflexive interest of 6% per year ceases on the date of the conversion meeting, subject to the five-year limitation.

The difference in monetary restatement calculated on the date of the conversion meeting (if any), as it is a legal dispute, now includes the charges of the judicial debts, i.e. IPCA-E until the beginning of the incidence of SELIC. The SELIC rate is applied to the amount of the principal and the reflected remuneration interest, from the conversion meeting or date of summons, whichever is later. The Company, except for specific judicial determination, adopts this understanding.

Through the Divergence Appeal in Special Appeal No. 790,288/PR, by the STJ, a taxpayer obtained, on June 12, 2019, a favorable decision, by vote of 5 ministers out of the total of 9 voting ministers, to have, in the specific process, the remuneration interest rate of 6% per year, continuously from the 143rd Extraordinary General Meeting, of June 30, 2005, until the effective payment, accumulating with the SELIC rate. This decision is subject to appeals to be filed by the Company.

In this sense, the Company has already filed an appeal called motions for clarification, clarifying the impossibility of accruing remuneration interest with the SELIC rate and also informing that the aforementioned judgment, unfavorable to Eletrobras, has no repetitive appeal effect, under the terms of Article 1,036 of the Code of Civil Procedure, that is, it has no binding effect on the other lawsuits dealing with the subject, unlike the precedent from Special Appeal 1,003,955/RS and Divergence Appeal in Special Appeal 826,809/RS. These last two appeals, which are those adopted by Eletrobras to estimate its provision, were judged by the STJ as repetitive appeals of general repercussion and, therefore, must be considered for the other lawsuits dealing with this specific issue, according to Brazilian legislation.

In this context, we have identified that in subsequent judgments, in other lawsuits on the same subject, the understanding of restriction of the application of 6% remuneration interest until the date of the Meeting was maintained, which reinforces the understanding of the aforementioned company (Special Appeal No. 1,818,653/RS, Special Appeal No. 1,804,433/RS, EDcl in Special Appeal No. 1,659,030/RS, AgInt in Special Appeal No. 785,344/PR (ruling), EDcl in Special Appeal No. 1,702,937/RS and EDcl in Special Appeal No. 866,941/PR, pursuant to the preceding Resp. 1,003,955/RS).

Therefore, the aforementioned case No. 790,288/PR, which had an unfavorable decision for Eletrobras, is not a determining factor to influence the estimate made by the Company's management regarding the provision, now recognized in this interim financial information, and will be appealed by the Company.

Notwithstanding the restricted effect of the aforementioned proceeding, depending on its final outcome, it could generate reflexive legal arguments on the current repetitive appeal (Special Appeal 1,003,955/RS), on which Eletrobras relies to make its provision estimates. If there is any change in the current case law of the STJ to the detriment of Eletrobras, specifically regarding the application of remuneration interest after the conversion meeting, the measurement of the provision could be increased, in the Company's best estimate, based on the current provisioned lawsuits and available information, at approximately R \$ 11 billion.



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It is important to note that this figure is an estimate for the specific topic of applying remuneration interest after the conversion meeting and will always depend on accurate impact assessments at the time they occur and if they occur.

NOTE 6 - CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
I - Cash and cash equivalents				
Cash and Bank Balances	11,015	47,395	194,189	194,968
Financial Investments	12	5	253,549	388,384
	<u>11,027</u>	<u>47,400</u>	<u>447,738</u>	<u>583,352</u>
II - Restricted Cash:				
Sale - Itaipu	1,151,570	836,872	1,151,570	836,872
Sale - PROINFA	1,594,143	553,105	1,594,143	553,105
PROCEL	198,539	108,782	198,539	108,782
Collateral Account - SPEs	100,000	-	100,000	-
Funds from RGR	31,638	61,329	31,638	61,329
	<u>3,075,890</u>	<u>1,560,088</u>	<u>3,075,890</u>	<u>1,560,088</u>
	<u>3,086,917</u>	<u>1,607,488</u>	<u>3,523,628</u>	<u>2,143,440</u>

I - Short-term investments with immediate liquidity substantially remunerated by CDI/SELIC.

Balances considered as cash equivalents are short-term, immediately liquid investments readily convertible into a known amount of cash, subject to insignificant risk of change in value and held for the purpose of meeting short-term cash commitments and the Company's cash management. No public securities are classified as cash and cash equivalents.

II - Restricted cash - These are the funds raised by the respective funds that are used exclusively to comply with their regulatory provisions and are not available to the Company.

NOTE 7 - SECURITIES

Resolution No. 3,284 of the Central Bank of Brazil establishes that investments of cash from public companies and mixed capital companies, which are members of the Indirect Federal Administration, may only be invested in foreign investment funds managed by Caixa Econômica Federal (Federal Savings Bank) and by Banco do Brasil S.A. Accordingly, the Company and its subsidiaries invest their funds in off-market funds backed by substantially long-term government securities, the use of which includes both the short-term corporate investment program and the maintenance of the Company's operating cash.



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The breakdown of securities in the funds in which the Company invests its funds is as follows:

PARENT COMPANY					
CURRENT					
Securities	Custodian Financial Agent	Maturity	Indexer	09/30/2019	12/31/2018
LTN	Banco do Brasil	After 90 days	Fixed	4,146,145	3,565,431
LTN	CEF	After 90 days	Fixed	72,544	56,578
NTN- F	Banco do Brasil	After 90 days	Fixed	275,817	3,165
Repo Commitment	Banco do Brasil	-	-	189,741	394,086
Repo Commitment	CEF	-	-	3,215	14,982
Total Current				4,687,462	4,034,242

NON-CURRENT		
Securities	09/30/2019	12/31/2018
Beneficiary Parties (a)	304,653	291,701
Others	1,481	1,808
Total Non-Current	306,134	293,509

PARENT COMPANY					
CURRENT					
Securities	Custodian Financial Agent	Maturity	Indexer	09/30/2019	12/31/2018
LTN	Banco do Brasil	After 90 days	Fixed	4,146,145	3,565,431
LTN	CEF	After 90 days	Fixed	72,544	56,578
NTN- F	Banco do Brasil	After 90 days	Fixed	275,817	3,165
Repo Commitment	Banco do Brasil	-	-	189,741	394,086
Repo Commitment	CEF	-	-	3,215	14,982
Total Current				4,687,462	4,034,242

NON-CURRENT		
Securities	09/30/2019	12/31/2018
Beneficiary Parties (a)	304,653	291,701
Others	33,568	2,132
Total Non-Current	338,221	293,833

(a) Beneficiary Parties

Securities acquired as a result of the restructuring of the Company's investment in the subsidiary INVESTCO S.A. These assets guarantee annual income equivalent to 10% of the profits of the companies Lajeado Energia, Paulista Lajeado and Ceb Lajeado, paid together with the dividends, and will be redeemed at the expected maturity of October 2032, upon their conversion into preferred shares of the capital stock of these companies. These securities are adjusted to present value.



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(b) Fundo de Energia do Nordeste (FEN - Northeast Energy Fund)

A sector fund, created by Provisional Measure No. 677/2015, converted into Law No. 13,182, of 11/03/2015. Funds reverted to the fund are calculated as the difference between the price paid by large consumers to CHESF and the cost of power generation, under the terms of the legislation, in order to provide funds for the implementation of electric power projects in the Northeast of Brazil through SPEs. CHESF will use the funds of this fund for the acquisition/creation of these SPEs and its equity interest may be up to 49% of the equity of these companies.

NOTE 8 – ACCOUNTS RECEIVABLE, NET

	CONSOLIDATED					12/31/2018
	09/30/2019					
CURRENT	Not due	Overdue up to 90 days	Overdue more than 90 days	Renegotiated Credits	Total	Total
Supply of Electricity (a)	2,294,630	144,020	813,301	16,195	3,268,146	2,199,618
Short Term Electricity - CCEE (b)	728,368	17,485	597,016	-	1,342,869	1,045,952
Power Grid Use (c)	802,394	12,638	53,373	-	868,405	877,873
Transmission System Connection/Availability	332,714	5,894	104,174	-	442,782	422,295
PROINFA	340,068	-	-	-	340,068	359,210
Installment Plan	-	-	-	7,074	7,074	79,391
(-) PDA (d)	(10,079)	(50,405)	(703,172)	(16,195)	(779,851)	(905,119)
	<u>4,488,095</u>	<u>129,632</u>	<u>864,692</u>	<u>7,074</u>	<u>5,489,493</u>	<u>4,079,221</u>
NON-CURRENT						
Supply of Electricity (a)	17,498	-	9,548	758,483	785,529	507,115
Short Term Electricity - CCEE (b)	-	-	293,560	-	293,560	293,560
Power Grid Use (c)	-	-	4,348	-	4,348	4,348
Installment Plan	-	-	-	7,893	7,893	-
(-) PDA (d)	-	-	(307,456)	(758,483)	(1,065,939)	(796,610)
	<u>17,498</u>	<u>-</u>	<u>-</u>	<u>7,893</u>	<u>25,391</u>	<u>8,413</u>
	<u>4,505,593</u>	<u>129,632</u>	<u>864,692</u>	<u>14,967</u>	<u>5,514,884</u>	<u>4,087,634</u>

(a) Power Supply/Procurement

Receivables arising from energy sales in the Regulated Contracting Environment (ACR) and the Free Contracting Environment (ACL).

(b) Short-term Electric Power - CCEE

Receivables arising from the settlement of differences between the amounts of electric power contracted and the generation or consumption amounts actually verified and attributed to the respective CCEE agents.

(c) Electric Network Usage

Receivables arising from the use of the transmission network by users connected to the network.

(d) Provision for Doubtful Receivables – Client PCLD

The subsidiaries set up and maintain provisions based on the analysis of the amounts in the due and overdue receivables, analyzing the history of losses and the Company's expectation regarding expected



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losses on credits, the amount of which is considered by management to be sufficient to cover any expected losses on the realization of these due and overdue assets.

Changes in the provision for the 9-month periods ended September 30, 2019 and 2018 are as follows:

CONSOLIDATED		
	09/30/2019	09/30/2018
Beginning Balance	1,701,729	1,688,795
(+) Initial Adoption CPC48/IFRS 9	-	79,824
(+) Constitution	187,633	720,462
(-) Reversal	(5,234)	(275,442)
(-) Write Off	(38,338)	(175,124)
(-) Classification - Held for Sale	-	(231,482)
Ending Balance	1,845,790	1,807,033

The constitution and reversal of the provision were recorded in the statement of operations as Operating Provisions (see Note 32). Amounts are written off from the provision and recognized as a permanent loss when there is no expectation of recovery of the funds.

NOTE 9 - FINANCING AND LOANS

	PARENT COMPANY							
	09/30/2019				12/31/2018			
	CURRENT CHARGES		PRINCIPAL		CURRENT CHARGES		PRINCIPAL	
	Average Rate	Amount	CURRENT	NON - CURRENT	Average Rate	Amount	CURRENT	NON - CURRENT
FURNAS	6.20	15,130	510,695	2,063,020	6.26	17,270	499,852	2,427,214
CGTEE	5.68	780,341	1,273,112	1,677,756	6.33	560,639	1,028,881	1,841,559
AMAZONAS GT	7.59	50,897	198,791	2,231,616	7.52	147,619	1,057,716	1,101,219
ELETRONUCLEAR	7.19	11,912	509,758	1,316,542	7.10	-	369,218	1,332,522
ELETRONORTE	5.80	21,178	117,892	1,079,908	5.82	14,622	144,304	1,168,773
ELETROSUL	4.97	8,045	42,578	740,132	5.03	-	51,583	787,392
CEAL*	-	-	-	-	6.70	46,086	190,183	1,845,128
CHESF	-	-	-	-	9.63	-	227,045	42,438
		887,503	2,652,826	9,108,974		786,235	3,568,782	10,546,245
ITAIPU	7.05	-	2,628,393	4,052,064	7.08	11,731	2,357,819	5,620,167
ELETRIPAULO	6.01	-	-	1,294,693	10.00	-	-	1,491,811
CEAL*	7.66	-	121,167	1,459,532	-	-	-	-
AMAZONAS D*	7.74	35,133	-	3,815,230	-	-	-	-
CEPISA	5.91	-	314,127	485,593	6.60	193,731	857,669	996,771
CERON	-	-	-	-	7.21	9,861	98,461	515,564
ELETROACRE	-	-	-	-	7.43	-	194,401	275,127
BOA VISTA	5.94	3,904	23,357	139,076	6.72	220	99,076	198,404
CELPA	5.96	208	1,931	5,277	5.95	206	7,467	656,818
EQUATORIAL MARANHÃ D	0.27	314	25,995	69,481	0.34	377	27,814	87,470
ENERGISA - TO	5.07	12	2,570	-	5.83	177	25,549	8,496
CEMIG	5.17	32	1,559	765	5.17	180	13,930	20,259
COPEL	5.01	13	929	15	5.04	113	10,225	12,276
COELCE	5.00	-	-	-	5.00	110	8,545	13,477
CELESC DISTRIB.	5.00	-	-	-	5.00	87	10,470	5,545
CEEE	5.00	-	-	-	5.00	92	3,826	12,158
ESCELSA	5.00	-	-	-	5.00	58	6,752	4,913
CESP	5.19	2	472	-	5.11	29	5,135	33
RGR TRANSFER	5.00	184,223	280,222	787,641	-	-	-	-
OTHERS	-	91,942	21,919	122	-	228,356	37,932	52,486
(-) PCLD	-	(91,894)	(20,268)	-	-	(235,613)	(72,042)	-
		223,888	3,402,370	12,109,489		209,715	3,693,029	9,971,773
		1,111,391	6,055,196	21,218,463		995,951	7,261,811	20,518,018



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	CONSOLIDATED							
	09/30/2019				12/31/2018			
	CURRENT CHARGES		PRINCIPAL		CURRENT CHARGES		PRINCIPAL	
	Average Rate	Amount	CURRENT	NON - CURRENT	Average Rate	Amount	CURRENT	NON - CURRENT
ITAIPU	7.05	-	2,628,393	4,052,064	7.08	11,731	2,357,818	5,620,167
ELETROPAULO	6.01	-	-	1,294,693	10.00	-	-	1,491,811
CEAL*	7.66	-	121,167	1,459,532	-	-	-	-
AMAZONAS D*	7.74	35,133	-	3,815,230	-	-	-	-
CEPISA	5.91	-	314,127	485,593	6.60	193,731	857,669	996,771
CERON	-	-	-	-	7.21	9,861	98,461	515,564
ELETROACRE	-	-	-	-	7.43	-	194,401	275,127
BOA VISTA	5.94	3,904	23,357	139,076	6.72	220	99,076	198,404
CELPA	5.96	208	1,931	5,277	5.95	206	7,467	656,818
EQUATORIAL MARANHÃ D	0.27	314	25,995	69,481	0.34	377	27,814	87,470
ENERGISA - TO	5.07	12	2,570	-	5.83	177	25,549	8,496
CEMIG	5.17	32	1,559	765	5.17	180	13,930	20,259
COPEL	5.01	13	929	15	5.04	113	10,226	12,276
COELCE	5.00	-	-	-	5.00	110	8,546	13,477
CELESC DISTRIB.	5.00	-	-	-	5.00	86	10,470	5,545
CEEE	5.00	-	-	-	5.00	92	3,827	12,158
ESCELSA	5.00	-	-	-	5.00	58	6,752	4,913
CESP	5.19	2	472	-	5.11	29	5,136	33
RGR TRANSFER	5.00	184,223	280,222	787,641	-	-	-	-
OTHERS	-	91,942	22,088	124	-	228,359	38,267	52,568
(-) PCLD	-	(91,894)	(20,268)	-	-	(235,613)	(72,042)	-
		<u>223,888</u>	<u>3,402,541</u>	<u>12,109,489</u>		<u>209,717</u>	<u>3,693,367</u>	<u>9,971,857</u>

* Distributors CEAL and Amazonas Distribuidora were classified as held for sale as of 2018 and were sold in March 2019 and April 2019, respectively, see Note 38.1.

Financing and loans are made with the Company's own funds and external funds raised through international development agencies, financial institutions and the release of securities in the national and international financial market.

All financing and loans granted are supported by formal contracts signed with the borrowers. Most of these amounts are expected to be paid in monthly installments, amortized over an average term of 6.2 years, and at the average interest rate, weighted by the portfolio balance, of 7.19% per year.

The parent company has a loan with Itaipu with an exchange rate update clause representing 42% of the total consolidated portfolio (58% as of December 31, 2018). The other loans and financing provide for updating based on indices that represent the domestic price level in Brazil and reach 58% of the portfolio's consolidated balance (42% as of December 31, 2018).

The parent company has a loan with Amazonas Distribuidora de Energia in the amount of R \$ 3.85 billion and substantially represents the unfunded receivables in the process of disposal of corporate control. These contracts were renegotiated with a grace period of up to 3 years to amortize the principal, and during this grace period only interest is received. In addition, the renegotiation considered the period of 18 months for presentation of real guarantees that must be previously assessed and approved by Eletrobras Management.

In addition to the financing mentioned above, until April 30, 2017, Eletrobras was responsible for managing the Global Reversal Reserve (RGR), a sector fund, and was responsible for granting financing through the use of these resources to implement various sector programs. As of May 2017, with the issuance of Law 13,360/2016, CCEE assumed this activity. However, there is still financing made before this date, due by third parties, managed by Eletrobras.



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Pursuant to Decree 9,022/2017, which regulates the aforementioned law, Eletrobras is not the guarantor of these operations taken by third parties, but is responsible for the contractual management of RGR funding contracts entered into until November 17, 2016, which must be passed on to RGR within five days from the date of actual payment by the debtor agent.

9.1 - RGR Transfer

With the process of sale of the distributors completed, the transfer of the management of RGR resources to CCEE pursuant to Law 13.360/2016 and in line with Decree No. 9,022/2017, as of June 2019, the Company revised the form to present the amounts raised and passed on to third parties, with funds from RGR, in order to better present the funds under the responsibility of Eletrobras of those loans and financing that do not constitute Eletrobras debt and should be settled by third parties with RGR, being Eletrobras solely responsible for the contractual management of these loans. Accordingly, the amounts as of September 30, 2019 referring to receivables from loans and financing granted by the RGR to third parties were segregated from other Eletrobras receivables and have equivalent liabilities (see Note 19).

PARENT COMPANY AND CONSOLIDATED			
09/30/2019			
RGR transfer	Charges	Current	Non-current
AMAZONAS D	7,637	62,647	19,235
BOA VISTA	6,532	97,541	27,964
CERON	-	-	-
ELMA	10,946	3,143	-
ENERLESTE	1,748	1,424	-
GLOBAL	140,782	44,100	-
CELPA	15,923	6,795	663,402
CEMIG	97	12,214	9,940
COELCE	83	7,600	8,929
RGE-SUL	33	4,146	3,254
OTHERS	442	40,610	54,918
	<u>184,223</u>	<u>280,222</u>	<u>787,641</u>

9.2 - Provision for Doubtful Receivables – Receivable Loans PCLD

As of September 30, 2019, the Company recognized provisions for doubtful accounts in the amount of R \$ 112,162 (R \$ 285,476 as of September 30, 2018).

Such provision is deemed sufficient by the Company's management to cover expected losses on these assets, based on an analysis of the portfolio's behavior.

The changes in the provision for the Company's financing and loans for the 9-month periods ended September 30, 2019 and 2018 are as follows:

PARENT COMPANY / CONSOLIDATED		
	09/30/2019	09/30/2018
Beginning Balance	307,655	268,920
(+) Supplement	368,683	17,196
(-) Write-backs	(564,176)	(640)
Ending Balance	<u>112,162</u>	<u>285,476</u>



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The constitution and reversal of the PCLD were recorded in the statement of operations as Operating Provisions (see Note 32). In the second quarter, a supplementary provision was recognized for overdue installments of the companies Boa Vista and Amazonas Distribuidora, which were not previously provisioned because they were guaranteed by Eletrobras, the parent company. Amounts are written off from the provision and recognized as permanent losses when there is no expectation of recovery of the funds.

In September 2019, ensuring the best estimate and adequately presenting the management of RGR resources still under the supervision of Eletrobras, the accounting estimate for the provision for doubtful accounts of RGR funds was changed. Said estimate change considered the provisions of Decree No. 9,022/17, which removed the burden of the risk of default by Eletrobras. Accordingly, due to the non-requirement of transfer of these amounts in the event of default, there was a reversal of provision for doubtful accounts in the amount of R \$ 433,312 in September 2019.

NOTE 10 - DIVIDENDS RECEIVABLES

The amounts presented refer to dividends and interest on capital receivable, net of Withholding Income Tax, when applicable, arising from permanent investments held by the Company.

	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
CURRENT				
Eletronorte	1,018,285	1,858,834	-	-
CGTEE	109,418	104,544	-	-
CHESF	-	162,490	-	-
Eletrosul	-	31,240	-	-
Eletropar	-	2,619	-	-
Furnas	346,746	248,120	-	-
Paulista Lajeado	15,508	15,223	15,508	15,223
Lajeado Energia	19,044	11,278	19,044	11,278
CEB Lajeado	14,931	11,102	14,931	11,102
EMAE	91	10,813	189	10,813
Sete Gameleiras	4,176	4,176	4,176	4,176
Uirapuru	3,059	3,059	3,059	-
Equatorial Maranhão Distributor	57	61	57	61
Chapecoense	-	-	-	26,457
Transenergia São Paulo	-	-	16,805	18,031
Transmission Goiás	-	-	9,535	11,985
Tijoa Participações e Investimentos S.A.	-	-	13,734	16,468
Enerpeixe	-	-	8,035	16,382
Belo Monte Transmissora SPE S.A.	-	-	-	12,503
Manaus Construtora	-	-	9,178	9,178
Transmissora Sul Litorânea de Energia - TSLE	-	-	8,500	8,694
Paranaíba Transmissora de Energia S.A.	-	-	3,000	8,567
MGE Transmissão	-	-	5,616	5,616
Retiro Baixo Energético S.A.	-	-	5,615	5,616
Caldas Novas Transmissão S.A.	-	-	-	998
IE Garanhuns	-	-	8,396	-
Baguari Energia S.A.	-	-	5,984	-
Other	12,625	11,000	14,691	26,747
	<u>1,543,940</u>	<u>2,474,558</u>	<u>166,053</u>	<u>219,895</u>



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NOTE 11 - RECOVERABLE TAXES AND INCOME TAX AND SOCIAL CONTRIBUTIONS

11.1 - Recoverable taxes

	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Current Assets:				
Income Taxes (IRRF)	460,592	450,636	684,022	984,828
Offsetable PIS/PASEP/COFINS	50,752	37,955	222,507	175,923
ICMS to be recovered	-	-	20,889	12,869
Others	-	-	53,362	42,641
	<u>511,344</u>	<u>488,591</u>	<u>980,780</u>	<u>1,216,261</u>
Non-current Assets:				
ICMS to be recovered	-	-	36,698	34,533
PIS/COFINS to be recovered	-	-	177,258	193,613
IR/CS	-	-	188,188	-
Others	-	-	48,940	37,659
	<u>-</u>	<u>-</u>	<u>451,084</u>	<u>265,805</u>

11.2 - Income tax and social contribution

	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Current Assets:				
Income Tax and Social Contribution Tax Credits	309,605	817,417	2,635,334	2,420,165
Non-current Assets:				
Deferred Income Tax and Social Contribution	-	-	506,781	553,409
	<u>-</u>	<u>-</u>	<u>506,781</u>	<u>553,409</u>
Non-current Liabilities:				
Deferred Income Tax and Social Contribution	535,653	432,582	8,318,763	8,315,386



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11.3 - Composition of deferred income tax and social contribution

a) Deferred taxes by subsidiaries

Deferred Assets:	09/30/2019			12/31/2018		
	Assets	Liabilities	Net Effect of Assets (Liabilities)	Assets	Liabilities	Net Effect of Assets (Liabilities)
Eletronorte	2,228,514	(1,721,733)	506,781	1,868,051	(1,314,642)	553,409
Total	2,228,514	(1,721,733)	506,781	1,868,051	(1,314,642)	553,409

Deferred Liabilities	09/30/2019			12/31/2018		
	Assets	Liabilities	Net Effect of Assets (Liabilities)	Assets	Liabilities	Net Effect of Assets (Liabilities)
Eletrósul	453,310	(959,676)	(506,366)	443,849	(894,572)	(450,723)
Eletrobras	-	(535,653)	(535,653)	-	(432,582)	(432,582)
Furnas	969,180	(5,326,967)	(4,357,787)	969,179	(5,230,099)	(4,260,920)
Chesf	1,836	(2,911,745)	(2,909,909)	918	(3,166,663)	(3,165,745)
Eletropar	-	(9,049)	(9,049)	-	(5,416)	(5,416)
Eletronuclear	763,701	(763,701)	-	679,409	(679,409)	-
Total	2,188,027	(10,506,791)	(8,318,764)	2,093,355	(10,408,741)	(8,315,386)

TOTAL	4,416,541	(12,228,524)		3,961,408	(11,723,383)	
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b) Deferred taxes by tax category

	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Deferred Tax Assets:				
Tax Credits from Tax Loss and Negative base	-	-	2,504,544	2,178,837
Operational Provisions	-	-	931,009	909,887
Adjustment for Law 11,638/2007- RTT (IFRS)	-	-	144,699	41,694
Provision for Contingencies	-	-	296,699	233,215
Allowance for Doubtful Accounts	-	-	221,097	208,758
Others	-	-	318,493	389,017
Total Assets	-	-	4,416,541	3,961,408
Deferred Tax Liabilities:				
Remuneration for the Basic Network of Existing Systems	-	-	9,445,361	9,380,308
Tax Debt	-	-	484,228	484,228
Financial Instruments VJORA	535,653	432,582	535,653	432,582
Accelerated Depreciation	-	-	12,029	12,029
Adjustment for Law 11,638/2007- RTT (IFRS)	-	-	(289,770)	(79,709)
Others	-	-	2,041,024	1,493,946
Total Liabilities	535,653	432,582	12,228,524	11,723,383

Subsidiaries that have a history of realizing deferred taxes prepare their future taxable income projections, which are projected to be realized within 10 years. The amounts recognized reflect the best estimate of their realization, based on tax loss carryforwards and temporary differences between the accounting profit and taxable income of each entity. The subsidiary Eletronorte has deferred assets whose realization by future period is as follows:

	CONSOLIDATED	
	09/30/2019	12/31/2018
2019	54,987	71,515
2020	54,987	95,911
2021	54,987	126,584
2022	54,987	141,852
2023	286,833	117,546
	506,781	553,409

Additionally, some of the Company's subsidiaries do not have future taxable income prospects and, therefore, have deferred income tax and social contribution from unrecorded tax losses of R \$ 2,544,648 as of September 30, 2019 (R \$ 2,474,816 as of December 31, 2018). Management is reviewing its estimates of future results. Once completed, the possibility of realization of such credits and consequent accounting recording will be verified.

11.4 - Income tax and social contribution recognized in other comprehensive income

	PARENT COMPANY			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Deferred Taxes				
Resulting from income and expenses recognized under other comprehensive income:				
Adjustment of actuarial gain or loss		-		-
Remeasurement of fair value of financial instruments through ORA	(19,391)	(103,071)	46,338	33,219
Total income tax and social contribution recognized in other comprehensive income	(19,391)	(103,071)	46,338	33,219



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	CONSOLIDATED			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Deferred Taxes				
Resulting from income and expenses recognized in other comprehensive income:				
Adjustment of actuarial gain or loss		-		-
Remeasurement of fair value of financial instruments through ORA	(1,620)	(103,071)	55,497	42,378
Shareholdings of subsidiaries, associated companies and joint-controlled subsidiaries	(17,770)	-	(9,159)	(9,159)
Total income tax and social contribution recognized in other comprehensive income	(19,390)	(103,071)	46,338	33,219

NOTE 12 - REIMBURSEMENT RIGHTS AND OBLIGATIONS

	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Current Assets:				
CCC	-	-	37,938	454,139
Non-current Assets:				
CCC	8,908,248	6,259,871	8,940,961	8,827,501
CCC - ADA Provision	(3,604,929)	(3,025,329)	(3,604,929)	(3,025,329)
	<u>5,303,319</u>	<u>3,234,542</u>	<u>5,336,032</u>	<u>5,802,172</u>
Total reimbursement rights	<u>5,303,319</u>	<u>3,234,542</u>	<u>5,373,970</u>	<u>6,256,311</u>
Current Liabilities:				
PROINFA	2,083,104	1,250,619	2,083,104	1,250,619
Total reimbursement obligations	<u>2,083,104</u>	<u>1,250,619</u>	<u>2,083,104</u>	<u>1,250,619</u>

PROINFA - Electric power trading operations under PROINFA generated a positive net balance of R\$ 832,485 in the period ended September 30, 2019 (positive R \$ 479,767 in the period ended September 30, 2018), with no effect on the Company's net income for the period, and this amount is included in the Reimbursement Obligations item.

Provisional Measure No. 879 - Fuel Consumption Account (CCC) Assets

As a result of the conclusion of the process of sale of the electric power distribution companies, Eletrobras recognized CCC credits that were recorded in the distribution companies' assets in accordance with the conditions established by the Investment Partnership Program Council (CPPI).

Additionally, Eletrobras recognized a provision, see Note 32, for recoverability of some of these assets, notably due to the difference between these credits and their prospects for realization, based on the result of the inspection of CCC disbursements carried out by ANEEL and recognized in the technical notes of that agency, as well as in claims made by distributors and Eletrobras deemed to be likely to be accepted by ANEEL.

It is worth noting that the CCC credits recognized by ANEEL are still preliminary, since only the first inspection period (Jul/09 to Jun/16) of disbursements granted to Amazonas Distribuidora was completed, and the second period process is still not completed (Jul/16 to Apr/17), as well as the whole period (Jul/09 to Apr/17) for the inspection of Ceron, Boa Vista and Eletroacre.

The Company understands that the amount of about R \$ 2.4 billion, called "inefficiency" portion, despite being included in MP 879, also has the legal prerogative of realization according to Law 13,999/2016,



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understanding supported by legal opinion. Thus, no need for additional provisioning of this component was identified.

However, for the "inefficiency" portion from May 2016 to June 2017, the Company reviewed its expected realization and recorded a provision in the amount of R \$ 690 million due to the expiry of MP 879. Eletrobras' Management will evaluate other measures aimed at ensuring the full realization of the credits assumed.

NOTE 13 - ADVANCES FOR FUTURE CAPITAL INCREASE

The Company and its subsidiaries present in non-current assets amounts corresponding to Advances for Future Capital Increase (AFAC) in the following investees:

	PARENT COMPANY		CONSOLIDATED	
	30/09/2019	31/12/2018	30/09/2019	31/12/2018
<u>Subsidiaries</u>				
CGTEE	1,368,476	1,069,774	-	-
Eletronuclear (a)	250,116	-	-	-
Furnas	60,953	58,242	-	-
Hermenegildo III	11,834	11,834	-	-
<u>SPEs:</u>				
Energia Sustentável do Brasil (b)	-	-	72,400	337,200
TDG Transmissora Delmiro Gouveia	-	-	101,000	101,000
Fronteira Oeste Transmissora de Energia S.A.	-	-	33,667	13,010
Vamcruz I Participações S.A.	-	-	-	5,929
	<u>1,691,379</u>	<u>1,139,850</u>	<u>207,067</u>	<u>457,139</u>
Other Investments	-	882	1,540	2,424
	<u>1,691,379</u>	<u>1,140,732</u>	<u>208,607</u>	<u>459,563</u>

(a) Electronuclear

Eletrobras approved the granting of funds to the subsidiary Eletronuclear in the form of AFAC, in the amount of R \$ 500,000, with funds intended for reimbursement of expenses and for the management of obligations related to the Angra 3 Development. On August 1, 2019, Eletrobras released the first installment in the amount of R \$ 250,116.

(b) Energia Sustentável do Brasil

The capital increase subscribed to SPE Energia Sustentável do Brasil was approved through the issuance of 843,000,000 new common shares, all without par value, subscribed and fully paid up by the shareholders of the SPE, in proportion to their holdings; therefore, the subsidiaries CHESF and Eletrosul paid in the amount of R \$ 168,600 each.



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NOTE 14 - INVESTMENTS

Valued by Equity Equivalence

	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
a) Subsidiaries				
Furnas	21,609,952	20,754,919	-	-
Chesf	16,618,585	15,310,867	-	-
Eletrosul	6,268,146	6,019,757	-	-
Eletronorte	18,498,334	17,324,305	-	-
Electropate	142,590	156,902	-	-
Electronuclear	2,332,950	2,300,626	-	-
	<u>65,470,557</u>	<u>61,867,376</u>	<u>-</u>	<u>-</u>
(b) Affiliates				
CTEEP	3,873,325	3,951,302	3,943,411	4,024,671
Lajeado Energia	59,545	79,923	59,545	79,923
CEB Lajeado	63,385	52,804	63,385	52,804
Paulista Lajeado	27,396	30,241	27,396	30,241
Energética Águas da Pedra S.A.	-	-	253,175	218,301
Others	2,257,714	2,147,351	2,270,761	2,159,688
	<u>6,281,365</u>	<u>6,261,621</u>	<u>6,617,673</u>	<u>6,565,628</u>
(c) Jointly controlled Companies				
Norte Energia (Belo Monte)	2,121,776	2,036,157	7,069,761	6,863,523
Energia Sustentável do Brasil	-	-	3,538,497	3,363,219
Belo Monte Transmissora de Energia	-	-	1,696,003	1,603,211
Madeira Energia S.A. (MESA)	-	-	1,661,994	2,004,915
Interligação Elétrica do Madeira S.A. (IE Madeira)	-	-	1,470,894	1,377,984
Norte Brasil Transmissora de Energia S.A.	-	-	916,629	1,082,843
Teles Pires Participações	-	-	738,668	727,840
Companhia Energética Sinop S.A.	-	-	654,325	479,280
Empresa de Energia São Manoel	-	-	624,094	644,735
Mata de Santa Genebra	-	-	496,281	482,329
Chapecoense Geração S.A. (Chapecoense)	-	-	404,690	395,841
Interligação Elétrica Garanhuns S.A.	-	-	368,019	342,776
Enerpeixe S.A.	-	-	254,077	260,599
Transmissora Sul Litorânea de Energia S.A.	-	-	215,047	233,594
STN - Sistema de Transmissão Nordeste S.A.	-	-	210,256	165,749
Goiás Transmissão S.A.	-	-	206,718	188,574
Paranaíba Transmissora	-	-	192,340	184,358
Transenergia Renovável S.A. (Transenergia)	-	-	152,432	143,185
Retiro Baixo Energética S.A. (Retiro Baixo)	-	-	142,847	134,277
MGE Transmissão S.A.	-	-	137,548	127,583
Transnorte Energia S.A.	-	-	134,965	139,814
Rouar	123,143	124,448	123,143	124,448
Triângulo Mineiro Transmissora	-	-	120,655	91,698
Vale do São Bartolomeu	-	-	54,341	51,173
Others	208,405	193,921	557,501	531,266
	<u>2,453,324</u>	<u>2,354,526</u>	<u>22,141,725</u>	<u>21,744,814</u>
SUBTOTAL	<u>74,205,146</u>	<u>70,483,523</u>	<u>28,579,398</u>	<u>28,310,442</u>
Provision for losses on investments	(181)	(181)	(1,739,207)	(1,774,244)
TOTAL	<u>74,205,065</u>	<u>70,483,342</u>	<u>27,020,191</u>	<u>26,536,198</u>



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Measured at fair value

	ASSET VALUE (*)	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	09/30/2019	12/31/2018	09/30/2019	12/31/2018
AES Tietê	37,667	386,437	312,908	386,437	312,908
Coelce	52,340	291,695	244,042	291,695	244,042
Energisa S.A.	77,867	419,641	298,284	419,641	298,283
Cesp	122,284	187,562	134,146	187,562	134,146
Celipa	15,059	70,833	52,077	70,833	52,077
Celesc	144,069	178,753	206,795	178,753	206,795
CELPE	10,365	22,520	33,854	22,520	33,854
Energisa MT	2,845	12,396	8,140	12,396	8,140
COPEL	44,247	78,223	45,617	78,223	45,617
CGEEP	3,924	19,997	16,845	19,997	16,845
CEB	11,861	14,506	10,218	14,506	10,218
Others	14,516	13,648	25,534	90,882	84,225
	<u>537,045</u>	<u>1,696,211</u>	<u>1,388,460</u>	<u>1,773,445</u>	<u>1,447,150</u>

* Equity value based on the participation of Eletrobras in the capital of companies

14.1 Provisions for investment losses

	CONSOLIDATED	
	09/30/2019	12/31/2018
Belo Monte Transmissora de Energia	278,726	278,726
Empresa de Energia São Manoel	293,670	293,670
Madeira Energia S.A.	152,674	152,674
Norte Brasil Transmissora S.A.	267,595	267,595
Mata de Santa Genebra	120,645	120,645
Energia Sustentável do Brasil S.A	386,772	386,772
Interligação Elétrica Garanhuns S.A.	35,654	70,691
Transnorte Energia S.A.	118,665	118,665
Companhia Energética Sinop	17,166	17,166
Teles Pires Participações	13,332	13,332
Inambari	274	274
Other	54,034	54,034
	<u>1,739,207</u>	<u>1,774,244</u>



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14.2 Changes in investments

Below is the movement of the most relevant investments of the Company:

Subsidiaries and associates	Balance at 12/31/2018	Other Comprehensive Income/Loss	Changes in Equity Holdings	Dividends and interest on equity capital	Equity accounting	Balance at 09/30/2019
CHANGE IN INVESTMENTS - PARENT COMPANY						
Furnas	20,754,919	(27,879)	(125,298)	(439,779)	1,447,990	21,609,952
Chesf	15,310,867	(65,554)	-	-	1,373,272	16,618,585
Eletrosul	6,019,757	-	-	(86,934)	335,322	6,268,146
Eletronorte	17,324,305	-	(168,340)	-	1,342,370	18,498,335
Eletronuclear	2,300,626	19,377	-	-	12,947	2,332,950
Eletropar	156,902	(46,339)	52,265	(18,191)	(2,048)	142,589
Norte Energia (Belo Monte)	2,036,157	-	-	-	85,619	2,121,776
Rouar	124,448	(1,368)	-	-	63	123,143
CTEEP	3,951,302	1,490	(363,685)	(131,016)	415,234	3,873,325
Lajeado Energia	79,923	(14)	17,381	(66,715)	28,970	59,545
CEB Lajeado	52,804	-	-	(11,221)	21,802	63,385
Paulista Lajeado	30,241	-	-	(7,259)	4,414	27,396
Others	2,341,272	11,911	(68,027)	(118,980)	299,943	2,466,119
TOTAL INVESTMENTS	70,483,523	(108,376)	(655,705)	(880,095)	5,365,900	74,205,246

Subsidiaries, associates and jointly controlled	Balance at 12/31/2018	Paid in capital/write-off	Other Comprehensive Income/Loss	AFAC Capitalization	Changes in Equity Holdings	Dividends and interest on equity capital	Equity accounting	Balance at 09/30/2019
CHANGES IN INVESTMENTS - CONSOLIDATED								
Norte Energia (Belo Monte)	6,863,523	-	-	-	-	-	206,238	7,069,761
CTEEP	4,024,671	-	1,518	-	(363,685)	(133,456)	414,364	3,943,411
Lajeado Energia	79,923	-	(14)	-	17,381	(66,715)	28,970	59,545
CEB Lajeado	52,804	-	-	-	-	(11,221)	21,802	63,385
Paulista Lajeado	30,241	-	-	-	-	(7,259)	4,414	27,396
Rouar	124,448	-	(1,368)	-	-	-	63	123,143
Madeira Energia S.A. (MESA)	2,004,915	-	-	-	-	-	(342,921)	1,661,994
Energia Sustentável do Brasil	3,363,219	-	-	337,200	-	-	(161,922)	3,538,497
Interligação Elétrica do Madeira S.A. (IE Madeira)	1,377,984	-	-	-	-	-	92,910	1,470,894
Norte Brasil Transmissora de Energia S.A.	1,082,843	-	-	-	(208,593)	(15,589)	57,968	916,629
Enerpeixe S.A.	260,599	(32,000)	-	-	-	(8,035)	33,513	254,077
Teles Pires Participações	727,840	35,250	-	-	-	-	(24,422)	738,668
Chapecoense Geração S.A. (Chapecoense)	395,841	-	-	-	-	(79,371)	88,220	404,690
Belo Monte Transmissora de Energia	1,603,211	-	-	-	(14,755)	25,005	82,542	1,696,003
Interligação Elétrica Garanhuns S.A.	342,776	-	-	-	-	(4,606)	29,849	368,019
Mata de Santa Genebra	482,329	64,871	-	-	-	-	(50,919)	496,281
Energética Águas da Pedra S.A.	218,301	-	-	-	-	(11,525)	46,399	253,175
Goiás Transmissão S.A.	188,574	-	-	-	-	-	18,144	206,718
Empresa de Energia São Manoel	644,735	3,000	-	-	-	-	(23,641)	624,094
Companhia Energética Sinop S.A.	479,280	230,269	-	-	-	-	(55,224)	654,325
STN - Sistema de Transmissão Nordeste S.A.	165,749	-	-	-	-	(16,044)	60,551	210,256
Transnorte Energia S.A.	139,814	-	-	-	(73)	-	(4,776)	134,965
MGE Transmissão S.A.	127,583	-	-	-	-	-	9,965	137,548
Transenergia Renovável S.A. (Transenergia)	143,185	-	-	-	-	(6,860)	16,107	152,432
Retiro Baixo Energética S.A. (Retiro Baixo)	134,277	-	-	-	-	-	8,570	142,847
Paranaíba Transmissora	184,358	-	-	-	-	-	7,982	192,340
Vale do São Bartolomeu	51,173	-	-	-	-	(1)	3,169	54,341
Triângulo Mineiro Transmissora	91,698	-	-	-	-	-	28,957	120,655
Transmissora Sul Litorânea de Energia S.A.	233,594	-	-	-	-	194	(18,741)	215,047
Others	2,690,954	-	11,911	13,005	(82,147)	(139,804)	334,343	2,828,262
TOTAL INVESTMENTS	28,310,442	301,390	12,046	350,205	(651,873)	(475,286)	912,475	28,759,398

Parent Company and Related Companies	Balance at 12/31/2017	Equity Holdings	Other Comprehensive Income/Loss	AFAC Capitalization	Adjustments to previous years	Dividends and interest on equity capital	Equity income (reclassified)	Transfer from SPEs	Held for sale	Balance at 09/30/2018
CHANGES IN INVESTMENTS - PARENT COMPANY										
Furnas	19,949,366	-	(35,908)	-	-	-	726,816	-	-	20,640,274
Chesf	13,781,383	-	(98,069)	-	-	-	250,161	-	-	13,933,475
Eletrosul	5,824,553	-	-	-	-	(54,295)	211,805	-	-	5,982,063
Eletronorte	16,268,119	-	(1)	-	-	-	2,456,928	-	-	18,725,046
Eletropar	168,291	-	(15,252)	-	52,265	(65,349)	6,129	-	-	146,084
Norte Energia (Belo Monte)	1,776,786	-	-	140,700	-	-	118,671	-	-	2,036,157
Rouar	105,413	-	22,175	-	-	-	(8)	-	-	127,580
CTEEP	3,420,726	-	-	-	-	(298,876)	556,137	-	-	3,677,987
Lajeado Energia	64,103	-	-	-	-	(23,886)	39,705	-	-	79,923
CEB Lajeado	49,153	-	-	-	-	(9,227)	11,783	-	-	51,709
Paulista Lajeado	30,436	-	-	-	-	(7,453)	7,641	-	-	30,624
Others	3,459,829	(363,831)	8,824	(4,819)	-	(148,470)	151,405	1,142,227	(2,035,231)	2,209,934
TOTAL INVESTMENTS	64,898,158	(363,831)	(118,233)	135,881	52,265	(607,556)	4,537,175	1,142,227	(2,035,231)	67,640,856



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Subsidiaries, associates and joint ventures	Balance at 12/31/2017	Sale of Equity-Holdings	Paid in capital/Write-off	Other Comprehensive Income/Loss	AFAC Capitalization	Capital gain/loss	Adjustments to previous years	Dividends and interest on equity capital	Equity income (reclassified)	Transfer from SPEs	Held for sale	Balance at 09/30/2018
CHANGES IN INVESTMENTS - CONTROLLING COMPANY												
Norte Energia (Belo Monte)	5,868,703	-	328,112	-	140,700	-	-	-	502,649	-	-	6,840,164
CTEEP	3,485,985	-	-	-	-	-	-	(304,441)	563,168	-	-	3,744,712
Lajeado Energia	64,103	-	-	-	-	-	-	(23,886)	39,705	-	-	79,923
CEB Lajeado	49,153	-	-	-	-	-	-	(9,227)	11,783	-	-	51,709
Paulista Lajeado	30,436	-	-	-	-	-	-	(7,453)	7,641	-	-	30,624
Rouar	105,413	-	-	22,175	-	-	-	-	(8)	-	-	127,580
Madeira Energia S.A. (MESA)	2,077,575	-	379,280	-	-	-	-	-	(378,735)	-	-	2,078,120
Interligação Elétrica do Madeira S.A. (IE Madeira)	1,314,514	-	-	-	-	-	-	-	114,120	-	-	1,428,634
Norte Brasil Transmissora de Energia S.A.	1,046,172	-	-	-	-	-	-	-	47,564	-	-	1,093,736
Enerpeixe S.A.	292,002	-	-	-	-	-	-	-	24,184	-	-	316,186
Teles Pires Participações	764,559	-	26,505	-	-	-	-	-	(66,632)	-	-	724,432
Chapecoense Geração S.A. (Chapecoense)	389,981	-	-	-	-	-	-	(79,082)	83,298	-	-	394,197
Belo Monte Transmissora de Energia	1,478,019	-	24,500	-	-	-	-	3,955	37,602	-	-	1,544,076
Interligação Elétrica Garanhuns S.A.	356,302	-	-	-	-	-	-	(4,900)	21,795	-	-	373,197
Mata de Santa Genebra	459,169	-	-	-	-	-	-	-	3,250	-	-	460,789
Energética Águas da Pedra S.A.	224,668	-	-	-	-	-	-	(21,710)	37,990	-	-	240,948
Goiás Transmissão S.A.	181,481	-	-	-	-	-	-	-	12,457	-	-	193,938
Empresa de Energia São Manoel	649,731	-	10,000	-	-	-	-	-	(22,285)	-	-	636,446
Companhia Energética Sinop S.A.	539,498	-	70,560	-	-	-	-	-	(5,494)	-	-	604,564
STN - Sistema de Transmissão Nordeste S.A.	216,741	-	-	-	-	-	-	(33,726)	38,732	-	-	221,747
Transporte Energia S.A.	140,453	-	-	-	-	-	-	-	(86)	-	-	140,367
MGE Transmissão S.A.	115,039	-	-	-	-	-	-	-	8,219	-	-	123,258
Transenergia Renovável S.A. (Transenergia)	154,498	-	-	-	-	-	-	-	7,912	-	-	162,410
Retiro Baixo Energética S.A. (Retiro Baixo)	124,386	-	-	-	-	-	-	-	10,440	-	-	134,826
Paraná Transmissora	160,191	-	-	-	2,082	-	-	-	8,513	-	-	170,786
Vale do São Bartolomeu	123,131	-	4,290	-	-	-	-	-	(5,302)	-	-	122,119
Triângulo Mineiro Transmissora	163,637	-	-	-	-	-	-	-	(8,577)	-	-	155,060
Transmissora Sul Litorânea de Energia S.A.	198,174	-	-	-	-	-	-	-	(4,153)	-	-	206,947
Others	8,640,015	(363,831)	(1,077,200)	(300,390)	577,165	(18,034)	(9,934)	(160,985)	(78,792)	1,078,738	(2,101,363)	6,185,389
TOTAL INVESTMENTS	29,421,729	(363,831)	(233,953)	(278,216)	719,947	(18,034)	(9,934)	(642,358)	1,051,159	1,078,738	(2,101,363)	28,623,884

14.3 Market value information of investees valued by the equity method

Publicly traded companies	Equity-Holdings	Fair Value (*)	
		09/30/2019	12/31/2018
Valued by the equity accounting method			
CTEEP	36.05%	5,829,025	4,031,053
EQUATORIAL MARANHÃO D.	33.55%	2,678,889	1,760,599
CEEE-GT	32.59%	900,394	663,577
EMAE	39.02%	357,525	263,386
CEEE-D	32.59%	315,467	118,344

(*) Based on the share price on the base date.

14.4 Special Purpose Entities

Over the last few years, Eletrobras System companies have entered into investments in partnerships with the private sector, where the Company is a non-controlling shareholder. These projects are aimed at operating in the areas of generation and transmission of electric power, whose amounts contributed are classified under Investments.

In 2018, the Company made several transactions with its subsidiaries to transfer shares of some Generation and Transmission SPEs that were later disposed of. At the end of 2018 and throughout 2019 these SPEs were transferred as disclosed in Note 38.

14.5 Collateral shares

Given that the Company has several lawsuits under the Judiciary Branch, where it is the defendant (see Note 24), assets representing 9.43% in the Parent Company and 24.85% in the Consolidated at September 30, 2019 (9.89% in the Parent Company and 25.39% in the Consolidated at December 31, 2018) of the total investment balances are offered as collateral, as follows:



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Parent Company			
09/30/2019			
EQUITY HOLDINGS	VALUE OF THE INVESTMENT	PERCENTAGE FROZEN	INVESTMENT FROZEN
CTEEP	3,873,325	92.74%	3,592,122
EQUATORIAL MARANHÃO D.	1,031,514	91.41%	942,907
CEEE - GT	867,654	100.00%	867,654
EMAE	358,548	100.00%	358,548
AES TIETE	386,437	95.28%	368,197
ENERGISA S.A.	419,641	78.87%	330,971
COELCE	291,695	83.82%	244,499
CESP	187,562	97.85%	183,529
CELESC	178,753	74.70%	133,528
CEB	14,506	99.97%	14,501
CELPA	70,833	100.00%	70,833
CELPE	22,520	100.00%	22,520
CGEEP	19,997	64.89%	12,976
ENERGISA TM	12,396	100.00%	12,396
TOTAL	7,735,381		7,155,181

14.6 Provision for uncovered liabilities

At September 30, 2019, the Company recorded a provision for uncovered liabilities of subsidiaries of R \$ 4,072,626 (R \$ 3,883,600 at December 31, 2018). The movement of the companies that have uncovered liabilities is as follows:

Parent Companies and Related Companies	Balance at 12/31/2018	Constitution/ Reversal	Balance at 09/30/2019
Change in Provision for Uncovered Liabilities			
CGTEE	3,545,861	476,629	4,022,490
Amazonas GT	337,739	(287,603)	50,136
Total Provision for Uncovered Liabilities	3,883,600	189,026	4,072,626

Parent Companies and Related Companies	Balance at 12/31/2017	Other Comprehensive Income	Initial adoption IFRS 9	Equity accounting	Classification - held for sale	Balance at 09/30/2018
Change in Provision for Uncovered Liabilities - PARENT COMPANY						
Amazonas	11,936,535	-	79,824	1,615,953	-	13,632,312
Eletro nuclear	5,142,907	19,910	-	(316,459)	-	4,846,358
CGTEE	3,523,129	-	-	562,929	-	4,086,058
Ceal	1,054,046	(1)	-	(44,289)	(1,009,756)	-
Total Provision for Uncovered Liabilities	21,656,617	19,909	79,824	1,818,134	(1,009,756)	22,564,728

14.6.1 Generation and Transmission Companies:

a) CGTEE - Its main corporate purpose is to conduct studies, projects, constructions and operations of electric power plants, electric power transmission and transformation facilities, and these activities are



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regulated. On September 30, 2019, the subsidiary has a negative net working capital of R\$ 2,328,895 (negative R\$ 1,849,262 at December 31, 2018) and uncovered liabilities of R\$ 4,022,480 (R\$ 3,545,861 at December 31, 2018).

The respective Extraordinary General Meetings of Shareholders of the subsidiaries Eletrosul and CGTEE scheduled to take place on August 30, 2019 for incorporation of Eletrosul by CGTEE, pursuant to the Merger Protocol and the Instrument of Justification for said operation, were suspended due to the injunction granted by the 2nd Federal Court of Florianópolis.

The Company is appealing against this decision and intends to hold the meetings as soon as there are no pending court cases.

This operation is in line with the "Operational Excellence" Strategic Directive of the Eletrobras Business and Management Master Plan (PDNG 2019-2023).

b) Amazonas GT - Its main activities are the generation and transmission of electric power in the State of Amazonas. At September 30, 2019, the investee had a positive net working capital of R \$ 357,422 (negative R\$ 1,067,641 at December 31, 2018) and uncovered liabilities of R\$ 50,136 (R\$ 337,739 at December 31, 2018). The entity presents successive losses in its operation, namely until 2018, before the start of operation of Mauá 3. However, the deficit scenario is expected to be reversed due to the funds from the start of operation of the Mauá 3 Plant.

In addition to the above subsidiaries that have a provision for uncovered liabilities, the subsidiary Eletronuclear has negative net working capital of R\$ 466,166 (R\$ 889,658 at December 31, 2018). The Company also holds interests, through its subsidiaries, in SPEs Madeira Energia S.A., Norte Energia S.A., Energia Sustentável do Brasil S.A. and Teles Pires Participações S.A., which as of September 30, 2019 had negative net working capital in the respective amounts of R\$ 328,913, R\$ 3,633,068, R\$ 309,031 and R\$ 194,274 (R\$ 663,103, R\$ 2,762,388, R\$ 314,358 and R\$ 207,885 respectively at December 31, 2018).

Madeira Energia S.A. recorded an excess of current liabilities over current assets of R \$ 11,046,980 at June 30, 2019, mainly due to the reclassification of loans and financing from non-current liabilities to current liabilities. The reclassification was due to the fact that the contracts contain a clause stating that the creditors may declare early maturity of the debt in the event of judicial reorganization request of any of the parties to the contracts, which occurred in June 2019, with the judicial reorganization requests of certain companies of the Odebrecht Group. On September 30, 2019, Furnas obtained written statements from creditors stating that due to the aforementioned judicial reorganization, as well as the facts known to date, they will not exercise the right to declare early maturity for the next twelve months. Accordingly, the amounts were reclassified again to non-current liabilities and the excess of current liabilities over current assets was R\$ 328,913.

Energia Sustentável do Brasil S.A. (ESBR) did not reach the minimum financial index of 1.2 related to the debt coverage index provided for in the financing contracts of BNDES and other transferring banks. ESBR, supported by the opinion of its legal advisors, concluded that the non-achievement of the minimum financial index does not result in the early maturity of its financing was a reality. However, it understands that there will be a need to double the minimum amount for the composition of the debt service reserve account from three to six installments. However, in view of the consent obtained by ESBR from BNDES and other transferring banks and considering the fulfillment of the resolution conditions, ESBR's Management concluded that this obligation was terminated, assuming that the signature of the contractual amendments will occur until November 30, 2019. ESBR has the commitment of its shareholders to continue operations and fulfill other financial obligations.



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NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment items refer mainly to infrastructure for the generation of electric power from concessions not extended under Law 12,783/13 and corporate assets.

Special Obligations (obligations linked to concessions) correspond to funds received from consumers with the purpose of contributing to the execution of expansion projects necessary to fulfill requests for electric power supply and are allocated to the corresponding projects. Assets acquired with the corresponding funds are recorded in the Company's property, plant and equipment, pursuant to provisions established by ANEEL. Due to their nature these contributions do not represent effective financial obligations as they will not be returned to consumers.

Management's property, plant and equipment are mainly composed of: land, buildings, machinery and equipment, vehicles, furniture and fixtures and easements. The most significant values originate from the subsidiaries Furnas and CHESF. The following shows the movement of property, plant and equipment:

	CONSOLIDATED					Balance at 09/30/2019
	Balance at 12/31/2018	Early Adoption - IFRS 16	Additions	Transfer	Write-off	
Generation / Commercialization						
In Service	47,517,007	-	197,057	358,684	(46,146)	48,026,602
Accumulated Depreciation	(25,547,961)	-	(1,038,334)	(13,886)	72,116	(26,528,065)
In progress	15,387,242	-	965,396	(471,730)	(3,030)	15,877,878
Impairment provision	(6,920,862)	-	-	-	-	(6,920,862)
Special Obligations Linked to the Concession	(526,249)	-	(196,076)	5,052	-	(717,273)
	29,909,178	-	(71,957)	(121,880)	22,940	29,738,281
Administrative						
In Service	2,446,802	-	(2,258)	37,419	(6,126)	2,475,838
Accumulated Depreciation	(1,536,672)	-	(97,180)	12,691	(28,950)	(1,650,111)
In progress	566,693	-	39,319	-	(546)	605,466
Special Obligations Linked to the Concession	(8,329)	-	36	-	-	(8,293)
	1,468,494	-	(60,082)	50,110	(35,622)	1,422,900
Leasing	1,730,922	340,225	37,495	-	(111,289)	1,997,353
Accumulated Depreciation	(738,202)	-	(102,070)	-	-	(840,272)
	992,720	340,225	(64,575)	-	(111,289)	1,157,081
TOTAL	32,370,392	340,225	(196,615)	(71,770)	(123,971)	32,318,262



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	CONSOLIDATED					Balance at 09/30/2018
	Balance at 09/30/2017	Additions	Transfer	Write-off	Held for Sale (*)	
Generation / Commercialization						
In Service	50,062,347	17,568	30,622	(197,777)	(2,620,375)	47,292,385
Accumulated Depreciation	(24,329,630)	(1,116,356)	290,827	88,065	97,809	(24,969,285)
In progress	13,897,354	1,046,802	(18,383)	(28,246)	(90,075)	14,807,452
Impairment provision	(13,804,579)	(622,216)	-	111,953	297,920	(14,016,922)
Special Obligations Linked to the Concession	(607,383)	(1,244)	-	5,174	75,891	(527,562)
	<u>25,218,110</u>	<u>(675,446)</u>	<u>303,066</u>	<u>(20,831)</u>	<u>(2,238,830)</u>	<u>22,586,069</u>
Administrative						
In Service	2,406,319	4,396	(245,605)	(18,330)	(65,814)	2,080,966
Accumulated Depreciation	(1,537,139)	(99,970)	(39)	21,131	44,936	(1,571,080)
In progress	836,544	49,351	(81,387)	(23,541)	(10,448)	770,519
Special Obligations Linked to the Concession	(8,414)	(24)	-	105	-	(8,333)
	<u>1,697,310</u>	<u>(46,247)</u>	<u>(327,031)</u>	<u>(20,634)</u>	<u>(31,326)</u>	<u>1,272,072</u>
Leasing	1,730,922	-	-	-	-	1,730,922
Accumulated Depreciation	(680,505)	(43,273)	-	-	-	(723,778)
	<u>1,050,417</u>	<u>(43,273)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,007,144</u>
TOTAL	<u>27,965,837</u>	<u>(764,966)</u>	<u>(23,965)</u>	<u>(41,465)</u>	<u>(2,270,156)</u>	<u>24,865,284</u>

(*) The assets of the companies Santa Vitória do Palmar, Hermenegildo I, Hermenegildo II, Hermenegildo III and Chuí IX were classified as held for sale, see Note 37.

Average depreciation rate:

	Average rate of depreciation	CONSOLIDATED	
		Accumulated depreciation	
		09/30/2019	12/31/2018
Generation			
Hydraulics	2.33%	16,008,164	17,649,397
Nuclear	3.33%	5,688,284	5,324,411
Thermal Electricity	3.34%	5,430,164	3,098,681
Wind	4.32%	227,935	205,100
Transmission	4.51%	13,790	8,574
		<u>27,368,337</u>	<u>26,286,163</u>
Administrative	5.37%	<u>1,650,111</u>	<u>1,536,672</u>
Total		<u>29,018,448</u>	<u>27,822,835</u>



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NOTE 16 - PUBLIC SERVICE CONCESSIONS

	CONSOLIDATED	
	09/30/2019	12/31/2018
Transmission concessions		
Financial Assets - RBSE (item I)	36,160,510	36,277,549
General Concessions		
Financial Assets - Concessions subject to indemnity (item I)	2,049,539	2,033,078
Financial Assets - Itaipu (item II)	1,363,514	1,803,717
Total	39,573,563	40,144,344
Current	4,977,319	6,013,891
Non-Current	34,596,244	34,100,453
Total Financial Assets and Public Service Concessions	39,573,563	40,144,344

I - Financial Assets - Indemnifiable Concessions and RBSE

Financial assets - indemnifiable concessions and RBSE, in the amount of R\$ 38,210,049 at September 30, 2019 (R\$ 38,310,627 at December 31, 2018) refer to unrealized financial assets held by Eletrobras System companies, being in generation concessions for applying the financial model provided for in ICPC 01/IFRIC 12 and in transmission concessions for applying CPC 48/IFRS 9 to RBSE transmission assets.

As of July 2017, the Company began to receive the remuneration related to the RBSE transmission assets existing on May 31, 2000 through the Allowed Annual Revenue as determined by MME Ordinance No. 120/16.

As of September 30, 2019, the movement of financial assets related to the RBSE is as follows:

	Furnas	Chesf	Eletronorte	Eletrosul	Total
Balance at December 31, 2017	19,679,665	10,868,543	5,544,767	2,145,040	38,238,015
Adjustment for initial adoption of IFRS 09	370,152	257,689	454,788	55,916	1,138,545
Updates (Financial Revenue)	1,996,923	776,275	558,808	163,986	3,495,992
Adjustment to Fair Value (Amortization/Receipt)	(1,379,140)	(291,292)	(343,569)	(50,570)	(2,064,571)
Balance at September 30, 2018	18,055,564	10,156,243	5,945,441	1,983,966	36,141,214
Balance at December 31, 2018	18,324,585	10,289,026	5,650,304	2,013,634	36,277,549
Updates (Financial Revenue)	1,638,164	560,671	600,233	157,342	2,956,410
Adjustment to Fair Value (Amortization/Receipt)	757,415	631,790	55,506	181,455	1,626,166
Transfer	-	-	39,779	-	39,779
Balance at September 30, 2019	18,277,369	10,198,779	5,587,687	2,096,675	36,160,510
Current Assets	3,304,952	1,610,629	870,552	193,406	5,979,539
Non-current Assets	14,972,417	8,588,150	4,717,135	1,903,269	30,180,971

In the approval of the RAP related to the assets of the RBSE, consideration was given to the injunction that granted the request of exclusion of the portion of "remuneration" from the RBSE to ABRACE, ABIVIDRO and ABRAFE, with the amount only to be restated. Based on the legal opinion of its legal advisors, the Company maintains the compensation portion in its Financial Assets. The incremental



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temporal risk in this portion was considered for measurement at fair value. Of the above amount, approximately R \$ 5.9 billion (R \$ 5.2 billion in December 2018) refers to the compensation component.

II - Itaipu Financial Assets (Liabilities)

	PARENT COMPANY	
	9/30/2019	12/31/2018
Accounts Receivable	3,277,666	3,355,804
Compensation Rights	780,147	2,003,493
Energy Suppliers - Itaipu	(3,061,146)	(2,985,619)
Compensation Obligations	(2,193,568)	(3,173,079)
Total Current Assets/(Liabilities)	(1,196,901)	(799,401)
Accounts Receivable	989,333	1,216,926
Compensation Rights	5,160,736	4,553,380
Compensation Obligations	(3,589,654)	(3,167,188)
Total Non-Current Assets/(Liabilities)	2,560,415	2,603,118
Total financial assets	1,363,514	1,803,717

The effects of the constitution of Itaipu's financial assets are set forth above and detailed below:

a) Adjustment factor

The balance resulting from the adjustment factor of Itaipu Binacional, included in the item Financial Assets, presented in Assets, totals R\$ 5,940,883 at September 30, 2019, equivalent to US\$ 1,426,588 (R\$ 6,556,873 at December 31, 2018, equivalent to US\$ 1,692,184). The amount of R \$ 4,078,650, equivalent to US \$ 979,409 (R \$ 4,399,437 at December 31, 2018, equivalent to US\$ 1,135,398), recorded in the Company's liabilities, will be transferred to the National Treasury by 2023, as a result of the credit assignment operation carried out between the Company and the National Treasury in 1999. Accordingly, the Company has Itaipu net financial assets of this component in the amount of R\$ 1,862,234, equivalent to US\$ 447,179 (R\$ 2,157,436 at December 31, 2018, equivalent to US\$ 556,786).

Such amount will be realized upon its inclusion in the transfer rate to be added until 2023.

b) Itaipu electric power trading

The trading operation does not impact the Company's results and, under current regulations, the negative result represents an unconditional right to receive and, if positive, an effective obligation.

In the period ended September 30, 2019, the activity was a deficit of R\$ 222,444 (deficit of R\$ 24,735 for the same period of 2018), the related obligation being considered as part of the financial asset item.



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NOTE 17 - CONTRACTUAL TRANSMISSION ASSETS

The Company's transmission concessions, except for the assets under Law 12,783/2013 - RBSE, are classified as contractual assets in accordance with IFRS 15/CPC 47. The movement of this asset in the period is as follows:

	CHESF	Eletronorte	Furnas	Eletrosul	Amazonas GT	CONSOLIDATED
Initial balance before adoption of CP 47/IFRS 15 at December 31, 2017	5,478,176	4,558,559	2,649,345	1,315,078	328,943	14,330,101
Adjustment for initial adoption of CPC 47/IFRS 15	(954,190)	89,337	174,437	183,130	(73,882)	(581,168)
Balances at January 1, 2018	4,523,986	4,647,896	2,823,782	1,498,208	255,061	13,748,933
Addition - Construction Revenue	184,697	63,614	297,373	628,722	32,920	1,207,326
Financial contractual revenue	166,987	250,632	153,127	107,868	11,746	690,360
(Amortization/Receipt)	(225,411)	(328,323)	(178,865)	(190,673)	(117,181)	(1,040,453)
Write-offs and transfers	-	(34,358)	-	-	(12)	(34,370)
Balance at December 31, 2018	4,650,259	4,599,461	3,095,417	2,044,125	182,534	14,571,796
Addition - Construction Revenue	71,644	30,085	249,066	53,042	4,252	408,089
Financial contractual revenue	172,027	187,362	102,191	112,182	8,174	581,936
(Amortization/Receipt)	(178,797)	(252,931)	(156,304)	(166,036)	(18,272)	(772,340)
Write-offs and transfers (Noe 32)	(392,477)	5,726	-	25,738	-	(361,013)
Balance at September 30, 2019	4,322,656	4,569,703	3,290,370	2,069,051	176,688	14,428,468

	CHESF 30/09/2019	Eletronorte 30/09/2019	Furnas 30/09/2019	Eletrosul 30/09/2019	Amazonas GT 30/09/2019	CONSOLIDATED 30/09/2019	CONSOLIDATED 31/12/2018
Transmission Contractual Asset - Current	416,885	430,413	105,498	101,728	41,543	1,096,067	1,302,959
Transmission Contractual Asset - Non-current	3,905,771	4,139,290	3,184,872	1,967,323	135,145	13,332,401	13,268,837
	4,322,656	4,569,703	3,290,370	2,069,051	176,688	14,428,468	14,571,796

Below is the Company's estimate of the realization of these contractual components:

	CHESF	Eletronorte	Furnas	Eletrosul	Amazonas GT	CONSOLIDATED
Recognition of contractual asset	09/30/2019	09/30/2019	09/30/2019	09/30/2019	09/30/2019	09/30/2019
Contractual Assets - RAP (i)	3,684,260	3,846,765	2,950,548	1,704,521	176,688	12,362,782
Contractual Assets - Indemnity (ii)	638,396	722,938	339,822	364,530	-	2,065,686

Throughout the concession operation, the contractual asset is realized by two cash flows, (i) by receiving RAP for the portion that will be amortized until the end of the concession and (ii) by indemnity after the reversal of the unamortized infrastructure to the Granting Authority.

NOTE 18 - SUPPLIERS

	PARENT COMPANY		CONSOLIDATED		
	09/30/2019	12/31/2018	09/30/2019	12/31/2018	
Current liabilities:					
Goods, Materials and Services		65,547	99,214	1,849,899	2,523,449
Energy Purchased for Resale		341,988	470,004	642,397	835,607
CCEE - Short-term energy		-	-	394	1,494
		407,535	569,218	2,492,690	3,360,550
Non-current liabilities:					
Goods, Materials and Services		-	-	18,142	16,555
		407,535	569,218	2,510,832	3,377,105

Suppliers' liabilities include transactions with the supply of goods, materials and services.



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NOTE 19 - FINANCING AND LOANS

The breakdown of loans and financing due by Eletrobras and its subsidiaries is as follows:

	09/30/2019							
	PARENT COMPANY				CONSOLIDATED			
	CURRENT CHARGES		PRINCIPAL		CURRENT CHARGES		PRINCIPAL	
	Avg. Rate	Amount	CURRENT	NON-CURRENT	Avg. Rate	Amount	CURRENT	NON-CURRENT
Financial Institutions								
Foreign Currency								
Banco Interamericano de Desenvolvimento - BID	4.49%	449	111,475	334,743	4.95%	4,227	142,912	696,270
BNP Paribas	3.05%	3,160	146,275	219,412	3.05%	3,160	146,275	219,412
Kreditanstalt für Wiederaufbau - KfW	2.00%	1,681	14,436	228,741	2.00%	1,681	14,436	228,741
Corporación Andino de Fomento - CAF	9.40%	2,638	153,574	40,042	9.40%	2,638	153,574	40,042
		7,928	425,760	822,938		11,705	457,197	1,184,464
Bonus								
At maturity 10/27/2021	5.75%	207,526	-	7,287,700	5.75%	207,526	-	7,287,700
		207,526	-	7,287,700		207,526	-	7,287,700
		215,454	425,760	8,110,638		219,231	457,197	8,472,164
National Currency								
RGR Returns (a)	5.00%	-	250,801	1,450,830	5.00%	-	250,801	1,450,830
RGR Subsidiaries (b)	5.00%	-	-	889,609	5.00%	-	-	889,609
RGR CCEE (c)	5.00%	-	-	1,252,086	5.00%	-	-	1,252,086
BNDES	-	-	-	-	9.25%	23,508	510,265	5,698,984
Caixa Econômica Federal	6.45%	1,269	416,400	861,092	6.45%	55,020	1,076,522	5,242,235
Banco do Brasil	6.45%	2,030	666,240	1,377,748	6.45%	39,469	1,045,124	2,849,304
Petrobras	5.67%	281,981	1,924,074	7,112,633	5.67%	281,981	1,924,074	7,112,633
BR Distribuidora	6.20%	4,133	423,464	304,455	6.20%	4,134	423,464	304,455
Renegotiation of Subsidiaries' Debts	5.40%	-	379,994	2,691,621	5.40%	-	-	-
State Grid	-	-	-	-	10.00%	-	91,179	739,479
Banco do Nordeste do Brasil	-	-	-	-	10.14%	4,209	39,248	416,195
BASA	-	-	-	-	8.50%	2,839	27,787	330,995
Cigás	-	-	373,876	351,421	-	-	373,877	351,421
Other Financial Institutions	-	-	-	-	-	23,361	384,761	1,318,343
		289,413	4,434,849	16,291,495		434,521	6,147,102	27,956,569
		504,867	4,860,609	24,402,133		653,752	6,604,299	36,428,733

	12/31/2018							
	PARENT COMPANY				CONSOLIDATED			
	CURRENT CHARGES		PRINCIPAL		CURRENT CHARGES		PRINCIPAL	
	Avg. Rate	Amount	CURRENT	NON-CURRENT	Avg. Rate	Amount	CURRENT	NON-CURRENT
Financial Institutions								
Foreign Currency								
BIRD 7884	2.41%	2,979	-	415,187	2.41%	2,977	-	415,187
Banco Interamericano de Desenvolvimento - BID	4.49%	-	-	-	4.95%	570	29,251	351,011
BNP Paribas	3.63%	452	136,102	272,205	3.63%	452	136,102	272,205
Kreditanstalt für Wiederaufbau - KfW	2.00%	18	14,107	230,582	2.00%	18	14,107	230,582
Corporación Andino de Fomento - CAF	10.21%	3,263	142,894	142,894	10.21%	3,263	142,894	142,894
		6,712	293,103	1,060,869		7,280	322,354	1,411,880
Bonus								
At maturity 10/27/2021	5.75%	80,456	-	6,780,900	5.75%	80,456	-	6,780,900
At maturity 07/30/2019	6.88%	130,241	3,874,801	-	6.88%	130,241	3,874,800	-
		210,697	3,874,801	6,780,900		210,697	3,874,800	6,780,900
		217,410	4,167,904	7,841,769		217,977	4,197,154	8,192,780
National Currency								
RGR	5.00%	-	596,692	5,206,155	5.00%	-	596,692	5,206,155
BNDES	9.25%	-	-	-	9.25%	25,749	506,748	6,062,908
Caixa Econômica Federal	7.65%	1,862	416,399	1,173,391	7.65%	68,351	1,374,042	6,136,728
Banco do Brasil	7.65%	2,977	666,240	1,877,428	7.65%	26,669	1,112,049	3,558,253
Petrobras	6.40%	13,194	241,670	1,228,487	6.40%	13,194	2,898,738	10,246,074
BR Distribuidora	7.98%	346	424,046	622,829	7.98%	346	424,046	622,829
Renegotiation of Subsidiaries' Debts	6.40%	-	282,776	2,653,273	-	-	-	-
FIDC	-	-	-	-	CDI + 2,0%	1,346	135,836	535,310
Other Financial Institutions	-	-	-	-	-	15,622	452,353	1,744,848
		18,379	2,627,823	12,761,564		151,277	7,500,504	34,113,106
		235,788	6,795,727	20,603,333		369,254	11,697,658	42,305,886

(a) RGR Return

In addition to the financing due by Eletrobras in 2017, through the administrative process, which supervised the Eletrobras management of the RGR, from 1998 to 2011, ANEEL determined the return by Eletrobras of about R \$ 2 billion, in 10 years, updated by SELIC, according to Article 21-A and 21-B of Law 12,783/2013. Eletrobras has been complying with this obligation and the balance to be repaid at



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September 30, 2019 was R \$ 1,701,631, presented in the "RGR Return" item.

(b) Subsidiary RGR

The aforementioned financing includes debts taken by Eletrobras subsidiaries with the RGR, with interest of 5%, and considering that they were taken before November 17, 2016, they are still managed by Eletrobras, since they have not yet been transferred to CCEE, according to Decree No. 9,022/2017. These obligations are presented as "Subsidiary RGR" in the amount of R \$ 889,609.

(c) CCEE RGR

These refer to the amounts transferred from RGR funds to third parties, and have a corresponding entry in assets, as per Note 9.1. Eletrobras acts only as a transferring agent and is responsible for the contractual management of such financing, such funds not being required from Eletrobras until the debtor agent makes the payment.

Pursuant to Decree 9,022/2017, Eletrobras shall transfer the funds to RGR within five days from the date of actual payment by the debtor agent.

As of September 30, 2019, the balance of funds withdrawn from the fund and passed on to third parties, excluding those owed by Eletrobras companies, as per Note 9.1, totals R \$ 1,252,086.

19.1 - Movement of loans and financing

The movement presented below comprises the 9-month periods ended September 30, 2019 and 2018.

	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Loans and Financing				
National Currency				
Beginning Balance	15,407,768	12,591,725	41,764,887	33,709,463
Collection	-	-	869,494	1,099,280
Interest, Inflation and Exchange Rate Variations incurred	1,561,904	534,798	1,861,794	1,701,420
Interest paid	(481,060)	(663,881)	(1,420,725)	(1,633,556)
Amortization of Principal	(4,588,144)	(1,673,416)	(6,574,609)	(3,788,973)
Transfer (a)	11,077,939	-	-	203,350
Write-off	(1,962,649)	-	(1,962,649)	-
Classification as held for sale	-	-	-	(1,545,840)
Ending Balance	21,015,758	10,789,226	34,538,192	29,745,144
Foreign Currency				
Beginning Balance	12,227,081	11,060,789	12,607,912	11,412,328
Interest, Inflation and Exchange Rate Variations incurred	1,157,352	2,814,596	1,194,741	2,897,205
Interest paid	(549,548)	(509,420)	(556,432)	(515,313)
Amortization of Principal	(4,083,033)	(571,099)	(4,097,628)	(585,820)
Classification as held for sale	-	-	-	(1,573)
Ending Balance	8,751,852	12,794,865	9,148,593	13,206,827
Total	29,767,609	23,584,092	43,686,785	42,951,971



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	12/31/2018							
	PARENT COMPANY				CONSOLIDATED			
	CURRENT CHARGES		PRINCIPAL		CURRENT CHARGES		PRINCIPAL	
	Avg. Rate	Amount	CURRENT	NON-CURRENT	Avg. Rate	Amount	CURRENT	NON-CURRENT
Financial Institutions								
Foreign Currency								
BIRD 7884	2.41%	2,979	-	415,187	2.41%	2,977	-	415,187
Banco Interamericano de Desenvolvimento - BID	4.49%	-	-	-	4.95%	570	29,251	351,011
BNP Paribas	3.63%	452	136,102	272,205	3.63%	452	136,102	272,205
Kreditanstalt für Wiederaufbau - KfW	2.00%	18	14,107	230,582	2.00%	18	14,107	230,582
Corporación Andino de Fomento - CAF	10.21%	3,263	142,894	142,894	10.21%	3,263	142,894	142,894
		6,712	293,103	1,060,869		7,280	322,354	1,411,880
Bonus								
At maturity 10/27/2021	5.75%	80,456	-	6,780,900	5.75%	80,456	-	6,780,900
At maturity 07/30/2019	6.88%	130,241	3,874,801	-	6.88%	130,241	3,874,800	-
		210,697	3,874,801	6,780,900		210,697	3,874,800	6,780,900
		217,410	4,167,904	7,841,769		217,977	4,197,154	8,192,780
National Currency								
RGR	5.00%	-	596,692	5,206,155	5.00%	-	596,692	5,206,155
BNDES	9.25%	-	-	-	9.25%	25,749	506,748	6,062,908
Caixa Econômica Federal	7.65%	1,862	416,399	1,173,391	7.65%	68,351	1,374,042	6,136,728
Banco do Brasil	7.65%	2,977	666,240	1,877,428	7.65%	26,669	1,112,049	3,558,253
Petrobras	6.40%	13,194	241,670	1,228,487	6.40%	13,194	2,898,738	10,246,074
BR Distribuidora	7.98%	346	424,046	622,829	7.98%	346	424,046	622,829
Renegotiation of Subsidiaries' Debts	6.40%	-	282,776	2,653,273	-	-	-	-
FIDC	-	-	-	-	CDI + 2,0%	1,346	135,836	535,310
Other Financial Institutions	-	-	-	-	-	15,622	452,353	1,744,848
		18,379	2,627,823	12,761,564		151,277	7,500,504	34,113,106
		235,788	6,795,727	20,603,333		369,254	11,697,658	42,305,886

(a) In 2019, the Company recognized the amount of the debt transfer from the companies with transferred controlling interest, as per Note 38.

19.2 - Reconciliation of equity movements with cash flows from financing activities

	PARENT COMPANY			
	Loans and Financing	Dividends/Interest on Equity Payable	Other Liabilities	Total
Loans and Financing obtained	5,000,000	-	-	5,000,000
Payments on Loans and Financing - principal	(8,671,179)	-	-	(8,671,179)
Payment of Shareholder Remuneration	-	(476)	-	(476)
Payment of Financial leases	-	-	(37,519)	(37,519)
Balance at September 30, 2019	(3,671,179)	(476)	(37,519)	(3,709,174)
	CONSOLIDATED			
	Loans and Financing	Dividends/Interest on Equity Payable	Other Liabilities	Total
Loans and Financing obtained / debentures obtained	5,690,208	-	-	5,690,208
Payments on Loans and Financing - principal	(10,806,147)	-	-	(10,806,147)
Payment of Shareholder Remuneration	-	(11,569)	-	(11,569)
Payment of Financial leases	-	-	(411,768)	(411,768)
Other	-	-	(19,254)	(19,254)
Balance at September 30, 2019	(5,115,939)	(11,569)	(431,022)	(5,558,530)



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	PARENT COMPANY			Total
	Loans and Financing	Dividends/Interest on Equity Payable	Other Liabilities	
Payments on Loans and Financing - principal	-	(2,275,838)	-	(2,275,838)
Payment of Shareholder Remuneration	(729)	-	-	(729)
Balance at September 30, 2019	(729)	(2,275,838)	-	(2,276,567)

	CONSOLIDATED			Total
	Loans and Financing	Dividends/Interest on Equity Payable	Other Liabilities	
Loans and Financing obtained	699,270	-	-	699,270
Payments on Loans and Financing - principal	(5,051,178)	-	-	(5,051,178)
Payment of Shareholder Remuneration	-	(10,674)	-	(10,674)
RGR	-	-	974,830	974,830
Other	-	-	11,276	11,276
Changes arising from obtaining or losing control of subsidiaries or other businesses			(110,030)	(110,030)
Balance at September 30, 2018	(4,351,908)	(10,674)	876,076	(3,486,506)

19.3 - Guarantees

The Company participates as guarantor of several ventures of its controlled and non-controlled investees.

Total exposure to guarantees is comprised of guarantees provided to non-controlled investees.

Total exposure to guarantees with third parties is R\$ 31,846,763 at September 30, 2019 and is presented in the table below:

Guarantees provided to controlled investees are presented separately as their balances are already recorded in payable financing and loans (see Note 19).

The amount guaranteed for the controlled investees is R\$ 15,703,969 at September 30, 2019 and is presented in the table below.

UNCONTROLLED COMPANIES							
Guarantor	Venture	Bank Lender	Modality	Equity-Holding %	Amount of the Loan/ Guaranteed Amount	Debt Balance at 9/30/2019	End of Guarantee
Eletrobras	HPP Belo Monte - Norte Energia	BNDES	SPE	15.00%	2,025,000	2,439,141	1/15/2042
		CEF	SPE	15.00%	1,050,000	1,357,483	1/15/2042
		BTG Pactual	SPE	15.00%	300,000	387,852	1/15/2042
		BNDES	SPE	19.98%	2,697,300	3,248,935	1/15/2042
		CEF	SPE	19.98%	1,398,600	1,808,167	1/15/2042
		BTG Pactual	SPE	19.98%	399,600	516,619	1/15/2042
		BNDES	SPE	15.00%	2,025,000	2,439,141	1/15/2042
		CEF	SPE	15.00%	1,050,000	1,357,483	1/15/2042
		BTG Pactual	SPE	15.00%	300,000	387,852	1/15/2042
					11,245,500	13,942,674	
Eletrobras	Santo Antônio HPP	BNDES Direct Original	SPE	43.06%	1,329,920	1,649,983	3/15/2034
		BNDES Direct Supplementary	SPE	43.06%	428,402	537,515	3/15/2034
		BNDES Original Transfer	SPE	43.06%	1,310,835	1,717,360	3/15/2034
		BNDES Supplementary Transfer	SPE	43.06%	428,402	553,190	3/15/2034
		BASA	SPE	43.06%	216,750	232,861	3/10/2034
		Issuance of Debentures	SPE	43.06%	180,833	254,065	3/15/2034
Furnas		Issuance of Debentures	SPE	43.06%	301,389	417,662	3/15/2034
		Issuance of Debentures	SPE	43.06%	680,188	1,487,901	3/15/2034
					4,876,719	6,850,537	
Eletrobras	Terra Verde - ECRD	BNDES	SPE	20.00%	727,000	824,477	8/15/2034
		BNDES	SPE	20.00%	232,500	235,138	1/15/2035
		BNDES TRANSFER	SPE	20.00%	717,000	842,112	8/15/2034
		BNDES TRANSFER	SPE	20.00%	232,500	229,191	1/15/2035
		BNDES	SPE	20.00%	727,000	824,477	8/15/2034
		BNDES	SPE	20.00%	232,500	235,138	1/15/2035



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		BNDES TRANSFER	SPE	20.00%	717,000	842,112	8/15/2034
		BNDES TRANSFER	SPE	20.00%	232,500	229,191	1/15/2035
					3,818,000	4,261,838	
Eletrobras		BNDES	SPE	24.50%	412,825	441,207	8/15/2032
		BNDES TRANSFER	SPE	24.50%	214,375	234,294	8/15/2032
	Belo Monte Transmissora de Energia S. A.	BNDES TRANSFER	SPE	24.50%	214,375	441,207	8/15/2032
		BNDES	SPE	24.50%	412,825	234,294	8/15/2032
Eletronorte		Issuance of Debentures	SPE	24.50%	142,100	160,550	8/15/2032
Furnas		Issuance of Debentures	SPE	24.50%	142,100	160,550	12/15/2031
					1,538,600	1,672,103	
Eletrobras		BNDES	SPE	24.50%	296,940	304,255	2/15/2036
		BNDES/ Banco do Brasil	SPE	24.50%	294,000	301,436	2/15/2036
	Teles Pires HPP	Issuance of Debentures	SPE	24.72%	160,680	168,132	5/30/2032
		BNDES	SPE	24.50%	296,940	304,255	2/15/2036
		BNDES/ Banco do Brasil	SPE	24.50%	294,000	301,436	2/15/2036
		Issuance of Debentures	SPE	24.72%	160,680	168,132	5/30/2032
					1,503,240	1,547,648	
Eletrobras		BASA	SPE	24.50%	65,415	70,235	7/10/2032
		BNDES	SPE	24.50%	455,504	292,413	2/15/2030
	Power Plant Madeira	Issuance of Debentures	SPE	24.50%	85,750	112,945	3/18/2025
		BASA	SPE	24.50%	65,415	70,235	7/10/2032
		BNDES	SPE	24.50%	455,504	292,413	2/15/2030
		Issuance of Debentures	SPE	24.50%	85,750	112,945	3/18/2025
					1,213,338	951,188	
Eletrobras		BNDES	SPE	24.50%	256,270	265,446	6/15/2038
Eletrobras	Sinop HPP	BNDES	SPE	24.50%	256,270	265,446	6/15/2038
Chesf		Issuance of Debentures	SPE	24.50%	57,820	66,336	6/15/2032
Eletronorte	Sinop HPP	Issuance of Debentures	SPE	24.50%	57,820	66,336	6/15/2032
					628,180	663,563	
Eletrobras		BNDES	SPE	33.33%	437,996	518,217	12/15/2038
Furnas	Empresa de Energia São Manoel	Issuance of Debentures	SPE	33.33%	113,322	110,351	6/15/2033
					551,318	628,568	
Eletrobras		BNDES	SPE	49.00%	514,500	368,909	12/15/2029
	Norte Brasil Transmissora	Issuance of Debentures	SPE	49.00%	98,000	140,830	9/15/2026
					612,500	509,739	
Eletrobras		BNDES	SPE	49.50%	198,495	116,881	12/15/2026
	Manaus Transmissora	BASA	SPE	49.50%	123,750	130,973	7/15/2031
		BASA	SPE	49.50%	74,250	71,469	2/15/2029
					396,495	319,323	
Eletrobras		BNDES	SPE	49.00%	132,009	124,405	7/1/2032
Eletrobras	Eólica Serra das Vacas	Issuance of Debentures	SPE	49.00%	33,320	35,980	7/1/2030
					165,329	160,386	
Eletrobras		BNDES	SPE	49.00%	175,146	111,836	12/15/2028
	IE Garanhuns S/A						
Chesf		BNB	SPE	49.00%	29,764	24,076	3/30/2031
	TDG	BNB	SPE	49.00%	58,346	51,718	8/1/2032
					88,110	75,794	
Eletrobras		BASA	SPE	49.00%	39,700	38,611	7/1/2029
	Transmissora Matogrossense de Energia S.A.	BNDES	SPE	49.00%	42,777	21,246	5/15/2026
					81,977	49,857	
Eletrobras		CAF	SPE	50.00%	40,670	40,670	10/30/2020
	Rouar						
Eletrobras		BNB	SPE	49.00%	40,951	32,410	10/14/2031
	Mangue Seco 2						
Eletrobras		BNDES	SPE	49.00%	29,255	18,466	6/15/2030
	Livramento Holding						
Eletrobras		BNDES	SPE	49.00%	13,827	5,569	4/15/2023
	Centroeste de Minas						
Eletrobras		BNDES	SPE	49.90%	2,536	1,005	3/15/2023
	Caldas Novas Transmissão						
		BNDES	SPE	49.90%	5,536	3,589	3/15/2028
					8,072	4,594	
	Guarantees for uncontrolled companies				27,027,226	31,846,763	

The guarantees provided to the controlled companies are shown in a segregated format as their balances are recorded in loans and financing payable. The amount guaranteed for controlled companies is R\$ 15,703,969 at September 30, 2019 are shown in the following schedule:

SUBSIDIARY COMPANIES							
Guarantor	Venture	Lender	Modality	Equity-Holding %	Amount of the Loan/ Guaranteed Amount	Debt Balance at 9/30/2019	End of the Guarantee
Eletronuclear	Angra III	BNDES	Corporate	100.00%	6,181,048	3,501,939	6/15/2036
		CEF	Corporate	100.00%	3,800,000	3,226,316	6/6/2038
					9,981,048	6,728,255	
Eletronorte Furnas	Belo Monte Transmissora de Energia S. A.	State Grid Brazil S.A.	Corporate	100.00%	294,700	415,327	7/28/2029
		State Grid Brazil S.A.	Corporate	100.00%	294,700	415,331	7/28/2029
					589,400	830,658	
Eletrosul	Eletrosul Corporate Projects	FIDC DI	Corporate	100.00%	690,000	592,143	1/20/2022
		Banco do Brasil	Corporate	100.00%	250,000	139,232	11/15/2023
					940,000	731,374	
Furnas	Others	Banco do Brasil	Corporate	100.00%	750,000	780,653	10/2/2023



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Eletrobrás	Power Transmission Station	BNDES	Corporate	100.00%	505,477	306,982	11/15/2028
		BASA	Corporate	100.00%	221,789	204,117	10/15/2031
		BASA	Corporate	100.00%	221,789	173,116	7/10/2031
					<u>949,055</u>	<u>684,214</u>	
Chesf	CHESF Corporate Projects	CEF	Corporate	100.00%	200,000	100,543	9/6/2021
		BNDES	Corporate	100.00%	475,454	157,192	6/15/2029
		BNDES	Corporate	100.00%	727,560	300,241	6/15/2029
		Banco do Brasil	Corporate	100.00%	500,000	43,103	2/28/2020
					<u>1,903,014</u>	<u>601,080</u>	
Furnas	Simplicio HPP	BNDES	Corporate	100.00%	1,034,410	471,257	7/15/2026
Eletrobrás	Santa Vitória do Palmar Holding S.A.	BNDES	SPE	61.75%	249,458	237,796	6/16/2031
		BRDE	SPE	61.75%	123,501	119,466	6/16/2031
		Issuance of Debentures	SPE	61.75%	55,575	64,670	6/15/2028
						<u>428,533</u>	<u>421,931</u>
Eletrobrás	Eólicas Hermenegildo	BNDES	SPE	99.99%	93,358	78,043	6/15/2032
		BRDE	SPE	99.99%	40,699	34,235	6/15/2032
		BNDES	SPE	99.99%	109,579	91,603	6/15/2032
		BRDE	SPE	99.99%	47,770	40,184	6/15/2032
		BNDES	SPE	99.99%	109,555	92,017	6/15/2032
		BRDE	SPE	99.99%	47,759	40,169	6/15/2032
				<u>448,720</u>	<u>376,252</u>		
Eletrobrás	Working Capital Structure Funding 2	Banco do Brasil	Corporate	100.00%	405,262	352,023	6/7/2024
Furnas	Modernization of the Furnas HPP and Luiz Carlos Barreto de Carvalho HPP	BID	Corporate	100.00%	427,511	392,964	12/15/2031
Eletrosul	Livramento Wind Complex - Surroundings II	KfW	Corporate	100.00%	282,083	308,821	6/20/2028
Eletrosul	Transmissora Sul Litorânea de Energia	BNDES	SPE	51.00%	252,108	202,496	2/15/2029
		Debentures	SPE	51.00%	76,500	80,695	12/15/2030
					<u>328,608</u>	<u>283,191</u>	
Furnas	Corporate Financing	Banco do Brasil	Corporate	100.00%	400,000	254,015	12/6/2023
Eletrosul	Complexo São Bernardo	KfW	Corporate	100.00%	29,854	57,758	12/30/2038
		KfW	Corporate	100.00%	136,064	187,204	12/30/2042
					<u>165,918</u>	<u>244,961</u>	
Eletrosul	HPP Mauá	BNDES	Corporate	100.00%	182,417	106,277	1/15/2028
		Banco do Brasil	Corporate	100.00%	182,417	106,289	1/15/2028
					<u>364,834</u>	<u>212,567</u>	
Eletrobrás	Implementation of PAR and PMIS	BNDES	Corporate	100.00%	361,575	198,702	12/15/2023
Eletrobrás	Porto Velho Transmissora de Energia	BNDES	Corporate	100.00%	283,411	194,563	8/15/2028
Furnas	Investment Plan 2012 -2014	BNDES	Corporate	100.00%	441,296	178,388	6/15/2029
Eletrobrás	Linha Verde Transmissora	BASA	Corporate	100.00%	185,000	173,098	11/10/2032
Chesf	Eólicas Casa Nova II e III	BNB	Corporate	100.00%	158,420	159,982	7/25/2031
Furnas	BASA Rolling 2008	Banco do Brasil	Corporate	100.00%	208,312	130,195	12/28/2020
Eletrosul	HPP São Domingos	BNDES	Corporate	100.00%	207,000	134,584	6/15/2028
Eletrosul	Transmissora Sul Brasileira de Energia S.A.	Issuance of Debentures	SPE	100.00%	77,550	113,665	9/15/2026
Furnas	HPP Batalha	BNDES	Corporate	100.00%	224,000	106,945	12/15/2025
Eletrosul	HPP Passo de São João	BNDES	Corporate	100.00%	183,330	93,019	7/15/2026
		BNDES	Corporate	100.00%	14,750	2,688	7/15/2026
					<u>198,080</u>	<u>100,707</u>	
Furnas	Innovation Projects	FINEP	Corporate	100.00%	268,503	98,383	11/15/2023
Eletrobrás	Rio Branco Transmissora	BNDES	Corporate	100.00%	138,000	81,972	3/15/2027
Furnas	Furnas Corporate Projects	Banco do Brasil	Corporate	100.00%	35,000	21,875	12/28/2020
		Banco do Brasil	Corporate	100.00%	50,000	31,250	12/28/2020
					<u>85,000</u>	<u>53,125</u>	
Eletrosul	RS Energia	BNDES	Corporate	100.00%	126,221	21,513	6/15/2021
		BNDES	Corporate	100.00%	41,898	23,391	3/15/2027
		BNDES	Corporate	100.00%	9,413	5,809	8/15/2027
		BNDES	Corporate	100.00%	12,000	6,014	8/15/2027
					<u>189,532</u>	<u>56,727</u>	
Eletrobrás	Ribeiro Gonç./Balsas	BNB	Corporate	100.00%	70,000	46,000	6/3/2031
Eletrobrás	Eólica Chuí IX S/A	BNDES	SPE	99.99%	31,558	26,381	6/15/2032
		BRDF	SPE	99.99%	13,757	11,572	6/15/2032
					<u>45,314</u>	<u>37,953</u>	
Eletrosul	Cerro Chato I, II and III	Banco do Brasil	Corporate	100.00%	223,419	23,323	7/15/2020
Furnas	Baguari HPP	BNDES	Corporate	100.00%	60,153	26,278	7/15/2026
Eletrosul	Expansion of the Southern Transmission System	BNDES	Corporate	100.00%	29,074	21,733	9/15/2029
Eletrobrás	Lechuga Substation Extension	BNDES	Corporate	100.00%	35,011	18,149	10/15/2028
Eletrosul	Brazil - Uruguay Interconnection	BNDES	Corporate	100.00%	21,827	16,315	9/15/2029
Eletrobrás	Miramar / Tucuruí Substation	BNDES	Corporate	100.00%	31,000	15,183	8/15/2028
Eletrobrás	Lechuga / J. Teixeira	BASA	Corporate	100.00%	25,720	15,406	10/15/2028
Eletrobrás	Miranda II	BNDES	Corporate	100.00%	47,531	9,751	11/15/2024
Eletrosul	SC Energia	BNDES	Corporate	100.00%	67,017	8,856	3/15/2021
Eletrobrás	Nobres Substation	BNDES	Corporate	100.00%	10,000	4,516	3/15/2028
Eletrobrás	São Luis II and III	BNDES	Corporate	100.00%	13,653	5,254	11/15/2024
Guarantees for Subsidiaries					23,103,796	15,703,969	



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19.4 - Movement of Provision for Guarantees

In order to cover any possible foreclosure, Eletrobras accrues 1% of the guaranteed outstanding balance to the controlled and non-controlled investees.

Below you can see the period's guarantee movements:

PARENT COMPANY		
	09/30/2019	09/30/2018
Beginning Balance	549,436	466,583
Additions to Guarantees	8,449	54,245
Updated	4,517	5,197
Write-off	(86,894)	(2,076)
Ending Balance	475,508	523,950

Of the write-offs in the period, R\$ 63,965 refers to guarantees in which the Company participated as an intervener of Amazonas Distribuidora, former subsidiary of Eletrobras, whose controlling interest was transferred on April 10, 2019, as per Note 38.

NOTE 20 - DEBENTURES

20.1 - Composition of Debentures

CONSOLIDATED								
Subsidiary	Sender	Date of issue	Main features	Tx of interests	Due Date	30/09/2019	31/12/2018	
Eletrobras (a)	Issued by the Holding Company	05/2019	Second issue of simple debentures in four (4) series, of the unsecured type, not convertible into shares.	Series 1	Tax DI + 0.70% a.a.	25/04/2022	1,127,808	-
				Series 2	Tax DI + 1.00% a.a.	25/04/2024	2,258,096	-
				Series 3	Tax DI + 1.20% a.a.	25/04/2026	1,027,157	-
				Series 4	IPCA + 5.18% a.a.	15/05/2029	715,692	-
Eletronorte	Power Transmitting Station S.A. - ETE	06/2011	Private subscription of the first issue of the Subsidiary registered in favor of the Development Fund of the Amazon - FDA, and kept under custody of the agent operating the contract, the Banco da Amazônia S.A., with collateral and fiduciary guarantee by guarantee, in four series, all of them convertible into shares of the SPE, with or without voting rights.	TJLP + 1.65% a.a.	10/07/2031	204,117	201,754	
CHESF	Extremoz Transmissora do Nordeste - ETN S.A.	04/2017	First simple issue, not convertible into shares issued by the Issuer, of a kind with collateral guarantee, in a single series. A total of 168,000 were issued with a nominal value of R\$ 1,000.00 and distributed through the financial institution Banco Bradesco S.A.	IPCA + 7.0291% a.a.	15/01/2029	153,279	152,133	
Eletrorul	South Brazilian Power Transmitter - TSBE	09/2014	Public issuance of debentures in a single series of 77,550 simple debentures, not convertible into shares, of a kind with collateral, with collateral and fiduciary additional collateral, in the total amount of R\$ 77,550.00 with public distribution with restricted efforts pursuant to CVM Instruction No. 476 of January 16, 2009, as amended, and other applicable provisions and regulations.	IPCA + 6.80% a.a.	15/09/2028	113,665	114,341	
						5,599,814	468,228	
Total Current Liabilities						184,980	36,073	
Total Non-current Liabilities						5,414,834	432,155	



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a) Eletrobras Debentures

Eletrobras issued the 2nd offering, in four series, of simple unsecured debentures, not convertible into shares. The public offering ended on May 24, 2019 and five million debentures were issued, with a unit face value of one thousand reais on the issue date, as follows: (i) one million one hundred thousand First Series Debentures; (ii) two million two hundred thousand Second Series Debentures; (iii) one million Third Series Debentures; and (iv) seven hundred thousand Fourth Series Debentures.

20.2 - Movement of Debentures

The movement presented below comprises the 9-month periods ended September 30, 2019 and 2018.

	PARENT COMPANY	CONSOLIDATED	
	09/30/2019	09/30/2019	09/30/2018
Current			
Beginning balance	-	36,073	183,432
Collection	-	-	5,586
Charges	126,450	150,633	33,516
Amortization	-	(28,405)	(25,533)
Transfer	-	26,679	(148,619)
Classification - Held for Sale	-	-	(15,466)
Ending balance	126,450	184,980	32,916
Non-current			
Beginning balance	-	432,155	287,347
Collection	5,000,000	5,000,000	109,832
Charges	2,303	9,358	2,886
Amortization	-	-	(11,095)
Transfer	-	(26,679)	148,619
Classification - Held for Sale	-	-	(94,848)
Ending balance	5,002,303	5,414,834	442,741
Total	5,128,753	5,599,814	475,657

NOTE 21 - LEASING OPERATION

Lease liability items refer mainly to lease contracts that correspond to real estate, vehicles and equipment. Another relevant item in this composition refers to the energy supply contracts for Manaus, capital of the State of Amazonas, signed with the PIEs in 2005 with a 20-year term from Amazonas Distribuidora that were transferred to Amazonas GT during the process of unbundling. The movement of these items is as follows:



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	CONSOLIDATED 09/30/2019
Beginning balance as of 12/31/2018	976,115
Initial Adoption of CPC 06 R(2)/IFRS 16	340,225
Additions	65,569
Interest Incurred	252,951
Interest	(411,768)
Write-off	(111,463)
Ending balance	1,111,629
Current	223,013
Non Current	888,616

	CONSOLIDATED 09/30/2019
Total cash outflows from leasing	
Classified under leasing liabilities	411,768
Not classified under leasing liabilities	40,815
Total Payments	452,583

The fixed and variable rents, as well as those related to short-term and low value contracts, were as follows for the period ended September 30, 2019:

	CONSOLIDATED	
	07/01/2019 to 09/30/2019	09/30/2019
Expenses on short-term and low value asset leases	4,291	43,644
Variable leasing expenses	199	637

The maturities of the non-current balance are shown in the table below:

	CONSOLIDATED
Maturity	9/30/2019
2020	189,858
2021	196,498
2022	178,964
2023	173,787
2024	119,392
After 2024	30,117
Total	888,616



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NOTE 22 - TAXES PAYABLE AND INCOME TAX AND SOCIAL CONTRIBUTIONS - LIABILITIES

22.1 - Taxes payable

	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Current liabilities:				
PASEP/ COFINS	23,349	123,983	782,887	778,966
IRRF/ CSRF	39,760	35,284	319,262	274,499
ICMS	-	-	145,014	62,431
INSS/ FGTS	4,674	4,649	41,530	77,996
PAES/ REFIS	-	-	23,072	22,566
ISS	-	-	18,877	12,424
Other	4,858	2,607	68,839	48,169
Total	<u>72,641</u>	<u>166,523</u>	<u>1,399,481</u>	<u>1,277,051</u>

	Parent Company		CONSOLIDATED	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Non-current liabilities:				
PAES/ REFIS	-	-	195,099	207,673
PASEP/ COFINS	-	-	24,476	14,283
Other	-	-	5,633	26,626
Total	<u>-</u>	<u>-</u>	<u>225,208</u>	<u>248,582</u>

INCOME TAX AND SOCIAL CONTRIBUTION

	Parent Company		CONSOLIDATED	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Current liabilities:				
Current Income Tax	100,788	674,578	2,265,633	2,031,674
Current Social Contribution	36,361	243,156	942,065	921,398
	<u>137,149</u>	<u>917,734</u>	<u>3,207,698</u>	<u>2,953,072</u>
Non-current liabilities:				
IRPJ/ CSLL deferred	<u>535,653</u>	<u>432,582</u>	<u>8,318,763</u>	<u>8,315,386</u>

- PAES/REFIS

The subsidiary Furnas opted in previous years to join tax debt refinancing programs. The financing term of each of these programs is limited to 180 months and the outstanding balance is adjusted by the Long-term Interest Rate (TJLP).



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22.2 - Reconciliation of income tax and social contribution expenses

	PARENT COMPANY			
	07/01/2019 to 09/30/2019		01/01/2019 to 09/30/2019	
	Income Tax	Social Tax	Income Tax	Social Tax
Profit (loss) before Income Tax and Social Contribution	772,098	772,098	2,713,432	2,713,432
Total Income Tax and Social Contribution calculated at the rates of 25% and 9%, respectively	(193,024)	(69,489)	(678,358)	(244,209)
Effects of additions and exclusions:				
Dividend Revenue	9,871	3,554	18,486	6,655
Equity Accounting	402,627	144,946	1,341,475	482,931
Negative equity in subsidiaries	250,944	90,341	(47,257)	(17,012)
Deferred taxes not recognized/written-off	(202,449)	(72,881)	(617,387)	(222,259)
Donations	(439)	(159)	(893)	(322)
Other additions and exclusions	(356,598)	(128,300)	(116,910)	(42,088)
Total Income Tax and Social Contribution Expenses	(89,068)	(31,988)	(100,844)	(36,304)
Effective tax rate	11.54%	4.14%	3.72%	1.34%

	CONSOLIDATED			
	07/01/2019 the 09/30/2019		01/01/2019 the 09/30/2019	
	Income Tax	Social Tax	Income Tax	Social Tax
Profit (loss) before Income Tax and Social Contribution	1,466,318	1,466,318	4,969,871	4,969,871
Total Income Tax and Social Contribution calculated at the rates of 25% and 9%, respectively	(366,580)	(131,968)	(1,242,468)	(447,288)
Effects of additions and exclusions:				
Indemnity - RBSE	(787,650)	(704,192)	153,453	55,243
Dividend Revenue	9,926	3,574	18,542	6,675
Equity Accounting	104,323	37,556	169,823	61,136
Tax Loss Compensation	85,923	52,827	158,840	54,640
Constitution of Tax Credits	94,337	33,961	21,292	7,665
Deferred taxes not recognized/written-off	40,408	303,003	(1,032,479)	(371,692)
Tax Incentives	270,575	59,942	325,449	59,942
Donations	(2,978)	1,325	(7,552)	(322)
Other additions and exclusions	68,966	76,276	(212,321)	(161,429)
Total Income Tax and Social Contribution Expenses	(482,750)	(267,696)	(1,647,421)	(735,430)
Effective tax rate	32.92%	18.26%	33.15%	14.80%



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	PARENT COMPANY			
	07/01/2018 to 09/30/2018 (Reclassified)		01/01/2018 to 09/30/2018 (Reclassified)	
	Income Tax	Social Tax	Income Tax	Social Tax
Profit (loss) before Income Tax and Social Contribution	(1,261,159)	(1,261,159)	2,149,915	2,149,915
Total Income Tax and Social Contribution calculated at the rates of 25% and 9%, respectively	315,290	113,505	(537,479)	(193,492)
Effects of additions and exclusions:				
Dividend Revenue	3,483	1,254	8,778	3,160
Equity Accounting	256,474	92,331	1,089,100	392,076
Negative equity in subsidiaries	(239,648)	(86,273)	(525,917)	(189,330)
Provision for reduction in Market Value	(33)	(12)	37	13
Deferred taxes not recognized/written-off	(350,147)	(126,053)	(406,883)	(146,478)
Donations	(14,000)	(5,040)	(14,650)	(5,274)
Other additions and exclusions	28,694	17,882	(44,352)	(15,965)
Total Income Tax and Social Contribution Expenses	112	7,593	(431,366)	(155,290)
Effective tax rate	0.01%	0.60%	20.06%	7.22%

	CONSOLIDATED			
	07/01/2018 to 09/30/2018 (Reclassified)		01/01/2018 to 09/30/2018 (Reclassified)	
	Income Tax	Social Tax	Income Tax	Social Tax
Profit (loss) before Income Tax and Social Contribution calculation basis	(993,844)	(993,844)	3,388,929	3,388,929
Total Income Tax and Social Contribution calculated at the rates of 25% and 9%, respectively	248,461	89,446	(847,232)	(305,004)
Effects of additions and exclusions:				
Indemnity - RBSE	(171,624)	(61,785)	(558,021)	(200,888)
Dividend income	3,478	1,252	9,030	3,251
Equity accounting	126,412	45,508	221,650	79,794
Tax Loss Compensation	(15,893)	66,601	334,003	141,316
Constitution Tax Credits	187,855	64,793	161,230	58,043
Deferred taxes recognised from previous years	(24,689)	(8,892)	-	-
Deferred taxes not recognised/written-off	665,246	239,490	(336,162)	(121,018)
Tax Incentives	110,939	811	247,944	-
Donations	(14,000)	(5,040)	(14,650)	(5,274)
Other additions and exclusions	(1,204,056)	(598,855)	(463,399)	(195,590)
Total Income Tax and Social Contribution Expenses	(87,871)	(166,672)	(1,245,608)	(545,369)
Effective tax rate	8.84%	16.77%	36.76%	16.09%

(a) Unrecognized/written-off deferred taxes

It is composed of temporary differences between accounting result, taxable result, tax loss and negative basis of CSLL calculated in the period, whose tax benefits were not recognized due to the absence of a history of taxable profit and/or projection of future tax results.

(b) Tax Incentives

The amount contains the amounts related to Provisional Measure 2,199-14 of the Northeast Development Superintendence (SUDENE) of August 24, 2001, as amended by Law 11,196, of November 21, 2005, which enables companies located in the Northeast, that have projects in the infrastructure sector considered, by the Executive Power, as a priority for regional development, to reduce the amount of income tax due for investment in installation, expansion, modernization or diversification projects.

In addition, the subsidiary CHESF's transmission concession contracts No. 007 and 008 of 2005 were entitled to the reduction incentive granted for the period from 2011 to 2020, as well as the exploration of electric power generation and transmission activities in the subsidiary Eletronorte, in the amount of



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R\$ 323,909 for specific concession contracts. The tax incentive reduces the income tax rate from 25% to 6.25%.

NOTE 23 - REMUNERATION TO SHAREHOLDERS

	PARENT COMPANY		CONSOLIDATED	
	30/09/2019	31/12/2018	30/09/2019	31/12/2018
Dividends from the year 2018	1,308,333	1,250,000	1,308,333	1,253,164
Unclaimed Dividends	4,057	7,502	4,057	7,502
Dividends retained from previous years	-	-	1,376	44,967
Minimum mandatory dividends for the period	-	-	4,257	-
	1,312,390	1,257,502	1,318,023	1,305,633

As provided for in the Company's Bylaws, the total amount of Dividends to be paid to shareholders of common shares and preferred shareholders of class "A" and "B", in the amount of R \$ 1,250,000, will be restated based on the positive variation of the SELIC rate, *pro rata temporis*, from January 1, 2019 until the date of effective payment, which will occur in due course until December 31, 2019. Dividends are restated to date in the amount of R \$ 1,308,333.

NOTE 24 - PROVISIONS FOR LITIGATION

At the closing date of this interim financial information, the Company presents the following provisions for legal obligations related to lawsuits, by nature, considered by the Company's Management as a present obligation of the entity, derived from events that have already occurred, and whose settlement is expected to result in an outflow of funds from the entity:

	PARENT COMPANY		CONSOLIDATED	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
CURRENT				
Civil	854,115	849,535	892,999	884,044
Labor	999	1,293	43,768	45,611
Tax	-	-	1,973	1,709
	855,114	850,828	938,740	931,364
NON-CURRENT				
Civil	17,171,395	17,115,956	22,410,517	21,327,263
Labor	353,375	488,774	1,620,457	1,522,207
Tax	-	-	341,804	346,825
	17,524,770	17,604,730	24,372,778	23,196,295
	18,379,884	18,455,558	25,311,518	24,127,659

The main increments referring to civil provisions are listed below:

Eletrosul made a change in prognosis due to the court ruling of two actions for execution of an extrajudicial executive order in the amount of R\$ 62,304 related to the assignment of wind projects to established SPEs.

Furnas had significant additions in the period referring to case No. 0027531-15.2007.08.19.001 classified as a probable loss in the amount of R\$ 92,838 filed by an industrial client. In addition, the regulatory process filed by AMPLA, currently ENEL RJ, had changes in the prognosis of possible loss to probable loss related to the questioning of financial losses resulting from price freezes imposed by Decree-Laws 2,283 and 2,284/1986, in the amount of R\$ 85,688.



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CHESF has been provisioning amounts related to GSF (Generation Scalling Factor) that are being credited monthly to the subsidiary upon settlement with CCEE due to the GSF limitation imposed by said injunction. The subsidiary recorded in the period the amount of R\$ 166,106 due to the hydrological movement in the period.

The change in the establishment of provisions in the parent company is related to the revision of estimates due to the evolution of decisions in the execution phase and/or settlement of lawsuits, mostly of compulsory loans.

In addition, the material proceedings in which the Company and its subsidiaries are parties did not change the prognosis with respect to the information disclosed in Note 28 to the financial statements of December 31, 2018.

These provisions had, during this period, the following evolution:

	PARENT COMPANY	CONSOLIDATED
Balance at December 31, 2018	18,455,558	24,127,659
Provisioning	864,033	1,774,861
Reversal of provisions	(581,754)	(735,777)
Monetary Update	461,547	1,060,387
Write-off	-	(13,600)
Interest	(819,500)	(902,011)
Balance at September 30, 2019	18,379,884	25,311,518

The constitution and reversal of the provision for contingencies were recorded in the statement of operations as Operating Provisions (see Note 32).

Additionally, the Company has lawsuits assessed as possible losses in the following amounts:

	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Civil	8,524,731	8,074,924	19,288,764	18,591,346
Labor	4,416,499	3,098,028	6,517,017	5,145,030
Tax	-	-	11,630,314	11,339,924
	12,941,230	11,172,952	37,436,094	35,076,300

NOTE 25 - OBLIGATION FOR ASSET DEMOBILIZATION

The Company recognizes obligations for decommissioning thermonuclear power plants, which are included in a program of activities required by the National Nuclear Energy Commission (CNEN), which allows these nuclear facilities to be safely and minimally dismantled at the end of the operational cycle. The amounts corresponding to the total asset demobilization liabilities adjusted to present value are R\$ 1,657,796 (R\$ 1,588,482 at December 31, 2018) referring to Angra 1, valid for the license until December 31, 2024 and R\$ 1,076,663 (R\$ 1,031,646 at December 31, 2018) referring to Angra 2, valid for the license until August 31, 2040.



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NOTE 26 - ADVANCE FOR FUTURE CAPITAL INCREASE

	PARENT COMPANY		CONSOLIDATED	
	30/09/2019	31/12/2018	30/09/2019	31/12/2018
Government Contributions to Future Capital Increase	3,747,815	3,580,852	3,747,815	3,580,852
Acquisition of equity interest in CEEE / CGTEE	274,436	262,210	274,436	262,210
Xingó HPP	13,017	12,437	13,017	12,437
Federal Fund for Electrification - Law 5,073/66	12,078	11,540	12,078	11,540
Banabuí Transmission Line - Fortaleza	4,633	4,426	4,633	4,426
Transmission line in the State of Bahia	2,037	1,947	2,037	1,947
Others	-	-	7,805	-
	<u>4,054,016</u>	<u>3,873,412</u>	<u>4,061,821</u>	<u>3,873,412</u>

On October 14, 2019, the Board of Directors approved the calling of the 175th Extraordinary General Meeting on November 14, 2019, to resolve on the Company's capital increase, by private subscription.

The proposal includes as main conditions: the capital increase that will be up to R\$ 9,988 billion, through the issuance of new common shares, for the unit price of R\$ 35.72 for new common shares and new class "B" preferred shares, for the unit price of R\$ 37.50 for new class "B" preferred shares, all new book-entry shares with no par value, for private subscription by the Company's shareholders. The minimum amount of R\$ 4.054 billion must be subscribed and paid in by the controlling shareholder, the Federal Government, through the capitalization of funds received from the Federal Government, resulting from contributions received as AFAC, for more information see Note 40.3.

NOTE 27 - NET EQUITY

The Company's Capital at September 30, 2019 is R\$ 31,305,331 (R\$ 31,305,331 at December 31, 2018) and its shares have no par value. Preferred shares have voting rights and are not convertible into common shares. However, they have priority in the repayment of capital and in the distribution of dividends, at annual rates of 8% for class "A" shares (subscribed until June 23, 1969) and 6% for class "B" shares (subscribed from June 24, 1969), calculated on the capital corresponding to each class of shares.

The Capital is distributed by major shareholders and by type of shares at September 30, 2019, as follows:

SHAREHOLDER	ORDINARY		PREFERRED				TOTAL EQUITY	
	QUANTITY	%	Series	%	Series B	%	AMOUNT	%
Government	554,395,652	51.00	-	-	892	0.00	554,396,544	40.99
BNDESPAR	141,757,951	13.04	-	-	18,691,102	7.04	160,449,053	11.86
BNDES	74,545,264	6.86	-	-	18,262,671	6.88	92,807,935	6.86
Banco Clássico	54,400,000	5.00	-	-	-	-	54,400,000	4.02
American Depository Receipts - ADR's	27,150,148	2.50	-	-	8,766,049	3.30	35,916,197	2.66
3G Radar Funds	566,142	0.05	-	-	28,232,316	10.64	28,798,458	2.13
Others	<u>234,235,140</u>	<u>21.55</u>	<u>146,920</u>	<u>100.00</u>	<u>191,483,853</u>	<u>72.14</u>	<u>425,865,913</u>	<u>31.48</u>
	<u>1,087,050,297</u>	<u>100.00</u>	<u>146,920</u>	<u>100.00</u>	<u>265,436,883</u>	<u>100.00</u>	<u>1,352,634,100</u>	<u>100.00</u>



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Of the total 493,973,703 minority shares, 265,006,179, or 53.65%, are owned by non-resident investors, of which 146,243,117 are common shares, 28 are class "A" preferred shares and 118,763,034 class "B" preferred shares.

Of the total stake of shareholders domiciled abroad, 27,150,148 common shares and 8,766,049 class "B" preferred shares are in custody, backing the American Depositary Receipts (ADRs) Program, which are traded on the New York Stock Exchange (NYSE).

NOTE 28 - EARNINGS PER SHARE

(a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders and their number of issued shares, excluding those purchased by the Company and held as treasury shares. Preferred shares have a guaranteed right (per share) of at least 10% superiority in the distribution of Dividends and/or Interest on Equity (JCP) over common shares.

Basic				
07/01/2019 to 09/30/2019				
Numerator	Common	Preferred A	Preferred B	Total
Profit attributable to each class of shares - Ongoing Operations				651,042
Profit attributable to each class of shares - Discontinued Operations	-	-	-	-
Profit for the year	<u>513,138</u>	<u>76</u>	<u>137,828</u>	<u>651,042</u>
Denominator	Ordinary	Preferred A	Preferred B	
Weighted average number of shares	1,087,050	147	265,437	
% of shares in relation to the total	80.37%	0.01%	19.62%	
Basic earnings per share from ongoing operations (R\$)	0.47	0.52	0.52	
Basic earnings per share of discontinued operations (R\$)	-	-	-	
Net basic earnings per share (R\$)	<u>0.47</u>	<u>0.52</u>	<u>0.52</u>	
01/01/2019 to 09/30/2019				
Numerator	Common	Preferred A	Preferred B	Total
Profit attributable to each class of shares - Ongoing Operations	2,030,572	302	545,409	2,576,283
Profit attributable to each class of shares - Discontinued Operations	3,970,167	590	1,066,383	5,037,140
Profit for the year	<u>6,000,739</u>	<u>892</u>	<u>1,611,792</u>	<u>7,613,423</u>
Denominator	Common	Preferred A	Preferred B	
Weighted average number of shares	1,087,050	147	265,437	
% of shares in relation to the total	80.37%	0.01%	19.62%	
Basic earnings per share from ongoing operations (R\$)	1.87	2.05	2.05	
Basic earnings per share of discontinued operations (R\$)	3.65	4.02	4.02	
Net basic earnings per share	<u>5.52</u>	<u>6.07</u>	<u>6.07</u>	



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01/07/2018 to 30/09/2018 (Reclassified)				
Numerator	Common	Preferred A	Preferred B	Total
Profit attributable to each class of shares - Ongoing Operations	(987,946)	(147)	(265,361)	(1,253,454)
Profit attributable to each class of shares - Discontinued Operations	(797,222)	(119)	(214,133)	(1,011,474)
Profit for the year	<u>(1,785,168)</u>	<u>(265)</u>	<u>(479,494)</u>	<u>(2,264,928)</u>
Denominator	Common	Preferred A	Preferred B	
Weighted average number of shares	1,087,050	147	265,437	
% of shares in relation to the total	80.37%	0.01%	19.62%	
Basic earnings per share from ongoing operations (R\$)	(0.91)	(1.00)	(1.00)	
Basic earnings per share of discontinued operations (R\$)	(0.73)	(0.81)	(0.81)	
Net basic earnings per share (R\$)	<u>(1.64)</u>	<u>(1.81)</u>	<u>(1.81)</u>	

01/01/2018 a 09/30/2018 (Reclassified)				
Numerator	Ordinary	Preferred A	Preferred B	Total
Profit attributable to each class of shares - Ongoing Operations	1,232,128	183	330,948	1,563,259
Profit attributable to each class of shares - Discontinued Operations	(1,579,514)	(235)	(424,256)	(2,004,004)
Profit for the year	<u>(347,386)</u>	<u>(52)</u>	<u>(93,307)</u>	<u>(440,745)</u>
Denominator	Ordinary	Preferred A	Preferred B	
Weighted average number of shares	1,087,050	147	265,437	
% of shares in relation to the total	80.37%	0.01%	19.62%	
Basic earnings per share from ongoing operations (R\$)	1.13	1.25	1.25	
Basic earnings per share of discontinued operations (R\$)	(1.45)	(1.60)	(1.60)	
Net basic earnings per share (R\$)	<u>(0.32)</u>	<u>(0.35)</u>	<u>(0.35)</u>	

(b) Diluted

To calculate diluted earnings per share, the Company must assume the exercise of options, warrants and other potential dilutive effects. The only dilutive effect found was the conversion of the compulsory loan. Assumed amounts arising from these instruments shall be deemed to have been received from the issuance of shares at the average market price of the shares during the period. As of September 30, 2019, based on the liability balance related to the compulsory loan, the dilution with an increase of 10,420 preferred B shares in earnings per share was simulated, as shown below.

07/01/2019 to 09/30/2019					
Numerator	Common	Preferred A	Preferred B Converted	Preferred B	Total
Profit attributable to each class of shares - Ongoing Operations	508,925	76	-	136,697	651,042
Profit attributable to each class of shares - Discontinued Operations	-	-	-	-	-
Profit for the period	<u>508,925</u>	<u>76</u>	<u>5,345</u>	<u>136,697</u>	<u>651,042</u>
Denominator	Common	Preferred A	Preferred B Converted	Preferred B	
Weighted average number of shares in thousand	1,087,050	147	10,379	265,437	
% of shares in relation to the total	79.75%	0.01%	0.76%	19.47%	
Diluted earnings per share of continued operation (R\$)	0.47	0.51	0.51	0.51	
Diluted earnings per share of discontinued operation (R\$)	-	-	-	-	
Diluted earnings per share (R\$)	<u>0.47</u>	<u>0.51</u>	<u>0.51</u>	<u>0.51</u>	



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01/01/2019 to 09/30/2019					
Numerator	Common	Preferred A	Preferred B Converted	Preferred B	Total
Profit attributable to each class of shares - Ongoing Operations	2,013,901	299	21,151	540,932	2,576,283
Profit attributable to each class of shares - Discontinued Operations	3,937,572	585	41,355	1,057,628	5,037,140
Profit for the period	<u>5,951,473</u>	<u>885</u>	<u>62,506</u>	<u>1,598,559</u>	<u>7,613,423</u>
Denominator	Common	Preferred A	Preferred B Converted	Preferred B	
Weighted average number of shares in thousand	1,087,050	147	10,379	265,437	
% of shares in relation to the total	79.75%	0.01%	0.76%	19.47%	
Diluted earnings per share of continued operation (R\$)	1.85	2.04	2.04	2.04	
Diluted earnings per share of discontinued operation (R\$)	3.62	3.98	3.98	3.98	
Diluted earnings per share (R\$)	<u>5.47</u>	<u>6.02</u>	<u>6.02</u>	<u>6.02</u>	

07/01/2018 to 09/30/2018 (Reclassified)					
Numerator	Common	Preferred A	Preferred B Converted	Preferred B	Total
Profit attributable to each class of shares - Ongoing Operations	(975,951)	(145)	(15,218)	(262,139)	(1,253,454)
Profit attributable to each class of shares - Discontinued Operations	(787,543)	(117)	(12,280)	(211,533)	(1,011,474)
Loss for the Period	<u>(1,763,494)</u>	<u>(262)</u>	<u>(27,499)</u>	<u>(473,673)</u>	<u>(2,264,928)</u>
Denominator	Common	Preferred A	Preferred B Converted	Preferred B	
Weighted average number of shares in thousand	1,087,050	147	15,410	265,437	
% of shares in relation to the total	79.42%	0.01%	1.17%	19.39%	
Diluted earnings per share from ongoing operations (R\$)	(0.90)	(0.99)	(0.99)	(0.99)	
Diluted earnings per share of discontinued operations (R\$)	(0.72)	(0.80)	(0.80)	(0.80)	
Diluted earnings per share (R\$)	<u>(1.62)</u>	<u>(1.78)</u>	<u>(1.78)</u>	<u>(1.78)</u>	

01/01/2018 to 09/30/2018 (Reclassified)					
Numerator	Ordinary	Preferred A	Preferred B Converted	Preferred B	Total
Profit attributable to each class of shares - Ongoing Operations	1,217,168	181	18,980	326,930	1,563,259
Profit attributable to each class of shares - Discontinued Operations	(1,560,336)	(232)	(24,331)	(419,105)	(2,004,004)
Loss for the Period	<u>(343,168)</u>	<u>(51)</u>	<u>(5,351)</u>	<u>(92,175)</u>	<u>(440,745)</u>
Denominator	Ordinary	Preferred A	Preferred B Converted	Preferred B	
Weighted average number of shares in thousand	1,087,050	147	15,410	265,437	
% of shares in relation to the total	79.42%	0.01%	1.17%	19.39%	
Diluted earnings per share of continued operation (R\$)	1.12	1.23	1.23	1.23	
Diluted earnings per share of discontinued operation (R\$)	(1.44)	(1.58)	(1.58)	(1.58)	
Diluted earnings per share (R\$)	<u>(0.32)</u>	<u>(0.35)</u>	<u>(0.35)</u>	<u>(0.35)</u>	

The Company restated the 2018 earnings per share disclosure to give effect to the method of each class, considering that preferred B shares are entitled to receive at least 10% higher than that attributed to each common and preferred A share of the respective fiscal year.



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NOTE 29 - NET OPERATING REVENUE

	PARENT COMPANY				CONSOLIDATED			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2019 to 09/30/2019 (Reclassified)	01/01/2019 to 09/30/2019 (Reclassified)	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2019 to 09/30/2019 (Reclassified)	01/01/2019 to 09/30/2019 (Reclassified)
OPERATING INCOME								
Generation								
Procurement	3,476	63,778	68,573	69,223	4,297,182	11,662,060	3,561,714	9,322,674
Supply	-	-	-	-	579,751	1,712,119	644,322	1,735,726
CCEE	-	-	-	-	341,196	985,909	485,210	1,133,833
Operating and maintenance revenue	-	-	-	-	925,230	2,609,419	551,482	1,626,075
Plant Construction Revenue	-	-	-	-	11,952	25,100	13,941	30,310
Itaipu transfer	(21,215)	82,314	142,273	326,145	(21,215)	82,314	142,273	326,145
	<u>(17,739)</u>	<u>146,092</u>	<u>210,846</u>	<u>395,368</u>	<u>6,134,096</u>	<u>17,076,921</u>	<u>5,398,942</u>	<u>14,174,763</u>
Transmission								
Operating and maintenance revenue	-	-	-	-	1,158,351	3,211,396	973,614	3,017,003
Construction Revenue	-	-	-	-	172,019	408,089	129,718	583,016
Financial Contractual Revenue	-	-	-	-	177,235	581,937	247,511	620,719
Financial - Return on Investment - RBSE	-	-	-	-	1,062,479	2,959,000	1,036,965	3,495,992
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,570,084</u>	<u>7,160,422</u>	<u>2,387,808</u>	<u>7,716,730</u>
Other revenue	<u>15,680</u>	<u>134,112</u>	<u>7,495</u>	<u>32,318</u>	<u>85,696</u>	<u>527,826</u>	<u>222,473</u>	<u>445,921</u>
(-) Deductions from Operating Revenue	<u>(2,059)</u>	<u>280,204</u>	<u>218,341</u>	<u>427,686</u>	<u>8,789,876</u>	<u>24,765,169</u>	<u>8,009,223</u>	<u>22,337,414</u>
(-) ICMS	-	-	-	-	(221,730)	(694,744)	(99,078)	(282,157)
(-) PASEP and COFINS	6,036	(38,660)	(45,318)	(88,439)	(821,070)	(2,369,744)	(808,780)	(2,211,801)
(-) Sectorial charges	-	-	-	-	(453,533)	(1,306,954)	(457,052)	(1,197,957)
(-) Other Deductions (including ISS)	-	-	-	-	(2,217)	(7,229)	(2,808)	(7,202)
	<u>6,036</u>	<u>(38,660)</u>	<u>(45,318)</u>	<u>(88,439)</u>	<u>(1,498,550)</u>	<u>(4,378,671)</u>	<u>(1,367,718)</u>	<u>(3,699,117)</u>
Net operating income	<u>3,977</u>	<u>241,544</u>	<u>173,023</u>	<u>339,247</u>	<u>7,291,326</u>	<u>20,386,498</u>	<u>6,641,505</u>	<u>18,638,297</u>



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NOTE 30 - PERSONNEL, SUPPLIES AND SERVICES

	PARENT COMPANY				CONSOLIDATED			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2019 to 09/30/2019 (Reclassified)	01/01/2019 to 09/30/2019 (Reclassified)	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2019 to 09/30/2019 (Reclassified)	01/01/2019 to 09/30/2019 (Reclassified)
Personnel	104,100	273,692	88,244	282,508	1,174,441	3,656,099	1,199,809	3,938,517
Supplies	547	1,356	313	1,123	87,628	188,624	57,125	178,615
Services	56,218	256,065	78,508	207,117	472,758	1,573,591	525,341	1,494,823
	<u>160,865</u>	<u>531,113</u>	<u>167,065</u>	<u>490,748</u>	<u>1,734,827</u>	<u>5,418,314</u>	<u>1,782,275</u>	<u>5,611,955</u>

NOTE 31 - ENERGY PURCHASED FOR RESALE

	CONSOLIDATED			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2019 to 09/30/2019 (Reclassified)	07/01/2019 to 09/30/2019 (Reclassified)
Energy purchased for resale				
Supply	348,218	975,663	190,135	747,059
Commercialization in CCEE	182,631	450,372	422,478	563,629
Others	61,219	66,923	34,518	37,904
	<u>592,068</u>	<u>1,492,958</u>	<u>647,131</u>	<u>1,348,592</u>

NOTE 32 - OPERATIONAL PROVISIONS (REVERSIONS)

	PARENT COMPANY				CONSOLIDATED			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018 (Reclassified)	01/01/2018 to 09/30/2018 (Reclassified)	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018 (Reclassified)	01/01/2018 to 09/30/2018 (Reclassified)
Guarantees	(19,490)	(89,542)	(10,289)	57,367	(19,490)	(89,542)	(10,289)	57,367
Contingencies	207,125	282,281	1,507,269	1,883,406	417,231	1,039,086	2,178,336	3,020,990
ADA - Consumers and Resellers	-	-	-	-	81,588	182,400	(34,059)	108,693
ADA - Financing and Loans	(426,083)	(195,493)	4,975	16,556	(426,083)	(195,493)	4,975	16,556
Negative Equity in Subsidiaries	77,896	189,026	(52,883)	99,662	-	-	-	-
Onerous Contracts (a)	-	-	-	-	(771)	(342,671)	(147,350)	(602,481)
Provision/(Reversal) for Losses from Investment	14,540	(12,712)	282,255	316,334	14,537	(47,749)	412,188	428,475
Impairment of long-term assets	-	-	-	-	-	-	21,405	434,586
Expiry of the concession (a)	-	-	-	-	(25,073)	362,019	-	-
Provision for Third-Party Indemnity Incentive (d)	-	-	-	-	354,486	354,486	-	-
ANEEL provision - CCC (b)	689,646	1,676,028	-	-	689,646	1,676,028	-	-
TFRH (c)	-	-	-	-	-	-	-	(1,183,583)
Others	2,361	8,181	5,386	(121,505)	5,969	182,512	152,876	99,319
	<u>545,995</u>	<u>1,857,769</u>	<u>1,736,713</u>	<u>2,251,820</u>	<u>1,092,040</u>	<u>3,121,076</u>	<u>2,578,082</u>	<u>2,379,922</u>

(a) Concession expiry and onerous contracts

The subsidiary CHESF recognized in the period a provision in the amount of R\$ 362,019 as a result of the expiry declared by the Granting Authority, and consequently recognized the reversal of its burden in the amount of R\$ 180,528 in its concession contracts: 05/2007, 15/2012, 18/2011 and 19/2011. Additionally, Furnas reversed the amount of R\$ 162,142, upon recognition of the burden of the exercise of the concession of Contract No. 004/2004 - Santa Cruz TPP, based on the burden tests performed by the Subsidiary.

(b) ANEEL - CCC Provision

The Parent Company recognized in this quarter an additional provision in the amount of R \$ 689,646, further details in Note 12.

(c) Water Resources Inspection Fee (TFRH)



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The subsidiary Eletronorte was fined in 2015, referring to the non-payment of the TFRH from April to June 2015, and is discussing this fine. As of 2016, in compliance with Law No. 8,091/2014, which establishes the TFRH, and as it understands that this is a legal obligation, the Subsidiary provisioned the TFRH based on the flow and turbined volume of the Tucuruí and Curuá-Una hydroelectric power plants. In June 2018, the Attorney General's Office (PRG) declared a favorable opinion to the Direct Action of Unconstitutionality promoted by the National Confederation of Industry (CNI) in view of the collection of TFRH.

Additionally, in December 2018, Minister Luís Roberto Barroso granted a precautionary measure in favor of CNI because he believes that it violates the principle of cost-benefit and proportionality. Thus, considering the decisions on the subject, there was a change in the risk of loss of this contingency, resulting in a total reversal of the provision in the amount of R\$ 1,183,583.

(d) Furnas - Outsourcing Termination Agreement

Furnas, the Labor Department of Justice (MPT) and the National Federation of Urban Developers (FNU) had signed, in 2009, within the scope of Writ of Mandamus 27,066, currently under way at the STF, an agreement providing for the phased dismissal of 1,041 employees.

The phased dismissal of these outsourced workers was already scheduled to occur by the end of 2018. However, the 2016 agreement was suspended by the Hon. Judge Luiz Fux, at the request of the parties, and is being resumed in this fiscal year.

On September 27, 2019, Furnas entered into an indemnity agreement relating to the proceeding at the STF with the FNU, within the scope of Writ of Mandamus 27,066 to comply with the Outsourcing Agreement.

Under the agreement, Furnas recorded the amount of R\$ 354,486, against other current liabilities, which includes outsourced professionals. The amount consists of indemnities, health insurance, training and court costs.

NOTE 33 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

33.1 - Capital Risk Management

The Company's objectives in managing its capital are to safeguard the Company's ability to continue to provide shareholder returns and benefits to other stakeholders and to pursue an ideal capital structure to reduce this cost. Acquisitions and sales of financial assets are recognized on the trade date.

In order to maintain or adjust the capital structure, the Company may revise its dividend payment policy, return capital to shareholders or issue new shares or sell assets to reduce, for example, the level of indebtedness.

In line with other companies in the sector, the Company monitors capital based on the financial leverage ratio. This ratio corresponds to net exposure divided by total capital. Net exposure, in turn, corresponds to total short- and long-term loans, financing and debentures, Notes 19 and 20, less cash and cash equivalents (not including restricted cash) and securities, Notes 6 and 7. Total capital is calculated as the sum of shareholders' equity as shown in the consolidated balance sheet and net exposure.



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	09/30/2019	12/31/2018
Total loans, financing and debentures	49,286,598	54,372,798
(-) Cash and cash equivalents and marketable securities	9,830,547	7,285,289
Net exposure	39,456,051	47,087,509
(+) Total Shareholders' Equity	63,538,176	55,758,948
Total Equity	102,994,227	102,846,457
Financial Leverage Ratio	38%	46%

33.2 - Classification by category of financial instruments

The accounting balances of certain financial assets and liabilities represent a reasonable approximation to fair value. The Company uses the following classification to frame its financial instruments and their respective levels:

FINANCIAL ASSETS	Level	Parent Company		Consolidated	
		09/30/2019	12/31/2018	09/30/2019	12/31/2018
Amortized Cost		34,334,571	32,683,479	29,012,532	26,545,797
Loans and financing		28,385,050	28,775,779	15,735,918	13,874,941
Reimbursement rights		5,303,319	3,234,542	5,373,970	6,256,311
Financial Assets - Generation		-	-	2,049,539	2,033,078
Clients		340,068	379,649	5,514,884	4,087,634
Marketable Securities		306,134	293,509	338,221	293,833
Fair value through profit or loss		7,259,620	6,686,955	47,300,534	45,443,744
Marketable Securities	1	4,687,462	4,034,242	9,044,588	6,408,104
Financial Assets - Transfer (RBSE)	3	-	-	36,160,510	36,277,549
Cash and cash equivalents	1	11,027	47,400	447,738	583,352
Derivative Financial Instruments	2	716	2,195	284,184	371,022
Financial Assets - Itaipu	3	2,560,415	2,603,118	1,363,514	1,803,717
Fair value through other comprehensive		1,696,211	1,388,460	1,773,445	1,447,150
Investments (shareholdings)	1	1,696,211	1,388,460	1,773,445	1,447,150
 FINANCIAL LIABILITIES					
Amortized Cost		38,649,386	30,254,086	55,065,155	60,513,440
Loans and financing		29,767,609	27,634,848	43,686,784	54,372,798
Debentures		5,128,753	-	5,599,814	468,228
Compensation obligations		2,083,104	1,250,619	2,083,104	1,250,619
Financial Liabilities - Itaipu		1,196,901	799,401	-	-
Suppliers		407,535	569,218	2,510,832	3,377,105
Leasing		65,484	-	1,111,629	976,115
UBP Concessions Payable		-	-	72,992	68,575
Fair value		715	928	7,926	26,421
Derivative Financial Instruments	2	-	-	7,211	25,459
Fin. Instr. Derivatives - Hedge	2	715	928	715	962

Level 1 - quoted (unadjusted) prices in active, liquid and visible markets for identical assets and liabilities that are accessible at the measurement date;

Level 2 - quoted prices (may or may not be adjusted) for similar assets or liabilities in active markets, other inputs not observable at level 1, directly or indirectly, under the terms of the asset or liability; and

Level 3 - assets and liabilities whose prices do not exist or whose prices or valuation techniques are supported by a small or non-existent, unobservable or net market. At this level the estimate of fair value becomes highly subjective.



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The fair value of financial instruments traded in active markets is based on market prices quoted on the balance sheet date. A market is seen as active if quoted prices are readily and regularly available from a Stock Exchange, distributor, broker, industry group, pricing service or regulatory agency. And prices represent real market transactions that occur regularly on a purely commercial basis.

The quoted market price used for the financial assets held by the Company and its subsidiaries is the current bid price. These instruments are included in Level 1. The instruments included in Level 1 mainly comprise equity investments classified as at fair value through profit or loss or through other comprehensive income previously classified as trading securities or available for sale.

The fair value of financial instruments that are not traded in active markets (e.g. OTC derivatives) is determined using valuation techniques. These valuation techniques maximize the use of data adopted by the market where they are available and rely as little as possible on entity-specific estimates. If all relevant information required for the fair value of an instrument is adopted by the market, the instrument will be included in Level 2.

If one or more relevant information is not based on data adopted by the market, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or quotes from financial institutions or brokers for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on yield curves adopted by the market; and
- The fair value of future foreign exchange contracts is determined based on future exchange rates at the balance sheet date, with the resulting value discounted to present value.

Other techniques, such as discounted cash flow analysis, which are used to determine the fair value of the remaining financial instruments and the credit risk of counterparties to swap transactions.

The Company classified the financial asset - Itaipu and the financial asset - Transmission (RBSE) as fair value through profit or loss. As factors relevant to fair value valuation are not publicly observable, the fair value hierarchy rating is Level 3. Gains on income for the period were R \$ 82,314 (R \$ 326,145 as of September 30, 2018) and R \$ 2,959,000 (R \$ 3,495,992 as of September 30, 2018), respectively. The main assumptions used are disclosed in Notes 16 and 5, respectively.

33.3 - Financial Risk Management

In the exercise of its activities, the Company is impacted by risk events that may compromise its strategic objectives. The main purpose of risk management is to anticipate and minimize the adverse effects of such events on the Company's business and economic and financial results.

For the management of financial risks, the Company has defined operating and financial policies and strategies, approved by internal committees and by management, aimed at providing liquidity, security and profitability to its assets and maintaining the indebtedness levels and debt profile defined for the economic and financial flows.

The main financial risks identified in the risk management process are:

33.3.1 - Exchange rate risk



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This risk arises from the possibility of the Company having its economic and financial statements impacted by fluctuations in exchange rates. The Company has exposure to financial risks that cause volatility in its results as well as its cash flow. The Company has exposure to foreign currency-indexed assets and liabilities, especially the US dollar, arising mainly from financing contracts with Itaipu Binacional.

The Company has a Financial Hedging Policy whose purpose is to monitor and mitigate exposure to market variables that impact assets and liabilities of the Company and its subsidiaries, thereby reducing the effects of undesirable fluctuations of these variables on their financial statements and interim financial information.

This policy, therefore, aims to ensure that the Company's results faithfully reflect its actual operating performance and that its projected cash flow is less volatile.

Considering the different ways to hedge the mismatches presented by the Company, the Policy lists a range of priorities, prioritizing the structural solution, and, only for the residual cases, the adoption of transactions with derivative financial instruments.

Transactions with financial derivatives, when carried out, may not characterize financial leverage or lending to third parties.

(a) Breakdown of foreign currency balances and sensitivity analysis

The following tables considered scenarios for indices and rates, with the respective impacts on the Company's results. For the sensitivity analysis we used as a probable scenario for the period ended September 30, 2019 forecasts and/or estimates based primarily on macroeconomic assumptions obtained from the Focus Report, released by the Central Bank, and Economic Outlook, published by the Organization for Economic Cooperation and Development (OECD).

Sensitivity analyzes were performed of the financial instruments, assets and liabilities, which have exposure to the exchange rate and which could bring material losses to the Company, in four different scenarios, based on the probable scenario mentioned above: two considering the appreciation of currencies and two others considering the depreciation of these currencies.

Sensitivity analyzes were prepared pursuant to CVM Instruction 475/2008, with the purpose of measuring the impact of changes in market variables on each financial instrument of the Company. These are, therefore, projections based on evaluations of macroeconomic scenarios, which does not mean that the transactions will have the values presented within the considered analysis period.

- Exchange rate appreciation/depreciation risk



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	PARENT COMPANY						
	Balance at 09/30/2019		Effect on result - revenue (expense)			Effect on result - revenue (expense)	
	Foreign Currency	Reais	Scenario I - Probable 2019 ¹	Scenario II (25%) ¹	Scenario III (50%) ¹	Scenario II (25%) ¹	Scenario III (50%) ¹
Loans obtained	2,043,084	8,506,994	722,843	(1,223,195)	(3,169,232)	2,668,881	4,614,919
USD Loans granted	1,681,724	7,003,373	(596,003)	1,005,839	2,607,682	(2,197,846)	(3,799,688)
Financial asset - Itaipu	614,834	2,560,415	(217,897)	367,732	953,362	(803,527)	(1,389,156)
Impact on Statement of Operations - USD			(91,057)	150,376	391,812	(332,492)	(573,925)
Loans obtained	53,931	244,857	9,179	(49,740)	(108,660)	68,099	127,018
EURO Loans granted	53,534	243,177	(9,235)	49,251	107,737	(67,720)	(126,206)
Impact on Statement of Operations - EURO			(56)	(489)	(923)	379	812
Loans granted	3,370,327	129,825	(11,864)	17,627	47,117	(41,354)	(70,844)
Impact on Statement of Operations			(11,864)	17,627	47,117	(41,354)	(70,844)
Impact on profit/loss in the event of exchange rate appreciation			(102,977)	167,513	438,006		
Impact on profit/loss in the event of exchange rate appreciation						(373,467)	(643,957)

	CONSOLIDATED						
	Balance at 09/30/2019		Effect on income - revenue (expense)			Effect on income - revenue (expense)	
	Foreign Currency	Reais	Scenario I - Probable 2019 ¹	Scenario II (25%) ¹	Scenario III (50%) ¹	Scenario II (25%) ¹	Scenario III (50%) ¹
Loans obtained	2,211,763	9,209,339	782,522	(1,324,183)	(3,430,887)	2,889,226	4,995,930
USD Loans granted	1,604,182	6,680,457	(568,522)	959,461	2,487,445	(2,096,506)	(3,624,490)
Financial asset - Itaipu	327,421	1,363,514	(116,038)	195,831	507,700	(427,907)	(739,776)
Impact on Statement of Operations - EURO			97,962	(168,891)	(435,742)	364,813	631,664
Loans obtained	53,931	244,857	9,179	(49,740)	(108,660)	68,099	127,018
Impact on Statement of Operations - EURO			9,179	(49,740)	(108,660)	68,099	127,018
Impact on profit/loss in the event of exchange rate appreciation			107,141	(218,631)	(544,402)		
Impact on profit/loss in the event of exchange rate appreciation						432,912	758,682
(¹) Assumptions adopted:			Likely	25%	50%	-25%	-50%
USD			3.810	4.763	5.715	2.858	1.905
EURO			4.370	5.463	6.555	3.278	2.185
Yen			0.035	0.044	0.053	0.026	0.018

33.3.2 - Interest rate risk

This risk is associated with the Company's ability to account for losses due to fluctuations in market interest rates, impacting its statements by the increase in financial expenses related to foreign funding contracts, mainly referenced to the Libor rate.

The Company monitors its exposure to the Libor rate and engages in derivative transactions to minimize this exposure, in accordance with the Financial Hedging Policy.

(a) Breakdown of balances by indexer and sensitivity analysis

The breakdown of debt by indexer, whether in local or foreign currency, is detailed in Note 19.

The following tables considered scenarios for indices and rates, with the respective impacts on the Company's results. For the sensitivity analysis we used as a probable scenario for the period ended September 30, 2019 forecasts and/or estimates based primarily on macroeconomic assumptions obtained from the Focus Report, released by the Central Bank, and Economic Outlook, published by the OECD.



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Sensitivity analyzes were performed on financial instruments, assets and liabilities, which could bring material losses to the Company, in four different scenarios, based on the probable scenario mentioned above: two considering the appreciation of the indexers and another two considering the depreciation of these indexers.

Sensitivity analyzes were prepared pursuant to CVM Instruction 475/2008, with the purpose of measuring the impact of changes in market variables on each financial instrument of the Company. These are, therefore, projections based on evaluations of macroeconomic scenarios, which does not mean that the transactions will have the values presented within the considered analysis period.

In all scenarios, the probable US dollar exchange rate was used to convert to reais the effect on the result of risks linked to the LIBOR fluctuation. This sensitivity analysis is not considering any foreign exchange effect as a result of any appreciation or depreciation of the probable scenario of the US dollar value. The impact of the appreciation and depreciation of the probable scenario of the US dollar value is presented in item (a.1) of this note.

(a.1) LIBOR

Interest rate appreciation risk

		CONSOLIDATED				
		Debt Balance/Notional amount at 09/30/2019		Effect on income(loss) - revenue(expenses)		
		In USD	In reais	Scenario I - Probable 2019 ¹	Scenario II (+25%) ¹	Scenario III (+50%) ¹
LIBOR Loans obtained		230,968	961,843	429,656	537,070	644,484
Derivative		172	715	(319)	(399)	(479)
	Total			429,336	536,671	644,005
			09/30/2019	Probable	25%	50%
(¹) Assumptions adopted:						
USD			4.1644	3.9400	4.9250	5.9100
LIBOR			2.0556	1.7600	2.2000	2.6400



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(a.2) National Indexers

Interest rate appreciation/depreciation risk

		Parent Company					
		Balance at 09/30/2019	Effect on income - revenue (expense)			Effect on income - revenue (expense)	
			Scenario I - Probable 2019 1	Scenario II (+25%) 1	Scenario III (+50%) 1	Scenario II (-25%) 1	Scenario III (-50%) 1
CDI/SELIC	Loans obtained	16,447,134	(822,357)	-	(1,233,535)	(616,768)	(411,178)
	Debentures issued	4,413,061	220,653	275,816	330,980	(165,490)	(110,327)
	Impact on Statement of Operations - CDI		(601,704)	275,816	(902,555)	(782,258)	(521,505)
Igp	Loans granted	230,021	12,651	15,814	18,977	9,488	6,326
	Leasing liabilities	65,484	(3,602)	(4,502)	(5,402)	2,701	1,801
	Impact on Statement of Operations - IGP		9,049	11,312	13,575	12,189	8,127
IPCA	Loans granted	4,290,810	148,462	185,578	222,693	111,347	74,231
	Debentures issued	715,692	24,763	30,954	37,144	18,572	12,381
	Impact on Statement of Operations - IPCA		173,225	216,532	259,837	129,919	86,612
Impact on profit/loss - Appreciation of indices			(419,430)	503,660	(629,143)		
Impact on profit/loss - Depreciation of indices						(640,150)	(426,766)

		CONSOLIDATED					
		Balance at 09/30/2019	Effect on income - revenue (expense)			Effect on income - revenue (expense)	
			Scenario I - Probable 2019 1	Scenario II (+25%) 1	Scenario III (+50%) 1	Scenario II (-25%) 1	Scenario III (-50%) 1
CDI/SELIC	Loans obtained	17,978,620	(898,931)	(1,123,664)	(1,348,396)	(674,198)	(449,465)
	Debentures issued	4,413,061	(220,653)	(275,816)	(330,980)	(165,490)	(110,327)
	Impact on Statement of Operations - CDI		(1,119,584)	(1,399,480)	(1,679,376)	(839,688)	(559,792)
TJLP	Loans obtained	6,172,753	(372,834)	(466,043)	(559,251)	(279,626)	(186,417)
	Debentures issued	204,117	12,329	15,411	18,493	9,247	6,164
	Impact on Statement of Operations - TJLP		(360,505)	(450,632)	(540,758)	(270,379)	(180,253)
IGPM	Leasing liabilities	1,111,629	(61,140)	(76,424)	(91,709)	45,855	30,570
	Loans granted	230,021	12,651	15,814	18,977	9,488	6,326
	Impact on Statement of Operations - IGP		(48,489)	(60,610)	(72,732)	55,343	36,896
IPCA	Loans obtained	49,755	(1,722)	(2,152)	(2,582)	(1,291)	(861)
	Loans granted	149,892	5,186	6,483	7,779	3,890	2,593
	Debentures issued	982,636	(33,999)	(42,499)	(50,999)	(25,499)	(17,000)
Impact on Statement of Operations - IPCA			(30,535)	(38,168)	(45,802)	(22,900)	(15,268)
Impact on the result - Appreciation of indices			(1,559,113)	(1,948,890)	(2,338,668)		
Impact on the result - depreciation of indices						(1,077,624)	(718,417)

(1) Assumptions adopted:

	Probable	+25%	+50%	-25%	-50%
CDI/ SELIC	5.00%	6.25%	7.50%	3.75%	2.50%
IPCA	3.46%	4.33%	5.19%	2.60%	1.73%
TJLP	6.04%	7.55%	9.06%	4.53%	3.02%
IGPM	5.50%	6.88%	8.25%	4.13%	2.75%

In order to mitigate the risk in cash flow exposures of the issued variable rate debt, the Company contracted interest rate swaps and designated them as hedge accounting. In accordance with the interest rate swap contracts, the Company agrees to exchange the difference between the fixed and floating

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interest rate values calculated from the agreed notional amount, mitigating the risk of change in interest rates on the fair value of debt issued at fixed interest rates on cash flow exposures of floating rate debt. The fair value of period-end interest rate swaps is determined by discounting future cash flows using the period-end curves and the credit risk inherent in that type of contract, and it is shown below. The average interest rate is based on outstanding balances payable at period end.

The following table shows the principal amount and remaining maturities of interest rate swap contracts outstanding at the end of the reporting period:

Type	Transaction	Contracted amounts (notional)	Rates used	Maturity	PARENT COMPANY	
					Fair Values	
					9/30/2019	12/31/2018
Libor X Pre-tax	11/2012	75,000	1.6285%	11/27/2020	437	1,328
Libor X Pre-tax	10/2012	25,000	1.6295%	11/27/2020	145	442
Libor X Pre-tax	09/2012	25,000	1.6795%	11/27/2020	134	425
Libor X Pre-tax	03/2011	50,000	3.2780%	8/10/2020	(233)	(292)
Libor X Pre-tax	04/2011	100,000	3.3240%	8/10/2020	(482)	(636)
	TOTAL	275,000			1	1,267
				Current Assets	716	2,195
				Current Liabilities	(715)	(928)

Transactions classified as cash flow hedging generated a negative comprehensive income of R\$ 1,533 in the period (positive comprehensive income of R\$ 3,031 at September 30, 2018).

With the designation of swaps for hedge accounting for the period ended September 30, 2019, the Company recognized R\$ 926 as financial income for swaps (R\$ 1,067 as financial expenses at September 30, 2018).

33.3.3 - Price risk - commodities

In 2004, subsidiary Eletronorte entered into long-term contracts for the supply of electric power to three of its main customers. Part of the revenue from these long-term contracts is associated with the payment of a premium linked to the international price of aluminum quoted on the London Metal Exchange (LME) as a basic asset for the purpose of defining monthly premium values.

The premium can be considered as a hybrid (combined) contract component, which includes a non-derivative contract that houses it, so that the cash flow of the combined instrument, in some circumstances, varies as if it were an isolated derivative.

The contract includes the concept of "cap and floor band" related to the LME quoted aluminum price. LME's high and low limit price is limited to US \$ 2,773/ton and US \$ 1,450/ton respectively.

To assign the fair value of the hybrid portion of the contract it is necessary to identify the main components that quantify the monthly invoiced amount. The main variables of the contract are: the amount of energy sold (MWh), the price attributed to the LME and the exchange value of the invoiced period.

Considering that the premium is associated with the LME aluminum commodity price, it is possible to assign the fair value of these contracts.

(a) Sensitivity analysis on aluminum price indexed embedded derivatives



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Sensitivity analyzes were performed in the Albras electro-intensive consumer power supply contract, as it has a contractual clause referring to the premium for aluminum price variation in the international market.

Thus, a variation on the premium price earned was sensitized to such hybrid contract, as shown in the table below. The volatility components of the premium are basically: LME primary aluminum price, foreign exchange and CDI. Below you can see the impact of each scenario on the Company's results.

Balance at 09/30/2019	Scenario I (-25%) indices and rates	Scenario II (-50%) indices and rates	Scenario III (+25%) and price indices	Scenario IV (+50%) and price indices
283,468	212,601	141,734	354,335	425,202

For scenarios I and II (reduction) the expected price for the tonne of aluminum offered at the LME is below the minimum price for contract premium (US \$ 1,450), so the value tends to zero, impacting the mark-to-market of the embedded derivative.

As for the variation obtained in scenarios III and IV (increase), the large variation presented refers to the application of these percentages on the exchange values, aluminum price and CDI.

Sensitivity analyzes were prepared pursuant to CVM Instruction 475/2008, with the purpose of measuring the impact of changes in market variables on each financial instrument of the Company. These are, therefore, projections based on evaluations of macroeconomic scenarios, which does not mean that the transactions will have the values presented within the considered analysis period.

33.3.4 - Credit Risk

This risk arises from the possibility of the Company and its subsidiaries incurring losses resulting from the difficulty of realizing their customer receivables, as well as from the default of counterparty financial institutions in operations.

Eletrobras, through its subsidiaries, operates in the electric power generation and transmission markets supported by contracts signed in a regulated environment. The Company seeks to minimize its credit risks through guarantee mechanisms involving receivables from its customers and, when applicable, through bank guarantees.

Regarding receivables from loans granted (Note 9), except for financial transactions with jointly-controlled subsidiary Itaipu, whose credit risk is low due to the inclusion of borrowing costs in the energy trading tariff of the jointly-controlled company, as defined under the terms of the International Treaty signed between the Governments of Brazil and Paraguay, the concentration of credit risk with any other individual counterparty did not exceed 24% of the outstanding balance.

Excess cash and cash equivalents are invested in off-market funds, according to specific regulations of the Central Bank of Brazil. This fund is fully composed of government securities held at SELIC, with exposure to lower credit risk than other instruments.

In any relationship with financial institutions, the Company is obligated to apply its cash and cash equivalents only in Caixa Econômica Federal and Banco do Brasil S.A., pursuant to Resolution No. 3,284 of the Central Bank of Brazil. These banks are low risk, and their ratings reviewed by credit rating agencies.



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The Company has the standard on accreditation of financial institutions for derivative transactions. This standard defines criteria in relation to size, rating and expertise in the derivatives market, so as to select the institutions that may carry out transactions with the Company.

The Company monitors the credit risk of its swap transactions, but does not account for this non-performance risk in the fair value balance of each derivative because, based on the net exposure to credit risk, the Company may account for its portfolio of swaps considering an unforced transaction between the parties at the valuation date. The Company considers the risk of default only for the analysis of the retrospective test for each relationship designated to Hedge Accounting.

Additionally, the Company is exposed to credit risk with respect to financial guarantees granted to banks by the Parent Company and its subsidiaries. The Company's maximum exposure corresponds to the maximum amount that the Company will have to pay if the guarantee is forfeited and this is set out in Note 19.3.

33.3.5 - Liquidity risk

The liquidity needs of the Company and its subsidiaries are the responsibility of the finance and fundraising areas, which act in line with the permanent monitoring of short-, medium- and long-term cash flows, forecast and realized, seeking to avoid possible mismatches and consequent financial losses and to ensure liquidity requirements for operational needs.

The table below analyzes the Eletrobras System's non-derivative financial liabilities by maturity, corresponding to the period remaining in the balance sheet to the contractual maturity date. The contractual maturity is based on the most recent date on which the Eletrobras System must settle its obligations and includes the related contractual interest, when applicable.

	Parent Company				
	09/30/2019				
	Payment Flow				
	Up to 1 Year	From 1 to 2 years	From 2 to 5 years	More Than 5 Years	Total
Financial liabilities (Current/Non-current)					
Valued at amortized cost	8,510,722	13,960,911	8,998,305	11,962,145	43,432,083
Loans and financing	5,705,810	13,622,799	7,243,442	7,397,032	33,969,083
Debentures	295,159	317,706	1,695,830	4,549,044	6,857,739
Compensation Obligations	2,083,104	-	-	-	2,083,104
Suppliers	407,535	-	-	-	407,535
Leasing	19,114	20,406	59,033	16,069	114,622

	Parent Company				
	12/31/2018				
	Payment Flow				
	Up to 1 Year	From 1 to 2 years	From 2 to 5 years	More Than 5 Years	Total
Financial liabilities (Current/Non-current)					
Valued at amortized cost	8,851,352	12,514,035	3,207,674	4,881,624	29,454,685
Loans and financing	7,031,515	12,514,035	3,207,674	4,881,624	27,634,848
Compensation Obligations	1,250,619	-	-	-	1,250,619
Suppliers	569,218	-	-	-	569,218



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	CONSOLIDATED				
	09/30/2019				
	Payment Flow				
	Up to 1 Year	From 1 to 2 years	From 2 to 5 years	More Than 5 Years	Total
Financial liabilities (Current/Non-current)					
Valued at amortized cost	16,195,953	17,450,193	14,473,347	20,271,663	68,391,156
Loans and financing	10,889,945	16,735,514	12,180,892	15,450,293	55,256,644
Suppliers	2,492,690	18,142	-	-	2,510,832
Compensation Obligations	2,083,104	-	-	-	2,083,104
Leasing	230,681	194,022	561,294	152,788	1,138,785
Debentures	495,120	497,806	1,719,281	4,616,593	7,328,800
UBP Concessions Payable	4,413	4,709	11,881	51,989	72,992
	CONSOLIDATED				
	31/12/2018				
	Payment Flow				
	Up to 1 Year	From 1 to 2 years	From 2 to 5 years	More Than 5 Years	Total
Financial liabilities (Current/Non-current)					
Valued at amortized cost	15,132,228	18,849,860	8,968,042	14,980,746	57,930,875
Loans and financing	10,385,810	18,107,879	8,636,012	14,717,910	51,847,610
Suppliers	3,303,173	-	16,555	-	3,319,728
Compensation Obligations	1,250,619	-	-	-	1,250,619
Leasing	152,122	304,244	304,243	215,506	976,115
Debentures	36,073	432,155	-	-	468,228
UBP Concessions Payable	4,431	5,582	11,232	47,330	68,575

33.4 - Embedded derivatives related to debentures convertible in shares

The subsidiary Eletronorte entered into a debenture issuance contract in June 2011 and the release of funds from 2013 with Banco da Amazônia S.A. (BASA), which manages resources from the Amazon Development Fund (FDA) for fundraising purposes for project implementation.

In this contract, as it has a contractual clause regarding the possibility of converting these debentures into Eletronorte shares, at the discretion of the Amazon Development Superintendence (SUDAM), limited to 50% of the issued debentures, it is possible to assign a value to the amount that would be attributed to SUDAM in case of this conversion.

To calculate the value, the valuation of the investee was calculated in the determination of its share value, and the present value of the contract was calculated, using metrics to determine the derivative value.

The loss for the period ended September 30, 2019 is R\$ 67,076 (gain of R\$ 55,663 at September 30, 2018) and is presented in the statement of operations for the period.

33.4.1 - Sensitivity analysis

Sensitivity analyzes were performed to the debentures contract, as it has a contractual clause regarding the possibility of converting these debentures into shares of the subsidiary Eletronorte.

The following analysis considered scenarios for the TJLP with the respective impacts on the Company's results. For the sensitivity analysis we used as a probable scenario for 2019 forecasts and/or estimates based primarily on macroeconomic assumptions obtained from the FOCUS Report, released by the Central Bank.



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Sensitivity analyzes were performed for the curve of payment of debt service contracted with the FDA, as they have a contractual clause referring to the option to convert 50% of the Company's shares on the effective settlement date of the paper.

Hybrid contracts that have volatile elements associated with them, be they price indices and/or commodities, must be marked to market. As a result, the interim financial information reflects the fair value of the transaction on each valuation date.

Thus, a variation on the expectation of realization of the TJLP was sensitized to the contract.

Below you can see the impact of each scenario on the Company's results.

Balance at 09/30/2019	Scenario I (-25%) indices and rates	Scenario II (-50%) indices and rates	Scenario I (+25%) and price indices	Scenario II (+50%) and price indices
7,211	5,408	3,606	9,014	10,817

NOTE 34 - INFORMATION BY BUSINESS SEGMENT

The information by business segment for September 30, 2019 is as follows:

	07/01/2019 to 09/30/2019					
	Generation					
	Administrative	Operating Regime	O&M Regime	Transmission	Elimination	Total
Net Operational Revenue	44,915	4,434,253	787,370	2,300,382	-275,594	7,291,326
Operating costs and expenses	-787,699	-3,062,275	-526,242	-1,334,994	275,594	-5,435,616
Operating Result Before Financial Result	-742,784	1,371,978	261,128	965,388	-	1,855,710
Net Financial Result	417,676	-887,150	-29,449	-361,943	-	-860,866
Earnings from Equity-Holdings	417,292	-	-	-	-	417,292
Other income and expenses	54,182	-	-	-	-	54,182
Income tax and social contribution	-121,467	-255,185	-51,097	-322,697	-	-750,446
Net profit (loss) for the period from ongoing operations	24,899	229,643	180,582	280,748	-	715,872

	01/01/2019 to 09/30/2019					
	Generation					
	Administrative	Operating Regime	O&M Regime	Transmission	Elimination	Total
Net Operational Revenue	142,338	12,287,078	2,204,200	6,512,017	-759,135	20,386,498
Operating costs and expenses	-2,961,773	-7,856,580	-1,681,467	-3,821,144	759,135	-15,561,830
Operating Result Before Financial Result	-2,819,435	4,430,498	522,733	2,690,873	-	4,824,669
Net Financial Result	-99,982	-1,647,388	-75,241	1,051,117	-	-771,494
Earnings from Equity-Holdings	679,292	-	-	-	-	679,292
Other income and expenses	237,404	-	-	-	-	237,404
Income tax and social contribution	-147,563	-885,932	-254,591	-1,094,765	-	-2,382,851
Net profit (loss) for the period from ongoing operations	-2,150,284	1,897,178	192,901	2,647,225	-	2,587,020



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	07/01/2018 to 09/30/2018 (Reclassified)					Total
	Generation					
	Administrative	Operating Regime	O&M Regime	Transmission	Elimination	
Net Operational Revenue	59,617	4,187,026	435,551	2,155,310	-195,999	6,641,505
Operating costs and expenses	-2,320,210	-3,011,979	-351,837	-1,490,793	195,999	-6,978,820
Operating Result Before Financial Result	-2,260,593	1,175,047	83,714	664,517	-	-337,315
Net Financial Result	142,516	-447,184	-24,133	-916,788	-	-1,245,589
Earnings from Equity-Holdings	589,060	-	-	-	-	589,060
Income tax and social contribution	8,013	69,137	-82,788	-248,905	-	-254,543
Net profit (loss) for the period from ongoing operations	-1,521,004	797,000	-23,207	-501,176	-	-1,248,387

	01/01/2018 to 09/30/2018 (Reclassified)					Total
	Generation					
	Administrative	Operating Regime	O&M Regime	Transmission	Elimination	
Net Operational Revenue	151,879	10,866,045	1,321,457	7,117,735	-818,819	18,638,297
Operating costs and expenses	-3,356,236	-6,225,913	-1,380,414	-4,223,882	818,819	-14,367,626
Operating Result Before Financial Result	-3,204,357	4,640,132	-58,957	2,893,853	-	4,270,671
Net Financial Result	1,944,028	-1,069,629	-98,114	-2,882,347	-	-2,106,062
Earnings from Equity-Holdings	1,224,320	-	-	-	-	1,224,320
Income tax and social contribution	-586,348	-772,110	-133,641	-298,878	-	-1,790,977
Net profit (loss) for the period from ongoing operations	-622,357	2,798,393	-290,712	-287,372	-	1,597,952

The elimination column presents the adjustments made between the Company's segments, reconciling the balances disclosed by each segment. The amounts presented above are substantially related to the cost of charges for use of the electric power grid. Eliminations of income and interest expenses are presented in the table below. There are no reconciliations arising from differences in accounting practice.



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Income and interest expenses by segment:

07/01/2019 to 09/30/2019

	Administrative	Generation	Transmission	Elimination	Total
Interest income	562,881	90	109	-301,943	261,137
Interest cost	-254,796	-753,335	-146,592	301,943	-852,780
Total	308,085	-753,245	-146,483	-	-591,643

01/01/2019 to 09/30/2019

	Administrative	Generation	Transmission	Elimination	Total
Interest income	1,633,008	498	607	-832,099	802,014
Interest cost	-1,588,572	-1,381,463	-517,296	832,099	-2,655,232
Total	44,436	-1,380,965	-516,689	-	-1,853,218

07/01/2018 to 09/30/2018 (Reclassified)

	Administrative	Generation	Transmission	Elimination	Total
Interest income	670,364	490	601	-262,615	408,840
Interest cost	-455,819	-257,712	-204,581	262,615	-655,497
Total	214,545	-257,222	-203,980	-	-246,657

01/01/2018 to 09/30/2018 (Reclassified)

	Administrative	Generation	Transmission	Elimination	Total
Interest income	3,078,888	1,883	2,302	-960,146	2,122,927
Interest cost	-1,171,313	-985,599	-657,919	960,146	-1,854,685
Total	1,907,575	-983,716	-655,617	-	268,242



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Revenue from external customers by segment:

	07/01/2019 to 09/30/2019		
	Generation	Transmission	Total
Supply	4,297,182	-	4,297,182
Supplier	579,751	-	579,751
CCEE	341,196	-	341,196
Operation and Maintenance Revenue	925,230	1,158,351	2,083,581
Construction Revenue	11,952	172,019	183,971
Itaipu Transfer	(21,215)	-	(21,215)
Contractual Revenue - Transmission	-	177,235	177,235
Revenue from upgrades - RBSE	-	1,062,479	1,062,479
Total Gross Revenue	6,134,096	2,570,084	8,704,180

	01/01/2019 to 09/30/2019		
	Generation	Transmission	Total
Supply	11,662,060	-	11,662,060
Supplier	1,712,119	-	1,712,119
CCEE	985,909	-	985,909
Operation and Maintenance Revenue	2,609,419	3,211,396	5,820,815
Construction Revenue	25,100	408,089	433,189
Itaipu Transfer	82,314	-	82,314
Contractual Revenue - Transmission	-	581,937	581,937
Revenue from upgrades - RBSE	-	2,959,000	2,959,000
Total Gross Revenue	17,076,921	7,160,422	24,237,343

	07/01/2018 to 09/30/2018 (Reclassified)		
	Generation	Transmission	Total
Supply	3,561,714	-	3,561,714
Supplier	644,322	-	644,322
CCEE	485,210	-	485,210
Operation and Maintenance Revenue	551,482	973,614	1,525,096
Construction Revenue	13,941	129,718	143,659
Itaipu Transfer	142,273	-	142,273
Contractual Revenue - Transmission	-	247,511	247,511
Revenue from upgrades - RBSE	-	1,036,965	1,036,965
Total Gross Revenue	5,398,942	2,387,808	7,786,750

	01/01/2018 to 09/30/2018 (Reclassified)		
	Generation	Transmission	Total
Supply	9,322,674	-	9,322,674
Supplier	1,735,726	-	1,735,726
CCEE	1,133,833	-	1,133,833
Operation and Maintenance Revenue	1,626,075	3,017,003	4,643,078
Construction Revenue	30,310	583,016	613,326
Itaipu Transfer	326,145	-	326,145
Contractual Revenue - Transmission	-	620,719	620,719
Revenue from upgrades - RBSE	-	3,495,995	3,495,995
Total Gross Revenue	14,174,763	7,716,730	21,891,493



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Inter-segment Revenue:

	7/1/2019 to 9/30/2019			
	Administrative	Generation	Transmission	Total
Supply (sale) of Electricity from the generation segment	-	94,293	-	94,293
Transmission Revenue - O&M from the Generation Segment	-	-	179,494	179,494
Interest income from generation segment	194,299	-	-	194,299
Interest income from transmission segment	107,644	-	-	107,644
Total	301,943	94,293	179,494	575,730

	1/1/2019 to 9/30/2019			
	Administrative	Generation	Transmission	Total
Supply (sale) of Electricity from the generation segment	-	257,202	-	257,202
Transmission Revenue - O&M from the Generation Segment	-	-	496,734	496,734
Interest income from generation segment	527,633	-	-	527,633
Interest income from transmission segment	304,466	-	-	304,466
Total	832,099	257,202	496,734	1,586,035

	07/01/2018 to 09/30/2018 (Reclassified)			
	Administrative	Generation	Transmission	Total
Supply (sale) of Electricity from the generation segment	-	92,880	-	92,880
Transmission Revenue - O&M from the Generation Segment	-	-	164,406	164,406
Interest income from generation segment	137,045	-	-	137,045
Interest income from transmission segment	125,570	-	-	125,570
Total	262,615	92,880	164,406	519,901

	1/1/2018 to 09/30/2018 (Reclassified)			
	Administrative	Generation	Transmission	Total
Supply (sale) of Electricity from the generation segment	-	254,291	-	254,291
Transmission Revenue - O&M from the Generation Segment	-	-	539,874	539,874
Interest income from generation segment	535,347	-	-	535,347
Interest income from transmission segment	424,799	-	-	424,799
Total	960,146	254,291	539,874	1,754,311

Addition to non-current assets by segment:

	9/30/2019		
	Administrative	Generation	Total
Fixed Assets	37,061	1,162,453	1,199,514
Intangible	28,082	548	28,630
Total	65,143	1,163,001	1,228,144

	12/31/2018			
	Administrative	Generation	Transmission	Total
Fixed Assets	87,104	1,980,845	-	2,067,949
Intangible	146,407	24,948	51	171,406
Total	233,511	2,005,793	51	2,239,355



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Non-current assets by segment:

	09/30/2019			
	Administration	Generation	Transmission	Total
<u>Non-current assets</u>				
Fixed assets	1,534,635	30,783,627	-	32,318,262
Intangible assets	526,391	90,848	15,959	633,198
Total	2,061,026	30,874,475	15,959	32,951,460

	12/31/2018			
	Administration	Generation	Transmission	Total
<u>Non-current assets</u>				
Fixed assets	1,468,494	30,901,898	-	32,370,392
Intangible assets	564,732	68,990	15,929	649,651
Total	2,033,226	30,970,888	15,929	33,020,043

Items that do not affect cash by segment:

	7/1/2019 to 9/30/2019		
	Administrative	Generation	Total
Depreciation and Amortization	38,727	400,469	439,196
Constitution (Reversal) of Onerous Contract	-	(771)	(771)
Total	38,727	399,698	438,425

	1/1/2019 to 9/30/2019		
	Administrative	Generation	Total
Depreciation and Amortization	144,445	1,167,481	1,311,926
Constitution (Reversal) of Onerous Contract	-	(342,671)	(342,671)
Total	144,445	824,810	969,255

	07/01/2018 to 09/30/2018 (Reclassified)			
	Administrative	Generation	Transmission	Total
Depreciation and Amortization	57,025	376,158	877	434,060
Constitution (Reversal) of Onerous Contract	-	(147,350)	-	(147,350)
Impairment Provision	-	58,040	(36,635)	21,405
Total	57,025	286,848	(35,758)	308,115

	1/1/2018 to 09/30/2018 (Reclassified)			
	Administrative	Generation	Transmission	Total
Depreciation and Amortization	136,523	1,129,850	2,632	1,269,005
Constitution (Reversal) of Onerous Contract	-	(602,481)	-	(602,481)
Impairment Provision	-	471,221	(36,635)	434,586
Total	136,523	998,590	(34,003)	1,101,110



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NOTE 35 - RELATED-PARTY TRANSACTIONS

The Company's transactions with its subsidiaries, affiliates, special purpose entities and governmental entities are carried out at prices and conditions defined by the parties, which take into consideration the conditions that could be practiced in the market with unrelated parties, when applicable. Among the main transactions with related parties, we highlight loans and financing granted established under the conditions mentioned and/or in accordance with specific legislation on the subject.

35.1 - Main transactions in the 3rd quarter

35.1.1 Furnas (seller) and Foz do Chapecó Energia S.A (buyer)

An Energy Trading Contract in the Free Contracting Environment (CCEAL) was executed in the amount of R\$ 117.1 million, with a term of 48 months, and using the IPCA as a readjustment index and confidential volume. The process was carried out through an Energy Purchase Tender promoted by the buyer, inviting forty-two market agents, and included bids presented by nine companies. The transaction price was in line with the bids received by the buyer and the market references.

35.1.2 Increase in collateral due to Furnas' equity increase in SPE SAESA, a wholly owned subsidiary of SPE MESA

The Board of Directors of MESA at an extraordinary meeting held on January 28, 2019 approved the partial capital increase of R\$ 57,436, through the issuance of 133,107,991 nominative common shares with no par value.

35.1.3 Escrow through an escrow account

Eletrobras assigned to BNDES and BRDE, as trustees, the credit rights deriving from its current account, held in restricted cash of up to R \$ 100 million, as per Note 6.

The guarantee was assigned to the Hermenegildo I, Hermenegildo II, Hermenegildo III and Chuí IX SPEs and was operationalized through the Contract of Fiduciary Assignment of Credit Rights, Account Management and Other Covenants, until the full payment of all obligations established in the Financing Contracts.

The funds will be released, upon express written statement by BNDES and BRDE, and only after proof of discharge by the SPEs: (i) debts contracted with suppliers mentioned in their 2016 Financial Statements; and (ii) the full penalties arising from non-compliance with obligations assumed in the CCEARs previously signed by the SPEs, also mentioned in their 2016 Financial Statements.

35.1.4 Human Resources and Infrastructure Sharing

Eletrobras and its subsidiaries, Furnas, CHESF, Eletronuclear, Eletronorte, Eletrosul, Amazonas GT and CGTEE, started Sharing Human Resources and Infrastructure Associated with the Operation of the Eletrobras System Shared Services Center (CSC).

The CSC is organized into four regional units of the country, north, northeast, southeast and south, having as scope the following macro processes: Logistics, Accounting, Finance, Procurement, Human Resources, Information Technology and Infrastructure and General Services.

The contract is effective for sixty months from the signature of all companies, with no financial charges related to the operation of the CSC, nor adjustments and guarantees. The maximum annual value of the contract is R \$ 533,474 for all companies mentioned above.

35.1.5 Conclusion of amendments to Debt Assumption Instruments and other covenants



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Amendments to the IADs and Other Covenants were entered into, referring to the debts confessed in 2014 and 2018 by Eletrobras, as well as the new celebration of two autonomous IADs, between Eletrobras (Debtor) and Petrobras (Creditor). These amendments and new autonomous IADs aim to adopt the early maturity clause to replace the obligation of Eletrobras to present real guarantees.

35.1.6 Advance for Future Capital Increase to Eletronuclear

Eletrobras approved the granting of funds to the subsidiary Eletronuclear in the form of AFAC, in the amount of R \$ 500,000, with funds intended for reimbursement of expenses and for the management of obligations related to the Angra 3 Development. For further information see Note 13.

35.2 - Transactions with Governmental Entities

In addition to operations with the Federal Government, Eletrobras maintains transactions with other governmental entities, under common control, in the course of its operations. The balances of the main transactions with these entities are summarized below:

CLASSIFICATION OF THE TRANSACTION	CONSOLIDATED					
	09/30/2019			12/31/2018		09/30/2018
	ASSETS	LIABILITIES	RESULT	ASSETS	LIABILITIES	RESULT
Customers						
Federal Government	-	-	-	68,743	-	-
Compensation Rights						
Federal Government	5,303,319	-	-	6,000,789	-	-
Loans and Financing Payable						
Federal Government - FIDC	-	-	-	-	672,492	-
Federal Government - Banco do Brasil	-	3,933,897	-	-	4,696,971	-
Federal Government - Caixa Econômica Federal (a.2)	-	6,373,777	-	-	7,579,121	-
Federal Government - BNDES (a.1)	-	6,232,757	-	-	6,595,405	-
Federal Government - Global Reserve of reversal (a.3)	-	889,609	-	-	5,802,847	-
Federal Government - BR Distribuidora (d)	-	-	-	-	1,047,221	-
Federal Government - Petrobras (c)	-	9,318,688	-	-	-	-
(c) Suppliers						
Federal Government - BR Distribuidora (d)	-	-	-	-	3,081,505	-
Compensation Obligations (b)						
National Treasury - Itaipu	-	5,783,222	-	-	6,340,267	-
Revenue from the provision of services						
Federal Government	-	-	-	-	-	111,432
Total	5,303,319	32,531,949	-	6,069,532	35,815,829	111,432

The following are the conditions of the main transactions with other government entities:

a) Loans and financing payable:

Applications at the Angra 3 Plant

a.1) Loan between BNDES and Eletronuclear: Financing contract between BNDES and Eletronuclear, with Eletrobras intervening to implement the Angra 3 plant.

a.2) Loan between Caixa Econômica Federal and Eletronuclear: Contract between Eletronuclear and CEF (main contract) for complementary financing of Angra 3, regarding the importation of equipment and services.

Global Reversal Reserve (RGR)

a.3) The Company was responsible for the management of sector resources of RGR and others. In accordance with Law No. 13,360/2016, regulated by Decree No. 9,022/2017, and ANEEL Order



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No. 1,079, of April 18, 2017, the responsibility for the budget, management and movement of these Sector Funds was transferred to CCEE, since May 1, 2017.

Loan guarantee:

Eletrobras' interest as guarantor of loans taken by its subsidiaries can be seen in more detail in Note 19.

b) Reimbursement obligations - Itaipu: Indemnifiable financial assets arising from the Itaipu concession, further details in Note 16, item II.

c) Petrobras Operations: With the sale of the subsidiary Amazonas Distribuidora, the assignment of rights of Amazonas Energia to Eletrobras regarding the CCC and the Energy Development Account (CDE), recognized in the Distributor's Financial Statements, became effective. Eletrobras assumed obligations in equivalent amounts as loans acquired, pursuant to conditions set forth in CPPI Resolution No. 20 of November 8, 2017 and subsequent amendments.

d) BR Distribuidora: BR Distribuidora announced to the market on July 29, 2019, that Petróleo Brasileiro S.A. (Petrobras) settled the Public Offering of Secondary Distribution of Common Shares of the Company, which ceased to be the controlling shareholder of BR Distribuidora, thus ceasing to have joint control with Eletrobras.

35.3 - Transactions with associates and subsidiaries - Parent Company

The parent company's business transactions and related party balances are summarized below:

	Balance and Transactions per Nature - Parent Company					
	09/30/2019			12/31/2018		09/30/2018
	ASSETS	LIABILITIES	INCOME	ASSETS	LIABILITIES	INCOME
Loans and financing (a)	19,443,962	3,071,616	-	20,941,319	2,936,049	-
Advance for future capital increase (b)	1,679,544	-	-	1,128,015	-	-
Dividend receivable	1,524,464	-	-	2,458,196	-	-
Credits with Subsidiaries - CCD's (d)	2,077,763	-	-	1,485,926	-	-
Other assets	41,095	-	-	1,125,450	-	-
Contributions payable - sponsor	-	4,609	-	-	29,336	-
Provisions	-	1,196,286	-	-	1,196,286	-
Other liabilities	-	1,224,430	-	-	950,494	-
Revenue from interest, commissions, charges and exchange variation (c)	-	-	7,351,364	-	-	3,274,969
Other financial revenue	-	-	752	-	-	-
Contributions of the sponsor	-	-	(10,565)	-	-	(13,036)
Charges	-	-	(3,129)	-	-	(2,685)
TOTAL	24,766,828	5,496,941	7,338,422	27,138,906	5,112,166	3,259,248



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Balance and Transactions per Entity - Parent Company

	09/30/2019			12/31/2018		09/30/2018
	ASSETS	LIABILITIES	INCOME	ASSETS	LIABILITIES	INCOME
Subsidiaries						
Furnas	3,001,041	-	1,861,151	3,250,697	-	264,024
CHESF	376	-	1,386,644	431,972	-	80,987
Eletronorte	4,315,026	3,071,616	1,932,514	5,193,072	2,936,049	253,354
Eletrosul	792,930	-	442,959	872,511	-	96,559
CGTEE	5,209,103	88	206,372	4,605,396	-	295,950
Eletronuclear	2,088,963	1,224,342	83,496	1,702,293	950,494	101,893
Amazonas GT	2,481,304	-	582,895	2,876,456	-	70,169
Eletropar	-	-	752	2,619	-	-
	17,888,743	4,295,958	6,496,783	18,935,018	3,886,544	1,162,937
Jointly-controlled ventures and associated companies						
Itaipu	6,715,734	-	847,771	8,023,673	-	2,099,362
Eletros	-	1,200,895	(13,693)	-	1,225,622	(15,721)
Equatorial Maranhão D	101,293	-	6,822	115,722	-	11,718
Lajeado Energia	19,044	-	-	11,278	-	-
CEB Lajeado	13,370	-	-	11,102	-	-
Paulista Lajeado	15,508	-	-	15,223	-	-
CEEE-D	13,044	-	739	16,077	-	952
CEEE-GT	-	-	-	-	-	-
EMAE	92	-	-	10,813	-	-
	6,878,085	1,200,895	841,639	8,203,888	1,225,622	2,096,312
TOTAL	24,766,828	5,496,853	7,338,422	27,138,906	5,112,166	3,259,248

The following are the conditions of the main transactions made with the related parties of the parent company:

a) Loans and financing

Itaipu Binacional

As agreed in the Itaipu Treaty, the resources required for the studies, construction and operation of the power plant and the auxiliary works and facilities will be supplied by Eletrobras and the *Administración Nacional de Electricidad* (ANDE), or obtained by Itaipu through a credit operation. The main contracts signed with Eletrobras are related to:

- Refinancing of due and overdue debt balances of all Itaipu debt through financing contracts with Eletrobras;
- Financing of the cost of the remaining investments of the Works Completion Plan;
- Financing of the installation of the last two generating units of ITAIPU; and
- Coverage of the total cost of the Complementary Investment Program (PIC).

CGTEE

The financing provided by Eletrobras is intended to enable the construction of Candiota III (Phase C) TPP and also to enable the energy purchases that the subsidiary CGTEE has required in recent years.

b) Advances for future capital increases:

The information regarding the AFAC is shown in Note 13;

c) Interest income, commissions, fees and exchange variation:

Part of these amounts refer to financial charges on loans in accordance with Note 09 and part refers to exchange variation arising from Itaipu's operations, details of which are in Note 16;

d) Other assets: Credit Assignment - Eletronorte



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CCC credits related to certain divested distributors transferred to Eletrobras that will be paid by the subsidiary Eletronorte, adjusted until the payment date. The restated total of these credits as of September 30, 2019 is R\$ 2,057,581 (R\$ 1,968,830 at December 31, 2018).

35.4 - Transactions with associates and jointly controlled entities - Consolidated

The consolidated business transactions and related party balances are summarized below:

	Balances and Transactions per Entity - Consolidated					
	09/30/2019			12/31/2018		
	ASSETS	LIABILITIES	RESULT	ASSETS	LIABILITIES	RESULT
Costumers	53,701	-	-	53,253	-	-
Accounts receivable	13,972	-	-	5,232	-	-
Advance for future capital increase	208,605	-	-	709,666	-	-
Dividends / interest on capital receivable	101,088	-	-	196,831	-	-
Loans and financing	6,794,662	-	-	8,121,455	-	-
Other Assets	159,261	-	-	17,582	-	-
Suppliers	-	30,423	-	-	399,716	-
Provisions	-	1,196,286	-	-	1,213,161	-
Contributions payable - sponsor	-	4,609	-	-	29,336	-
Accounts Payable	-	406	-	-	1,742	-
Other liabilities	-	13	-	-	2,153	-
Revenue from generation	-	-	2,729	-	-	-
Revenue from the use of electric energy	-	-	400,689	-	-	254,241
Revenues from the sale of energy	-	-	60,012	-	-	56,907
Revenue from service provision	-	-	83,645	-	-	82,207
Other revenues	-	-	1,812	-	-	117,053
Purchase of electric energy	-	-	(412,019)	-	-	(321,423)
Fees for the use of the network	-	-	(52,223)	-	-	(85,335)
Sponsor contributions	-	-	(10,565)	-	-	(13,036)
Charges	-	-	(3,128)	-	-	(2,685)
Other Expenses	-	-	(243)	-	-	(77,513)
Revenue from interest, commissions, charges and exchange variation	-	-	855,333	-	-	2,112,032
Financial revenue	-	-	6,308	-	-	21,232
Financial expenses	-	-	(24,864)	-	-	(10)
TOTAL	7,331,289	1,231,737	907,486	9,104,019	1,646,109	2,143,671



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	Balances and Transactions per Entity - CONSOLIDATED					
	09/30/2019			12/31/2018		
	ASSETS	LIABILITIES	RESULT	ASSETS	LIABILITIES	RESULT
AETE	-	-	-	203	120	668
Baguari	6,347	-	328	363	-	341
Baraúnas I	-	-	-	12	-	-
Baraúnas II	-	-	-	-	248	(1,307)
Belo Monte Transmissora SPE S.A	553	1,492	(27,793)	15,328	2,083	(12,306)
Bom Jesus Eólica S.A.	-	-	-	-	-	513
Brasil Ventos Energia S.A.	-	-	-	250,987	16,875	(73,149)
Brasnorte	-	-	-	14	65	(472)
Brasventos Eolo	-	-	-	231	-	1,293
Brasventos Miassaba	-	-	-	172	99	1,658
Cachoeira Eólica S.A	-	-	-	-	-	456
Caldas Novas	1,057	2	497	1,055	2	478
Camaúba I Eólica S.A.	-	-	-	-	-	1,409
Camaúba II Eólica S.A	-	-	-	-	-	667
Camaúba III Eólica S.A.	-	-	-	-	-	409
Camaúba V Eólica S.A.	-	-	-	-	-	551
CEB Lajeado	13,370	-	-	11,102	-	-
CEEE-D	13,045	-	739	16,077	-	953
Centrais Eolica Famosa I S.A.	-	-	-	-	-	738
Centrais Eolica Pau Brasil S.A.	-	-	-	-	-	692
Centrais Eolica Rosada S.A.	-	-	-	-	-	1,115
Centrais Eolica São Paulo S.A.	-	-	-	-	-	765
Centroeste	-	-	-	75	41	(210)
Cervantes I Eólica S.A.	-	-	-	-	-	1,035
Cervantes II Eólica S.A.	-	-	-	-	-	363
Chapecoense	740	-	-	27,197	-	-
Cia Hidrel Teles Pires	6,496	18,504	(77,147)	6,550	18,348	(111,495)
CSE Centro de Soluções Estratégicas S.A	-	-	-	649	-	1,165
Eletros (a)	-	1,200,895	(13,693)	-	1,225,622	(15,721)
EMAE	93	-	-	10,813	-	-
Empresa de Energia São Manuel S.A.	1,206	3,279	(17,519)	141	4,920	(39,086)
Energia Olímpica S.A.	-	-	-	428	-	-
Enerpeixe	8,599	3,306	(24,282)	16,950	404	(51)
Eólica Ibirapuitã S.A	-	-	-	25	-	-
Equatorial Maranhão D	101,179	-	6,822	115,722	-	11,717
ESBR	86,480	-	(123,592)	351,359	368,698	(83,191)
ETAU	-	-	-	-	-	385
Foz do Chapecó	-	-	-	901	-	8,395
Fronteira Oeste (FOTE)	33,670	-	584	13,015	-	514
Goiás Transmissão	-	-	-	11,985	135	(1,234)
IE Garanhuns	8,396	269	(2,763)	-	301	(2,433)
IE Madeira	-	3,252	(26,959)	-	3,898	(27,464)
Itaipu (b)	6,715,734	-	847,771	7,991,589	-	2,099,362



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	Balances and Transactions per Entity - CONSOLIDATED					
	09/30/2019			12/31/2018		
	ASSETS	LIABILITIES	RESULT	ASSETS	LIABILITIES	RESULT
Lagoa Azul Transmissora	659	10	80	2,614	10	201
Lajeado Energia	19,044	-	-	11,278	-	-
Livramento	2,160	-	781	-	-	-
Luziânia Niquelândia Transmissora	-	-	-	8	10	(160)
Madeira Energia	-	-	-	-	-	21,196
Manaus Construção	-	-	-	9,178	-	-
Manaus Transmissão	-	-	-	1,067	1,329	(9,433)
Manaus Construtora	9,178	-	-	-	-	-
Mata de Santa Genebra	-	-	-	1	-	-
MGE Transmissão	5,635	105	(599)	5,633	53	(586)
Norte Brasil Transmissora	-	-	(6,614)	99	1,064	(6,391)
Norte Energia (Belo Monte)	18,071	-	188,247	22,215	-	96,655
Paranaíba Transmissora de Energia S.A.	-	-	-	8,567	399	(2,785)
Paulista Lajeado	-	-	-	15,223	-	-
Pedra Branca	-	-	-	17	-	33
Pitimbu Eólica S.A.	-	-	-	-	-	1,073
Punaú I Eólica S.A.	-	-	-	-	-	858
Rei dos Ventos	-	-	-	-	-	621
Rei dos Ventos 3 Geradora de Energia S.A.	-	-	-	151	-	1,661
Retiro Baixo	6,840	-	-	6,841	-	-
S. Pedro do Lago	-	-	-	14	-	-
Santo Antônio Energia	19,183	-	166,450	19,446	-	167,671
São Caetano Eólica S.A.	-	-	-	-	-	634
São Caetano I Eólica S.A.	-	-	-	-	-	418
São Galvão Eólica S.A.	-	-	-	-	-	1,211
Serra Facão Energia	-	-	48	-	-	(20)
SINOP	945	-	(1,748)	2,515	-	102,714
STN	-	537	(2,795)	322	580	(2,400)
TDG	101,000	-	(767)	101,241	79	1,364
Tijoa Participações e Investimentos S.A.	14,643	-	14,181	17,505	-	8,447
TME - Transmissora Matogrossense de Energia	-	-	-	12	190	(1,229)
Trans. São Paulo	-	-	-	18,031	37	(214)
Transenergia Renovável	-	-	-	-	45	(399)
Transirape	-	-	-	-	77	(3,394)
Transleste	-	-	-	-	125	(1,775)
Transnorte	-	13	415	61	20	410
Transudeste	-	-	-	216	77	(914)
Triângulo Mineiro Trans. S.A.	-	-	-	11	71	(802)
TSBE - Transmissora Sul Brasileira de Energia S.A.	1,729	4	5,231	-	-	-
TSLE - Transmissora Sul Litorânea de Energia S.A.	9,073	8	1,579	8,700	8	843
Vale do São Bartolomeu Transmissora de Energia S.A.	349	61	3	1,523	75	639
Vamcruz Participações S.A.	125,815	-	-	8,586	-	-
TOTAL	7,331,289	1,231,737	907,486	9,104,019	1,646,109	2,143,671

The following are the conditions of the main transactions made with the related parties of the consolidated:

- a) Eletros - Fundação Eletrobras de Seguridade Social: At September 30, 2019, the balance of provisions for employee benefits totals R\$ 1,196,286 (R\$ 1,225,622 at December 31, 2018).
- b) Itaipu: As mentioned in Note 35.3.(a), linked to the Loan described in Note 9, interest income, commissions, fees and exchange variation mainly derive from financial charges and exchange variation arising from the Itaipu operations, details of which can be observed in Note 16.

35.4.1 - Below are the main conditions of significant transactions concerning the use of a transmission network, purchase of energy or provision of services:

STN – Sistema de Transmissão do Nordeste S.A.: Service contracts related to the maintenance of the transmission line, as well as charging for the use of the transmission system network;

Energia Sustentável do Brasil S.A.: Contracts entered into for the availability of the power transmission and purchase system, as well as the bilateral ACL contract, concerning the purchase of energy, effective on 03/01/2013 and ending on 01/15/2035, with an average contracted volume of 107.596 MW;



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TDG – Transmissora Delmiro Gouveia S.A.: Contracts entered into for the provision of services and capital advances, as well as charging for the use of the transmission system network;

Norte Energia S.A.: Contract to provide maintenance and operation services for Belo Monte and Pimentel plants, and provision of transmission networks;

Interligação Elétrica Garanhuns S.A.: Contracts entered into for the provision and use of the transmission system; and

Companhia Hidrelétrica Teles Pires S.A.: Contracts entered into for the availability of the transmission system and the purchase of energy, as well as for charging for the use of the transmission system network.

Information on loans granted by Eletrobras to its subsidiaries, jointly-owned subsidiaries and affiliates is presented in Note 9.

NOTE 36 - REMUNERATION OF KEY STAFF

The compensation of the Company's key staff (officers and directors) is as follows:

	PARENT COMPANY				CONSOLIDATED			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Short-term benefits	1,810	5,549	1,966	6,221	14,903	30,805	11,989	29,548
Post-employment benefits	111	332	140	480	111	332	262	796
Other long-term benefits	149	199	-	199	149	199	-	199
	2,070	6,080	2,106	6,900	15,163	31,336	12,252	30,543

NOTE 37 - ASSETS HELD FOR SALE

	PARENT COMPANY		CONSOLIDATED	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Generation	1,111,277	1,282,083	3,121,716	3,365,208
Transmission	515,731	760,299	515,731	790,226
Distribution	-	3,240,242	-	11,268,925
Total assets classified as held for sale	1,627,008	5,282,624	3,637,447	15,424,359
Generation	-	-	1,700,740	1,691,745
Transmission	-	-	-	4,299
Distribution	-	11,127,717	-	8,598,923
Total liabilities associated to assets classified as held for sale	-	11,127,717	1,700,740	10,294,967

Distribution

On November 8, 2017, the CPPI of the Presidency of the Republic approved Resolution No. 20 containing the minimum conditions and prices for the sale by Eletrobras of the shares representing its equity interest in the then subsidiaries Ceal, CEPISA, Eletroacre, Amazonas Distribuidora, Boa Vista and CERON.

During the third and fourth quarters of 2018, the Company concluded the sale of control of CEPISA, Eletroacre, Boa Vista and CERON. On March 18, 2019, Eletrobras transferred to Equatorial Energia S.A. the common and preferred shares issued by Ceal and on April 10, 2019 transferred the common shares of Amazonas Distribuidora to the Consortium formed by the companies Oliveira Energia Geração e Serviços Ltda. and ATEM'S Distribuidora de Petróleo S.A.



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As a result of the transfer of control of all distributors, since April 10, 2019, the Company has no balances related to assets held for sale for the distribution segment.

Generation and Transmission

On February 23, 2018, Eletrobras' Board of Directors approved the sale of the equity interests of certain SPEs held by the Company and its subsidiaries. On July 25, 2019, the Board of Directors initiated Competitive Disposal Procedure No. 01/2019 aiming at the sale of the equity interests in 39 remaining SPEs of Tender No. 01/2018. Eletrobras considered CPC 31/IFRS 5 to assess that these SPEs met the criteria for classification as held for sale, as presented in the financial statements as of December 31, 2018.

The table below shows SPEs classified as held for sale at September 30, 2019.

Lot	SPEs - Wind Generation	Shareholding
A	Santa Vitória do Palmar Holding S.A. (EOL Verace I to X) and Chuí Holding S.A. (EOL Chuí I, II, IV and V and Minuano I e II)	78.00%
B	Eólica Hermenegildo I S.A.	99.99%
	Eólica Hermenegildo II S.A.	99.99%
	Eólica Hermenegildo III S.A.	99.99%
	Eólica Chuí IX S.A.	99.99%
C	Eólica Serra das Vacas Holding S.A. (WPP Serra das Vacas I to IV)	49.00%
D	Chapada do Piauí I Holding S.A. (WPP Santa Joana IX to XVI)	49.00%
	Chapada do Piauí II Holding S.A. (WPP Santa Joana I, III, IV, V, VII and Santo Augusto)	49.00%
E	Vam Cruz I Participações S.A. (WPP Caiçara I and II and Junco I and II)	49.00%
G	Geradora e Comercializadora de Energia Elétrica S.A. (WPP Mangue Seco 2)	49.00%

Lot	SPEs - Transmission	Shareholding
K	Transmissora Matogrossense de Energia S.A. (TME)	49.00%
P	Companhia de Transmissão Centroeste de Minas S.A. (CENTROESTE)	49.00%
Q	Luziânia-Niquelândia Transmissora S.A. (LUZIÂNIA-NIQUELÂNDIA)	49.00%
R	Manaus Transmissora de Energia S.A. (MANAUS TR)	49.50%

The main assets and liabilities of the Generation SPEs classified as held for sale at September 30, 2019 are as follows:

Generation:



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Generation

	Eletrobras	Chesf	Santa Vitória do Palmar	Hermenegildo I	Hermenegildo II	Hermenegildo III	Chuí IX	Eliminations	Total
	09/30/2019	09/30/2019	09/30/2019	09/30/2019	09/30/2019	09/30/2019	09/30/2019	09/30/2019	09/30/2019
Cash and cash equivalents	-	-	77,984	12,851	7,330	3,558	3,521	-	104,974
Customers	-	-	24,507	3,403	3,157	2,708	926	(10,159)	24,542
Taxes and social contributions	-	-	1,738	2,784	3,052	2,898	920	-	11,392
PP&E	-	-	1,655,531	193,433	191,613	165,564	54,408	-	2,260,549
Intangible assets	-	-	53,430	11,916	11,477	10,222	3,663	-	90,708
Investments	1,111,277	125,816	-	-	-	-	-	(993,688)	243,405
Other assets	-	-	209,735	53,037	56,630	51,778	15,024	(58)	386,146
Total assets of the subsidiary classified as held for sale	1,111,277	125,816	2,022,925	277,424	273,259	236,728	78,192	(1,003,905)	3,121,716
Suppliers	-	-	2,926	370	384	315	115	(245)	3,865
Loans and financing	-	-	873,926	132,187	131,787	112,279	37,953	-	1,288,132
Taxes and social contributions	-	-	2,139	330	297	284	96	-	3,146
Provisions for contingencies	-	-	439	516	528	501	-	-	1,984
AFAC	-	-	-	-	-	11,835	-	(11,834)	1
Other liabilities	-	-	316,263	27,660	24,630	25,739	9,320	-	403,612
Liabilities of the subsidiary associated with assets classified as held for sale	-	-	1,195,693	161,063	157,626	150,953	47,484	(12,079)	1,700,740

Generation

	Eletrobras	Chesf	Santa Vitória do Palmar	Hermenegildo I	Hermenegildo II	Hermenegildo III	Chuí IX	Eliminations	Total
	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018
Cash and cash equivalents	-	-	76,719	13,230	10,460	5,894	3,669	-	109,972
Customers	-	-	22,974	1,464	1,311	1,409	433	-	27,591
Taxes and social contributions	-	-	1,229	2,087	2,402	2,351	725	-	8,794
PP&E	-	-	1,653,735	193,430	191,613	165,564	54,408	-	2,258,750
Intangible Assets	-	-	53,430	11,916	11,477	10,222	3,664	-	90,709
Investments	1,282,083	175,651	-	-	-	-	-	(942,043)	515,691
Other assets	-	-	182,878	51,702	54,777	49,718	14,626	-	353,701
Total assets of the subsidiary classified as held for sale	1,282,083	175,651	1,990,965	273,829	272,040	235,158	77,525	(942,043)	3,365,208
Suppliers	-	-	12,074	403	425	341	124	(388)	12,979
Loans and financing	-	-	900,017	138,891	138,939	118,373	40,014	-	1,336,234
Taxes and social contributions	-	-	2,802	491	462	420	151	-	4,326
Provisions for contingencies	-	-	680	516	528	501	-	-	2,225
AFAC	-	-	-	-	-	11,834	-	(11,834)	-
Other liabilities	-	-	284,124	25,548	23,188	23,924	8,597	(29,400)	335,981
Liabilities of the subsidiary associated with assets classified as held for sale	-	-	1,199,697	165,849	163,542	155,393	48,886	(41,622)	1,691,745

Transmission:

	Transmission	
	Eletrobras	Total
	9/30/2019	9/30/2019
Investments	515,731	515,731
Total assets of the subsidiary classified as held for sale	515,731	515,731

Investments in Eletrobras' Transmission SPEs classified as assets held for sale

PARENT COMPANY
and CONSOLIDATED
09/30/2019

Companhia de Transmissão Centroeste de Minas	18,738
Luziania-Niquelandia Transmissora S.A.	31,182
TME- Transmissora Matogrossense de Energia S.A.	116,563
MTE - Manaus Transmissora de Energia S.A.	349,249
	<u>515,731</u>



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	Transmission			
	Eletrobras 12/31/2018	Uirapuru 12/31/2018	Eliminations 12/31/2018	Total 12/31/2018
Cash and cash equivalents	-	1,999	-	1,999
Customers	-	3,030	-	3,030
Financial assets	-	65,333	-	65,333
Investment	760,299	-	(41,434)	718,865
Other assets	-	999	-	999
Total assets of the subsidiary classified as held for sale	760,299	71,361	(41,434)	790,226
Suppliers	-	6,341	(6,175)	166
Taxes and social contributions	-	107	-	107
Other liabilities	-	9,668	(5,642)	4,026
Liabilities of the subsidiary associated with assets classified as held for sale	-	16,116	(11,817)	4,299

NOTE 38 - SALE OF INVESTEEES

38.1 - Sale of subsidiaries - Ceal and Amazonas Distribuidora

The subsidiaries Ceal and Amazonas Distribuidora, previously classified as held for sale, had their tenders held on December 10, 2018 and December 28, 2018, respectively. Sales of these subsidiaries were concluded on March 18, 2019 and April 10, 2019, respectively, with the signing of the share purchase and sale contract in accordance with the schedule established in the privatization tender.

As a result of the conclusion of the process of sale of the distributors, Equatorial Energia S.A. acquired the controlling interest of approximately 89.94% of the total capital of Ceal and the Consortium formed by the companies Oliveira Energia Geração e Serviços Ltda. and ATEM'S Distribuidora de Petróleo S.A. and acquired the controlling interest of approximately 90% of the total capital of Amazonas Distribuidora.

Eletrobras received, for the sale of the two distributors mentioned above, the amount of approximately R\$ 100 and had a positive effect on the result of the period of R \$ 5,037,140, due to the reversal of uncovered liabilities. The effect on disposal is recorded as a discontinued operation.

	Ceal	Amazonas D
Uncovered liability	900,034	5,269,403
Other comprehensive results	(40,974)	(9,647)
Sale value	(50)	(50)
Gain with the sale of distributors' shares	859,010	5,259,706
Income from discontinued operations		
Constitution of uncovered liability provision from CEAL on 03-31-19		94,451
Constitution of uncovered liability provision from Amazonas D on 03-31-19		(1,176,127)
Effect of the sale of CEAL - uncovered liability reversal		859,060
Income from operations discontinued on 03-31-2019		(222,616)
Effect of the sale of Amazonas D - uncovered liability reversal		5,259,756
Income from discontinued operations		5,037,140

As part of the privatization modeling of Amazonas Distribuidora, the Company assumed obligations and rights in equivalent amounts, in accordance with the conditions set forth in CPPI Resolution No. 20 of November 8, 2017 and subsequent amendments, see Notes 12 and 19.



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38.2 - Sale of SPEs

- "Lot H"

On March 28, 2019, the Company transferred to Brennand Energia S.A. the SPEs Pedra Branca S.A., São Pedro do Lago S.A., Sete Gameleiras S.A., Baraúnas I Energética S.A., Mussambê Energética S.A., Morro Branco I Energética S.A., Baraúnas II Energética S.A. and Banda de Couro Energética S.A. for Brennand Energia S.A., referring to "Lot H" of Eletrobras Tender No. 01/2018. The Company received R\$ 250 million for the sale.

- "Lot N"

On April 29, 2019, the Company transferred all the shares held by SPE Empresa de Transmissão do Alto Uruguai S.A. - ETAU, corresponding to 27.41% of the total share capital for Transmissora Aliança de Energia Elétrica S.A. - TAESA and DME Energética S.A. - DMEE, which are already shareholders of said SPE and have chosen to exercise their preemptive rights, in the proportion of 23.03% and 4.38%, respectively, in accordance with the notice of Eletrobras Tender No. 01/2018 (Notice), referring to "Lot N", held in public session based on B3, on September 27, 2018. The Company received the amount of R \$ 39,134 corresponding to R \$ 32,881 from TAESA and R \$ 6,253 from DMEE.

- "Lots L and M"

On May 31, 2019, the Company transferred all the shares to Transmissora Aliança de Energia Elétrica S.A. - TAESA held in the following SPEs:

- a) Brasnorte Transmissora de Energia S.A. - BRASNORTE, corresponding to 49.71% of the total share capital referring to "Lot L". The Company received R \$ 76 million for the sale;
- b) Companhia Transirapé de Transmissão - TRANSIRAPÉ, Companhia Transleste de Transmissão - TRANSLESTE and Companhia Transudeste de Transmissão - TRANSUDESTE, corresponding, respectively, to the total share capital of 24.50%, 24.00% and 25.00%, referring to "Lot M" The Company received R \$ 77 million for the sale.

- "Lot J" - Uirapuru

On June 25, 2019, the Company transferred all the shares held by SPE Uirapuru Transmissora de Energia S.A., corresponding to 75% of the total capital to Copel Geração e Transmissão S.A. The Company received R \$ 100 million for the sale.

- "Lot O" - AETE

On July 1, 2019, the Company transferred all the shares held by SPE Amazônia - Eletronorte Transmissora de Energia S.A. - AETE, corresponding to 49% of the total share capital for APAETE Participações Em Transmissão S.A. - APAETE. The Company received approximately R \$ 87 million for the sale.

- "Lot F" – Brasventos Miassaba, Brasventos Eolo and Rei dos Ventos

On August 23, 2019, the Company transferred all the shares it held from SPEs Brasventos Eolo Geradora de Energia S.A., Rei dos Ventos 3 Geradora de Energia S.A. and Brasventos Miassaba 3 Geradora de Energia S.A., corresponding to the total share capital of 49% of these to Ventus Holding de Energia Eólica Ltda. Current company name of J. Malucelli Gerenciadora de Projetos e Análises de Riscos Ltda. The Company received R \$ 178 million for the sale.



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NOTE 39 - DISCONTINUED OPERATIONS

The Company held tenders for the sale of its then subsidiaries in the distribution segment during 2018 in accordance with its Business and Management Master Plan. The then controlled companies Eletroacre, Cepisa, Ceron and Boa Vista had their share purchase and sale contracts signed in 2018, while Ceal and Amazonas Distribuidora had their controls transferred on March 18, 2019 and April 10, 2019, respectively.

As these companies represented all transactions in the distribution segment, transactions in this segment were presented in the financial statements at December 31, 2018 as discontinued operations. Accordingly, the statement of operations and the accompanying notes to the comparative period of September 30, 2018 are being restated in accordance with CPC 31/IFRS 5, to present these distribution segment transactions separately from continuing operations.

We present below the results and cash flows of discontinued operations for the period ended September 30, 2019 with information from Ceal and Amazonas Distribuidora, and the period ended September 30, 2018, consisting of all distributors.

- Result of discontinued operations:

	PARENT COMPANY			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Net Operating Revenue	-	-	-	-
Operating Costs	-	-	-	-
Operating Expenses	-	-	-	-
Operating Results before Financial Income (costs)	-	-	-	-
Net Financial Income (costs)	-	-	-	-
Earnings from equity holdings	-	5,037,140	(1,011,474)	(2,004,004)
Effect on sale of subsidiary	-	-	-	-
Operating Income before Taxes	-	5,037,140	(1,011,474)	(2,004,004)
Income tax and social contribution expense	-	-	-	-
Income (loss) from discontinued operations	-	5,037,140	(1,011,474)	(2,004,004)

	CONSOLIDATED			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Net Operating Revenue	-	1,648,758	2,423,341	10,159,552
Operating Costs	-	(1,540,551)	(2,062,493)	(6,310,318)
Operating Expenses	-	(709,470)	(990,547)	(3,837,346)
Operating Results before Financial Income (costs)	-	(601,263)	(629,699)	11,888
Net Financial Income (costs)	-	(337,401)	(448,063)	(1,560,530)
Income from equity investments	-	-	-	-
Effect on sale of subsidiary	-	6,118,816	-	-
Operating Income before Taxes	-	5,180,152	(1,077,762)	(1,548,642)
Income tax and social contribution expense	-	(143,012)	66,061	(453,771)
Income (loss) from discontinued operations	-	5,037,140	(1,011,701)	(2,002,413)



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- Effects on statement of cash flows

	CONSOLIDATED	
	09/30/2019	09/30/2018
Operational Activities		
Income before income and social contribution taxes	5,180,152	(1,548,642)
Adjustments:		
Depreciation and amortization	-	168,798
Monetary and exchange variations, net	5,396	(83,559)
Financial charges	361,536	2,102,982
Net operating provisions	305,888	1,042,012
Others	(6,453,616)	1,202,942
	<u>(5,780,796)</u>	<u>4,433,175</u>
Net income from changes in operating assets and liabilities	451,783	(3,283,578)
Payment of financial charges	(36,404)	(40,873)
Payment of income and social contribution taxes	(143,012)	(190,872)
Payment of refinancing of taxes and contributions - principal	(3,769)	(13,010)
Payment of legal contingencies	(48,000)	(175,862)
Judicial deposits	49	(113,508)
Net cash from operating activities	<u>(379,997)</u>	<u>(933,170)</u>
Financing activities		
Loans and financing obtained	449,422	50,102
Payment of loans and financing - principal	(34,698)	(53,304)
Global reversal reserve resources	-	974,830
Others	-	(316)
Net cash from financing activities	<u>414,724</u>	<u>971,313</u>
Investment activities		
Acquisition of property, plant and equipment	(60)	(13,114)
Acquisition of intangible assets	(746)	(15,546)
Others	7,143	3,644
Net cash from investment activities	<u>6,337</u>	<u>(25,016)</u>
Net cash generated by discontinued operations	<u>41,064</u>	<u>13,126</u>

NOTE 40 - SUBSEQUENT EVENTS

40.1 - Lot "C" - Transfer of all shares of Serra das Vacas Holding - S.A.

On October 7, 2019, the Company transferred all the shares held by SPE Eólica Serra das Vacas Holding - S.A., corresponding to 49% of the total capital, to Eólica Serra das Vacas Participações - S.A. For the sale, the Company received approximately R \$ 74 million.

40.2 - Second Consensus Dismissal Plan 2019 (PDC)

On October 10, 2019, the Second Consensus Resignation Plan was initiated. The PDC, which is being implemented simultaneously at Eletrobras Holding and CGTEE, CHESF, Eletronuclear, Eletronorte, Amazonas GT, Eletrosul and Furnas, is one of the initiatives foreseen in "Challenge 23: Sustainable Excellence", the Business and Management Master Plan (PDNG 2019-2023).

40.3 - Capital Increase

The Board of Directors of Eletrobras, at a meeting held on October 14, 2019, approved, by a majority of those present, the convening of the 175th Extraordinary General Meeting, to resolve on the Company's



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capital increase, by private subscription. Presidential Decree 10,082/2019 authorizing the capital increase to be held on November 14 was published in the Federal Official Journal on November 7.

The capital increase will be up to R \$ 9,988 billion upon the issuance of new shares, all new book entry shares with no par value, for private subscription by the Company's shareholders.

Potential new resources related to the participation of other shareholders in the subscription proposed herein are intended to strengthen the Company's cash to cover actions related to the Eletrobras Business and Management Master Plan for the period from 2019 to 2023.

40.4 - Issuance of Eletronorte and Furnas Debentures

The Company's Board of Directors Meeting held on October 18, 2019 approved the 1st issue of simple debentures, not convertible into shares, of subsidiaries Eletronorte and Furnas of up to 1,250,000 debentures, with a nominal unit price of R \$ 1,000 on the issue date totaling up to R \$ 1,250 billion.

It was also approved, at the Company's Board of Directors' Meeting, the rendering of a guarantee by Eletrobras to the Emissions.

40.5 - Indemnities after Basic Project

In October 2019, the result of Public Hearing No. 003/2019 was published by Technical Note No. 096/2019-SRG-SFF-SCG/Aneel. The Company is currently analyzing the possible effects and is awaiting a decision by Aneel's Executive Board to make any necessary adjustments to its financial statements.

40.6 CHESF - Capital increase and acquisition of equity interest of Transmissora Delmiro Gouveia S.A. (TDG).

The Extraordinary General Meeting of SPE TDG shareholders approved on October 31, 2019 as per the following operations:

- Capitalization of AFES by CHESF, in the historical amount of R \$ 101 million, having a 72.31% interest while ATP Engenharia Ltda. (current Future ATP Advisory Engineering Services) (ATP) will own 27.69%; and
- Concomitant acquisition by CHESF of ATP's shareholding in TDG for R \$ 34 million, thus becoming its wholly-owned parent company.

Arrangements for obtaining the necessary consent for the incorporation of TDG by CHESF are underway, in particular with the Ministry of Economy, Administrative Council for Economic Defense (CADE) and ANEEL.

40.7 - Extremoz Incorporation

On November 1, 2019, the CHESF General Shareholders' Meeting approved the Protocol and Justification for the Incorporation of the Special Purpose Entity Extremoz Transmissora do Nordeste – ETN S.A. (SPE) by CHESF and SPE's Net Equity Accounting Appraisal Report, fiscal year 2018, to be submitted to CHESF.

CHESF currently holds 100% (one hundred percent) of SPE's share capital.

40.8 - Eletrobras Privatization Bill (PL)



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The President of the Republic signed, on November 5, 2019, the PL that will allow the privatization of Eletrobras, emphasizing that the referred PL must comply with all legislative rite until its promulgation.

40.9 - Legal Action - Compulsory Loan

On October 9, 2019, an initial petition was filed by Eagle Equity Funds, LLC against Eletrobras and two of its top executives at the US District Court in the Southern District of New York.

The petition alleges, among other things, that the Company would have made false and/or misleading statements or omissions in documents filed with the Securities Exchange Commission ("SEC") regarding alleged liabilities related to compulsory loan bearer securities (called "Obrigações" in Brazil) and other compulsory loan credits, issued approximately between 1962 and 1976 (first phase) and between 1977 and 1993 (second phase).

In particular, the petitioner states that the Company's disclosures to the SEC would have made the alleged liabilities of the Company less relevant for, among other allegations, allegedly misrepresenting the status or impact of certain Brazilian lawsuits and court decisions relating to the Bearer Securities and/or Compulsory Loan Credits.

The Plaintiffs claim to hold the aforementioned *Obrigações* (bearer securities) and American Depositary Receipts (ADRs) issued by the Company. The Plaintiffs seek precautionary measures, declaratory measures and compensation for monetary damages. Among other claims, the Plaintiffs seek an injunction preventing the Company from (i) making false and/or misleading statements or omissions with respect to its liabilities arising from Bearer Securities called Compulsory Loan Credits and/or *Obrigações*, (ii) recording any SEC registry containing false and/or misleading statements or omissions related to any potential privatization transactions that the Company may undertake and (iii) make any SEC filings until the Company corrects its allegedly false and/or misleading previous statements or omissions with respect to such matters. The Plaintiffs have not specified the amount of monetary damages they claim, but this amount claimed, when fully specified, may be material.

The Company understands that its previous disclosures on compulsory loans, including Bearer Securities and Compulsory Loan Credits, have been and remain accurate in light of the information available at each publication date.

The Company also understands that the provisions it has made in its financial statements related to this matter are reasonable and appropriate in light of future contingencies faced by the Company, based on information available at the time.

Accordingly, as previously disclosed, the Company has been a party to several lawsuits in Brazil regarding Bearer Securities or Compulsory Loan Credits, many of which remain pending. These lawsuits raise a variety of issues, including the validity of Bearer Securities in light of the period of decadence enforced by the Brazilian Superior Court of Justice ("STJ") (especially in Repetitive Special Appeal No. 1,050,199/RJ), monetary adjustments which may apply to allegedly outstanding Compulsory Loan Credits and the appropriate period of interest accruing on said outstanding Compulsory Loan Credits. Our judgments in this regard are set forth in Note 5 (c).

Although the Company has made and continues to make efforts to minimize losses related to these proceedings, it cannot guarantee that such efforts will be successful and, if unsuccessful, there may be material adverse effects on the Company. For example, although the Company understands that it no longer has any liability for outstanding bearer securities, due to the maturity period applied by the STJ



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in the said repetitive appeal (not to mention any liability that the Company has incurred or may incur in a small number of lawsuits filed before the end of the maturity period), any future legal interpretation that the Bearer Securities have not been met by the maturity could adversely affect the Company.

In addition, in June 2019, the STJ announced a decision in Special Appeal No. 790,288/PR that is potentially adverse to the Company in matters related to interest due to certain Compulsory Loan Credits. According to Note 5 (c), the Company understands that the effects of the June 2019 decision should be limited to the lawsuit in which it was rendered and, in any event, has no application to the Bearer Securities. Currently, the Company believes that the June 2019 decision does not require an increase in the Company's previously disclosed provision for its liabilities arising from the issues discussed above. In general, however, the Company emphasizes that there is no guarantee as to the course of ongoing and future legal proceedings and future court decisions in Brazil or abroad.

40.10 - Eletronuclear - Life of Angra I Nuclear Power Plant

The subsidiary Eletronuclear formally requested to the National Commission of Nuclear Energy - CNEN, on November 7, 2019, the extension of the Angra I Nuclear Power Plant life from 40 to 60 years. In addition, it initiated negotiations to obtain financing from US Eximbank, the US Government's export credit agency, under the US Brazil Energy Forum, to contract the goods and services needed for the project.



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NOTE 41 - CORRELATION BETWEEN EXPLANATORY NOTES OF DECEMBER 31, 2018 AND SEPTEMBER 30, 2019

Explanatory notes titles	Explanatory notes numbers	
	Annual of 2018	ITR de 09/30/2019
Operational Context	1	1
3rd Quarter Highlights	-	2
Public Service Electricity Concessions and Authorizations	2	3
Main Accounting Policies	3	4
Accounting Estimates and Judgments	4	5
Cash, Cash Equivalents and Restricted Cash	5	6
Securities	6	7
Clients	7	8
Financing and Loans	8	9
Remuneration of Shareholdings	9	10
Recoverable taxes and income tax and social contribution	10	11
Rights And Obligations Of Reimbursement	11	12
Advances for Future Capital Increase	13	13
Investment	14	14
Fixed Assets	15	15
Financial Assets and Public Service Concessions	16	16
Transmission Contractual Assets	16.2	17
Suppliers	19	18
Financing and Loans	21	19
Debentures	22	20
Commercial Finance Lease Operation	21.5	21
Taxes to be collected and income tax and social contribution	24	22
Shareholder Remuneration	26	23
Provisions for Contingencies	28	24
Obligation to Demobilize Assets	29	25
Advance for Future Capital Increase	30	26
Provision for Unsecured Liabilities	33	14.6
Shareholders' Equity	35	27
Earnings per share	36	28
Net Operating Revenue	37	29
Personnel, Material and Services	38	30
Energy Purchased for Resale	39	31
Operating Provisions (reversals)	40	32
Financial Instruments and Risk Management	42	33
Information by Business Segment	43	34
Related Party Transactions	44	35
Key Personnel Remuneration	45	36
Assets Held for Sale	46	37
Disposal of subsidiaries and subsidiaries	47	38
Discontinued Operations	48	39
Subsequent Events	49	40

The notes to the 2018 annual report that were suppressed in the quarterly report for the period ended September 30, 2019, as they do not present material changes and/or do not apply to the interim financial information, are listed below:



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Explanatory notes titles	Explanatory notes numbers
Nuclear Fuel Stock	12
Recoverable Value of Long-term Assets	18
Intangible Assets	17
Advances	20
Debentures	22
Compulsory Loan	23
Sectorial Charges	25
Employee Benefits	27
Onerous Contracts	31
Long-Term Operational Commitments	32
Estimated Obligations	34
Business Combination	41



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Eletrobras

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Wilson Ferreira Junior

Presidente

Elvira Baracuhy Cavalcanti Presta

Diretora Financeira e de Relações com Investidores

Luiz Augusto Pereira de Andrade Figueira

Diretor de Gestão e Sustentabilidade

Lucia Casasanta

Diretora de Governança, Riscos e Conformidade

Márcio Szechtman

Diretor de Transmissão

Pedro Luiz de Oliveira Jatobá

Diretor de Geração

Rodrigo Villela Ruiz

Contador - CRC-RJ 088488/O-9S