Grupo Energía Bogotá S.A. E.S.P. and its Subsidiaries

Consolidated Financial Statements for the years ended on December 31, 2018 and 2017, and Statutory Auditor's Report.

Deloitte.

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STATUTORY AUDITOR´S REPORT

To the stockholders of
GRUPO ENERGÍA BOGOTÁ S.A E.S.P. AND ITS SUBSIDIARIES

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

I have audited the accompanying consolidated financial statements of GRUPO ENERGÍA BOGOTÁ S.A E.S.P. AND ITS SUBSIDIARIES, which consist of the consolidated statement of financial position as of December 31, 2018, the consolidated income statement and other comprehensive income, of the changes in consolidated net equity and of consolidated cash flows for the year ended on that date, and a summary of significant accounting policies as well as other explanatory notes.

Management's responsibility on the financial statements

Management is responsible for the preparation and proper presentation of these consolidated financial statements in accordance with the Financial and Accounting Reporting Standards accepted in Colombia, and for the internal control that management considers relevant for the preparation and proper presentation of the financial statements free from material misstatements, whether due to fraud or error; selecting and applying the appropriate accounting policies, as well as performing accounting estimates that are reasonable in the circumstances.

I consider that the audit evidence obtained provides me a reasonable basis to express my opinion except as mentoined in the following paragraph.

Statutory Auditor's responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I performed the audit in accordance with International Standards on Auditing accepted in Colombia. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement. An audit consists in performing procedures to obtain audit evidence on the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including assessment of the risks of material misstatement in the financial statements. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the accounting policies used and the significant accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

Basis to qualify my opinion

As of December 31, 2018, GRUPO ENERGIA BOGOTA S.A. E.S.P. maintains investments in joint ventures through its affiliated, GEBBRAS Participacoes LTDA. for $589,861 million that represent 2% of the total assets of the Group, where the main business are energy transmission concessions, which are accounted for under the equity method, as indicated in Note 5 to the attached financial statements.

Those concessions, as of January 1, 2018, adopted IFRS 15 (contract asset) as an accounting policy that replaces IFRIC 12 (financial asset). This accounting change, required by the accounting standards in effect, gave rise to the review of the interest rates implied in the contact assets, replacing the internal rates of return adopted in the financial assets of IFRIC 12. The audit procedures performed as of the date in the affiliate, were not sufficient to be able to determine if the implied interest rates adopted by management reflect the market conditions on the date of initiation of the periods of the transmission concession of the joint ventures.

Opinion

In my opinion, except by the effect of the matter described in the preceding paragraph, the attached consolidated financial statements, present fairly, taken from the accounting books, in all material respects, the financial position of GRUPO ENERGÍA BOGOTÁ S.A E.S.P. AND ITS SUBSIDIARIES as of December 31, 2018 the results of its operations and its cash flows for the year ended on that date, in accordance with Financial and Accounting Reporting Standards accepted in Colombia.

Emphasis on other matters

The attached separate financial statements were prepared to comply with the legal provisions of statutory information to which the Company is subject as legal independent entity and therefore, do not include the adjustments or eliminations necessary for the presentation of the financial position and the consolidated results of the Company and its subordinates. These separate financial statements must be read jointly with the consolidated financial statements of GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. and its subordinates.

Other matters

I only, audited the financial statements as of December 31, 2017, included for comparative purposes and on them; I expressed my opinion without qualifications on February 21, 2018.

Jaime Vargas

JAIME ALBERTO VARGAS ZAMBRANO
Statutory Auditor
T.P. 81.100-T
Appointed by Deloitte & Touche Ltda.

February 21, 2019.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2018 AND 201
(In millions of Colombian Pesos)

ASSETS	2018	2017
CURRENT ASSETS:		
Cash and cash equivalents (Note 7)	$ 1.128.112	$ 1.569.021
Financial assets (Note 8)	28.198	145.540
Accounts receivable (Note 9)	769.660	543.917
Accounts receivable from related parties (Note 35)	242.360	152.642
Tax assets (Note 10)	80.859	180.873
Inventories (Note 11)	160.581	175.416
Assets Available for Sale (Note 12)	722.633	550.941
Other assets (Note 13)	25.312	27.261
Total current assets	3.157.715	3.345.611
NON-CURRENT ASSETS:		
Investments in associates and joint ventures (Note 15)	7.184.261	6.951.662
Property, plant and equipment (Note 16)	10.158.128	9.018.704
Investment property (Note 17)	29.781	210.796
Financial assets (Note 8)	12.385	14.061
Accounts receivable (Note 9)	149.523	226.033
Goodwill (Note 18)	84.618	50.171
Intangible assets (Note 19)	4.308.278	3.744.080
Tax assets (Note 10)	109.246	105.820
Deferred tax assets (Note 25)	67.576	97.225
Other assets (Note 13)	19.334	24.238
Total non-current assets	22.123.130	20.442.790
Total assets	$ 25.280.845	$ 23.788.401

LIABILITIES AND EQUITY	2018	2017
CURRENT LIABILITIES:		
Financial liabilities (Note 20)	$ 1.543.977	$ 153.611
Accounts payable (Note 21)	475.955	431.668
Accounts payable to related parties (Note 35)	7	5.604
Provisions for benefits to employees (Note 22)	93.803	79.624
Other provisions (Note 23)	39.443	141.821
Tax liabilities (Note 24)	47.938	179.047
Other liabilities (Note 26)	205.892	193.363
Total current liabilities	2.407.015	1.184.738
NON-CURRENT LIABILITIES:		
Financial Liabilities (Note 20)	8.081.825	8.730.150
Liabilities for current taxes (Note 24)	1.164	780
Provisions for benefits to employees (Note 22)	148.006	169.514
Other provisions (Note 23)	229.471	260.918
Deferred tax liabilities (Note 24)	1.406.726	1.451.903
Other liabilities (Note 26)	13.583	24.246
Total non-current liabilities	9.880.775	10.637.511
Total liabilities	12.287.790	11.822.249
SHAREHOLDERS' EQUITY (Note 29)		
Issued capital	492.111	492.111
Additional paid-in capital	837.799	837.799
Reserves	2.999.690	2.555.404
Retained earnings	6.189.340	6.090.854
Other comprehensive income	2.037.511	1.604.301
Total equity attributable to owners of the Entity	12.556.451	11.580.469
Non-controlling interests	436.604	385.683
Total shareholders' equity	12.993.055	11.966.152
Total liabilities and equity	$ 25.280.845	$ 23.788.401

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

FELIPE CASTILLA CANALES
Legal Representative

OSCAR CERRA JEREZ
Accounting Manager
Professional Card No. 136.393-T

JAIME ALBERTO VARGAS ZAMBRANO
Statutory Auditor
Professional Card No. 81.100-T
(See my attached report)
Appointed by Deloitte & Touche Ltda.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In millions of Colombian Pesos, except for income per share)

		2018		2017
REVENUES				
Natural gas distribution (Note 29)	$	2.241.048	$	2.017.384
Natural gas transportation (Note 29)		1.312.833		1.221.394
Electric power transmission (Note 29)		447.873		339.347
Total operating revenues		4.001.754		3.578.125
COSTS AND EXPENSES				
Natural gas distribution (Note 30)		(2.014.359)		(1.727.795)
Natural gas transportation (Note 30)		(569.943)		(491.127)
Electric power transmission (Note 30)		(227.299)		(189.453)
Administration expenses (Note 31)		(181.656)		(137.410)
Other revenues (expenses), net (Note 32)		293.997		69.924
Results of operating activities		1.302.494		1.102.264
Financial revenues (Note 33)		105.267		204.011
Financing costs (Note 34)		(539.057)		(597.670)
Revenues (expenses) from exchange difference, net		(52.302)		(35.997)
Share of profit of associates and joint venture (Note 16)		1.055.060		1.029.542
Profit before taxes		1.871.462		1.702.150
Less income tax expense (Note 25)				
Current		(196.510)		(299.444)
Deferred		110.216		166.189
Consolidated profit for the year	$	1.785.168	$	1.568.895
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit obligation (Note 23)	$	19.203	$	(22.211)
Net profit in fair value of financial assets available for sale		-		74.486
Entries that will be reclassified to profit and loss in the future				
Exchange differences for conversion of foreign operations		454.022		(85.262)
Profit or loss for other comprehensive income in associates		(9.477)		(499)
Total other comprehensive income for the year		463.748		(33.486)
CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR	$	2.248.916	$	1.535.409
Consolidated income for the year attributable to:				
Owners of the Entity	$	1.703.693	$	1.500.121
Non-controlling interest		81.475		68.774
		1.785.168		1.568.895
Consolidated comprehensive income for the year attributable to:				
Owners of the Entity		2.136.903		1.527.453
Non-controlling interest		112.013		7.956
	$	2.248.916	$	1.535.409
EARNINGS PER SHARE				
Basic and diluted	$	185,56	$	163,39

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

FELIPE CASTILLA CANALES	OSCAR CERRA JEREZ	JAIME ALBERTO VARGAS ZAMBRANO
Legal Representative	Accounting Manager	Statutory Auditor
	Professional Card No. 136.393-T	Professional Card No. 151.060
		(See my attached report)
		Appointed by Deloitte & Touche Ltda.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDING ON DECEMBER 31, 2018 AND 2017
(In millions of Colombian Pesos)

	Issued capital	Retained earnings	Other comprehensive income items: Net fair value gain (loss) on available-for-sale financial assets	Remeasurement of defined benefit obligation	Exchange differences from translation of foreign transactions	Gain or loss from other comprehensive income in associates	Total of other comprehensive income items	Non-controlling interest	Total
BALANCES AS OF JANUARY 1, 2017	$ 492.111	$ 5.788.996	$ 16.234	$ (42.439)	$ 1.468.094	$ 225.800	$ 1.667.689	$ 377.727	$ 11.339.679
Appropriations	-	(380.047)	-	-	-	-	-	-	-
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	-	-
Exchange differences from translation of foreign transactions	-	-	-	-	-	-	-	-	-
Net fair value gain (loss) on available-for-sale financial assets	-	-	-	-	-	-	-	-	-
Effect of the sale of ISAGEN	-	90.720	(90.720)	-	-	-	(90.720)	-	-
Gain or loss from other comprehensive income in associates	-	-	74.486	(22.211)	(24.444)	(499)	27.332	(60.818)	(33.486)
Dividends paid	-	(908.936)	-	-	-	-	-	-	(908.936)
Profit for the year	-	1.500.121	-	-	-	-	-	68.774	1.568.895
BALANCES AS OF DECEMBER 31, 2017	492.111	6.090.854	-	(64.650)	1.443.650	225.301	1.604.301	385.683	11.966.152
Appropriations	-	(444.286)	-	-	-	-	-	-	-
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	-	-
Exchange differences from translation of foreign transactions	-	-	-	-	-	-	-	-	-
Net fair value gain (loss) on available-for-sale financial assets	-	-	-	-	-	-	-	-	-
Effect of the sale of ISAGEN	-	-	-	-	-	-	-	-	-
Gain or loss from other comprehensive income in associates	-	-	-	19.203	423.484	(9.477)	433.210	30.538	463.748
Effects of normative modifications	-	(2.755)	-	-	-	-	-	-	(2.755)
Effects of normative modifications of subsidiaries	-	(104.836)	-	-	-	-	-	(2.470)	(107.306)
Other	-	2.505	-	-	-	-	-	-	2.505
Dividends paid	-	(1.055.835)	-	-	-	-	-	(58.622)	(1.114.457)
Profit for the year	-	1.703.693	-	-	-	-	-	81.475	1.785.168
BALANCES AS OF DECEMBER 31, 2018	$ 492.111	$ 6.189.340	$ -	$ (45.447)	$ 1.867.134	$ 215.824	$ 2.037.511	$ 436.604	$ 12.993.055

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

FELIPE CASTILLA CANALES
Legal Representative

OSCAR CERRA JEREZ
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Professional Card No. 136.393-T

JAIME ALBERTO VARGAS ZAMBRANO
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(See my attached report)
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GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(In millions of Colombian Pesos)

		2018		2017
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net profit	$	1.785.168	$	1.568.895
Adjustments to reconcile net loss to net cash provided by operating activities:				
Income tax recognized in net income		86.294		133.255
Share of profit of associates and joint venture		(1.055.060)		(1.029.542)
Financial expenses		539.057		597.670
Financial revenues		(105.267)		(204.011)
Depreciation and amortization		402.189		331.072
Gain on disposal of property, plant and equipment		558		1.246
Exchange difference		52.302		35.997
Provisions and recoveries		56.449		17.302
		1.761.690		1.451.884
NET CHANGES IN OPERATING ASSETS AND LIABILITIES:				
Accounts receivable		(269.632)		170.390
Inventories		4.372		(28.522)
Other assets		3.879		142.456
Accounts payable		(40.184)		131.205
Provisions for benefits to employees		(1.398)		8.361
Provisions		(34.136)		210.846
Other liabilities		(92.614)		2.721
Taxes paid		(220.964)		(374.178)
Net of cash flow provided by operating activities		1.111.013		1.715.163
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments in associates		-		15.243
Dividends received		822.550		763.797
Revenues from sale of fixed assets		433		111
Interests received		90.711		83.594
Related parties		-		11.662
Financial assets		159.633		295.315
Property, plant and equipment		(622.305)		(731.948)
Investments properties		(326)		
Intangible assets		(502.779)		(414.040)
Net of cash flow (used in) provided by investment activities		(52.083)		23.734
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid		(1.116.681)		(908.937)
Related parties		-		(11.410)
Interests paid		(453.036)		(573.847)
Loans received		4.445.239		1.586.008
Loans paid		(4.388.573)		(1.616.748)
Net of cash flow used in financing activities		(1.513.051)		(1.524.934)
NET INCREASE OF CASH AND CASH EQUIVALENTS		(454.121)		213.963
EFFECTS OF THE EXCHANGE RATE VARIATION ON CASH AND CASH EQUIVALENTS		13.172		13.172
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1.569.021		1.341.886
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$	1.128.072	$	1.569.021

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

FELIPE CASTILLA CANALES
Legal Representative

OSCAR CERRA JEREZ
Accounting Manager
Professional Card No. 136.393-T

JAIME ALBERTO VARGAS ZAMBRANO
Statutory Auditor
Professional Card No. 81.100-T
(See my attached report)
Appointed by Deloitte & Touche Ltda.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES

NOTES CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2018 AND 2017

1. GENERAL INFORMATION

Parent Company. According to Law 142 of 1994 and Agreement 1 of 1996 of the District Council, on May 31, 1996 Grupo Energía Bogota S.A. E.S.P. was transformed from industrial and commercial company of the state of the district into a joint stock company. Grupo Energía Bogotá S.A E.S.P. (hereinafter "GEB" or the "Company") transformed into a public utilities company under Law 142 of 1994 continued engaged in the generation, transmission, distribution and commercialization of electric power. The legal term of duration of the Company is indefinite. In a meeting held on October 6, 2017 of the General Stockholders' Meeting, as evidenced in Minute No. 078, formalized into Public Deed No 3679 of 2017, registered on October 25, 2017 with the Chamber of Commerce of Bogota, the Company changed its corporate name from Empresa de Energía de Bogotá S.A. E.S.P., to Grupo Energía Bogotá S.A. E.S.P.

GEB is the leading company in the Colombian electricity sector. The Company transports electric power to the most important markets of Colombia in terms of demand and size, and participates in the distribution of electric power. It controls ten Subordinated Companies and offers electric power transportation services in Colombia directly. In the value chain, the business controls the largest natural gas operator in Colombia, TGI SA, which has a 50.9% market share, including a gas pipeline extension of 3,957 kilometers, has an available capacity of 733.8 MCFD (millions of cubic feet per day) which it uses to serve the most populated areas of the country, such as Bogota, Cali, the *Eje Cafetero* (Coffee Region), Medellin and the *Piedemonte Llanero* (Plains Region). The company operates and maintains the largest pipeline network in Colombia, from Guajira to *Valle del Cauca* and from the Eastern Plains to Cundinamarca, Boyacá, Tolima and Huila.

In Peru, through its Company Contugas, which has a concession for over 30 years, it participates in the transportation and distribution of natural gas at the Ica Department. In addition, through its participation in Calidda, it distributes natural gas to the Lima and the Callao Constitutional Province. It is the pioneer company in providing this public service in Peru, thus contributing to the improvement of quality of life of the population and preservation of the environment.

In Peru, it also has, along with ISA, shares in REP S.A. and TRANSMANTARO S.A., which operate 63% of the electric power transportation network of Peru, operating from four Transmission Departments: through the North Transmission Department, the Chiclayo and Chimbote locations are reached; through the Center Transmission Department, the Lima and Pisco locations are reached; through the East Transmission Department, the Huanuco and Huancayo locations are reached, and through the South Transmission Department, the Arequipa and Cusco locations are reached.

TRECSA Transportadora de Centroamerica S.A. is a Guatemalan company that provides energy transmission services and related activities in Guatemala and Central America. The Company is building the most important infrastructure project in Guatemala, which began to provide electric power transportation services since 2014. The company´s projects are focused in the Construction, Operation and Maintenance of a set or group of transmissions centers consisting mainly.

In addition, the Company has an investment portfolio in major companies in the electric power sector, among which CODENSA S.A., EMGESA S.A., GAS NATURAL S.A. PROMIGAS S.A. and ELECTRIFICADORA DEL META – EMSA are outstanding. For 2017, GEB decided that Promigas S.A. was considered as a non-current asset available for sale in compliance with the provisions of IFRS 5.

2. LEGAL AND REGULATORY FRAMEWORK

Colombian Companies - Following the guidelines of the framework set by the Constitution, the Household Utilities Act No. 142 of 1994 and the Electric Power Act No. 143 were enacted, which define the general provisions or criteria that shall govern the companies providing household utilities across the national territory.

The Electric Power Act of July 1, 1994 (Act 143 of 1994) regulates the activities related to generation, transmission, distribution and commercialization of electric power, creating a competition structure and strengthening of the electric power sector in the country.

The main entity of the electric power sector is the Ministry of Mines and Energy, which prepares the National Energy Plan and the Reference Generation - Transmission Expansion Plan through its Energy Mining Planning Unit (UPME, per its Spanish acronym). The Superintendence of Utilities (SSPD, per its Spanish acronym) and the Commission for Regulation of Energy and Gas (CREG, per its Spanish acronym) are the entities responsible for overseeing and regulating companies in the sector.

Peruvian Companies – they are regulated by the Hydrocarbon Organic Act No. 26221, enacted on August 19, 1993, and the Natural Gas Industry Development Promotion Act No. 27133, enacted on November 18, 1999, and their regulation, approved through Supreme Decree No. 040-99-EM, which sets out the conditions for promoting the development of the natural gas industry. On the other hand, they are supervised by the Energy and Mining Oversight Organism (OSINERGMIN, per its Spanish acronym), which ensures the quality and efficiency of the services rendered and monitors compliance with the obligations acquired by the concessionaires pursuant to the concession contracts, as well as with the legal dispositions and technical regulations in force.

Guatemalan Companies – they a regulated by the Legal Framework defined by the General Electric Power Act (Decree 93-96 of the Guatemala Congress) enacted on November 15, 1996, the Regulation of the General Electric Power Act (Agreement 256-97 of April 2, 1997, as modified by Agreement 68-2007) and Regulation of the Wholesale Market Administrator (AMM, per its Spanish acronym) – (Agreement 299-98 of June 1, 1998, as modified by Agreement 69-2007).

The Ministry of Energy and Mines – MEM – is the Government Body responsible for formulating and coordinating the policies, Government plans and indicative programs regarding the Electric Power Subsector, as well as for enforcing the Law and its Regulation.

Brazilian Companies - In August 2015, the Company completed the acquisition of a 51% participation in four electric power transmission concessions in Brazil: Transenergia Renovavel S.A., Transenergia Sao Paulo S.A., Goias Transmissão S.A. and MGE Transmissão S.A.

The four concessions acquired by the Company were awarded for 25 years through a public tender in 2008 and 2009. The length of the lines is 1.094 kilometers and consist of assets with voltage levels of 500, 345, 230 and 138 kV located in the following states: Espiritu Santo, Goias, Mato Grosso, Mato Grosso do Sul, Minas Gerais and Sao Paulo.

This acquisition will also allow the Company to exercise, through GEBBRAS, the holding of these four concessions, as well as of the future expansions, besides having a strategic partner in Brazil, Furnas, which owns the remaining 49% stake in these four concessions.

3. BASIS FOR PRESENTATION

3.1 Accounting standards applied – Grupo Energía Bogotá S.A. E.S.P., and its subordinates, prepares general purpose separate financial statement of the Company as of December 31, 2018, in accordance with Accounting and Financial Reporting Standards accepted in Colombia (NCIF, for its initials in Spanish), which contemplate the International Financial Reporting Standards –IFRS-, the International Accounting Standards -IAS-, the SIC interpretations, the IFRIC interpretations and the conceptual framework for financial information, applicable, issued and approved by the International Accounting Standards Board (IASB) as of December 31, 2015 and that were published in Spanish by said organization in 2016, and incorporated to the Colombian accounting technical framework in conformity with Law 1314 of 2009, regulated by the Sole Regulatory Decree 2420 of 2015, the modifications of Decrees 2496 of 2015 and 2131 of 2016 and compiled and updated by Decree 2483 of 2018.

These financial statements have been prepared on historic cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued values or at fair values at the end of each reporting period, as explained in the accounting policies. The historic cost is generally based on the fair value of the consideration delivered in the exchange of goods and services.

3.2 Application of the standards incorporated in Colombia as of January 1, 2018

3.2.1 Impact in the application of IFRS 15 Revenue from Contracts with Customers – For 2018, the financial statements of the joint ventures adopted IFRS 15 as a new calculation practice of IFRIC 12 (Financial Asset). This change produced the review of the rates implied in the contracts of the financial assets for concessions ((TER - 3.22%, TSP - 4.18%, MGE 3.51% and GOT - 4.09%) replacing the implied rate of return of the financial assets (IFRIC 12).

The effect recognized by the equity method in these consolidated financial statements is as shown below.

GEBBRAS Participacoes LTDA.

Measurement Category	**Impact IFRS 15 adoption in Accumulated earnings**
Financial assets of concessions of joint ventures	$ (45,815)

3.2.2 Impact in the application of IFRS 9 Financial Instruments – The Group has adopted IFRS 9 issued by the IASB in July 2014 in accordance with Decree 2496 of 2015 and Decree 2131 of 2016 for the first time in year 2018, which occurred as result of changes in the accounting policies and adjustments to the amounts previously recognized in the financial statements.

As permitted by the transitory provisions of IFRS 9, the Company decided not to restate the comparative figures. Any adjustment to the carrying values of financial assets and liabilities on the transition date was recognized in the opening accumulated profits.

The adoption of IFRS 9 has resulted in changes in our accounting policies for the recognition of the impairment of financial assets.

Following is a detail of the disclosures related to the impact of the adoption of IFRS 9 on the Companies. Further details of the specific policies of IFRS 9 applied in the current period (as well as the previous accounting policies of IAS 39 applied in the comparative period) are described in more detail in the section of accounting policies.

Figures in thousands of Colombian pesos

Grupo Energía de Bogotá S.A. E.S.P.	**Provision for impairment as per IAS 39**	**Remeasurement**	**Provision for impairment as per IFRS 9**
Accounts receivable (1)	$ (43.093)	$ (72)	$ (43.165)
Investments held until maturity (2)	-	(2.683)	(2.683)
Total	$ (43.093)	$ (2.755)	$ (45.848)

Transportadora de Gas Internacional S.A. E.S.P.	**Provision for impairment as per IAS 39**	**Remeasurement**	**Provision for impairment as per IFRS 9**
Accounts receivable (1)	$ (8.271)	$ (2.296)	$ (10.567)

Stated in millions of US dollars

CONTUGAS SAC	**Provision for impairment as per IAS 39**	**Remeasurement**	**Provision for impairment as per IFRS 9**
Accounts receivable (1)	$ (1.866)	$ (11.018)	$ (12.884)

Gas Natural de Lima y Callao, S.A.	**Provision for impairment as per IAS 39**	**Remeasurement**	**Provision for impairment as per IFRS 9**
Accounts receivable (1)	$ (7.474)	$ (2.070)	$ (9.544)

By the characteristics of its financial assets, the Company defined the following approached to be applied:

(1) *Simplified approach* – it is applied in general for trade accounts receivable; this method takes as basis the statistical information of previous years, based on which the expected credit loss percentages are determined, multiplying the probability of default by the loss given the default; these percentages are applied to the receivable balance.

(2) *General approach* – it is applied to the other financial assets different from accounts receivable that are in the scope of the standards.

As of December 31, 2018, the effect of the regulatory changes of subordinated and associated companies of Grupo Energía Bogotá S.A. E.S.P., included in these separate financial statements by the equity method is as shown below:

Associated companies

Codensa S.A. E.S.P.	17.031
Emgesa S.A. E.S.P.	1.266
Red Energía del Perú, S.A.	547
Consorcio Transmantaro S.A.	412

3.2.3 Amendments to IAS 12. Deferred tax for recognition of assets for deferred taxes for unrealized losses – In the reviews made by the Company the following relevant aspects have been established in the measurement of impact of the regulations:

1. There is no deferred tax recorded for unrealized losses on debt instruments recorded at fair value, the debt is measured at amortized cost.

2. In respect to tax losses, there are two types of analyses or situations evidenced:

   2.1 Tax losses accumulated as of 2016: the tax regulation does not restrict their use over time or offset percentage, and according to the projection made by the Company's Financial Planning Management, these will not be used in the short or medium term, and for this reason during the year 2016 the deferred tax recorded by the tax losses was reversed.

   2.2 The tax losses generated since 2017 on the other hand, will have offset limitation of 12 taxable periods following the year on which they are generated, and thus it is evidenced that on these losses no deferred tax will be generated.

3.2.4 Amendments to IAS 7 Statement of Cash Flows in Disclosure Initiatives –

The Company has applied this amendment that permits the users of financial statements to evaluate the changes in the liabilities originated in financing activities, including both cash and non-cash changes.

The Company's liabilities that originate in the financing activities consist of loans. A reconciliation between the opening and closing balance of these items is in the note of financial liabilities (note 20) in accordance with the transition provisions of the amendment; the Company has not disclosed information comparative to the previous period.

3.3 Basis of preparation **-** Group Energía Bogotá S.A E.S.P. and its Subordinated Companies presents its general purpose financial statements in Colombian pesos and the values have been rounded to the nearest million pesos unit (COP$000,000), unless otherwise indicated.

For legal purposes in Colombia, the main financial statements are the separate financial statements.

Preparation of the financial statements in accordance with the Financial Accounting and Reporting Standards (NCIF) requires the use of certain critical accounting estimates. It also requires that management exercise judgment in the process of applying the accounting policies.

3.4 Consolidated Financial statements **-** The consolidated financial statements include the financial statements of Grupo Energía de Bogotá S.A. E.S.P. and its controlled subordinated companies. These financial statements shall be read jointly with the separate financial statements of Grupo Energía de Bogotá S.A. E.S.P. and with the individual financial statements of its subordinated companies.

Control is reached whenever the Company:

- power over the investee

- exposure, or rights, to variable returns from its involvement with the investee

- The ability to use its power over the investee to affect the amount of the investor's returns.

The Company reassesses whether it controls or not an investee; in case the facts and circumstances indicate the existence of changes on one or more of the three control elements above mentioned.

Whenever the Company has less than a majority of voting rights of an investee, it has power on the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances when assessing whether the voting rights of the Company in an investee are enough or not to give it the power, including:

- Size of the voting rights percentage of the Company in relation to the size and dispersion of the percentages of other voting right holders;

- Potential voting rights held by the Company, other shareholders or other parties;

- Rights derived from contractual agreements; and

- Any additional facts or circumstances indicating that the Company currently has, or doesn´t, the ability to direct the relevant activities at the time decisions need to be made, including voting patterns in previous shareholders' meetings.

The consolidation of subordinated companies begins when the Company obtains control of the subordinated company and ends when the Company loses control of the subordinated company. Specifically, revenues and expenses of a subordinated company acquired or sold during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Company obtains control until the date on which the Company ceases to control the subordinated companies.

Gains or losses of each component of other comprehensive income are attributed to the owners of the Company and to the non - controlling interests. Total comprehensive income of the subordinated companies is attributed to the owners of the Company and to the non-controlling interests even if results in non-controlling interests have negative balances.

If necessary, adjustments are made to the financial statements of the subordinated companies to align their accounting policies to those used by other members of the Company.

All intercompany transactions, balances, revenues and expenses are eliminated on consolidation.

Changes in the Company's interest in its existing subordinated companies – Changes in the participation in subordinated companies that do not result in loss of control by the Company of the subordinated companies are accounted for as capital transactions. The amounts of the Company's interests and of non-controlling interests are adjusted to reflect changes in their relative participation in the subordinated companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in net equity and attributed to the owners of the Company.

When the Company loses control of a subordinated companies, a gain or loss is recognized in profit or loss and is computed as the difference between (I) the sum of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subordinated companies and any non-controlling interest. All amounts previously recognized in other comprehensive income in relation to such subordinated companies are accounted for as if the Company had directly disposed of the related subordinated companies assets or liabilities (i.e. reclassified to profit or loss or transferred to another category of equity as specified / permitted by the applicable regulations). The fair value of the investment retained in the former subordinated companies as of the date the control is lost is considered as the fair value on initial recognition for subsequent accounting under IAS 39, as the case may be, of the cost on initial recognition of an investment in an associate or joint venture.

The consolidated financial statements show information of the Company as parent of the following subordinated companies:

Name of Subordinated Company	**Main Activity**	**Inception and Operation Location**
Transportadora de Gas Internacional S.A. E.S.P.	Gas	Colombia
EEB Internacional LTD.	Investment Vehicle	Islas Caiman
Contugas SAC.	Gas	Perú
Transportadora de Energía de Centroamérica S.A.	Electric Power	Guatemala
EEB Perú Holdings LTD.	Investment Vehicle	Islas Caiman
EEB Ingenieria y Servicios S.A	Engineering Services	Guatemala
EEB Ingenieria y Servicios Perú S.A.C	Engineering Services	Perú
EEB Gas S.A.S.	Investment Vehicle	Colombia
EEB Energy RE	Investment Vehicle	Bermuda
GEBBRAS Participacoes LTDA.	Investment Vehicle	Brasil

Also, in this consolidated financial statements the operations of the following associates and joint ventures are considered:

Name of the Associate and Joint Ventures	**Main Activity**	**Inception and operation location**
CODENSA S.A E.S.P	Electric Power Commercialization	Colombia
EMGESA S.A E.S.P	Electric Power Generator	Colombia
PROMIGAS S.A	Gas	Colombia
GAS NATURAL	Gas	Colombia
Electrificadora del Meta S.A E.S.P - EMSA	Electric Power	Colombia
Consorcio Transmantaro S.A	Electric Power	Perú
Red de Energía del Perú	Electric Power	Perú
Goias Transmissao S.A.	Electric Power Generation	Brasil
Mge Transmissao S.A.	Electric Power Generation	Brasil
Transenergia Renovavel S.A.	Electric Power Distribution	Brasil
Transenergia Sao Paulo S.A.	Electric Power Distribution	Brasil

3.5 Basis for measurement - The Company's consolidated financial statements have been prepared on the basis of historical cost, with the exception of financial assets and liabilities at fair value with changes in profit and loss and/or changes in other comprehensive income, which are measured at their fair values at the end of each period, as explained in the accounting policies included below.

Usually, historical cost is based on the fair value of the consideration paid in exchange of goods or services. Fair value is the price that would be received when selling an asset or that would be paid when a liability is transferred within an orderly transaction between market players at the measurement date.

In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if the market players consider those characteristics when appraising the asset or liability at the measurement date.

3.6 Functional and Presentation Currency –

3.6.1. Functional and Presentation Currency - The consolidated financial statements are presented in Colombian pesos, which in turn is the functional currency of the Parent Company. Each entity that is part of the Group determines its own functional currency and the entries included in the financial statements of that entity are measured using that functional currency. In general, the subsidiaries abroad have defined a functional currency different from the Colombian peso.

The Company presents its financial statements in Colombian pesos, which are both the functional and the presentation currency. The figures are expressed in millions of Colombian pesos, except for net income per share and the foreign exchange rate, which are expressed in Colombian pesos.

The statements of income and cash flows of subordinated companies with functional currency other than that of the Company are translated at the exchange rate of the date of the transaction or, in its absence, at the monthly average exchange rate. Assets and liabilities are translated at the closing rate and other equity items are converted at the exchange rate prevailing at the moment of the transaction. The foreign exchange differences in these translations are recorded in other comprehensive income.

3.6.2Transactions in foreign currencies – In preparing the financial statements of each entity, transactions in currencies other than the Company's functional currency (foreign currency) are recognized using the exchange rates prevailing on the date the transactions are performed. At the end of each period, monetary items denominated in foreign currency are reconverted using the exchange rates prevailing at that date. Non-monetary items carried at fair value, denominated in foreign currency, are reconverted using the exchange rates prevailing on the dates in which fair value was determined. Non-monetary items computed in terms of historical cost in foreign currency are not reconverted.

During the period, differences arising between the exchange rate recorded and the one prevailing at the date of collection or payment are recorded as exchange differences in the statement of income.

Also, at each year end the receivable or payable balances in a currency other than the functional currency of each company are translated at the closing exchange rate. Differences generated in valuation are recorded as exchange differences in the statement of comprehensive income.

Balances denominated in foreign currency are expressed in Colombian pesos at the market representative exchange rates as of December 31, 2018 and December 31, 2017 of $3,249.75 and $2,984.00 per US$1 and $900.87 and $900.87 per Real, respectively.

Cross-border transactions - Assets and liabilities from abroad transactions are translated using the exchange rates prevailing at the end of the period. Income and expense items are translated at the period's prevailing average exchange rates, unless they present significant variances during the period, case in which the exchange rates of the dates in which transactions are performed are used. The resulting exchange differences, as the case may be, are recognized in other comprehensive income and are accumulated in the accounting capital.

3.7 Classification of assets and liabilities as either current or non-current - The Company presents in its Statement of Financial Position the assets and liabilities classified, according to their maturities, as current and non-current. The current ones are those with maturities less than or equal to twelve months, and the non-current ones are those with maturities over twelve months.

For the classification as current and non-current, the Company shall consider that the assets and liabilities available for sale, as well as the cash and cash equivalents, are classified directly as current because they are intended to be realized, disposed of or consumed during the normal business cycle or within the twelve months subsequent to the reporting period.

For all cases, deferred tax balances recognized as assets or liabilities will be classified as non-current assets and liabilities in the presentation of the Statement of Financial Position.

3.8 Accounting period - The Company presents in its Statement of Financial Position once a year, as of 31 of December.

By decision of the Ordinary General Stockholder Meeting, in the Record 32 of august 22nd, 2002 and by Reform of the Statues previously authorized and protocolized, the Board of Directors was authorized to determine any period for the review of the accounts if it is considered necessary for the purpose of the distribution of earnings.

4. SIGNIFICANT ACCOUNTIG POLICES

The main accounting policies applied in the preparation of the attached general purpose consolidated financial statements are the following:

4.1. Financial instruments – Financial assets and liabilities are initially recognized at their fair value (less) the transaction costs directly attributable, except for those that are subsequently measured at fair value with changes in the income statement. GEB and its subsidiaries consequently measure the financial assets and liabilities at amortized cost or at fair value, depending on the business model of the Group to manage the financial asset and the characteristics of the contractual cash flows of the instrument.

4.1.1 Financial assets – Financial assets different from those at amortized cost are subsequently measured at fair value with changes recognized in the profit and loss of the period. However, for investments in equity instruments that are not held for trading purposes, GEB and its affiliates may choose, in the initial recognition and irrevocably, to present the profits or losses by the measurement at fair value in other comprehensive income. In the disposal of the investments at fair value through other comprehensive income, the accumulated value of profits or losses is transferred directly to retained earnings; they are not reclassified in profit and loss for the period. Dividends received in cash from these investments are recognized in the comprehensive income statement. GEB and its affiliates have chosen to measure some of their investments in equity instrument at fair value through other comprehensive income, if the assets is held within a business model which objective is to maintain it to obtain contractual cash flows and the contractual terms thereof grant, on specific dates, cash flows that are only payments of principal and interest on the value of the outstanding principal.

A financial asset or a part thereof is derecognized from the statement of financial position when it is sold, transferred, it expires or control is lost on the contractual rights or on the cash flows of the instrument. A financial liability or a part thereof is derecognized from the statement of financial position when the contractual obligation has been settled or has expired.

When an existing financial liability is replaced by another one from the same counterparty under substantially different conditions, or if the conditions of an existing liability are modified substantially, such interchanges or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference of the respective carrying values is recognized in the comprehensive income statement.

4.1.1.1 Impairment of financial assets – As of January 1, 2018, the Group adopts the new impairment requirements of IFRS 9. The impairment model in accordance with IFRS 9 reflects expected credit losses, as opposed to the credit losses incurred as per IAS 39. In the scope of the impairment in IFRS 9, it is no longer necessary that a credit event occurs before the credit losses are recognized.

GEB and its affiliates record expected credit losses in their debt securities, trade accounts receivable and for leases at the end of the reporting period. In the calculation of the expected credit losses under IFRS 9, GEB and its affiliates apply a simplified approach, that allows them not making a follow up of the changes in the credit risk, but to recognize a provision for losses based on the credit losses expected during the useful life of the asset on each reporting date, that is, to recognize the expected credit losses that result from possible events of default during the expected life of the financial instrument. In the cases in which there is objective evidence that a financial asset is impaired, the Group recognizes an individual provision for loss for impairment, and excludes the item from the collective evaluation under the expected losses model.

In order to determine the expected credit losses, GEB and its subsidiaries have used a provision matrix in terms of the number of days that a trade account receivable is in default, that is, grouping the receivables by ranges of days past due and applying to the balance in effect of the accounts receivable on the measurement date for each range of days of default an expected default percentage and each subsidiary is segmented in two homogeneous groups, industrial business and massive business.

The loss for impairment is recognized in the administration and sales expenses in the consolidated income statement of the Group. When there is confirmation that the trade account receivable is considered uncollectible, the gross carrying value of the accounts receivable is derecognized in accounts receivable against the associated provision.

4.1.2 Financial liabilities **–** Financial liabilities correspond to financing sources obtained by the Company through bank loans and bond issuances, accounts payable to suppliers and creditors.

Financial liabilities are usually recognized for the cash received, net of the costs incurred in the transaction. In subsequent periods, these obligations are valued at amortized cost, using the effective interest rate method.

Accounts payable to suppliers and creditors are short-term financial liabilities carried at nominal value, since such value do not significantly differ from their fair value.

The Company will derecognize a financial liability only if the Company´s obligations expire or are settled. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in income.

4.2 Inventories **-** Company's inventories correspond to the stocks of material on which the risks and benefits of ownership have been acquired.

Inventories are presented in the Statement of Financial Position in current assets, even if they are realized after 12 months; this method is applicable since, for business purposes, they are considered as belonging to the ordinary operating cycle.

Acquisition cost of inventories is comprised by the purchase cost plus all costs directly or indirectly attributable to the inventory; for example: transportation, customs costs, insurances, non-recoverable indirect taxes, etc. and the transactions related to discounts, bonuses and premiums of a commercial nature shall be subtracted from it.

The cost of inventories may be not recoverable if inventories are damaged, if they are partially or fully obsolete, or as a result of low turnover.

Those materials not expected to be sold or used in the ordinary operating cycle of the Company, such as, for example, scrap, are considered obsolete materials. The Company determines the provision for inventories according to their obsolescence and impairment.

4.3. Property, plant and equipment – The Company values its property, plant and equipment at acquisition cost, net of accumulated depreciation and any impairment losses recognized. In addition to the price paid for the acquisition of each item, the cost also includes, where applicable, the following concepts:

- The cost of general and specific interests that are directly attributable to the acquisition, construction or production of qualifying assets, which are those that necessarily require a substantial period of time before being prepared for the intended use or sale, are added to the cost of those assets, until the assets are substantially complete for the intended use or sale. The Company defines substantial period as the one exceeding twelve months. The interest rate used is the one corresponding to the specific financing or, if it does not exist, the average financing rate of the investing company.

- The personnel expenses directly related to the constructions in progress.

- The future disbursements the Company will need to perform for any effect of closing its facilities are included in the value of the asset, recognizing in the accounting a provision for decommissioning or restoration.

The costs of expansion, modernization or improvement that represent an increase of productivity, capacity, efficiency or a prolongation of the useful life of the goods are capitalized as higher cost of the corresponding goods.

Substitutions or renewals of complete elements that increase the useful life of the good, or its economic capacity, are recorded at their fair value, and the replaced or renewed elements are derecognized consequently.

Periodic maintenance, conservation and repair expenses are recorded directly in the income statement as a cost in the period in which they are incurred.

Land is not depreciated.

The Company has as accounting policy recognizing with zero accounting value (COP 0) the extensions of land identified through the SIG (Geographic Information System, for its initials in Spanish) tool recorded in favor of GEB.

Properties that are in the process of being constructed for services rendering purposes are recorded at cost less any recognized impairment losses. The cost includes professional fees and, in the case of qualifying assets, the capitalized costs of borrowings in accordance with the Company's accounting policy. Constructions in progress are transferred to assets ready for use after the end of the probationary period, i.e. when they are available for use and under the conditions determined by management.

Depreciation is recognized in order to expense the amount paid for an asset (other than land and properties under construction) less their residual values, over their useful lives using the straight-line method. The estimated useful life, residual value and depreciation method are reviewed at the end of each year, and the effect of any changes in the recorded estimate is recognized on a prospective basis.

Assets held under finance lease are depreciated based on their estimated useful lives, same method as for owned assets. However, when there is no reasonable certainty that the property will be transferred at the end of the lease term, the assets are depreciated over the shorter period between the lease term and the useful lives.

An item of property, plant and equipment is derecognized when sold or when no future economic benefits arising from the continued use of the asset are expected. The gain or loss arising from the sale or retirement of an item of property, plant and equipment is computed as the difference between the considerations received from the sale and the carrying amount of the asset and is recognized in income.

The following are the main types of property, plant and equipment and their related estimated useful lives:

	Electric Power Transmission	**Electric Power Distribution**	**Gas Distribution**	**Natural Gas Transportation**
Buildings	50	40 a 100	-	20 a 50
Plants, pipelines and stations	10 a 40	15 a 40	-	10 a 50
Networks, lines and cables	40 a 63	15 a 40	-	-
Machinery and equipment	10	15 a 40	10	10
Scientific Equipment	10	-	-	-
Furniture and fixtures	10	5 a 10	10	10
Communication equipment	10	3 a 10	-	3 a 5
Computation equipment	5	3 a 10	4	3 a 5
Transportation equipment	5	5	4 a 5	20
Other equipment	10	3 a 10	4 a 10	5

Asset retirement obligation – The Company recognizes an asset retirement obligation to the present value of the future costs that are expected to incur when the assets are retired from service, if there is a legal retirement obligation and if it is possible to make an estimate of the fair value, this value is recognized as higher value of the assets.

4.4 Investment properties – Investment properties are those held for earning yields and / or capital gains (including investment properties under construction for such purposes) and are initially valued at acquisition cost, including the costs incurred in the transaction. After initial recognition, investment properties are carried at cost less accumulated depreciation.

An investment property is removed at the time of disposal or when permanently withdrawn from use and no future economic benefits are expected form its disposal. Any gain or loss arising from property write-off (computed as the difference between the net income from disposal and the carrying value of the asset) is included in the income statement in the period in which the property is written off.

4.5 Intangible assets

4.5.1 Intangible assets acquired separately – Intangible assets with finite useful lives acquired separately are carried at acquisition cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis according to estimated useful life. Estimated useful lives and amortization methods are reviewed at each year end, and the effect of any changes in the recorded estimate are recognized on a prospective basis.

Intangible assets with indefinite useful lives acquired separately are carried at cost less accumulated impairment losses.

Intangible assets relate mainly to computer software, transit easements and usage rights. Their accounting recognition is initially at acquisition or production cost, and is subsequently valued at cost, net of the related accumulated amortization and impairment losses incurred, if any.

For transit easements and usage rights, useful lives are related to the duration of the main asset for which they were acquired. At the time of commencement of operations of the main asset, the process of amortization of easements and related rights also commences.

4.5.2 Derecognition of intangible assets - An intangible asset is derecognized on its sale, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between net revenues and net carrying value, and are recognized in income when the asset is derecognized.

4.5.3 Concessions – The Company records its BOOT concession contract in accordance with the guidelines established by IFRIC 12 – Concession Contracts. The Company considers that IFRIC 12 is applicable since:

- The Ministry of Energy and Mines ("grantor") regulates the services that must be provided by the Company, setting the rate calculation method, as well as the control of the compliance thereof.

- The Ministry of Energy and Mines has control over a significant residual part of the concession assets, since the assets will be returned to the grantor upon termination of the contract, at their accounting value.

- The construction of the infrastructure was made exclusively for the purpose of the concession. Said construction is not made directly by the Company, is entrusted to a third party under its supervision and responsibility

Management has assessed that the model of IFRIC 12 applicable to the Company, is the intangible model, since the Company has the right to collect the natural gas distribution services, which are associated to the actual consumption by users, and are within the regulatory regime established between the regulating entity OSINERGMIN. The extensions to the infrastructure are recorded as additions to the intangible asset recognizing simultaneously the related income for construction, because it is expected that they generate future economic benefits to the Company since, according to the Law, they are remunerated through the rate.

The advance GRP amount received during the pre-operating phase is presented net of the value of the intangible, since it represents a lower value of the intangible asset, because the related financial assets have already been recovered in the first few years of the concession.

The contract does not provide any specific obligation to perform major maintenances and as of the date of the Company's projections no future significant maintenance is considered. However, due to the nature of the goods of the concession, the maintenance thereof is of a constant and periodic nature and forms part of the operating and maintenance costs, and therefore these costs are recognized as expenses when incurred.

Construction income for the concession goods are calculated at fair value of the consideration charged or receivable; for these purposes the Company will use a 0% margin on the construction costs incurred, because the construction contracts are with independent third parties and the margins are outside the concessionaire, taking into account that they would be the market values that the customers would pay if they contracted directly with the above mentioned third parties.

The estimates on useful life, residual interest, of that is the case, and the amortization method are reviewed periodically to make sure that the method and period of amortization are consistent with the pattern provided of economic benefits of the concession goods items. The useful life of the concession goods is the remaining of the period of effectiveness of the concession contract.

4.6. Impairment of the assets - At the end of each reporting period, the Company evaluates the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If this is the case, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent distribution basis is identified, common assets are also allocated to the individual cash-generating units, or allocated to the smallest group of cash-generating units for which a reasonable and consistent distribution basis can be identified.

Intangible assets with indefinite useful life, or not yet available for use, should be subject of an impairment test annually, or more frequently if there is any indication that its value may be impaired.

The recoverable amount is the higher of fair value less disposal costs and value in use. In estimating the value in use, estimated future cash flows are discounted from the present value using a discount rate before tax that reflects current market valuations regarding the time value of money and the specific risks to the asset for which the estimated future cash flows have not been adjusted.

If the computed recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimated value of its recoverable amount, such that the increase in carrying amount does not exceed the carrying amount that would have been computed if the impairment loss had never been recognized for that asset (or cash-generating unit) in prior years. The reversal of an impairment loss is automatically recognized in profit or loss.

4.7. Investments in associates and joint ventures - An associate company is an entity in which the Company has significant influence over the financial and operating policy decisions, without having control or joint control of it.

Joint ventures are those entities which the Company exercises control as a result of the agreements or contracts with third parties and jointly with them, i.e., when the decisions on their relevant activities require the unanimous consent of the parties that share the control. Joint ventures are classified as:

- *Joint venture:* An entity that the Company controls jointly with other participants, where they maintain a contractual agreement that establishes joint control over the relevant activities of the entity; the parties are entitled to the entity's net assets. At the date of acquisition, the excess of the acquisition cost over the fair value of identifiable assets, liabilities and contingent liabilities assumed by the associate or joint venture is recognized as goodwill. Goodwill is included in the carrying amount of the investment, it is not amortized and is individually tested for impairment.

Investments in joint ventures and associates are recorded in the financial statements using the equity method.

According to the equity method, the investments in associates are accounted for initially in the statement of financial position at cost, and are later adjusted to account for the participation of the Company in profits or losses and in other comprehensive income of the associate.

4.8 Goodwill – Goodwill arising from the acquisition of a business is recognized at the cost determined at the date of acquisition of the business less accumulated impairment losses, if any.

For purposes of assessing impairment, goodwill is allocated to each cash-generating unit (or groups of cash-generating units) of the Entity which is expected to receive benefits from the synergies of the combination.

The cash-generating units to which goodwill has been allocated are tested for impairment annually or more frequently when there are indications that the unit may be impaired. If the recoverable amount of a cash-generating unit is lower than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro rata, based on the carrying amount of each asset in the unit. Any impairment loss of goodwill is recognized directly in results. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

By having the relevant cash-generating unit, the amount of goodwill attributable is included in determining profit or loss at the time of disposal.

4.9 Leases – To determine whether a contract is, or contains, a lease, the Company analyzes the economic substance of the agreement, assessing whether the performance of the contract depends on the use of a specific asset and the arrangement transfers the right of use of the asset.

If both conditions are met, the payments and considerations related to the lease are separated at the beginning of the contract, based on their fair values, from the fees paid corresponding to other elements incorporated into the agreement.

Leases that transfer substantially all the risks and benefits inherent to the ownership are classified as finance leases. All other leases are classified as operating.

Finance leases in which the Company acts as lessee are recognized at the beginning of the contract, recording an asset according to its nature and a liability for the same amount and equal to the fair value of the leased property or the present value of the minimum lease payments, if this is lower. Subsequently, the minimum lease payments are divided into interest expense and debt reduction. Financial expenses are recognized as expenses and distributed among the periods comprising the lease period, in such a way to obtain a constant interest rate in each period on the balance of the debt pending amortization. The asset is depreciated on the same basis as other similar depreciable assets if there is reasonable certainty that the lessee will acquire ownership of the asset at the end of the lease term. If such certainty does not exist, the asset is depreciated over the shortest period between the useful life of the asset or the lease term.

In the case of operating leases, the installments are recognized as expenses by the lessee and as revenues by the lessor, on a straight line basis during the lease term, unless another systematic basis for distribution proves to be more representative.

4.10 Borrowing costs - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period until they are ready for use or sale, are added to the cost of those assets during that time until they are ready for use or sale.

The income that is obtianed for the temporary investment of specific loan funds pending to be used in qualifiable assets is deducted from the costs for loans eligible to be capitalized.

All other borrowing costs are recognized in income during the period they are incurred in.

4.11 Benefits to employees due to termination and retirement – Contributions to retirement benefit plans from defined contributions are recognized as expenses when the employees have rendered the services that grant them the right to such contributions.

The Company accounts for the benefits to employees for termination and retirement in conformity with IAS 19.

In case of defined benefit plans, which include seniority premium and pension, their cost is determined using the projected unit credit method, with actuarial valuations that are performed at the end of each reporting period. Re-measurements, which include actuarial gains and losses, the effect of changes on asset basis (if any) and the return of the assets plan (excluding interest), are reflected immediately in the statement of financial position with charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and are not reclassified to income. Costs for past services are recognized in income in the period the plan is changed. Net interests are computed by applying the discount rate at the beginning of the period of the obligation to the benefit asset or liability defined. Costs for defined benefits are classified as follows:

- Cost of service (including current service cost, past service cost and gains and losses on reductions and settlements).

- Net interest expenses or revenues.

- Re-measurements

The Entity presents the first two components of defined benefit cost as an expense or income according to the item. Gains and losses for service reduction are recognized as past service costs.

The obligations for benefits recognized at retirement in the statement of financial position represent the current gains and losses on the Entity's defined benefit plans. Any gain arising from this computation is limited to the present value of any economic benefit available from the refunds and reductions in future contributions to the plan.

4.12 Taxes **-** Taxes include the value of compulsory levies resulting from the private computations determined on the tax bases of the taxable period, in accordance with the national and territorial taxation standards.

The income tax expense represents the sum of current income tax payable and deferred tax.

4.12.1 Current tax – The current tax payable is based on the tax profits recorded during the year. The tax profit differs from the profit reported in the statement of comprehensive income because of the taxable or deductible income or expense entries in other years and entries that are never taxable or deductive. The liabilities of the Company in respect of current tax are computed using tax rates effective or substantially approved at the end of the reporting period. The Company determines the provision for income tax based on the taxable income, and the income tax for equality based on the highest of the taxable income or the presumptive income, estimated at rates specified in the tax law.

4.12.2 Deferred tax – The differences between the carrying value of assets and liabilities and their tax basis generate deferred tax assets or liabilities, which are calculated using the tax rates that are expected to be in effect when the assets and liabilities are realized, considering for this purpose the rates that at the end of the reporting period have been approved or for which the approval process is almost complete.

Deferred tax assets are recognized as a result of all deductible temporary differences, losses and unused tax credits, to the extent it is probable there will be future taxable gains sufficient to recover the deductible temporary differences and make use of tax credits, unless the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that:

- It is not a business combination; and
- At the time it was performed, it did not affect neither the income for accounting purposes nor the income (loss) for tax purposes.

Regarding deductible temporary differences associated with investments in subordinated companies, associates and joint agreements, deferred tax assets are recognized only to the extent the possibility exists that the temporary differences will reverse in the foreseeable future and taxable gains will be available against which the temporary differences may be used.

Deferred tax liabilities are recognized for all temporary differences, except those arising from the initial recognition of goodwill and those generated by the valuation of investments in subordinated companies, associates and joint ventures in which the Company may control their reversal and they will likely not be reverted in the foreseeable future.

The effect of temporary differences that lead to the payment of a lower or higher income tax in the current year is accounted for as credit or debit deferred tax, respectively, at the current tax rates, when the differences are reversed provided that there is a reasonable expectation that such differences will be reversed in the future, and also for the asset, which at that time will generate enough taxable income.

The income tax expense is accounted for in conformity with the IAS 12 "Income tax".

Current tax and changes in deferred tax of assets or liabilities are recorded in income or in Total Equity in the statement of financial position, depending on where gains or losses that generated it have been recorded.

Reductions that can be applied to the amount determined as a current tax liability are charged to income as a credit to "Income tax expense", unless doubts exist about their realization for tax purposes, case in which they are not recognized until they effectively materialize, or they correspond to specific tax incentives, being recorded in this case as subventions.

4.13 Provisions - The obligations existing at the date of these financial statements, arising as a result of past events from which economic losses are probable for the Company, and the amount and time of payment are uncertain, are recorded in the statement of financial position as provisions measured at the present value of the most probable amount which is estimated that the Company will have to pay.

Provisions are quantified taking into account the best information available on the date of issuance of the financial statements, about the consequences of the event in which they arise, and are re-estimated at each subsequent accounting closing.

As part of the provisions, the Company includes the best estimate of the risks for civil and labor litigation, it is not expected that liabilities additional to those recorded arise; given the characteristics of the risks covered by these provisions, it is not possible to determine a certain date of payment of the estimated obligation. In assessing the probability of loss, the available evidence, jurisprudence and legal evaluation should be considered.

The risks for civil and labor litigation that are considered more than likely are disclosed in the notes to the financial statements.

A contingent asset arises from the occurrence, or non-occurrence, of one or more uncertain future events that are not fully under the control of the entity. It is disclosed when the inflow of benefits is probable; if the realization of income is practically certain, it is recognized in the financial statements. The Company will refrain from recognizing any contingent assets.

Contingent liabilities are not recognized, but are subject to disclosure in the explanatory notes when the probability of outflow of resources is possible, including those whose values cannot be estimated.

Disbursements related to environment conservation, connected to current or future operating income, are accounted for as expenses or assets, as applicable. The creation of these provisions coincides with the identification of an obligation related to environmental remediation and the Company has adequate information to determine a reasonable estimate of the related cost.

Disbursements related to past transactions, which do not contribute to obtaining current or future revenues, are charged to expenses.

4.14 Derivative financial instruments - Derivative instruments are initially recognized at fair value as of the date the derivative instrument contract is entered into and are subsequently revaluated at fair value at the end of the reporting period. The resulting gain or loss is recognized in income immediately unless the derivative is designated and is effective as a hedging instrument, case in which the timing for the recognition in income depends on the nature of the hedge relationship.

The Company uses a variety of financial instruments to manage its exposure to volatility risks in interest rates and exchange rates, including forward contracts in foreign currency, interest rate swaps and rate and foreign currency swaps.

4.14.1 Implicit derivatives - Derivatives implicit in other financial instruments or in other contracts (host contracts) are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and when such contracts are not carried at fair value through income.

4.15 Revenue recognition – The Company recognizes the revenues from ordinary activities in such a way that they represent the transfer of goods or services committed to customers in exchange for an amount that reflects the consideration to which the entity is entitled in exchange for those goods or services. The Company recognizes the revenues from ordinary activities in accordance with this basic principle by the application of the following phases:

i. Identify the contract (or contracts) with the customer

ii. Identify the performance obligations in the contract

iii. Determine the transaction price

iv. Assign the price of the transaction among the performance obligations of the contract

v. Recognize the revenue from ordinary activities when (or to the extent that) the entity satisfies a performance obligation.

When (or to the extent that) a performance obligation is satisfied, the Company will recognize as revenues from ordinary activities the amount of the transaction price that is assigned to that performance obligation.

A contract is an agreement between two or more parties that creates enforceable rights and obligations. The enforceability of the rights and obligations of a contract is a matter of the legal system. The contracts may be written, verbal or be implied in the traditional business practices of the Company.

The Company recognizes revenues from contracts with customers by the activity of transmission of energy, transportation and distribution of natural gas.

Determination of the transaction price – The Company will consider the terms of the contract and its traditional business practices to determine the transaction price. The transaction price is the amount of the consideration to which the entity expects to be entitled in exchange for the transfer of the goods or services committed to the customer, excluding the amounts collected on behalf of third parties (for example, some sales taxes). The consideration that it agrees in a contract with a customer may include fixed amounts, variable amounts, or both.

4.16 Recognition of costs and expenses - Costs and expenses are recognized by the Company to the extent that the economic events occur, in such a way that they are systematically recorded in the corresponding accounting period, irrespectively of the flow of monetary or financial resources. Expenses are comprised by expenses that do not qualify to be recorded as a cost or as an investment.

Costs include the costs of personnel or third parties directly related to the provision of services, depreciation, and amortization, among others.

The expenses include the maintenance of assets, taxes, utilities, among others, all of them incurred by the processes responsible for the provision of services.

Those costs directly related to the formation or acquisition of an asset that requires a substantial period of time for it to be ready for use or ready to be sold are included as investments. The costs of personnel directly related to the construction of projects, the costs of interests on debt to finance projects and the costs of large maintenances that increase the useful life of existing assets, among other, are capitalized as constructions in progress.

4.17 Statement of cash flows – The statement of cash flows reflects the movements in cash made during the period, determined through the indirect method using the following definitions:

- Cash flows: inflows and outflows of cash or other equivalent means, investments with maturity of less than three months with high liquidity and low risk of changes in value.

- Operating activities: those comprising the main source of revenues of the Company, as well as others that cannot be classified as investment or financing activities.

- Investment activities: those related to acquisition, sale or otherwise disposal of non-current assets and other investments not included in cash and cash equivalents.

- Financing activities: those activities generating changes in the size and composition of the total equity and the financial liabilities.

4.18 Related parties - Parties where the Company has the power to control, exercise significant influence or exercise joint control for decision making of other companies, or it is a member of the key personnel of management or parent of the Company, are considered related parties.

The Company determined as related parties the companies, associates, joint ventures and key managements' direction personnel.

4.19 Gain (Loss) per Share - Basic earnings per share is computed by dividing net income (loss) for the period attributable to the Company and the weighted average amount of ordinary shares outstanding during the same period.

5. KEY JUDGEMENTS AND ACCOUNTING ESTIMATES

In the application of accounting policies, which are described in note 3, Management must make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that apparently do not come from other sources. The estimates and assumptions associated are based on the historic experience and other factors that are considered relevant. The actual result could be different from those estimates.

The estimates and underlying assumptions are reviewed regularly. The reviews to the accounting estimates are recognized in the period of the review if this review only affects that period, or in future periods if the review affects both the current period and subsequent periods.

5.1 Key judgements - The following are the key judgments, other than those involving estimates, that the Company's management has made in the process of applying its accounting policies and which have a significant effect on the amounts recognized in the financial statements.

Judgements refer mainly to:

Significant influence on EMGESA - The Company has 76.710.851 shares of Emgesa S.A. E.S.P., which represents 51,51% participation , of which 55,758,250 shares are common shares entitled to vote. 20.952.601 out of these shares are preferred shares without voting rights, but provide a right to a preferred dividend of USD$ 0,1107 per share. The management has determined that the Company has a significant influence on Emgesa based on its contractual rights.

Significant influence on CODENSA - The Company has 69,220,130 shares of Codensa S.A. E.S.P., which represents a share of 51.32% of participation for the year 2018 and 2017, respectively, of which 49,209.331 out of these shares correspond to ordinary shares with voting rights and 20,010,799 of them are preferred shares without voting rights, but which provide a right to a preferred dividend of USD$ 0.10 per share. The Company's Management has determined that the Company has a significant influence on CODENSA based on its contractual rights.

Contingencies - The Company has provided the estimated impacts from losses related to the various claims, situations or circumstances related to uncertain results. The Company records a loss if an event occurred on or before the date of the statement of financial position and (i) Information is available on the date that the financial statements are issued indicating that it is probable that the loss will occur, given the likelihood of uncertain future events; and (ii) The amount of the loss can be reasonably estimated. The Company evaluates contingencies, environmental remediation and other events on an ongoing basis.

Deferred taxes – A judgement is required to determine whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unused tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future years to be able to utilize the deferred tax assets recorded. Assumptions about the generation of future tax benefits depend on the expectations of future cash flows. Estimates of future taxable income are based on expected cash flows from operations and the judgment on the application of tax laws in each jurisdiction. To the extent that future cash flows and tax revenues differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could become affected.

At the closing of these financial statements, the Company decided not to take as a basis for computing deferred tax the tax losses accumulated up to that date; such decision is justified based on the fact that no certainty exists about the deductibility of this concept in the short term.

Functional currency – Manages uses its judgment in determining its functional currency. The determination of the functional currency of Grupo Energía Bogotá S.A. E.S.P and each one of its investments in subsidiaries, associates and joint venture is determined by evaluating the principle and the indicators established in IAS 21: Effect of changes in foreign exchange rates.

Cash generating units – In the performance of impairment tests of non-current assets, the assets that do not generate individually cash inflows that are widely independent from the flows generated by other assets or groups of assets, must be grouped in the cash generating unit to which the asset belong, which is the smallest group of identifiable assets, that generates cash inflows in favor of the Company, that are, to a large extent, independent from the cash flows derived from other assets or groups of assets. Management uses its judgment in the determination of the cash generating units for the purposes of the impairment tests.

Determination of average exchange rate for conversion of financial statements – The consolidated income, costs and expenses of the subsidiaries which functional currency is different from the functional currency of the parent company, are converted to the currency of presentation using the average exchange rate for the reporting period. Management considers that the average exchange rates are close to the rates in effect on the transaction date.

***5.2 Key sources of uncertainty in estimations* -** The key assumptions concerning the future and other key sources of uncertainty in estimations at the end of the period, which have a significant risk of resulting in significant adjustments to the carrying amounts of assets and liabilities during next year are discussed below.

Useful life of properties, plant and equipment – As described in Note 17, the Company reviews the estimated useful life of properties, plant and equipment at the end of each annual period.

Impairment of assets – property, plant and equipment and investment properties – Investment in joint operations, other investments, advances and loans, properties, plant and equipment and intangible assets, are valued to calculate the impairment, when the events or changes in the circumstances indicate that the carrying value may not be fully recovered. If the recoverable value of an asset is lower than its carrying value, a loss for impairment is recognized in the income statement. Future cash flows that are used to calculate the fair value are discounted using specific rates based on the expectations of the future of the Company's operations, mainly estimates of sales, costs, prices of commodities, capital investments, among others; changes in these estimates could impact the recoverable value of assets. The estimates are periodically reviewed by management.

Benefits to employees - The cost of the defined benefit pension plan, other post-employment benefits and the current value of pension obligations are determined using actuarial appraisals. An actuarial appraisal involves making several assumptions that may differ from actual events in the future. They include determining the discount rate, future salary increases, mortality rates and pension increases. Due to the complexity of the appraisal process and its long-term nature, obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Reserve for doubtful accounts receivable – The estimates and assumptions used to determine the reserves are reviewed on a periodic basis. Despite the recorded provisions are considered adequate, changes in the economic conditions may lead to changes in the reserve and, therefore, to an impact in income in accordance with the methodology extablished of expected loss.

Impairment of investments in associate companies **–** At the end of each reporting period, the Company evaluates the carrying amounts of its assets from investments in associates to determine whether there is an indication that those assets have suffered any impairment loss. In such case, the recoverable amount of the asset is computed in order to determine the extent of the impairment loss (if any).

Impairment of goodwill - Determining whether goodwill has suffered impairment implies computing the value of use of the cash-generating units at which goodwill has been assigned. The computation of value in use requires the Company to determine the future cash flows that should arise from the cash-generating units and an appropriate discount rate to compute the present value.

Valuation of financial instruments - The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 27 provides detailed information on the assumptions used in determining the fair value of financial instruments, as detailed in the sensitivity analysis for these assumptions.

The management believes that the valuation techniques and assumptions used are appropriate to determine fair value of the financial instruments.

Abandonment of assets – Pursuant to the environmental and sector regulations, the Company shall recognize the costs for abandonment of transmission lines and related assets, which include the cost of facility decommissioning and environmental recovery of the affected areas.

The estimated costs for the abandonment and decommissioning of these facilities are recorded at the time of installation of these assets. The estimated obligation recorded for the abandonment and decommissioning is reviewed annually and adjusted to reflect the best estimate, as a result of technological changes and political, economic, environmental, security and stakeholder relation issues.

The calculations for these estimates are complex and involve significant judgements by the Management, such as the internal cost projections, future inflation and discount rates.

Significant variances in external factors used for computing the estimation may impact significantly the financial statements.

Liabilities for dismantling, retirement or rehabilitation – The provision for future costs of dismantling, retirement and rehabilitation require estimates and assumptions on a relevant regulatory framework, the magnitude of the possible alterations, the duration, extent and costs of the closing and rehabilitation activities required, and the discount rates adjusted to the risk used to determine the present and future value of the cash outflows. To the extent that the actual future costs differ from the estimates, adjustments are recognized and the income statement will be impacted. Provisions, including estimates and assumptions contained in this statement will be reviewed regularly by management.

The calculation of these estimates is complex and involves significant judgments by Management, such as the internal cost forecasts and future inflation and discount rates.

The significant variations in external factors used for the calculation of the estimate may impact significantly the financial statements.

6. STANDARDS ISSUED BY THE IASB STILL NOT IN EFFECT IN COLOMBIA

6.1 Incorporated in Colombia as of January 1, 2019 – Decrees 2496 of December 2015, 2131 of December 2016, 2170 of December 2017 and 2483 of December 2018, introduced to the financial information technical regulatory framework new standards, modifications or amendments issued or made by IASB to the International Financial Reporting Standards between the years 2015 and 2017, to evaluate their application in financial periods that start after January 1, 2019, although their application may be made in advance.

IFRS 16 – Leases – It replaces the existing guidelines on leases including IAS 17 Leases, IFRIC 4 Determining whether an agreement contains a lease, SIC 15 – Operating Leases – Incentives and SIC 27 Evaluating the substance of transactions involving the legal form of a lease

The Standard is effective for annual periods starting as of January 1, 2019. The advance adoption is permitted for entities that apply Standard IFRS 15 on the date of the initial application of IFRS 16 or before that date.

IFRS 16 introduces a unique accounting lease model for lessees. The lessee recognizes an asset for the right of use represented his right to use the underlying asset and a liability for lease that represents his obligation to make the lease payments.

There are exemptions of recognition for the short-term leases and the leases of low value entries. The lessor accounting remains similar to the current standard, that is, lessor continue to classify the leases as financial or operating.

The real impact of the application of IFRS 16 on the financial statements of the period of initial application will depend on future economic conditions, including the rate of the loans of the Company as of January 1, 2019, the composition of the leasing portfolio, the latest evaluation of the Company in respect to whether it will exercise any lease renewal option and the extent to which the Company chooses to use the practical solutions and exemptions of recognition.

Until now, the most significant impact identified is that the Company will recognize new assets and liabilities for its operating leases of the facilities of real property, vehicles and lease agreement of technological solution.

The Company does not expect that the adoption of IFRS 16 will affect is capacity to comply with the loan covenants of limit of maximum leverage that is described in the note of financial liabilities.

The Company will apply IFRS 16 as of January 1, 2019, using the modified retrospective approach. Consequently, the accumulated effect of adopting IFRS 16 will be recognized as adjustment to the initial balance of the accumulated profits as of January 1, 2019, without restating the comparative information.

When the modified retrospective approach is applied to leases previously classified as operating leases under IAS 17, the lessee may choose, individually for each lease, whether to apply some practical solution at the time of the transition. The Company (the Group) is assessing the possible impact of using these practical solutions.

As lessor, it is not required for the Company to make adjustment for the leases in which it is lessor except when there is an intermediate lessor in a sublease.

IFRS 2 – Share-based payments – Classification and Measurement of Payment Operations Based on Shares – IFRS 2 did not contain any orientation on the manner how the benefits consolidation conditions affect the fair value of liabilities for share-based payments settled in cash. The IASB has added a guide that introduces the accounting requirements for share-based payment settled in cash that follow the same approach used for the share-based payments settled in shares.

Entry into force January 2019.

The Company does not perform operations under the scope of IFRS 2.

IFRS 4 - Insurance Contracts / IFRS 9 – Financial Instruments- Solving the different effectiveness dates – It offers two options for entities that issue insurance contracts within the scope of IFRS 4:

- An option that permits entities to reclassify, from the profit or loss to other comprehensive income, part of the income or expenses derived from designated financial assets; called the overlay approach.

- An optional temporary exemption of the application OF IFRS 9 for the entities which predominant activity is the issue of contracts within the scope of IFRS 4; called deferment approach.

The application of both approaches is optional, and an entity is permitted to cease to apply them before the new standard of insurance contracts is applied.

Entry into force January 2019.

IAS 40 – Investment Properties - The amendments clarify that a transfer to or from investment properties requires an evaluation of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that there has been a change in the use. Additionally, the modifications clarify that the situations listed in IAS 40 are not all-inclusive and that the change of use is possible for the properties in construction (that is, that a change in the use is not limited to finished properties).

Entry into effect January 2019.

Annual Improvements 2014 – 2016 Cycle - The modifications to IFRS 1 "First Time Adoption" eliminate certain short-term exemptions in IFRS 1 because the period of presentation of reports to which the exemptions were applied has already passed. Therefore, these exemptions are no longer applicable.

The amendments to IAS 28 "Investments in Associates and Joint Ventures" clarify that the option to measure investments in associates and joint ventures at fair value through profit or loss is available separately for each associate or joint venture, and that choice must be made at the initial recognition of the associate or joint venture, and is applicable to a venture capital organization and other similar entities.

Entry into force January 2019.

6.2. Standards issued by the IASB not yet incorporated in Colombia – The following standards have been issued by the IASB but still have not been incorporated in Colombia through a Decree ***o Incorporadas en Colombia –*** Las siguientes normas han sido emitidas por el IASB pero aún no han sido incorporadas por Decreto en Colombia:

IFRS 9 – Financial Instruments - It amends the requirements existing in IFRS 9 in respect to the rights of termination of a contract, to allow the measurement at amortized cost (or, depending on the commercial model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Additionally, it includes a clarification in respect to the accounting for a modification or exchange of a financial liability measured at amortized cost that does not result in the derecognition in the financial liability accounts.

IFRS 17 Insurance Contracts - It establishes the principles for the recognition, measurement, presentation and disclosure of the insurance contracts within the scope of the Standard.

Its objective is to secure that an entity provides relevant information that faithfully represents the insurance contracts. These information provides the basis in order that the users of the financial statements evaluate the effect that the insurance contracts have on the financial position, the financial returns and the cash flows of the entity.

IFRIC 22 –Transactions in Foreign Currency and Advance Considerations - This Interpretation addresses the way to determine the date of the transaction in order to establish the exchange rate to be used in the initial recognition of the related asset, expense or income (or the part thereof that may correspond), in the derecognition in accounts of a nonmonetary assets or a nonmonetary liability that arises from the payment or collection of the advance consideration in foreign currency.

IFRIC 23 –Uncertainty over Income Tax Treatments - This interpretation clarifies how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty in respect to the treatments of the income tax. In this circumstance, an entity will recognize and measure its asset or liability for deferred or current taxes applying the requirements of IAS 12 on the basis of the tax profit (tax loss), tax bases, tax losses not used, tax credits not used and tax rates determined applying this Interpretation.

IAS 1 – Presentation of Financial Statements – The information is material if it can be reasonably expected that the omission, deviation or concealment thereof influences the decisions that the primary users of the general-purpose financial statements make on those financial statements, which provide financial information on a specific reporting entity.

IAS 19 – Employee benefits – In the cases in which an amendment, reduction or liquidation of the plan is produced, it is mandatory that the cost of the current service and the net interest for the period subsequent to the new measurement will be determined using the assumptions used for the new measurement.

In addition, amendments have been included to clarify the effect of an amendment, reduction or liquidation of the plan in the requirements in respect to the ceiling of assets.

IFRS 3 – Business Combinations – The modifications are found in Appendix A Terms defined, the application guide and the illustrative examples of IFRS 3 only, that

- clarify that in order to be considered a business, a set of activities and assets acquired must include, minimum, a contribution and a substantive process where these significantly contribute to the capacity to create products;
- restrict the definition of a business and of the products by focusing on the goods and services provided to the customers and eliminating the reference to the capacity to reduce costs;
- adds orientation and illustrative examples to help the entities to evaluate if a substantive process has been acquired;
- eliminates the assessment of whether market participants are able to replace any input or process missing and continue producing products; and
- adds an optional concentration test that permits a simplified assessment of whether a set of activities and assets acquires is not a business.

Entry into effect January 2020.

2018 Conceptual Framework – It contains the definitions of concepts related to:

- Measurement: including the factors considered when measurement basis are selected.

- Presentation and disclosure: including when to classify an income or expense in other comprehensive income.
- No recognition: it includes a guide on when the assets or liabilities must be removed from the financial statements.

Additionally, it updates the definitions of asset and liability and the criteria to include them in the financial statements. Likewise, it clarifies the meaning of some concepts:

The Company will make the quantification of the impact on the financial statements, once the Decree that incorporates them into the Colombian Technical Regulatory Framework is issued.

7. CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, cash and cash equivalents include cash, banks and investments in instruments in the capital markets, net of bank overdrafts. Cash and cash equivalents at end of period, as shown in the statements of cash flows, may be reconciled to the related items in the statements of financial position, as follows:

		2018		2017
Cash	$	70.833	$	524
Banks		401.335		495.823
Cash equivalents (1)		655.944		1.072.674
	$	1.128.112	$	1.569.021

(1) Cash equivalents are broken down as follows:

Short-term liquidity deposits	$	399.905	$	460.010
Right in security funds and trust funds		252.126		565.440
Other		3.913		47.224
	$	655.944	$	1.072.674

At the closing of 2918 and 2017 The Group does not have restricted cash.

8. FINANCIAL ASSETS

Investments recorded at amortized cost (1)	$	36.199	$	155.232
Inverstments in equity instruments (2)		4.214		4.214
Investments at fair value with changes in profit & loss		170		155
Investments recorded at amortized cost (1)				
		40.583		159.601
Current		28.198		145.540
Non-current		12.385		14.061
	$	40.583	$	159.601

(1) Investments reversed at maturity, recorded at amortized cost:

Term deposit certificates (a)	$	23.985	$	141.326
Other resources in fiduciary funds		11.736		13.136
Bond and securities (b)		642		770
Impairment		(164)		-
	$	36.199	$	155.232

(a) The following is the detail of other investments held held by the Company at December 31, 2018:

Inversión	Entidad	Fecha de emisión	Fecha de vencimiento	Tasa facial %	Valor en libros 2018
CTD	Banco de Bogotá	21/09/2018	21/03/2019	2,90%	$ 16.381
CDT	Banco Av Villas	26/11/2018	26/03/2019	4,55%	7.030
CDT	Banco Citibank	11/05/2018	13/05/2019	4,50%	574
					$ 23.985

Inversión	Entidad	Fecha de emisión	Fecha de vencimiento	Tasa facial %	Valor en libros 2017
CDT	Banco de Bogotá	24/11/2017	15/05/2018	5,00%	$ 100.496
CDT	Banco Colpatria	24/11/2017	15/05/2018	5,75%	29.167
CDT	Banco Colpatria	07/11/2017	03/04/2018	5,75%	11.081
CDT	Banco Citibank	11/05/2017	11/05/2018	6,50%	582
					$ 141.326

(b) It corresponds to Bonds in Ecoopetrol with issue date July 23, 2009 and expiration on July 23, 2019, with a nominal rate of 7.63%.

(2) Inversiones in equity instruments corresponding to shares in Banco Popular, registradas al valor razonable.

9. ACCOUNTS RECEIVABLE

	2018	2017
Customers	$ 656.749	$ 492.612
Income pending to be invoiced	197.283	156.924
Provision for impairment	(111.747)	(32.571)
Clients net	742.285	616.965
Advances	9.438	30.389
Employees	44.874	40.278
Others (1)	120.817	79.157
Doubtful accounts receivable	47.748	49.873
Provision for impairment	(45.979)	(46.712)
	$ 919.183	$ 769.950
Current	$ 769.660	$ 543.917
Non- current	149.523	226.033
	$ 919.183	$ 769.950

(1) As of December 31, 2018, it corresponds mainly to balances receivable from Osinerming for subsidies. For year 2017, there was a balance payable by the Company of (in thousands) USD$190 which consists of: funds collected (in thousands) USD$89,149 and discounts granted for (in thousands) USD$88,959.

As of December 31, 2018, the amount of the provision for impairment of accounts receivable amounts to $157,726. The changes in the provision for impairment of accounts receivable are described in the following table

	Status 1	Etatus 2	Estatus 3	Total
Provision for deterioration				
Balance as of January 1, 2018	$ -	$ (32.351)	$ (46.932)	$ (79.283)
Movements with charge to income statement	-	(8.336)	(23.247)	(31.583)
Reversals	-	-	1.093	1.093
Movements without effect in income statement				
Write-offs	-	21	1.219	1.240
Effect by Conversion	-	(3.030)	(4.744)	(7.774)
Effect by adoption of IFRS 9	-	(13.941)	(27.478)	(41.419)
Balance as of December 31	$ -	$ (57.637)	$ (100.089)	$ (157.726)

10. TAX ASSETS

	2018	2017
Income Tax (1)	$ 44.782	$ 45.584
Prepaid taxes	36.077	135.289
VAT - Balances receivable (2)	109.246	105.820
	$ 190.105	$ 286.693
Current	$ 80.859	$ 180.873
Not current	109.246	105.820
	$ 190.105	$ 286.693

(1) The balance receivable on concept of income tax corresponds to the difference between the withholdings and self-withholdings made to the companies and the current tax expense.

(2) The balance corresponds mainly to the credits for the payment paid in the purchases, the contracting of services and the importation of construction materials by the energy transporter of Central America for a value of USD $ 24,789. Not enough fiscal taxes have been generated for fiscal services to compensate for the remainder of the tax credit.

11. INVENTORIES

Material	$ 175.333	$ 181.828
Material in transit	1.359	996
Provision for obsolescence	(16.111)	(7.408)
	$ 160.581	$ 175.416

At the date of presentation of the financial statements, the carrying value of inventories does not exceed its recoverable amount.

Changes in the provision for obsolescence

		2018		2017
Balance at beginning of year	$	7.408	$	7.270
Provision for obsolescence		5.793		140
Amounts recovered during the year		(15)		-
Reverted provisions		(61)		(634)
Effect of translation		2.986		632
Balance at end of year	$	16.111	$	7.408

12. ASSETS AVAILABLE FOR SALE

Promigas S.A. E.S.P (1)	$	542.123	$	550.941
Land and buildings, net (2)		180.510		-
	$	722.633	$	550.941

(1) By means of agreement 472 of October 2016, the Council of Bogota authorized the sale of the participation in Promigas S.A. E.S.P.

In session 1593 of June 28, 2018, held by the Company, the continuity of the investment in Promigas S.A. E.S.P. was authorized, as asset available for sale.

(2) According to the provision by the Board of Directors on April 26, 2018 the sale of the property located at Avenida 26 No. 66-63 is authorized; additionally, the sale of the vacation center Antonio Ricaurte is authorized.

13. OTHER ASSETS

Legal deposits	$	19.264	$	19.030
Deferred charges for insurance		18.397		20.299
Other		3.568		699
Expenses paid in advance		3.281		9.002
Deposits given as collateral		70		58
Retained funds (Cautiva)		66		2.411
	$	44.646	$	51.499
Current	$	25.312	$	27.261
Non-current		19.334		24.238
	$	44.646	$	51.499

14. INVESTMENT IN SUBORDINATED COMPANIES

Details of the Company's subordinates at the reporting period's closing date are as follows:

Name of the subordinated company	Inception and operation place	Proportion of ownership interests and voting rights held by non-controlling interests		Accumulated non-controlling participation	
		2018	2017	2018	2017
Transportadora de Gas Internacional S.A. E.S.P.	Colombia	0,01%	0,01%	$ 121	$ 121
Transportadora de Energía de Centroamérica S.A.	Guatemala	3.71%	4,10%	25.499	22.301
Gas Natural de Lima y Callao S.A.	Perú	40,00%	40,00%	410.984	363.261
				$ 436.604	$ 385.683

Name of the subordinated	Inception and operation place	Proportion of ownership interests and voting rights held by non-controlling interests		Income (loss) allocated to non- controlling	
		2018	2017	2018	2017
Transportadora de Gas Internacional S.A. E.S.P.	Colombia	0,01%	0,01%	$ 18	$ 22
Transportadora de Energía de Centroamérica S.A.	Guatemala	3.71%	4,10%	212	(387)
Gas Natural de Lima y Callao S.A.	Perú	40,00%	40,00%	81.245	69.139
				$ 81.475	$ 68.774

15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Details of associates **-** Company's associates are detailed as follows:

Name of the Associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company			
			Type	2018	2017	2015
Emgesa SA E.S.P.	Electric power generation	Colombia	Ordinary	37,44%	37,44%	37,44%
Emgesa SA E.S.P.	Electric power generation	Colombia	Preferential	14,07%	14,07%	14,07%
Codensa SA E.S.P.	Electric power distribution	Colombia	Ordinary	36,49%	36,49%	36,36%
Codensa SA E.S.P.	Electric power distribution	Colombia	Preferential	14,83%	14,83%	15,15%
Consorcio Transmantaro S.A.	Electric power transmission	Perú	Ordinary	40,00%	40,00%	40,00%
Red de Energía del Perú S.A.	Electric power transmission	Perú	Ordinary	40,00%	40,00%	40,00%
Gas Natural S.A. E.S.P.	Natural gas distribution	Colombia	Ordinary	24,99%	24,99%	24,99%
Promigas	Holding	Colombia	Ordinary	-	15.64%	15.64%
EMSA	Electric power distribution	Colombia	Ordinary	16,23%	16,23%	16,23%

Details of Joint Ventures **–** Company's joint ventures are detailed as follows:

Name of Joint Venture		Place of incorporation and operation	Type	December 31, 2018	December 31, 2017	December 31, 2015
Goias Transmissao S.A.	Electric power generation	Brasil	Ordinary	51,00%	51,00%	51,00%
Mge Transmissao S.A.	Electric power generation	Brasil	Ordinary	51,00%	51,00%	51,00%
Transenergia Renovavel S.A.	Electric power distribution	Brasil	Ordinary	51,00%	51,00%	51,00%
Transenergia Sao Paulo S.A.	Electric power distribution	Brasil	Ordinary	51,00%	51,00%	51,00%

The following are the corporate purpose and other relevant information of main associates:

Emgesa S.A. E.S.P. **-** The Company was incorporated on October 23, 1997 and its corporate purpose is the generation and sale of electric power. As of December 31, 2017 and 2015, Empresa de Energia de Bogota S.A. ESP., holds 76.710.851 shares; 20.952.601 of which are shares with no voting rights with a preferential dividend of USD$ 0,1107 per share.

Codensa S.A. E.S.P. – The Company was incorporated on October 23, 1997 through the contribution of the distribution and commercialization assets of Empresa de Energia de Bogota S.A. E.S.P. equivalent to 51.32% of its share capital. The Company´s main corporate purpose is the distribution and sale of electric power, as well as the execution of all similar activities, related and complementary to the distribution and commercialization of electric power, performance of design works and electrical engineering consulting, and commercialization of products for the benefit of its customers. As of December 31, 2018, Grupo Energia Bogota S.A. E.S.P. owns 69,220,130 shares of which 20,010,799 corresponds to shares not entitled to vote with a preferential dividend of USD$0.10 per share.

Consorcio Transmantaro S.A. –CTM– Transmantaro is a Peruvian company established in Lima. It was incorporated in January 1998, but EEB became a part of this partnership on December 13, 2006. Its main activity is the transmission of electric power and provides operation and maintenance services. EEB owns directly 40% of the shareholder capital.

Red De Energia Del Peru S.A. –REP– It is a Peruvian company established in Lima. It was incorporated on July 3, 2002. REP provides services of electric power transmission, associated services, which include operation and maintenance services for electric power transmission and transmission facilities, as well as specialized technical services. EEB directly owns 40% of the shareholder capital of that Company.

Gas Natural S.A. E.S.P. - It was incorporated as a commercial company on April 13, 1987. In June 1997, the process of selling the stake held by Ecopetrol in the Company was completed, as a result of which a Spanish investor group, through the company Gas Natural Latinoamericana, joined as new major shareholder. In 1999, the participation of the Spanish Investor Group was finally defined through Gas Natural Internacional SDG. The corporate purpose of this company is the distribution and marketing of natural gas and the implementation of exploration, production, generation, transportation and/or transmission, distribution and commercialization activities for any type of energy.

According to minutes No. 270 of October 25, 2018, the board of directors approve the socialization of the new brand called "Gas Natural S.A. E.S.P." divulged as of November 23, 2018.

Electrificadora del Meta S.A E.S.P. – EMSA- Electrificadora del Meta SA ESP, is a partly publicly-held and parly state-owned company, its main business purpose is to provide electric energy to the public.

EMSA ESP, carries out electric energy commercialization and distribution activities in 24 of the 29 municipalities of the Department of Meta, for which purpose we have an electric infrastructure that we must manage, maintain and operate in order to guarantee the provision of electric energy.

Transenergia Renovável S.A.- TER – Incorporated on December 18 2008, under the form of a closed capital joint stock company, by Furnas Centrais Elétricas SA and Gebbras Participações Ltda, winner of Lot C of the Auction No. 008/2008 of the Agencia Nacional de Energia Eléctrica (ANEEL), to carry out the object of the Concession Contract No. 009/2009.

The electric power transmission sector, TER is responsible for the construction, operation and maintenance of transmission lines and substations located in the States of Goiás, Mato Grosso and Mato Grosso do Sul, in order to drain the surplus energy from the cogeneration processes of seven sugar and alcohol plants present in the region.

Transenergia São Paulo S.A.- TSP – Incorporated on July 8, 2009, under the form of a closed capital joint stock company, currently formed by Furnas Centrais Elétricas SA and Gebbras

Participações Ltda, winner of Lot G of the Auction No. 001/2009 of the Agencia Nacional de Energia Eléctrica (ANEEL), to carry out the object of the Concession Contract No. 024/2009.

Acting in the electric power transmission, TPS is responsible for the construction, operation and maintenance of the transmission facilities located in the State of São Paulo.

Goiás Transmissão S.A. – GOT - Incorporated on February 3, 2010, under the form of a closed capital joint stock company, currently formed by Furnas Centrais Elétricas SA and Gebbras Participações Ltda, winner of Lot A of the Auction of the Agencia Nacional de Energia Eléctrica (ANEEL) No. 005/2008, to carry out the object of the Concession Contract No. 002/2010.

Acting in the electric power transmission, GOT is responsible for the construction, operation and maintenance of the transmission facilities located in the State of Goiás.

MGE Transmissão S.A. – MGE – Incorporated on February 3, 2010, under the form of a closed capital joint stock company, currently formed by Furnas Centrais Elétricas SA and Gebbras Participações Ltda, winner of Lot G of the Auction of the Agencia Nacional de Energia Eléctrica (ANEEL) No. 005/2009, to carry out the object of the Concession Contract No. 008/2010.

Acting in the electric power transmission, MGE is responsible for the construction, operation and maintenance of the transmission lines located in the States of Minas Gerais y Espírito Santo.

The financial information recorded in respect to the participation of the Company in each of the associates and joint ventures is shows below:

31 December 2018

Associates	Total net assets of the associates / Joint venture	Ownership of the business net assets for of the associates/ joint venture	Goodwill	Other	Accaraying amount
Emgesa S.A. E.S.P. (1)	$ 4.231.710	51,51%	$ 1.224.140	$ 7.663	$ 3.411.556
Codensa S.A. E.S.P. (1)	2.761.334	51,32%	466.421	6.503	1.890.083
Gas Natural S.A. E.S.P	537.700	24,99%	193.855	-	328.276
Red de Energía del Perú S.A.	606.717	40,00%	-	-	242.687
Consorcio Transmantaro S.A.	1.577.082	40,00%	45.088	-	675.921
Electrificadora del Meta S.A. E.S.P.	282.753	16,23%	-	-	45.877
Total share of associates					$ 6.594.400
Joint venture					
Goias Transmissao S.A.	$ 421.019	51,00%	$ -	$ -	$ 214.720
Mge Transmissao S.A.	295.075	51,00%	-	-	150.488
Transenergia Renovavel S.A.	324.952	51,00%	-	-	165.726
Transenergia Sao Paulo S.A.	115.543	51,00%	-	-	58.927
Total share of joint venture					$ 589.861
Total share of associates and joint venture					$ 7.184.261

(1) For calculation purposes, the book value of the investment, the equity of Emgesa S.A. E.S.P. and Codensa S.A. E.S.P. is reduced by the effect of the preferential dividends.

31 December 2017

Associates		Total net assets of associates / Joint ventures	Company's share of net assets of associates / Joint ventures		Goodwill		Other		Carrying amount
Emgesa S.A. E.S.P. (1)	$	3.840.749	51,51%	$	1.224.140	$	6.921	$	3.209.749
Codensa S.A. E.S.P. (1)		2.642.846	51,32%		466.421		5.971		1.828.643
Gas Natural S.A. E.S.P		547.670	24,99%		193.855		-		330.692

Associates		Total net assets of associates / Joint ventures	Company's share of net assets of associates / Joint ventures		Goodwill		Other		Carrying amount
Red de Energía del Perú S.A.		581.253	40,00%		-		(4.588)		227.913
Consorcio Transmantaro S.A.		1.488.927	40,00%		45.088		(760)		639.898
Electrificadora del Meta S.A. E.S.P.		249.654	16,23%		-		3.524		44.032
Total share of associates								$	6.280.927
Goias Transmissao S.A.	$	465.841	51,00%	$	-	$	-	$	237.579
Mge Transmissao S.A.		322.992	51,00%		-		-		164.726
Transenergia Renovavel S.A.		352.544	51,00%		-		-		179.797
Transenergia Sao Paulo S.A.		173.796	51,00%		-		-		88.633
Total share of joint venture									670.735
Total share of associates and joint venture								$	6.951.662

31 December 2018

Associates		Total net assets of associates / Joint ventures	Company's share of net assets of associates / Joint ventures		Other		Carrying amount
Emgesa S.A. E.S.P.	$	1.012.800	51,51%	$	7.538	$	529.231
Codensa S.A. E.S.P.		602.138	51,32%		6.503		315.529
Gas Natural S.A. E.S.P.		226.625	25,00%		50		56.705
Red de energía del Perú S.A.		138.580	40,00%		-		55.432
Consorcio Transmantaro.		153.528	40,00%		-		61.411
Electrificadora del Meta S.A. E.S.P.		44.583	16,23%		-		7.234
Total share of associates						$	1.025.542

	Total net assets of associates / Joint ventures	Company's share of net assets of associates / Joint ventures	Other	Carrying amount
Negocios Conjuntos				
Goias Transmissao S.A.	$ 23.174	51,00%	$ -	$ 11.819
Mge Transmissao S.A.	12.227	51,00%	-	6.236
Transenergia Renovavel S.A.	13.189	51,00%	-	6.726
Transenergia Sao Paulo S.A.	9.288	51,00%	-	4.737
Total share of joint venture				$ 29.518
Total share of associates and joint venture				$ 1.055.060

31 December, 2017

Associates	Total net assets of associates / Joint ventures	Company's share of net assets of associates / Joint ventures	Other	Carrying amount
Gas Natural S.A. E.S.P.	235.781	24,99%	-	$ 58.922
Red de energía del Perú S.A.	90.503	40,00%	-	36.201
Consorcio Transmantaro.	133.341	40,00%	-	53.336
Promigas S.A. E.S.P.	312.508	15,64%	-	48.874
Electrificadora del Meta S.A. E.S.P.	34.964	16,23%	-	5.674
Total share of associates				$ 986.174
Joint venture				
Goias Transmissao S.A.	$ 37.845	51,00%	$ -	$ 19.300
Mge Transmissao S.A.	25.988	51,00%	-	13.254
Transenergia Renovavel S.A.	18.012	51,00%	-	9.186
Transenergia Sao Paulo S.A.	3.195	51,00%	-	1.628
Total share of joint venture				$ 43.368
Total share of associates and joint venture				$ 1.029.542

The following is the detail of the dividends decreed:

	2018	2017
Emgesa S.A E.S.P.	$ 324.541	$ 275.065
Codensa S.A E.S.P.	228.404	273.031
Gas natural S.A E.S.P.	59.147	68.756
Promigas S. A. E.S.P.	80.404	66.272
Red de Energía del Perú S.A.	64.702	46.600
Electrificadora del Meta S.A E.S.P.	74.148	5.567
Total	$ 831.346	$ 735.291

The summarized financial information in respect to each of the associates and joint ventures of the Company is presented below:

Associates

December 31, 2018

	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Emgesa S.A. E.S.P.	$ 1.093.730	$ 8.156.233	$ 1.667.221	$ 3.343.495
Codensa S.A. E.S.P.	1.412.073	5.412.592	2.142.430	1.914.398
Gas Natural S.A. E.S.P.	607.825	683.873	653.392	100.606
Red de energía del Perú S.A.	191.203	1.453.061	373.924	663.623
Consorcio Transmantaro.	324.353	4.485.577	387.856	2.844.992
Electrificadora del Meta S.A. E.S.P.	99.885	535.685	218.593	134.224

December 31, 2017

	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Emgesa S.A. E.S.P.	$ 977.030	$ 8.051.339	$ 1.202.030	$ 3.978.053
Codensa S.A. E.S.P.	1.202.528	4.981.657	1.669.202	1.866.164
Gas Natural S.A. E.S.P.	616.102	703.709	393.177	378.964
Red de energía del Perú S.A.	147.659	1.393.229	336.665	622.970
Consorcio Transmantaro.	194.997	4.081.959	180.955	2.607.074
Electrificadora del Meta S.A. E.S.P.	88.592	540.158	231.173	147.923

Joint venture

December 31, 2018

	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Goias Transmissao S.A.	$ 52.294	$ 598.311	$ 42.335	$ 187.251
Mge Transmissao S.A.	35.071	362.345	20.940	81.401
Transenergia Renovavel S.A.	59.284	392.396	17.909	108.819
Transenergia Sao Paulo S.A.	16.052	176.568	6.146	70.931

December 31, 2017

	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Goias Transmissao S.A.	$ 56.701	$ 688.913	$ 64.835	$ 214.938
Mge Transmissao S.A.	31.908	413.773	25.814	96.875
Transenergia Renovavel S.A.	68.330	429.290	27.453	117.623
Transenergia Sao Paulo S.A.	20.256	208.827	7.178	48.109

December 31, 2018

Associates	Revenues	Profit (loss) for the year	Other comprehensive income for the period	Total comprehensive income for the year	Dividends
Emgesa S.A. E.S.P.	$ 3.718.449	$ 1.020.338	$ (3.137)	$ 1.017.201	$ 324.541
Codensa S.A. E.S.P.	5.059.809	608.641	(16.806)	591.835	228.404
Gas Natural S.A. E.S.P.	2.278.122	226.625	-	226.625	59.147
Red de energía del Perú S.A.	533.977	138.580	50.007	188.587	64.702
Consorcio Transmantaro.	691.203	153.528	121.892	275.420	74.148
Electrificadora del Meta S.A. E.S.P.	493.866	44.583	1.454	46.037	3.123

December 31, 2017

Associates	Revenues	Profit (loss) for the year	Other comprehensive income for the period	Total comprehensive income for the year	Dividends
Emgesa S.A. E.S.P.	$ 3.425.080	$ 887.055	$ 7.124	$ 894.179	$ 275.065
Codensa S.A. E.S.P.	4.556.608	623.485	5.626	629.111	273.030
Gas Natural S.A. E.S.P.	2.305.225	235.781	-	235.781	68.756
Red de energía del Perú S.A.	488.024	90.503	6.661	97.164	46.600
Consorcio Transmantaro.	380.721	133.341	(6.106)	127.235	-
Electrificadora del Meta S.A. E.S.P.	472.800	34.964	1.736	36.700	5.567

Joint venture

December 31, 2018

	Revenue	Profit (loss) for the year	Other comprehensive income for the period	Dividends
Goias Transmissao S.A.	$ 45.833	23.174	$ 23.174	$ -
Mge Transmissao S.A.	25.214	12.227	12.227	-
Transenergia Renovavel S.A.	40.282	13.189	13.189	2.282
Transenergia Sao Paulo S.A.	14.890	9.288	9.288	17.112

December 31, 2017

Associates		Revenue		Profit (loss) for the year		Other comprehensive income for the period		Dividends
Goias Transmissao S.A.	$	68.385	$	37.845	$	37.845	$	5.684
Mge Transmissao S.A.		42.404		25.988		25.988		3.727
Transenergia Renovavel S.A.		39.068		18.012		18.012		2.134
Transenergia Sao Paulo S.A.		10.701		3.195		3.195		379

Joint Ventures – The supplementary financial information required by IFRS 12 in connection with joint ventures is shown as follows:

December 31, 2018

		Cash and cash equivalents		Current financial liabilites		Non-Current financial liabilites
Goias Transmissao S.A.	$	7.384	$	14.840	$	144.798
Mge Transmissao S.A.		10.781		7.835		55.499
Transenergia Renovavel S.A.		16.809		11.367		80.262
Transenergia Sao Paulo S.A.		2.106		3.710		27.471

		Interest revenue		Interest expense		Income tax expense
Goias Transmissao S.A.	$	1.236	$	17.023	$	2.826
Mge Transmissao S.A.		811		6.492		1.347
Transenergia Renovavel S.A.		1.583		9.962		2.147
Transenergia Sao Paulo S.A.		1.925		3.538		1.262

December 31, 2017

		Cash and cash equivalents		Current financial liabilites		Non-Current financial liabilites
Goias Transmissao S.A.	$	3.070	$	15.552	$	166.611
Mge Transmissao S.A.		1.489		8.733		67.680
Transenergia Renovavel S.A.		18.246		11.152		85.752
Transenergia Sao Paulo S.A.		5.299		4.101		33.185

		Interest revenue		Interest expense		Income tax expense
Goias Transmissao S.A.	$	1.644	$	17.165	$	2.798
Mge Transmissao S.A.		1.268		7.323		1.808
Transenergia Renovavel S.A.		1.552		9.628		1.845
Transenergia Sao Paulo S.A.		488		3.775		659

16. PROPERTY, PLANT AND EQUIPMENT

	2018	2017
Cost	$ 11.495.294	$ 9.995.758
Accumulated depreciation	(1.332.242)	(948.152)
Impairment (1)	(4.924)	(28.902)
	$ 10.158.128	$ 9.018.704

(1) During the year, Transportadora de Energia de Centroamerica S.A. – TRECSA, reviewed the recoverable amount of its property, plant and equipment as a result of that review, a recognition was made of a loss for impairment for US$8.2 million that affected in their entirety the operating assets in 2016.

BLANK SPACE

	Land	Constructions in progress	Buildings	PPE Component	Plans and pipelins	Networks, lines cables	Machinery and equipment	Muebles enseres y equipo de oficina	Equipo de comunicación y computación	Equipo de transporte	Otros menores	Total
Balance at january 1st, 2016	$ 45.471	$ 1.207.149	$ 259.724	$ 1.805	$ 7.388.266	$ 373.378	$ 78.342	$ 20.209	$ 25.203	$ 29.404	$ 6.096	$ 9.435.047
Additions	852	557.343	4.200	-	124.447	36.349	2.241	1.101	4.166	416	833	731.948
Withdrawals	-	(7.596)	(44)	(74)	(6.846)	-	(453)	(292)	(5.565)	(367)	(87)	(21.324)
Transfers	2.466	(29.814)	4.872	-	(52.089)	3.626	66	1.500	851	-	222	(68.300)
Effect of foreign currency exchange differences	1.161	(1.155)	1.342	-	(81.354)	(822)	(403)	(107)	(81)	(162)	(32)	(81.613)
Balance at 31 december 2017	49.950	1.725.927	270.094	1.731	7.372.424	412.531	79.793	22.411	24.574	29.291	7.032	9.995.758
Addditions	6.490	630.363	6.410	1.084	78	-	985	1.933	1.836	603	325	650.107
Capitalization	-	(551.600)	18.226	-	387.775	129.787	9.299	5.101	1.386	-	26	-
Capitalized interest	-	64.415	-	-	-	-	-	-	-	-	-	64.415
Withdrawals	-	(1.553)	-	-	(860)	(1)	(711)	(654)	-	(1.663)	(51)	(5.493)
Dismantling	-	-	-	-	4.666	-	-	-	-	-	-	4.666
Consumptions	-	-	-	(486)	-	-	-	-	-	-	-	(486)
Intangible transfers	-	(8.058)	-	-	-	-	-	-	194	1.784	48	(6.032)
Transfers	-	7.494	482	(1.364)	10	861	-	11	-	-	-	7.494
Capex provisions	-	(11.966)	-	-	-	-	-	-	-	-	-	(11.966)
Advances	-	(3.107)	-	-	-	-	-	-	-	-	-	(3.107)
Effect of foreign currency exchange differences	3.577	45.503	20.995	2.282	689.466	25.837	2.588	2.361	3.550	3.359	420	799.938
Balance at 31 December 2018	$ 60.017	$ 1.897.418	$ 316.207	$ 3.247	$ 8.453.559	$ 569.015	$ 91.954	$ 31.163	$ 31.540	$ 33.374	$ 7.800	$ 11.495.294

	Land	Constructions in progress	Buildings	PPE component	Plants and pipelines	Network, lines y cables	Machinery and equipment	Muebles enseres y equipo de oficina	Equipo de comunicación y computación	Equipo de transporte	Otros menores	Total
Accumulated depreciation												
Balance at 1 january de 2017	$ -	$ -	$ (32.527)	$ -	$ (684.868)	$ (21.071)	$ (18.130)	$ (7.977)	$ (14.510)	$ (9.487)	$ (3.215)	$ (791.785)
Withdrawal	-	-	-	-	331	-	348	185	1.466	363	47	2.740
Depreciation	-	-	(8.816)	-	(157.550)	(9.306)	(3.586)	(2.231)	(2.704)	(5.355)	(214)	(189.762)
Other	-	-	-	-	67.061	-	-	-	-	-	-	67.061
Effect of foreign currency exchange differences	-	-	(1.475)	-	(34.184)	(13)	(842)	(114)	(89)	296	15	(36.406)
Balance at 31 december 2017	-	-	(42.818)	-	(809.210)	(30.390)	(22.210)	(10.137)	(15.837)	(14.183)	(3.367)	(948.152)
Depreciation	-	-	(10.633)	-	(240.384)	(14.225)	(3.687)	(3.480)	(6.287)	(1.171)	(513)	(280.380)
Withdrawal	-	-	-	-	259	1	448	641	-	1.448	44	2.841
Effect of foreign currency exchange differences	-	-	(3.853)	-	(92.604)	(2.497)	(1.102)	(912)	(4.736)	(542)	(305)	(106.551)
Balance at 31 december 2018	$ -	$ -	$ (57.304)	$ -	$ (1.141.939)	$ (47.111)	$ (26.551)	$ (13.888)	$ (26.860)	$ (14.448)	$ (4.141)	$ (1.332.242)
Impairment												
Balance at 1 january 2017	$ -	$ -	$ -	$ -	$ (19.285)	$ (9.778)	$ -	$ -	$ -	$ -	$ -	$ (29.063)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	107	54	-	-	-	-	-	161
Balance at 31 december 2017	-	-	-	-	(19.178)	(9.724)	-	-	-	-	-	(28.902)
Reverse	-	-	-	-	14.522	9.634	-	-	-	-	-	24.156
Effect of foreign currency exchange differences	-	-	-	-	(268)	90	-	-	-	-	-	(178)
Balance at 31 december 2018	$ -	$ -	$ -	$ -	$ (4.924)	$ -	$ -	$ -	$ -	$ -	$ -	$ (4.924)

Useful lives used for calculating depreciation are the following:

	Electric power transmission	Electric power distribution	Natural gas distribution	Natural gas transportation
Buildings	50	40 to 100	-	20 to 50
Plants, pipelines and stations	10 to 40	15 to 40	-	10 to 50
Networks, lines and cables	40 to 63	15 to 40	-	-
Machinery and equipment	10	15 to 40	10	10
Scientific equipment	10	-	-	-
Furniture and accessories	10	5 to 10	10	10
Communication equipment	10	3 to 10	-	3 to 5
Informatic team	5	3 to 10	4	3 to 5
Transportation equipment	5	5	4 to 5	20
Other equipment	10	3 to 15	4 to 10	5

17. INVESTMENT PROPERTIES

	2018	2017
Lands - Unexploited	$ 29.639	$ 163.743
Buildings - Unexploited	145	54.106
Accumulated depreciation - Buildings	(3)	(7.053)
	$ 29.781	$ 210.796

Cost	Lands	Buildings	Total
Balance at January 1,2017	$ 163.743	$ 54.106	$ 217.849
Adittions	-	326	326
Disposals	-	(20)	(20)
Reclassifications (1)	(134.104)	(54.267)	(188.371)
Balance at December 31,2018	$ 29.639	$ 145	$ 29.784
Depreciación acumulada			
Balance at 31 december, 2017	$ -	$ (7.053)	$ (7.053)
Withdrawal	-	7.861	7.861
Depreciation expenses	-	(811)	(811)
Balance at 31 december, 2018	$ -	$ (3)	$ (3)

(1) It corresponds to the reclassification of the land and the construction of Avenida El Dorado 26 63 and the vacation center Antonio Ricaurte, as assets held for sale.

The values recorded in the financial statements are not significantly different form their fair value.

All the investment properties of the Company are wholly-owned. The recorded balance does not differ significantly from the fair value at the reporting date.

18. GOODWILL

		2018		2017
Transportadora de Gas Internacional S.A. E.S.P.	$	37.246	$	28.087
EEB Perú – Holding		47.372		22.084
	$	84.618	$	50.171

According to IFRS 1 the Company claimed the exemption that permits to leave the goodwill recorded under the previous regulations; because of the above for the adoption of the IFRS the carrying values were included and they are controlled in the functional currency of the subordinate.

19. INTANGIBLE ASSETS

Concession goods	$	4.339.024	$	3.602.747
Business rights		464.190		426.230
Easement		447.613		370.606
Software y licencias		89.780		70.585
Amortization and accumulated impairment		(1.032.329)		(726.088)
	$	4.308.278	$	3.744.080

Cost	Concession goods	Business rights	Easement	Software y licences	Total
Balance at 1 january 2017	$ 3.260.586	$ 428.617	$ 330.568	$ 57.827	$ 4.077.598
Additions	356.592	-	39.993	12.426	409.011
Transfers	(219)	-	1.364	-	1.145
Other	-	-	-	586	586
Withdrawal	-	-	(7)	-	(7)
Effect of foreign Exchange different	(14.212)	(2.387)	(1.312)	(254)	(18.165)
Balance at 31 december, 2017	3.602.747	426.230	370.606	70.585	4.470.168
Additions	377.369	-	41.547	11.112	430.028
Transfer	557	-	1.277	4.198	6.032
Withdrawal	-	-	(44)	-	(44)
Other	-	-	-	(2.798)	(2.798)
Effect of foreiing Exchange different	358.351	37.960	34.227	6.683	437.221
Balance at 31 december, 2018	$ 4.339.024	$ 464.190	$ 447.613	$ 89.780	$ 5.340.607

Accumulated amortization and impairment	Goods of the concession	Rights of bussines	Easement	Software y licences	Total
Balance at January 1, 2017	$ (479.961)	$ (64.887)	$ (10.205)	$ (32.064)	$ (587.117)
Amortization	(122.457)	(4.895)	(5.473)	(5.141)	(137.966)
Effect of foreign currency exchange differences	1.260	(1.358)	(755)	(152)	(1.005)
Saldo al 31 de December de 2017	(601.158)	(71.140)	(16.433)	(37.357)	(726.088)
Amortization	(100.999)	(4.895)	(5.799)	(8.148)	(119.841)
Impairment	(98.957)	-	-	-	(98.957)
Others	-	-	-	1.061	1.061
Effect of foreign currency exchange differences	(73.375)	(8.581)	(2.751)	(3.797)	(88.504)
Balance at 31 December 2018	$ (874.489)	$ (84.616)	$ (24.983)	$ (48.241)	$ (1.032.329)

Useful lives used for computing amortization are as follows:

Easements	30 years
Licenses	10 years

Goods of the Concession

The goods of the concession represent the collection rights of the distribution services of natural gas, which are associated to the actual consumption by users, and are within the regulatory regime established by the regulatory entity OSINERGMIN. The activated cost represents the value invested in the distribution network (concession assets).

The goods of the concession of Empresa Contugas S.A.C., are currently mortgaged, as allowed by the BOOT Contract, in favor of the lenders of the Syndicated Credit dated September 30, 2013.

As of December 31, 2018, Contugas S.A.C. has made projects of the cash flows expected for the coming years, which consider a discount rate that it is estimated that reflects the market conditions. The discount rate used in 2018 was of 6.2%. In the income and costs projects, Contugas S.A.C. considered the main contracts signed with large customers. It is necessary to indicate that these projections have been reviewed and approved by Management. According to those projections, Management has estimated that the recoverable value of its assets is lower than their amount recognized in books, and for this reason, the attached financial statements contain an adjustment for USD 33.47 million.

20. FINANCIAL LIABILITIES

	Interest rate	Due date	2018	2017
Public debt bonds (1)	6.125% SV	10/11/2021	$ -	$ 2.235.778
GEB syndicated credit (2)	Libor 6M+2.15%	23/01/2023	2.420.876	-
Corp. Andina de Fomento(3)	Libor + 1.6% SV	30/05/2020	69.436	106.099
Bonds GEB (4)	IPC + 3.19%	28/02/2024	186.133	187.297
GEB Bonds (4)	IPC + 3.85%	28/02/2032	282.536	283.516
Bonds GEB (4)	IPC + 4.04%	28/02/2042	178.313	180.339
Bonds GEB (4)	IPC + 3.19%	28/02/2024	127.746	128.830
Bonds GEB (4)	IPC + 3.85%	28/02/2032	188.244	189.493
Bonds GEB (4)	IPC + 4.10%	28/02/2047	321.709	324.198
Financial leasing	-	-	43.808	42.978
Bonds TGI (5)	5.55% SV	11/11/2028	2.423.184	2.232.937
Sindicado IELAH (6)	Libor+.25%	29/08/2019	128.249	246.910
Syndical Credit Contugas (7)	Libor + 3.5%	30/09/2019	1.114.244	1.023.135
Banco de Crédito del Perú (8)	4,30%	26/03/2018	-	23.872
Banco de Crédito del Perú (8)	4,40%	19/06/2018	-	2.984
Banco de Crédito del Perú (8)	4,95%	22/03/2019	36.317	-
Banco de Crédito del Perú (8)	4,95%	22/03/2019	6.787	-
Banco Santander (8)	5,38%	17/03/2019	21.567	-
Citibank N.A. (9)	Libor + 2.97% SV	30/06/2028	268.592	259.608
Citibank N.A. EBBIS GT (10)	Libor + 2.40%	14/11/2021	155.988	143.232
Internacional Calidda Bonds (11)	4.375% SV	1/04/2023	1.036.438	951.001
Banco Scotiabank (12)	2,85% Anual	19/05/2022	259.138	237.706
Pagaré BCP (13)	2.95% Anual	19/03/2019	48.746	-
Local Bond Calidda	6.46875%	23/07/2028	192.108	-
Interests	-	-	115.643	83.848

	Interest rate	Due date	2018	2017
			$ 9.625.802	$ 8.883.761
Current			$ 1.543.977	$ 153.611
Non-current			8.081.825	8.730.150
			$ 9.625.802	$ 8.883.761

(1) *Grupo Energía Bogotá S.A. ESP.* - On 3 November 2011, the company completed the issuance of bonds in the international markets for USD$610 million under Rule 144A Regulation S with maturity set at 10 years. On November 15 and 27, 2013 the Company reopened the bond issue for USD$112 and USD$27 million, respectively, with the same maturity as on the initial issuance. Premiums of USD$1.960 million and USD$0.472 million respectively were presented in these reopening's. The resources were used to improve the financial conditions of the 2011 bonds issuance. The issuance's main features are:

Type of security	Government Debt Securities
Date of issuance	November 15 and 27, 2013
Face value	USD749 million
Term	10 years
Depositary	The Bank of New York Mellon.
Yield	Bonds: 6,125% SV
Qualification	BBB/AAA (col) granted by Fitch Ratings Colombia S.A, BBB- by S&P and Baa3 by Moody's.
Covenants	See literal (a)

At 31 December 2018 and 2017 the Company's revenues relating to the issue, which are yet to be amortized, are $762 and $940 million respectively.

(2) On December 18, 2017, a foreign loan agreement with a group of Banks for the sum of USD 749 million, which proceeds would be intended to make the debt substitution of the mentioned international Bond. On January 22, 2018 the loan disbursement was made and on January 23, 2018 the company exercised the redemption option "Notice of full redemption" for a value of US$749,000,000 of the international bond issued under RegS/144a and recorded in the Luxembourg Stock Exchange with expiration in 2021. Following is a detail of the banks that are part of the group of financial entities of the operation: Bank Of America, N.A., Citibank, N.A. acting through its international banking, facility, Sumitomo Mitsui Banking corporation, Bancolombia (Panama) S.A., Banco de Bogota S.A. New York Agency, Mizuho Bank, Ltda, The Bank of Nova Scotia, Banco Santander S.A., Natixis, Exporter Development Canada, Banco de Credito del Peru, Banco de Sabadell S.A. Miami, Intesa Sanpaolo S p.A. New York Branch, Ing Capital LLC, JP Morgan Chase Bank N.A, The Bank of Tokyo Mitsubishi UFJ Ltd, Industrial and Commercial Bank of China Limited, Dubai (Difc) Branch, Banco de Crédito e Inversiones SA Miami Branch Mercantil Bank, N.A.

Amount: $ 749,000,000 (US Dollars)
Rate: Libor + 2.15% semi-annually in arrears
Term: 6 years
Amortization: Principal at the end of the period pre-payable
Interest: Semi-annually in arrears
Guarantee: Signature by legal representative.

Last October 9, 2018, Fitch Ratings ("Fitch") reaffirmed the international credit rating of GEB in 'BBB', rate that corresponds to an investment degree. According to Fitch, the rating action reflects the Company's cash flow stability, its strong business position, its solid liquidity position and the expectation of leverage in line with the rating category. The ratings also reflect the new growth strategy of the Company.

In turn, last September 28, 2018, Standard and Poor's ("S&P") reaffirmed the credit rating (BBB- stable outlook) of the corporate debt of GEB, which corresponds to an investment degree.

(3) *Banco de Desarrollo de América Latina (formerly Andean Promotion Corporation CAF.* As part of the restructuring process of financial obligations in May 2008, the Company obtained a loan from this entity, with an interest rate Libor + 1.6% semi-annually in arrears, and repayments of principal in 14 semi-annual installments as of 2013. This operation was made to substitute the credit contracted with the ABN AMRO BANK for USD$100 million.

As of December 31, 2018 and December 31, 2017, the Company has costs associated to the issue, pending amortization, for a value of $201 and $473, respectively.

(4) *Grupo Energía Bogotá S.A. ESP.* – On February 28, 2017 the Company placed the first tranche of local bonds for $650 million, indexed at CPI, subseries A7, A15 and A25, and on November 15, 2017 the second tranche of bonds was placed for $650 million, indexed at CPI, subseries A7, A15 and A30. GEB will use the proceeds of the placement of the Bonds to finance the investments plan, the debt refinancing and the costs and expenses associated to the restructuring and obtaining of financing, as well as to cover the working capital requirements. The main characteristics of the issue are:

First tranche

Series – Subseries	Amount Required (COP)	Amount Approved (COP)	Margin/Cutoff Rate
Subseries A/7 - 7 years – CPI+Margin EAR	$ 284.380	$ 187.000	3.19% EAR
Subseries A/15 - 15 years - CPI+Margin EAR	423.010	283.000	3.85% EAR
Subseries A/25 - 25 years - CPI+Margin EAR	598.530	180.000	4.04% EAR
Total	$ 1.305.920	$ 650.000	

Second tranche

Series – Subseries	Amount Required (COP)	Amount Approved (COP)	Margin/Cutoff Rate
Subseries A/7 – 7 years – CPI+Margin EAR	$ 146.260	$ 130.200	3.19% EAR
Subseries A/15 - 15 years – CPI+Margin EAR	201.700	191.700	3.85% EAR
Subseries A/30 - 30 years – CPI+Margin EAR	521.100	328.100	4.10% EAR
Total	$ 869.060	$ 650.000	

(5) *Transportadora de Gas Internacional S.A. ESP* – during the year 2018, TGI made an emission of bonds in the international capital markets, according to Rule 144 A / Reg S, for a value of USD 750 million, in order to refinance the bonds issued in 2012 and expiration 2022 that had a rate of 5.70%. The issue was carried out on November 1, 2018, date on which the advance redemption of the above-mentioned bonds was made as well as the issue of the new bonds. The bonds with expiration in 2028 have the following conditions:

Amount:	USD$ 750 million
Interest Rate:	5.55% annually, semi-annually in arrears
Issue date:	November 1, 2018
Expiration date:	November 1, 2028

Covenants – The issue of the 2028 bonds assumed for TGI a significant improvement in as far as covenants is concerned, since the new issue reflects Investment Decree conditions that the company has eliminating several restrictive covenants. The major covenants included in the 2028 Bonds and that are in the indenture of the transaction are:

- Limitation of levies
- Limitation in Sale and Lease-Back transactions
- Limitation to perform business other that those related to the ordinary course of business

The above-mentioned issue has a rating of investment degree by the following credit rating agencies:

- S&P: BBB-, Stable Outlook
- Fitch Ratings: BBB, Stable Outlook
- Moody's: Baa3, Stable Outlook

TGI made an issue of bonds in the international capital markets, according to rule 144 a/ regulation of the SEC, in the year 2007, for a value of USD 750 million. Between March 20 and April 6, 2012, the above-mentioned bonds were settled in advance and TGI issued directly new bonds under the following conditions:

Amount:	USD$ 750 million
Interest rate:	5,7% annually, semi-annually in arrears
Issue date:	March 20, 2012
Expiration date:	March 20, 2022

(6) *Syndicated Loan IELAH* – TGI – On August 29, 2014, IELAH S.L. acquired a syndicated loan for USD$645 million where BBVA acts as agent bank, for the purpose of refinancing loans to group companies held by this Company as a result of the acquisition of 31,92% shareholding of TGI; the loan was agreed with a 5-year maturity and an interest rate of Libor + 2,25%, where the total of the loan principal is amortized in the last installment. Banks associated to the syndicated loan are detailed below:

		USD$
Banco Bilbao Vizcaya Argentaria, S.A.	USD$	100,000,000
Itaú Unibanco S.A. – Nassau Branch		100,000,000
The Bank of Nova Scotia		100,000,000
Banco de Bogota S.A.		60,000,000
Banco de Credito del Peru		60,000,000

	USD$
Sumitomo Mitsui Banking Corporation	60,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	50,000,000
Banco Santander de Negocios Colombia S.A.	50,000,000
[Natixis]	35,000,000
Mizuho Bank, Ltd.	30,000,000
	USD$ 645,000,000

On March 11, 2016 a prepayment was made for the sum USD$175 million and USD$35 million on September 11, 2016. For 2016 TGI made a prepayment for USD$100 million. By March 2018, TGI made a prepayment for USD$44 million.

The syndicated bank loan at the cut-off date of 31 December 2017 is USD$184 million.

(7) *Syndicated Loan - Contugas* – On September 30, 2013, Banco Davivienda S.A., Corporacion Andina de Fomento, Banco de Bogota (Panama) S.A. and Banco de Bogota (Nassau) Limited, agreed to grant the Company a loan at a Libor interest rate at 180 days plus 3,50% for USD$310 million over a 72-month term and a single payment of principal at maturity. In addition, according to addendum to the Credit Contract dated November 11, 2014, it was agreed to extend the loan amount to USD$342 million, granting the company an additional amount of US32 million, as follows:

		USD$
Banco Davivienda S.A.	USD$	126,000,000
Corporación Andina de Fomento		135,000,000
Banco de Bogotá (Panamá) S.A.		68,000,000
Banco de Bogotá (Nassau) Limited.		13,000,000
	USD$	342,000,000

The contractual term is of 72 months, the principal being paid entirely at the end thereof, plus the compensatory interest earned as of that date.

This loan earns interest at a rate of LIBOR at six months plus 3.50%. the payments of the interest and commissions will be made semi-annually in the months of March and September.

In this credit operation the participation by an Administrative Agent was defined for which Fiduciary Bogota was contracted, which has as main object to perform the actions to carry out the compliance of the obligations that are established in the Syndicated Credit Agreement. In that respect, the functions performed by Fiduciaria Bogota, include, among others: (i) calculate the credit interest rate, (ii) receive from the Company the requests for disbursement and the notice on its intention to make an advance payment, and (iii) require the Company, prior request by the lender, the settlement or reimbursement in favor of the borrowers.

The funds obtained from this loan had the main purpose of paying the syndicated bridge loan (for $216 million in favor of Banco Davivienda S.A., Banco de Bogotá S.A. New York Agency, Banco de Bogotá S.A. Panamá and Banco de Crédito del Perú) plus the financing of the remaining investment to complete the construction project of the Natural Gas Distribution System by a Network of Ducts in the Department of Ica.

This loan is backed by an Irrevocable Commitment by the shareholders whereby Grupo Energía Bogotá S.A. ESP (GEB) and Transportadora de Gas Internacional, as obligated parties, undertake, unconditionally and irrevocably in respect to the Company, to make readily available contributions of to the corporate capital of the Company directly or through affiliates; or by the granting in favor of the Company of subordinated debt, in the case that the Company does not have sufficient and available funds for the payment of the Syndicated Credit and of the works associated to the Natural Gas Distribution System in the Department of Ica.

The loan is backed mainly by the following elements:

- Mortgage of the Concession in favor of the lenders for a sum amounting to US$419 million.
- Trust of the Concession's flow of revenues.
- Guarantee Letter supporting 100% of the semi-annual interest for a sum amounting to US$8.2 million.

(8) *Contugas* – During 2018, the Company has obtained two promisors notes in Peruvian soles with Banco de Credito del Peru S.A. for S/36,800 and S/12,920, respectively (equivalent to US$11,320 and US$2,105) at an annual rate of 3.29% and another from Banco Santander for S/22,400 (equivalent to US$6,857),which have a current term.

As of December 31, 2017 the balance consisted of two promissory notes in Peruvian soles with Banco de Credito del Peru S.A. for S/26,168 and S/3,276, respectively (equivalent to US$8,064 and US$1,010) at an annual rate of 4.3% and 4.4%, respectively, which have a current term.

(9) *Citibank N.A. Trecsa* – It corresponds to a credit with Citibank signed by Transportadora de Energía de Centroamerica S.A., at an interest rate of Libor 6M + 2.97%. It corresponds to a credit with Citibank signed by Transportadora de Energia de Centroamerica S.A., at an interest rate of Libor 6M + 2.97%. The expiration of the credit is December 2028 and will be payable in 20 biannual equal installments as of 29/12/2018. This credit has a corporate guarantee on the part of GEB S.A. ESP in respect to the payment obligation.

(10) *Citibank N. A. EEBIS Guatemala* – On November 14, 2016 a long term loan with Citibank for the sum of USD$48 million at a rate LIBOR + 2.40% at 5 years. This credit has a corporate guarantee from GEB S.A. ESP in respect to the payment obligations.

(11) *Gas Natural de Lima y Callao – Cálidda* – In March 2013 the Company made the placement of bonds in the international market for USD$320, under rule 144A Regulation S. at a term of 10 years. The funds were used for the prepayment of the loans with International Financial Corporation (IFC), Corporación Andina de Fomento (CAF), Infrastructure Crisis Facility Debt Pool (ICF) and Citibank del Perú S.A., as well as the subordinated loan of shareholders. With the remaining funds from the issue of bonds the Company financed its investment plans of years 2013 and 2014 which allows it to continue expanding its gas network in the Department of Lima and the Constitutional Province of Callao. The main characteristics of the issue are:

Type of security	Public Debt Bonds
Issue date	March 2013
Face value	USD $320 million
Term	10 years
Yield	4.375%
Rating	AAA (col) granted by Fitch Ratings, BBB- by Standard & Poor's and Baa3 by Moodys.

(12) *Gas Natural de Lima y Callao – Cálidda* – It consists of a loan for USD 80,000 net of structuring expenses for $340, which was granted in May 2017 by Scotiabank del Peru S.A.A. at an annual rate of 2.85% with semi-annual amortization at a term of 5 years. This loan was approved in a General Stockholders' Meeting and was used to pay the loans outstanding as of December 31, 2016 for the working capital.

(13) *Gas Natural de Lima y Callao – Cálidda* – It corresponds to a bond for PEN 200,000 placed in the local market on July 29, 1028

(14) *Gas Natural de Lima y Callao – Cálidda* – It consists of a Promissory Note issued by the BCP for USD 15,000 on December 19, 2018 for working capital.

21. ACCOUNTS PAYABLE

	2018	2017
Suppliers	$ 382.401	$ 267.192
Creditors	85.760	150.659
Advances received	7.794	13.817
	$ 475.955	$ 431.668

22. PROVISIONS FOR BENEFITS TO EMPLOYEES

	2018	2017
Short term benefits (a)	$ 63.960	$ 49.775
Defined benefits (b)		
Retirement pension plan, net	146.645	164.244
Supplementary benefits	31.204	35.119
Total	$ 241.809	$ 249.138
Current	$ 93.803	$ 79.624
Non-current	148.006	169.514
	$ 241.809	$ 249.138

a. ***Short-term benefits to employees*** – To comply with the union agreements entered into and the labor regulations, the Company recognizes the short-term benefits to employees, including accrued fringe benefits, performance bonus, the pension payments and unpaid salaries, and the estimate of pension share quotas payable for the current period in favor of its employees and retired employees.

	2018	2017
Bonuses	$ 31.537	$ 30.780
Fringe benefits	16.916	14.811
Salaries	12.797	280
Pension Share Quotas and other	2.710	3.904
Short-term benefits to employees	$ 63.960	$ 49.775

b. *Defined benefits*

Retirement pension plan – Based on the conventional agreements reached with the workers' union the Company has recognized in its financial statements the obligations for the pension benefits plan for the employees who have met the age and work time requirements.

Currently, this benefit is only recognized for employees who have met the corresponding requirements, that is, the company does not recognize directly that benefit for current employees and in compliance with Colombia's retirement law these employees will only be able to have access to that benefit through Pension Fund Managing companies.

Significant actuarial assumptions to determine the defined obligation, include the discount rate, the expected salary increases, and mortality rates. The present value of the obligations for defined benefits is computed using the projected unit credit method at the end of the reporting period, which is the same applied in the computation of the liability for defined obligations recognized in the statement of financial position.

These obligations are re-measured annually by qualified independent actuaries.

Main assumptions used for the purposes of the actuarial appraisals of retirement pensions are the following:

	2018 % GEB	2017 % GEB
Discount rate(s)	7,50%	6,75%
Expected salary increase rate(s)	3,5%	3,5%
Expected return on plan assets	9.382	9.382
Pension plan interest expense	(20.399)	(19.803)
Pension plan beneficiaries	1.607	1.699

Sensitivity analysis

		2018		2017
Current value of the obligations for defined benefits				
Discount rate - 50 basis points	$	292.755	$	321.040
Discount rate + 50 basis points		270.047		294.162
Inflation rate - 50 basis points		269.551		292.912
Inflation rate + 50 basis points		293.137		322.296
Weighted average duration of obligations for defined benefits (in years)				
Discount rate - 50 basis points		7,5.		8,90
Discount rate + 50 basis points		8,62		8,52

Sensitivity analysis

Current value of obligations for benefits				
Discount rate - 50 basic points	$	292.755	$	321.040
Discount rate + 50 basic points		270.047		294.162
Inflation rate - 50 basic points		269.551		292.912

	2018	2017
Inflation rate + 50 basic points	293.137	322.296
Weighed average term of obligation for defined benefits (in years)		
Discount rate - 50 basis points	7,5.	8,90
Discount rate + 50 basis points	8,62	8,59

The amounts recognized in the statements of financial position for defined benefit plans are:

	2018	2017
Active pension plan		
Fair value of plan assets	$ 303.238	$ 288.533
Expenses from interests	19.803	20.399
Payments made during the period	(26.392)	(26.446)
Other comprehensive income	(17.042)	20.752
Active pension plan at end of year	$ 279.607	$ 303.238

Pension plan assets are kept consolidated in trusts separated from the assets of the Company, under the control of trust companies Fiducolombia and Fiduprevisora that manage these resources and pay the retirees. To the extent required, the Company pays new contributions to these trusts every year. The contracts are effective for five (5) years and were renewed in 2012 under the same conditions.

Fair value of the capital and debt instruments comprising the plan assets are updated based on market prices quoted in active markets.

The actual return of plan assets amounts to $7.774 million and $11.424 million in 2018 and 2017 respectively.

	2018	2017
Active pension plan		
Fair value for plan assets	$ 138.994	$ 144.140
Interest revenue	9.382	9.556
Payments made during the period	(26.392)	(26.760)
Taxes paid	(48)	(374)
Contributions made	12.640	10.314
Other comprehensive income	(1.615)	2.118
Final active plan at the end of the period	$ 132.961	$ 138.994

Re-measurement of the net liability for defined benefits is included in other comprehensive income.

Liabilities shown in the statement of financial position corresponds to the net value resulting from the net value of pension benefit obligation computed annually by an independent actuary using the projected credit unit method less the fair value of assets devoted to cover those obligations, which include adjustments for unrecognized actuarial gains or losses and costs for services rendered.

	2018	2017
Remeasurement of liability for defined benefits, net:		
Beginning balance of pension plan (net)	$ 164.244	$ 144.392
Net Expense / (income) defined in the plan	10.421	10.844
Contributions to pension plan	(12.640)	(10.314)
Taxes paid	48	374
Payments made	-	314
Other comprehensive results	(15.427)	18.634
Pension plan, net	$ 146.646	$ 164.244

The movements of actuarial gains or losses arise from adjustments based on actuary's experience and has an effect on other comprehensive income; also, changes in actuarial assumptions for post-employment benefits and active pension plan are charged or credited as finance expenses and income during the period. Payments made during the year for this benefit amortize the balance of the obligation and the plan assets.

Cost of the current service and the year's net finance expense are included in the expense for benefits to employees in the statements of income.

	2018	2017
Retirement pensions		
Cost from interests	$ 19.803	$ 20.340
Financial revenues – assets	(9.382)	(9.556)
Other comprehensive income – liabilities	(17.042)	20.752
Other comprehensive income - assets	(1.615)	(2.118)
Effect in statements of income	$ (8.236)	$ 29.418

Complementary benefits

Supplementary benefit plans – According to extralegal conventional agreements, the Company grants its active employees and pensioner's health care benefits, household expenses (electric power subsidies) and aid for education. The expected costs of these benefits are accrued over the period of employment using the retirement benefit plans methodology.

Actuarial gains and losses from adjustments arisen from the actuary´s experience and changes in actuarial assumptions are charged or credited to other comprehensive income as financial income and expenses and obligations are re-measured during the period in which they are incurred.

These obligations are valued annually by qualified independent actuaries.

According to Legislative Act 001 of 2005, which established the elimination of special pension regimes agreed in union and labor agreements starting July 31, 2010, the Company classified as supplementary benefits the Health and Education and recreation benefits, while household expenses were classified as litigation contingencies.

The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that used for defined benefit plans for retirement pensions.

Long-term benefits - Retroactivity of severance payments is computed for those employees belonging to labor regimes previous to Law 50 of 1990, and consists in recognizing this fringe benefit for all time worked based on the last salary earned; in EEB, only 9 workers have labor contracts under these conditions.

Based on extralegal union agreements, the Company grants to some of its employees a benefit related to the time of service known as "quinquenio" (five-year term). Five-year terms are recognized proportionally to the time of services, as follows:

- 40 days of salary for the first five years of service
- 77 days of salary for ten years of service
- 110 days of salary for fifteen years of service
- 145 days of salary for twenty years of service
- 200 days of salary for twenty-five years of service

Sensitivity analysis for supplementary and long-term benefits

	Complementary and long-term benefits			
Year 2018	**Health**	**Education**	**Retroactive severance**	**Five-year periods**
Current value of obligations for defined benefits				
Discount rate - 50 basic points	6,32	4,63	3,07	2,94
	$ 31.276	$ 279	$ 155	$ 524
Discount rate + 50 basic points	6,16	4,52	3,00	2,88
	$ 29.383	$ 267	$ 112	$ 509

	Supplementary and long-term benefits			
Year 2017	**Health**	**Education**	**Retroactive severance**	**Five-year periods**
Average duration weighted of obligations for benefits (in years)				
Discount rate - 50 basic points	7,05	3,94	3,63	3,74
	$ 35.688	$ 34	$ 155	$ 491

	Supplementary and long-term benefits			
Year 2017	**Health**	***Education***	**Retroactive severance**	**Five-year periods**
Discount rate + 50 basic points	6,86	3,87	3,56	3,68
	$ 33.290	$ 32	$ 149	$ 473

The amount included in the statement of financial position arising from the obligation of the entity in respect of actuarial calculations of defined benefits complementary and long-term is as follows:

31 December, 2018

	Complementary and long-term benefits				
	Health	Education	Retroactive severance	Five years	Total
Balance at 31 december, 2017	$ 34.454	$ 33	$ 152	$ 481	$ 35.120
Financial cost	2.205	2	14	57	2.278
Benefits paid, net	(3.867)	-	-	(20)	(3.887)
Actuarial Losses/(Profits)	(2.490)	238	(52)	(3)	(2.307)
Balance at 31 december, 2018	$ 30.302	$ 273	$ 114	$ 515	$ 31.204

31 December, 2017

	Complementary benefits and long-term				
	Health	Education	Retroactive Severance	Five Years	Total
Balance at 31 december 2016	$ 34.830	$ 22	$ 126	$ 417	$ 35.395
Financial cost	2.412	1	8	29	2.450
Current cost of the period	-	-	5	24	29
Net benefits paid	(3.660)	(16)	-	(13)	(3.689)
Actuarial Loss/(Gain)	872	26	13	24	935
Balance at 31 december 2017	$ 34.454	$ 33	$ 152	$ 481	$ 35.120

23. OTHER PROVISIONS

	2018	2017
Dismantling	$ 101.864	$ 91.420
Litigations	85.656	207.793
Other provisions	40.990	63.531
Complementary benefits contingencies	38.070	36.158
Pensional parts fee	2.334	3.837
	$ 268.914	$ 402.739
Current	$ 39.443	$ 141.821
Non-Current	229.471	260.918
	$ 268.914	$ 402.739

Movement of the provisions is detailed as follows:

Movement of other provisions:	Litigations	Other provisions	Dismantling	Supplementar y benefits contingency	BOMT purchase estimation	Retirement pension fee units	Total
Balance at january 1st 2017	$ 115.775	$ 41.805	$ 88.764	$ 33.098	$ 7.976	$ 4.149	$ 291.567
Incrementos	96.393	27.721	5.884	3.060	-	-	133.058
Disminuciones	(5.309)	(5.843)	(3.228)	-	(7.976)	(312)	(22.668)

Movement of other provisions:	Litigations	Other provisions	Dismantling	Supplementary benefits contingency	BOMT purchase estimation	Retirement pension fee units	Total
Effect of foreign currency exchange differences	934	(152)	-	-	-	-	782
Balance at December 31 2017	207.793	63.531	91.420	36.158	-	3.837	402.739
Increases	32.736	117	13.294	-	-	-	46.147
Reduction (1)	(160.560)	(18.938)	(2.850)	(431)	-	(1.503)	(184.282)
OCI	-	-	-	2.343	-	-	2.343
Effect of foreign currency exchange differences	5.687	(3.720)	-	-	-	-	1.967
Balance at 31 december, 2018	$ 85.656	$ 40.990	$ 101.864	$ 38.070	$ -	$ 2.334	$ 268.914

(1) It corresponds mainly to payment made by Contugas of the obligation recognized in respect to the final ruling dated April 5, 2018, whereby the obligation of the Company increased USD$29 million.

24. TAX LIABILITY

	2018	2017
Income tax and CREE	$ 673	$ 157.468
Tax on equity	50	50
Withholding tax payable	44.787	18.946
Industry and Commerce tax	3.120	3.083
Sales (VAT) tax	472	280
	$ 49.102	$ 179.827
Liabilities for Current Taxes	$ 47.938	$ 179.047
Liabilities for Non-Current Taxes	1.164	780
	$ 49.102	$ 179.827

25. INCOME TAX RELATED TO CONTINUING OPERATIONS

25.1 Income tax recognized in profit and loss – The income tax rates applicable to each Company, in accordance with the jurisdiction where each one of them pays its taxes is the following:

Country	2018	2017
Colombia	33% nominal + 4% surtax	34% nominal + 6% de sobretasa
Peru	29,5% 30% for legal stability	29,5% 30% for legal stability
Guatemala	25% on the profits from lucrative activities	Simplified optional 5% on the first 30,000 Quetsales and 7% on the excess
Brazil	34%	34%

The income tax returns for which the statute of limitations has not expired are the following

Company	Years
Grupo Energía Bogotá S.A. E.S.P.	2013 a 2017
Transportadora de Gas Internacional S.A. E.S.P.	2014 a 2017
Contugas S.A.C.	2014, 2016 y 2017
Transportadora de Energía de Centroamérica S.A.	2013 a 2017
Gas Natural de Lima y Callao S.A.	2014 a 2017
EEB Perú Holdings LTD.	2016 y 2017
EEB Ingenieria y Servicios S.A	2014 a 2017
EEB Gas S.A.S.	2016 y 2017

The detail of the expense (income) for income tax recorded in the profit and loss of the period is as follows:

	2018	2017
Current tax		
Grupo Energía Bogotá S.A. E.S.P.	$ -	$ 4
Transportadora de Gas Internacional S.A. E.S.P.	114.681	214.594
Transportadora de Energía de Centroamérica S.A.	78	2.879
Gas Natural de Lima y Callao S.A.	77.116	77.407
EEB Perú Holdings LTD.	2.290	1.586
EEB Ingenieria y Servicios S.A	318	621
EEB Gas S.A.S.	2.027	2.353
Total current tax	196.510	299.444
Deferred tax		
Grupo Energía Bogotá S.A. E.S.P.	(69.817)	10.331
Transportadora de Gas Internacional S.A. E.S.P.	(92.330)	(184.700)
Contugas S.A.C.	(13.146)	13.123
Transportadora de Energía de Centroamérica S.A.	22.462	-
Gas Natural de Lima y Callao S.A.	13.920	-
EEB Ingenieria y Servicios S.A	2.532	-
EEB Gas S.A.S.	-	(4.943)
	(136.379)	(166.189)
Adjustment to deferred tax for change in nominal rates		
Grupo Energía Bogotá	(606)	-

	2018	2017
Transportadora de Gas Internacional	26.769	-
	26.163	-
Total deferred tax	(110.216)	(166.189)
Total tax expense	$ 86.294	$ 133.256

25.2. Balances of deferred taxes – Analysis of assets/ liabilities of the deferred tax included in the statements of financial position is shown as follows:

	2018	2017
Asset deferred tax	$ 67.576	$ 97.225
Liability deferred tax	(1.406.726)	(1.451.903)
Total	$ (1.339.150)	$ (1.354.678)

	2017	Effect on profit and loss	Effect on OCI	Effect of foreign currency exchange differences	2018
Deferred tax (liability) / asset related to:					
Trade accounts receivable and other accounts receivable	$ 1.220	$ (135)	$ -	$ (109)	$ 976
Trade receivables provision	447	514	-	(40)	921
Intangible assets other than goodwill	(154.831)	(48.662)	-	13.832	(189.661)
Financial assets	885	(14.371)	-	(79)	(13.565)
Investments in controlled entities	(125.388)	(3.840)	-	11.202	(118.026)
Accounts receivable from employees	1.895	2.988	-	(169)	4.714
Pensional assessed shared	-	-	-	-	-
Inventories	435	1.863	-	(39)	2.259
Property, plant and equipment	(1.142.592)	(214.732)	-	102.073	(1.255.251)
Investment properties	253	32.619	-	(23)	32.849
Other non financial assets	(49)	(105)	-	4	(150)
Accounts payable	1	-	-	-	1
Fringe benefits	1.662	4.294	-	(147)	5.809
Tax liabilities	-	-	-	-	-
Provisions	747	(1.486)	-	(67)	(806)

	2017	Effect on profit and loss	Effect on OCI	Effect of foreign currency exchange differences	2018
Other liabilities	(165)	32.627	4.723	15	37.200
Other financial liabilities	(2.620)	99.799	-	234	97.413
Employee benefits	(34)	(6)	-	3	(37)
Actuarial pension calculation	15.500	5.414	-	(1.385)	19.529
Desmantling of assets	26.316	4.290	-	(2.351)	28.255
Tax losses	21.640	(11.287)	-	(1.933)	8.420
Total	$ (1.354.678)	$ (110.216)	$ 4.723	$ 121.021	$ (1.339.150)

	2016	Effect on profit and loss	Effect of conversion	2017
Deferred tax (liability) / asset related to				
Trade accounts receivable and other accounts receivable	$ 7.365	$ (4.594)	$ (1.551)	$ 1.220
Trade receivables provision	-	447	-	447
Intangible assets other than goodwill	(128.468)	(53.417)	27.054	(154.831)
Financial assets	-	885	-	885
Investments in controlled entities	(130.331)	(22.504)	27.447	(125.388)
Accounts receivable from employees	1.869	420	(394)	1.895
Inventories	493	46	(104)	435
Property, plant and equipment	(1.321.516)	(99.376)	278.300	(1.142.592)
Investment properties	269	41	(57)	253
Other non financial assets	(1.677)	1.275	353	(49)
Accounts payable	(32)	26	7	1
Provisions	852	988	(178)	1.662
Other provisions	2.356	(1.113)	(496)	747
Other financial liabilities	6.416	(5.230)	(1.351)	(165)
Employee benefits	675	(3.153)	(142)	(2.620)
Actuarial calculation pensions	(34)	(7)	7	(34)
Provisions	17.549	1.647	(3.696)	15.500
Asset dismantling	24.511	6.967	(5.162)	26.316
Tax losses	14.159	10.463	(2.982)	21.640
Total	$ (1.505.544)	$ (166.189)	$ 317.055	$ (1.354.678)

25.3. Deductible temporary differences not recognized, tax losses not used and tax credits not used –

The balance of tax losses pending to be offset as of December 31, 2018 is as follows:

	Generation year	Original value	Balance for use (1)	Year Expiration
GEB (2)	2.010	14.673	12	Sin limite
	2.011	9.274	11.343	Sin limite
	2.012	67.155	79.711	Sin limite
	2.014	32.480	36.591	Sin limite
	2014 CREE	32.481	36.593	Sin limite
	2.015	113.021	121.023	Sin limite
	2015 CREE	113.794	121.850	Sin limite
CONTUGAS	2.015	18.244	18.244	2.019
	2.016	8.365	8.365	2.020
	2.017	3.919	3.919	2.021
	2.018	6.889	6.889	2.022

(1) Although the total tax losses are $407,123, the balance pending amortization as of December 31, 2018 is only $224,794, given the transition regime established in item 5 of article 290 of the Tax Code (TC), introduced by article 123 of Law 1819 of 2016).

(2) In Colombia, up to year 2016, the value of tax losses was adjusted for tax purposes by the percentage of increase of the value of the Tax Value Unit (UVT).

25.4 Taxable temporary differences not recognized associated to investments and participations – Temporary differences related to investments in subsidiaries, branches and associates and participations in joint venture for which no deferred tax liabilities have been recognized are attributed to the following:

	2018	2017
Local subsidiaries	$ (1.443.271)	$ (1.555.975)
Foreign subsidiaries	(158.595)	(170.842)
Associates and joint venture	(139.321)	(178.817)
Total	$ (1.741.187)	$ (1.905.634)

25.5. Transfer pricing – To the extent that the Company performs operations with related companies abroad, it is subject to regulations that in respect to transfer pricing were introduced in Colombia with laws 788 of 2002 and 863 of 2003. For that reason, the Company made a technical study on the operations carried out during 2016 concluding that there are no conditions to affect the income tax of that year.

As of this date, the Company has not completed the technical study for the operations performed with related parties located abroad during 2018; however, management has made a review and considers that the operations had a similar behavior to those performed during 2017, and thus it considers that there will be no significant impact on the income tax return for tax period 2018.

Peru – The operations between related entities and those carried out through tax havens that correspond to the 2016 period and thereafter no longer have to be supported with a Technical Transfer Pricing Study, but with a sworn local information declaration report, which expiration will occur in the month of April 2018 (operations of 2016 period) and June of every year (operations of 2017 period and thereafter).

In turn, for the operations of the periods of 2017 and thereafter the master sworn information declaration reports and country and country, which forms, deadlines and conditions have not been approved yet by the Tax Administration.

Based on the analysis of the operations of the Company, Management and its legal counsel have the opinion that no liabilities of importance will result for the financial statements as of December31, 2018 and 2017, in respect to the transfer pricing.

Guatemala – The special regulations for valuation of transactions between related parties originally became effective as of January 1, 2013. These regulations establish the obligation to all taxpayers that have transactions with related parties nonresident in Guatemala that impact the taxable base, to determine the prices of those transactions in conformity to the arm's length principle and to document that in a transfer pricing study. However, article 27 of Decree 19-2013 published on December 20, 2013, suspended the application and effectiveness of those standards and established that they will become effective and applicable again as of January 1, 2015.

In Guatemala no transfer pricing study was presented for year 2017, since the companies did not perform transactions with related parties nonresident in Guatemala.

25.6 Significant modification to the income tax regime – In Peru, Guatemala and Brazil there were no significant modifications to the income tax regime that may affect the results of the operations.

In Colombia, on December 28, 2018 Law 1943 was passed, known as the Financing Law, which introduced, among others, the following modifications to the tax regime:

Income and Complementary Tax – The rate on the taxable income is modified for entities in Colombia that have the obligation to file income tax return, to 33% for tax year 2019, 32% for tax year 2020, 31% for tax year 2021, and 30% as of tax year 2022.

The presumptive income base is gradually eliminated applying 3.5% for 2019; 1.5% for 2020 and 2021 and 0% as of 2022.

Companies that have as one of their main activities the holding of securities, investment of shares or participations abroad form a part of the income and complementary tax regime and the new law allows an exemption in the dividends received by foreign entities.

Withholding for dividends or participations received by national companies – As of 2019 the dividends and participations paid or credited on account to national companies resulting from the distribution of profits susceptible to be distributed as nontaxed in the name of the shareholder will be subject to withholding at a special rate of seven and a half percent (7.5%), which will be transferable and imputed to the resident natural person or investor resident abroad.

Dividends susceptible of being distributed as taxed in the name of the shareholder, according to the mentioned regulation, will be subject to the rate of 33% for tax year 2019, 32% for tax year 2020, 31% for tax year 2021 and 30% as of tax year 2022, in which case the income tax withholding on dividends of 7.5% will be applied after deduction of this tax.

26. OTHER LIABILITIES

	2018	2017
Revenues received in advance	$ 96.373	$ 107.821

	2018	2017
Other accounts payable	66.208	71.041
Deposits received by third parties	26.905	24.979
Other liabilities	18.588	1.411
Revenues received for third parties	11.401	12.357
	$ 219.475	$ 217.609
Current	$ 205.892	$ 193.363
Non-Current	13.583	24.246
	$ 219.475	$ 217.609

27. FINANCIAL INSTRUMENTS

Capital risk management **–** The company manages its capital to make sure that it will be able to continue as going concern while the returns of its shareholders are maximized through the optimization of the debt and capital balances.

The capital structure consists of net debt (loans offset by cash and bank balances) and equity of the Company (comprised by issued partnership capital, reserves and accumulated earnings).

The Board of Directors of the Company reviews the Entity's capital structure on a quarterly basis. As part of this review, it considers the cost of capital and the risks associated with each class of capital. The indebtedness ratio is in the 32% - 80% range and is determined as the proportion of net debt and capital. The indebtedness ratio at December 31, 2017 was 64.72% (79.92% in 2015).

Indebtedness ratio – Indebtedness ratio for the reporting period is as follows:

Debt (i)	$ 9.625.802	$ 8.883.761
Cash and cash equivalents	1.128.112	1.569.021
Net debt	$ 8.497.690	$ 7.314.740
Accounting capital (ii)	$ 12.556.451	$ 11.580.469
Net debt to accounting capital ratio	67.68%	63,16%

(i) The debt is defined as long and short term loans (excluding derivatives and financial collateral contracts).

(ii) The accounting capital includes all the reserves and partnership capital of the Company that are managed as capital.

Categories of financial instruments

Assets		
Cash and cash equivalents	$ 1.128.112	$ 1.569.021
Financial assets	40.583	159.601
Accounts receivable	919.183	769.950

	2018	2017
Accounts receivable from related parties	242.360	152.642
At fair value recognized in profit and loss:		
Investments	170	155
At fair value recognized in other comprehensive income:		
Equity instruments classified as at fair value recognized in other comprehensive income	4.214	4.214
Amortized cost:		
Liabilities		
Financial liabilities	9.625.802	8.883.761
Accounts payable	475.955	431.668
Accounts payable to related parties	7	5.604

Management believes that the valuation techniques and the assumptions used are appropriate for the determination of the fair value of financial instruments.

Financial risk management objectives - Exposure to financial risks is monitored continuously, where the net exposures and the extent thereof are analyzed in order to manage them on a timely basis.

As part of the risk management system, different mitigation strategies are evaluated, which include both natural hedges and financial hedges. By using financial hedges, the Company seeks to minimize the effects of these risks through the use of derivative financial instruments to hedge exposure to such risks, duly approved by the Board of Directors, the maximum control body approving the guidelines on which the administration of financial risks is governed.

Market risk - The activities of the Company expose it mainly to financial risks for exchange rates and interest rates, which impact its results. For this reason, as risk management strategy, the company uses natural and financial hedging through the use of derivative financial instruments.

Exchange risk management - The Company performs transactions denominated in foreign currency, therefore it is exposed to exchange rate risk, which is managed through evaluation and implementation of natural and / or financial hedges.

Following are the assets and liabilities in foreign currency as of December 31, 2018 and 2017, respectively:

Figures in millions of Colombian pesos:

	Liabilities		Assets	
	2018	2017	2018	2017
USD (thousands)	770.387	791.190	613.730	597.714
COP (millions)	187.290	162.274	124.968	152.531
PEN (millions)	30.157	15.365	91.602	

Financial derivative instruments in foreign currency - The Company seeks to minimize the effects of exchange rate risk by using derivative financial instruments to hedge exposure, therefore it closes short and long term coverage positions as it considers pertinent.

		Impacto Potencial en el Estado de Resultados Integral		
		2018 COP / MM		2017 COP / MM
1%	$	4.723	$	6.670
5%		23.617		33.349

Additionally, a sensitivity analysis is presented assuming a variation of the Peruvian sol, given the exposure as of December 31, 2018 and 2017, respectively:

		Impacto Potencial en el Estado de Resultados Integral		
		2018 COP / MM		2017 COP / MM
1%	$	1.993,81	$	1.853,14
5%		9.984,05		9.265,72

Contracts on foreign currency - The Company seeks to minimize the effects of these risks through the use of derivative financial instruments to hedge exposure to such risks, duly approved by the Board of Directors, the maximum control body approving the guidelines on which the administration of financial risks is governed.

In order to perform the hedging, the changes in operational and market variables, and the evolution of accounting accounts of the entity are monitored and updated permanently, to ensure that the hedging strategy is aligned to the reality of the Company and the conditions of the market. Likewise, the Company performs hedges to cover the exchange rate risk arising from future transactions.

Hedges were made of the exchange exposure of the Peruvian Sol; the following tables detail the contracts in effect as of December 31, 2018 and 2017, as well as the information on the related entries hedged:

Contracts outstanding	Average exchange rate		Foreign currency		Notional value		Fair value assets (liabilities)	
	2018	2017	2018	2017	2018	2017	2018	2017
Cash flow hedges								
Purchase of US dollars								
3 meses o menos	3.375	-	Soles	-	$ 21,639,973.00	$ -	$ (65,040)	$ -
De 3 meses a más	3.323	3.343	Soles	Soles	126,885,515.01	17,626,566.81	(4,675,792.22)	(455,417.37)

In regard to the analysis of effectiveness of hedging instruments, the Company calculates, for the instruments of medium to long-term, effective at the close of 2018 of 96.5%, a similar level to the close of 2017 96.2%. The main source of ineffectiveness of the coverage in these coverage ratios is the effect of the counterpart product of temporality in the execution of payments and receptions. No other source of inefficiency arose out of these relations of coverage.

Interest rate risk management – GEB is exposed to the interest rate risk arising from variable interest rate debt. Nonetheless, the greater share of debt is at a fixed rate and market variables are permanently monitored with the purpose of implementing risk mitigation strategies on a timely basis.

Interest rate sensitivity analysis – As at December 31, 2018,GEB's debt is fixed-rate, which means that 42% of its debt is variable-rate Following is the potential impact in a year in GEB for a change by 100 points in the interest rates and all other variables had remained constant:

Interest rate variation	Potential impact ind comprehensive financial result (+/-) USD Thousand	Equivalent in thousand pesos
100 pbs	$ 16.831	$ 54.697

Contracts of interest rates swap – According to the interest rates swap contracts, the Company agrees to interchange the difference between the amounts of the fixed and floating interest rate calculated on the amounts of notional capital agreed. Those contracts allow the Company to mitigate the exchange risk in the interest rates on the fair value of exposures of cash flow and debt at fixed interest issued on the debt at variable interest rate issued.

At the closing of December 2018 the Company does not have contracts on interest rates.

Management of liquidity risk – The board of directors has the final responsibility for the liquidity management. The board of directors has established a proper work framework for the management of liquidity in such a way that the Company's management may manage the short-, medium- and long-term financing requirements, as well as the management of the Company's liquidity. The Company manages the liquidity risk by maintaining adequate reserves, financial and loan facilities, monitoring constantly the forecasted and actual cash flows and reconciling the expiration profiles of financial assets and liabilities.

Interest and liquidity risk tables - The following tables detail the projected non-derivative financial liabilities with agreed payment periods. The tables have been designed based on the undiscounted cash flows of financial liabilities per the most recent date on which GEB companies shall make payments. They include both cash flows of interest and principal. To the extent that the interest is at variable rates, the undiscounted amount is derived from the curves in the interest rate at the end of the reporting period. The tables include both the cash flows of interest and of principal. To the extent that the interest is at the variable rate, the amount not discounted derives from the curves in the interest rate at the end of the reporting period. The contractual maturity is based on the minimum date on which the Company should make the payment.

COP Million	Weighted average effective interest rate %	Less than 1 month	Over 1 to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
31 de December de 2018							
Accounts payable		$ -	$ -	$ 475.955	$ -	$ -	$ 475.955
Liability from finance lease – GEB	DTF + 3.75 Ptos	115	347	1.443	7.937	-	9.842
Foreign Development Banks		-	-	44.751	22.377	-	67.128
Bonds issued T1	IPC + 3.19	-	-	-	187.000		187.000
Bonds issued T2	IPC + 3.85	-	-	-	-	283.000	283.000
Bonds issued T3	IPC + 4.04	-	-	-	-	180.000	180.000
Bonds issued T4	IPC + 3.19	-	-	-	130.200	-	130.200

COP Million	Weighted average effective interest rate %	Less than 1 month	Over 1 to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Bonds issued T5	IPC + 3.85	-	-	-	-	191.700	191.700
Bonds issued T6	IPC + 4.10	-	-	-	-	328.100	328.100
Syndicated loan GEB	Libor + 2.15 Ptos	-	-	-	2.337.299	-	2.337.299
Bonds TGI	5.70%	-	-	-	-	2.423.184	2.423.184
Syndicated bank loan merger IELAH	Libor + 2.25%	-	-	128.249	-	-	128.249
Liability from finance lease TGI	DTF + 2.9 ptos - 6.75% EA	-	-	12.140	26.069	-	38.209
Obligaciones financieras Contugas	5.07%	-	-	1.197.221	-	-	1.197.221
International Bond Calidda	4.375% SV anual dólares	-	-	45.497	1.199.158	-	1.244.655
Local Bond Calidda	6.46875% anual soles	-	6.220	6.220	49.770	254.563	316.773
Scotiabank	4.75% anual	-	-	49.201	227.512	-	276.713
BCP Promissory Note	2.95% anual	-	49.100	-	-	-	49.100
Citibank N.A TRECSA	5.14%	-	-	-	-	268.592	268.592
Citibank N.A EEBIS GT	4.68%	-	-	25.998	-	129.990	155.988
31 december 2017							
Accounts payable	-	$ -	$ -	$ 431.668	$ -	$ -	$ 431.668
Liability from finance lease - GEB	DTF + 3.75 Ptos	27	86	237	8.708	616	9.674
Exterior bank		-	-	21.314	127.887	-	149.201
Bonds issued T1	IPC + 3.19	-	-	-	187.000	-	187.000
Bonds issued T2	IPC + 3.85	-	-	-	-	283.000	283.000
Bonds issued T3	IPC + 4.04	-	-	-	-	180.000	180.000
Bonds issued T4	IPC + 3.19	-	-	-	130.200	-	130.200
Bonds issued T5	IPC + 3.85	-	-	-	-	191.700	191.700
Bonds issued T6	IPC + 4.10	-	-	-	-	328.100	328.100
Syndcated loan GEB	Libor + 2.15 Ptos	-	-	-	2.434.063	-	2.434.063
Bonds TGI	5.70%	-	-	-	-	2.232.937	2.232.937
Syndicated bak loan merger IELAH	Libor + 2.25%	-	-	-	246.910	-	246.910
Liabiity from finance lease TGI	DTF + 2.9 ptos - 6.75% EA	-	-	5.147	17.041	11.921	34.109
Oblgations Contugas	5.07%	-	-	40.585	1.122.062	-	1.162.647
International Bond Calidda	4.375% SV anual dólares	-	-	41.776	167.104	975.768	1.184.648
Scotiabank	4.75% anual	-	-	-	254.085	-	254.085
Citibank N.A TRECSA	5.14%	-	-	1.302	-	246.628	247.930
Citibank N.A EEBIS GT	4.68%	-	-	-	-	143.232	143.232

The amounts represent the accounts payable of the agreements which expirations are in their sequence within the cash flow these being the maximum values that the Company could be forced to settle under agreements of the total guaranteed amount, according to their expiration.

This estimate is subject to change, depending on the likelihood that the flow and / or the fluctuation of the variables favor completion in advance of any of the contracts.

Fair value of financial instruments **-** This note provides information about how GEB determines fair values of the various financial assets and liabilities.

Fair value of financial assets and liabilities of the Company measured at fair value on a recurring basis - Some of the assets and liabilities of GEB are valued at fair value at the end of each period. The following table provides information on how are fair values of financial assets and financial liabilities determined (in particular, the valuation technique(s) and input data used).

Financial assets/ liabilities	Fair value (COP Million)	Fair value hierarchy	Valuation technique(s) and main input data	Financial assets/ liabilities
1) Investment / Concentra	$ 171	$ 155	Nivel 2	The intrinsic value was used as source of fair value because this financial instrument is not traded in an active market.
2) Equity instruments	$ 4.214	$ 4.214	Nivel 1	Bidding prices quotes in an active market.

Fair value of financial liabilities of the Company that are measured at fair value (but disclosures of fair value are required)	**2018**		**2017**	
	Carrying Value	**Fair Value**	**Carrying value**	**Fair value**
Amortized cost:				
Accounts Payable	$ 475.955	$ 475.955	$ 431.668	$ 431.668
Financial liabilities	9.625.802	9.484.423	8.883.761	9.240.275
Total	$ 10.101.757	$ 9.960.378	$ 9.315.429	$ 9.671.943

	Fair value hierarchy at December 31,2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Accounts receivable from customers and other accounts receivable	$ -	$ -	$ 475.955	$ 475.955

	Fair value hierarchy at December 31,2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments at maturity	6.144.080	297.120	3.043.223	9.484.423
Total	$ 6.144.080	$ 297.120	$ 3.519.178	$ 9.960.378
Financial liabilities				
Bank loans at fixed Interest rate	$ -	$ -	$ 431.668	$ 431.668
Loans from other entities	3.611.690	1.647.134	3.981.451	9.240.275
Total	$ 3.611.690	$ 1.647.134	$ 4.413.119	$ 9.671.943

28. SHAREDHOLDERS' EQUITY

Capital- Authorized capital of the parent is 44.216.417.910 shares, par value $53,60 each, out of which 9.181.177.017 shares were subscribed and paid at December 31, 2018 and 2017, allocated as follows:

	2018		2017	
	Shares	**%**	**Shares**	**%**
Bogotá Distrito Capital	6.030.406.241	65,68	7.003.161.430	76,28
Fondo de Pensiones Obligatorias Porvenir Moderado	839.336.163	9,14	671.477.238	7,31
Fondo de Pensiones Obligatorias Protección Moderado	595.467.196	6,49	482.641.626	5,26
Corporación Financiera Colombiana S.A	475.298.648	5,18	327.150.500	3,56
Fondo de Pensiones Obligatorias Colfondos Moderado	219.676.635	2,39	192.884.105	2,10
Other	1.020.992.134	11,12	503.862.118	5,49
	9.181.177.017	100.00%	9.181.177.017	100.00%

Additional paid-in capital – Generated mainly by the issuance and placement of shares made by the Company in 2011.

Issuance of shares - On August 9, 2011, the Extraordinary General Shareholders' Meeting No. 60 authorized the issuance of shares for up to COP1 trillion, and ordered the management to advance the law procedures for the issuance of new shares. On September 29, 2011, the Board of Directors, in its meeting No. 1481, approved the shares issuance and placement regulation, and on October 6, 2011, the issuance and placement public offering notice was published. The process of issuing the shares ended on November 2, 2011 with the award of 594.020.517 ordinary shares for a placement total amount of $772.226. The value per share was $1.300 with par value of $ 53,60 each.

Legal reserve – According to the Colombian law, the Company shall transfer at least 10 % of its annual profits to a legal reserve, until it is equal to 50% of the subscribed capital. This reserve is not available for distribution, but can be used to absorb losses.

Reserve for rehabilitation, expansion and replacement of systems – For the earnings of taxable year 1997 to enjoy the exemption from income tax of Article 211 of the Tax Statute, they were appropriated as a reserve for the rehabilitation, expansion and replacement of the systems for provision of public household utilities.

Equity method reserve – A reserve is created of the profits generated by the application of special valuation methods of investments under the equity method.

Occasonal reserve Article 130 of the TC – In order to comply with article 130 of the Tax Code by excess of tax depreciation deductible from the income tax.

Other occasional reserves – The Company has not distributed as earnings in favor of the shareholders the earnings obtained from the exchange difference (net), which generate from accounting movements and have not been realized as effective earnings.

Distribution of dividends – According to meeting minutes number 81 of 22 March 2018 of the Annual General Meeting a decision was made to decree dividends per share outstanding to the value of $1,055,835.

According to the provisions in Minutes 76 of March 30, 2017, the General Stockholders' Meeting resolved to decree dividends per outstanding share of $908,936.

29. REVENUES

Disaggregation of Revenues –

	2018	2017
Transportation of natural gas	$ 1.312.833	$ 1.221.394
Transmission of electricity	447.873	339.347
Distribution of Gas:		
Industrial	559.029	524.236
NGV	422.486	409.679
Generators	403.357	376.096
Residential	124.618	95.478
Commercial	30.410	27.254
Other customers	12.813	-
Connection Fees:		
Residential	26.914	24.416
NGV	4.989	9.882
Industrial	2.872	3.501
Commercial	1.813	2.556
Generators	1.556	1.911
Internal Installations:		
Residential	175.866	140.493
Commercial	5.483	3.456
Industrial	2.830	-
Sale of Materials:		
Contractors	41.793	1.562
Relocations of natural gas networks		
Urban projects	17.631	20.840
Enabling and Maintenance	6.202	5.727
Suspension and Reconnection	4.230	4.395

	2018	2017
Financing:		
Internal Installations Residential	3.515	3.291
Internal Installations Commercial	5.620	2.752
Constructors:		
Residential	8.811	3.302
Revenues from Expansion of Main Network	378.210	356.557
	$ 4.001.754	$ 3.578.125

30. COST OF SALE

	2018	2017
General (1)	$ 1.980.084	$ 1.726.423
Depreciation	277.984	261.888
Personal services	175.131	151.310
Provisions and impairment	136.028	20.474
Amortization	119.347	138.788
Contributions and fees	70.344	56.483
Taxes	23.406	28.203
Contributions	22.676	18.258
Public utilities	6.601	6.548
	$ 2.811.601	$ 2.408.375

(1) General:

	2018	2017
Fees	$ 1.113.897	$ 1.213.559
Installation, maintenance and transportation	628.650	338.769
Operating	158.107	128.843
Advertising	8.660	8.015
Other	70.770	37.237
	$ 1.980.084	$ 1.726.423

31. ADMINISTRATION EXPENSES

	2018	2017
General	$ 74.541	$ 33.888
Taxes, contributions and encumbrances	44.285	45.950
Personal services	43.010	37.117
Contributions	11.515	8.886
Depreciation	4.075	4.899
Provisions	3.271	5.873
Amortization	959	797
	$ 181.656	$ 137.410

32. OTHER REVENUES (EXPENSES)

	2018	2017
Recovery of provisions and impariment	$ 142.239	$ 15.393
Dividends - Promigas	71.587	-
Fees, commissions and services	28.388	10.583
Indemnifications	12.018	5.307

	2018	2017
Engineering activities	15.142	4.881
Other extraordinaries	25.520	34.957
Rents	53	54
Loss in sale or derecognition of assets	(950)	(1.251)
	$ 293.997	$ 69.924

33. FINANCIAL REVENUES

Interests	$ 86.053	$ 119.786
Income from valuation of hedging operation	10.497	14.884
Other	7.164	54.688
Income from appraisal of investments	1.475	7.311
Dividends from equity investments	78	7.342
	$ 105.267	$ 204.011

34. FINANCIAL EXPENSES

Interests	$ 523.676	$ 467.987
Commissions	14.069	54.971
Loss on valuation of hedging operation	-	25.631
Other	1.312	49.081
	$ 539.057	$ 597.670

35. TRANSACTIONS WITH RELATED PARTIES

The balances and transactions between the Company and its subordinated companies, which are related parties, have been eliminated in the consolidation and are not disclosed in this note. Transactions between the Entity and other related parties are disclosed below.

Commercial transactions – During the year, the entities performed the following commercial transactions with related parties, which are not members of the Company:

	Revenues		Dividends		Costs and expenses:	
	2018	2017	2018	2017	2018	2017
Codensa S.A. E.S.P.	$ -	$ -	$ 228.404	$ 273.030	$ 656	$ 913
Emgesa S.A. E.S.P.	417	638	324.541	275.075	3.204	4.142
Gas Natural S.A. E.S.P.	476.306	420.958	59.147	68.756	30.699	31.639
Promigas S.A. E.S.P.	-	-	80.404	-	-	13
Red de Energia del Perú S.A.	-	-	64.702	46.600	-	-
Consorcio Transmantaro S.A.	-	-	74.148	-	-	-
ISA	-	-	-	7.232	-	-
Electrificadora del Meta - EMSA	-	-	3.123	5.567	-	-
	$ 476.723	$ 421.596	$ 834.469	$ 676.260	$ 34.559	$ 36.707

The following balances were due at the end of the reporting period:

	Amounts Due from related parties 2018	Amounts Due from related parties 2017	Amounts Due from related parties 2018	Amounts Due from related parties 2017
Codensa S.A. E.S.P.	$ 55.674	$ 48.009	$ -	$ -
Emgesa S.A. E.S.P.	79.574	67.077	7	-
Gas Natural S.A. E.S.P.	66.456	-	-	-
Gebras – Neg. Conj.	31.320	35.025	-	-
Trecsa - Edemtec	-	2.241	-	-
EEBIS GT	-	-	-	2.241
Promigas	9.336	-	-	-
Otros	-	290	-	3.363
Corriente	$ 242.360	$ 152.642	$ 7	$ 5.604

Compensation of key management personnel - Compensation to the management and other key members of management during the year was as follows:

	2018	2017
Short-term benefits	$ 28.865	$ 23.503

Compensation to management and key executives is determined by the compensation committee based on performance of the individuals and market trends.

36. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingencies

Contingencies **–** As of December 31, 2018 and 2017, the value of claims against the Company for administrative, civil and labor litigations amount to $19,662 and $14,343, respectively. Based on the evaluation of the probability of success in the defense of these cases, the Company has provisioned $6,465 and $7,233 to cover the probable losses for these contingencies.

The Company's management, with the contribution by its external counsel has concluded, that the result of the processes corresponding to the part not provisioned will be favorable to the interest of the Company and will not cause liabilities of importance that should be accounted for or that, if they result, will not affect significantly the Company's financial position.

1. Court processes that because of their probability of being resolved with unfavorable judgment to GEB are rated as "provisioned", which are summarized as follows:

Type of process	Number of processes GEB	Total value	Number of p Processes VT	Total value VT	Total value
Labor	47	$ 4.552		$ -	$ 4.552
Civil	-	-	2	858	858
Administrative	1	42	4	1.013	1.055
Totals	48	$ 4.594	6	$ 1.871	$ 6.465

2. Court processes that because of their probability of being resolved with unfavorable judgment to GEB are rated as *"contingent liability"*, since the information that is available is not reliable and sufficient to determine the course of the process, which are summarized as follows:

Type of process	Number of processes GEB	Total value	Number of processes VT	Total value VT	Total value
Labor	$ 9	$ 1.439	2	$ 377	$ 1.816
Civil	-	-	4	1.744	1.744
Administrative	-	-	4	9.637	9.637
Totals	$ 9	$ 1.439	10	$ 11.758	$ 13.197

3. Processes classified as probable, that are not included in the provisions since they correspond to ordinary labor processes filed by recipients of pension, for the reestablishment of the extralegal benefits eliminated in direct application of Legislative Act 01 of 2005. They are classified as probable unfavorable judgement, which are included in the provision of the actuarial calculation:

Type of process	Number of processes	Total value
Provision	8	$ 437

4. Court processes that because of their probability of being resolved with favorable judgment are rated as "Remote":

Type of process	Number of processes	Total value
Civil	10	$ -
Administrative	9	-
Totals	19	$ -

Class and group actions – As of this date the following class and group actions filed are underway:

- In the 5th Administrative Court of the Circuit of Bogota a group action is underway in which Orlando Enrique Guaqueta, Miguel Ángel Chávez and others (Muña) act as plaintiffs. The claim of the plaintiffs amounts to the sum of 200 minimum monthly legal salaries in effect (COP $781,242 for 2018) for each one of the 3240 plaintiffs that claim affectations to the environment and to the health by contamination of the reservoir. Currently is in the first instance courts for distribution to recognize the legal status of the attorneys of the parties. It should be emphasized that the court process is in the courts of first instance since 2001 and consequently, it is not anticipated that it will have any significant process in view of the fact, among others, of the large number of plaintiffs. (Case file 2011-096).

- In the Administrative Court 1 of the Circuit of Zipaquirá a class action is underway in which Helga Adriana Knepper acts as plaintiff, whose claim is that the judge declares that EMGESA, GEB and the municipalities of Gachala and Gama repair the road that communicates those municipalities (Case File 2014-551).

- In the Council of State – First Section with Reporting Councilmen Oswaldo Giraldo Lopez – a Class Action is underway (in second instance) in which the People's Advocate of the Quindio Regional acts as plaintiff, and its claim is that the court orders the suspension of the Project UPME 05-2009 (Armenia) since they consider that the collective rights to the environment, the administrative morality, the existence of the ecological balance, among others, have been violated. Currently it is pending to be resolved in second instance judgment.

  In the first instance it was indicated that there is indeed the presumptive violation of the collective rights but the Judge refrain from suspending the electric transmission project, subjecting any measure to the especial verification by the environmental authorities of the existing or not of water sources. Currently it was determined by the environmental authorities that there are no water sources in the zones covered by the project, and for this reason we contributed that information to the Council of State, which is about to make a decision based on this in the second instance (File Case 2014-222).

- In the Administrative Court of Risaralda there is a class action being heard filed in 2015 by the People's Advocate of the Risaralda Regional, which claim (non-economic) is to order the suspension of the Project UPME 05-2009 (Armenia) since they consider that the collective rights to the environment have been violated, as well as the administrative morality, the existence of the ecological balance, among others. Currently is in the evidentiary phase at the lower court pending receipt of the testimonies from the GEB engineers.

  Taking into account that the tests ordered were only the testimonies of the engineers, there is probability that a judgment will be passed in the medium term. The court dismissed the requests for precautionary measures requested by the plaintiffs. Thus, we estimate that the action has good probabilities of being resolved in our favor (Case File 2015-038).

- Before the fourth Administrative Verbal Court of Decongestion of Pereira – Risaralda there is a class action in course in which Ms. Magnolia Salazar de Sanchez and others are the plaintiffs, whose claim is that the company be declared responsible for the damages to the environment and property damages (devaluation of the property-depreciation and commercial value of the easement) suffered by each one of the members of the group on occasion of the "arbitrary and unfair" valuation of the damages generated by the imposition of the easement for conduction of electric power – Project UPME 05-2009 (Case File 2015-307).

- Before the Administrative Court of Cundinamarca a class action has been filed by the plaintiff Lina Paola Robles, in her capacity as Overseer of the Municipality of Gachancipa, against ANLA, UPME, CAR and GEB in order to avoid the construction of the substation of the project Chivor Norte BACATA, claiming violation to the collective right to enjoy a healthy environment in relation to life (Case File 2016-103).

- Before the Administrative Court of Cundinamarca a class action is being heard the plaintiff of which is Jose Arturo Torres Conde, against ANLA, UPME, CAR and GEB in order to avoid the construction of the substation of the project UPME 01-2013 Sogamoso Norte, claiming violation to the collective right to enjoy a healthy environment in relation to life (Case File 2016-1489).

- Before the Administrative Court of Cundinamarca a class action is being heard the plaintiff of which is the Citizen Overseer Colombia Prospera y Participativa, against GEB in order to avoid the construction of the substation in the lot Gachancipa, of the Project UPME 01-2010 - Norte (Case File 2017-061).

- In class action No. 4883/1993, filed against GEB, EMGESA and others by the citizen Gustavo Moya Angel and others, the Council of State issued its final ruling on March 28, 2014. The obligations imposed to the GEB are not quantifiable, since they are obligations to do and their associated costs will only be known as the relevant actions progress and the hearings for verification of the fulfillment of the judgment have been held in the Administrative Court of Cundinamarca.

- Before the Second (2) Civil Court of the Circuit Specialized in Restitution of Land of Cali there is request in progress for Restitution of Territorial Rights requested by the Special Administrative Unit of Management of Restitution of Land Dispossessed – Territory of Valle del Cauca and Coffee Growers Area, on behalf and in representation of the Indigenous Community KWET WALA located in the Municipality of Pradera (Valle del Cauca), requesting the extension of their collective territory and where land where easements are required for the layout of the Project "Tesalia-Alferez" would be affected, is in process of connection and notification to the defendants (Case File 2018-0037)

- In the Administrative Court of Cundinamarca is being heard a Class Action in which the plaintiff is the Citizen Overseer Colombia Prospera y Participativa, against ANLA, UPME, CAR CODENSA and GEB in order to avoid the performance of the project UPME 03-2010 – called "Norte", claiming violation of the collective right to enjoy a healthy environment in connection to life (Case File 2018-464).

- In the Administrative Court of Cundinamarca -First Section- is underway the process of "Prior Review of Constitutionality" of People's Referendum, on account of the case initiated by the Mayor of the Municipality of Tabio (Cundinamarca), whereby they oppose to the execution of the Project High Tension and Construction of the Transmission Line Chivor – Chivo II – Norte Bacata at 230 KW, Project UPME 03-2010, of GEB and claims the declaration of constitutionality of the participation mechanism (Filed of Case File 2018-746, Reporting Judge Felipe Alirio Solarte).

- As of December 31, 2018, the Company has established an arbitration court with the Group Enel in order to settle the differences related to the distribution of profit and the renewable energy business; said process is not quantified.

Transportadora de Gas Internacional S.A. E.S.P – As of December 31, 2017 Empresas Publicas de Medellin S.A. ESP has accounts receivable generated by the objected charges for $27,973 and accounts payable generated by objected charges for $9,223 and ISAGEN S.A. E.S.P., has accounts receivable generated from the objected charges for $37,615; generated by the partial or total values objected in favor or against of the invoices issued by TGI, by having differences in respect to the regulation where contractual discrepancies are generated.

As of December 31, 2018, ISAGEN S.A. E.S.P., has values objected for $38,337, and Empresas Públicas de Medellin S.A. ESP does not have any objected values; result of the arbitration ruling made in the month of August 2017 between the two parties.

Contingencies – As of December 31, 2018 and December 31, 2017, the value of the claims against TGI for administrative, civil and labor litigations amounts to $193,928 and $41,782, respectively. Based on the evaluation of the probability of success in the defense of these cases, TGI has provisioned $16,045 and $17,809 as of December 31, 2017 to cover the probable losses for these contingencies.

The Management of TGI with the participation by the external counsel has concluded, that the result of the processes corresponding to the part not provisioned will be favorable to the interest of TGI and will not cause liabilities of importance that should be accounted for or that, if they do result, they will not significantly affect the financial position of TGI.

1. Processes classified as possible and remote that are not included in the provision:

Type of processes	Number of processes	Total value	
Possible			
Administrative (1)	16	$	162.944
Civil	5		7.739
Labor	8		1.889
Remote			
Administrative	2		4.734
Labor	2		43
	33	$	177.349

(1) In the Administrative Court of Boyaca an administrative contractual action from Bellelli Engineering SPA Sucursal Colombia is being processed against TGI, the claim of the plaintiffs amounts to the sum of COP $151,967 for year 2018, requesting the court to declare the illegality of the termination of contract No. 750759 and to indemnify plaintiffs for the corresponding damages generated by it (Filed 2017-988).

Transportadora de energía de Centroamérica S.A. E.S.P – Following is a detail of the most important legal processes that the Company has as of December 31, 2018:

- Relief for the protection of rights against Transportadora de Energía de Centroamérica, S. A. in order to prevent the construction of the towers that go through Rio Dulce on the part of the Community Council of Development of Second Level of the Village Frontera de Rio Dulce. This action was admitted for its process and consequently the suspension of the works was ordered in the area called Parque National Rio Dulce. The provisions protection was appealed and is in process before the Constitutional Law. For this case there is no estimated amount of loss if it existed.

- Complaint against the company for the labor payment for the rendering of services to TRECSA, related to the social actions, nevertheless, the relation between the latter and the Company was one of a commercial type relation. The Company has presented several recourses and as of this date the first hearing is pending to be held. As of this date the amount of the complaint has not been estimated.

- EDEMTEC, the main supplier of Civil Works for the project PET, currently has an intervention by the state of Guatemala.

As of December 31, 2018, the company has underway the administrative process to obtain municipal endorsements and authorizations for rights of way of the following municipalities:

2018	
Municipality	**Situation**
Cantel	Municipality refuses to give endorsement. The Municipality still has not resolved the restitution appeal presented by TRECSA.

2018	
Municipality	**Situation**
Sololá	The Municipality still has not resolved the restitution appeal. A new request was filed, pending resolution (only for LT)
San Francisco El Alto	Pending endorsement. The side road must be redefined in order not to go through a conflictive community.
Sumpango	Pending endorsement. Pending to define what social project will be made, since progress has been made in the rights of way, delivery of all rights of way created pending to grant the endorsement.
Cantel	Municipality refuses to give endorsement. The Municipality still has not resolved the restitution appeal presented by TRECSA.
Nebaj	Pending endorsement, conversations have been held with Municipalities to continue with the negotiation process.
Sololá	The Municipality still has not resolved the restitution appeal presented.
Antigua	Pending endorsement. A negotiation is being made with owners of a specific farm in order that the rights of way affect only this land.
Olintepeque	Pending endorsement
Santa Cruz Barillas	Pending endorsement. Conversations were held with the Municipality, but they state that they will not give endorsement due to the opposition of the community.

37. REPORTING SEGMENTS

Products and services from the segments of which revenues are derived - The main segments identified for Grupo Energia de Bogota in accordance with the management's information requirements and in accordance with IFRS 8, are:

Ordinary Activities

- Electric Power Transmission
- Natural Gas Transportation
- Electric Power Distribution
- Natural Gas Distribution
- Other activities and services

- Electric Power Transmission: Electric power transportation service through high-tension networks, plus the services of connection to the National Transmission System, and coordination, control and supervision of the operation of the transmission assets.

- Natural Gas Transportation: Gas transportation service through pipelines towards the cities for household, industrial or vehicular consumption.

- Electrical power distribution: Energy supply service from a distribution substation towards the users, covering the household, and commercial and industrial markets.

- Natural Gas Distribution: Natural gas supply service for distribution from a distribution substation through networks, delivering the gas to each user, covering the household, commercial, industrial and vehicular markets.

- Other activities and services: Include services of engineering, rentals and activities related to the electric power and natural gas services.

Information on reporting segments of the Company is shown as follows:

Revenues and income per segment **-** The following is an analysis of the revenues and results of the ongoing operations per reporting segment:

	Revenues per segment		Income per segment	
	2018	**2017**	**2018**	**2017**
Electric power transmission	$ 447.873	$ 339.347	$ 226.689	$ 149.894
Natural gas transportation	1.312.833	1.221.394	742.890	730.267
Natural gas distribution	2.241.048	2.017.384	220.574	289.589
Total Revenues / Income per segment	$ 4.001.754	$ 3.578.125	$ 1.190.153	$ 1.169.750
Share in results of associates			$ 1.055.060	$ 1.029.542
Other activities and services			293.997	69.924
Financial revenues			105.267	204.011
Corporate administrative costs and management personnel salaries			(181.656)	(137.410)
Financial costs			(591.359)	(633.667)
Income before income tax			$ 1.871.462	$ 1.702.150

The revenues reported in the above paragraphs represent those generated for rendering the services. No sales between segments were reported during the current year or the prior year.

The accounting policies of the reporting segments are the same accounting policies of the Entity as described in Note 1. Income per segment represents the income obtained by each segment, without assigning the corporate administrative costs and salaries of management personnel, the share in result of associates, revenues from investments, financial costs and income tax expense. The above represents the valuation reported to the officer taking operating decisions for purposes of allocation of resources and assessment of the segment performance.

38. COMMITMENTS

Contugas S.A.C. **-** As of December 31, 2018, the Company has executed 71 contracts (61 contracts as of December 31, 2017) for supply of natural gas with industrial customers of the zones of Pisco, Chincha and Ica, for an average monthly consumption of 119.11 standard cubic meters per day (116.81 as of December 31, 2017). Those contracts contemplate the payment of a connection right. Thus, as of December 31, 2018, of the 71 contracts executed the qualification of 51 industrial customers has been made and it is expected to conclude with the qualification of the remaining 20 during 2019 and 2010.

In order to guarantee obligations with suppliers, financial institutions and regulatory entities, the Company has granted performance bonds from banking institutions for an amount of USD 26 million (USD 25 million as of December 31, 2017).

Gas Natural de Lima y Callao S.A.

Performance bonds and guarantees posted – In order to guarantee obligations, the Company has posted performance bonds from banking institutions for an amount (in thousands) of US $8,554 (in thousands) US %3,478 as of December 31, 2017).

Transportadora de energía de Centroamerica S.A. E.S.P – The most important commitments contracted by the Company for the construction of the network system for transmission of power and electric energy awarded, are the following:

a. *Letters of credit issued in favor of the Ministry of Energy and Mines* – MEM that guarantee the fulfillment of the contract with the lots awarded:

Issuing Entity / No.	**Amount in US$**	**Issue date**	**Expiration date**
Banco Industrial, S. A.			
SED-2018/00057	13,639,000	13-Oct-2018	13-Feb-2021
SED-2018/00058	13,639,000	13-Oct-2018	13-Feb-2021
SED-2018/00059	6,819,500	13-Oct-2018	13-Feb-2021
SED-2018/00060	5,455,600	13-Oct-2018	13-Feb-2021
	39,553,100		

b. *Contracts executed -* As of December 31, 2018, the Company maintains in effect the following contracts relevant for obtaining services (Current amounts pending to execute):

Name of contractor / Brief description of contractor	**Amount US$**
EDEMTEC, S. A. – Contract No. 19 for performance of works that form part of the project P-01-2009, executed on Jun3 22, 2011 and effective for 26 months.	
In order to expedite the progress of the work to reach the milestones established in the Execution Program of the Works Authorization Contract executed with the Ministry of Mines and Energy of Guatemala, in October 2018, it started conciliation with Edemtec, S.A. to perform the project of liquidation of contract No. 19.	174,488,468
Siemens, S. A. – Siemens Innovaciones S. A. de C.V. – OC 82 for the design, manufacture and supply tests for PET 1-2009.	18,896, 353
SIEMENS: supply of control, protection, measurement, communications system and engineering development for this system, for substations Las Cruces 230 kW.	1,008,000

39. SUBSEQUENT EVENTS AFTER REPORT DATE

Grupo Energía Bogotá S.A. E.S.P (Separate) - Grupo Energía Bogotá S.A. E.S.P. (GEB) and Electro Dunas Cayman Holdings Ltd., a subsidiary of Blue Water Worldwide (BWW), a private equity fund based in New York reached and an agreement whereby GEB agrees to present a public offer of acquisition in the Stock Exchange of Lime for 100% of the shares of Dunas Energia S.A.A. (DESAA), who in turn holds 99.96% of the shares of Electro Dunas S.A.S. In addition, GEB and PPC Cayman Holdings, another subsidiary of BWW, reached an agreement for the acquisition by GEB of 100% of PPC Peru Holdings S.R.L. and Catalloc Peru Holding S.R.L.

These agreements are subject to the compliance with usual terms and conditions for this type of transactions including, among others, the authorization by the Institute of National Defense of the Competence and Intellectual Property in Peru. In turn, the effective closing of the acquisition of the shares of DESAA will depend on the success of the public offer to be presented by GEB in the Stock Exchange of Lima to carry out said acquisition on the basis of the agreement executed.

***Gas Natural de Lima y Callao S.A.* –** With date January 21, 2019 an affiliate of the Company is created and registered in the registration office of Lima, as per entry bbNo. 14224628, an affiliate of the Company named Calidda Energia S.A.C. The economic activity of Calidda Energia S.A.C. consists mainly in the activity of distribution and commercialization of oil and gas, activity of distribution, transmission, generation, cogeneration and commercialization of energy, as well as activities connected and/or related to that activity. This operation does not generate any impact on the financial statements.

***Transportadora de energía de Centroamerica S.A. E.S.P* –** On January 15, 2019, the Constitutional Court of Guatemala declared admitted the unconstitutionality action presented against Government Agreement 145-2013 which effect is the elimination of that agreement from the national legislation, whereby the administrative act where the President of the Republic of Guatemala in a Council of Ministers declared the national urgency and public need of the expansion plan of the electric energy transportation system (PET) is annulled, which does not affect the financial statements as of December 31, 2018 of the Company; in the sense that said resolution did not vary the contractual conditions of the project PET-2009, and neither has a legal effect on the incorporation bylaws of the company and its infrastructure.

The continuity of the project PET-2009 has its legal support on article 129 Constitutional that provides: "The electrification is declared as national urgency based on plans formulated by the State and the Municipalities, in which the private sector may participate".
