Grupo Energía Bogotá S.A. E.S.P. and its Subsidiaries (Formerly Empresa de Energía de Bogotá S.A. E.S.P. and its Subsidiaries)

Consolidated Financial Statements for the years ended December 31, 2017 and 2016, and Statutory Auditor's Report.

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STATUTORY AUDITOR´S REPORT

To the Shareholders of
GRUPO ENERGÍA BOGOTÁ S.A E.S.P. AND ITS SUBSIDIARIES (formerly Empresa de Energía de 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 (formerly Empresa de Energía de Bogotá S.A. E.S.P. and its Subsidiaries), which comprise the consolidated statement of financial position at December 31, 2017, and the consolidated statement of income and other comprehensive income, statement of changes in net equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility on the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Financial and Accounting Reporting Standards accepted in Colombia, and for such internal control as management considered relevant for the preparation and fair presentation of the consolidated financial statements that are 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.

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 about whether the consolidated financial statements are free from material misstatement. An audit consists in performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on the auditor's professional judgment, including assessment of the risks of material misstatement in the consolidated 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.

I believe that the audit evidence obtained provides me with a reasonable basis for expressing my opinion.

Opinion

In my opinion, the attached consolidated financial statements, present fairly, in all material respects, the financial position of GRUPO ENERGÍA BOGOTÁ S.A E.S.P. AND ITS SUBSIDIARIES (formerly Empresa de Energía de Bogotá S.A. E.S.P. and its Subsidiaries) at December 31, 2017, and the results of its operations and its cash flows for the year then ended, in accordance with Financial and Accounting Reporting Standards accepted in Colombia.

Emphasis of Matter

Without modifying my audit opinion, I want to draw attention on Note 5 to the attached consolidated financial statements, in respect to the fact that the Company determined the need to record the adjustments in retained profits and other comprehensive income at December 31, 2016 for $690,971 million, originated in the application of the advance adoption of IAS 27 related to the recording of the equity method in investments in associates. The consolidated financial statements previously issued for the year ended on December 31, 2016 had been retroactively restated to reflect those adjustments as if they had been made on that dated.

Other Matters

The consolidated financial statements at December 31, 2016 previously reported, and before the adjustments described in Note 5 to the attached consolidated financial statements, were audited by another statutory auditor designated by Deloitte & Touche Ltda., who issued his opinion dated February 23, 2017 without qualifications.

As part of my audit of GRUPO ENERGÍA BOGOTÁ S.A E.S.P. AND ITS SUBSIDIARIES (formerly Empresa de Energía de Bogotá S.A. E.S.P. and its Subsidiaries), for the year ended on December 31, 2017, I have also audited the adjustments that are described in Note 5 to the attached consolidated financial statements, which were made in order to restate the consolidated Statement of Financial Position at December 31, 2016. In my opinion, such adjustments are appropriate and have been adequately applied.

English Traslation

These consolidated financial statements and notes to the consolidated financial statements were translated into English for the convenience of readers outside Colombia from financial statements originally issued in Spanish. The consolidated financial statements are presented on the basis of Financial and Accounting Reporting Standards accepted in Colombia. Certain accounting principles in Colombia may not conform with Generally Accepted Accounting Principles in other countries.

Jaime Vargas

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

February 15, 2018.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES (Formerly Empresa de Energía de Bogotá S.A E.S.P and its Subsidiaries)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT DECEMBER 31, 2017 AND 2016
(In millions of Colombian Pesos)

ASSETS	December 31 2017	December 31 2016 (Restated)	January 01 2016 (Restated)
CURRENT ASSETS:			
Cash and cash equivalents (Nota 8)	$ 1.569.021	$ 1.341.886	$ 872.430
Financial assets (Nota 9)	145.540	207.253	275.962
Accounts receivable (Nota 10)	543.917	504.800	487.350
Accounts receivable with related parties (Nota 35)	152.642	221.487	213.219
Tax assets (Nota 11)	180.873	99.503	90.585
Inventory (Nota 12)	175.416	162.280	183.831
Assets available for Sale (Note 13)	550.941	-	-
Other assets (Nota 14)	27.261	28.752	32.974
Total current assets	3.345.611	2.565.961	2.156.351
NON-CURRENT ASSETS:			
Investments in associates and joint ventures (Nota 16)	6.951.662	7.240.141	6.978.405
Property, plant and equipment (Nota 17)	9.018.704	8.614.199	9.350.656
Investment property (Nota 18)	210.796	212.559	227.827
Financial assets (Nota 9)	14.061	214.382	401.138
Accounts receivable (Nota 10)	226.033	172.060	176.107
Goodwill (Nota 19)	50.171	50.171	50.171
Intangible assets (Nota 20)	3.744.080	3.490.260	3.487.672
Tax assets (Nota 11)	105.820	113.536	102.423
Deferred tax assets (Nota 26)	97.225	92.504	899.962
Other assets (Nota 14)	24.238	33.054	37.536
Total non-current assets	20.442.790	20.232.866	21.711.897
Total assets	$ 23.788.401	$ 22.798.827	$ 23.868.248

LIABILITIES AND EQUITY	December 31 2017	December 31 2016 (Restated)	January 01 2016 (Restated)
CURRENT LIABILITIES:			
Financial liabilities (Nota 21)	$ 153.611	$ 401.261	$ 560.640
Accounts payable (Nota 22)	431.668	256.411	767.438
Accounts payable with related parties (Nota 35)	5.604	1.835	4.307
Employee benefit obligations (Nota 23)	79.624	77.841	83.552
Other provisions (Nota 24)	141.821	34.195	36.424
Tax liabilities (Nota 25)	179.047	229.028	52.038
Other liabilities (Nota 27)	193.363	189.209	239.047
Total current liabilities	1.184.738	1.189.780	1.743.446
NON-CURRENT LIABILITIES:			
Financial liabilities (Nota 21)	8.730.150	7.912.933	8.354.222
Liabilities for current taxes (Note 25)	781	-	-
Accounts payables with related parties (Nota 35)	-	-	1.630
Provisions for benefits to employees (Nota 23)	169.514	150.027	165.028
Other provisions (Nota 24)	260.918	257.372	246.829
Deferred tax liabilities (Nota 26)	1.451.903	1.598.047	2.345.504
Other liabilities (Nota 27)	24.246	350.989	365.081
Total non-current liabilities	10.637.512	10.269.368	11.478.294
Total liabilities	11.822.250	11.459.148	13.221.740
EQUITY (Nota 29)			
Issued capital	492.111	492.111	492.111
Additional paid-in capital	837.799	837.799	837.799
Reserves	2.555.404	2.175.357	2.079.205
Retained earnings	6.090.854	5.788.996	4.548.505
Other comprehensive income	1.604.301	1.667.689	2.138.625
Total equity attributable to owners of the Entity	11.580.468	10.961.952	10.096.245
Non-controlling interests	385.683	377.727	550.263
Total equity	11.966.151	11.339.679	10.646.508
Total liabilities and equity	$ 23.788.401	$ 22.798.827	$ 23.868.248

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

ASTRID ALVAREZ HERNANDEZ
Chief Executive Officer

JULIO HERNANDO ALARCÓN VELASCO
Accounting Manager
Professional Card No. 53.918-T

Jaime Vargas

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 (Formerly Empresa de Energía de Bogotá S.A E.S.P and its Subsidiaries).

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
AT DECEMBER 31, 2017 AND 2016
(In millions of Colombian Pesos, except for income per share)

		2017		2016
REVENUES				
Natural gas distribution (Nota 38)	$	1.761.679	$	1.542.174
Natural gas transportation (Nota 38)		1.221.394		1.316.145
Electric power transmission (Nota 38)		339.347		274.508
Total operating revenues		3.322.420		3.132.827
COSTS AND EXPENSES				
Natural gas distribution (Nota 30)		(1.472.090)		(1.384.331)
Natural gas transportation (Nota 30)		(491.127)		(423.058)
Electric power transmission (Nota 30)		(189.453)		(172.350)
Administration expenses (Nota 31)		(137.410)		(103.968)
Other revenues (expenses), net (Nota 32)		69.924		30.398
Results of operating activities		1.102.264		1.079.518
Financial revenues (Nota 33)		204.011		173.909
Financial costs (Nota 34)		(597.670)		(509.773)
Revenues (expenses) from exchange difference, net		(35.997)		142.404
Participation in the results of associates and joint venture (Nota 16)		1.029.542		911.481
Profit before income tax		1.702.150		1.797.539
INCOME TAX (Nota 26)				
Current		(299.444)		(281.161)
Deferred		166.189		(160.450)
Net income	$	1.568.895	$	1.355.928
OTHER COMPREHENSIVE INCOME				
Items which will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligation (Nota 23)	$	(22.211)	$	(53.331)
Net fair value gain (loss) on available-for-sale financial assets		74.486		98.128
Items which will be reclassified to profit or loss:				
Exchange differences for conversion of foreign operations		(85.262)		(668.787)
Profit or loss for other comprehensive income in associates		(499)		(25.956)
Total other comprehensive income		(33.486)		(649.946)
CONSOLIDATED COMPREHENSIVE INCOME	$	1.535.409	$	705.982
Consolidated income for the year attributable to:				
Owners of the Entity	$	1.500.121	$	1.288.984
Non-controlling interest		68.774		66.944
		1.568.895		1.355.928
Consolidated comprehensive income for the year attributable to:				
Owners of the Entity		1.527.453		878.518
Non-controlling interest		7.956		(172.536)
	$	1.535.409	$	705.982
PROFIT PER SHARE				
Basic and diluted	$	163	$	140

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

ASTRID ALVAREZ HERNANDEZ
Chief Executive Officer

JULIO HERNANDO ALARCÓN V.
Accounting Manager
Professional Card No. 53.918-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 (Formerly Empresa de Energía de Bogotá S.A E.S.P and its Subsidiaries).

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AT DECEMBER 31, 2017 AND 2016
(In millions of Colombian Pesos)

	Issued capital	Additional paid-in capital	Reserves: Legal	Reserves: For rehabilitation, expansion and replacement of systems	Reserves: Reserve for equity method for companies	Reserves: Occasional reserve - Article 130	Reserves: Occasional	Reserves: Total	Retained earnings	Other comprehensive income: Net fair value gain (loss) on available-for-sale financial assets	Other comprehensive income: Remeasurement of defined benefit obligation	Other comprehensive income: Exchange differences from translation of foreign transactions	Other comprehensive income: Gain or loss from other comprehensive income in associates	Total of other comprehensive income items	Non-controlling interest	Total
BALANCES AT JANUARY 1, 2016 (RESTATED)	$ 492.111	$ 837.799	$ 332.496	$ 125.695	$ 1.007.093	$ 44.557	$ 569.364	$ 2.079.205	$ 4.548.505	$ (21.424)	$ 10.892	$ 1.897.401	$ 251.756	$ 2.138.625	$ 550.263	$ 10.646.508
Appropriations	-	-	-	-	177.148	7.360	(88.356)	96.152	(96.152)	-	-	-	-	-	-	-
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	-	-	-	(53.331)	-	-	(53.331)	-	(53.331)
Exchange differences from translation of foreign transactions	-	-	-	-	-	-	-	-	-	-	-	(429.307)	-	(429.307)	(239.480)	(668.787)
Net fair value gain (loss) on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	98.128	-	-	-	98.128	-	98.128
Effect of the sale of ISAGEN	-	-	-	-	-	-	-	-	60.470	(60.470)	-	-	-	(60.470)	-	-
Effect of the merger TGI - IELAH	-	-	-	-	-	-	-	-	211.539	-	-	-	-	-	-	211.539
Participation in other comprehensive income of associates	-	-	-	-	-	-	-	-	-	-	-	-	(25.956)	(25.956)	-	(25.956)
Dividends paid	-	-	-	-	-	-	-	-	(224.350)	-	-	-	-	-	-	(224.350)
Net income	-	-	-	-	-	-	-	-	1.288.984	-	-	-	-	-	66.944	1.355.928
BALANCES AT DECEMBER 31, 2016 (RESTATED)	492.111	837.799	332.496	125.695	1.184.241	51.917	481.008	2.175.357	5.788.996	16.234	(42.439)	1.468.094	225.800	1.667.689	377.727	11.339.679
Appropriations	-	-	-	-	401.886	8.892	(30.731)	380.047	(380.047)	-	-	-	-	-	-	-
Remeasurement of defined benefit obligation	-	-	-	-	-	-	-	-	-	-	(22.211)	-	-	(22.211)	-	(22.211)
Exchange differences from translation of foreign transactions	-	-	-	-	-	-	-	-	-	-	-	(24.444)	-	(24.444)	(60.818)	(85.262)
Net fair value gain (loss) on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	74.486	-	-	-	74.486	-	74.486
Effect of the sale of ISA	-	-	-	-	-	-	-	-	90.720	(90.720)	-	-	-	(90.720)	-	-
Participation in other comprehensive income of associates	-	-	-	-	-	-	-	-	-	-	-	-	(499)	(499)	-	(499)
Dividends paid	-	-	-	-	-	-	-	-	(908.936)	-	-	-	-	-	-	(908.936)
Net income	-	-	-	-	-	-	-	-	1.500.121	-	-	-	-	-	68.774	1.568.895
BALANCES AT DECEMBER 31, 2017	$ 492.111	$ 837.799	$ 332.496	$ 125.695	$ 1.586.127	$ 60.809	$ 450.277	$ 2.555.404	$ 6.090.854	$ -	$ (64.650)	$ 1.443.650	$ 225.301	$ 1.604.301	$ 385.683	$ 11.966.151

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

ASTRID ALVAREZ HERNANDEZ
Chief Executive Officer

JULIO HERNANDO ALARCÓN VELASCO
Accounting Manager
Professional Card No. 53.918-T

JAIME ALBERTO VARGAS ZAMBRANO
Statutory Auditor
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(See my attached report)
Appointed by Deloitte & Touche Ltda.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES (Formerly Empresa de Energía de Bogotá S.A E.S.P and its Subsidiaries).

CONSOLIDATED STATEMENTS OF CASH FLOWS
AT DECEMBER 31, 2017 AND 2016
(In millions of Colombian Pesos)

		2017		2016
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$	1.568.895	$	1.355.928
Reconciliation between net income and net cash provided by operating activities:				
Income tax		133.255		441.611
Participation in the results of associates and joint venture		(1.029.542)		(911.481)
Financial expenses		597.670		509.773
Financial revenues		(204.011)		(173.909)
Depreciation and amortization		331.072		397.643
Gain on disposal of property, plant and equipment		1.246		(831)
Exchange difference		35.997		(142.404)
Provisions and recoveries		17.302		40.597
		1.451.884		1.516.927
NET CHANGES IN OPERATING ASSETS AND LIABILITIES:				
Accounts receivable		170.390		(42.915)
Inventory		(28.522)		9.056
Other assets		142.456		8.383
Accounts payable		131.205		(515.146)
Employee benefit obligations		8.361		48.987
Other provisions		210.846		34.379
Other liabilities		2.721		(62.796)
Taxes paid		(374.178)		(86.517)
Net of cash flow provided by operating activities		1.715.163		910.358
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments in associates		15.243		(88.512)
Dividends received		763.797		916.301
Revenues from sale of fixed assets		111		951
Interests received		83.594		77.521
Related parties		11.662		(754.001)
Financial assets		295.315		442.855
Property, plant and equipment		(731.948)		(612.290)
Intangible assets		(414.040)		(310.605)
Net of cash flow provided by (used in) investing activities		23.734		(327.780)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid		(908.937)		(333.069)
Effect of the merger Codensa - DECSA - EEC		-		279.084
Related parties		(11.410)		(4.102)
Interests paid		(573.847)		(452.062)
Loans received		1.586.008		610.961
Loans paid		(1.616.748)		(221.740)
Net of cash flow used in financing actitivities		(1.524.934)		(120.928)
NET INCREASE OF CASH AND CASH EQUIVALENTS		213.963		461.650
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		13.172		7.806
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1.341.886		872.430
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$	1.569.021	$	1.341.886

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

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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., (formerly Empresa de Energía de Bogotá 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 subsidiaries 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, Boyaca, 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.

Merger between TGI and Inversiones en Energia Latino America Holdings S.L.U IELAH – The merger between TGI and its shareholder IELAH is the last stage of a transaction initiated by the Company in mid-2014, the objective of which was acquiring 100% of the shares of IELAH owned by The Rohathyn Group (Before CVCI). The merger was proposed for business reorganization reasons and has the purpose of improving the efficiency in its activities by centralizing the Group's management from Colombia exclusively. The above implies a reduction of the costs associated to the structure's maintenance and to avoid unnecessary duplication and expenses, considering that the Company has broader experience and the appropriate organization to perform directly the management and control of its subsidiaries.

Merger between DECSA S.A. E.S.P. – EEC S.A. E.S.P. and Codensa S.A E.S.P. - On October 8, 2015, the merger commitment between Codensa S.A. E.S.P., Distribuidora Electrica de Cundinamarca S.A. E.S.P (DECSA) and Empresa de Energia de Cundinamarca S.A. E.S.P. (EEC) was approved; in which it was declared the need to determine the best corporate and management form for the EEC, increase its profitability, take advantage of all the synergies and efficiencies between the companies and generate greater value for its shareholders and users.

On September 30, 2016, through Public Deed No. 4063 of the First Notary of the Bogota Circle, which was registered before the Chamber of Commerce of Bogota on the same day, the merger by absorption between Codensa S.A. ESP (absorbing company), Empresa de Energia de Cundinamarca S.A. E.S.P. (hereinafter EEC) and Distribuidora Electrica de Cundinamarca S.A. ESP. (hereinafter DECSA) (absorbed companies) was legalized.

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. BASES FOR PRESENTATION

3.1 Accounting standards applied – Grupo Energía Bogotá S.A E.S.P. and its Subsidiaries, in accordance with the provisions in effect arising from Law 1314 of 2009, regulated by Decrees 2420 of 2015, 2496 of 2015 and 2131 of 2016, prepares its financial statements in accordance with accounting and financial reporting standards accepted in Colombia – NCIF (for its initials in Spanish), which are based on the International Financial Reporting Standards (IFRS) together with their interpretations, translated into Spanish and Issued by the International Financial Standards Board (IASB), in effect as of December 31, 2015.

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, 2017

3.2.1 Amendment to IAS 1 Disclosure Initiative – The Company has applied the amendments in accordance with Decree 2496 of 2015 for the first time in 2017. The amendments clarify that a company does not need to provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and gives orientation on the basis for aggregation and disaggregation of the information for disclosure purposes. Nevertheless, the amendments reiterate that an entity must consider the possibility of providing additional disclosures when the compliance with the specific requirements of the IFRS is insufficient for the users to be able to understand the impact of certain transactions, events and conditions on the financial position and the financial returns of the entity.

In addition, the amendments clarify that the participation by the entity in the other comprehensive income of associates and the joint ventures accounted for using the equity method must be presented separately from those originating in the company and must be divided into the portion of the entries that, according to other IFRS: (i) will not be consequently reclassified to profits or losses, and (ii) will be later reclassified to the income statement when specific conditions are met.

The application of these modifications in the financial statements of Grupo Energía Bogotá has not produced any impact on the Company's financial returns or on its financial position.

3.2.2 Amendments to IAS 16 and IAS 38 Clarification of the acceptable depreciation and amortization methods – The Company has applied the amendments in accordance with Decree 2496 of 2015 for the first time in 2017. The amendments to IAS 16 prevent the entities from using a revenue-based depreciation method for property, plant and equipment items. The amendments to IAS 38 introduce a refutable presumption that the revenues are not the proper basis for the amortization of the intangible asset. This presumption can only be refuted in the following two limited circumstances:

- When the intangible asset is expressed as a measure of the revenues; or

- When it is evidenced that the revenues and the consumption of the economic benefits of the intangible asset are highly correlated.

The Group and its affiliates use the straight line amortization method for the depreciation and amortization of property, plant and equipment, and the intangible assets, respectively; the application of these amendments have no impact on the financial statements of Transportadora de Grupo Energia Bogota and its subsidiaries.

3.2.3 Amendments to IAS 16 and IAS 41 Bearer Plants – The amendments define a bearer plant and require that the biological assets meet that definition in order to be accounted for as properties, plant and equipment in accordance with IAS 16. The produce that grows in bearer plants continues to be accounted for in accordance with IAS 41.

These amendments do not apply in the financial statements of GEB and its subsidiaries, considering that the economic activities are related to the power and gas sector.

3.2.4 IAS 19. Defined benefit plans: Contribution by employees – The Company has applied the amendments in accordance with Decree 2496 of 2015 for the first time in 2017. The modifications to IAS 19 explain how the contributions by the employees or third parties that are connected to the services or defined benefit plans should be accounted for, by taking into consideration whether those benefits depend on the employee's number of years of service.

For contributions independent from the number of years of service, the entity can recognize them as a reduction in the service cost in the period in which the service is rendered or attribute them to the employee's service periods using the estimated credit unit method, while for benefits depending on the number of years of service, it is required that the entity will attribute them.

The GEB and its subsidiaries determined that these modifications established in the amendments do not have impact on the financial statements since the defined benefit plans in effect as of December 31, 2017 do not include contributions by employees or third parties.

3.2.5 Modifications to IAS 32 Offsetting of financial assets and financial liabilities – The Company has applied the amendments in accordance with Decree 2496 of 2015 for the first time in 2017. Those modifications explain the requirements inherent to offsetting financial assets and financial liabilities. Specifically, the modifications explain the meaning: "currently, it has a legally enforceable right to set-off the amounts recognized" and "realize the asset and settle the liability simultaneously".

As of this date within the transactions of GEB and its subsidiaries there is no evidence of they owning any financial assets and financial liabilities that classify within the scope of this amendment to be subject to offsetting; this is why the application of the modifications has not affected the disclosures or the amounts recognized in the financial statements of the companies.

3.2.6 Amendments to IFRS 10, IFRS 12 and IAS 28, Investment Entities: *Applying the Consolidation Exception* - The Company has applied the amendments in accordance with Decree 2496 of 2015 for the first time in 2017. The amendment clarifies that the exemption to prepare consolidated financial statements is available for a parent entity that is a subsidiaries of an investment entity, even if the investment entity measures all of its subsidiaries at fair value in accordance to the IFRS. The amendments also clarify that the requirement that an investment activity consolidates an affiliate that provides services related to its investment activities applies only to entities that are not investment entities.

The application of these modifications has had no impact on the financial statements of GEB and its subsidiaries, since there are not investment entities and does not have any parent company, subsidiary, associate or joint venture that qualifies as an investment entity.

3.2.7 Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between and investor and its associate or joint venture – The Company has applied the amendments in accordance with Decree 2496 of 2015 for the first time in 2017. The modifications of IFRS 10 and IAS 28 deal with situations in which there is a sale or contribution of assets between and investor and its associate or joint venture. Concretely, the amendments establish that the profits or losses resulting from the loss of control of a subsidiaries that does not contain a business in a transaction with an associate or a joint venture that are accounted for using the equity method, are recognized in the profit and loss of the controlling entity only to the extent of the participation by the non related investors in the new associate or joint venture. Likewise, the profits and losses resulting from the revaluation of the accumulated investments in some previous subsidiary(which has been converted in an associated or joint business that is acocunted for according to the equity method) at fair value are recognized in the income statement of the previous controlling company only to the extent of the participation by the non-related investors in the new associate or joint business.

The modifications must be applied prospectively to the transactions that take place in annual periods that start as of January 1, 2017.

As of the date of the review, the application of these modifications to IFRS 10 and IAS 28 do not have any impact on the financial statements of GEB and its subsidiaries. The application of this modification did not have any impact on the financial information.

3.2.8 Amendments to IFRS 11 Accounting for acquisitions of interests in joint operations - The Company has applied the amendments in accordance with Decree 2496 of 2015 for the first time in 2017. The amendment provides an orientation on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 "Business Combinations". Specifically, the amendments set forth that the relevant principles must be applied on the accounting for business combinations contained in IFRS 3 and other standards. The same requirements must be applied to the formation of a joint operation and only if an existing company is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator has also the obligation to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The application of these modifications has had no impact on the financial statements of GEB and its subsidiaries because as of this date there are no joint operations recorded.

3.2.9 Annual improvements to IFRS 2012-2014 Cycle - The Company has applied the amendments in accordance with Decree 2496 of 2014 for the first time in 2017. The annual improvements include a series of amendments that are summarize below:

- The amendments to IFRS 5 introduce a specific orientation when an entity reclassifies an asset (or disposal groups) held for sale to be distributed to the owners (or vice versa). The amendments clarify that such change must be considered as a continuation of the original disposal plan and therefore the requirements established in IFRS 5 in respect to the sale plan change are not applied. The amendments also clarify the guidelines for when the held-for-distribution accounting is discontinued.

  The application of these modifications do not have any impact on the financial statements of GEB and its subsidiaries, since the sales plans of an asset (or disposal group) held-for sale have not had any modifications.

- The amendments to IFRS 7 provide additional orientation to clarify if a service agreement continues its participation in a transferred asset for the purposes of the required disclosures in respect to the transferred assets.

  In view that GEB and/or any of its subsidiaries have not made any transfer of financial assets, the application of the modifications has not affected the disclosures or the amounts recognized in the financial statements of GEB and its subsidiaries.

- The amendments to IAS 19 clarify that the rate used to discount the obligations for post-employment benefits must be determined in terms of the market returns at the end of the period on the high quality corporate bonds. The evaluation of the depth of a market for high quality corporate bonds must be at the monetary level (that is, the same currency in which the benefits should be paid). In the case of the currencies for which there is no high quality corporate bond, it will be necessary to use instead the market returns at the end of the reporting period on public securities denominated in that currency.

  This modification is being applied by the contractor in charge of making the actuarial calculation study in GEB and its subsidiaries. However, as of this date there are no related impacts in the financial information.

3.3 Basis of preparation - Group Energía Bogotá S.A E.S.P. and its subsidiaries 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.

Pursuant to its bylaws, the Company has defined to perform an accounting cut-off, and preparation and promulgation of its financial statements once a year. For Colombian legal purposes, the main financial statements are the separate financial statements.

The Company has prepared these general purpose financial statements following the going concern business principle by applying the cost method, with the exception, according to NCIF, of those assets and liabilities that are recorded at fair value.

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 exercises 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 subsidiaries. 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 subsidiaries.

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 subsidiaries begins when the Company obtains control of the subsidiaries and ends when the Company loses control of the subsidiaries Specifically, revenues and expenses of a subsidiary 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 subsidiary.

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 subsidiaries 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 subsidiaries 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 subsidiaries – Changes in the participation in subsidiaries that do not result in loss of control by the Company of the subsidiaries 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 subsidiaries. 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 subsidiaries 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 subsidiaries and any non-controlling interest. All amounts previously recognized in other comprehensive income in relation to such subsidiaries are accounted for as if the Company had directly disposed of the related subsidiaries 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 subsidiaries 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 subsidiaries:

Name of subsidiary 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	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

Name of the Associate	Main Activity	Inception and operation location
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 *-* The items included in these financial statements are valued using the currency of the main economic environment in which the Company operates.

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 subsidiaries 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.

Transactions 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 Decemb er 31, 2017 and December 31, 2016 of $2,984.00 and $3,000.71 per US$1 and $900.87 and $922.42 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 prepares and discloses general-purpose financial statements once a year, with cut-off as of December 31.

By decision of the Ordinary General Stockholders' Meeting, in Minute No. 32 dated August 22, 2002 and through a Statutory Reform duly authorized and protocolized, the Board of Directors was authorized, prior a study and analysis of the financial statements and pursuant to the provisions of the Code of Commerce, to be able to determine, at any time, the accounts cut-offs they should consider necessary, with the purpose of distributing profits.

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 recognized when the entity becomes a part of the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at their fair value. Transaction costs which are directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets at fair value with changes in profit and loss) are added or subtracted from the fair value of financial assets or liabilities, as the case may be, in their initial recognition. Transaction costs, which are directly attributable to the acquisition of financial assets and liabilities at their fair value with changes in profit and loss, are immediately recognized in income.

4.1.1 Fair value- Fair value is defined as the price that would be received for selling an asset or that would be paid to transfer a liability in an orderly transaction between market players at the valuation date, regardless of whether that price is observable or is estimated using another valuation technique.

In measuring fair value, it is assumed that the transaction in which an asset is sold or a liability is transferred takes place in the primary market, i.e. the market with the highest volume and level of activity for the asset or liability. In absence of such primary market, it is assumed that the transaction takes place in the most advantageous market which the Company has access to, i.e. the market that maximizes the amount that would be received from selling the asset or minimizes the amount that would be paid for transferring the liability.

For financial reporting purposes, and considering the hierarchy of the input data used in the valuation techniques, assets and liabilities measured at fair value may be classified into the following levels:

- Level 1: Considers quotation prices in an active market for identical assets or liabilities that the Company can access at the measurement date;

- Level 2: Observable input data other than quotation prices of Level 1, which are observable for assets and liabilities, either directly (i.e., as prices) or indirectly (i.e., derived of a price).

- Level 3: Input data for assets and liabilities which are not based on observable market data (non-observable input data).

At the time of fair value measuring, the Company takes into considerations the following characteristics of the asset or liability:

a) Regarding non-financial assets, measurement of fair value takes into account the participant's ability in the market to generate economic benefits through the use of the asset at its maximum and best use, or by selling the asset to another market participant who would use the asset at its maximum and best use.

b) For liabilities and equity instruments, the fair value measurement assumes that the liability will not be settled and the equity instrument will not be canceled, nor will they otherwise be extinguished at the measurement date. The fair value of the liability reflects the effect of the risk of default, i.e., the risk that an entity will not comply with an obligation, which includes, but is not limited to, the Company's own credit risk.

c) In the case of financial assets and financial liabilities with offset positions in market risk or credit risk of the counterparties', it is permitted to measure the fair value on a net basis, in a consistent basis with the way market participants would set a price to the net risk exposure at the measurement date.

4.1.2 Effective interest rate method - The effective interest rate is a method for calculating the amortized cost of a financial instrument and the distribution of financial income or cost over the relevant period. The effective interest rate is the rate that discounts future estimated cash inflows (including all commissions, transaction costs and other premiums or discounts included in the computation of the effective interest rate) over the expected life of the financial instrument or, where appropriate, over a shorter period, to the net carrying amount at the time of initial recognition.

4.1.3 Impairment of financial assets - Financial assets other than those designated at fair value with changes in profit or loss are assessed for impairment at the end of each reporting period. A financial asset is impaired whenever there is objective evidence of the impairment as a result of one or more events that have occurred after the initial recognition of the asset and the estimated future cash flows of the asset have been affected.

For financial assets carried at amortized cost, the amount of the impairment loss is the difference between the carrying amount and the present value of estimated future cash flows of the asset, discounted at the original effective interest rate of the financial asset.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset carrying amount and the present value of estimated cash flows discounted at the current market rate for similar financial assets. Such impairment loss will not be reverted in subsequent periods.

Whenever a financial asset available for sale is considered as impaired, the accumulated profits or losses previously recognized in other comprehensive income are reclassified to the period's profits of losses.

4.1.4 Derecognition of financial assets **–** The Company will derecognize a financial asset only when the contractual rights to the cash flows of the financial asset expire, or when all risks and rewards inherent to the ownership of the financial asset are substantially transferred to another entity. If the Company does not transfer or retain substantially all risks and benefits inherent to the ownership, and continues retaining control on the transferred asset, the Company will continue to recognize the financial asset, as well as a collateral loan for the revenues received.

In case of a complete derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and receivable, as well as the accumulated profit or loss that had been recognized in other comprehensive income and accumulated in equity are recognized in the Statement of Income.

4.1.5 Offsetting of Financial Assets and Liabilites - The Company offsets financial assets and liabilities, and the net amount is shown in the Statement of Financial Position, only whenever:

- a legally enforceable right exists for offsetting the amounts recognized; and
- the Company has the intention to settle on a net basis, or simultaneously realize the asset and settle the liability.

4.2. Cash and cash equivalents – This account on the statement of financial position includes; cash, bank balances, term deposits and other short-term investments (equal or less than 90 days from the investment date), high-liquidity investments that are quickly realizable in cash and have low risk of changes in their value.

4.3. Financial assets – Financial assets are classified into the following categories: financial assets at fair value with changes through profit and loss, investments held to maturity, financial assets available for sale, and loans and accounts receivable. Classification depends on the nature and purpose of the financial assets and is determined at the date of initial recognition.

4.3.1 Financial assets at fair value with changes through profit and loss – These include negotiable investments designated as such at initial recognition and which are managed and assessed based on fair value criteria. They are revaluated in the consolidated statement of financial position at fair value and variances in their values are recorded directly in the Statement of Income when they occur.

4.3.2 Investments held to maturity – Investments held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity dates for which the Company has the intention and capability of holding until their maturity. After initial recognition, investments held to maturity are measured at amortized cost using the effective interest rate method, less any impairment.

4.3.3 Financial assets available for sale – Financial assets available for sale are non-derivative instruments that are designated as available for sale or are not classified as (a) loans and accounts receivable, (b) investments held to maturity, or (c) financial assets at fair value with change through profit and loss.

Gains and losses arising from changes in fair value are recognized in other comprehensive income, except for impairment losses, interests computed using the effective interest method, and gains and losses in differences due to exchange rates, which are recognized in income. In case an investment is disposed of, or it is determined as impaired, the previously accumulated gain or loss recorded in the investment revaluation reserve is reclassified to income.

Dividends on capital instruments available for sale are recognized in income when the right to receive these dividends by the Company is determined.

4.3.4 Loans and accounts receivable – Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and accounts receivable (including commercial accounts receivable, other accounts receivable, among others), are measured at amortized cost using the prevailing interest method less any impairment.

Interest revenues are recognized by applying the prevailing interest rate, except for the short-term accounts receivable when the effect of not discounting is not significant.

Loans to employees are initially recognized at present value of future cash flows, discounted at a market rate for a similar loan. If the interest rate of the loan is lower than the market interest rate, fair value will be less that the amount of the loan. This initial difference is recognized as a benefit to employees.

4.4. 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.

4.5 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.

4.6. 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.

As feasible capitalization cost is defined those that individually exceed 50 UVTs (Tax Value Units, for its initials in Spanish). Those assets which value is lower than 50 UVTs must be capitalized and depreciated during the remaining time of the year in which they are capitalized.

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 Transpor-tation**
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

4.6.1 Asset retirement obligation – The Company recognizes an asset retirement obligation ("ARO") 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.

4.7 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.

4.8 Intangible assets

4.8.1 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.

4.8.2 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.

4.9. Impairment of the value of tangible and intangible 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.

4.10. 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 business:* 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.

- *Joint operation:* an agreement through which the parties exercising the joint control are entitled to the assets and obligations regarding the liabilities related to the agreement.

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.

4.11 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.

4.12 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.

4.13 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.

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

4.14 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.

4.15 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.

4.15.1 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 (CREE, per its Spanish acronym) based on the highest of the taxable income or the presumptive income, estimated at rates specified in the tax law.

4.15.2 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 subsidiaries, 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 subsidiaries, 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.

At each accounting closing, the deferred tax both assets and liabilities recorded are revised with the purpose of verifying that they are valid, and according to the results of the analysis, timely corrections, if any, are made.

The income tax is presented net, after deducting any advances made and the withholding taxes in favor.

Deferred tax assets and liabilities are presented net in the statement of financial position, if there is the legally enforceable right to offset current tax assets with current tax liabilities, and only if these deferred taxes are related to gain taxes corresponding to the same fiscal authority.

4.15.3 Wealth tax - Law 1739 of December 2014 created the wealth tax for legal entities for years 2015 through 2017. The tax is determined at the rate of 1.15%, 1% and 0.4% for years 2015, 2016 and 2017, respectively, for equity exceeding $1.000.000; it is computed annually on the net equity on January 1st. of each taxable year, decreased by $1.000.000.

The legal obligation of the wealth tax is accrued for taxpayers who are legal entities on January 1, 2015, 2016 and 2017.

The Company recognizes the wealth tax liability through the income statement.

4.16 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.

4.17 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.

4.17.1 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.

4.18 Revenue recognition – Revenues are recorded on an accrual basis.

Revenues are recognized when an inflow of economic benefits arising in the course of the Company's ordinary activities during the period takes place, provided that such inflow of benefits generates an increase in total equity that is not related to the contributions of the owners of that equity and these benefits can be measured reliably.

Revenues are measured at the fair value of the consideration received or receivable, taking into account the estimated amount of customer returns, rebates and other similar discounts.

4.18.1 Rendering of services - Revenues from rendering of electric power transmission services are recorded in the period the services are rendered in accordance with the prices stated in the electric market by the regulation in force, as the case may be.

4.18.2 Revenues from dividends and revenues from interests - Revenues from dividends of investment available for sale are recognized once the right of shareholders to receive this payment is established (provided it is likely that the economic benefits will flow to the Company and that the income may be measured reliably).

Revenues from interests are recognized when it is likely that the economic benefits will flow to the Company and the amount of revenues may be measured reliably. Revenues from interests are recorded on a periodic basis, based on the outstanding balance and the effective interest rate applicable, which is the rate that exactly discounts the estimated cash flows to be received on the expected life of the financial asset and is equal to the net carrying amount of the financial asset on initial recognition.

4.19 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.

4.20 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.

4.21 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.

4.22 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. RESTATEMENT OF PREVIOUS FINANCIAL STATEMENTS

Grupo Energía Bogota, during 2016 made the advance adoption of IAS 27 corresponding to the application of the equity method to its investments in associates; it should be clarified that before this advance adoption GEB measured its investments in associates at cost.

Because of the foregoing, GEB make the change of accounting policy for the purposes of measuring its investments in controlled companies and associates using the equity method such as it is described in the regulatory framework contained in Decree 2496 of 2015 that is in effect as of January 1, 2016.

Within the regulatory framework of modification to IAS 27 it is permitted to use the equity method to account for the investments in affiliates, joint businesses and associates in their separate financial statements.

When making the advance application of this standard during 2016, GEB reviewed the equity method for 2017 evidencing an adjustment corresponding to the dividends and other equity items of 2014 that were in the accumulated profits and were not discounted from the investment since they were recognized in 2014 as an income.

	Balance previously reported as of December 31, 2016	Adjustment	Balance restated as of December 31, 2016
Statement of financial position			
Accounts receivable from related parties	$ 200.822	$ 20.665	$ 221.487
Investments in associates and joint businesses	7.951.777	(711.636)	7.240.141
Retained profits	6.156.522	(367.526)	5.788.996
Other comprehensive income	1.991.134	(323.445)	1.667.689

6. JUDGEMENTS AND CRITICIAL ACCOUNTING ESTIMATES

6.1 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:

Recognition of revenues **-** Revenues from provision of electric power transmission services are recorded in the period in which the services are rendered and the revenues from sales of gas transportation services are recorded based on the products obtained and the ability to provide at

Financial assets held until maturity - Management has reviewed the financial assets held until maturity in the light of its requirements for capital and liquidity maintenance, having confirmed the Company’s intention and ability to retain those assets until maturity.

Significant influence on EMGESA - The Company has 76.710.851 shares of Emgesa S.A. E.S.P., which represents 51,51% participation. 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 2017 and 2016, 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.

6.2 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.

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.

Impairment of long-lasting assets (properties, plant and equipment) – The review of impairment of long-lasting assets is based on internal and external financial indexes, projections and other assumptions. The Company reviews the estimates and updates the information on the basis of assumptions, as needed.

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 26 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.

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

Provisions for contingencies, litigations and lawsuits – Litigations and lawsuits to which the Company is exposed are managed by the legal area; the processes are of labor, civil, criminal, tax and administrative nature. The Company considers that a past event has given rise to a present obligation if, taking into account all the evidence available as of the reporting date, it is probable that there is a present obligation, regardless of the future events. It is understand that the occurrence of an event is more probable than improbable when the probability of occurrence is in excess of 50%, in which case the provision is recorded. Possible obligations that arise form past events and which existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not entirely under the Company's control, are not recognized in the statement of financial position, but are disclosed as contingent liabilities; the occurrence or non-occurrence of events that are estimated as remote are not recorded or disclosed. The Company involves the professional judgment of the internal and external specialized legal counsel to determine the possibility of occurrence of a present obligation. In the estimate of the provision for litigations and lawsuits, Management considers assumptions, such as, but not limited to, rate of inflation, assessment by the attorneys, estimated length of the litigation or lawsuit, statistic information of processes with similar characteristics and the discount rate to be applied to the cash flows to determine the present value of the obligation, for those obligations that are expected to be settled in a term in excess of twelve (12) months at the end of the reporting period.

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.

7. STANDARDS ISSUED BY IASB NOT YET IN EFFECT IN COLOMBIA

7.1 Incorporated in Colombia as of January 1, 2018 – Decrees 2496 of 2016 and 2131 of 2016 – With these decrees, the following standards in the regulatory technical framework that contains some amendments issued by the IASB as of January 1, 2016 will enter into force as of January 1, 2018, allowing their advance application:

IAS 7 Statement of cash flows - Disclosure initiatives - These clarify disclosures to assess the changes of liabilities derived from financing activities.

The Group in the 2018 financial statements will disclose a reconciliation between the initial and ending balances of the statement of financial position for liabilities that arise from financing, that contains the changes derived from cash flows from financing, changes that arise from obtaining or losing the control of subsidiaries or other business, effect of the variations in the exchange rates of the foreign currency and changes in the fair values.

IFRS 9 – Financial Instruments - A complete standard was issued including the requirements previously issued and the additional amendments to introduce a new model of expected losses and limited changes to the requirements for classification and measurement of financial assets. With the following phases:

Phase 1: All financial assets recognized that are within the scope of IAS 39 will be subsequently measured at amortized cost or fair value.

Phase 2: The impairment model, according to IFRS 9, reflects the credit losses expected as opposed to the credit losses incurred according to IAS 39.

Phase 3: The three types of hedge accounting mechanisms included in IAS 39 are maintained. The effectiveness test has been revised and replaced by one focused on the "economic relationship" principle. More disclosure requirements have been added on the entity's risk management activities.

The Group has determined as part of the impacts of the application of IFRS 9, the following:

1- Considering the business model and the contractual characteristics of the cash flows for the financial instruments (that correspond to payments of principal and interest, only) the Company shall classify and value the same in the following fashion:

Characteristics of contractual flows	**Business model**	**Classification determined**
	Financial assets analysis	
Flows for payment of principal and interest	Financial assets to collect contractual cash assets	At amortized cost (Trade, related party accounts receivables, investments up to their expiration)
	Financial assets to collect its contractual cash flows through the sale	At fair value with changes in other comprehensive income (ISA, ISAGEN, BANCO POPULAR)
	Financial liabilities analysis	
Flows for payment of principal and interest		At amortized cost (Bonds, loans, accounts payable)

In order to establish the impacts of the regulatory changes of IFRS 9, we refer to the utilization of the SPPI (Solely Payment of Principal and Interest) test.

The SPPI seeks to show that the cash flows that arise from a financial asset are only the payment of principal and interest.

The principal was defined as the fair value of the financial asset in the initial recognition. The principal changes with time, when there are reimbursements of loan installments. The interest is the time value of money; the credit risk associated to the amount of the principal outstanding during a particular period of time and includes a margin of benefit and the consideration of other basic credit risks, liquidity and cost risks, and administrative risks.

The SPPI test is a previous requirement for a financial asset to be measured at amortized cost.

If a financial asset fails the SPPI test, it is measured at fair value through the profit and loss account on each reporting date.

The SPPI test is made at an individual financial instrument level. However, the instruments that are identical may be measured in a group since the answer will not be different if they are made individually or separately.

The analysis considerations are focused on the following aspects:

1. ***SPPI Test Criteria Analysis -*** It corresponds to a listing of questions that establish parameters applied to the current procedure of each of the GEB entities for the recognition of financial instruments.

2. ***Classification and Measurement under IFRS 9*** - This schedule requests the completion of quantitative information associated to each one of the types of financial instruments that the entity has, and it also requests justifying each of the balances incorporated in order to comply with the provisions of the new international regulatory framework.

3. ***Measurement of Impairment IFRS 9 -*** The financial information requires determines the new procedure to establish the expected losses on each one of the types of financial assets that are recognized in the entities that are part of the GEB.

4. ***Measurement of Derivatives under IFRS 9 -*** *It* establishes incorporating the financial strategies associated to the use of derivatives or complex financial instruments to mitigate financial impacts.

IAS 12 – Deferred Tax – The standard establishes the guidelines for recognition of deferred taxes for unrealized losses.

It clarifies the following aspects:

- Unrealized losses on debt instruments measured at fair value and valued at the tax effects give rise to a deductible temporary difference, regardless of whether the holder of the debt instrument expects to recover the book value of the debt instrument by sale or by use.

- The book value of an asset does not limit the estimation of the possible future taxable benefits.

- The estimates for future tax benefits exclude tax deductions resulting from the reversal of deductible temporary differences.

An entity evaluates an asset for deferred taxes in combination with other assets for deferred taxes. When the tax legislation restricts the use of tax losses, the entity would evaluate an asset for deferred taxes in combination with other assets for deferred taxes of the same type.

In the reviews performed by the GEB the following aspects have been established relevant in the measurement of the impacts of the regulations:

a) There is no deferred tax recorded for unrealized losses on debt instruments recorded at fair value, since the debt that as of this date is recorded in the GEB is measured at amortized cost.

b) In respect to the tax losses there are two types of analysis or situations evidenced:

1.1 Tax losses accumulated as of 2016: the tax regulation does not restrict its use in time or set off percentages, and according to the forecast made by GEB's Financial Planning Management, these will not be used in the short or medium term, and for this reason during 2016 the deferred tax recorded for the tax losses was reversed.

1.2 Tax losses generated since 2017, will have set off limitation of 12 taxable periods following the year in which they are generated, and thus it is evidenced that on these losses we are not going to generate deferred tax.

IFRS 15 – Revenues from contracts with customers – It as a unique model for the treatment of revenue from contracts with customers. Its basic principle is that an entity should recognize revenue to represent the transference or the goods or services promised to clients by a quantity that reflects the consideration to which the entity expects to be entitled for those goods and services, with 5 steps for its recognition.

Later, amendments were added clarifying how to:

- identify a performance obligation (the promise to transfer a good or service to a customer) in a contract;

- determine if a company is the principal (the supplier of a good or service) or an agent (responsible for fixing the good or service that must be provided); and

- determine whether the revenue from a license granted should be recognized at a specific point in time or over time.

This standard replaces the following: IAS 18 "Revenue", IAS 11 "Construction Contracts", IFRIC 13 "Customer Loyalty Programs", IFRIC 15 "Agreements for the Construction of Real Estate", IFRIC 18 "Transfers of Assets from Customers", SIC 31 "Barter transactions involving Advertising Services".

Among the relevant aspects to be reviewed the following were considered:

- In the scope were excluded from review the contractual operations associated to leases, financial instruments and insurance contracts.

- A step-by-step identification was made of the 5 times established for the recognition of revenue from agreements with customers.

- A review was made of which would be those costs associated directly to the obtaining of contracts or performing a contract.

With the analysis made it is evidenced that there is no impact related to the transactions or recognition of the revenues that GEB currently has in its financial statements.

7.2 ***Incorporated in Colombia as of January 1, 2019 – Decrees 2496 of 2015 and 2170 of 2017 -*** With these decrees, as of January 1, 2019 the following standards in the technical regulatory framework that contain some amendments issued by the IASB in the second half of 2016 in become effective, allowing their advance application.

IFRS 2 – Share-based Payments

IFRS 2 did not contain any guidelines on the manner how the consolidation conditions of benefits affect the fair value of liabilities for share-based payments settled in cash. IASB has added a guide that introduces the accounting requirements for share-based payments settled in cash that follow the same approach used for shared-based payments settled in equity.

Management considers that the modifications to these regulations are not applicable to the Company directly.

IFRS 17 Insurance Contracts.

Effective for annual periods that begin on or after January 1, 2021.

IFRS 17 requires that the liabilities for insurance be measured at an actual fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the objective of a consistent accounting based on principles for insurance contracts. IFRS 17 replaces IFRS 4 Insurance Contracts as of January 1, 2021.

Management considers that modifications to these standards are not applicable to the Company directly and have no impact.

IFRS 16 – Leases

It establishes principles for the recognition, measurement, presentation and disclosure of leases , in order to secure that lessees and lessors provide relevant information that represents faithfully those transactions.

IFRS 16 replaces the following standards and interpretations:

- IAS 17 Leases
- IFRIC 4 Determination of whether an Agreement contains a Lease
- SIC-15 Operating Leases – Incentives
- SIC-27 Evaluating the substance of transactions in the legal form of a lease

Entry into effect 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 2018.

Management considers that the modifications to these standards are not applicable directly to the Company.

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.

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

7.3. Issued by IASB not Incorporated in Colombia – The following standards have been issued by IASB but have yet to be incorporated by Decree in 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.

Entry into effect January 2019.

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.

Entry into effect January 2021.

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.

Entry into effect January 2018

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.

Entry into effect January 2019

8. 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:

	2017	2016
Cash	$ 524	$ 298
Banks	495.823	562.149
Cash equivalents (1)	1.072.674	779.439
	$ 1.569.021	$ 1.341.886

(1) Cash equivalents are broken down as follows:

	2017	2016
Short-term liquidity deposits	$ 460.010	$ 539.668
Right in security funds and trust funds	565.440	180.029
Other	47.224	59.742
	$ 1.072.674	$ 779.439

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

9. FINANCIAL ASSETS

	2017	2016
Financial assets recorded at fair value with changes through income	$ 155	$ 144
Held-to-maturity investments carried at amortized cost (1)	142.096	219.915
Available-for-sale investments carried at fair value (2)	4.214	188.331
Trust funds	13.136	13.245
	159.601	421.635
Current	145.540	207.253
Non-current	14.061	214.382
	$ 159.601	$ 421.635

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

	2017	2016
Term deposit certificates (a)	$ -	$ 72.170
Bonds and securities (b)	770	12.989
Other investments (c)	141.326	134.756
	$ 142.096	$ 219.915

(a) The following is the detail of term deposit certificates held by the Company at December 31, 2016:

Investment	Entity	Issuance date	Maturity date	Nominal rate %	Carrying value
Time Deposit	Banco de Bogotá NYA	02/11/2016	29/03/2017	1,30%	$ 72.170
					$ 72.170

(b) The following is the detail of bonds and securities held by the Company at December 31, 2017.

Investment	Entity	Issuance date	Maturity date	Nominal rate %	Carrying value
Bonds	Bono Ecopetrol	23/07/2009	23/07/2019	7,63%	$ 770
					$ 770

The following is the detail of bonds and securities held by the Company at December 31, 2016.

Investment	Entity	Issuance date	Maturity date	Nominal rate %	Carrying value
Bonds	Bono Codensa	14/03/2007	14/03/2017	IPC + 5,30%	$ 10.080
Bonds	Bono Emgesa	20/02/2007	20/02/2017	IPC + 5,15%	1.874
Bonds	Bono Ecopetrol	23/07/2009	23/07/2019	7,63%	774
Interest valuation Bonds	Deustche Bank (Trecsa y EEBIS Guatemala).				(66)
TIDIS (TGI)	DIAN	07/12/2016	07/12/2016	0,0%	327
					$ 12.989

(a) The following is the detail of other investments held by the Company at December 31,2017:

Investment	Entity	Issuance date	Maturity date	Nominal rate %	Carrying value
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

The following is the detail of other investments held by the Company at December 31, 2016

Investment	Entity	Issuance date	Maturity date	Nominal rate %	Carrying value
CDT	Corpbanca Helm Bank	20/09/2016	02/03/2017	8,35%	$ 6.288
CDT	Banco Colpatria	26/10/2016	03/03/2017	8,05%	26.873
CDT	Banco de Bogotá	26/10/2016	06/03/2017	7,61%	39.524

Investment	Entity	Issuance date	Maturity date	Nominal rate %	Carrying value
CDT	Banco Citibank	11/05/2016	11/05/2017	8,20%	588
CDT	Banco GNB Sudameris	26/10/2016	06/03/2017	7,80%	20.775
CDT	Helm Bank	19/09/2016	02/03/2017	8,35%	5.116
CDT	Helm Bank	26/10/2016	06/03/2017	7,61%	23.935
CDT	AV Villas	26/10/2016	06/03/2017	7,80%	11.657
					$ 134.756

(2) Investments available for sale carried at fair value with effect in other comprehensive income

	2017	2016
ISA	$ -	$ 184.111
Banco popular	4.214	4.214
Other	-	6
	$ 4.214	$ 188.331

Nutresa shares were sold on September 19, 2017.

ISA shares were sold in two stages, as follows:

Stage 1: December 18, 2017 – 15,740,101 shares sold – Sales Price: $14,000

Stage 2: December 22, 2017 – 2,707,949 shares sold – Sales Price: $14,120

The profit generated in the sale of those shares was equivalent to $4,015 millions.

10. ACCOUNTS RECEIVABLE

	2017	2016
Trade accounts receivable	$ 645.995	$ 601.346
Doubtful accounts receivable	55.885	54.295
Employees	39.617	40.291
Other	78.581	46.523
Advances and prepayments delivered	29.156	2.893
Impairment of accounts receivable	(79.284)	(68.488)
	$ 769.950	$ 676.860
Current	$ 543.917	$ 504.800
Non-current	226.033	172.060
	$ 769.950	$ 676.860

The accounts receivable from customers disclosed in the above paragraphs include the amounts which are overdue at the end of the reporting period (see aging analysis below), but for which the Company has not recognized an estimation in doubtful accounts receivable since no significant changes have occurred in the credit quality and the amounts (which include the accumulated interests after the amount is older than 60 days) are still considered recoverable.

Aging of overdue but recoverable accounts receivable

	2017	2016
31–60 days	$ 163.581	$ 72.545
61-90 days	7.319	14.958
91-120 days	1.967	76.094
Over 120 days	96.626	41.721
Total	$ 269.493	$ 205.318
Average (days)	29	24

Changes in the provision for doubtful accounts receivable

Balance at beginning of year	$ 68.488	$ 97.470
Impairment recognized during the year	10.254	11.063
Reverted impairment losses	(255)	(39.525)
Effect of translation	797	(520)
Balance at end of year	$ 79.284	$ 68.488

Aging of accounts receivable from impaired customers

31-60 days	$ -	$ -
91-120 days	91	261
121-180 days	190	519
181-360 days	1.223	2.537
Over 360 days	77.780	65.001
Total	$ 79.284	$ 68.318

11. TAX ASSETS

Tax advances	$ 45.584	$ 16.520
Income tax (1)	135.289	70.064
VAT – Balances receivable	105.820	126.455
	$ 286.693	$ 213.039
Current	$ 180.873	$ 99.503
Non-current	105.820	113.536
	$ 286.693	$ 213.039

(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.

12. INVENTORY

	2017	2016
Material	$ 181.828	$ 169.475
Material in transit	996	75
Provision for obsolescence	(7.408)	(7.270)
	$ 175.416	$ 162.280

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

Balance at beginning of year	$ 7.270	$ 2.566
Provision for obsolescence	140	5.244
Amounts recovered during the year	4	(475)
Reverted provisions	(638)	(52)
Effect of translation	632	(13)
Balance at end of year	$ 7.408	$ 7.270

13. ASSETS AVAILABLE FOR SALE

By means of agreement 472 of October 2016, the Council of Bogota authorized the disposal of the following stockholdings:

Promigas	$ 550.941	$ -

14. OTHER ASSETS

Operation and maintenance (BOMT) (1)	$ -	$ 8.641
Legal deposits	19.030	17.074
Insurance policies paid in advance (2)	9.036	12.039
Deferred charges for insurance (Cautiva)	11.263	10.556
Other expenses paid in advance (2)	9.002	7.022
Other short-term assets	699	1.067
Deposits given as collateral	58	3.191
Retained funds (Cautiva)	2.411	2.216
	$ 51.499	$ 61.806
Current	$ 27.261	$ 28.752
Non-current	24.238	33.054
	$ 51.499	$ 61.806

(1) These correspond to payments made in advance for operation and maintenance of the gas pipeline Mariquita – Cali pursuant to the BOMT contracts. Such costs are amortized using the straight-line method over the medium remaining life of the BOMT contract.

(2) These correspond to balances pending amortization for technical support and insurance policies, among others.

15. INVESTMENT IN SUBSIDIARIES COMPANIES

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

			Participation percetange Interests and voting rights held by the Company		
Name of subsidiary Company	**Principal activity**	**Place of incorporation and operation**	**2017**	**2016**	**2015**
Transportadora de Gas Internacional S.A. E.S.P.	Gas	Colombia	99,99%	99,97%	68,05%
EEB Internacional LTD.	Investment Vehicle	Islas Caiman	100,00%	100,00%	100,00%
Contugas SAC.	Gas	Perú	68,49%	68,74%	67,76%
Transportadora de Energía de Centroamérica	Energy	Guatemala	95,90%	95,29%	95,29%
EEB Perú Holdings LTD.	Investment Vehicle	Islas Caiman	100,00%	100,00%	100,00%
EEB Ingeniería y Servicios S.A	Engineering Services	Guatemala	100,00%	100,00%	100,00%
EEB Ingeniería y Servicios Perú S.A.C (en liquidación)	Engineering Services	Perú	100,00%	100,00%	100,00%
EEB Gas SAS	Investment Vehicle	Colombia	100,00%	100,00%	100,00%
	Investment Vehicle				
EEB Energy RE	Investment Vehicle	Bermuda	100,00%	100,00%	100,00%
GEBBRAS Participacoes LTDA	Investment Vehicle	Brasil	100,00%	100,00%	100,00%
Empresa de Movilidad Bogotá S.A.S.	Investment Vehicle	Colombia	-	-	100,00%

BLANK SPACE

Detail of not fully owned subsidiaries with significant non-controlling participation:

Name of subsidiary Company	Inception and operation place	Proportion of ownership interests and voting rights held by non-controlling interests		Gain (loss) assigned to the non-controlling participation		Accumulated non-controlling participation	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
TGI	Colombia	0,01%	-	$ 22	$ -	$ 121	$ -
TRECSA	Guatemala	4,10%	4,71%	(387)	(804)	22.301	22.115
CALIDDA	Peru	40,00%	40.00%	69.139	67.500	363.261	354.823
				$ 68.774	$ 66.696	$ 385.683	$ 376.938

December 31, 2017

	Current assets	Non-current assets	Current liabilities	Non-current assets	Equity	Equity attributable to owners of the Company	Non-controlling interests
TRECSA	$ 64.135	$ 1.128.493	$ (31.035)	$ (617.277)	$ (544.316)	$ (522.015)	$ (22.301)
CALIDDA	447.524	1.979.483	(281.097)	(1.237.757)	(908.153)	(544.892)	(363.261)

December 31, 2016

		Current assets		Non-current assets		Current liabilities		Non-current assets		Equity		Equity attributable to owners of the Company		Non-controlling interests
TRECSA	$	38.400	$	1.090.152	$	(33.961)	$	(625.054)	$	(469.537)	$	(447.422)	$	(22.115)
CALIDDA		345.625		1.884.437		(323.173)		(1.019.830)		(887.059)		(532.235)		(354.823)

December 31, 2017

		Revenues		Expenses		Profit (loss) for the year		Profit (loss) attributable to the Entity's shareholders		Profit (loss) attributable to the non-controlling participation
TRECSA	$	48.257	$	57.712	$	(9.455)	$	(9.068)	$	(387)
CALIDDA		1.470.577		1.297.732		172.845		103.706		69.139

December 31, 2016

		Revenues		Expenses		Profit (loss) for the year		Profit (loss) attributable to the Entity's shareholders		Profit (loss) attributable to the non-controlling participation
DECSA	$	-	$	-	$	-	$	-	$	-
TRECSA		55.547		72.609		(17.062)		(16.258)		(804)
CALIDDA		1.405.492		1.236.742		168.750		101.250		67.500

16. 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	Type	Proportion of ownership interest and voting power held by the Company 2017	2016	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	Principal activity	Place of incorporation and operation	Type	December 31, 2017	December 31, 2016	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, 2016 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, 2017, 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.

As of September 30, 2016, by means of Public Deed No. 4063 of Notary First of the Circuit of Bogota, registered with the Chamber of Commerce of Bogota on the same date, the merger by absorption between Codensa S.A. ESP (absorbing company), Empresa de Energia de Cundinamarca S.A. E.S.P (hereinafter EEC) and Distribuidora Electrica de Cundinamarca S.A. ESP was formalized.

(Hereinafter DECSA) (Absorbed companies).

The merger commitment set a share swap ratio of 0.000691636463474128 Condensa shares for each EEC share and 0.0000109067464256447 Codensa shares for each DECSA share, equivalent to the issue of 1,668,377 Codensa shares.

As a result of that merger, Empresa de Energia de Bogota attained a 51.32% interest in Codensa at the 2016 year-end, with an increase of 1,183,411 shares compared to 2015.

Consorcio Transmantaro S.A. –CTM– Transmantaro is a Peruvian company established in Lima. It was incorporated in January 1998, but GEB 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. GEB owns directly 40% of the shareholder capital.

Guaranteed obligations – The loan taken by Consorcio Transmantaro in October 2012 for USD$100 million is guaranteed by an irrevocable commitment of GEB and Interconexion Electrica S.A shareholders.

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. GEB directly owns 40% of the shareholder capital of that Company.

Guarantee of obligations – At the closing of these financial statements it is established that there is an agreement corresponding to the value of the pledge on the shares that GEB holds in Red de Energia del Peru S.A. as guarantee for obligations that said company has with financial entities with whom it executed the agreement.

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.

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.

Promigas S.A. E.S.P. – A Colombian company whose business purpose is the purchase, sale, transportation, distribution, exploitation and exploration of natural gas, oil and hydrocarbons in general and the carrying out of all kinds of gas and oil activities.

GEB along with Corficolombiana, FCP Corredores y FCP Correval, acquired 30%, 20.3%, 47.9% y 1.8%, respectively, of AEI Promigas Ltd.; AEI Promigas Holdings Ltd. and AEI Promigas Investments Ltd., companies that own 52.13% of Promigas, which means that GEB acquired indirectly a 15.6% interest in that company.

In June 2012 a decision was made to split the three investment vehicles AEI Promigas Holdings Ltda., AEI Promigas Ltd. And AEI Promigas Investments. EEB GAS LTD (a company created in May 2012 and domiciled in the Cayman Islands) is formed as a result, in which GEB S.A. E.S.P. has a 100% equity interest.

By means of decree 292 of June 7, 2017 the disposal of the stock interest that the Company has in Promigas S.A. E.S.P. as of December 31, 2017 is authorized, which is presented as part of the assets classified as held for sale.

At Phase 1 of the process, intended to the addressees with special conditions, 4,547,620 shares were disposed of from the 177,464,263 shares that it owned. Those shares were awarded on September 4, 2017 with fulfillment on September 12, 2017. The subscription price was $5,201 per share.

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 2017

Associates	Total net assets of associates / Joint ventures	Company's share of the net assets of associates / Joint ventures	Goodwill	Other	Carrying amount
Emgesa S.A. E.S.P. (1)	$ 3.848.286	51,51%	$ 1.224.140	$ 6.921	$ 3.209.749
Codensa S.A. E.S.P. (1)	2.648.819	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 the 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	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 ventures					670.734
Total share of associates and joint ventures					$ 6.951.662

(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 2016 (Restated)

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.	$ 3.495.962	51,51%	$ 1.224.140	$ 6.880	$ 3.028.205
Codensa S.A. E.S.P.	2.546.177	51,32%	466.421	5.860	1.775.897
Gas Natural S.A. E.S.P.	586.921	24,99%	193.855	-	340.527
Red de energía del Perú S.A.	599.299	40,00%	-	(4.588)	235.132
Consorcio Transmantaro.	1.361.691	40,00%	45.088	(760)	589.004
Promigas S.A. E.S.P	2.755.138	15,64%	140.114	3.292	574.246
Electrificadora del Meta S.A. E.S.P.	247.256	16,23%	-	3.512	43.642
Total share of associates					$ 6.586.653
Joint ventures					
Goias Transmissao S.A.	449.074	51,00%	$ -	-	$ 229.028
Mge Transmissao S.A.	311.189	51,00%	-	-	158.706
Transenergia Renovavel S.A.	346.127	51,00%	-	-	176.525
Transenergia Sao Paulo S.A.	174.960	51,00%	-	-	89.229
Total share of joint ventures					653.488
Total share of associates and joint ventures					$ 7.240.141

1 January 2016 (Restated)

	Total net assets of associates / Joint ventures	Company's share of net assets of associates / Joint ventures	Goodwill	Other	Carrying amount
Associates					
Emgesa S.A. E.S.P.	$ 3.558.112	51,51%	$ 1.224.140	$ 4.858	$ 3.061.781
Codensa S.A. E.S.P.	2.323.269	51,51%	466.421	4.191	1.667.328
Gas Natural S.A. E.S.P.	495.180	24,99%	193.855	-	317.600
Red de energía del Perú S.A.	635.231	40,00%	-	-	254.092
Consorcio Transmantaro.	1.120.461	40,00%	45.088	-	493.272
Promigas S.A. E.S.P.	2.553.153	15,64%	140.114	-	539.366
Electrificadora del Meta S.A. E.S.P.	319.724	16,23%	(133)	-	51.745
Total share of associates					$ 6.385.184
Joint ventures					
Goias Transmissao S.A.	$ 447.204	51,00%	-	-	$ 228.074
Mge Transmissao S.A.	289.781	51,00%	-	-	147.788
Transenergia Renovavel S.A.	276.337	51,00%	-	-	140.932
Transenergia Sao Paulo S.A.	149.857	51,00%	-	-	76.427
Total share of joint ventures					593.221
Total share of associates and joint ventures					$ 6.978.405

31 December, 2017

	Income (loss) of the associates / Joint ventures	Participation of the Company in net assets of the associates / Joint ventures	Other	Carrying Value
Associates				
Emgesa S.A. E.S.P.	$ 880.134	51,51%	$ 6.921	$ 460.278
Codensa S.A. E.S.P.	617.513	51,32%	5.971	322.889
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
Equity method for associates				$ 986.174

	Income (loss) of the associates / Joint ventures	Participation of the Company in net assets of the associates / Joint ventures	Other	Carrying Value
Joint Ventures				
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%	-	1.629
Equity method for joint ventures				$ 43.369
Total Participation in associates and joint ventures				$ 1.029.543

31 December, 2016

	Income (loss) of the associates / Joint ventures	Participation of the Company in net assets of the associates / Joint ventures	Other	Carrying Value
Associates				
Emgesa S.A. E.S.P.	$ 746.765	51,51%	$ 6.960	$ 391.619
Codensa S.A. E.S.P.	527.289	51,32%	6.005	276.618
Gas Natural S.A. E.S.P.	274.219	24,99%	-	68.527
Red de energía del Perú S.A.	86.938	40,00%	-	34.775
Consorcio Transmantaro.	129.443	40,00%	-	51.777
Promigas S.A. E.S.P.	627.371	15,64%	-	98.106
Electrificadora del Meta S.A. E.S.P.	47.097	16,23%	-	7.641
Equity method for associates				$ 929.063
Joint Ventures				
Goias Transmissao S.A.	$ (58.426)	51,00%	$ -	$ (29.797)
Mge Transmissao S.A.	(18.625)	51,00%	-	(9.498)
Transenergia Renovavel S.A.	35.435	51,00%	-	19.217
Transenergia Sao Paulo S.A.	4.895	51,00%	-	2.496
Equity method for joint ventures				$ (17.582)
Total Participation in associates and joint ventures				$ 911.481

The following is the detail of the dividends decreed:

	2017	2016
Emgesa S.A E.S.P.	$ 275.065	$ 419.300
Codensa S.A E.S.P.	273.031	247.050
Gas natural S.A E.S.P.	68.756	65.324
Promigas S. A. E.S.P.	66.272	61.757
Red de Energía del Perú S.A.	46.600	48.543
Electrificadora del Meta S.A E.S.P.	5.567	6.801
Total	$ 735.291	$ 848.775

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

Associates

31 December, 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

31 December, 2016

	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Emgesa S.A. E.S.P.	$ 872.491	$ 8.164.745	$ 1.281.730	$ 4.259.544
Codensa S.A. E.S.P.	1.237.995	4.496.404	1.691.463	1.496.759
Gas Natural S.A. E.S.P.	568.902	690.594	458.596	213.979
Red de energía del Perú S.A.	139.854	1.440.672	240.063	741.164
Consorcio Transmantaro.	221.221	3.738.930	470.895	2.127.565
Promigas S.A. E.S.P.	1.423.745	7.831.191	1.298.962	5.011.604
Electrificadora del Meta S.A. E.S.P.	136.798	511.089	133.326	267.305

31 December, 2015

	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Emgesa S.A. E.S.P.	$ 773.390	$ 8.066.486	$ 1.574.222	$ 3.707.542
Codensa S.A. E.S.P.	928.296	3.764.050	1.141.319	1.227.758
Gas Natural S.A. E.S.P.	635.917	584.902	410.608	315.031
Red de energía del Perú S.A.	140.667	1.505.540	192.913	818.063
Consorcio Transmantaro.	280.524	3.135.422	194.751	2.100.734
Promigas S.A. E.S.P.	225.764	4.255.311	229.647	1.972.327
Electrificadora del Meta S.A. E.S.P.	109.134	471.405	137.625	123.190

Joint Ventures

31 December, 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

31 December, 2016

	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Goias Transmissao S.A.	$ 60.519	$ 674.452	$ 54.981	$ 230.915
Mge Transmissao S.A.	37.686	402.064	22.947	105.613
Transenergia Renovavel S.A.	65.300	447.663	36.024	130.812
Transenergia Sao Paulo S.A.	20.475	217.103	9.530	53.088

31 December, 2015

	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Goias Transmissao S.A.	$ 55.486	$ 663.954	$ 52.559	$ 219.677
Mge Transmissao S.A.	39.582	385.620	28.296	107.125
Transenergia Renovavel S.A.	41.871	384.884	29.276	121.142
Transenergia Sao Paulo S.A.	17.607	196.071	14.200	49.621

31 December, 2017

Associates	Revenues	Profit (loss) for the year	Other comprehensive income for the period	Total comprehensive income for the year	Dividends Received
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

31 December, 2016

Associates	Revenues	Profit (loss) for the year	Other comprehensive income for the period	Total comprehensive income for the year	Dividends Received
Emgesa S.A. E.S.P.	$ 3.514.106	$ 753.725	$ 8.590	$762.315	$ 419.300
Codensa S.A. E.S.P.	4.189.696	533.295	(2.356)	530.939	247.050
Gas Natural S.A. E.S.P.	2.269.208	274.218	-	274.218	65.323
Red de energía del Perú S.A.	421.035	91.529	(31.914)	59.615	48.523
Consorcio Transmantaro.	372.219	131.192	(55.158)	76.034	-
Promigas S.A. E.S.P	4.069.613	627.371	(7.259)	441.728	-
Electrificadora del Meta S.A. E.S.P.	472.917	47.097	-	46.970	4.573

Joint Ventures

31 December, 2017

Associates	Revenues	Profit (loss) for the year	Other comprehensive income for the period	Total comprehensive income for the year	Dividends Received
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

31 December, 2016

Associates	Revenues	Profit (loss) for the year	Other comprehensive income for the period	Total comprehensive income for the year	Dividends Received
Goias Transmissao S.A.	$ 31.103	$ 58.427	$ -	$ 58.427	$ 14.142
Mge Transmissao S.A.	3.710	18.625	-	18.625	4.441
Transenergia Renovavel S.A.	57.877	(35.435)	-	(35.435)	11.378
Transenergia Sao Paulo S.A.	9.715	(4.895)	-	(4.895)	2.111

Acquisition of joint control – In 2015, GEBBRAS acquired a 51% interest in the following companies in Brazil: Transenergia Renovavel S.A., Transenergia São Paulo S.A Goias Transmissão S.A and MGE Transmissão S.A., which all provide electric energy transmission services.

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

31 December, 2017

	Cash and cash equivalents	Current financial liabilities	Non-current financial liabilities
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

31 December, 2016

	Cash and cash equivalents	Current financial liabilities	Non-current financial liabilities
Goias Transmissao S.A.	$ 9.382	$ 15.456	$ 180.490
Mge Transmissao S.A.	8.055	8.455	76.797
Transenergia Renovavel S.A.	14.310	11.130	97.703
Transenergia Sao Paulo S.A.	5.999	4.065	37.589

	Interest revenue	Interest expense	Income tax expense
Goias Transmissao S.A.	$ 24.989	$ 16.278	$ 30
Mge Transmissao S.A.	5.292	7.793	449
Transenergia Renovavel S.A.	1.725	10.327	581
Transenergia Sao Paulo S.A.	1.286	3.921	380

17. PROPERTY, PLANT AND EQUIPMENT

	2017	2016
Cost	$ 9.995.758	$ 9.435.047
Accumulated depreciation	(948.152)	(791.785)
Impairment (1)	(28.902)	(29.063)
	$ 9.018.704	$ 8.614.199

(1) During the year, Transportadora de Energia de Centroamerica S.A. – TRECSA, reviewed the recoverable amount of its property, plant and equipment considering the technical and/or legal difficulties of the contract for connection and performance of woks entered into with the Ministry of Energy and Mines.

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. For 2017 as a result of the plans for improvement and follow up of work indicators, no impairment was evidenced on the recoverable value of the assets.

BLANK SPACE

	Land	Constructions in progress	Buildings	PPE Component	Plants and pipelines	Networks, lines and cables	Machinery and equipment	Furniture, fixtures and office equipment	Communication and computer equipment	Transportation equipment	Other minor	Total
Balance at 31 December 2016	$ 59.053	$ 834.644	$ 252.906	$ 1.947	$ 7.871.379	$ 822.933	$ 89.098	$ 25.976	$ 35.721	$ 35.209	$ 4.694	$ 10.033.560
Additions	529	669.356	7.765	-	81.492	10.248	6.846	411	1.169	384	391	778.591
Withdrawals	(12.414)	(99.040)	(23.364)	(142)	(193.957)	(452.759)	(1.786)	(3.702)	(10.893)	(4.732)	(382)	(803.171)
Transfers	-	(170.995)	30.654	-	(14.437)	-	(11.902)	(1.415)	202	-	1.592	(166.301)
Effect of foreign currency exchange differences	(1.697)	(26.816)	(8.237)	-	(356.211)	(7.044)	(3.914)	(1.061)	(996)	(1.457)	(199)	(407.632)
Balance as of December 31, 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
Accumulated depreciation												
Balance at 31 December 2016	$ -	$ -	$ (23.990)	$ -	$ (503.589)	$ (106.697)	$ (16.293)	$ (8.571)	$ (14.303)	$ (6.271)	$ (3.190)	$ (682.904)
Withdrawals	-	-	1.752	-	27.937	94.586	831	1.379	1.951	1.744	375	130.555
Depreciation expense	-	-	(11.138)	-	(231.749)	(9.074)	(3.786)	(1.115)	(2.680)	(5.198)	(533)	(265.273)
Others	-	-	-	-	575	62	425		-	-	-	1.062
Effect of foreign currency exchange differences	-	-	849	-	21.958	52	693	330	522	238	133	24.775
Balance at 31 December 2016	$ -	$ -	$ (32.527)	$ -	$ (684.868)	$ (21.071)	$ (18.130)	$ (7.977)	$ (14.510)	$ (9.487)	$ (3.215)	$ (791.785)

	Land	Constructions in progress	Buildings	PPE Component	Plants and pipelines	Networks, lines and cables	Machinery and equipment	Furniture, fixtures and office equipment	Communication and computer equipment	Transportation equipment	Other minor	Total
Withdrawals	$ -	$ -	$ -	$ -	$ 331	$ -	$ 348	$ 185	$ 1.466	$ 363	$ 47	$ 2.740
Depreciation expense	-	-	(8.816)	-	(157.550)	(9.306)	(3.586)	(2.231)	(2.704)	(5.355)	(214)	(189.762)
Others	-	-	-	-	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)
Impairment												
Balance at January 1,2016	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Impairment for the period	-	-	-	-	(19.285)	(9.778)	-	-	-	-	-	(29.063)
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2016	$ -	$ -	$ -	$ -	$ (19.285)	$ (9.778)	$ -	$ -	$ -	$ -	$ -	$ (29.063)
Impairment for the period	-	-	-	-	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	107	54	-	-	-	-	-	161
Balance at 31 December 2017	$ -	$ -	$ -	$ -	$ (19.178)	$ (9.724)	$ -	$ -	$ -	$ -	$ -	$ (28.902)

Useful lives used for calculating depreciation are the following:

	Electric power transmission	Electric power distribution	Natural gas distribution	Natural gas transportation
Nuildings	50	40 a 100	-	20 a 50
Plants, ducts 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
IT equipment	5	3 a 10	4	3 a 5
Transportation equipment	5	5	4 a 5	20
Other equipment	10	3 a 15	4 a 10	5

18. INVESTMENT PROPERTY

	2017	2016
Lands – Unexploited	$ 163.743	$ 163.743
Buildings – Unexploited	54.106	54.105
Accumulated depreciation - Buildings	(7.053)	(5.289)
	$ 210.796	$ 212.559

Cost	Lands	Buildings	Total
Balance at January 1,2016	$ 170.335	$ 61.181	$ 231.516
Disposals	(6.283)	(6.743)	(13.026)
Effect of foreign currency exchange differences	(309)	(334)	(643)
Balance at December 31,2016	163.743	54.104	217.848
Disposals	-	-	-
Effect of foreign currency exchange differences	-	-	-
Balance at December 31,2017	$ 163.743	$ 54.104	$ 217.848

Accumulated depreciation	Lands	Buildings	Total
Balance at January 1,2016	$ -	$ (3.689)	$ (3.689)
Depreciation expense	-	(1.993)	(1.993)
Disposals	-	385	385
Effect of foreign currency exchange differences	-	8	8
Balance at 31 December 2016	-	(5.289)	(5.289)
Depreciation expense	-	(1.763)	(1.763)
Disposals	-	-	-

Accumulated depreciation	Lands	Buildings	Total
Effect of foreign currency exchange differences	-	-	-
Balance at 31 December 2017	$ -	$ (7.052)	$ (7.052)

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.

19. GOODWILL

	2017	2016
EEB Perú – Holding (a)	$ 22.084	$ 22.084
Transcogas (hoy TGI) (b)	28.087	28.087
	$ 50.171	$ 50.171

Goodwill was generated as a result of:

a) The acquisition of shares in Transportadora Colombiana de Gas S.A. ESP (Company merged with TGI S.A ESP) in two transactions, as follows:

- In June 2005, 53.999.985 shares, equivalent to 71,9998%, were acquired for $29.179 (USD$12.5 million at the June 15, 2005 Market Representative Exchange Rate - TRM - of $ 2.334,27 per $1); the equity value of the investment was $10.207 and the difference was recorded as goodwill acquired for $18.972.

- In July 2008, GEB purchased 27,999 % of share capital, represented by 71.400.006 shares, for $33.000, leaving the participation of GEB in 99,99%. The equity value of the investment was $9.441 and the difference was recorded as goodwill acquired for $23.559.

b) In February 2011, GEB acquired 100% of the stock of EEB Peru Holding Ltd., located in the Cayman Islands, for USD$111.24 million. The acquisition generated goodwill amounting to USD$12,50 million ($25.729), given the difference between the asset value of the shares as of January 31, 2011 (USD$98.73 million) and the amount paid for BSE (USD$111,24 million).

The aforementioned goodwill's were recorded in agreement with Colombian accounting principles applicable at that date, which included cumulative amortization at that date. According to IFRS 1, the company uses the exemption that permits to record goodwill's under the former accounting principles. Consequently, the carrying amounts were included for the adoption of IFRSs and it was decided that those goodwill's would have an indefinite useful life and therefore are not subject to amortization.

20. INTANGIBLE ASSETS

Carrying amount of:		
Easements	$ 370.606	$ 330.569
Contract rights	4.010.457	3.670.579
Software and licenses	70.586	57.829
Cumulative amortization	(707.569)	(568.717)
	$ 3.744.080	$ 3.490.260

Cost	Easements	Rights on contracts	Software and licenses	Total
Balance at January 1,2016	$ 1.437.643	$ 2.470.714	$ 61.107	$ 3.969.464
Additions	37.913	264.590	5.206	307.709
Transfers	(1.075.928)	1.074.093	1.549	(286)
Disposals	(130)	(19.189)	(7.706)	(27.025)
Effect of foreign currency exchange differences	(68.929)	(119.629)	(2.327)	(190.885)
Balance at 31 December 2016	330.569	3.670.579	57.829	4.058.977
Additions	40.426	360.540	13.074	414.040
Transfers	1.363	-	26	1.390
Disposals	(8)	(222)	-	(230)
Effect of foreign currency exchange differences	(1.745)	(20.440)	(343)	(22.528)
Balance at 31 December 2017	$ 370.605	$ 4.010.457	$ 70.586	$ 4.451.649

Accumulated amortization	Easements	Rights on contracts	Software and licenses	Total
Balance at January 1,2016	$ (45.735)	$ (402.333)	$ (33.724)	$ (481.792)
Amortization	(5.382)	(103.668)	(4.631)	(113.681)
Transfers	36.995	(37.226)	(1.549)	(1.780)
Disposals	-	-	6.867	6.867
Effect of foreign currency exchange differences	3.860	16.889	920	21.669
Balance at 31 December 2016	(10.262)	(526.338)	(32.117)	(568.717)
Amortization	(5.473)	(127.352)	(6.492)	(139.317)
Transfers	-	-	-	-
Disposals	-	-	-	-
Effect of foreign currency exchange differences	(697)	(86)	1.248	465
Balance at 31 December 2017	$ (16.432)	$ (653.776)	$ (37.361)	$ (707.569)

Useful lives used for computing amortization are as follows:

Easements	30 years
Licenses	10 years

21. FINANCIAL LIABILITIES

	Interest rate	Maturity date	2017	2016
GEB BONDS (1)	6.125% SV	10/11/2021	$ 2.235.778	$ 2.248.472
GEB BONDS (2)	IPC + 3.19%	28/02/2024	187.297	-
GEB BONDS (2)	IPC + 3.85%	28/02/2032	283.516	-
GEB BONDS (2)	IPC + 4.04%	28/02/2042	180.339	-
GEB BONDS (2)	IPC + 3.21%	28/02/2024	128.830	-
GEB BONDS (2)	IPC + 3.85%	28/02/2032	189.493	-
GEB BONDS (2)	IPC + 4.10%	28/02/2042	324.198	-
BBVA (3)	IBR + 2.26%	03/03/2017	-	32.000
Banco Agrario (4)	DTF + 1.80%	07/03/2017	-	125.000
Secretaría de Hacienda Distrital (5)	IPC + 4.15	05/07/2025	-	350.000
TGI Bonds (6)	5.70% SV	20/03/2022	2.232.937	2.244.391
Calidda Bonds (7)	4.375% SV	15/03/2023	951.001	955.671
Banco Interbank (8)	4.9% Anual	28/06/2019	-	10.989
Banco Scotiabank (8)	4.75% Anual	28/06/2019	-	43.648
Banco Interbank (9)	6.95% Anual	31/03/2020	-	11.130
Pagaré BCP (10)	0.58% 7 días	07/01/2017	-	2.731
Banco Scotiabank (11)	2.85% Anual	19/05/2022	237.706	-
Corp. Andina Fomento CAF (12)	Libor+1.6%	30/05/2020	106.099	149.132
Syndicated bank loan contugas (13)	Libor+3.5%	30/09/2019	1.023.135	1.042.318
Banco de Crédito del Perú (14)	5.95%	14/06/2017	-	17.948
Banco de Crédito del Perú (14)	4.30%	26/03/2018	23.872	-
Banco de Crédito del Perú (14)	4.40%	19/06/2018	2.984	-
IELAH syndicated bank loan (15)	Libor+2.25%	29/08/2019	246.910	540.075
Citibank N.A. TRECSA (16)	Libor+2.97%	30/06/2028	259.608	261.062
Citibank N.A. EBBIS GT (17)	Libor+2.40%	14/11/2021	143.232	144.034
Leasing	-	-	42.978	47.919
Interests	-	-	83.848	87.674
			$ 8.883.761	$ 8.314.194
Current			$ 153.611	$ 401.261
Non-current			8.730.150	7.912.933
			$ 8.883.761	$ 8.314.194

(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 2017 and 2016 the Company's revenues relating to the issue, which are yet to be amortized, are $762 and $940 million respectively.

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.

(2) *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

Series – Subseries	Amount Required (COP)	Amount Approved (COP)	Margin/Cutoff Rate
Subseries A/30 - 30 years – CPI+Margin EAR	521.100	328.100	4.10% EAR
Total	$ 869.060	$ 650.000	

(3) *Grupo Energía Bogotá S.A. ESP.* - On 3 March 2016 the Company took a short-term loan for COP$32 million from the BBVA bank in accordance with meeting minutes No. 1500 of the ordinary shareholders' meeting held on 21 February 2013. The loan features are:

Amount: $ 32.000.000.000
Rate: IBR + 2.26% E.A.
Term: up to 1 bullet year
Amortization: principal at the prepayment period end
Interests: due quarterly
Guarantee: signature of legal representative.

The payment of the credit was made in January 2017.

(4) *Grupo Energía Bogotá S.A. ESP.* - On 7 March 2016 the Company took a short-term loan for COP$125 million from BANCO AGRARIO DE COLOMBIA in accordance with meeting minutes No. 1500 of the ordinary shareholders' meeting held on 21 February 2013. The loan features are:

Amount: $ 125.000.000.000
Rate: DTF + 1.80% E.A.
Plazo: Hasta 1 año bullet
Amortization: principal at the prepayment period end
Interests: due semiannually
Guarantee: signature of legal representative.

The payment of the credit was made in January 2017.

(5) *Grupo Energía Bogotá S.A. ESP.* – On 5 July 2016 the Company, in conformity with the decisions of the Extraordinary General Meeting of Shareholders of the GEB S.A. ESP and in accordance with meeting minutes No. 071, an extraordinary dividend was decreed on each share outstanding payable to the Capital District. The main features are:

Amount: $ 350.000.000.000
Rate: IPC + 4.15 (*****)
Settlement basis: 30/360
Modality: Annual

The payment of the obligation with the Capital District was made in December 2017.

(*****) For the periods beginning on July 5th of every year and ending on July 4th of the following year, the CPI certified by the National Statistics Department (DANE for its Spanish initials) will be used for the period of the same beginning year, starting on June 1st and ending on May 30th of the following year.

(6) *Transportadora de Gas Internacional S.A. ESP.* – On March 20, 2012, the Company performed a placement of bonds on the international market for USD$750 million under Rule 144A of Regulation S. over a 10-year term. The funds were used to improve the financial conditions of the 2007 bond issuance, thus exercising the call option of the initially issued bonds. The main characteristics of the issuance are:

Security type	Government bonds
Issue date	20 March 2012
Face value	USD $750 million.
Term	10 years
Trustee	The Bank of New York Mellon
Yield	5.70%
Credit rating	BBB by Fitch Ratings, BBB- by Standard & Poor´s and Baa3 by Moodys.
Covenants	See paragraph (a)

(7) *Gas Natural de Lima y Callao – Cálidda – In* March 2013, the Company performed a placement of bonds on the international market for USD$320 million under Rule 144A of Regulation S. over a 10-year term. The resources were used to prepay loans with International Finance Corporation (IFC), Corporacion Andina de Fomento (CAF), Infrastructure Crisis Facility Debt Pool (ICF), and Citibank del Peru SA, as well as the shareholders' subsidiaries loan. With the remaining resources from the bond issuance, the Company financed its investment plans for 2013 and 2014, allowing it to further expand the gas network in the Lima Department and the Constitutional Province of Callao. The main characteristics of the issue are:

Type of security	Government Debt Bonds
Date of issuance	March 2013
Face value	USD$320 million.
Term	10 years
Yield	4,375%
Qualification	AAA (col) granted by Fitch Ratings, BBB- by Standard & Poor´s and Baa3 by Moody's.
Covenants	See literal (a)

(8) *Banco Internacional del Perú – Interbank y Scotiabank del Perú S.A.A.* This is a loan of which each bank had a 50% share at a rate of 4.90% and 4.75% respectively, for a term of four years. This loan was repaid in the third quarter of 2017.

(9) *Banco Internacional del Perú – Interbank.* It corresponds to a loan granted at the rate of 6.95% for a term of four years. This loan was prepaid in the third quarter of 2017.

(10) *Banco de Crédito del Perú – BCP.* This is the balance of a promissory note whose initial value was US$13,000 short-term and was fully paid in January 2017 at a rate of 0.58% for seven days.

(11) *Banco Scotiabank del Perú S.A.A.* – It corresponds to a loan at a rate of 2.85% for a termof five (5) years.

(12) *Banco de Desarrollo de América Latina (before Corporación Andina Fomento CAF)* - As part of the process for restructuring financial obligations undertaken in May 2008, the Company acquired a loan with Corporacion Andina de Fomento - CAF, at an interest rate of Libor +

1,6% per semester in arrears, and amortizations of principal in 14 semiannual installments starting 2013. This transaction was performed to replace the loan contracted with ABN AMRO BANK for USD$100 million.

At 31 December 2017 and 2016 the Company has costs associated with the issuance, which are pending amortization, for a value of $473 and $903 respectively.

(13) *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

Pursuant to a Company's request, disbursements of this loan were made gradually according to the monthly cash flow needs, until completing the USD$342 million, during a period of availability (until June 30, 2015). During 2015, USD$8 million were disbursed, completing the total loan amount.

In addition, the Company had to pay a 0,90% effective per annum commitment commission for the amount not disbursed of the loan. In addition, at the signing of the contract the Company paid the amount of the financing commission, equivalent to 0,90% of the total amount of the loan.

The funds obtained from this loan were used mainly to pay the bridge syndicated loan (for $215 million in favor of Banco Davivienda S.A., Banco de Bogota S.A. New York Agency, Banco de Bogota S.A. Panama, and Banco de Credito del Peru) plus financing of the remaining investment to conclude the works associated to the Natural Gas Distribution System in the Department of Ica.

This loan is guaranteed by an Irrevocable Commitment of the shareholders, where Empresa de Energia de Bogota S.A. ESP and Transportadora de Gas Internacional S.A. ESP, as obliged parties, commit unconditionally and irrevocably to make immediate contributions to the capital of the Company, either directly or through affiliates; or by granting subsidiaries debt in favor of the Company, in the event that the Company does not have sufficient and available funds for payment of the Syndicated Loan and the works associated with the Natural Gas Distribution System in the Department of Ica. Likewise, the loan is guaranteed mainly by the following elements:

- Mortgage of the Concession in favor of the Lenders

- Trust Fund of the Concession's Revenue inflows

- Guarantee Letter backing 100% of the semiannual interests.

(14) *Banco de Credito del Peru* – Working capital loan for US$5,981. It corresponds to short-term loan on 14/12/2016 by Banco de Credito del Peru at a rate of 5.95%. Both the principal and the interest were paid in a term of 6 months, that is 14/06/2017.

Working capital (short term) loan for US$ 8 million, granted on 27/09/2017 by Banco de Credito del Peru at a rate of 4.3%. Both the principal and the interest are payable at the end of 6 months, that is on 26/03/2018.

Working capital (short term) loan for US$ 1 million, granted on 21/12/2017 by Banco de Credito del Peru at a rate of 4.4%. Both the principal and the interest are payable in a term of 6 months, that is on 19/06/2018.

(15) *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
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.

The syndicated bank loan at the cut-off date of 31 December 2016 is USD$184 million.

On 29 January 2016 the Superintendence of Companies authorized the amendment of the articles of association involving the merger of TGI S.A. ESP with IELAH S.L.U., a special purpose vehicle domiciled in Spain, acquired by GEB in July 2014 from The Rohatyn Group (formerly Citi Venture Capital – CVCI) through which it held a 31.92% interest in TGI.

The merger took effect between the parties from the moment the public deed was formally drawn up on May 11, 2016 and is valid in regard to third parties from the moment of its registration with the Chamber of Commerce on May 13, 2016. Thus, the company successfully finalized the merger with IELAH.

(16) *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.

(17) *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.

Guarantees on UPME projects calls for tenders - GEB created with the following financial institutions, guarantees for the award of UPME projects:

Project	Bank	Performance Bond Value	Effectiveness From	Effectiveness To
STN- UPME 02-2009 Armenia 230 kV and Associated transmission lines	Davivienda	$ 11,983	29-Nov-13	30-Sep-18
STN- UPME 05-2009 Tesalia 230 kV and Associated transmission lines	Davivienda	31,785	22-Dec-17	22-Dec-18
STN- UPME 03-2010 Chivor II (San Luis) and North 230 kV and Associated transmission lines	Davivienda	25,267	16-Dec-16	31-Mar-20
STN- UPME 05-2012 Second circuit Bolívar-Cartagena 220 kV	Davivienda	5,981	01-Mar-17	30-Sep-18
STN- UPME 01-2013 1st Reinforcement Eastern Area 500 KV (Sogamoso - North - Nueva Esperanza Lines 500 kV)	Davivienda	80,520	14-Sep-17	30-Sep-19
STN-UPME 06-2014 Substation Río Córdoba 220 kV and Associated transmission lines	Davivienda	6,803	18-Nov-16	30-Sep-18
STN-UPME 04-2014 Substation Alférez 500 kV and Associated transmission lines –Southwestern reinforcement 500 kV	Davivienda	100,026	16-Feb-15	31-Dec-18
STN-UPME 01-2014 La Loma 500 kV and Associated transmission lines	Davivienda	19,368	08-Aug-17	31-Mar-19
STR-UPME STR 07-2014 Two transformers 220/110 kV of 100 MVA in Río Córdoba 220 kV	Davivienda	12,756	28-Jul-16	30-Apr-18
STR-UPME STR 13-2015 La Loma Substation 110 kV and its connection to National Transmission System Two 500/110 kV transformers of 150 MVA	Davivienda	13,678	23-Dec-15	30-Sep-18
STR-UPME STR 05-2017 Second Transformer 230/115 kV Altamira of 150 MVA	Davivienda	4,386	11-Aug-17	30-Jun-19
	Total	$ 312,553		

Covenants Bonds issuance as per Rule 144A Regulation S. - GEB acquired the following commitments to incur in certain activities, pursuant to the provisions of the issuance Indenture:

- Indebtedness ratio between consolidated net debt and consolidated EBITDA shall not be higher than 4,5:1,0.

- Ratio between consolidated EBITDA and the consolidated interest expense shall not be lower than 2,25:1,0.

In the event that any of the above commitments are not complied with, the Company and its restricted subsidiaries (TGI S.A. E.S.P., TGI International Ltd., Decsa S.A. E.S.P., EEC S.A. E.S.P., EEB Peru Holdings Ltd., Calidda S.A., Contugas S.A.C., Trecsa S.A., EEB International Ltd., EEB Gas Ltd., EEB Gas S.A.S. y EEB Ingenieria y Servicios S.A.) would have the following limitations:

- The Company and its affiliates will not be able to create, incur or assume, or permit the existence of any lien on any property or asset, income or revenue (including receivables) or rights in connection with any of them.

- The Company and its affiliates will not be able to merge or consolidate with any other company.

- The Company and its affiliates will not be able to engage in any business other than that of energy and gas transmission and their related activities or businesses.

- The Company and its affiliates will neither be able to create or acquire any subsidiaries, nor making any investment in any other Company, except for the investments related to the ordinary course of the business.

- The Company and its affiliates will not be able to alienate any asset, except in the following cases:

    - Sales of inventories, damaged, obsolete, used, non-productive or excess assets, waste material or investments in the ordinary course of business.

    - A consideration is received, 75% of which, at least, is represented in cash or temporary investments, and which will be used over the subsequent 270 days to repay debts or for re-investment in assets.

    - Other alienations for a consideration, not exceeding, either individually or jointly, USD$30 million (or their equivalent in other currencies) over a year.

- The Company and its affiliates will not be able to incur in any indebtedness and may not guarantee any obligation in favor of a third party.

    Besides the aforementioned, the Company and its subsidiaries will not be able to make any changes to the accounting treatment and financial reporting practices or the tax treatment, except when requested or permitted by accounting and financial reporting standards accepted in Colombia consistently applied during the periods.

    The above restrictions will have no effect in case GEB is rated with investment grade by at least two risk rating agencies.

On October 12 2017 Fitch Ratings ("Fitch") confirmed the international credit rating of the GEB at 'BBB', a score equivalent to an investment grade rating. According to Fitch, the rating reflects the company's cash flow steadiness, strong business position, solid liquidity position and leverage expectations in line with the rating category. Also, the ratings reflect the new growth strategy of the company.

On its part, last October 20, 2017 Standard and Poor's ("S&P") confirmed the credit rating (BBB-) of the corporate debt of Empresa de Energia de Bogota ESP S.A., a score equivalent to an investment grade rating. In addition, the company's prospects improved by moving from negative to stable. The financial performance of the GEB has been solid in relation to the expectations for a restored flow of dividends, a reduction of debt and a stronger Colombian peso.

With respect to Moody´s, on August 31, 2017, it restated the international credit rating of GEB S. A. ESP to be "BBB", a rating that corresponds to an investment-grade rating with stable outlook.

22. ACCOUNTS PAYABLE

	2017	2016
Suppliers	$ 267.192	$ 195.177
Creditors (1)	150.659	50.372
Advances received	13.817	10.862
	$ 431.668	$ 256.411

(1) According to what was established in meeting minute's No. 74 of March 31, 2016 of the General Annual Meeting a decision was made to release temporary reserves (expansion projects) in order to declare extraordinary dividends per shares outstanding of $224.350.

23. EMPLOYEE BENEFIT OBLIGATIONS

Short term benefits (a)	$ 49.775	$ 48.082
Defined benefits (b):		
Retirement pension plan, net	164.244	144.392
Supplementary benefits	35.119	35.394
Total	$ 249.138	$ 227.868
Current	$ 79.624	$ 77.841
Non-current	169.514	150.027
	$ 249.138	$ 227.868

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.

	2017	2016
Bonuses	$ 30.780	$ 32.701
Fringe benefits	14.811	11.774
Salaries	280	253
Pension Share Quotas and other	3.904	3.354
Short-term benefits to employees	$ 49.775	$ 48.082

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:

	2017 % GEB	2016 % GEB
Discount rate(s)	6.75%	7.30%
Expected salary increase rate(s)	3.5%	3.5%
Expected return on plan assets	9.382	9.555
Pension plan interest expense	(19.803)	(20.399)
Pension plan beneficiaries	1.699	1.657

Sensitivity analysis

Current value of the obligations for defined benefits		
Discount rate - 50 basis points	$ 321.040	$ 305.836
Discount rate + 50 basis points	294.162	280.502
Inflation rate - 50 basis points	292.912	280.037
Inflation rate + 50 basis points	322.296	305.555

	2017	2016
Weighted average duration of obligations for defined benefits (in years)		
Discount rate - 50 basis points	8,90	8,79
Discount rate + 50 basis points	8,59	8,50

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

Retirement pensions		
Actuarial computation of pensions for prior year	$ 288.533	$ 296.023
Finance expense	20.399	21.016
Retirement pensions	(26.446)	(26.289)
Effect of the merger Codensa-Decsa-EEC	-	(53.313)
Other comprehensive income	20.752	51.096
Benefits obligations at the end of the period	$ 303.238	$ 288.533

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 $9.555 million and $12.592 million in 2017 and 2016 respectively.

Active pension plan		
Fair value of plan assets	$ 144.141	$ 152.836
Revenues from interests	9.555	12.592
Payments made during the period	(26.760)	(26.289)
Taxes paid	(374)	(469)
Contributions made	10.314	5.501
Other comprehensive income	2.118	(30)
Active pension plan at end of year	$ 138.994	$ 144.141

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.

	2017	2016
Net pension plan		
Re-measurement of the net liability for defined benefits:		
Initial balance of pension plan (net)	$ 144.392	$ 143.186
Net expense / (revenue) defined in the plan	10.844	8.424
Contributions to pension plan	(10.314)	(5.501)
Taxes paid	374	469
Payments made	314	-
Effect of the merger Codensa-Decsa-EEC	-	(53.312)
Other comprehensive income	18.634	51.126
Pension plan, net	$ 164.244	$ 144.392

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.

Retirement pensions		
Cost from interests	$ 20.340	$ 21.016
Financial revenues – assets	(9.556)	(12.592)
Other comprehensive income – liabilities	20.752	51.096
Other comprehensive income - assets	(2.118)	(30)
Effect in statements of income	$ 29.418	$ 59.490

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 GEB, 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

	Supplementary and long-term benefits			
2017	**Health**	**Education**	**Retroactive severance payment**	**Five-year term**
Current value of obligations for defined benefits				
Discount rate - 50 basis points	35.688	34	155	491
Discount rate + 50 basis points	33.290	32	149	473
Weighted average duration of the obligations for defined benefits (in years)				
Discount rate - 50 basis points	7,05	3,94	3,63	3,74
Discount rate + 50 basis points	6,86	3,87	3,56	3,68

	Supplementary and long-term benefits			
2016	**Health**	**Education**	**Retroactive severance payment**	**Five-year term**
Current value of obligations for defined benefits				
Discount rate - 50 basis points	36.086	22	128	429
Discount rate + 50 basis points	33.646	21	123	407
Weighted average duration of the obligations for defined benefits (in years)				
Discount rate - 50 basis points	7,10	3,49	4,08	6,80
Discount rate + 50 basis points	6,90	3,44	4,01	7,80

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

	Health	Education	Severance payments	Quinquennial payments	Total
Balance at 31 December 2016	$ 34.828	$ 22	$ 126	$ 418	$ 35.394
Financial cost	2.412	1	8	29	2.450
Current costs of the period	-	-	5	24	29
Benefits paid	(3.660)	(16)	-	(13)	(3.689)
Actuarial Losses/ (Income)	872	26	13	24	935
Balance at 31 December 2017	$ 34.452	$ 33	$ 152	$ 482	$ 35.119

	2017	2016
Reconciliation of other comprehensive income:		
Defined benefits	$ 22.174	$ 53.287
Other liabilities	37	44
	$ 22.211	$ 53.331

24. OTHER PROVISIONS

	2017	2016
Litigation	$ 207.793	$ 115.775
Other provisions	63.531	41.805
Disassembles (TGI)	91.420	88.764
Contingency for supplementary benefits	36.158	33.098
BOMT´s purchase estimation	-	7.976
Pension share quotas	3.837	4.149
	$ 402.739	$ 291.567
Current	$ 141.821	$ 34.195
Non-current	260.918	257.372
	$ 402.739	$ 291.567

Movement of the provisions is detailed as follows:

Movement of other provisions:	Litigations	Other provisions	Dismantling	Supplementary benefits contingency	BOMT purchase estimation	Retirement pension fee units	Total
Balance at 31 December 2016	$ 115.775	$ 41.805	$ 88.764	$ 33.098	$ 7.976	$ 4.149	$ 291.567
Increases	96.393	27.721	5.884	3.060	-	-	133.058
Decreases, writes-off and/or amortizations	(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 translation	934	(152)	-	-	-	-	782
Balance at 31 December 2017	$ 207.793	$ 63.531	$ 91.420	$ 36.158	$ -	$ 3.837	$ 402.739

25. TAX LIABILITY

	2017	2016
Income tax and CREE	$ 157.468	$ 214.125
Tax on equity	50	50
Withholding tax payable	18.947	11.329
Industry and Commerce tax	3.083	2.291
Sales (VAT) tax	280	1.233
	$ 179.828	$ 229.028
Liabilities for Current Taxes	$ 179.047	$ 229.028
Liabilities for Non-Current Taxes	781	-
	$ 179.828	$ 229.028

26. INCOME TAX

26.1 Income tax recognized in the income statement – Legal provisions applicable to the Company establish a general rate of 34% for 2017, for year 2018 and subsequent years of 33% and a surtax for taxable basis (short term) in excess of $800,000 between 0 and 6%, in 2018 y will be between 0 and 4%.

The income tax returns corresponding to years 2011, 2012, 2013, 2014, 2015 and 2016 are subject to review and acceptance by tax authorities.

For year 2017 and 2016 the Company calculated the provision for the income tax taking as a basis the ordinary income.

	2017	2016
Current tax:		
Adjustment previous periods	$ 68.348	$ -
Current year income	230.587	196.201
Income tax for equality CREE current year	-	50.821
CREE Surtax current year		33.688
Capital gains tax	509	452
	299.444	281.162
Deferred tax:		
Of current period	(166.189)	72.677

	2017	2016
Adjustment to deferred tax for change in nominal rates	-	(3.754)
Recategorization of entries	-	91.527
	(166.189)	160.450
Total income tax recognized in the period	$ 133.256	$ 441.611

The reconciliation between profit before tax and net taxable income for 2017 and 2016 is as follows:

Income tax:		
Profit before tax from continuing operations	$ 1.702.149	$ 1.797.539
Income tax expense calculated at 34% (2016: 25%)	578.731	449.385
CREE income tax calculated at 9% (2016: 9%)	-	161.779
Income tax surtax calculated at 6% (CREE 2016: 6%)	101.553	107.276
Tax effect of reconciling entries:		
Nominal rate difference with consolidating country	247.997	239.697
Effect of tax exempt revenues	(79.894)	(49.741)
Effect of expenses that are not deductible when Determining taxable profit	120.571	96.424
Non tax income recognized in profits	(725.666)	(259.856)
Tax deductions	(196.183)	(91.155)
Temporary differences for expenses accrued in the Accounting	11.633	(568)
Effects of revenues not constituting income or capital Gains	(489.734)	(470.011)
Tax effects not recognized in the accounting	596.222	98.385
Effects of currency conversion	16.649	45.255
Offset of tax losses	50.720	(103.936)
Adjustments and reclassifications derived from the application of the New Technical Accounting Framework NCIF	-	9.666
Effect of the tax calculated on presumptive income	(1.504)	48.562
	231.095	281.162
Adjustment recognized in the current year in respect to current tax of previous years	68.349	-
Capital gains tax expense recognized in profit and loss (related to continuing operations)	$ 299.444	$ 281.162

The tax rate used for 2017 and the reconciliations of 2016 represent the corporate tax rate of 40%, 30%, 25% and 34% to be paid by the entities in Colombia, Peru, Guatemala and Brazil, on the taxable profits in accordance with the tax lows of those jurisdictions.

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

		2017		2016
Asset deferred tax	$	97.225	$	92.504
Liability deferred tax		(1.451.903)		(1.598.047)
Total	$	(1.354.678)	$	(1.505.543)

2017		Opening balance		Recognized in profit and loss		Liabilities associated to assets classified as maintained for sale (note 13)		Closing balance
Deferred tax (liability) / asset related to:								
Trade accounts receivable and other accounts receivable	$	7.365	$	5.698	$	-	$	1.666
Intangible assets other than goodwill		(128.468)		12.399		-		(140.867)
Financial assets		-		(885)		-		885
Investments in controlled entities		(130.331)		-		(4.943)		(125.388)
Accounts receivable from employees		1.869		(26)		-		1.895
Inventories		492		58		-		435
Property, plant and equipment		(1.321.516)		(178.865)		-		(1.142.651)
Investment properties		269		16		-		253
Other non financial assets		(1.678)		(1.629)		-		(49)
Accounts payable		(32)		(59)		-		27
Fringe Benefits		857		(108)		-		965
Provisions		2.355		(244)		-		2.599
Other provisions		6.416		8.647		-		(2.231)
Other financial liabilities		675		3.081		-		(2.407)
Employee benefits		(34)		-		-		(34)
Actuarial calculation pensions		17.548		2.049		-		15.500
Desmantling of assets		24.511		(1.806)		-		26.316
Tax losses		14.159		5.749		-		8.410
Functional currency effect		-		15.323		-		-
Total	$	(1.505.544)	$	171.132	$	(4.943)	$	(1.354.678)

2016	Opening balance	Recognized in profit and loss	Liabilities associated to assets classified as maintained for sale (note 13)	Closing balance
Deferred tax (liability) / asset related to:				
Trade accounts receivable and other accounts receivable	$ 14.396	$ 7.031	$ -	$ 7.365
Trade receivables provision	11.759	11.759	-	-
Intangible assets other than goodwill	149.412	277.880	-	(128.468)
Financial assets	1.126	1.126	-	-
Investments in controlled entities	(163.634)	16.051	(49.354)	(130.331)
Accounts receivable from employees	560	(1.309)	-	1.869
Pensional assessed shared	6.316	6.316	-	-
Inventories	(1.218)	(1.710)	-	492
Property, plant and equipment	(1.685.735)	(364.219)	-	(1.321.516)
Investment properties	(35.733)	(36.002)	-	269
Other non financial assets	299	1.977	-	(1.678)
Accounts payable	(1.333)	(1.301)	-	(32)
Invoices pending to be received	7.885	7.885	-	-
Passive debt	(4.277)	(4.277)	-	-
Leasing Acquisitions and Repair Agreements	3.828	3.828	-	-
Fringe Benefits	173	(684)	-	857
Tax liabilities	1.726	1.726	-	-
Provisions	50.597	48.242	-	2.355
Other provisions	-	(6.416)	-	6.416
Other financial liabilities	6.664	5.989	-	675
Employee benefits	12.105	12.139	-	(34)
Actuarial calculation pensions	3.799	(13.749)	-	17.548
Desmantling of assets	2.367	(22.144)	-	24.511
Converson effect	(1.237)	(1.237)	-	-
Tax losses	174.612	160.453	-	14.159
Functional currency effect	-	(100.448)	(49.354)	-
Total	$ (1.445.542)	$ 109.356	$ (49.354)	$ (1.505.544)

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

	2017	2016
Deductible temporary differences, tax losses not used and tax credits not used for which no deferred tax assets have been recognized are attributable to the following:		
Tax credits not used (without expiration)	$ 74.182	82.064
Total	$ 74.182	$ 82.064

Tax credits not recognized do not have an expiration date; however, the difference between 2017 and 2016 is due to the transition regime introduced by item 5 of article 290 of Law 1819 of 2016.

26.4 *Taxable temporary differences not recognized associated to investments and participations*

		2017		2016
Temporary differences related to investments in subsidiaries, branches and associates and participations in joint business for which no liabilities have been recognized for deferred ta are attributed to the following:				
Local subsidiaries	$	(1.698.463)	$	(653.611)
Foreign subsidiaries		(28.353)		40.439
Associates and joint business		(178.817)		126.245
Total	$	(1.905.633)	$	(486.927)

26.5 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 2017; however, management has made a review and considers that the operations had a similar behavior to those performed during 2016, and thus it considers that there will be no significant impact on the income tax return for tax period 2017.

27. OTHER LIABILITIES

Other accounts payable	$	72.452	$	367.769
Revenues received in advance		107.821		119.542
Deposits received by third parties		24.979		27.302
Contributions and fees		-		797
Revenues received for third parties		12.357		24.788
	$	217.609	$	540.198
Current	$	193.363	$	189.209
Non-current		24.246		350.989
	$	217.609	$	540.198

28. FINANCIAL INSTRUMENTS

a. 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, 2016 was 64.72% (79.92% in 2015).

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

		2017		2016
Debt (i)	$	8.883.761	$	8.314.194
Cash and cash equivalents		1.569.021		1.341.886
Net debt	$	7.314.740	$	6.972.308
Accounting capital (ii)	$	11.580.468	$	10.961.952
Net debt to accounting capital ratio		63,16%		63,60%

(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.

b. Categories of financial instruments

Assets				
Cash and cash equivalents	$	1.569.021	$	1.341.886
Financial assets		155.387		421.635
Accounts receivable		769.950		676.860
Accounts receivable from related parties		152.642		221.487
Liabilities				
Financial liabilities		8.883.761		8.314.194
Accounts payable		431.668		256.411
Accounts payable to related Parties		5.604		1.835

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

c. 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.

d. ***Foreign currency 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.

Foreign currency sensitivity analysis – The following is an analysis of sensitivity assuming a variance of the Colombian peso as an effect of the movement of the market representative exchange rate (TRM, per its Spanish acronym), given the exposure estimated as of December 31, 2017:

Figures in millions of Colombian pesos:

	Exchange Rate Variance	**Potential Impact on the Statement of Comprehensive Income (+/-) COP/MM**
2017	1%	6.669,85
	5%	33.349,23
2016	1%	11.400,34
	5%	57.001,69
2015	1%	10.891,41
	5%	54.457,04

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.

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.

Long term exchange exposure hedging was made to the Peruvian Sol for a nominal value of approximately USD 5.7 MM. In addition, at the closing of of December 31, 2017, the total nominal balance of the long-term instruments in effect was of USD 11.9 MM, its valuation at that date being the following:

Cut-off date	**Mark to Market Thousands of USD**	**Equivalent in Millions of Pesos**
31-Dec-17	(1.139,7)	$ (3.400,86)

In addition, short-term foreign exchange exposures were hedged on a monthly basis for a nominal amount of approximately 20,5 MM USD.

For the case of TGI, because underlying the hedging instruments that existed these were associated to the bond issued in 2007 with expiration in 2017 and the latter no longer exists, and additional that the flow of TGI is highly dollarized, the hedging instruments were cancelled in 2017.

e. ***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, 2017, 65% of GEB's debt is fixed-rate, which means that 35% of its debt is variable-rate; that is, 35% of its total debt is at variable rate. Following we present the potential impact at one year on GEB for a change in 100 bps in the interest rates.

Variance in interest rate	Potential impact on the Statement of Comprehensive Income (+/-) Thousands of USD	Equivalent in COP Million
100 pbs	5.161,86	15.402,98

f. ***Other risks***

Price risk – Sales prices of gas transportation and distribution companies, as regulated businesses, are directly established by the Government through the Energy and Gas Regulatory Commission (CREG, per its Spanish acronym) for certain periods. Due to this, there is no fluctuation risk. Price changes are generated and calculated by the CREG, entity that defines the methodology and variables to be included in the related computation.

The Entity is exposed to the price risk of equity instruments issued by itself, which affect the valuation of the Entity. The following risks have been identified:

- Political risk, associated with changes of senior officials and the perception of investors in respect of an impact on the Entity's strategic guidelines. The Entity mitigates this risk through the continuous strengthening of its Corporate Governance.

- Low liquidity of the equity instrument issued by the entity. The high concentration of the security in institutional investors has caused its negotiability to decrease, leading the Entity to implement since December 2015 a liquidity provider program intended to reduce the spread among buy and sell prices and promote the security performance efficiency.

g. ***Credit risk management –*** Credit risk entails the possibility that a party fails to fulfill its obligations causing a financial loss to the Company.

With the purpose of mitigating the credit risk, the Company has in place a methodology to assign counterparty quotas through which each counterparty is assessed according to its nature, ensuring that operations are carried out only with those that demonstrate stability and a good credit standing over time.

Below are detailed the financial assets subject to credit risk:

		2017		2016
Assets				
Cash and cash equivalents	$	1.569.021	$	1.341.886
Financial assets		155.387		421.635
Accounts receivable		769.950		676.860
Accounts receivable from related parties		152.642		221.487

h. Management of the liquidity risk - The Board of Directors of the Company has the final responsibility to mitigate liquidity risk and has established an appropriate framework for management. The Company manages this risk by maintaining adequate reserves, banking easiness for obtaining credit, continuous monitoring of projected and actual cash flows, and reconciling the maturity profiles of financial assets and liabilities. Short term credit quotas of the Company amount to COP 2.2 billions, with terms of up to 10 years

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.

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 December 2017							
Accounts payable and other liabilities	6.125%	$ 194.247	$ -	$ 40.587	$ -	$ 1.022.857	$ 1.257.691
Liability from finance lease	DTF + 2.9	285	1.004	3.289	17.035	11.054	32.667
Instruments at variable interest rate	Libor+1.6 a 2.97 IPC+3.19 a 4.10	-	25.408	528.031	621.519	1.719.718	2.894.676
Instruments at fixed interest rate	2.85% y 6.125%	-	67.625	203.663	237.706	-	508.994
Bonds and securities issued	4.375%, 5.70% y 6.125%	63.783	63.783	716.473	2.649.807	951.001	4.444.847
Syndicated bank loan merger IELAH	3.6933%	135.932	121.678	-	-	-	257.610
31 December 2016							
Accounts payable and other liabilities	6.125%	$ 56.399	$ -	$ 256.443	$ 824.087	$ 1.437.908	$ 2.574.837
Liability from finance lease	DTF + 2.9	733	2.298	6.101	29.730	42.025	80.887
Instruments at variable interest rate	Libor + 1.6	-	-	46.374	100.754	405.096	552.224

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
Instruments at fixed interest rate	5.70% y 6.125%	2.731	13.475	26.037	26.254	429.102	497.599
Bonds and securities issued	4.375%, 5.70% y 6.125%	-	192.466	330.141	4.131.662	1.533.071	6.187.340
Syndicated bank loan merger IELAH	3.4847%	-	-	344.016	1.801.119	-	2.145.135

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.

i. ***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) 31/12/2017	31/12/2016	Fair value hierarchy	Valuation technique(s) and main input data
1) Forward contracts for foreign currencies	$ 1.359	$ 982.658	Level 2	For derivative financial instruments - Forward: Flows are projected with the forward curve (through rate differential), and are subsequently discounted with the implicit curve of the corresponding currency. Offer quotation prices in an active market.
2) Non-derivative financial assets held for sale	$ -	$ 188.763	Level 1	The intrinsic value was used as a source of face value due to the fact that these financial instruments are not traded in an active market.

During the year, there were no transfers between level 1 and level 2.

Fair value of financial assets and liabilities that are not valued constantly at fair value (but require fair value disclosures) – Except for what is detailed in the following table, management considers that carrying values of financial assets and liabilities recognized at amortized cost in the financial statements, are approximate to their fair values:

	2017		2016	
	Carrying values	**Fair value**	**Carrying values**	**Fair value**
Financial assets				
Accounts receivable from customers and other accounts receivable	$ 680.766	$ 665.481	$ 530.359	$ 551.488
Investments at maturity	561.764	561.764	575.763	1.907.903
Total	$ 1.242.530	$ 1.227.245	$ 1.106.122	$ 2.459.391
Financial liabilities				
Bank loans at fixed interest rate	$ 3.940.808	$ 3.931.473	$ 10.945.510	$ 11.202.670
Loans from other entities	3.458.463	3.831.351	4.463.743	4.424.241
Total	$ 7.399.271	$ 7.762.824	$ 15.409.253	$ 15.626.911

	Fair value hierarchy at December 31,2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Accounts receivable from customers and other accounts receivable	$ 112.316	$ -	$ 553.165	$ 665.481
Investments at maturity	561.764	-	-	561.764
Total	$ 674.080	$ -	$ 553.165	$ 1.227.245
Financial liabilities				
Bank loans at fixed Interest rate	$ 3.290.140	$ 641.333	$ -	$ 3.931.473
Loans from other entities	-	961.445	2.869.906	3.831.351
Total	$ 3.290.140	$1.602.778	$ 2.869.906	$ 7.762.824

	Fair value hierarchy at December 31,2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Accounts receivable from customers and other accounts receivable	$ -	$ -	$ 551.488	$ 551.488
Investments at maturity	1.907.903	-	-	1.907.903
Total	$ 1.907.903	$ -	$ 551.488	$ 2.459.391

	Fair value hierarchy at December 31,2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Bank loans at fixed				
Interest rate	$ 10.368.473	$ 834.197	$ -	$ 11.202.670
Loans from other entities	977.576	-	3.446.665	4.424.241
Total	$ 11.346.049	$ 834.197	$ 3.446.665	$ 15.626.911

Fair values of financial assets and liabilities included in level 3 categories mentioned above were determined according to valuation models generally accepted based on an analysis of discount of interests at market rate.

29. 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, 2017 and 2016, allocated as follows:

For 2017:

	Shares	**%**
Bogotá Distrito Capital	7.003.161.430	76,28
Fondo de Pensiones Obligatorias Porvenir Moderate	671.477.238	7,31
Fondo de Pensiones Obligatorias Protección Moderado	482.641.626	5,26
Corporación Financiera Colombiana S.A.	327.150.500	3,56
Fondo de Pensiones Obligatorias Colfondos Moderado	192.884.105	2,10
Other	503.862.118	5,49
	9.181.177.017	100.00%

For 2016:

	Shares	**%**
Bogotá Distrito Capital	7.003.161.430	76,28
Fondo de Pensiones Obligatorias Porvenir Moderado	672.111.046	7,32
Fondo de Pensiones Obligatorias Protección Moderado	503.375.058	5,48
Corporación Financiera Colombiana S.A	327.150.500	3,56
Fondo de Pensiones Obligatorias Colfondos Moderado	196.902.898	2,14
Other	478.476.085	5,22
	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 74 of 31 March 2016 of the Annual General Meeting a decision was made to decree dividends per share outstanding to the value of $224,350.

According to meeting minutes number 71 of July 6, 2015 the Annual General Meeting decided to release temporary reserves (expansion projects) in order to decree extraordinary dividens per share outstanding of $458,852.

30. COST OF SALE

		2017		2016
General (1)	$	1.470.718	$	1.305.485
Depreciation		261.888		268.485
Personal services		151.310		146.009
Amortization		138.788		123.942
Taxes		28.203		32.703
Contributions and fees		56.483		39.893
Public utilities		6.548		5.350
Contributions and apportions		18.258		16.005
Provisions		20.474		41.867
	$	2.152.670	$	1.979.739

(1) General:

Fees	$	957.854	$	922.549
Installation, maintenance and transportation		338.769		206.612
Operating		128.843		126.203

	2017	2016
Advertising	8.015	5.380
Other	37.237	44.741
	$ 1.470.718	$ 1.305.485

31. ADMINISTRATION EXPENSES

	2017	2016
Taxes, contributions and encumbrances	$ 45.950	$ 48.882
General	33.888	14.117
Personal services	37.117	24.081
Contributions	8.886	7.551
Depreciation	4.899	4.356
Provisions	5.873	4.121
Amortization	797	860
	$ 137.410	$ 103.968

32. OTHER REVENUES (EXPENSES)

	2017	2016
Taxes assumed	$ -	$ (2.349)
Loss in sale or retirement of assets	(1.361)	(139)
Sale of property, plant and equipment or other assets	110	969
Indemnifications	5.307	2.914
Leases	54	27
Fees, commissions and services	10.583	6.459
Engineering activities	4.881	397
Recoveries of provisions, costs and expenses	15.393	10.013
Other extraordinary expenses	34.957	12.107
	$ 69.924	$ 30.398

33. FINANCIAL REVENUES

	2017	2016
Interests	$ 119.786	$ 69.683
Dividends	7.342	5.471
Income from valuation of hedging operation	14.884	23.362
Income from appraisal of investments	7.311	2.834
Other	54.688	72.454
Interests from loans to related parties	-	105
	$ 204.011	$ 173.909

34. FINANCIAL COSTS

	2017	2016
Interests	$ 467.987	$ 422.878
Commissions	54.971	5.554
Loss on valuation of hedging operation	25.631	41.734
Other	49.081	39.607
	$ 597.670	$ 509.773

35. RELATED PARTIES TRANSACTIONS

The balances and transactions between the Company and its subsidiaries, 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		Revenues from dividends:		Costs and expenses:	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Codensa S.A. E.S.P. (a)	$ -	$ 1	$ 284.824	$ 227.852	$ 913	$ 1.857
Emgesa S.A. E.S.P.	638	2.188	311.040	414.000	4.142	4.044
Gas Natural S.A. E.S.P.	420.958	425.049	68.756	65.324	31.639	29.997
Promigas S.A. E.S.P.	-	-	-	-	13	-
Red de Energia del Per	-	-	46.474	-	-	-
TGI	-	-	300.092	56.979	-	-
EEB Gas SAS	-	-	50.880	55.598	-	-
EEB Perú Holdings	-	-	157.279	-	-	-
ISA	-	-	7.232	-	-	-
Electrificadora del Meta - EMSA	-	-	5.567	4.573	-	-
	$ 421.596	$ 427.238	$ 1.232.144	$ 824.326	$ 36.707	$ 35.898

(a) The variation in dividens compared to the anticipated application of IAS 27, which establishes that the equity method can be applied to associates.

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

	Amounts due from related parties		Amounts due from related parties	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Codensa S.A. E.S.P.	$ 48.009	$ 60.238	$ -	$ 163
Emgesa S.A. E.S.P.	67.077	103.102	-	-
Gas Natural S.A. E.S.P.	-	22	-	722
Gebras – Neg. Conj.	35.025	36.022	-	-
Trecsa - Edemtec	2.241	-	-	-
EEBIS GT	-	-	2.241	-
Promigas	-	20.664	-	23
Other	290	1.439	3.363	927
	$ 152.642	$ 221.487	$ 5.604	$ 1.835

	Amounts due from related parties 31 December 2017	Amounts due from related parties 31 December 2016	Amounts due from related parties 31 December 2017	Amounts due from related parties 31 December 2016
Current	$ 152.642	$ 221.487	$ 5.604	$ 1.835
Non-current	-	-	-	-
	$ 152.642	$ 221.487	$ 5.604	$ 1.835

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

	2017	2016
Short-term benefits	$ 18.955	$ 21.323

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

36. OPERATING LEASE CONTRACTS

The Entity as lessee

Leasing contracts - Operating leases relate to leases of real estate the leasing periods of which are 1 to 5 years. All operating lease contracts contain market rental review clauses if the lessee exercises its option to renew.

Payments recognized as expenses

Minimum lease payments	$ 64.468	$ 13.893

Non-cancellable operating lease commitments

1 year or less	$ 15.772	$ 8.386
Over 1 to 5 years	52.482	41.566
Over 5 years	28.349	8.384
	$ 96.603	$ 58.336

The entity as lessor

Leasing contracts - Operating leases are related to real estate owned by the Entity, with leasing terms between 1 and 5 years. All operating leasing contracts contain market rental review clauses if the lessee exercises its option to renew. The lessee has no option to purchase the property at the date of expiration of the leasing period.

The revenues for leasing of properties obtained by the Entity from its investment properties, which are all leased under operating leases, amounted to $7,461 and 6,060 in 2017 and 2016. Direct operating expenses that arise from investment properties in the period amounted to $2,775 and $ 975 in 2017 and 2016 respectively.

Accounts receivable corresponding to non-cancellable operating leases

	2017	2016
Less than or equal to 1 year	$ 8.129	$ 2.507
More than 1 and up to 5 years	718	7.422
	$ 8.847	$ 9.929

37. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets

TGI		
Receivables		
EPM	$ 27.973	$ 19.492
Isagen	37.615	28.300
Termoemcali	-	-
	$ 65.588	$ 47.792
Account payable		
EPM	$ 9.223	$ 9.223
Termoemcali	-	-
Total	$ 9.223	$ 9.223

Some clients annotate partial or total values for or against invoices issued by TGI as there are differences with the regulations, which causes contractual discrepancies.

Contingent liabilities

Litigios	$ 210.355	$ 115.775

Environmental expenses and liabilities - Environmental expenses related to current or future revenues are either recorded as expenses or capitalized, as the case may be. The expenses related to an existing condition caused by past operations and which do not contribute to current or future earnings are taken to income.

Liabilities for environmental costs are recognized when a cleaning is probable and the associated costs may be estimated reliably. In general, the moment of recognition of these provisions coincides with the commitment to a formal action plan, or if it is earlier, with transfers or closure of inactive sites.

The amount recognized is the best estimate of the disbursement required. If the effect of the time value of money is material, the amount recognized is the present value of estimated future expenses.

The following is a description of the main lawsuits filed against the Company:

Provisions – At December 31, 2017 and based on the assessment of the probability of success in the defense of the claims of the Company and its subsidiaries due to litigations, $210.335 ($115.775 at 31 December 2016) have been allocated to cover probable losses resulting from those contingencies.

The management of the Company, with the assistance of external advisors, has concluded that the result of the processes corresponding to the non-provided portion will be favorable to the interests of the Company and will not generate significant liabilities that should be accounted for or, if they arise, will not significantly affect the financial position of the Company.

The following is a description of the main lawsuit filed against the Company:

GEB – Legal processes that because of their probability of being resolved with judgment unfavorable to GEB are classified as "PROVISIONED" according to the IFRS standard, which are summarized as follows:

Type of process	Number of processes	Total Value
Labor	54	$ 5.733
Civil	2	725
Administrative	3	774
Total	59	$ 7.232

GEB – Legal processes that because of their probability of being resolved with judgment unfavorable to GEB are classified as "CONTINGENT LIABILITY" according to the IFRS standard, since the information available is not reliable and sufficient to determine the course of the process, which are summarized as follows:

Type of process	Quantity of processes	Total value
Labor	8	$ 2.398
Civil	8	4.402
Administrative	2	310
Totals	18	$ 7.110

As of December 2017 there are no legal processes that because of their probability to be resolved with judgment favorable to GEB are classified as "REMOTE".

Arbitration process filed against Contugas and GEB - On July 29, 2014, GEB was informed of a request for arbitration promoted by Consortium GyM-Conciviles against Contugas and GEB before the International Chamber of Commerce (ICC), related to Contract No. GG- 271-2011 ("RPC Agreement") the purpose of which is the construction and installation of a Natural Gas Distribution System in the Department of Ica - Peru.

The claimant estimates its claims preliminarily at no less than US$80 million. The Consortium intended to bring the GEB as co-defendant into the arbitration process without the acknowledgment that GEB is not a party to the contract that is the subject of the dispute. GEB put forward a jurisdictional challenge against its inclusion in the arbitration process, which will be decided by the Arbitration Court.

On December 27, 2016, GEB was notifited of the decision of the Arbitration Court on jurisdiction in the process brought forward by Consorcio Graña y Montero Conciviles against CONTUGAS and GEB, which was favourable to GEB.

In this first stage, referred to as jurisdictional, the matter at issue was to determine if GEB was jointly and severally liable for any claim put in by the consortium in relation to the EPC contract, whose purpose was the construction of the CONTUGAS gas pipeline. The consortium asserted that GEB had performed as the true contractor, using CONTUGAS simply as a legal shield. As a result of the decision, GEB has been absolved of any possible liability.

The consequences are positive for GEB since by being released from the arbitration process it will not have to respond in any way in case of an eventual final arbitration award.

On November 20, 2017, the ICC issued its Final Award accepting certain claims from both parties. It reduced the amount requested by CGMC in its claims, indicating that Contugas has the obligation to pay them US$35,900 of the US$74,163 claimed.

In addition, it sided with Contugas on several counterclaims and indicated that the CGMC has the obligation to pay the amount of US$9,533 of the US$20,719 claimed by Contugas.

As of December 31, 2017 the Financial Statements of Contugas show the obligation derived from the final award issued in this arbitration.

TGI S.A. A contract was entered into with Consorcio CLI, made up of the companies Lavman Ingenieros Ltda and Cosacol S.A., for the construction of the Phase II Loops of the project for the extension of the Cusiana – La Belleza gas pipeline, 5th section. According to Consorcio CLI, at the beginning of works it was found that the information delivered during the pre-contractual phase had inconsistencies which were in addition to some delays in the processing of some environmental licenses necessary for the execution of the project. Based on that, the awards sought by the claimant include the decree of nullity of order 04-08-11 through which the Company unilaterally terminates the contract for works number 750124 entered into with Consorcio CLI and the judgment against TGI S.A. E.S.P. ordering the payment of financial losses for consequential damañes and loss of earnings, assessed at COP$16,000 million.

TGI estimates that the result of litigations not provided for will be favourable and will not cause significant liabilities that should be accounted or that in the event that any of them is unfavourable these will not significantly affect the financial position of the Company.

Provisions for supplementary benefits – There are nine (9) processes classified as "probable", which are not included in the provision because they correspond to ordinary labro processes undertaken by the pensioners for the restablishment of the extralegal benefits suppressed after a direct application of the Legislative Act 01 of 2005. Althoug they are classified as "probable unfavorable ruling", the truth is that they are not included in the general provision, because a rpvision is made as part of the actuarial estimate:

Class of action	Quantity of actions	Total value
Provision	9	$ 583
Total	9	$ 583

Other contingencies – The Company management estimates that the results of the litigations corresponding to the portion not provisioned are classified as remote and therefore will not affect in any significant way the financial position of the Company.

Below is a description of the main actions brought against the Company:

In the Fifth Administrative Court of the Circuit of Bogota a class action is being processed in which Orlando Enrique Guaqueta, Miguel Angel Chavez, others (Muña) act as plaintiffs. The claims by the plaintiffs amounts to the sum of 200 minimum monthly legal salaries in effect for each one of the 3240 plaintiffs. The above in order to disclose the information as a contingent liability (Case File 2011-096).

Action brought by Grupo Embalse del Muña – On the grounds of alleged damages to property and pain and suffering caused by the environmental damage to the El Muña dam. In 2001 several group actions and other legal proceedings were brought against GEB, Emgesa and CAR. During the hearings and legal deliberations it was concluded that the focus of the problem was mainly the pollution of the River Bogota, so it was acknowledged that these processes accumulated together with others of like nature. Currently, this action was decided in an appellate court and the ruling is final.

For addressing this suit, GEB, Emgesa and Empresa de Acueducto y Alcantarillado de Bogota E.S.P. called in 2003 for a panel with international experts in sanitation of water assets, who recommended a technical methodology for environmental and landscape recovery of the Muña reservoir.

According to the conclusions and recommendations made by the panel of experts, GEB, jointly with Emgesa, presented before the Cundinamarca Administrative Court a Compliance Covenant, which was approved, as stated in the first instance verdict.

The technical evolution of the works comprising the Compliance Covenant showed the need to make some changes to its contents; therefore, a Second Panel of Experts was called again in 2005. The changes were debated, exposed and approved by the verification committee called by the first instance reporting Judge.

At present, a rigurous maintenance plan is being executed as was ordered by the decision of the trial court until the Council of State delivers judgment on the matter.

Finally, it should be mentioned that this type of legal actions, given their nature, are difficult to be quantified, since they are intended for carrying out activities tending to mitigate the vulnerability of a collective right and not an economic nature purpose. According to the risk analysis performed by the Company with the support of external advisors, this contingency is classified as remote.

Popular and class actions – Up to date, the following popular and class actions, which are difficult to quantify because of their legal nature being therefore qualified as contingent liabilities, are in progress:

The Administrative Court 1 of the Zipaquira Circuit attends the popular action in which Helga Adriana Knepper acts as plaintiff; the pretention is that EMGESA, GEB, and the municipalities of Gachala and Gama be declared responsible for repairing the road connecting these municipalities (File 2014-551).

In the Council of State is being reviewed the prosecution brought in the name of the people by Quindio's Ombudsman's Office (Defensoria del Pueblo Regional de Quindio) seeking an order to suspend project UPME 05-2009 (Armenia), since the office considers that the collective rights to a sound environment, managerial ethics, the existence of an ecological balance, among others, have been infringed. (Dossier 2014-222).

A class action is being processed at the Administrative Decongestion Oral Court 4 of Pereira - Risaralda in which Mrs. Magnolia Salazar Sanchez and others act as plaintiffs; their pretention is that the Company be declared liable for the environmental and patrimonial (depreciation of property - handicap and commercial value of the easement area) damages suffered by each of the group members during the "arbitrary and unfair " assessment of the damages generated by the imposition of easement for electric power conduction - project UPME 05-2009 (File 2015-307).

It the Administrative Tribunal of Cundinamarca is being reviewed the prosecution brought in the name of the people by Lina Paola Robles, acting as the Spokesperson for the Municipality of Gachancipa, against ANLA, UPME, CAR and GEB, seeking to prevent the construction of the substation of project Chivor Norte BACATA, asserting the infringement of the collective right to the enjoyment of a sound environment in connection with life. (Dossier 2016-103).

In the Administrative Tribunal of Cundinamarca is being reviewed the prosecution brought in the name of the people by Jose Arturo Torres Conde against ANLA, UPME, CAR and GEB seeking to prevent the execution of project UPME 01-2013 Sogamoso Norte, asserting the infringement of the collective right to the enjoyment of a sound environment in connection with life (Dossier 2016-1489).

In the Administrative Court of Cundinamarca a class action is being process in which Veeduría Ciudadana Colombia Prospera and Participativa (citizens oversight entity) is the plaintiff, against GEB in order to prevent the construction of the substation in the Gachancipa lot, of Project UPME 01-2010 – North (Case File 2017-061).

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

Contingencies for supplementary benefits – As of December 31, 2017, the Company has recognized as other contingencies, those derived from the suspension of supplementary benefits of energy and recreation to the Company pensioners amounting to $36,157 and to $33,098 as of December 31, 2016, in compliance with the provisions of Legislative Act 001 of 2005, that midified the special regimes of pensioners. This obligation is updated based upon actuarial estimates elabortated by an independent actuary.

Calidda. As of December 31, 2017 the following contingencies exist:

Enersur: Enersur initiated an arbitration against Calidda claiming a supposedly discriminatory treatment in respect to the transactions signed with Kallpa Generacion S.A. for US$ 25,000,000.

Fenix: On October 6, 2015, the initiation of an arbitration brought by the company Generadora Fenix was notified, regarding the alleged nonfulfillment of the Framework Agreement for the Connection of the Thermal Plant Fenix Power and to the EPC contract related to the installation of equipment and extension of a network for the connection of the mentioned customer. The claim by Fenix Power is US$ 702,546.06 corresponding to 29 additional performances under EPC Contract. US$ 297,500.00 corresponding to works supervision expenses and S/. 19,183,245.39 (corresponding to income that Fenix would have received if the statement of engineering progress had been accurate).

SUNAT: Req.0122120001572 of 14/05/2012 whereby SUNAT indicates that USD 5mm paid to ENERSUR, as a result of the settlement for the transfer of the duct of their own use of 2010, should have been deducted between the periods 2010 to 2013.

SUNAT: Req.0122130000805 of 19/04/2013 whereby SUNAT indicates that USD 11mm paid to KALLPA, as a result of the settlement for the transfer of the duct of their own use of 2010, were not earned in the period of 2011.

38. 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**	
	2017	**2016**	**2017**	**2016**
Electric power transmission	$ 339.347	$ 274.508	$ 149.894	$ 102.157
Natural gas transportation	1.221.394	1.316.145	730.267	893.087
Electric power distribution	-	-	-	-
Natural gas distribution	1.761.679	1.542.174	289.589	157.844
Total Revenues / Income per segment	$ 3.322.420	$ 3.132.827	$ 1.169.750	$ 1.153.088
Share in results of associates			$ 1.029.542	$ 911.481

	Income per segment	
	2017	2016
Other activities and services	69.924	30.398
Financial revenues	204.011	173.909
Corporate administrative costs and management personnel salaries	(137.410)	(103.968)
Financial costs	(633.667)	(367.369)
Income before income tax	$ 1.702.150	$ 1.797.539

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.

Geographic information – The Group operates in three main geographic areas – Colombia, where the parent company is located, Peru and Guatemala.

Revenues for the Group’s ongoing operations per geographic location are as follows:

	Revenues from foreign customers	
	2017	2016
Colombia	$ 2.691.162	$ 2.597.865
Perú	1.795.987	1.698.279
Brasil	42.637	98.330
Guatemala	58.896	77.584
Other	6.189	6.817
	$ 4.594.871	$ 4.478.875

39. EVENTS AFTER THE REPORTING PERIOD

At year-end, the Company considers the following as an event after the reporting period:

On December 18, 2017 an external loan agreement was executed with a group of Banks for the sum of USD 749 million, which proceeds would be intended to make the substitution fo the debt of the mentioned international Bond. On January 22, 2018 the 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.

40. FINANCIAL STATEMENTS APPROVAL

The financial statements at December 31, 2017 have been reviewed by management of the Company on February 15, 2018. These financial statements will be submitted to the Annual General Meeting of Grupo Energía de Bogotá S.A. E.S.P. for consideration and approval for issuance. In management's opinion, the financial statements will be approved by the Annual General Meeting without amendments.

Grupo Energía Bogotá S.A. E.S.P. and its Subsidiaries (Formerly Empresa de Energía de Bogotá S.A. E.S.P. and its Subsidiaries)

Financial Statement Certification

We certify that we have previoulsy checked the assertions contained in the consolidated financial statements of "**GRUPO ENERGIA DE BOGOTA S.A. E.S.P. AND ITS SUBSIDIARIES** as of December 31, 2017 and 2016, which have been prepared from the accounting books of the parent and its subsidiaries. Therefore:

- The Company's assets and liabilities exist at the cut-off date and the transactions recorded have been performed during the period.
- The assets represent probable future economic benefits (rights) and the liabilities represent probable future economic sacrifices (obligations), obtained by or in charge of "the Company" at the cut-off date.
- All the elements have been recognized at their appropriate amounts.
- The economic facts have been correctly classified, described and disclosed.

Similarly, the financial statements have been authorized for issue by the legal representative and/or the board of directors on February 15, 2018. These financial statements will be put to the consideration of the Annual General Meeting on March 22, 2018 for approval or disapproval.

ASTRID ALVAREZ HERNANDEZ
Chief Executive Officer

JULIO HERNANDO ALARCÓN V.
Accounting Manager
Professional Card No. 53.918-T