

COMPLIANCE
CIRCULAR 024 OF 2017
Q2 - 2018



FINANCIAL INDICATORS – As of June 2018 | GEB S.A. E.S.P.

DESCRIPTION	Formula	Individual	Consolidated
Liquidity ratio	Current assets / Current liabilities	2.71	2.20
Asset profitability (%)	Net profit UDM / Total assets	9.75%	6.90%
Equity profitability (%)	Net profit UDM / Equity – Results	14.87%	15.11%
Level of Indebtedness (%)	Total liabilities / Total assets	29,56%	50,87%
Level of Financial Indebtedness (%)	Financial liabilities / Total assets	22.75%	36.78%

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. (formerly Empresa de Energía de Bogotá S.A. E.S.P.)

STATEMENT OF FINANCIAL POSITION AS OF JUNE 30 AND DECEMBER 2017

(In COP million)

ASSETS	June 2018	December 2017	LIABILITIES AND EQUITY	June 2018	December 2017
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and cash equivalents (Note 7)	\$ 880,886	968,678	Financial liabilities (Note 19)	\$ 42,165	\$ 61,570
Financial assets (Note 8)	34,498	134,459	Accounts payable (Note 20)	567,413	152,356
Accounts receivable (Note 9)	32,370	30,761	Accounts payable to related parties (Note 36)	7,059	1,329
Accounts receivable from related parties (Note 36)	615,612	128,243	Provisions for employee benefits (Note 21)	43,367	43,986
Tax assets (Note 10)	65,078	54,444	Tax liabilities (Note 22)	6,532	7,818
Inventories (Note 11)	11,336	10,729	Total current liabilities	666,536	267,059
Total non-current assets held for trading (Note 12)	163,349	-	NON-CURRENT LIABILITIES:		
Other assets (Note 13)	782	1,408	Financial liabilities (Note 19)	3,558,808	3,603,660
Total current assets	1,803,911	1,328,722	Provisions for employee benefits (Note 21)	162,057	169,514
NON-CURRENT ASSETS:			Other provisions (Note 23)	120,868	119,555
Investments in subordinates (Note 14)	4,695,412	4,929,736	Deferred tax liabilities (Note 24)	169,713	178,604
Investments in associates (Note 15)	6,033,686	6,280,927	Other liabilities (Note 25)	1,364	2,794
Property, plant and equipment (Note 16)	1,530,813	1,400,425	Total non-current liabilities	4,012,810	4,074,127
Investment properties (Note 17)	47,021	210,796	Total liabilities	4,679,346	4,341,186
Financial assets (Note 8)	439,869	444,655	Equity (Note 27)		
Accounts receivable (Note 9)	13,562	13,024	Issued capital	492,111	492,111
Accounts receivable from related parties (Note 36)	1,235,174	1,281,607	Stock placement premium	837,799	837,799
Intangible assets (Note 18)	4,666	4,253	Reserves	2,999,690	2,555,404
Deferred tax assets (Note 23)	25,927	27,509	Retained profit	4,623,290	5,366,088
Total non-current assets	14,026,130	14,592,932	Other comprehensive income	2,197,805	2,329,066
Total	\$15,830,041	\$15,921,654	Total Equity	11,150,695	11,580,468
			Total	\$15,830,041	\$ 15,921,654

The attached notes are an integral part of these financial statements.

(Signed in original)
FELIPE CASTILLA CANALES
Legal Representative

(Signed in original)
OSCAR CERRA JEREZ
Accounting Manager (E)
Professional Card No. 136393-T

(Signed in original)
GLORIA LORENA GUAYACUNDO ARREDONDO
Fiscal Auditor
Professional Card No. 227.339-T
(See my opinion attached hereto)
Appointed by Deloitte & Touche Ltda.

GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. (formerly Empresa de Energía de Bogotá S.A. E.S.P.)**STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIODS ENDED ON JUNE 30 2018 AND 2017****(In COP million, except for earnings per share)**

	June 2018	June 2017
Electricity Transmission (Note 28)	\$ 182,730	\$ 134,369
Shareholding portfolio (Note 29)	738,683	738,569
COSTS AND EXPENSES		
Electricity Transmission (Note 30)	(74,837)	(63,043)
Shareholding portfolio expenses (Note 31)	(58,019)	(31,932)
Administrative expenses (Note 32)	(16,958)	(31,905)
Other net income (expenses) (Note 33)	12,743	16,132
Operational activities results	<u>784,342</u>	<u>762,190</u>
Financial income (Note 34)	111,659	90,027
Financial expenses (Note 35)	(125,249)	(123,981)
Exchange difference, net	(5,323)	5,038
Profit before taxes	<u>765,429</u>	<u>733,274</u>
MINUS INCOME TAX EXPENSES (Note 24)		
Current	-	(4)
Deferred	7,310	(1,807)
Year profit	<u>772,739</u>	<u>731,463</u>
OTHER COMPREHENSIVE INCOME		
Items not to be reclassified to results in the future:		
Net profits on the fair value of financial assets available for sale	-	61,986
Items to be reclassified to results in the future:		
Associates valuation	4,190	(124,691)
Exchange differences after conversion of foreign operations	(135,451)	55,227
Total other comprehensive income for the year	<u>(131,261)</u>	<u>(7,478)</u>
COMPREHENSIVE INCOME	<u>\$ 641,478</u>	<u>\$ 723,985</u>

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GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. (formerly Empresa de Energía de Bogotá S.A. E.S.P.)**CASH FLOW STATEMENT****FOR THE PERIODS ENDED ON JUNE 30 2018 AND 2017****(In COP million)**

	June 2018	June 2017
OPERATIONAL ACTIVITIES CASH FLOWS:		
Net profit	\$ 182,730	\$ 134,369
Adjustments to reconcile net loss with the net cash provided by (used for) operational activities:		
Income tax	(7,310)	1,810
Depreciation and amortization	11,134	10,151
Profit or loss due to sale or derecognition of fixed assets	802	-
Exchange difference	5,323	(5,038)
Provisions	2,396	3,074
Financial expenses	125,249	123,981
Financial income	(111,659)	(90,027)
Profit or loss, participation method	(738,683)	(738,569)
WORKING CAPITAL MOVEMENTS		
Accounts receivable	(4,738)	(123,787)
Inventories	(607)	(276)
Other assets	626	367
Accounts payable	(140,507)	896,621
Tax liabilities	6,659	6,744
Provisions for employee benefits	(14,837)	9,286
Other provisions	(2,571)	1,132
Other liabilities	59	39
Net cash flow provided by (used for) operational activities	<u>(95,925)</u>	<u>827,601</u>
INVESTMENT ACTIVITIES CASH FLOW		
Investments in subordinates	(114,862)	(70,310)
Dividends received	686,235	684,625
Interest received	72,947	39,883
Related parties	5,730	(695,626)
Financial assets	99,423	(308,580)
Property, plant and equipment	(118,390)	(112,097)
Investment properties	(326)	-
Intangibles	(936)	464
Net cash flow provided by (used for) operational activities	<u>629,821</u>	<u>(461,641)</u>

FINANCING ACTIVITIES CASH FLOWS

Dividends paid	(527,917)	(2)
Related parties	-	(236,216)
Interests paid	(50,980)	(101,474)
Loans received	2,111,523	650,000
Loans paid	(2,157,150)	(415,321)
Net cash flow used for financing activities	<u>(624,524)</u>	<u>(103,013)</u>
NET CASH INCREASE (DECREASE)	(90,628)	262,947
EFFECT ON FOREIGN EXCHANGE RATES ON THE BALANCE	2,836	-
CASH AT THE BEGINNING OF THE YEAR:	968,678	382,589
CASH AT THE END OF THE YEAR:	<u>\$ 880,886</u>	<u>\$ 645,536</u>

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GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. (formerly Empresa de Energía de Bogotá S.A. E.S.P.)

CONSOLIDATED FINANCIAL POSITION AS OF JUNE 30 AND DECEMBER 31 2018 AND 2017

(In COP million)

ASSETS	June 2018	December 2017	LIABILITIES AND EQUITY	June 2018	December 2017
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and cash equivalents (Note 7)	\$ 1,295,538	\$ 1,569,021	Financial liabilities (Note 20)	\$ 145,335	\$ 153,611
Financial assets (Note 8)	48,508	145,540	Accounts payable (Note 21)	860,145	431,668
Accounts receivable (Note 9)	613,778	543,917	Accounts payable to related parties (Note 33)	60,299	5,604
Accounts receivable from related parties (Note 33)	406,003	152,642	Provisions for employee benefits (Note 22)	74,608	79,624
			Other provisions (Note 23)	73,590	141,821
Tax assets (Note 10)	155,493	180,873	Tax liabilities (Note 24)	150,728	179,047
			Other liabilities (Note 26)	195,643	193,363
Inventories (Note 11)	176,130	175,416	Total current liabilities	1,560,348	1,184,738
Assets available for sale (Note 12)	705,472	550,941	Non-current liabilities:		
Other assets (Note 13)	28,233	27,261	Financial liabilities (Note 20)	8,470,877	8,730,150
Total current assets	3,429,155	3,345,611	Current tax liabilities (Note 24)	653	781
NON-CURRENT ASSETS:			Accounts payable to related parties (Note 33)	-	-
Investments on associates and joint businesses (Note 15)	6,603,767	6,951,662	Provisions for employee benefits (Note 22)	162,057	169,514
Property, plant and equipment (Note 16)	9,022,737	9,018,704	Other provisions (Note 23)	263,491	260,918
Investment properties (Note 17)	47,021	210,796	Deferred tax liabilities (Note 25)	1,435,559	1,451,903
Financial assets (Note 8)	17,768	14,061	Other liabilities (Note 26)	23,395	24,246
Accounts receivable (Note 9)	243,746	226,033	Total non-current liabilities	10,356,032	10,637,512
Trade credit (Note 18)	50,171	50,171	Total liabilities	11,916,380	11,822,250
Intangible assets (Note 19)	3,766,774	3,744,080	SHAREHOLDERS EQUITY (Note 28)		
Tax assets (Note 10)	108,409	105,820	Issued capital	492,111	492,111
Deferred tax assets (Note 25)	110,982	97,225	Stock placement premium	837,799	837,799
Other assets (Note 13)	24,955	24,238	Reserves	2,999,690	2,555,404
Total non-current assets	19,996,330	20,442,790	Retained profit	5,348,036	6,090,854
			Other comprehensive income	1,473,059	1,604,300
Total	\$ 23,425,485	\$ 23,788,401	Controller total equity	11,150,695	11,580,468
			Non-controlled entity	358,410	385,683
			Total Equity	11,509,105	11,966,151
			Total	\$23,425,485	\$ 23,788,401

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GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. (formerly Empresa de Energía de Bogotá S.A. E.S.P.)
COMPREHENSIVE STATEMENT OF INCOME
FOR THE PERIODS ENDED ON JUNE 30 2018 AND 2017
(In COP million, except for earnings per share)

	June 2018	June 2017
INCOME		
Natural gas distribution (Note 35)	\$ 855,749	\$ 818,622
Natural gas transport (Note 35)	620,975	600,901
Electricity Transmission (Note 35)	219,142	154,531
Total operational income	1,695,866	1,574,054
COSTS AND EXPENSES		
Natural gas distribution (Note 29)	(675,043)	(671,120)
Natural gas transport (Note 29)	(250,326)	(218,732)
Electricity distribution (Note 29)	-	-
Electricity Transmission (Note 29)	(108,607)	(84,457)
Administrative expenses (Note 30)	(81,403)	(68,916)
Other net income (expenses)	60,681	31,616
Operational activities results	641,168	562,445
Financial income (Note 31)	95,943	90,250
Financial expenses (Note 32)	(258,482)	(269,194)
Exchange difference income (expenses), net	(35,662)	(21,398)
Share earnings (losses) of associates and joint businesses Accounted with the equity method (Note 15)	507,459	526,142
Profit before taxes	950,426	888,245
MINUS INCOME TAX EXPENSES (Note 25)		
Current	(145,058)	(228,506)
Deferred	9,088	107,203
Year consolidated profit	\$ 814,456	\$ 766,942
OTHER COMPREHENSIVE INCOME		
Items to be reclassified as results in the future		
Net profits on the fair value of financial assets available for sale		
Items to be reclassified as results in the future		
Exchange differences after conversion of foreign operations	\$ (143,329)	\$ (61,986)
Profit or loss due to other comprehensive income in associates	4,190	31,997
Total other comprehensive income for the year	(139,139)	(29,989)
CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR		
Consolidated profit of the year attributable to:		
Controlling interest	\$ 722,739	\$ 731,463
Non-controlling interest	41,717	35,479

	<u>\$ 814,456</u>	<u>\$ 766,942</u>
Year consolidated comprehensive income attributable to:		
Controlling interest	\$ 641,498	\$ 700,106
Non-controlling interest	33,819	36,848
	<u>\$ 675,317</u>	<u>\$ 736,954</u>

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GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. AND ITS SUBORDINATES (formerly Empresa de Energía de Bogotá S.A. E.S.P.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIODS ENDED ON JUNE 30 2018, DECEMBER 31 2017 AND JUNE 30 2017

(In COP million)

	Issued capital	Stock placement premium	Reserves					Total	Retained profit	Other items of comprehensive income				Total other items of comprehensive income	Non-controlled entity	Total
			Legal	For system rehabilitation, extension and replacement	Equity method reserve	Occasional Reserve as per Art. 130 E.T.	Occasional			Net profit (loss) on fair value of financial assets	Remeasurement of defined benefits obligations	Exchange differences after conversion of foreign operations	Profit or loss due to other comprehensive income in associates			
BALANCES AS OF DECEMBER 31, 2017	\$ 492,111	\$ 837,799	\$332,496	\$ 125,695	\$1,586,127	\$ 60,808	\$ 450,277	\$ 2,555,404	\$ 6,090,854	\$ -	(64,650)	\$ 1,443,650	\$ 225,301	\$ 1,604,300	\$ 385,683	\$ 11,966,151
Appropriations	-	-	-	-	387,584	-	48,128	435,712	(435,712)	-	-	-	-	-	-	-
Appropriation of exchange difference reserves	-	-	-	-	-	-	8,574	8,574	(8,574)	-	-	-	-	-	-	-
Remeasurement of defined benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences after conversion of foreign operations	-	-	-	-	-	-	-	-	-	-	-	(135,431)	-	(135,431)	(7,898)	(143,329)
Profit or loss due to other comprehensive income in associates	-	-	-	-	-	-	-	-	-	-	-	-	4,190	4,190	-	4,190
Effects of regulatory changes	-	-	-	-	-	-	-	-	(14,124)	-	-	-	-	-	(2,470)	(16,594)
Equity variations on investments accounted using the equity method	-	-	-	-	-	-	-	-	(1,312)	-	-	-	-	-	-	(1,312)
Dividend distribution	-	-	-	-	-	-	-	-	(1,055,835)	-	-	-	-	-	(58,622)	(1,114,457)
Period results	-	-	-	-	-	-	-	-	772,739	-	-	-	-	-	41,717	814,456
BALANCES AS OF JUNE 30, 2018	492,111	837,799	332,496	125,695	1,973,711	60,808	506,979	2,999,690	5,348,036	-	(64,650)	1,308,219	229,491	1,473,059	358,410	11,509,105
BALANCES AS OF DECEMBER 31, 2016	492,111	837,799	332,496	125,695	1,154,241	51,916	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 and releases	-	-	-	-	401,886	8,892	(30,731)	380,047	(380,047)	-	-	-	-	-	-	-
Net profit (loss) over fair value of assets available for sale	-	-	-	-	-	-	-	-	-	29,886	-	-	-	-	-	29,886
Remeasurement of defined benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences after conversion of foreign operations	-	-	-	-	-	-	-	-	-	-	-	50,933	-	50,933	-	50,933
Profit or loss due to other comprehensive income in associates	-	-	-	-	-	-	-	-	-	-	-	-	(123,775)	(123,775)	-	(123,775)
Dividend distribution	-	-	-	-	-	-	-	-	(908,937)	-	-	-	-	-	-	(908,937)
Period results	-	-	-	-	-	-	-	-	766,942	-	-	-	-	-	(21,157)	745,785
BALANCES AS OF JUNE 30, 2017	\$ 492,111	\$ 837,799	\$332,496	\$ 125,695	\$ 1,586,127	\$ 60,808	\$ 450,277	\$ 2,555,404	\$ 5,266,954	\$ 46,120	(42,439)	\$ 1,519,027	\$ 102,025	\$ 1,594,847	\$ 356,570	\$ 11,133,571

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GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. (formerly Empresa de Energía de Bogotá S.A. E.S.P.)
CONSOLIDATED CASH FLOW STATEMENT
FOR PERIODS ENDED ON JUNE 30 2018 AND 2017
(In COP million)

	June 2018	June 2017
OPERATIONAL ACTIVITIES CASH FLOWS:		
Net profit	\$ 814,456	\$ 766,942
Adjustments to reconcile net loss with the net cash provided by (used for) operational activities:		
Profit taxes recognized in results	135,970	121,303
Share profit on associates and joint businesses	(507,459)	(526,142)
Financial expenses	258,482	242,338
Financial income	(95,338)	(90,250)
Depreciation and amortization	190,518	200,043
(Profit) or loss due to sale or derecognition of fixed assets	490	7
Exchange difference	35,662	21,398
Other provisions	17,932	11,995
Other provisions recovery	(20,222)	-
	<hr/> 830,491	<hr/> 747,634
WORKING CAPITAL MOVEMENTS		
Accounts receivable	(96,569)	(297,279)
Inventories	(601)	(3,225)
Other assets	(6,199)	6,137
Accounts payable	(185,795)	(15,123)
Employee benefits provisions	(21,041)	(21,502)
Provisions	(64,285)	29,898
Other liabilities	(4,932)	46,194
Taxes	(145,221)	(322,168)
	<hr/> 305,848	<hr/> 170,566
INVESTMENT ACTIVITIES CASH FLOW		
Investments in subordinates	-	70,310
Dividends received	664,188	684,625
Net cash flow provided by operational activities	312	-
Interest received	49,342	-
Related parties	770	(170,265)
Accounts payable to related parties	-	3,511
Financial assets	125,847	(374,822)
Property, plant and equipment	(265,372)	(292,557)
Investment properties	(326)	-
	<hr/>	<hr/>

Intangible assets	(145,286)	(152,696)
Net cash flow provided (used for) investment activities	429,475	(231,894)
FINANCING ACTIVITIES CASH FLOW		
Dividends paid	(671,883)	2
Interests paid	(149,210)	(89,399)
Loans received	2,148,986	692,584
Loans paid	(2,346,402)	(180,138)
Net cash flow provided (used for) financing activities	(1,018,509)	423,049
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	(283,186)	361,721
EFFECT OF THE EXCHANGE RATE VARIATION OVER CASH AND CASH EQUIVALENTS	9,703	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,569,021	1,341,886
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 1,295,538	\$ 1,703,607

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