Empresas Públicas de Medellín E.S.P. and Subsidiaries

Consolidated Financial Statements and Notes
December 31, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Empresas Publicas de Medellin E.S.P.:

We have audited the consolidated financial statements of Empresas Publicas de Medellin E.S.P. and Subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2018, and the consolidated statements of income and other comprehensive income, changes in equity and cash flows for the year ended on that date and their respective notes, which include significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Financial Reporting Standards approved by the General Accountancy of the Nation and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conduct our audit in accordance with International Standards on Auditing accepted in Colombia. Those standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

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Opinion

In our opinion, the accompanying consolidated financial statements referred above, present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018, its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with Financial Reporting Standards approved by the General Accountancy of the Nation, applied in a consistent manner with the preceding year.

Emphasis of Matter

Without qualifying our opinion, we draw attention to:

a) In the year 2010, Hidroelectrica Ituango S.A. E.S.P. concluded with EPM Ituango S.A. E.S.P., a BOOMT (Build, Operate, Own, Maintenance and Transfer) Contract, for the construction of the Ituango Hydroelectric Project, which was assigned to Empresas Publicas de Medellin E.S.P. in 2013. Through this contract Empresas Publicas de Medellin E.S.P. is required to make the necessary investments for the financing, construction, operation, maintenance and commissioning of the hydroelectric power plant and then transfer it back to Hidroelectrica Ituango S.A. E.S.P. after 50 years. The Ituango Hydroelectric Project is located over the Cauca River, in the northwest area of the department, some 170 kilometers from the city of Medellin. It sits on property of the municipalities of Ituango and Briceno where the main works are being built, and of Santa Fe de Antioquia, Buritica, Peque, Liborina, Sabanalarga, Toledo, Olaya, San Andres de Cuerquia, Valdivia and Yarumal. This power plant will generate 2,400 MW, which represents 17% of the country's electricity demand. The dam will have a height of 225 meters, 20 million m3 of volume and a ridge of 550 meters in length; It is located at about 8 km downstream of the Pescadero bridge, on the Cauca river, on the road to Ituango, on the site of the Ituango river mouth at the Cauca river.

   As indicated in note 4 to the consolidated financial statements, a contingency was presented in the Ituango Hydroelectric Project; in chronological order the description of the main events:

   - April 28, 2018: due to a geological event that blocked the diversion tunnel of the Cauca River with approximately 160 thousand cubic meters of rock and soil, impoundment of water was generated upstream of the dam.

   - May 7, 2018: to protect the communities, the environment and the infrastructure of the project, the decision was made to release the impounded water through the power house of the Ituango Hydroelectric Project.

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- On January 16 and February 5, 2019: intake gates # 2 and # 1, respectively, were closed, with which the flow of water through the powerhouse was suspended, what caused a reduction of the water flow of the Cauca river.

- February 8, 2019: began the recovery of the Cauca River flow through the water flow through the spillway.

- March 1, 2019: Skava Consulting delivers the results of the root cause analysis of the contingency.

The events described above are under evaluation by the Company and by control and surveillance bodies, therefore, at the date of issuing our opinion, not all the related financial and environmental effects, responsibilities, deterioration and costs are known, aside from those indicated in note 4, for this reason, the consolidated financial statements do not fully reflect the effects resulting from this situation.

b) Note 22 to the consolidated financial statements, which indicates that Empresas Publicas de Medellin E.S.P. obtained waivers from the Inter-American Development Bank (IDB) and the French Development Agency (FDA) related to the fulfillment of the financial covenant, in accordance with the provisions of the multilateral banking contracts, measured in relation to the financial indicators of long-term financial debt on EBITDA as of December 31, 2018 of these consolidated financial statements. In relation to the obligation with the Bank of Tokyo-Mitsubishi financial institution for $ 285,154 million, which guarantor is the Japan Bank for International Cooperation (JBIC), the waiver has not been obtained, thus reclassification of the total financial long-term debt to short term was made, according to the provisions of the Financial Reporting Standards approved by the General Accountancy of the Nation given the breach of the covenant; The JBIC indicated that once the consolidated financial statements are known, it will evaluate the possibility of modifying the contract or granting the waiver.

Other Matter

The consolidated financial statements at and for the year ended December 31, 2017 are presented for comparative purposes only, were audited by another independent auditor whose report dated March 20, 2018 expressed an unmodified opinion on those statements.

(Autograph signature of the partner) (Manually write: KPMG S.A.S)
Gonzalo Alonso Ochoa Ruiz
Partner
March 26, 2019
Medellin

Certification of the legal representative and the accountant of EPM

March 26, 2019

Board of Directors
Empresas Públicas de Medellín E.S.P.

The undersigned legal representative and accountant of Empresas Públicas de Medellín E.S.P certify that the balances of the consolidated financial statements of Empresas Públicas de Medellín E.S.P and its subsidiary companies as of December 31, 2018 and 2017, were faithfully taken from the accounting books, which were prepared in accordance with the International Financial Reporting Standards (IFRS)—published and applicable for the period and included in the Public Accounting System—and that the disclosed information reflects the financial, economic, social, and environmental situation and operation of Empresas Públicas de Medellín E.S.P and subsidiary companies in a reliable manner. Furthermore, they note that the information appearing on the aforementioned consolidated financial statements was verified, regarding:

a) All the transactions that have been made in the covered years have been accurately registered on the respective periods, pursuant to the appropriate acknowledgement of the proper quantities and accounts, measured by the reasonable costs, and appropriately revealed.

b) The transactions were disclosed pursuant to the provisions of the current IFRS issued by the International Accounting Standards Board (IASB) and to the interpretations issued by the IFRS Interpretations Committee. Such financial statements are aligned with the accounting principles generally accepted in Colombia, recorded in the annex of Decree 2420 of 2015 and its subsequent modifications adopted by the Colombian General Accounting Office through Ruling 037 of 2017.

c) All the assets, liabilities, and net equity of the consolidated financial statements reflect the existence of rights and obligations of Empresas Públicas de Medellín E.S.P and its subsidiary companies.

d) The disclosures of accounting notes were prepared with clarity and in accordance with the IFRS.

The consolidated financial statements do not contain flaws, inaccuracies, or errors that may prevent the actual financial position and financial performance of the entity from being known.

Jorge Londoño De la Cuesta
CEO

John Jaime Rodríguez Sosa
Director of Accounting and Costs
Professional license: 144842-T

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. Y SUBSIDIARIAS

CONSOLIDATED STATEMENTS OF FINACIAL POSITION

As of December 31, 2018 and 2017

Amounts stated in millions of Colombian pesos

	Notas	2018	2017
Assets			
Non-current assets			
Property, plant and equipment, net	5	34,488,599	31,480,096
Investment property	6	91,382	126,740
Goodwill	7	3,032,267	3,060,672
Other intangible assets	7	2,315,958	2,076,453
Investments in associates	11	1,746,487	1,804,827
Investments in joint ventures	12	82	82
Deferred Tax assets	40	249,700	225,317
Trade and Other Receivables	13	929,475	874,751
Other financial assets	14	2,312,368	2,105,782
Other assets	17	112,192	115,581
Cash and cash equivalents	19	22,343	-
Total non-current assets		45,300,853	41,870,301
Current assets			
Inventories	18	409,665	372,240
Trade debtors and other accounts receivable	13	3,284,742	2,752,912
Assets for current income tax	40	118,400	415,669
Other financial assets	14	1,234,305	265,938
Other assets	17	453,411	388,561
Cash and cash equivalents	19	1,576,039	1,191,214
Total Current assets		7,076,562	5,386,534
Total assets		52,377,415	47,256,835
Debit balances of deferred regulatory accounts	31	111,868	48,842
Total assets and debit balances of deferred regulatory accounts		52,489,283	47,305,677
Equity			
Issued capital	20	67	67
Reserves	20	2,560,657	3,479,283
Accumulated other comprehensive income	21	2,894,627	2,864,172
Accumulated profit	20	13,392,190	11,505,849
Net profit for the year	20	2,258,293	2,186,302
Other components of equity	20	(23,323)	(25,118)
Equity attributable to controlling interests		21,082,511	20,010,555
Non controlling interests		953,707	857,654
Total equity		22,036,218	20,868,209

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EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. Y SUBSIDIARIAS

CONSOLIDATED STATEMENTS OF FINACIAL POSITION

As of December 31, 2018 and 2017

Amounts stated in millions of Colombian pesos

Grupo·epm

	Notas	2018	2017
Liabilities			
Non current liabilities			
Credits and loans	22	16,029,141	14,116,243
Creditors and other accounts payable	23	502,769	264,530
Other financial liabilities	24	491,571	538,470
Employee benefits	26	858,515	849,558
Income tax payable	40	33,701	-
Deferred tax liabilities	40	2,556,008	2,854,341
Provisions	28	474,148	384,345
Other liabilities	29	119,527	118,607
Total non current liabilities		**21,065,380**	**19,126,094**
Current liabilities			
Credits and loans	22	4,805,659	2,842,480
Creditors and other accounts payable	23	2,698,694	2,948,403
Other financial liabilities	24	347,100	364,878
Employee benefits	26	251,260	237,959
Income tax payable	40	91,264	148,088
Taxes contributions and rates payable	27	191,281	181,740
Provisions	28	778,219	400,026
Other liabilities	29	190,648	173,147
Total current liabilities		**9,354,125**	**7,296,721**
Total liabilities		30,419,505	26,422,815
Deferred tax liabilities related to balances of deferred regulatory accounts	31	33,560	14,653
Total liabilities and credit balances of deferred regulatory accounts		30,453,065	26,437,468
Total liabilities and equity		52,489,283	47,305,677

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

Jorge Londoño De la Cuesta
General Manager

Certification Attached

Jorge Andrés Tabares Ángel
Executive Vice-president of Corporate Finance, Risk Management and Investments

John Jaime Rodríguez Sosa
Director of Accounting and Costs
P.C. 144842-T

Certification Attached

EMPRESAS PUBLICAS DE MEDELLIN E.S.P. Y SUBSIDIARIAS

CONSOLIDATED STATEMENT OF COMPRENHENSIVE INCOME

For the period from January 1 to December 31, 2018 and 2017
Amounts stated in millions of Colombian pesos

Grupo·epm

	Notas	2018	2017
Continued operations			
Sale of goods	32	18,266	52,045
Rendering of services	32	15,885,888	14,444,599
Lease	32	83,110	76,992
Other income	33	326,768	342,633
Income from ordinary activities		16,314,032	14,916,269
Income for sale of assets	32	7,311	1,647
Total income		16,321,343	14,917,916
Costs of services rendered	34	(10,733,975)	(9,697,215)
Administrative expenses	35	(1,724,479)	(1,451,442)
Impairment loss on accounts receivable	13	(69,461)	(76,800)
Other expenses	36	(199,528)	(79,262)
Financial income	37.1	270,836	252,902
Financial expenses	37.2	(1,049,793)	(1,022,277)
Net exchange difference	38	(264,117)	158,730
Equity method in subsidiaries		(18,017)	(8,802)
Effect of participation on equity investment	39	65,167	82,465
Income for the period before tax		2,597,976	3,076,215
Income tax	40	(217,394)	(785,960)
Profit for the year after taxes from continued activities		2,380,582	2,290,255
Profit of the period before net movement in balances of deferred regulatory accounts		2,380,582	2,290,255
Net movement in balances of net regulatory accounts related to the result of the period	31	52,884	33,643
Net movement in deferred tax related to deferred regulatory accounts related to the results of the period	31	(15,928)	3,204
Profit of the period and net movement in balances of deferred regulatory accounts		2,417,538	2,327,102
Other comprehensive income			
Items that will not be reclassified after profit for the period:			
New measurements of defined benefit plans	21	(2,422)	(32,292)
Equity investments measured at fair value through equity	21	(3,990)	475,218
Income tax related to components that will not be reclassified	21 y 40	8,567	(33,274)
Equity method in associates and joint ventures business	21	(444)	(4,239)
		1,711	405,413
Items that may be reclassified after profit for the period:			
Cash flow hedges	21	3,283	(5,449)
Recognized profit for the period	21	171,581	(93,387)
Reclassification adjustment	21	(168,298)	87,938
Exchange differences on translation of foreign operations	21	100,380	15,225
Income tax related to components that may be reclassified	21 y 40	(67,928)	8,442
Equity method in associates and joint ventures business	21	(615)	1,058
		35,120	19,276
Other comprehensive income, net of taxes		36,831	424,689
Total comprehensive income for the period		2,454,369	2,751,791
Profit for the period attributable to:			
Owners of the company		2,258,293	2,186,302
Non controlling interest		159,245	140,800
		2,417,538	2,327,102
Total comprehensive income attributable to:			
Controlling interests		2,288,787	2,612,229
Non controlling interests		165,582	139,562
		2,454,369	2,751,791

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

Jorge Londoño De la Cuesta
General Manager

Certification Attached

Jorge Andrés Tabares Ángel
Executive Vice-president of Corporate Finance, Risk Management and Investments

John Jaime Rodríguez Sosa
Director of Accounting and Costs
P.C. 144842-T

Certification Attached

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN THE EQUITY

Periods ended on December 31, 2018 and 2017

Amounts stated in millions of Colombian pesos

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					Other comprehensive income								
	Issued capital	Reserves	Accumulated other comprehensive income	Other components of equity	Equity investment	Defined benefit plans	Cash flow hedging	Conversion differences	Reclassification of properties, plant and equipment to investment properties	Result of the period in other comprehensive income of associates and joint ventures business	Attributable to controlling interests	Non-controlling interests	Total
	Nota 20.1	Nota 20.2	Nota 20.3	Nota 20.4	Nota 21.3	Nota 21.2	Nota 21.5	Nota 21.6	Nota 21.1	Nota 21.4		Nota 20.5	
Balance as of January 1, 2017	67	3,604,789	12,959,786	(25,014)	1,745,876	(14,949)	(8,262)	705,283	12,079	189	18,979,844	803,461	19,783,305
Profit for the period	-	-	2,186,302	-	-	-	-	-	-	-	2,186,302	140,800	2,327,102
Other comprehensive income for the period, net of income tax	-	-	-	-	431,519	(20,674)	3,041	15,221	-	(3,180)	425,927	(1,238)	424,689
Comprehensive income for the period	-	-	2,186,302	-	431,519	(20,674)	3,041	15,221	-	(3,180)	2,612,229	139,562	2,751,791
Surpluses or dividends decreed	-	-	(1,609,136)	-	-	-	-	-	-	-	(1,609,136)	(86,328)	(1,695,464)
Movement of reserves	-	(92,217)	92,217	-	-	-	-	-	-	-	-	-	-
Income tax related to transactions with owners	-	-	(1,681)	-	-	-	-	-	-	-	(1,681)	(1,605)	(3,286)
Other movement of the period	-	(33,289)	64,663	(104)	(4,049)	6,066	(568)	(3,830)	-	410	29,299	2,564	31,863
Balance as of December 31, 2017	67	3,479,283	13,692,151	(25,118)	2,173,346	(29,557)	(5,789)	716,674	12,079	(2,581)	20,010,555	857,654	20,868,209
Balance as of January 1, 2018	67	3,479,283	13,692,151	(25,118)	2,173,346	(29,557)	(5,789)	716,674	12,079	(2,581)	20,010,555	857,654	20,868,209
Profit for the period	-	-	2,258,293	-	-	-	-	-	-	-	2,258,293	159,245	2,417,538
Other comprehensive income for the period, net of income tax	-	-	-	-	(5,111)	1,032	(64,714)	100,377	-	(1,059)	30,525	6,306	36,831
Comprehensive income for the period	-	-	2,258,293	-	(5,111)	1,032	(64,714)	100,377	-	(1,059)	2,288,818	165,551	2,454,369
Surpluses or dividends decreed	-	-	(1,203,504)	-	-	-	-	-	-	-	(1,203,504)	(106,956)	(1,310,460)
Movement of reserves	-	(918,626)	918,626	-	-	-	-	-	-	-	-	-	-
Purchases and sales to non-controlling interests	-	-	2	(35)	-	-	-	-	-	-	(33)	33	-
Transfers to retained earnings	-	-	(51)	-	69	-	-	-	-	-	18	-	18
Income tax related to transactions with owners	-	-	(341)	-	-	-	-	-	-	-	(341)	(326)	(667)
Equity method on variations in equity	-	-	-	1,837	-	-	-	-	-	-	1,837	-	1,837
Other movement of the period	-	-	(14,693)	(7)	-	144	-	-	(283)	-	(14,839)	37,751	22,912
Balance as of December 31, 2018	67	2,560,657	15,650,483	(23,323)	2,168,304	(28,381)	(70,503)	817,051	11,796	(3,640)	21,082,511	953,707	22,036,218

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

Jorge Londoño De la Cuesta
General Manager

Certification Attached

Jorge Andrés Tabares Ángel
Executive Vice-president of Corporate Finance, Risk Management and Investments

John Jaime Rodríguez Sosa
Director of Accounting and Costs
P.C. 144842-T

Certification Attached

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. Y SUBSIDIARIAS

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CONSOLIDATED STATEMENTS OF CASH FLOWS

Periods ended on December 31, 2018 and 2017

Amounts stated in millions of Colombian pesos

	Notas	2018	2017
Cash flows for operating activities:			
Net profit for the year		2,417,538	2,327,102
Adjustments to reconcile the net profit for the year to the net cash flow used in operation activities:			
Depreciation and amortization of property, plant and equipment and intangible assets	34 y 35	992,108	948,481
Impairment of property, plant and equipment and intangibles	34	6,052	62,944
Impairment of accounts receivable	13	122,614	109,232
Reversal of loss for impairment of accounts receivable	33	(53,153)	(32,432)
Profit due to exchange difference		264,117	(158,730)
Profit due to valuation of investment property	6	(4,352)	(10,848)
Result for valuation of financial instruments and hedge accounting		24,479	72,615
Provisions, post-employment and long term defined benefit plans		541,557	228,554
Government subsidies applied		(2,091)	(928)
Deferred income tax	40	(357,497)	312,817
Current income tax	40	574,890	473,143
Participation in the results of investments in associates and joint business		18,017	8,802
Interest revenue	37	(214,351)	(177,287)
Interest expense	37	929,969	853,412
Profit due to disposal of property, plant and equipment, intangibles and investment property		(3,148)	5,674
Profit due to disposal of financial instruments		3,043	(32)
Profit due to business combination	10	-	(32,669)
Dividend from investments	39	(68,209)	(49,764)
Other revenues and expenses not effective		38,816	(54,599)
		5,230,399	4,885,487
Net changes in operational assets and liabilities:			
Change in inventories		2,386	21,024
Change in debtors and other receivables		(514,522)	(328,546)
Change in other assets		105,108	(494,654)
Change in creditors and other accounts payable		197,318	635,994
Change in labor obligations		(32,979)	(42,803)
Change in provisions		(38,476)	(24,863)
Change in other liabilities		(21,268)	393,963
Interest paid		(1,268,260)	(1,118,565)
Income tax paid		(741,178)	(707,078)
Income tax refund		374,974	-
Net cash flows originated by operation activities		3,293,502	3,219,959
Cash flows for investment activities:			
Acquisition in associates and joint business		-	19,234
Purchase of property, plant and equipment		(3,704,438)	(4,301,594)
Disposal of property, plant and equipment		138,953	32,423
Purchase of intangible assets		(90,759)	(114,843)
Disposal of intangible assets		19,433	1,805
Investments in associates		-	(76)
Purchase of investmens in financial assets		(1,604,528)	-
Disposal of investmens in financial assets		612,789	617,513
Government Grants		-	442
Interest received		4,498	-
Dividends received from subsidiaries, associates and joint business		-	49,764
Other dividends received		64,488	-
Other cash flows from investment activities		95,823	(14,045)
Net cash flows originated by investment activities		(4,463,741)	(3,709,377)
Cash flows by financing activities:			
Obtaining of public credit and treasury		6,700,282	5,074,675
Payments of public credit and treasury		(3,455,320)	(3,194,085)
Transaction costs due to issuance of debt instruments		(65,212)	(10,084)
Payments of liabilities for financial leasing		(1,040)	(935)
Dividends or surpluses paid		(1,503,504)	(1,309,136)
Dividends or surplus paid to non-controlling interests		(126,389)	(86,328)
Subsidies of capital		353	-
Payments of capital of derivatives designated as cash flow hedge		-	(12,384)
Other cash flows from financing activities		83,899	(3,450)
Net cash flows from financing activities		1,633,069	458,273
Net cash and cash equivalent increase		462,830	(31,145)
Effects of variations in exchange rates on cash and cash equivalents		(55,663)	27,860
Cash and cash equivalent at the beginning of period		1,191,214	1,194,499
Cash and cash equivalent at the end of period		1,598,381	1,191,214
Restricted resources		173,375	183,609

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

Jorge Londoño De la Cuesta
General Manager

Certification Attached

Jorge Andrés Tabares Ángel
Executive Vice-president of Corporate Finance, Risk Management and Investments

John Jaime Rodríguez Sosa
Director of Accounting and Costs
P.C. 144842-T

Certification Attached

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(In millions of Colombian pesos, except when indicated otherwise)

Note 1. Reporting Entity

Empresas Públicas de Medellín E.S.P. and subsidiaries (hereinafter, "EPM Group" or “the Group”) is the Holding Company of a multi-latin Enterprise group; which, in accordance with International Financial Reporting Standards, has as of December 31, 2018 a consolidation perimeter made up of 47 companies and a structured entity[1], with a presence in the provision of public utilities in Colombia, Chile, El Salvador, Guatemala, Mexico and Panama.

EPM is a municipal-order decentralized entity, created in Colombia through Resolution 58 of August 6, 1955 issued by the Administrative Council of Medellín, as an autonomous public institution. It was transformed into an industrial and commercial government company of municipal-order through Resolution 069 of December 10, 1997 of the Medellín Council. Due to its legal status, EPM is endowed with administrative and financial autonomy, and its own equity according to Article 85 of Law 489 of 1998. The capital stock with which the company was constituted and operates, as well as its equity, is of a public nature, being its only owner is the Municipality of Medellín. Its main corporate domicile is located at Carrera 58 No. 42-125 in Medellín, Colombia. It has not established a term of duration.

EPM provides residential public utilities of aqueduct, sewage, power and combustible gas distribution. It can also provide the domiciliary public utilities of cleaning, waste treatment and utilization, as well as the complementary activities related to each and every public utility service above mentioned.

The Group provides services in the following sectors:

- Power: includes Power Generation, Transmission, Distribution and Commercialization, and Natural Gas Distribution businesses.
- Water: integrated by the Aqueduct, Wastewaters and Cleaning businesses.
- Others segment: Consisting of the investment vehicles, Distribución Eléctrica Centroamericana II S.A. (DECA II), EPM Capital Mexico S.A. de C.V., EPM Chile S.A., EPM Inversiones S.A., EPM Latam S.A., Inversiones y Proyectos Hidrosur SpA (former Inversiones y Asesorias South Water Services SpA) [2], Panama Distribution Group S.A. (PDG). It additionally includes Maxseguros EPM Ltd., captive reinsurer established to negotiate, contract, and provide reinsurance services.
- Furthermore, EPM Group participates in the telecommunications business, in which it has significant influence since August 2014, through UNE EPM Telecomunicaciones S.A. and its affiliates: Edatel S.A. E.S.P, Orbitel Servicios Internacionales S.A. (OSI), Cinco Telecom Corporation (CTC) and Colombia Movil S.A.; and Inversiones Telco S.A.S. and its affiliate Emtelco S.A.; providing voice, data and Internet utilities, professional services, and data center, among others.

The Consolidated Financial Statements of the Group corresponding to the year ended as of December 31, 2018, were authorized by the Board of Directors to be published on March 26, 2019. The Group main activities are described in Note 46. Operating Segments.

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[1] Autonomous Equity Social Funding. Under International Financial Reporting Standards (IFRS), it is considered a structured entity part of the consolidation perimeter of the financial statements of the EPM Group.

[2] It changed its company name on November 26, 2018, through public deed No. 34.861-2018 of Notary 27 of Santiago de Chile.

1.1 Legal and Regulatory Framework

The activities of EPM Group, i.e., providing residential public utilities, are regulated in Colombia, Chile, El Salvador, Guatemala. Mexico and Panama. The most significant regulatory aspects that apply are:

1.1.1 Regulation for Colombia

The rendering of residential public utilities in Colombia is regulated mainly by Law 142, Public Utilities Act, and Law 143 of 1993, Electricity Act.

The functions of control, inspection and surveillance of the entities that provide residential public utilities, are exercised by the Superintendencia de Servicios Públicos Domiciliarios (SSPD).

For its status as municipal-order decentralized entity, EPM is subject to political control by the Medellín Council, to fiscal control by the Comptroller General of Medellín and to disciplinary control by the Attorney General's Office.

1.1.1.1 Regulation commissions

Decree 1524 of 1994 delegates in the regulation commissions the presidential function of stating general policies of administration and control of efficiencies in residential public utilities.

These entities are:

- The Power and Natural Gas Regulatory Commission (CREG), a technical body attached to the Ministry of Mines and Energy (MME), that regulates the sale rates for electric power and the aspects related to the operation of the Wholesale Energy Market (MEM) and, more generally, to the provision of electric power and gas services.

- The Drinking Water and Basic Sanitation Regulatory Commission (CRA), regulates the rates for aqueduct, sewage and cleaning, as well as their providing conditions in the market. It is a technical body attached to the Ministry of Housing, City and Territory.

1.1.1.2 Regulation by Sector

1.1.1.2.1 Activities for the Aqueduct, Sewage and Waste Management Sector

Law 142, Public Utilities Act, defined the aqueduct, sewage and cleaning services:

Aqueduct: also called drinking water domiciliary public utility. Activity consisting of the municipal distribution of water which is fit for human consumption, including its connection and measurement. It includes complementary activities such as water catchment and its processing, treatment, storage, conduction and transportation.

Sewage: activity consisting of the municipal collection of waste, mainly liquid, through piping and conduits. It includes the complementary activities of transportation, treatment, and final disposal of such waste.

Waste management: activity consisting of the municipal collection of waste, mainly solid waste. It includes the complementary activities of transportation, treatment, utilization, and final disposal of such waste.

For the first two utilities, the tariff framework is established in Resolutions CRA 688 of 2014 and CRA 735 of 2015. For the public waste management utility, in resolution CRA 720 of 2015. These standards establish indicators of quality and coverage, the achievement of goals is encouraged, and remuneration mechanisms are defined to guarantee the financial sufficiency of the company.

1.1.1.2.2 Electric Power Sector Activities

Law 143 of 1994 segmented the electric power service into four activities: generation, transmission, distribution, and commercialization, which may be developed by independent companies. The purpose of the legal framework is to supply the demand of electricity under economic and financial feasibility criteria and to tend to an efficient, secure and reliable operation of the sector.

Generation: consists of the production of electric power from different sources (conventional or non-conventional), undertaking this activity either exclusively or combined with another or other activities of the electric sector, regardless of which is the main activity.

Transmission: the national transmission activity is the transportation of energy in the National Transmission System (hereinafter STN). It encompasses the set of lines, with its corresponding connection equipment that operate in voltages equal to or greater than 220 kV. The National Transmitter is the legal entity that operates and transports electric power in the STN or has incorporated a company which purpose is the undertaking of such activity.

Distribution: consists of transporting electric power through a set of lines and substations, with the associated equipment, that operate at voltages lower than 220 kV.

Commercialization: activity that consists of the purchase of electric energy in the wholesale market and its sale to other market participants or to the final regulated and non-regulated users, undertaking this activity either exclusively or combined with other activities of the electric sector, regardless of which of them is the main activity.

1.1.1.2.3 Natural Gas Sector Activities

Law 142 of 1994 defined the legal framework for the provision of domiciliary public utilities, area in which natural gas is defined as a public utility.

Natural Gas: it is the set of activities targeted to the distribution of Natural Combustible Gas, through pipes or another mean, from a place of collection of large volumes or from a central gas pipeline to the facilities of a final consumer, including their connection and measurement. This Law will also be applied to the complementary activities of commercialization from the production and transportation of gas through a main gas pipeline, or through other means, from the generation site and to that where it connects to a secondary network.

1.1.2. Regulation for Chile

1.1.2.1 Electric Power Sector Activities

The activities of generation, transmission and distribution regulated by the Electric Services General Act (LGSE, Ley General de Servicios Eléctricos) are identified in the Chilean electric power market.

In Chile there are four interconnected electric systems: two smaller systems that provide power for the south of the country, the Aysen and the Magallanes systems, that respectively concentrate 0.29% and 0.62% of the country's installed capacity, and two larger systems, the Interconnected System of Norte Grande (SING, Sistema Interconectado del Norte Grande) and the Central Interconnected System (SIC, Sistema Interconectado Central), that respectively concentrate 28.06% and 71.03% of the installed capacity and have a coordinated cargo dispatch operating since 2017.

Reforms in the Chilean electric power sector started back in 1978 with the creation of the National Power Commission (Comisión Nacional de Energía) and were formalized with the approval of the Electric Power Act (Ley Eléctrica) in 1982. Due to the privatization of the sector in Chile, from 1980 there has been no State involvement.

1.1.2.2 Water Sector Activities

The Water Sector (Sector Sanitario) is made up by the group of entities with functions related to the services of production and distribution of drinking water and the collection and disposal of waste water, i.e., the companies in charge of providing said services and the Superintendence of Water Services (Superintendencia de Servicios Sanitarios), regulatory and overseeing entity of this sector.

1.1.2.3. Regulatory Framework

Electric Power: according to the Electric Power Utilities General Act (LGSE, Ley General de Servicios Eléctricos), the National Power Commission (Comisión Nacional de Energía) is the competent authority to calculate the rates through the technical reports of node-price setting (fijación de precio de nudo) that are subsequently established by decree of the Ministry of Economy, Development and Reconstruction. Current legislation establishes as a basic premise that rates must represent the actual costs of electricity generation, transmission and distribution so that an optimal development of the electric systems can be obtained.

The legal framework of the Chilean electric power sector mainly consists of:

- Decree with Force of Law (DFL) No. 1 DFL of 1982. The Electric Utilities General Act establishes the fundamental dispositions for the development of the economic activity in the electric industry. It may be only modified at the National Congress and its most relevant modifications are those that are applied through Law Nº 19.940 of 2004 Short Act I (Ley Corta I), that reformed the regulatory framework of the Transmission, and Law Nº 20.018 of 2005 Short Act II (Ley Corta II), that reformed the commercialization regime between generators and distributors for the supply of regulated clients. The regulations, in turn, are elaborated by the sectorial bodies of the Executive Power and must be submitted to the dispositions established in the Law.
- Decree with Force of Law (DFL) No. 4 DFL of 2007. Approves modifications to the Decree with Force of Law No. 1 of 1982, General Law of Electric Services, on the subject of electric power.
- Law No 20.257 of 2008. Introduces modifications to the Electric Power Utilities General Act (LGSE) in respect to the generation of electric power by non-conventional renewable energy sources.
- Law No. 20.402 of 2009. Creates the Ministry of Energy (Ministerio de Energía), establishing modifications to Decree Law No. 2.224 and to other legal bodies.
- Law No. 20.936 of 2016. Modifies Law 20.018 of 2005, establishing a new electric power transmission system and creating a new coordinating body independent of the national electric power system.

Water: in the regulation scheme in effect, where the regulatory and monitoring function of the State is separated from the producing function, the Superintendence of Water Utilities (Superintendencia de Servicios Sanitarios) is created as the regulating and monitoring body for the sector. This body is a decentralized entity with own legal status and equity, subject to the supervision of the President of the Republic through the Ministry of Public Works. It performs the regulatory and monitoring functions for the activity of companies operating in this sector.

The regulatory model highlights two crucial aspects to introduce the economic rationality in the operation of the sector: the rates and the concessions regime, both aspects are contained in the legal framework under which the operation of the sector is regulated, being function of the Superintendence of Sanitary Services the application and enforcement of the provisions for the respective legal bodies: Decree with Force of Law No. 70 of 1988, Rates Act and the Decree with Force of Law No. 382 of 1988, Water Utilities General Act (Ley General de Servicios Sanitarios).

The legal framework of the Chilean water sector mainly consists of:

- Superintendence of Water Utilities Act – Law 18.902 of 1990 (Modified by Law No. 19.549 of 1998 and Law No. 19.821 of 2002): Creates the Superintendence of Water Utilities as a functionally decentralized service, with own legal status and equity, subject to the supervision of the President of the Republic through the Ministry of Public Works.

To the Superintendence of Water Utilities will correspond the monitoring of the providers of water utilities, of compliance with rules related to water utilities and the control of industrial liquid waste related to the rendering of services of sanitary companies, capable either officially or at the request of any interested party of inspecting the sanitary infrastructure works made by the providers.

- Regulation of the Water Utilities General Act, Supreme Decree (DS, Decreto Supremo) of the Ministry of Public Works (MOP, Ministerio de Obras Públicas) No. 1199, Dec, 2004 - Published in the Official Gazette (DO, Diario Oficial) on November 9, 2005: approves the regulations for water concessions for production and distribution of drinking water, and for collection and disposal of wastewater, and of the standards on the quality of service to users of these utilities.
- Water Utilities Rates Act (Ley de tarifas de los servicios sanitarios): Decree with Force of Law MOP No. 70 of 1988 – Published in the Official Gazette on March 30, 1988.
- Code of Waters (Codigo de Aguas) and its modifications: in DFL No. 1.122 are regulated the property and the right of the use of water. The latest modifications are: Law No. 20.017 of 2005 and Law No 20.099 of 2006.
- Regulation of the Water Utilities General Act, Supreme Decree MOP No. 1199 of December,2004: approves the regulations for water concessions for production and distribution of drinking water and for collection and disposal of wastewater, and of the standards on the quality of service to users of these utilities.

1.1.2.4 Regulatory Bodies

Some of the main regulatory bodies for the electric power sector in Chile are:

- **Ministry of Energy (Ministerio de Energía):** the higher body of collaboration to the President of the Republic in the functions of governance and administration of the energy sector. This public body is responsible for determining the schemes, policies and norms for the development of the electric power sector. Furthermore, it grants concessions for hydroelectric power plants, transmission lines, substations, and electric power distribution zones. The National Energy Commission (CNE, Comisión Nacional de Energía) is attached to the Ministry of Energy.
- **National Energy Commission (CNE, Comisión Nacional de Energía):** public decentralized body with its own equity and full capacity to acquire and exercise rights and obligations, that relates to the President of the Republic through the Ministry of Energy. In particular, the National Energy Commission leads the rate fixation processes to the electric power and natural gas companies of the network. It is responsible for designing technical standards and calculating the regulated prices established in the Law. Likewise, oversees and projects the current and expected operation of the electric power sector, through the generation of the works scheme that constitutes an indicative guide for the ten-year expansion of the system. Likewise, proposes to the Ministry of Energy the legal and regulatory norms that required in matters of its competence.
- **Superintendence of Electricity and Fuels (SEC, Superintendencia de Electricidad y Combustibles):** public body in charge of overseeing the adequate operation of the electric power, natural gas and fuels utilities, in terms of their safety, quality and prices. It also sets technical standards. Its main objective is auditing and overseeing compliance with the legal and regulatory dispositions for the generation, production, storage, transportation and distribution of liquid fuels, natural gas and electricity, in order to verify that the quality of services rendered to users comply with said standards and do not represent any danger to people or their property. The institutional framework of the SEC is Law 18.410 of 1985, modified by Law 20.402 of 2009.
- **Independent Coordinator of the National Electric System (CISEN, Coordinador Independiente del Sistema Eléctrico Nacional):** through Law 20.936, is created this coordinator charged with preserving

the security of the service in the electric system, guaranteeing an economic operation, guaranteeing open access to the transmission systems, coordinating and determining the economic transfers between companies. The Coordinator is an autonomous, non-profit entity and its board of directors is elected by the Essential Nominating Committee (Comite esencial de nominaciones), its members are independent of the coordinated companies.

- **The Panel of Experts (El Panel de Expertos):** is an autonomous collegiate body created in 2004 by Law No. 19.940 with the function of ruling on the gaps in understanding, conflicts or non-conformities that result from the application of the electric legislation between electric power companies and other entities, and that these companies submit to its considerations. The opinions of this entity are binding for the parties.

Some of the main regulatory bodies for the water (drinking water and sewage) sector in Chile are:

- **Ministry of Public Works (MOP, Ministerio de Obras Públicas):** grants the concessions and promotes the supply of water and sanitation in rural zones through its Sanitation Programs Department (Departamento de Programas de Saneamiento). Besides its own functions, in respect to the water sector, to it corresponds the administration of the legislation on the subject of water resources, the assignment of water rights and the approval of the concession rights to establishing, constructing and exploiting water services.
- **Superintendence of Water Utilities (SISS, Superintendencia de Servicios Sanitarios):** Chilean State body that regulates and monitors the companies that provide the drinking water utility as well as the collection and treatment of wastewater from the urban population.
- **Ministry of Health (Ministerio de Salud):** oversees the quality of water in the water utility that are not under the jurisdiction of the Superintendence (non-public water utility) and officializes the quality standards under provisions of the National Standardization Institute (Instituto Nacional de Normalizacion).
- **Ministry of Economy, Development and Reconstruction (Ministerio de Economía, Fomento y Reconstruccion):** designs and oversees the implementation of public policies that affect the competitiveness of the country; It promotes and oversees activities in the sectors of industry, services and commerce. Its major lines of action are related to the design and promotion of Innovation and Entrepreneurship Policies. Its main function regarding the water sector is the determination of regulated prices, at proposal from the Superintendence.

1.1.3. Regulation for El Salvador

A restructuring process of the electric power sector was undertaken in El Salvador, which was materialized in a juridical and institutional framework that aims to promote the competition and necessary conditions to assure the availability of an efficient power supply, capable of meeting demand under technical, social, economic, environmental and financial feasibility criteria.

In the 90's, El Salvador pushed a process of reforms in the power sector that consisted on the restructuring of the hydrocarbons and electricity sectors, the privatization of most government companies that provided power-related goods or services and the deregulation of the markets.

1.1.3.1. Regulatory Framework

The legal framework of the Salvadorian electric sector is formed by the General Superintendence of Electricity and Telecommunications (SIGET, Superintendencia General de Electricidad y Telecomunicaciones) Creation Act, issued through Legislative Decree 808 of September 12, 1996, that gave legal life to the regulatory entity; as well as by the General Electricity Act (LGE, Ley General de Electricidad), issued through Legislative Decree 843 of October 10, 1996, and by the regulations of the General Electricity Act, established through Executive Decree 70 of July 25, 1997, including its modifications.

As a result of the restructuring process of the electrical sector, the Transactions Unit (UT, Unidad de Transacciones S.A.), that manages the Wholesale Market of Electric Power, and the El Salvador Transmission Company (ETESAL, Empresa de Transmisión de El Salvador) were created, while simultaneously carried out the privatization of power distribution and thermal generation companies. Furthermore, the hydro-electrical and geothermal power generation activities were separated, and a private partner was incorporated to the latter.

1.1.3.2. Regulatory Bodies

Some of the main regulatory bodies for the electric power sector in El Salvador are:

- **Ministry of Economy (MINEC, Ministerio de Economia):** central government body with the purpose of promoting economic and social development through the increase of production, productivity, and the rational use of resources. Among its responsibilities is the definition of the commercial policy for the country, and the overseeing and development of the Central American economic integration. It has under its command the Direction of Electric Power (Direccion de Energía Eléctrica) and the Social Investment Fund for Local Development (Fondo de Inversion Social para el Desarrollo Local); furthermore, it chairs the National Energy Council (Consejo Nacional de Energía). Likewise, it contributes to the development of the competence and competitiveness of productive activities, both for the domestic and the international markets.
- **General Superintendence of Electricity and Telecommunications (SIGET, Superintendencia General de Electricidad y Telecomunicaciones):** not-profit public service autonomous body with administrative and financial autonomy, it is the competent body for applying the international treaties on electricity and telecommunications adopted by El Salvador, as well as national laws and regulations that rule the electricity and telecommunications sectors, and to know of non-compliance.
- **Transactions Unit (UT, Unidad de Transacciones):** among its functions are the transparent and efficient management of the wholesale electric power market and the operation of the transmission system, maintaining its security and quality, and providing market operators with satisfactory responses for the undertaking of their activities. Likewise, it coordinates with the Regional Operator Body (EOR, Ente Operador Regional) the energy transactions that El Salvador carries out with other countries at Central American and international levels. Finally, it identifies responsibilities in case of system failures.

1.1.4 Regulation for Guatemala

The Political Constitution of the Republic of Guatemala of 1985 declared the electrification of the country as national urgency, based upon plans formulated by the State and the municipalities, in a process that could rely on the participation of private initiatives.

1.1.4.1 Regulatory Framework

With the Political Constitution as a legal substrate, General Electricity Act (Ley General de Electricidad) was decreed in 1996, and through it the fundamental judicial laws were established to facilitate the operation of the different electric power system sectors.

1.1.4.2 Regulatory Bodies

Some of the main regulatory bodies for the electric power sector in Guatemala are:

- **Ministry of Energy and Mines (Ministerio de Energía y Minas):** the most relevant Guatemalan government body in the electric power sector. It is responsible for enforcing the General Electricity Act (Ley General de Electricidad) and its related regulations, while coordinating the policies between National Commission of Electric Power (CNEE, Comisión Nacional de Energía Eléctrica) and the Wholesale Market Administrator (AMM, Administrador del Mercado Mayorista). This state office has the authority to grant permits to companies for power generation, transmission and distribution.

- **National Electrical Power Commission (CNEE, Comisión Nacional de Energía Eléctrica):** the Guatemalan electric sector is regulated by the CNEE, a regulatory body created in accordance with the General Electricity Act, as a technical body of the Ministry of Energy and Mines and subordinated to it. It consists of three members appointed by the President of the Republic from groups-of-three proposed by the Presidents of the Universities, the Ministry of Energy and Mines and the Wholesale Market Agents. The duration of each directorate is five years.
- **Wholesale Market Administrator (AMM, Administrador del Mercado Mayorista):** body charged with managing the Guatemalan wholesale market, a private entity created by the General Electricity Act that coordinates the operation of generating facilities, international interconnections, and the transmission lines that conform the national electric power system. Meanwhile, it is responsible for the system's safety and operation by conducting an economically sound delivery and managing the electric power resources, for minimizing the operating costs, including the costs of failures, within the restrictions imposed by the transmission system and the service quality requirements. Likewise, the AMM is responsible for the scheduling of the supply and delivery of electricity. Regulations issued by the AMM are subject to approval by the CNEE. If a generation, transmission or distribution company, or an electric power agent or large user does not operate their facilities in conformity with the regulations established by the AMM, the CNEE has capacity to sanction it and, in case of severe violation, it may require it to disconnect from the national electricity system.

1.1.5 Regulation for Mexico

1.1.5.1 Regulatory Framework for the Water and Sanitation Sector

In the government scene, each of the 32 federative entities (States) has its respective water regulations, with sensibly equal purposes in spite of the diverse designations. The modifications to the government legislation associated to the provision of water and sanitation utilities mainly derived from a series of initiatives promoted by the National Water Commission (CAN, Comisión Nacional de Aguas) in the 90's.

Below is a summary of the evolution undergone by the legal state regime from that era to the beginning of this decade regarding water and sanitation:

- Reforms of 1983 to Article 115 of the Constitution, with which the municipal character of the water and sanitation services was ratified and strengthened, what forced to target the State bodies role in this matter, assigning them a subsidiary and somehow regulatory role.
- Government policies were established in order to promote the creation of decentralized bodies Creation Decrees (Decretos de Creación) for Municipal Administration (Administración Municipal), with the technical capacity, administrative and financial autonomy, all necessary for the efficient provision of the utilities, while introducing participation schemes for the private sector.
- Greater participation of State authorities in the administration of the national water resources, through covenants that, pursuant to the provisions of Article 116 of the Constitution, can be established between the federation with the state governments in order for the latter to execute or exercise different tasks or attributions of exclusive competence of the federal government. This possibility was reinforced even further with the reforms and additions to the National Water Act that entered into force and effect in 2004.

1.1.5.2 Regulatory Bodies

Some of the main regulatory bodies for the water and sanitation sector in Mexico are:

- **Environment and Natural Resources Secretariat (SEMARNAT, Secretaria de Medio Ambiente y Recursos Naturales):** in the different scenes of society and public function, it incorporates criteria and instruments that assure the optimal protection, preservation, and utilization of the country's natural resources, thus forming an integral and inclusive environmental policy that allows achieving sustainable development, provided that they are not expressly entrusted to another office;

moreover, in matters of ecology, environmental sanitation, water, environmental regulation of urban development and fishing activity, with the interest that shall correspond to other offices and entities.

- **National Water Commission (CONAGUA, Comisión Nacional del Agua):** with participation of society, it manages and preserves the national water to achieve the sustainable use of the resource with the co-responsibility of the three orders of government and society as a whole. It is established as the authority with technical quality and promoter of the government orders in the integrated management of the water resource and its inherent public goods while protecting water bodies to guarantee a sustainable development and the preservation of the environment.

- **Social Development Secretariat (SEDESOL, Secretaria de Desarrollo Social):** defines commitments of the administration to advance in the achievement of an effective social development. Formulates and coordinates the solidary and subsidiary social policy of the federal government, aiming at the common good, and executes it in a co-responsible fashion with society.

1.1.6 Regulation for Panama

The electric power sector in Panama is divided into three activity areas: generation, transmission and distribution. The country has established a regulatory structure for the electrical industry, based upon the legislation that was approved between 1996 and 1998. This framework creates an independent regulator, the Autoridad Nacional de los Servicios Públicos de Panamá (ASEP), and also creates a transparent process for setting the rates for the sale of energy to regulated customers.

1.1.6.1 Regulatory Framework

The regulatory framework consists of the following norms:

- **Law 6 of February 3, 1997:** dictates the regulatory and institutional framework for the provision of the electric power public utility. It establishes the regime to which the electrical power distribution, generation, transmission and commercialization activities shall be subject.

- **Law 57 of October 13, 2009:** several modifications are made to Law 6 of 1997; among them, the obligation of the generating companies to participate in the power purchase processes, the compulsoriness for Empresa de Transmisión Eléctrica S.A. (ETESA) for purchasing power in representation of distributing companies, and the increase in fines that the regulator may impose of up to $20 million Balboas, and at the same time establishes the right of customers to refrain from paying for the portion they claim and grants a 30-day term to claim before the regulator in case of not being satisfied with the response given by the distribution company.

- **Law 58 of May 30, 2011:** modifies articles related to rural electrification, among which there are: the modification of subsidies calculation that the Rural Electrification Office (OER, Oficina de Electrificación Rural) must pay to distributors for a 4-year period (formerly paid to 20 years) and the creation of a rural electrification fund for 4 years, which shall be formed with the contributions of the market agents that sell electric power and shall not exceed 1% of their net profit before tax.

1.1.6.2 Regulatory Bodies

Some of the main regulatory bodies for the electric power sector in Panama are:

- **The Energy Secretariat (Secretaria de Energía):** its mission is to formulate, propose and promote the national energy policy with the goal of guaranteeing supply security, the rational and efficient usage of resources and energy in a sustainable fashion, according to the National Development Plan (Plan de Desarrollo Nacional). Currently is processing before the Empresa de Transmisión Eléctrica S.A. (ETESA) the conforming of a power grid with greater and more varied renewable and clean resources (wind, natural gas, etc.).

- **Autoridad Nacional de los Servicios Públicos de Panamá (ASEP):** established according to the Public Utilities Regulatory Body Act (ley del ente regulador de los servicios Públicos) of 1996. It is an autonomous Government body responsible of regulating, controlling, and auditing the provision of water and sewage, telecommunications, radio and television, electricity and natural gas utilities.

On February 22, 2006, through Decree-Law 10, the Public Utilities Regulatory Body (ERSP, Ente Regulador de los Servicios Públicos) was restructured and changed its name; because of that, since April 2006 it is known as the ASEP, with the same responsibilities and functions that the regulatory entity had, but with a general administrator and an executive director, each designated by the President of the Republic of Panama and ratified by the National Assembly. Likewise, it has three national directors under the authority of the general administrator: one for the electricity and water sector, one for the telecommunications sector, and one for the user support sector. The national directors are responsible for issuing resolutions related to their respective industries and the appeals thereto are solved by the general administrator as final stage of the administrative process.

- **The Planning Unit of the Empresa de Transmisión Eléctrica (ETESA):** creates the reference expansion schemes and projects the global requirements of energy and ways to satisfy such requirements, including the development of alternative energy sources and establishing programs to preserve and optimize the use of energy. The public service companies are called to prepare and present their expansion schemes to ETESA.
- **The National Dispatch Center (CND, Centro Nacional de Despacho):** operated by ETESA. Plans, supervises and controls the integrated operation of the National Interconnected System (Sistema Interconectado Nacional). Receives offers of electric power generating companies that participate in the power sale market (spot), it determines the spot power prices, manages the transmission network, and provides the liquidation values between suppliers, producers, and consumers, among others.
- The Rural Electrification Office (OER, Oficina de Electrificación Rural): is responsible for promoting the electrification in non-served, non-profitable and non-franchised rural areas.

1.2. External Audit

As included in the Code of Good Corporate Governance, the external audit is established as a control mechanism with the purpose of auditing consolidated financial statements and accounting policies in accordance with the International Financial Reporting Standards (IFRS), adopted in Colombia by the General Accountancy of the Nation (CGN, Contaduría General de la Nación). as well as the provision of an independent opinion regarding the reasonableness with which they indicate the Group's financial position as of the cut-off date of each accounting year.

Note 2. Significant Accounting Policies

2.1 Bases for the Preparation of Financial Statements

The Consolidated financial statements of the company are prepared in accordance with the current International Financial Reporting Standards (hereinafter, IFRS) issued by the International Accounting Standards Board (hereinafter, IASB), as well as the interpretations issued by the Interpretations Committee (hereinafter, IFRIC). These financial statements are harmonized with generally accepted accounting principles in Colombia as set out in the Annex to Decree 2420 of 2015 and its subsequent amendments accepted by the General Accountancy of the Nation through Resolution 037 of 2017, this resolution has not accepted some changes to IFRS such as the amendment to IAS 23 of the 2015-2017 Cycle and the interpretation of IFRIC 22, which have already entered into force at the international level or that can be anticipated, however, these changes do not impact financial figures, since they refer more to clarification in the application of the standards, i.e., to treatments already established, reason why it is considered that this will not have a transcendental economic impact in the financial statements.

The presentation of financial statements in conformity with IFRS requires making estimates and assumptions that affect the amounts reported and disclosed in the financial statements, without undermining the reliability of the financial information. Actual results may differ from said estimates. Estimates and assumptions are constantly revised. Revision of accounting estimates is recognized for the period in which the estimates are revised if the revision affects such period or in the revision period and future periods, if it affects both the current and the future period. The estimates made by the Management, in applying the IFRS, that have a material effect on the financial statements, and those that imply significant judgments for the annual financial statements, are described in greater detail on Note 3. Significant accounting judgments, estimates, and causes of uncertainty in the preparation of financial statements.

EPM and each of its subsidiaries present separate or individual financial statements, as applicable, for compliance before the controlling entities and for internal administrative follow-up purposes and provide information to the investors.

Assets and liabilities are measured at cost or amortized cost, with the exception of certain financial assets and liabilities and the investment properties that are measured at fair value. The financial assets and liabilities measured at fair value correspond to those that: are classified in the category of fair value assets and liabilities through profit, some equity investments at fair value through equity, as well as all financial derivatives, assets and liabilities recognized that are designated as hedged items in a fair value hedging, which value in records is adjusted with the changes in fair value attributed to the risks subject matter of the hedging.

Consolidated financial statements are presented in Colombian pesos and their figures are stated in millions of Colombian pesos.

2.2 Consolidation Principles

The consolidated financial statements include the financial statements of EPM and of its subsidiaries as of December 31, 2018 and December 31, 2017. Using the global integration method, EPM consolidates the financial results of the companies on which control is exercised, and which are detailed in Note 9. Investment in subsidiaries.

The control is obtained when any of the companies of the Group controls the relevant activities of the subsidiary, generally operation and financing activities, it is exposed, or has the right, to the variable returns of the subsidiary and has the capacity to leverage its power over the subsidiary to influence its returns.

The general presumption is that a majority of voting rights results in taking control. To support this presumption, and when the Group has less than the majority of the voting or similar rights on an investee, the Group considers all the pertinent facts and circumstances to evaluate whether it has the power over an investee, including contractual agreements with other vote holders in the investee, rights arising from other contractual agreements, and voting rights of the Group as potential voting rights. If the facts and circumstances suggest that one or more of the three controlling elements have changed, the Group must review again whether it controls an investee.

The consolidated financial statements of the Group are presented in Colombian pesos, which is the functional and presentation currency of EPM, which is the controlling company of the Group. Each subsidiary of the Group determines their own functional currency and includes the items in their financial statements using that functional currency.

All the companies of the Group prepare and present their financial statements under IFRS according to the Group's accounting policies, except for the international companies that, due to their own country's regulation cannot apply IFRS, in which case they must harmonize their local practices to the Group's accounting policies at the moment of reporting information for the consolidation of the financial statements.

For consolidation purposes, the financial statements of the subsidiaries are prepared under the Group accounting policies and are included in the consolidated financial statements from the acquisition date to the date when the Group losses control.

Intragroup assets, liabilities, equity, revenue, costs, expenses and cash flows are eliminated in the preparation of the consolidated financial statements; i.e., those related to transactions between the Group Companies, including unrealized internal profits and losses, which are eliminated in their entirety.

The consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ends when the Group loses control. Specifically, the income and expenses of a subsidiary acquired or sold during the year are included in the consolidated statement of comprehensive income from the date the Group obtains control until the date on which it ceases to control the subsidiary.

When the Group losses control over a subsidiary, the assets (including goodwill), liabilities, non-controlling participation, and other components of the net equity are derecognized; any residual participation it may retain is measured at fair value, the gains or losses that arise from this measurement are recognized in the profit for the period.

Non-controlling participation in the consolidated net assets of subsidiaries are presented separately from the Group's equity. The profit for the period and the other comprehensive income are also attributed to the non-controlling and controlling participations.

Changes in the participation share of the Group in subsidiaries that do not result in the loss of control, are recorded as equity transactions. The recorded value of the Group's controlling participations and non-controlling participations are adjusted to reflect the changes in their relative participation in the subsidiaries. Any difference between the amount for which the controlling participation, the non-controlling participation, and the fair value of the consideration paid or received are adjusted, is directly recognized in net equity.

Whenever the Group losses control over a subsidiary, the profit or loss is recognized and is calculated as the difference between: the fair value of the received consideration and the fair value of any retained participation, and the previous recorded value of assets (including goodwill) and liabilities of the subsidiary and any non-controlling participation. All amounts related to the subsidiary, previously recognized in the other comprehensive income are recorded as if the Group had directly disposed the assets or liabilities related to it (i.e., reclassified into profit or loss or transferred to another equity category as allowed by the applicable IFRS). The fair value of the retained investment in the previous subsidiary on the date when control is lost, is considered as the fair value in the initial recognition for its subsequent measurement, either as an investment made in a financial instrument or an investment made in a joint venture or in an associate.

2.3 Classification of Assets and Liabilities into Current and Non-Current

An asset is classified as current asset when it is mainly maintained for negotiation purposes or it is expected to be realized over a term not exceeding one year, after the period being reported or it is cash and cash equivalents that is not subject to restrictions for exchange or use in the cancellation of a liability over a term not to exceed one year after the period being reported. All other assets are classified as noncurrent assets.

A liability is classified as current liability when it is mainly kept for negotiation purposes or when it is expected to be liquidated over a term not exceeding one year after the period being reported, or when the company does not have an unconditional right to postpone its liquidation for at least one year after the period being reported. All other liabilities are classified as non-current liabilities.

All derivative instruments for which the hedging accounting does not apply are classified as current or noncurrent, or are divided into current and non-current portions, based upon assessment of the facts and circumstances (i.e., the underlying contractual cash flows):

- When the Group keeps a derivative, for which the hedging accounting is not applied, during a term exceeding twelve (12) months as from the presentation date, the derivative is classified as non-current (or divided into current and non-current portions) for it to correspond with the classification of the underlying item.
- Derivative instruments that are designated as hedging instruments and that are effective, are classified coherently with the classification of the underlying hedged item. The derivative instrument is divided into a current portion and another non-current only if such assignment can be made in a reliable manner.

2.4 Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position and in the statement of cash flows include the money in cash and banks and the high-liquidity investments, easily convertible in a determined amount of cash and subject to a non-significant risk of changes in their value, with maturity of three months or less from their acquisition date. Callable bank overdrafts that are an integral part of the cash management of the Group, represent a cash and cash equivalents component in the statement of cash flows.

2.5 Business Combinations

Business combinations are recorded by the acquisition method. The acquisition cost is measured as the addition of the consideration transferred measured on the acquisition date at fair value and the amount of minority interest in the acquired entity. For each business combination, the Group decides whether the non-controlling participations in the acquired entity should be measured at their fair value or for the proportional part of the identifiable net assets of the acquired entity. All costs related to the acquisition are recognized as expenses when incurred and are included in administrative expenses.

Identifiable acquired assets and assumed liabilities are recognized at fair value on the acquisition date, except that:

- Deferred tax assets or liabilities and the assets or liabilities related to employee benefit agreements shall be recognized and measured in conformity with IAS 12 Income taxes and IAS 19 Employee Benefits, respectively.
- Liabilities or equity instruments related to payment arrangement based on shares of the acquired entity or payment arrangement based on the Group's shares made as replacement of the arrangements with payment based on shares of the acquired entity are measured in conformity with IFRS 2 Share-based payment at the date of acquisition.

– The assets (or group of assets for disposal) that are classified as held for sale in conformity with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in conformity with such Standard.

When EPM Group acquires a business, the financial assets and liabilities assumed for the classification and appropriate designation in conformity with contractual terms, the economic circumstances, and the pertinent conditions on the acquisition date are measured. This includes the separation of implicit derivatives in contracts hosted by the acquired entity.

The Group recognizes an intangible asset acquired in a business combination, regardless of goodwill, provided that such intangible asset meets the recognition criteria, is identifiable, or arises from contractual and legal rights; it measures the value of a reacquired right recognized as an intangible asset based on the remaining contractual term of the related contract, regardless of whether the market participants would consider potential contractual renewals to determine the fair value.

If a business combination is carried by stages, any prior participation is reevaluated as of their acquisition date at fair value and any resulting profit or loss is recognized. The accounting treatment of what is recorded in the Other comprehensive income (OCI), at the moment of the new purchase, i.e., the amounts resulting from the previous interest in the acquired entity as of the acquisition date that had been previously recognized in other comprehensive income, are reclassified into the profit for the period, provided that such treatment were appropriate in case such participation were sold.

If the initial recording of a business combination is not finalized at the end of the presentation period of the financial statements when the combination takes place, the Group reports the provisional amounts of the items for which recording is incomplete. During the measurement period, the acquiring entity recognized adjustments to the provisional amounts or recognizes additional assets or liabilities necessary to reflect the new information obtained on facts and circumstances that existed on the acquisition date and, had been known, would have affected the measurement of the amounts recognized on that date.

The transferred consideration is measured as the value added of the fair value, on the acquisition date, of the delivered assets, the incurred in or assumed liabilities and the equity instruments issued by the Group, including any contingent consideration, to gain control of the acquired entity.

Goodwill is measured as the excess of the consideration amount transferred, the value of any non-controlling participation, and whenever applicable, the fair value of any interest previously maintained in the acquired entity, over the net value of the acquired assets, liabilities and contingent liabilities assumed on the acquisition date. The resulting profit or loss on the measurement of the participation previously maintained is recognized in the profit for the period or in the other comprehensive income. When the transferred consideration is lower than the fair value of the net assets of the acquired entity, the corresponding gain is recognized in the results for the period, on the acquisition date.

Any contingent consideration from a business combination is classified as asset, liability or equity and is recognized at fair value on the acquisition date and is included as part of the consideration transferred in a business combination. Changes to fair value after the measurement period of a contingent consideration, classified as financial asset or liability, are recognized in the profit for the period, or in the case of concrete liabilities designated at fair value with changes in profit and loss, the amount of change in fair value that is attributable to changes in the credit risk of the liability are recognized in the other comprehensive income; it will not be remeasured when classified as equity and its subsequent liquidation is recognized within equity. If the consideration does not classify as a financial liability it is measured in conformity with the applicable IFRS; according to the foregoing, an asset or liability is remeasured on its reporting date in conformity with IFRS 9 Financial Instruments or IAS 37 Provisions, Contingent Liabilities and Contingent Assets whenever appropriate.

The accounting policy established to record changes at fair value of the contingent consideration during the measurement period is as follows: all changes at fair value of the contingent consideration that classify as measurement period adjustments, are retrospectively adjusted, with the corresponding adjustments against goodwill. The measurement period adjustments are adjustments that arise from the additional information obtained during the "measurement period" (which may not exceed one year as from the acquisition date) on facts and circumstances that existed on the acquisition date.

Goodwill acquired in a business combination is assigned, on the acquisition date, to the Cash Generating Units (CGU) of the Group expected to benefit from the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units. Goodwill that arises from a business acquisition is recorded at cost on the acquisition date less the accumulated impairment losses, if any.

For impairment assessment purposes, goodwill is assigned to each CGU (or groups of CGUs) of the Group that expects benefit from the synergies of that combination.

CGUs that are assigned the goodwill are subject to annual impairment assessments, or with shorter frequencies if there is indication that the unit may have suffered impairments. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is assigned first in order to reduce the carrying amount of goodwill assigned to the unit and then to the other assets of the unit, proportionately, based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is directly recognized in profits or losses. The impairment loss recognized for goodwill purposes cannot be reverted in the following period.

When goodwill is part of a CGU and a portion of the operation within that unit is sold, goodwill associated to the operation sold is included in the carrying value of the transaction when determining the gain or loss for the disposal of the operation. Derecognized goodwill is determined based on the sold portion of the operation, which is the ratio between the carrying value of the sold operation and the carrying value of the CGU.

If the initial recognition of a business combination is incomplete at the end of the accounting period when the combination takes place, the Group discloses the provisional values of the items with incomplete recording. These provisional values are adjusted during the measurement period and are the additional assets and liabilities are recognized, to reflect the new information obtained on facts and circumstances that existed on the date of acquisition that would have affected the values recognized on that date.

Business combinations under common control are recorded using the pooling-of-interest method as a reference. Under this method, the assets and liabilities involved in the transaction are reflected at the same values used in the consolidation of the financial statements of the controlling entity of the companies under common control, any difference between the paid amount and the recorded value of the assets acquired and transferred liabilities is recognized as a sale of assets; revenue, costs and expenses of the combined companies (after Elimination of Inter-Segment Transactions) are combined from the beginning of the period in which the combination occurs until the date the combination of entities under common control takes place.

2.6 Investment in Associates and Joint Ventures

An associate is an entity on which the Group has significant influence over the financial and operation policy decisions, without getting to have their control or joint control.

A joint venture is an entity that the Group controls jointly with other participants, where the latter keep a contractual agreement that establishes the joint control over relevant activities of the entity.

On the acquisition date, the excess of the acquisition cost over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities assumed of the associate or joint venture, is recognized as goodwill. Goodwill is included in the recorded value of the investment and is neither amortized nor individually subject to impairment assessments of its value.

Investment in associates and joint ventures is measured in the consolidated financial statements by the Equity Method, except if the investment or a portion thereof is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Through this accounting methodology, the investment is initially recorded at cost and is later adjusted in terms of the changes experienced, after acquisition, by the portion of the net assets of the entity that corresponds to the investor. The profit for the period of the Group includes its participation in the profit and loss of the entity in which the interest is held and the other comprehensive income of the Group includes its participation in the other comprehensive income of the entities in which participation is held. When there are variations in the percentage of participation in the associate or joint venture that do not imply a significative loss of influence or of joint control, the effect of these changes is recognized directly in equity. When the participation of the Group in the loss of an associate or joint venture exceeds the participation of the Group thereon (which includes any long-term participation that, in substance, forms part of the net investment of the Group in the associate or joint venture), the Group ceases to recognize its participation in future losses. Additional losses are recognized provided that the Group has contracted some legal or implied obligation or has made payments in the name of the associate or joint venture. When the associate or joint venture subsequently makes a profit, the Group resumes recognition of its participation therein only after its share in the profits equals the share of unrecognized losses.

All dividends received from the associate or joint venture are recognized as lesser vale of the investment when the right of the Group to receive payment is established.

The Group periodically analyzes the existence of impairment indicators and if necessary, recognizes losses for impairment in the investment of the associate or joint venture. Impairment losses are recognized in the profit for the period and are calculated as the difference between the recoverable value of the associate or joint venture, the latter being the higher between the value in use and its fair value less the necessary costs for its sale and its recorded value.

When control over the subsidiary or significant influence over the associate or the joint control over the joint venture is lost, the Group measures and recognizes any residual investment that may keep in it its fair value. The difference between the recorded value of the associate or joint venture and the fair value of the retained residual investment, with the value coming from its sale, is recognized in the profit for the period.

The Group discontinues the use of the Equity Method from the date on which the investment ceases to be an associate or joint venture, or the date on which the investment is classified as held for sale. Additionally, the Group records all amounts previously recognized in other comprehensive income with relation to that associate or joint venture on the same basis that would have been required if said subsidiary had directly sold the financial assets or liabilities. Therefore, if a profit or loss previously recognized in other comprehensive income by the associate or joint venture had been reclassified into profits or losses at the moment of the sale of the related assets or liabilities, the Group would reclassify the profit or loss from equity into profits or losses (as a reclassification adjustment) upon discontinuation of the usage of the Equity Method.

2.7 Joint Operations

Is a joint agreement whereby the parties that have joint control of the agreement have the right to the assets and obligations related to the liabilities, related to the agreement.

In joint operations the Group recognizes its share as follows: its assets, including its share in the assets jointly held; its liabilities, including its share in the liabilities jointly incurred in; its revenues from ordinary activities coming from the sale of its share in the product that arises from the joint operation; its share in revenues from ordinary activities coming from the sale of the product that is made by the joint operation; and its expenses, including it share in the jointly incurred in expenses. The Group records the assets, liabilities, revenues from ordinary activities, and expenses related to its ownership in a joint operation according to the guidelines applicable in particular to the assets, liabilities, revenues from ordinary activities, and expenses.

2.8 Functional and Foreign Currency

The financial statements of the Group are presented in Colombian pesos, which is the functional currency and that of presentation for the holding company, because it is the currency of the main economic environment where it operates, i.e., where it generates and uses cash.

Transactions in foreign currency are initially recorded at the exchange rates of the functional currency in force and effect on the transaction date. Subsequently, the foreign-currency denominated monetary assets and liabilities are translated using the exchange rate of the functional currency, in force and effect as of the period's closing date, the non-monetary items that are measured at their fair value are translated using the exchange rates as of the date when their fair value is determined and the non-monetary items that are measured at historic cost are translated using the exchange rates in force and effect on the date of the original transactions.

All exchange differences are recognized in the statement of comprehensive income in the section profit for the period, except for adjustments arising from interest costs that are capitalizable and those arising from loans in foreign currency to the extent that they are considered as adjustments to interest costs.

For the presentation of the consolidated financial statements of the Group, the assets and liabilities of the businesses overseas, including goodwill and any adjustment to the fair value of the assets and liabilities that arose from the acquisition, are translated into Colombian pesos using the exchange rate in force and effect as of the closing date of the period being reported. Revenue, costs and expenses and cash flows are translated using the average exchange rates of the period.

Exchange differences that arise from the conversion of businesses overseas are recognized in the other comprehensive income, as well as the exchange differences of the long-term accounts receivable or payable that are part of the net investment made abroad. In the disposal of the foreign business, the item of the other comprehensive income that relates to the foreign business is recognized in the result for the period.

Adjustments corresponding to goodwill and the fair value over identifiable assets and liabilities acquired that are generated in the acquisition of a foreign business are considered as assets and liabilities of such transaction and are translated using the exchange rate in force and effect at the end of each period being reported. Any exchange difference that may arise shall be recognized in other comprehensive income.

Additionally, with respect to the partial disposal of a subsidiary (which includes a business overseas), the entity will again attribute the proportional part of the accumulated amount of the exchange differences to the non-controlling interests, and they are not recognized in gains or losses. In any other partial disposal (i.e., partial disposal of associates of joint agreements that do not involve the loss of significant influence and joint control by the Group), the entity shall reclassify into gains or losses only the proportional part of the accumulated amount of the exchange differences.

2.9 Ordinary Income

The ordinary income basically corresponds to the result of the Group's main activity, which is the rendering of residential public utilities of electric power, natural gas, water supply and sanitation, and are recognized when the service is rendered or at the time of the delivery of the goods, to the extent that they comply to the performance requirements of the Group. Income is measured at the value of the consideration received or to be received, excluding taxes and other obligations. Discounts, compensations to customers because of the quality of the service and financial components that are granted, are recorded as lower value of income. The financing component is only recognized when it is significant as a lower value of income, only if the contract with customers has a duration longer than one year.

The most representative revenue from the power business in Colombia are the following:

Reliability Charge: remuneration paid to a generating agent for the availability of generation assets with the declared characteristics and parameters for the calculation of the steady power for reliability charge (ENFICC), which guarantees compliance with the Steady Power Obligation (OEF) assigned in auction for the assignment of steady power obligations or the mechanism replacing it.

Long-Term Contracts: a contract for the sale of power between traders and generators which is settled in the power exchange, under this modality of power contract generators and traders freely agree on quantities and prices for the purchase and sale of electric power for periods longer than one day.

For long-term power purchase contracts, with process lower than those of the market and whose intention is not to use the energy purchased in the operation but to resell it in a market to obtain revenue, it is considered that it does not comply with the Exception for own use.

Secondary Market of Steady Power or Secondary Market: A bilateral market in which generators negotiate among themselves a back-up contract to ensure, for a given period, partial or total compliance with the steady power obligations acquired by one of them.

Non-Regulated Market Power Sales: Is the power sold in the market to customers whose maximum demand exceeds a value in MW (megawatts) or a monthly minimum energy consumption in MWh (megawatt-hour), defined by the regulatory body, by legalized installation, from which it does not use public networks of electric power transport and uses it in the same property or in contiguous estates. Such electricity purchases are made at freely agreed prices between buyer and seller.

Regulated Market Power Sales: Is the power sold to customers whose monthly consumption is less than a predetermined value and is not entitled to negotiate the price paid for it, since both concepts are regulated; usually uses power for its own consumption or as an input for its manufacturing processes and not to undertake marketing activities with it.

Automatic Generation Regulation (AGC): is a system for the control of the secondary regulation, used to accompany the variations of load through power generation, to control the frequency within a range of operation and the programmed exchanges. The AGC can be programmed in centralized, decentralized or hierarchical mode.

Steady Power (or Firm Energy): is the incremental contribution of a company's generation plants to the interconnected system, which is carried out with a 95% reliability and is calculated based on a methodology approved by the commission and the operational planning models used in the national interconnected system.

Natural gas revenue comes from the distribution and sale of natural gas to the regulated and non-regulated markets.

In the water business, revenue comes from the provision of aqueduct and sewage utilities.

Each other countries where the Group renders services, including power, have their own regulation, which is described for each country in section 1.1 1.1 Legal and Regulatory Framework.

At the time of recognition of income, the Group assesses, based on specific criteria, whether it acts as a principal or as a commission agent and thus determines whether gross or net income must be recognized for commercial activities.

2.10 Contracts with Customers

When contract results can be reliably measured, the company recognizes the revenues and expenses associated to contracts with customers, measuring the advance level in the fulfilment of the performance requirements using the resource method, as a function of the ratio represented by the costs earned by the work conducted to that date and the estimated total costs up to its completion.

The incurred cost includes the costs, including loan costs directly related to the contract, until the work has been completed. Administrative costs are recognized in the profit for the period.

On the other hand, the incremental costs incurred by the company to obtain or fulfill contracts with customers are recognized as an asset in the statement of financial position within the Other assets item and are amortized on a lineal basis over the life of the contract, provided that the term of the contract is greater than one year. Otherwise, the company recognizes it directly in the profit for the period.

Payments received from customers before the corresponding work has been carried out, are recognized as a liability in the Statement of Financial Position as other liabilities.

The difference between the revenues recognized in the statement of income for the period and the billing is presented as asset in the statement of financial position denominated Trade debtors and other accounts receivable, or as liability denominated Other liabilities.

For the initial recognition of an account receivable from a contract with a customer, the difference between the measurement of the account receivable and the value of the corresponding revenue is presented as an expense in the statement of comprehensive income called Impairment loss on accounts receivable.

2.11 Written Premiums and Acquisition Cost

Written premiums comprise the total premiums receivable for the period of coverage. Revenue from written premiums is recognized proportionally, throughout the duration of the coverage; revenue from these premiums is reduced by cancellations and nullifications; for cancellations, it corresponds to the amount of the premium accrued up to the time of cancellation due to the expiration of the payment deadline.

Revenue from premiums accepted in reinsurance is incurred at the time of receiving the corresponding account statements of the reinsurers.

The unearned premiums are calculated separately for each individual policy to cover the remaining part of the written premiums.

2.12 Deferred Reinsurance Commission Revenue

In the Group, the deferred commissions are recorded from undertaking its reinsurance activity, where the revenue collected from commissions is differentiated to the reinsurers by the premium cessions made each month. The reinsurer pays the transferor a commission on the premiums it receives in order to offset the costs of capturing the business and maintaining the portfolio, the value of the commission is established as a percentage of the premium and will depend on the negotiation made.

2.13 Reinsurance

The Group considers reinsurance as a contractual relationship between an insurance company and a reinsurance company (reinsurer), in which the insurance company relinquishes, totally or partially, to the reinsurer, the risks assumed with its insureds.

The premiums corresponding to the cede reinsurance are recorded according to the conditions of the reinsurance contracts and under the same criteria of the direct insurance contracts.

All accounts receivable and payable that are generated in the relationship with the reinsurer are managed independently and are not subject to compensation.

2.14 Government Grants

Government grants are recognized at fair value when there is reasonable security that those grants shall be received and that all conditions linked to them shall be met. Grants that pretend to offset costs and expenses already incurred in, without subsequent related costs, are recognized in the statement of profit for the period in which they become enforceable. When the grants related to an asset, it is recorded as deferred revenue and is recognized in the result for the period on a systematic basis throughout the estimated lifespan of the corresponding asset. The benefit of a government loan at an interest rate below market is treated as a government grant, measured as the difference between the amounts received and the fair value of the loan based upon the market interest rate.

2.15 Taxes

The fiscal structure of each country where the Group companies are located, the regulatory frameworks and the plurality of operations that companies undertake make each enterprise a tax passive subject, i.e., a payer of taxes, rates and contributions on a national and territorial basis. These are liabilities generated from the central government, the states/departments, municipal entities and other active subjects, once the conditions foreseen in the corresponding acts and laws issued are met.

Amongst the most relevant taxes the income tax, the value-added tax and the wealth tax are detailed:

Income Tax

Current: The current income tax assets and liabilities for the period are measured by the amounts that are expected to be recovered or paid to the fiscal authorities. The income tax expense is recognized in the current tax according to the cleaning made between the fiscal income and the recorded profit or loss affected by the income tax rate of the current year and pursuant to the provisions of the tax norms of the country. The tax rates and norms used for computing those values are those that are enacted or substantially approved at the end of the period being reported, in the countries where the company operates and generates taxable profits.

The fiscal profit differs from the gain profit reported in the statement of income for the period due to the revenue and expense items that are imposable or deductible in other years, and items that shall not be taxable or deductible in the future.

Current Income tax assets and liabilities are also offset if they relate to the same fiscal authority and if there is the intention to liquidate them for the net value or to realize the asset and liquidate the liability simultaneously.

Deferred: the deferred income tax is recognized using the liability method calculated on the temporary differences between the fiscal bases of the assets and liabilities and their recorded values. The deferred tax liability is generally recognized for all imposable temporary differences, while the deferred tax asset is recognized for all deductible temporary differences and for the future offsetting of fiscal credits and unused fiscal losses to the extent that it is probable the availability of future tax gains against which they can be imputed. Deferred taxes are not discounted.

The deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and that, at the moment of the transaction, did not affected neither the book gain nor the fiscal profit or loss; and for the deferred tax liability case whenever it arises from the initial recognition of goodwill.

The deferred tax liabilities related to investments made in subsidiaries, associates and ownership s in joint ventures, are not recognized when the revision opportunity of temporary differences can be controlled, and it is probable that those differences will not be reversed in the near future. Deferred tax assets related to investments made in subsidiaries, associates and ownership in joint ventures, shall be recognized only to the extent that it is probable that there will be a reversal in the temporary differences in the near future and that that the availability of future taxable profits against which those deductible differences will be imputed is probable.

The recorded value of the deferred tax assets is reviewed in each presentation date and are reduced to the extent that it is no longer probable that there are enough taxable gains profits to use for the entirety or one part of the deferred tax asset. The deferred tax assets that are not recognized are reassessed on each presentation report date and are recognized to the extent that it is probable that future taxable gains profits allow their recovery.

Deferred tax assets and liabilities are measured at the fiscal rates expected to be applied in the period when the asset is realized, or the liability is cancelled, based upon the fiscal rates and norms that were approved on the presentation date, or the approval procedure of which is about to be completed for such date. Measurement of deferred tax assets and liabilities will reflect the fiscal consequences that would be derived from the manner in which the entity expects, at the end of the period being reported, to recover or liquidate the recorded value of its assets and liabilities.

The deferred tax assets and liabilities must be presented as non-current.

The deferred tax assets and liabilities are offset if there is a legally enforceable right for that and are related to the same tax authority.

The deferred tax is recognized in the profit for the period, except that related to items recognized outside profits; in this latter case it will be presented in the other comprehensive income or directly in equity.

With the purpose of measuring the deferred tax liabilities and the deferred tax assets for investment properties that are measured using the fair value model, the recorded value of those properties is presumed that will be fully recovered through their sale, unless the presumption is challenged. The presumption is challenged when the investment property is depreciable and is kept within a business model which object is to consume, substantially, all the economic benefits that are generated by the investment property through time, and not through sale. Management reviewed the company's investment property portfolio and concluded that none of the company's investment properties is kept under a business model which objective is to consume, substantially, all economic benefits generated by investment properties over time rather than through the sale. Therefore, the management have determined that the presumption of "sale" established in the modifications to IAS 12 Income tax, is not challenged.

Whenever the current tax or deferred tax arises from the initial recording of the business combination, the fiscal effect is considered within the recording of the business combination.

Value-Added Tax - VAT

Are responsible for this tax in the common regime the companies of the Group located in Colombia that perform sales of movable assets and provides taxed services and obtains exempt revenue for imports. Currently, the power, aqueduct, sewage, and domiciliary gas utilities are excluded from this tax. The general rate for this tax in Colombia is 19% and also has a differential rate of 5%.

In Colombia, the generation of revenue excluded in the particular case of residential public utilities, VAT paid on purchases is part of a higher cost value. Also, when taxable income is generated, that is to say when taxed goods or services are sold, VAT paid on the purchase or acquisition of inputs for these sales will be deductible from the payable tax value. When the company generates income that is excluded from VAT, but at the same time generates income that is exempt and taxed, in that case a proration of paid VAT must be performed to determine the percentage of VAT to be discounted.

In Panama, the Value Added Tax is generated in the transfer of movable assets, the rendering of services, and goods import; certain goods and services are specifically exempt, such as medical services and land telephone lines not for commercial use. The tax rate is 7%.

In Guatemala, the sale of movable assets, the rendering of services, goods import and some transactions with immovable assets generate the Value Added Tax; the tax rate is 12%.

The Value Added Tax rate in El Salvador is 13% and taxes the transfer of movable assets and the rendering of services. Nevertheless, the transfer of fixed assets that have been used for four or more years is not subject to this tax.

In Mexico, Value Added Tax is generated in any transfer of goods or services, excluding exports and imports. The general rate is 16%. Certain foods, medicines and exports have zero tax.

The Value Added Tax (VAT) in Chile applies on sales and other transactions related to tangible movable assets, as well as to the pay for certain services. It also applies to certain of real estate transactions. The general tax rate is 19%.

Wealth Tax

Wealth tax is calculated in accordance with current legal tax provisions. Calculation is made for each year while this tax is in force and is recorded in the statement of comprehensive income as an expense.

2.16 Property, Plant and Equipment

Property, plant and equipment are measured at cost, net of accrued depreciation and accrued impairment losses, if any. The cost includes the acquisition price; the costs directly related to putting the asset at the necessary place and conditions to operate in the way foreseen by the company, costs corresponding to loans of construction projects that take a substantial period to be completed, recognition requirements are complied with and the present value of the expected cost for the dismantlement of the asset after its use, if the criteria for recognition for a provision are met.

Constructions in progress are measured at cost less any loss for impairment recognized and includes indispensable expenditure and that are directly related to the construction of the asset, such as professional fees, work supervision, civil works and, in the case of those assets qualified, the borrowing costs are capitalized. Those constructions in progress are classified in the proper categories of property, plant and equipment at the time of their completion and when they are ready to use. The depreciation of these assets starts when they are ready to use in accordance with the same basis as in the case of other elements of property, plant and equipment.

The Group capitalizes as greater value of the assets, additions or improvements made thereof, provided that any of the following conditions is met: a) They increase their lifespan, b) They increase their productive capacity and operating efficiency thereof and c) They reduce costs to the Company. All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred.

Inventory of spare parts for specific projects, which are expected to have no turnover in one year and meet the criteria to be capitalized, known as replacement assets, are presented in the other property, plant and equipment. They depreciate considering the permanence time in the warehouse and the technical lifespan of the asset once its use begins.

Depreciation begins when the asset is available for use and is calculated in a linear fashion throughout the estimated lifespan of the asset as follows:

Plants, pipelines and tunnels	
Civil work	50 to 100 years
Equipment	10 to 100 years
Networks, lines and cables	
Electric transmission network	30 to 40 years
Electric distribution network	30 to 40 years
Aqueduct network	40 to 80 years
Sewerage network	30 to 80 years
Gas network	60 to 80 years
Buildings	50 to 100 years
Communication and computer equipment	5 to 40 years
Machinery and equipment	7 to 40 years
Furniture, fixtures and office equipment	10 to 15 years
Land(1)	10 to 20 years

(1) Corresponds to the affiliate Emvarias that depreciates the land on which it performs the final disposal activity due to the detriment it suffers with the disposal of solid waste, environmental degradation and period of recovery that goes beyond 20 years.

Lifespans are determined considering, among others, the manufacturer's technical specifications, the knowledge of the technicians that operate and maintain the assets, the geographic location and the conditions to which it is exposed.

The Group calculates the depreciation by components, which implies depreciating individually the parts of the asset that should have different lifespans. The depreciation method used is the straight-line; the residual value calculated for the assets is not part of the depreciable amount.

A component of property, plant and equipment and any significant part initially recognized, is derecognized once disposed of or when it is not expected to obtain future economic benefits from its use or disposal. The gain or loss at the moment of writing the asset off, calculated as the difference between the net value of the disposal and the recorded value of the asset, is included in the statement of comprehensive income.

Assets temporarily classified as out-of-service continue to depreciate and are tested for impairment within the CGU to which they are assigned.

Any residual values, lifespans and depreciation methods for the assets are revised and adjusted prospectively at each year closing, if required.

2.17 Leases

The determination of whether an agreement constitutes or contains a lease is based upon the essence of the agreement at its initial date, if compliance with the agreement depends upon the use of a specific asset(s), or if the agreement grants a right of use of the asset.

Leases are classified as financial and operating lease. A lease is classified as financial lease whenever all risks and benefits inherent to the ownership of the asset leased are substantially transferred to the lessee; otherwise, it is classified as an operating lease.

EPM Group as a Lessee

Assets leased under financial leases are recognized and presented as assets in the statement of financial position at the beginning of the lease, for the fair value of the asset leased or the present value of the minimum lease payments, whichever is lower. The corresponding liability is included in the statement of financial position as a financial lease liability.

The assets leased under financial leases are depreciated throughout the lifespan of the asset through the straight-line method. However, if there were no reasonable certainty that the company shall get the ownership upon the lease term termination, the asset is depreciated throughout its estimated lifespan or over the lease term, whichever is lower. Lease payments are divided between financial expenses, and debt reduction. The financial cost in recognized in the statement of comprehensive income for the period, unless they could be directly attributable to qualifying assets, in which case they are capitalized in conformity with the entity's policy for borrowing cost. Contingent lease installments, are recognized as expenses in the period where incurred.

Payments for operating leases, including incentives received, are recognized as expenses in the statement of comprehensive income, on a linear basis throughout the lease term, except when another systematic basis for distribution results being more representative because it reflects more adequately the timing pattern of the benefits of the lease for the user.

EPM Group as a Lessor

Assets rented under financial leases are not presented as property, plant and equipment given that the risks associated to the ownership have been transferred to the lessee, a financial asset is instead recognized.

Land and buildings rented under operating leases are presented as investment properties, and the other assets given under operating lease are presented as property, plant and equipment. Initial direct costs incurred in the negotiation of an operating lease are added to the recorded value of the asset leased and are recognized as expenses throughout the lease term on the same basis as the revenues from the lease. Financial lease revenues are distributed during the lease term in order to reflect a constant return rate in the net investment. Contingent leases are recognized in the period when obtained.

Revenues from operating leases on investment properties are recorded on a linear basis over the lease term.

2.18 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial time to be prepared for their destined use or sale, are capitalized as part of the cost of the respective asset until the asset is ready for their intended use. The revenue from the temporary investment in specific loans pending to be consumed in qualified assets is deducted from the borrowing costs that qualify for their capitalization. All other borrowing costs are recorded as expenses in the period when incurred. Borrowing costs consists of interest and other costs incurred in by the company regarding to the loan of funds. To the extent that the funds derive from generic loans and are used to obtain a qualified asset, the value of the costs susceptible of capitalization is determined by applying a capitalization rate (Weighted average cost of loans applicable to general loans outstanding during the period) to expenditure made in that asset.

The capitalization of borrowing costs begins on the date that the following conditions are met:

- Expenditure made in relation to the asset.
- Loans costs are incurred, and
- The necessary activities to prepare the asset for the intended use or for sale are carried out.

Capitalization of borrowing costs is suspended during periods in which the development of activities of a qualifying asset for periods of more than one year is interrupted. However, the capitalization of borrowing costs over a period is not interrupted if important technical or administrative actions are being undertaken. Neither is capitalization of borrowing costs suspended when a temporary delay is required as part of the process of preparing an asset qualified for its use or sale.

Capitalization of borrowing costs is terminated when all activities necessary to prepare the asset for its use or sale have been substantially completed. When the asset has components that can be used separately while construction continues, the capitalization of borrowing costs on such components is stopped.

2.19 Investment Property

Investment property, are lands or buildings or part of a building or both, held to obtain rentals or capital revaluations (including the investment property under construction for said purposes). Investment properties are initially measured at cost, including transaction costs. The recorded value includes de replacement or substitution cost of one part of an existing investment property at the moment when the cost is incurred in, if all criteria for recognition are met; and they exclude the daily maintenance costs of the investment property.

After initial recognition, investment properties are measured at the fair value reflected by market conditions on the presentation date. All profits and losses arising from changes in the fair values of the investment properties are included in the statement of comprehensive income in the section Profit for the period in the period when they arise.

Investment properties are derecognized, either at the moment of disposal, or when they are retired from use on a permanent basis, and no future economic benefit is expected. The difference between the net value of disposal and the recorded value of the asset is recognized in the statement of comprehensive income in the section Profit for the period in the period when it was derecognized.

Transfers to or from investment property are conducted only when there is a change in their use. In the case of a transfer from an investment property to property, plant and equipment, the cost considered for its subsequent posting is the fair value on the date of use change. If a property, plant and equipment become an investment property, it shall be recorded at its fair value, the difference between the fair value and the recorded value shall be recorded as revaluation surplus applying the IAS 16 Property, plant and equipment.

2.20 Intangible Assets

Intangible assets acquired separately are measured initially at their cost. The cost of the intangible assets acquired in business combinations is their fair value at the acquisition date. After their initial recognition, the intangible assets are recorded at cost less any accumulated amortization and any accumulated loss for impairment. Intangible assets generated internally are capitalized provided that they meet the criteria for their recognition as asset and the generation of the asset must be classified as: research phase and development phase; if it is not possible to distinguish the research phase from the development phase, expenditure must be reflected in the statement of comprehensive income in the period in which they incurred.

Lifespan of intangible assets are determined as finite or indefinite.

Intangibles assets with finite lifespans are amortized throughout their economic lifespan in a linear fashion and assessed to determine if they presented any impairment, whenever there are indications that the intangible asset may have suffered such impairment. The amortization period and the amortization method for an intangible asset with a finite lifespan are reviewed at least at the end of each year. Changes in the expected lifespan or in the expected pattern of consumption of the future economic benefits of the asset are recorded if the amortization period or method changes, as applicable, and are treated as changes in accounting estimates. The amortization expense of intangible assets with finite lifespans is recognized in the statement of comprehensive income in the section Profit for the period in the expense category that is find consistent with the function of the intangible asset.

Intangibles assets with undefined lifespans are not amortized, but they are subject to annual tests to determine whether they suffer any impairment, either individually or at the cash-generating unit level (CGU). Assessment of the undefined lifespan is revised on an annual basis to determine whether such undefined lifespan continues to be valid. If that is not the case, the change of lifespan from undefined to finite is made prospectively.

An intangible asset is derecognized upon disposal, or whenever future economic benefits are not expected from their use or disposal. The profits or losses arising when an intangible asset is derecognized are measured as the difference between the value obtained in the disposal and the recorded value of the asset, and it is recognized in the statement of comprehensive income in the section Profit for the period.

Research and Development Costs

Research costs are recorded as expenses as incurred. Development outlays in an individual project are recognized as intangible assets whenever the company can demonstrate:

- The technical feasibility of finalizing the intangible asset so that it is available for use or sale.
- Its intention of finalizing the asset and its capacity to use or sell the asset.

- How the asset will generate future economic benefits, considering, among others, the existence of a market for production that generates an intangible asset for the asset itself, or the profit of the asset for the entity.
- The availability of technical and financial resources to complete the asset and to use and sell it.
- The capacity of reliably measuring the expenditure during development.

In the statement of financial position, the development expenditure asset is recognized from the moment the element meets the aforementioned conditions for its recognition, and its cost less accrued amortization and the value impairment accrued losses are recorded.

When the development of an intangible asset related to a power generation project begins, costs are accumulated as constructions in progress.

Amortization of the asset starts when the development has been completed and the asset is available for use. It is amortized throughout the period of the expected future economic benefit. During the development period the asset is subject to annual tests to determine whether there is impairment of its value.

Research costs and development costs that do not qualify to capitalization are recorded as expenses in the statement of comprehensive income, section Profit for the period.

Goodwill

Goodwill represents the difference between the cost of a business combination and the fair value at the moment of acquisition of the acquired assets, liabilities assumed, and contingent liabilities of the acquired party.

Goodwill is not amortized, it is measured at cost less any value impairment accrued loss and is subject to annual value impairment tests, or more frequently when there are impairment indicators. Value impairment losses are recognized in the statement of comprehensive income in the section profit for the period.

For the Cash Generating Units (CGU), which have been assigned goodwill, on an annual basis the Company verifies the value impairment, which implies the calculation of the value at use of the UGEs to which it is assigned. The value at use requires determining the future cash flows that must arise from the UGEs and an appropriate discount rate to calculate the current value. When the actual future cash flows are less than expected, an impairment loss may arise.

Other Intangible Assets

Other intangible assets such as concession of services, licenses, software, exploitation rights, trademarks and similar rights acquired by the company are measured at cost less the accumulated amortization and any loss for impairment.

2.21 Financial Instruments

Financial assets and liabilities are recognized in the statement of financial position when the company becomes a party according to the contractual conditions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities (other than the financial assets and liabilities designated at fair value with change in operations) are added to or deducted from the fair value of the financial assets or liabilities, whenever appropriate, at the moment of the initial recognition. All transaction costs directly attributable to the acquisition of financial assets or liabilities designated at fair value with change in operations are immediately recognized in the comprehensive income for the period, section Profit for the period.

Financial Assets

The Group classifies at the moment of initial recognition its financial assets for subsequent measurement at amortized cost or at fair value (through other comprehensive income or through profits) depending upon the business model of the company for managing financial assets and the characteristics of the contractual cash flows of the instrument.

A financial asset is subsequently measured at amortized cost or at fair value with changes in other comprehensive income, using the effective interest rate[3] if the asset is maintained within a business with the objective keeping those to obtain contractual cash flows and the contractual terms the assets grant, in specific dates, cash flows that are only payments of the principal and interest on the pending principal amount. Without detriment to the foregoing, the company can designate a financial asset as measured at fair value with changes in operations irrevocably.

Other financial assets different from those at amortized cost are subsequently measured at fair value with changes recognized in the Statement of comprehensive income, section Profit for the period. However, for the investments made on equity instruments that are not maintained for negotiating purposes, the Group may choose in the initial recognition and irrevocably to present the profits or losses for the measurement at fair value in Other comprehensive income. In the disposal of investments at fair value through Other comprehensive income, the accrued value of the profits or losses is directly transferred to the withheld profit and is not reclassified to Profit for the period. The dividends received from these investments are recognized in the Statement of comprehensive income, in the section Profit for the period. The Group has selected to measure some of its investments in capital instruments at fair value through Other comprehensive income.

In the fair value through profit category includes the investments that are made to optimize liquidity surpluses, i.e., all those resources that are not immediately devoted to the undertaking of those activities that form the company's corporate purpose. The investment of the liquidity surpluses is made under the criteria of transparency, security, liquidity and profitability, under the guidelines of an adequate control and in market conditions without speculative purposes (Decree of the General Manager of EPM No. 2015-DECGGL-2059 of February 6, 2015).

Dividend income is recognized when the Group entitlement to receive payment is established.

Impairment of Financial Instruments

At each reporting date, the Group recognizes a correction in value for expected credit losses on financial assets measured at amortized cost or at fair value through changes in Other comprehensive income, including receivables from leases, contract assets or loan commitments and financial guarantee contracts to which the impairment requirements are applied over the life of the asset.

Expected credit loss is estimated considering the probability that an impairment loss by uncollectability may or may not occur and are recognized as profit or loss in the Statement of comprehensive income, section Profit for the period against a lower value of the financial asset. The Group assesses the credit risk of accounts receivable on a monthly basis at the time of presenting the reports in order to determine the value correction for expected credit loss on financial assets.

[3] The effective interest rate method is a method for calculating the amortized cost of a financial asset and allocation of income throughout the relevant period. The effective interest rate is the discount rate that exactly equals the future cash flows of a financial asset (including all fees, commissions and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums and discounts) through the instrument's expected lifespan, or if appropriate, a shorter period, at its recorded value or initial recognition.

The Group applies the impairment requirements for loss to all financial assets that are measured at fair value with changes in Other comprehensive income, which is recognized in Other comprehensive income and does not decrease the recorded value of the financial asset in the Statement of financial position.

The Group assesses on a collective basis the expected losses for financial assets that are not individually relevant. When the collective assessment of expected losses is performed, the accounts receivable are gathered by similar credit risk characteristics, allowing the identification of the repayment capacity of the debtor, in accordance with the contractual terms of the accounts receivable.

The Group determines that a customer's credit risk increases significantly when there is any default event in the financial agreements by the counterpart, or when information, be it internal or obtained from external sources indicates that debtor's payment unlikely, without considering held securities.

Default in the agreements is generally measured, as indicated in the rendering of services agreements and the proper norms of the affiliates in each country.

The Group determines that a financial asset exhibits credit impairment when:

- Evidence of default in a customers' payment, according to the indications of the rendering of services agreements and the proper norms of the affiliates in each country.
- It is known or there is evidence of the customer entering processes of corporate restructuring or in insolvency or liquidation.
- The rise of social turmoil, be it of public order or natural disasters, which according to experience are directly correlated with the default of accounts.

Credit risk is affected when there are changes in financial assets, the Group's policy to reassess the recognition of credit losses is: whenever a default in a financial agreement occurs by the counterparty; or the information developed internally or obtained from external sources indicates that it is unlikely that the debtor pays its creditors, in full, without considering the guarantees held. The Group derecognizes the financial asset when there is information indicating that the counterparty is in severe financial difficulties and there are no realistic prospects of recovery, for example, when the counterparty has been put into liquidation or has initiated bankruptcy proceedings or, in the case of accounts receivable, when the amounts exceed two years past due, whichever occurs first.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in the derecognition of that financial asset, according to IFRS 9, the Group recalculates the gross carrying amount of the financial asset. financial asset and recognizes a gain or loss due to changes in the result of the period. The gross carrying amount of the financial asset is recalculated as the present value of the modified or renegotiated contractual cash flows that are discounted at the original effective interest rate of the financial asset (or effective interest rate adjusted for credit quality for financial assets with credit impairment purchased or originated) or, when applicable, the revised effective interest rate. Any cost or commission incurred adjusts the carrying amount of the modified financial asset and is amortized over the remaining term.

The amortized financial assets may still be subject to execution activities under the Group recovery procedures, considering the judicial collection when appropriate. The recoveries made are recognized in the profit for the period.

Classification as Debt or Equity

Debt and equity instruments are classified as financial liabilities or as equity, in conformity with the substance of the contractual agreement and the definitions of financial liability and equity instrument.

Financial Liabilities

The Group classifies financial liabilities at the moment of the initial recognition for a subsequent measurement at amortized cost or at fair value with changes in profit.

Financial liabilities at fair value with changes in profit include those liabilities held to negotiate, the financial liabilities designated at the moment of their initial recognition as at fair value with changes in profit and the derivatives. The profits or losses for liabilities held to negotiate are recognized in the Statement of comprehensive income in the section Statement of income. In the initial recognition, the company designated financial liabilities as at fair value with changes in profit.

Liabilities at amortized cost are measured using the effective interest rate. All profits and losses are recognized in the Statement of comprehensive income in the section Statement of income whenever the liabilities are derecognized, as well as through the amortization process under the effective interest rate method, that is included as financial cost in the Statement of comprehensive income in the section Statement of income.

Financial Guarantee Contracts

The financial guarantee contracts issued by the Group are those contracts that require the making of a specific payment to reimburse the holder of the loss incurred in when a specified debtor defaults their payment obligation, according to the conditions of a debt instrument. The financial guarantee contracts are initially recognized as a liability at fair value, adjusted by the transaction costs that are directly ascribable to the issuance of the guarantee. Subsequently, the liability is measured at: (i) the amount of the adjustment in value for the expected losses and (ii) the amount initially recognized less, the accrued recognized income.

Derecognition or Write-Offs of Financial Assets and Liabilities

A financial asset or part of it, is derecognized from the statement of financial position whenever it is sold, transferred, expires or the company losses control on the contractual rights or on the cash flows of the instrument.

If the entity does not transfer nor substantially retains all the risks and advantages inherent to that property and continues to retain the control of the asset transferred, the entity will recognize its share in the asset and the obligation associated for the amounts that it would have to pay. If the company substantially retains all risks and advantages inherent to the ownership of a financial asset transferred, the entity will continue to recognize the financial asset and will also recognize a loan guaranteed in a collateral fashion for the received revenues.

In the total writing-off of a financial asset measured at fair value with changes in profit, the difference between the recorded value of the assets and the sum of the consideration received and to be received, is recognized in the Statement of comprehensive income, section Profit for the period. In case of financial assets measured at fair value with change in equity, the difference between the recorded value of the asset and the sum of the consideration received and to be received is recognized in the Statement of comprehensive income, section Profit for the period, and the profit or loss that would have been recognized in the Other comprehensive income will be reclassified to accumulated profit.

A financial liability or part of it is derecognized from the Statement of financial position when the contractual obligation has been settled or has expired. If the entity does not transfer nor substantially retains all risks and advantages inherent to the ownership and continues to retain the control of the transferred asset, the entity will recognize its ownership in the asset and the associated obligation for the amounts that it would have to pay. If the group substantially retains all the risks and advantages inherent to the ownership of a financial asset transferred, the entity shall continue to recognize the financial asset and also recognize a guaranteed loan on a collateral way for the incomes received.

Whenever an existing financial liability is replaced by another coming from the same lender under substantially different conditions, or if the conditions of an existing liability are substantially modified, such exchange or modification is treated as a writing-off of the original liability and the recognition of a new liability and the difference in the respective recorded values is recognized in the Statement of comprehensive income in the section Profit for the period. In the event that the changes are not substantial the company recalculates the gross recorded value of the financial liability and recognizes a profit or loss from changes in the Profit for the period. The gross recorded value of the financial liability is recalculated as the current value of the modified or renegotiated contractual cash flows that are discounted at the original effective interest rate of the financial liability or, when applicable, the revised effective interest rate. Any cost or commission incurred adjusts the recorded value of the modified financial liability and is amortized over its remaining term.

Compensation for Financial Instruments

Financial assets and financial liabilities are subject to compensation in order to inform the net value in the Statement of financial position, only if (i) at the current time, there is a legally enforceable entitlement of compensating the amounts recognized; and (ii) there is the intention of settling them at their net value, or of realizing the assets and cancelling the liabilities simultaneously.

Derivative Financial Instruments

The Group uses derivative financial instruments, like term contracts (Forward), futures contracts, financial barters (Swaps) and options to hedge several financial risks, mainly the interest rate, exchange rate and commodities price risks. Such derivative financial instruments are initially recognized at their fair values on the date when the derivative contract is entered into, and subsequently they are measured again at their fair value. Derivatives are recorded in the Statement of financial position as financial assets when their fair value is positive, and as financial liabilities when their fair value is negative.

The fair value of the commodity contracts that meet the definition of a derivative, but that are entered into in conformity with the expected purchase requirements of the company, are recognized in the Statement of comprehensive income as cost of sales.

Any gain or loss that arises from the changes in derivatives' fair value is directly recognized in the Statement of comprehensive income in the section Statement of income, except for those that are under hedge accounting.

The derivatives implicit in main contracts are treated as separate derivatives whenever they meet the definition of a derivative and when their risks and characteristics are not closely related to those main contracts and the contracts are not measured at fair value with change in profit.

The derivatives embedded in contracts where the host is a financial asset in the scope of the norm are never split. Instead, the hybrid financial instrument as a whole is assessed for classification as follows: If a hybrid contract contains a host that is not an asset that falls within the scope of IFRS 9, an embedded derivative is separated from the host and is accounted for as a derivative if, and only if: (a) the economic characteristics and the risks of the implicit derivative are not closely related to those of the host contract; (b) a separate instrument with the same conditions as the embedded derivative meets the definition of a derivative; and (c) the hybrid contract is not measured at fair value with changes in fair value recognized in profit or loss (i.e., the derivative that is embedded in a financial liability measured at fair value through profit or loss is not split).

Hedge Accounting

At the beginning of a hedging relationship, the Group designates and formally documents the hedging relationship to which they want to apply the hedging accounting, and the objective of the risk management and the strategy to carry out the hedging. The documentation includes the identification of the hedging instrument, the item or transaction hedged, the nature of the risk being hedged and how the company shall assess the effectiveness of the changes in fair value of the hedging instrument when offsetting the exposure to changes in the fair value of the hedged item or in the cash flows, attributable to the risk hedged. Such hedges are expected to be highly efficient in achieving the offsetting of changes in the fair value or in the cash flows, and for this end they are permanently assessed throughout the information periods for which they were designated.

For hedging accounting purposes, hedges are classified and recorded as follows, once the criteria for their recording are complied with:

Fair-Value Hedging, when they hedge the exposure to fair value changes of assets or liabilities recognized or of non-recognized firm commitments.

A change in the fair value of a derivative that is a hedging instrument is recognized in the Statement of comprehensive income, in the section Profit for the period as financial cost or revenue. A change in the fair value of the item hedged attributable to the risk hedged is recorded as part of the recorded value of the hedged item and is also recognized in the Statement of comprehensive income in the section Profit for the period as financial cost or revenue.

For the fair value hedging related to items recorded at amortized cost, the adjustments to the recorded value are amortized through the Statement of comprehensive income in the section Profit for the period throughout the remaining term until their expiration. Amortization of the effective interest rate may begin as soon as there is an adjustment to the recorded value of the hedged item, but it must start at the latest when the hedged item is no longer adjusted for their fair value changes ascribable to the risk being hedged. Amortization of recorded value adjustments is based upon the effective interest rate recalculated on the amortization starting date. If the hedged item is derecognized, the non-amortized fair value is immediately recognized in the Statement of comprehensive income in the section Profit for the period.

When a non-recognized firm commitment is designated as a hedged item, the subsequent accrued change in the fair value of the firm commitment attributable to the hedged risk shall be recognized as an asset or liability with their corresponding gain or loss recognized in the statement of comprehensive income in the section Profit for the period.

Cash-Flow Hedging, when they cover the hedging to the attributed cash flow variations exposure, either to a particular risk associated to a recognized asset or liability or to a highly probable foreseen transaction, or to the exchange rate risk in a non-recognized firm commitment.

The purpose of cash flows hedging accounting is to recognize in the Other comprehensive income (equity) the fair value variations of the hedging instrument to apply them to the income statement accounts when and at the rate that the hedged item affects these.

The effective portion of the profit or loss for the measurement of the hedging instrument is immediately recognized in the Other comprehensive income, whereas the ineffective portion is immediately recognized in the Statement of comprehensive income in the section Profit for the period as financial cost.

Values recognized in the Other comprehensive income are reclassified into the Profit for the period when the hedged transaction affects the profit, as well as when the hedged financial revenue or financial expense is recognized, or when the foreseen transaction takes place. When the hedged item constitutes the cost of a non-financial asset or liability, the values recognized in the Other comprehensive income are reclassified at the initial recorded value of the no-financial asset or liability. If the foreseen transaction or the firm commitment is no longer expected to happen, the accrued profit or loss previously recognized in the Other comprehensive income is reclassified into the Profit for the period.

If the hedging instrument expires or is sold, it is resolved, or is exercised without a replacement or successive renovation of a hedging instrument for another hedging instrument, or if its designation as hedging is revoked, any accrued profit or loss previously recognized in the Other comprehensive income remains in the Other comprehensive income until the operation foreseen or the firm commitment affects the result.

Hedging of a Net Investment Abroad, when they hedge the exposure to the variations in the translation of foreign businesses into the presentation currency of the company associated to the exchange rate risk.

The objective of the foreign-currency net investment hedging, is to hedge the exchange rate risks that a Principal or Intermediate Parent Company having businesses abroad may have on the impact on the translation of financial statements from functional currency to presentation currency. The hedging of net investment in foreign currency is a hedging to the exposure in foreign currency, not a hedging of the fair value due to changes in the investment value.

The gains or losses of the hedging instrument related to the effective portion of the hedging are recognized in Other comprehensive income, whereas any other profit or loss related to the ineffective portion is recognized in the Statement of comprehensive income in the section Profit for the period. For the disposal of the business abroad, the accrued value of the profits or losses recorded in the Other comprehensive income are reclassified in the Profit for the period.

Equity Instruments

An equity instrument consists of any contract showing a residual interest on an entity's assets, after deducting all its liabilities. Equity instruments issued by the Group are recognized at the revenues received, net of direct issuance costs.

The repurchase of the company's own equity instruments is recognized and directly deducted in equity. No profit or loss is recognized in operations, coming from the purchase, sale, issuance, or cancellation of the Group's own equity instruments.

2.22 Inventories

Goods acquired with the intention of selling them during the ordinary course of business or of consuming them in the service rendering process are classified as inventories.

Inventories are valued at cost or net realizable value, whichever is lower. The net realizable value is the estimated sale price in the normal course of business, less the estimated finalization costs and the estimated costs necessary to make the sale.

Inventories include merchandise in stock that do not require transformation, such as power, gas and water meters and procurement goods. They include materials such as minor spare parts and accessories for the rendering of services and the goods in transit and held by third parties.

Inventories are valued using the weighted average method and their cost includes the costs directly related to the acquisition and those incurred in to give them their current conditions and location.

2.23 Impairment Value of Non-Financial Assets

As of every presentation date, the Group assesses whether they have any indication that a tangible or intangible asset may be impaired. The Group estimates the recoverable value of the asset or Cash Generating Unit (CGU), at the moment it detects an indication of impairment, or annually (as November 30 and it is reviewed if there are significant or significant events presented in the month of December that merit analysis and be included in the calculation of impairment) for intangible assets with undefined lifespan and those that are still being used.

The recoverable value of an asset is the greatest value between the fair value less costs of sale, either of an asset or a Cash-Generating Unit (CGU, or UGE for its Spanish initials), and its value in use is determined for an individual asset, except that the asset does not generate cash flows that are substantially independent from the other assets or group of assets, in this case the asset should be grouped into a CGU. When a reasonable and consistent base of distribution is identified, common/corporate assets are also assigned to the individual CGU or distributed to the smallest group of CGU for which it can be identified a reasonable and consistent distribution base. When the recorded value of an asset or of a CGU exceeds its recoverable value, the asset is considered impaired and the value is reduced to its recoverable amount.

When calculating the value of use, the estimated cash flows, either for an asset or a CGU, are discounted at their current value through a discount rate before taxes that reflects the market considerations of the temporary value of money and the specific risks of the asset. An adequate assessment model is used for determining the reasonable value less the costs of sale.

Losses for impairment of continued operations are recognized in the Statement of comprehensive income in the section Profit for the period in those expense categories that correspond to the function of the impaired asset. Losses for impairment attributable to a CGU are assigned proportionately based in the book value of each asset to the non-current assets of the CGU after exhausting goodwill. The CGU is the smallest identifiable group of assets, which generates cash inflows in favor of the Group, which are largely, independent of cash flows derived from other assets or groups of assets. The Group defined the CGU considering: 1) The existence of revenue and costs for each group of assets, 2) The existence of an active market for the generation of cash flows and 3) the way in which Manage and monitor operations. In order to assess the losses due to impairment, the assets are grouped in the following CGU:

Affiliate	CGU
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)	Generation
Electrificadora de Santander S.A. E.S.P. (ESSA)	
Empresas Públicas de Medellín E.S.P. (EPM)	
Hidrogeológica del Teribe S.A. (HET)	
Parque Eólico Los Cururos Ltda.	
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)	Transmission
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)	
Electrificadora de Santander S.A. E.S.P. (ESSA)	
Empresas Públicas de Medellín E.S.P. (EPM)	

Affiliate	CGU
EPM Transmisión Chile S.A.	
Transportista Eléctrica Centroamericana S.A. (TRELEC)	
Almacenaje y Manejo de Materiales Eléctricos S.A. (AMESA)	Distribution
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)	
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)	
Comercializadora Eléctrica de Guatemala S.A. (COMEGSA)	
Crediegsa S.A. (CREDIEGSA)	
Distribuidora de Electricidad del Sur (DELSUR)	
Electrificadora de Santander S.A. E.S.P. (ESSA)	
Elektra Noreste S.A. (ENSA)	
Empresa de Energía del Quindío S.A. E.S.P. (EDEQ)	
Empresa Eléctrica de Guatemala S.A. (EEGSA)	
Empresas Públicas de Medellín E.S.P. (EPM)	
Energica S.A. (ENERGICA)	
ENSA Servicios S.A.	
Inmobiliaria y Desarrolladora Empresarial de América S.A. (IDEAMSA)	
Empresas Públicas de Medellín E.S.P. (EPM)	Natural Gas
EV Alianza Energética S.A.	
Aguas de Antofagasta S.A.	Water supply
Aguas de Malambo S.A. E.S.P.	
Aguas Regionales EPM S.A. E.S.P.	
Empresa de Aguas del Oriente Antioqueño S.A. E.S.P.	
Empresas Públicas de Medellín E.S.P. (EPM)	

Affiliate	CGU
Empresas Públicas de Rionegro S.A. E.S.P. (EP RIO)	
Aguas de Antofagasta S.A.	Sanitation
Aguas de Malambo S.A. E.S.P.	
Aguas Nacionales EPM S.A. E.S.P.	
Aguas Regionales EPM S.A. E.S.P.	
Aquasol Morelia S.A. de C.V.	
Corporación de Personal Administrativo S.A. de C.V.	
Desarrollos Hidráulicos de Tampico S.A. de C.V.	
Ecoagua de Torreón S.A. de C.V.	
Ecosistema de Ciudad Lerdo S.A. de C.V.	
Ecosistemas de Celaya S.A. de C.V.	
Ecosistemas de Colima S.A. de C.V.	
Ecosistemas de Tuxtla S.A. de C.V.	
Empresa de Aguas del Oriente Antioqueño S.A. E.S.P.	
Empresas Públicas de Medellín E.S.P. (EPM)	
Empresas Públicas de Rionegro S.A. E.S.P. (EP RIO)	
Empresas Varias de Medellín S.A. E.S.P.	
Proyectos de Ingeniería Corporativa S.A. de C.V.	
Tecnología Intercontinental S.A. de C.V. TICSA	
Gestión de Empresas Eléctricas S.A. (GESA)	Others
Innova Tecnología y Negocios S.A. de C.V.	
Maxseguros EPM Ltda.	
Promobiliaria S.A.	

The impairment value for goodwill is determined by assessing the recoverable value of each CGU (or group of CGU) to which the goodwill relates. The value impairment losses related to goodwill cannot be reverted in future periods.

For assets in general, excluding the goodwill, on each presentation date an assessment is conducted about whether there is any indication that the impairment losses previously recognized no longer exist or have decreased. If such indication exists, the company makes an estimate of the asset or CGU recoverable value. An impairment loss previously recognized only can be reverted if there was a change in the assumptions used for determining the recoverable value of an asset since the last time when it was recognized the last impairment loss. The reversal is limited in such a way that the recorded value of the asset neither exceeds its recoverable amount, nor exceeds the recorded value that would have been determined, net of depreciation, if no impairment loss had been recognized for the asset in the previous years. Such reversal is recognized in the Statement of comprehensive income in the section Profit for the period.

2.24 Provisions

Provisions are recorded when the company has a current, legal or implicit obligation, as a result of a past event. It is probable that the company has to give off resources that incorporate economic benefit to settle the obligation, and a reliable estimate can be made for the value of the obligation. In cases in which the company expects the provision to be reimbursed as a whole or in part, the reimbursement is recognized as a separate asset, but only in the cases when such reimbursement is practically certain, and the asset amount can be reliably measured. In the company, each provision is only used for dealing with expenditure for which it was initially recognized.

Provisions are measured with the best estimate from management of expenditure necessary to cancel the current obligation, at the end of the period being reported, considering the risks and the corresponding uncertainties. When a provision is measured using the estimated cash flow to cancel the current obligation, its recorded value corresponds to the present value of such cash flow, using for the discount a rate calculated with reference to market yields for the bonds issued by the National Government of the country where the affiliate is located.

The expense corresponding to any provision is presented in the Statement of comprehensive income in the section Profit for the period net of all reimbursement. The increase in provision due to the time elapsed is recognized as financial expense.

Provisions for Dismantling

The Group recognizes as part of the cost of a fixed asset in particular, to the extent that there is a legal or implicit obligation of dismantling or restoring, the estimation of the future costs in which the company expects to incur in to perform the dismantlement or restoring and its balancing entry is recognized as a provision for dismantling and restoring costs. The dismantling cost is depreciated over the estimated useful life of the fixed asset.

Dismantlement or restoring costs, in the affiliates of the Group where it may apply, are recognized at the present value of the expected costs of cancelling out the obligation using estimated cash flows. Cash flows are discounted at a particular rate before taxes, that should be determined by taking as a reference; for the affiliates in Colombia, regarding risk-free rates, the yield of TES Bonds (Public Debt Securities issued by the General Treasury of the Nation) must be spent; for affiliates in Chile a risk-free discount rate corresponding to the interest rates of the instruments issued by the Chilean Central Bank to 30 years; for affiliates in Panama and El Salvador for the market yields of bonds issued by the Central Government.

Future estimated dismantlement or restoration costs are annually revised. Changes in the future estimated costs, in the dates estimated for expenditure or in the discount rate applied are added or deducted from the asset cost, without exceeding the recorded value of the asset. Any surplus is immediately recognized in results for the period. The change in the provision value associated to the time elapsed is recognized as financial expense in the Statement of comprehensive income in the section Profit for the period.

Onerous Contracts

The Group recognizes as provisions the current obligations that are derived from an onerous contract, as provisions and its offsetting is in the Statement of comprehensive income in the section Profit for the period. An onerous contract is the one in which the unavoidable costs of complying with the obligations it implies, exceed the economic benefits that are expected to receive therefrom.

Contingent Liabilities

The possible obligations that arise from past events and the existence of which shall be only confirmed by the occurrence or non-occurrence of one or more uncertain future events that are not entirely under the Group's control or the current obligations, that arise from past events, but that it is not probable, but possible, that an outflow of resources including economic benefits shall be required to liquidate the obligation or the amount of the obligation cannot be measured with enough reliability, are not recognized in the Statement of financial position, they are rather disclosed as contingent liabilities. Contingent liabilities generated in a business combination are recognized at fair value on the acquisition date.

Contingent Assets

Assets of a possible nature, that arise from past successes, the existence of which has to be confirmed only by the occurrence, or the non-occurrence, of one or more uncertain events in the future, that are not entirely under the Group control, are not recognized in the Statement of financial position, they are instead disclosed as contingent assets when their occurrence is probable. Whenever the contingent fact is true the asset and the revenue associated are recognized in the Profit for the period. Contingent assets acquired in a business combination are initially measured at their fair values, on the acquisition date. At the end of subsequent periods being reported, those contingent liabilities are measured at the greatest amount it would have been recognized and the amount initially recognized less the accrued amortization recognized.

2.25 Employee Benefits

2.25.1 Post-Employment Benefits

Defined Contribution Plans

The contributions to the defined contribution plans are recognized as expenses in the Statement of comprehensive income in the section Profit for the period at the moment when the employee has rendered the service that grants them the right to make the contributions.

Defined Benefit Plans

Post-employment benefit plans are those in which the Group has the legal or implicit obligation to respond for the payments of the benefits that were left to their charge.

For the defined benefit plans, the difference between the fair value of the plan assets and the present value of the plan obligation, is recognized as asset or liability in the Statement of financial position. The cost of giving benefits under the defined benefit plans is determined separately for each plan, through the actuarial assessment method of the projected credit unit, using actuarial assumptions on the date of the period being reported. Plan assets are measured at fair value, which is based upon the market price information and, in the case of quoted securities, it constitutes the published purchase price.

The actuarial profits or losses, the yield of plan assets and the changes in the asset ceiling effect, excluding the securities included in the net interest on the net defined benefits on the liabilities (assets), are recognized in the Other comprehensive income. The actuarial profits or losses include the effects of changes in the actuarial assumptions as well as adjustments due to experience.

The net interest on liabilities (assets) for net defined benefits includes the interest revenue for the plan assets, interest cost for the obligation for defined benefits and interests for the asset ceiling effect.

The current service cost, the past service cost, any settlement or reduction of the plan are immediately recognized in the Statement of comprehensive income in the section Profit for the period in the period when they arise.

2.25.2 Short-Term Employment Benefits

The Group classifies as short-term employee benefits those obligations with the employees that it expects to liquidate during the twelve months period following the closing of the accounting period when the obligation was generated, or the service was rendered. Some of these benefits are generated from the current labor legislation, from collective bargaining agreements, or from non-formalized practices that generate implicit obligations.

The Group recognizes the short-term benefits at the moment the employee has rendered their services, as the following:

A liability for an amount that shall be repaid to the employee, deducting the amounts already paid before, and its balancing entry as expense for the period, unless another chapter obliges or allows including the payments in the cost of an asset or inventory, for instance, if the payment corresponds to employees the services of whom are directly related to the construction of a work, will be capitalized to that asset.

The amounts values already paid before corresponding, for instance, to advanced payments of salaries, advanced payments of daily allowances, among others, if they exceed the corresponding liability, the Group has entrusted the provision of certain services.

2.25.3 Long-Term Employee Benefits

The Group classifies as long-term employee benefits those obligations that it expects to settle after the twelve months following the closing of the accounting year or the period where employees provide the related services, i.e., from the thirteenth month forward; they are different from the short-term benefits, post-employment benefits, and contract termination benefits.

The Group measures long-term benefits in the same fashion as post-employment defined benefit plans. Although their measurement is not subject to the same uncertainty level, the same following methodology will be applied for its measurement:

- The Group should measure the surplus or deficit in a long-term employee benefit plan, using the technique applied for post-employment benefits both for estimating the obligation as well as for the plan assets.
- The Group should determine the value of net long-term employee benefits (assets or liabilities) finding the deficit or surplus of the obligation and comparing the asset ceiling.

The benefits that employees receive year after year throughout their working life should not be considered “long term” if at the accounting year closing each year the Group has fully delivered them.

2.25.4 Termination Benefits

The Group recognizes as termination benefits, the considerations granted to the employees, payable as result of the decision of the company to terminate the employment agreement to an employee before the normal retirement date or the decision of an employee to accept the voluntary resignation in exchange for such benefits.

2.26 Reserves

Liabilities for insurance contracts represent for the Group the best estimate of future payments to be made for risks assumed in insurance obligations; which are measured and recognized through technical reserves:

2.26.1 Unearned Premium Reserve (UPR)

Set aside for the fulfillment of future obligations derived from the assumed obligations from the current policies. They correspond to the portion of the premium that, at the date of calculation, has not yet been earned by the insurer. Its purpose is to adjust the result so that the profit is assigned to the period in which the premium was earned, regardless of when it was issued. This reserve is calculated, policy by policy, as the result of multiplying the premium issued, less the acquisition costs incurred at the time of issuing the policy for the fraction of risk not incurred at the calculation date. Likewise, the part of the reserve corresponding to the reinsurer is calculated considering the ceded premium.

2.26.2 Certain Loss Reserve

A provision of money that the Group must keep in order to face the costs derived from the claims already notified and with pending payment. Its purpose is to establish adequate reserves to guarantee the payment of losses that have not been settled during the accounting period. This reserve is constituted per claim, on the date on which the insurer is aware of the occurrence of the loss and corresponds to the best technical estimate of the cost thereof. The amount of the constituted reserve is readjusted to the extent that more information is available and whether there are reports of internal or external liquidators. The reserve includes the liquidation expenses incurred to meet the claim, such as expenses due to attorney's fees for claims in judicial processes.

2.26.3 Incurred But Not Reported (IBNR) Reserves

Represents an estimate of the amount of resources that the Group must allocate to meet future claim payments that have already occurred as of the date of calculation of this reserve but have not yet been notified or for which not enough information is available. Methodologies that estimate the reserve required based on the development of historical losses are used for estimating the reserve. Based on the assumption that relative change in the evolution of claims paid net recoveries and salvages in a given period of occurrence, estimated from one period to the next, is similar to the evolution that had this type of claims in periods of occurrence prior to the same "age" of the claim. When using this method, data on the payments of a period are evaluated at the end in triangular fashion. Methodologies consider all the payments associated with claims and, therefore, the payments associated with all types of contracts. For the reservation of branches that do not have sufficient information, different estimation techniques may be used, based on historical information or benchmarking.

2.27 Liability Adequacy Test

The technical provisions recorded by the Group are regularly subject to proof of reasonableness to determine its sufficiency. If the result of the test shows that the provisions are insufficient, they are adjusted with a charge to the profit for the year.

2.28 Service Concession Agreements

The Group recognizes service concession agreements pursuant to the interpretation requirements of the IFRIC 12 Service Concession Agreements.

This interpretation is applicable to those concessions where:

- The grantor controls or regulates which services the operator with the infrastructure should provide, to whom and at what price.
- The grantor controls, through the ownership, the right of use, or otherwise, any significant residual ownership in the infrastructure at the end of the term of the agreement.

The Group does not recognize these infrastructures as property, plant and equipment, it recognizes the consideration received in the contracts that meet the above conditions at its fair value, as an intangible asset to the extent that the Group receives an entitlement to make charges to users of the service, provided that these entitlements are conditioned to the service use level, or as a financial asset, to the extent that there is an unconditional contractual right to receive cash or other financial asset, either directly from the assignor or from a third party. In those cases where the Group receives payment for the construction services, partly through a financial asset and partly through an intangible asset, each component of the consideration is recorded separately.

Financial assets of service concession agreements are recognized in the Consolidated statement of financial position as operating financial assets and subsequently are measured at amortized cost, using the effective interest rate. Assessment of impairment of these financial assets is made according to the value impairment policy of the financial assets.

Intangible assets of service concession agreements are recognized in the Consolidated statement of financial position as intangible assets denominated "intangible assets for service concession agreements" and are amortized on a linear basis within the term of duration thereof.

Revenues from ordinary activities and costs related to the operating services are recognized according to the accounting policy of ordinary revenues and the services related to construction or improvement services according to the accounting policy of construction contracts. Contractual obligations assumed by the Group for maintenance of the infrastructure during its operation, or for its return to the assignor at the end of the concession agreement in the conditions specified therein, to the extent that it does not assume a revenue-generating activity, is recognized following the provisions accounting policy.

2.29 Fair Value

The fair value is the price that would be received when selling an asset or that would be paid when transferring a liability in an orderly transaction between market participants on the measurement date, regardless of whether that price is directly observable or estimated using another assessment technique. When estimating the fair value of an asset or liability, the Group considers the characteristics of the asset or liability if the market participants consider these characteristics when valuing the asset or liability on the measurement date. Fair value for measurement and disclosure purposes in the present financial statements is determined on that basis, except for the transactions of stock-based payments, lease transactions, and the measurements that have certain similarities with the fair value but that are not fair value, such as the net realizable value or the value at use. The fair value of all financial assets and liabilities is determined on the date of presentation of the financial statements, for recognition or disclosure in the notes to the financial statements.

Fair value is determined:

- Based upon prices quoted in active or passive markets identical to those the Group can access on the measurement date (level 1).

- Level 2 inputs are inputs other than quoted prices included in Level 1, which are observable for the asset or liability, directly or indirectly.
- Based upon internal assessment techniques of cash flow discounts or other assessment models, using variables estimated by the Group that are non-observable for the asset or liability, in the absence of variables observed in the market (level 3).

In the note 44 Fair Value Measurement on a recurring and non-recurring basis provides an analysis of the fair values of financial instruments and non-financial assets and liabilities and more detail of their measurement.

2.30 Operating Segments

An operating segment is a component of the Group that develops business activities from which it can obtain revenue from ordinary activities and incur in costs and expenses, on which there is financial information and the operating results of which are revised on a regular basis by the highest authority in the Group's operating decision-making, which is the Management Board, to decide on the resource allocation to the segments and evaluate their performance.

The financial information of operating segments is prepared under the same accounting policies used in the elaboration of the Group's consolidated financial statements.

2.31 Dividends in Cash Distributed to Stockholders of the Group

The Group recognizes a liability to make the distributions to the stockholders of the Group in cash when the distribution is authorized, and it is no longer at the Group's discretion. The corresponding amount is recognized directly in the net equity.

2.32 Changes in Estimates, Accounting policies and errors

2.32.1 Changes in Accounting Estimates

As of December 31, 2018, the Group recorded no significant changes in its financial statements as a result of a revision to its accounting estimates.

2.32.2 Changes in Accounting Policies

As of December 31, 2018, the accounting practices applied to the consolidated financial statements of the Group are consistent with the year 2017, except for the following changes:

New Standards Implemented and Change in Voluntary Accounting Policies

During 2018, the Group has implemented the changes in the IFRS (new standards, amendments or interpretations), issued by the International Accounting Standards Board (IASB) that are mandatory for the accounting period beginning on or after January 1st, 2018.

IFRIC 22 Foreign Currency Transactions and Advance Consideration. Issued in December 2016, this Interpretation deals with how to determine the date of the transaction, to define the exchange rate that will be used in the initial recognition of assets, expense or revenue (or part thereof), in the writing-off of a non-monetary asset or non-monetary liability resulting from the payment or receipt of an advance in foreign currency. In this regard, the Interpretations Committee of the IFRS, reached the following conclusion: the date of the transaction, for purposes of determining the exchange rate, is the date of the initial recognition of the non-monetary advance payment asset or the deferred income liability. If there are several payments or receipts in advance, a transaction date is established for each payment or receipt. This does not apply when an entity measures the related asset, expense or revenue on initial recognition at its fair value or at the fair value of the consideration paid or received on a date other than the date of the initial recognition of the non-monetary asset or the non-monetary liability derived from the anticipated consideration (for example, the measurement of goodwill in accordance with IFRS 3 Business Combinations). It neither applies to income tax and insurance contracts.

These modifications have no impact on the financial statements, as they correspond to the current practice of the Group.

IFRS 4 Insurance Contracts. Issued in March 2004, it is a standard in the process of formation by phases for companies that issue insurance and reinsurance contracts. The promotion to Phase II has begun, and it involves some exemptions from applying other standards, for example, an entity shall apply said modifications, which allow insurers that meet specific criteria the use of a temporary exemption from IFRS 9 for yearly periods beginning on or after January 1st, 2018. Insurers are also allowed to reclassify certain or all of their financial assets in specified circumstances, so that they are measured at fair value through profit or loss but affecting other comprehensive income.

The foregoing implies that the amendments to the application of IFRS 9 "Financial instruments" with IFRS 4 "Insurance contracts" (Amendments to IFRS 4) offer two options for entities that issue insurance contracts within the scope of the IFRS 4:

- An option that allows entities to reclassify, from profit or loss to other comprehensive income, part of the income or expenses derived from designated financial assets; this is the so-called superposition approach;
- An optional temporary exemption from the application of IFRS 9 for entities whose predominant activity is the issuance of contracts within the scope of IFRS 4; This is the so-called deferral approach.

The application of both approaches is optional, and an entity is allowed to stop applying them before the new insurance contract rule is applied.

An entity would apply the retrospective overlay approach to financial assets that qualify when applying IFRS 9 first. The application of the overlay approach requires disclosure of sufficient information to allow users of financial statements to understand how the amount reclassified in the financial statement is calculated for the period, effect of that reclassification in the financial statements.

An entity would apply the deferral approach for annual periods beginning on or after January 1st, 2018. The application of the deferral approach should be disclosed along with information that allows users of financial statements to understand how the qualified insurer the temporary exemption and Compare the insurers that apply the temporary exemption with the entities that apply IFRS 9. The deferral can only be used for the three years following January 1st, 2018.

The Group is assessing the impacts that the application of this new standard could generate.

FRS 9 Financial Instruments. In 2016, the Group applied IFRS 9 Financial Instruments (revised July 2014) and the corresponding amendments to other IFRS before their effective dates.

IFRS 9 introduces new requirements for: classification and measurement of financial assets, impairment of financial assets and hedge accounting. The breakdown of these new requirements, as well as their impact on the financial statements are described below:

- Classification and measurement of financial assets: the standard introduces a measurement category for debt instruments denominated "Fair value with changes in other comprehensive income". The Group was not affected by this new approach.
- Impairment of financial assets: the standard introduces the measurement of the correction of value for expected credit loss on financial assets that are measured at amortized cost or fair value with changes in another comprehensive income, accounts receivable for leases, assets of a contract or loan

agreement and financial guarantee contract to which the impairment requirements are applied during the asset's lifespan.

- Changes in the accounting policies resulting from the adoption of IFRS 9 have not been restated, in which case the cumulative difference in provision for losses recognized under IFRS 9 is charged against the accumulated results as of January 1st, 2016.
- Resulting from the adoption of IFRS 9, the Group adopted the consequential amendments to IAS 1 Presentation of financial statements, which require that the impairment of financial assets be presented in a separate item in the statement of income and other comprehensive income.
- Hedge accounting: the standard introduces a substantially reformed approach to hedge accounting that aligns it more closely with risk management. The Group was not affected by this new approach, because currently available hedges are 100% effective and, therefore, the need to revalue or apply has not been presented, rebalancing to what exists.

IFRS 15 Revenue from Contracts with Customers. The Group applies the new standard as of January 1, 2018 with special emphasis on the identification of performance obligations included in contracts with customers and the assessment of methods to estimate the amount and timing of variable consideration. The adoption of IFRS 15 did not have a material impact on the consolidated financial statements.

This standard was issued in May 2014, it is a new standard applicable to all income agreements of ordinary activities from contracts with customers, except leases, financial instruments and insurance contracts that are regulated by their respective standard. It is a joint project with the Financial Accounting Standards Board - FASB to eliminate differences in revenue recognition between IFRS and US GAAP.

The explanations made in April 2016 to IFRS 15 include the following points:

a. Identification of the Action as Principal or as Agent

When a third party is involved in providing goods or services to a client, the Group will determine whether the nature of its commitment is a performance obligation consisting in providing the goods or services specified by itself (i.e., acting as a principal) or in arranging for the third party the supply of those goods or services (i.e., acting as an agent).

b. Variable Consideration

Corresponds to any amount that is variable according to the contract. The amount of the consideration may vary due to discounts, refunds, compensations, reimbursements, credits, price reductions, incentives, performance bonuses, penalties or other similar elements. The agreed compensation may also vary if the entitlement of an entity to receive it depends on whether or not a future event occurs, e.g., a consideration amount would be variable if a product with a right of return was sold or a fixed amount is promised as a performance premium at the time of achieving a specified milestone.

c. Application Methods

The standard allows the use of two methods for the initial application as follows: Full retrospective method and Modified method. The Group applies to this standard following the Modified method.

Modified method. With the modified approach, the accumulated effect of the initial application shall be recognized as an adjustment to the opening balance of the accumulated earnings (or other component of equity, as applicable) of the annual reporting period that includes the initial application date. Under this transition method, an entity applies this Standard retroactively only to contracts that are not completed on the date of initial application (e.g., January 1st, 2018 for an entity with December 31 as the end of the year). Consequently, information presented for 2017 has not been restated and continues to be reported in accordance with IAS 18, IAS 11 and related interpretations. In general, the disclosure requirements of IFRS 15 have not been applied to comparative information.

The Group completed its qualitative and quantitative analysis of the effects for the adoption of IFRS 15 in its financial statements. Assessment included, among others, the following activities:

- Analysis of contracts with clients and their main characteristics,
- Identification of performance obligations in the aforementioned contracts,
- Determination of the prices of transactions and the effects caused by variable considerations,
- Allocation of transaction amounts to each performance obligation,
- Analysis of the appropriateness of the moment in which revenue must be recognized by the Group either at a point in time or during the time.
- Analysis of the effects that the adoption of IFRS 15 originated in accounting policies, processes and internal control.

For submission periods that include the initial application date, an entity shall provide all the following additional disclosing information:

(a) The amount for which each item in the financial statements is affected in the current reporting period by the application of this Standard compared to IAS 11 and IAS 18 and related Interpretations that were in effect prior to the change; and

(b) An explanation of the reasons for the significant changes identified.

This new standard aims to improve the inconsistencies and weaknesses of IAS 18 and provide a model that will facilitate the comparability of companies from different industries and regions. It provides a new model for the recognition of more detailed revenue and requirements for contracts with multiple elements. In addition, it requires more detailed disclosures.

The basic principle of IFRS 15 is that an entity recognizes revenue from ordinary activities in a way that it represents the transfer of goods or services committed to customers in exchange for an amount that reflects the consideration to which the entity expects to be entitled to in exchange for said goods or services.

An entity recognizes revenues from ordinary activities in accordance with this basic principle by applying the following steps:

Stage 1: Identify the contract (or contracts) with the customer.

Stage 2: Identify performance obligations in the contract.

Stage 3: Determine the transaction price.

Stage 4: Allocate the transaction price between the performance obligations of the contract.

Stage 5: Recognize revenue from ordinary activities when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognizes revenue when an obligation is satisfied, for example, when the "control" of the goods or services underlying the execution of the particular obligation are transferred to the customer. More specific guidelines have been added to the standard to handle specific scenarios. Additionally, further disclosures are required.

It will replace the IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Barter Transactions Involving Advertising Services.

The Group applies the new standard as of January 1st, 2018 with special emphasis on the identification of performance obligations included in contracts with customers and the evaluation of methods to estimate the amount and timing of variable consideration. The adoption of IFRS 15 did not have a material effect on the financial statements.

IAS 28 Investments in Associates and Joint Ventures. Modification forms part of the annual improvements to the IFRS 2014-2016 Cycle standards issued in December 2016, it clarifies that when an investment in an associate or joint venture is maintained directly or indirectly by an entity that is a venture capital organization or a collective investment fund, investment trust or other similar entity, including insurance funds linked to investments, the entity may choose to measure these investments at fair value through profit or loss in compliance with IFRS 9. An entity must choose this separately for each associate or joint venture at the initial recognition of the associate or joint venture. It also makes clear that if an entity that is not itself an investment entity has an equity in an associate or joint venture that is an investment entity, the entity when applying the Equity Method may retain the fair value measurement applied by the entity to that associate or joint venture that is an investment entity to the equities of the associate or joint venture that is an investment entity in subsidiaries. This election is made separately for each associated investment entity or joint venture, on the date subsequent to the date on which: (a) the investment in the associate or joint venture is initially recognized; (b) the associated investment or joint venture becomes an investment entity; and (c) the associated investment entity or joint venture first becomes a parent company.

These modifications have no material effect on the financial statements.

IAS 23 Borrowing Costs. The modification forms part of the annual improvements to the IFRS 2015-2017 Cycle standards issued in December 2017, establishes that to the extent that the funds of an entity come from generic loans and it uses them for obtaining a qualifying asset, this will determine the amount of the capitalization costs applicable by applying a capitalization rate to the expenditure made in said asset. The capitalization rate will be the weighted average of the borrowing costs applicable to all the loans received by the entity pending during the period. However, an entity shall exclude from this calculation the borrowing costs applicable to loans specifically agreed to finance a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are completed. The amount of borrowing costs that an entity capitalizes during the period will not exceed the total borrowing costs incurred during that same period.

These modifications had no effect, since the calculation had been carried out as established.

IAS 40 Investment Property. The amendment made in December 2016, has an effect on the transfer of investment property (reclassifications) caused by "change in its use", elaborating on that last term: a change in use occurs when the property meets, or fails to meet, the definition of investment property and there is evidence of change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. For that, we continue with the examples provided by the standard in paragraphs 57 and 58 (not substantially modified). Paragraphs 84C to 84E and 85G were added to define the transitional provisions when making investment property transfers.

In the Group, there was no effect associated with the implementation of said amendment, considering that it is included in the technical and financial definitions.

2.32.3 Application of New and Revised Standards

Changes to IFRS (new standards, amendments or interpretations), which have been published in the period, but have not yet been implemented by the Group, are detailed below:

Standard	Date of compulsory application	Change type
IFRS 17 Insurance Contracts	January 1st, 2021	New
IFRIC 23 Uncertainty over Income Tax Treatments	January 1st, 2019	New
IFRS 16 Leases	January 1st, 2019	New
IAS 28 Investments in Associates and Joint Ventures (Long-Term Investment in Associates and Joint Ventures)	January 1st, 2019	Amendment
IFRS 9 Financial Instruments (Prepayment Features with Negative Compensation)	January 1st, 2019	Amendment
IFRS 3 Business Combinations (Annual Improvements to IFRS Standards 2015–2017 Cycle - previously held interests in the assets and liabilities of the joint operation where control was obtained)	January 1st, 2019	Amendment
IFRS 11 Joint Arrangements (Annual Improvements to IFRS Standards 2015–2017 Cycle - previously held interests in the assets and liabilities of the joint operation where joint control was obtained)	January 1st, 2019	Amendment
IAS 12 Income Tax (Annual Improvements to IFRS Standards 2015–2017 Cycle - Income Tax Consequences of Payments on Financial Instruments Classified as Equity)	January 1st, 2019	Amendment
IAS 19 Employee Benefits - Plan Amendment, Curtailment or settlement	January 1st, 2019	Amendment
IFRS 3 Business Combinations – Amendment, Definition of a Business	January 1st, 2020	Amendment
IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, changes in accounting estimates and errors - Amendment, Definition of Material	January 1st, 2020	Amendment

IFRS 17 Insurance Contracts. Issued in May 2017, replacing IFRS 4, which was addressed as a provisional standard and that was being prepared in phases.

IFRS 17 resolves the comparison disadvantages generated by the application of IFRS 4, since it allowed the application of local standard and historical values in insurance contracts, now with this new standard, all insurance contracts will be recorded in a consistent manner and current values, generating more useful information for interest groups, which will allow a better understanding of the financial position and profitability of insurance companies, giving a more uniform presentation and measurement approach for all insurance contracts.

The Group is assessing the effects that the application of this new standard could cause.

The amendments will be of compulsory application for annual periods beginning on January 1st, 2021, but at the request of international insurers, the IFRS Foundation extended its application for an additional year, to be enforceable in 2022. Early application is permitted if IFRS 9 and IFRS 15 are applied.

IFRIC 23 Uncertainty over Income Tax Treatments. Issued in June 2017, this Interpretation attempts to resolve the issue of how to reflect in the financial statements, the uncertainty that arises from the accounting treatment applied in the tax returns, whether or not it is accepted by the tax authority. In the face of such uncertainty, the accounting treatment is considered an "uncertain accounting treatment" assessed to estimate the probability of acceptance by the tax authority. If accepted, the accounting tax position consistent with the tax treatment used or planned to be used in the income tax returns of the entity must be determined and if not, the effect of the uncertainty in the determination of the related accounting tax position must be reflected. In the latter case, the effect of the uncertainty must be estimated, using either the most probable quantity or the expected value method, depending on which method best predicts the solution of the uncertainty.

The Interpretation allows to apply any of the following approaches for the transition:

• Full retrospective approach: this approach can be used only if possible without the use of retrospective. The application of the new Interpretation will be registered in accordance with IAS 8, which means that the comparative information will have to be restated; or

• Modified retrospective approach: the restatement of comparative information is not required or permitted according to this approach. The cumulative effect of initially applying the Interpretation will be recognized in the opening equity at the date of the initial application, being the beginning of the annual reporting period in which the entity applies the Interpretation for the first time.

The Group is assessing the effects that the application of this interpretation could cause.

The interpretation will be of compulsory application for annual periods beginning on January 1st, 2019. Early application is permitted.

IFRS 16 Leases. Issued in January 2016, this new standard introduces an integral model for the identification of leases and accounting contracts for lessees and lessors. It will replace the current standards for the accounting treatment of the leases included in IAS 17 Leases and related interpretations, such as IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions in the Legal Form of a Lease.

The distinction between leases and service contracts is based on the control of the customer over the identified asset. For the lessee, the distinction between operating leases (off-balance sheet) and finance leases (on the balance sheet) is removed and replaced with a model in which an asset (right of use) and its corresponding liability must be recognized for all Leases (i.e., all on the balance sheet), except for short-term leases and leases of low-value assets.

Assets (right of use) are initially measured at cost and subsequently measured at cost (with certain exceptions) less the accumulated depreciation and impairment losses, adjusted for any reassessment of the lease liability. Lease liability is initially measured at the present value of future lease payments. Subsequently, the lease liability is adjusted to interest and lease payments, as well as to the impact of lease modifications, among others. In addition, the classification of cash flows will also be affected since operating lease payments under IAS 17 are presented as operating cash flows; While in model IFRS 16, lease payments will be divided into amortization to capital and a portion of interest that will be presented as cash flow for financing and operation, respectively.

In contrast to lessee accounting, IFRS 16 includes as accounting requirements for the lessor the same as that provided by IAS 17, i.e., it continues to require a lessor to classify a lease as an operating lease or a finance lease.

During 2018, the Group built the guidelines, the financial technical definitions and identified the impacts by the adoption of said standard in all fronts: processes, technology, people; In addition, an analysis was made for all the contracts that companies have to identify those that were affected.

The Group will have an approximate effect by the recognition of assets for right of use and lease liabilities of $544,575 measured at the present value of the remaining royalties for those contracts that were classified in accordance with IAS 17 in operating leases, discounted using an incremental interest rate on loans; it also includes the update of the asset and the liability for financial leases. For the latter, the asset recognized in property, plant and equipment will be reclassified to the asset for right of use.

The Group will adopt the standard using the Modified retrospective approach with recognition of the accumulated effect on retained profit as of January 1st, 2019, without comparative presentation of the financial statements prior to the date of application.

Short-term leases that do not exceed 12 months or that correspond to low-value underlying assets will not be recognized as right-of-use assets, in exchange, the Group will use the practical expedient and recognize those leases in the Statement of comprehensive income.

IAS 28 Investments in Associates and Joint Ventures - Long-Term Investment in Associates and Joint Ventures. The amendment to IAS 28, issued in October 2017, establishes how IFRS 9 must be applied to other financial instruments in Associates or Joint Ventures to which the Equity Method is not applied. These include long-term interests that, in essence, form part of the entity's net investment in an associate or joint venture. Modifications will be compulsory for annual periods beginning on January 1st, 2019. Early application is permitted.

IFRS 9 Financial Instruments. The amendments to IFRS 9, related to prepayment features with negative compensation, allow companies to measure financial assets, prepaid with negative compensation at amortized cost or fair value, through Other comprehensive income if a specific condition is met; instead of at fair value with profit or loss.

The Group is assessing the effects that the application of this amendment could cause.

Amendments will be of compulsory application for annual periods beginning on January 1st, 2019.

IFRS 3 Business Combinations. The amendment to IFRS 3, which is part of the annual improvements to IFRS standards 2015-2017 Cycle issued in December 2017, establishes that when control is obtained of a business where previously it was part of a joint operation and was entitled to assets and liabilities for liabilities relating to that joint operation before the acquisition date, the transaction is a business combination carried out in stages and the interest previously held in the joint operation must be remeasured.

These amendments do not have any material effect on the consolidated financial statements.

Amendments will be of compulsory application for annual periods starting on January 1st, 2019. Early application is permitted.

IFRS 11 Joint Arrangements. The amendment to IFRS 11, which forms part of the annual improvements to IFRS Standards 2015-2017 Cycle issued in December 2017, establishes that when joint control of a business is obtained where previously it was part of a joint operation but did not have joint control, the interest previously held in the joint operation should not be re-measured.

These amendments do not have any material effect on the financial statements.

Amendments will be of compulsory application for annual periods starting on January 1st, 2019. Early application is permitted.

IAS 12 Income Tax. Amendment to IAS 12, which is part of the annual improvements to IFRS standards 2015-2017 cycle issued in December 2017, makes clear that all the consequences of income tax on dividends (distribution of profits) must be recognized in Profits and losses, Other comprehensive income or Equity, depending on the initial recognition of the transaction. Specifically, it establishes that an entity will recognize the consequences of the dividend income tax as defined in IFRS 9 when it recognizes a liability to pay a dividend. The consequences of income tax on dividends are more directly linked to past transactions or events that generated distributable profits, than to distributions made to owners. Therefore, an entity recognizes the consequences of dividends on income tax in Profit for the period, other comprehensive income or Equity depending on where the entity originally recognized those transactions or past events.

The Group is assessing the effects that the application of this amendment could cause.

Amendments will be of compulsory application for annual periods starting on January 1st, 2019. Early application is permitted.

IAS 19 Employee Benefits - Plan Amendment, Curtailment or settlement. For the counting of current or actual service cost, both for the components of the defined benefit cost, and for the recognition and measurement of post-employment benefits - defined benefit plans and for other long-term employee benefits, making actuarial assumptions at the beginning of the annual reporting period will be required to determine the cost of current services. However, if an entity measures again the liability (asset) for net defined benefits in accordance with the current fair value of the assets of the plan and the current actuarial assumptions (paragraph 99), it will determine the cost of the services of the present yearly period for the remaining of the annual reporting period following the plan amendment, curtailment or settlement, by using the actuarial assumptions used to remeasure the liability (asset) for defined benefits in accordance with paragraph 99(b) - the benefits offered according to the plan and assets of the plan after plan amendment, curtailment or settlement. When a plan amendment, curtailment or settlement takes place, an entity shall recognize and measure the cost of the past service, or a profit or loss from the settlement.

Regarding the net interest on the net defined benefit liability (asset), it will be determined by multiplying the amount of this liability (asset) by the specified discount rate, i.e., the amount corresponding to the issuing of bond or high-quality corporate bonds in that currency or, failing this, the market yields of government bonds denominated in that currency.

The Group is assessing the effects that the application of this amendment could cause.

The interpretation will be of compulsory application for annual periods starting on January 1st, 2019. Early application is permitted.

IFRS 3 Business Combinations. The amendment to IFRS 3, issued in October 2018, clarifies the Definition of a Business, in order to help determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The new business definition is as follows: An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

Additionally, this amendment clarifies that, to be considered a business, a set of activities or assets must include at least one input and a substantive process that together contribute significantly to the ability to create products. It eliminates the assessment of whether market participants are able to replace any missing inputs or processes and continue to produce products and includes an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business.

The Group is assessing the effects that the application of this amendment could cause.

The amendment to IFRS 3 will be of compulsory application for annual periods starting on January 1st, 2020. Early application is permitted.

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. This amendment, issued in October 2018, modifies the definition of material, the new definition of material is as follows: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Additionally, some examples of circumstances that may cause important information to be hidden are included.

The Group is assessing the effects that the application of this amendment could cause.

The amendment to IAS 1AND IAS 8 will be of compulsory application for annual periods starting on January 1st, 2020. Early application is permitted.

2.32.4 Errors in Previous Periods

As of December 31, 2018, the company did not perform any adjustments to the consolidated financial statements for errors in previous periods.

2.32.5 Changes in Presentation

At the end of the 2018 period, considering the materiality of the figure and the nature of the concept, a change was made in the presentation of the Statement of comprehensive income for the 2017 period. The purpose of the reclassification is to facilitate the reading of the financial statements by the users of these. The item reclassified was the following:

Concept	Previous statement	Current statement	2017
Effect on equity due to changes in capital contributions or equity participation, without changes in control	premium for placement of shares	Other components of equty	(25,118)
Reversal loss due to Impairment on accounts receivable	Other income	Impairment loss on accounts receivable	32,432

Figures stated in millions of Colombian pesos

Note 3. Significant Accounting Judgments, Estimates, and Causes of Uncertainty in the Preparation of Financial Statements

The following are the significant judgments and assumptions, including those that involve accounting estimates that the Group management used in the application of the accounting policies under IFRS, and that have significant effect on the values recognized in the consolidated financial statements.

Estimates are based upon historic experience and as a function of the best information available on the facts analyzed by the cut-off date. These estimates are used for determining the value of the assets and liabilities in the consolidated financial statements, when it is not possible to obtain such value from other sources. The Group assesses its estimates on a regular basis. Actual results may differ from those estimates.

The significant estimates and judgments made by the Group are described below:

– **Assessment of the Existence of Impairment Indicators for the Assets, Goodwill and Assessment of Assets for Determining the Existence of Value Impairment Losses.**

The condition of the assets is revised on each report presentation date, in order to determine whether there are indications that any of them has suffered an impairment loss. If there is impairment loss, the recoverable amount of the asset is affected, if the estimated recoverable amount is lower, its value is reduced to its recoverable value and impairment loss is immediately recognized in Profit for the period.

The assessment of the existence of value impairment indicators is based on external and internal factors, and in turn on quantitative and qualitative factors. Assessment are based on financial results, the legal, social and environmental settings, and the market conditions; significant changes in the scope or fashion in which the asset or CGU is used or expected to be used and evidence about obsolescence or physical deterioration of and asset or CGU, among others.

Determining whether goodwill has suffered impairment implies the calculation of the value at use of the CGUs to which it has been assigned. The calculation of the value at use requires that the entity determines future cash flows that should arise from CGUs and a discount rate appropriate to calculate the current value. When the actual future cash flows are lower than expected, an impairment loss may arise.

– **Hypothesis Used in the Actuarial Estimate of the Post-Employment Obligations with Employees.**

The assumptions and hypothesis used in the actuarial studies include: demographic assumptions and financial assumptions, the former refer to the characteristics of the current and past employments, and relate to the mortality rate, employee turnover rates, the latter relate to the discount rate, the increases in future salaries, and the changes in future benefits.

– **Lifespan and Residual Values of Property, Plant and Equipment and Intangibles.**

In the assumptions and hypothesis used for determining the lifespans, technical aspects such as the following are considered: periodical maintenances and inspections made to the assets, failure statistics, environmental conditions and operating environment, protection systems, replacement processes, obsolescence factors, recommendations of manufacturers, climate and geographical conditions, and experience of the technicians that know the assets. Aspects such as market values, reference magazines, and historic sales data are considered for determining the residual value.

– **Assumptions used for Calculating the Fair Value of Financial Instruments Including the Credit Risk.**

The Group discloses the fair value corresponding to each class of financial instrument in such a way it allows comparing it with the recorded values. Macro-economic projections calculated within every company of the Group are used. Investment portfolio is valued at market price. In its absence, a similar one is looked for in the market and if not, assumptions are used.

Macro-economic rates are projected using the cash-flow methodology. Derivatives are estimated at fair value. Accounts receivable are estimated at the market rate in force and effect for similar credits. Accounts receivable from employees are valued in a similar way as massive debtors, except for mortgage credits.

The methodology used for equity investments is the cash flow; those quoted in the stock exchange are estimated at market prices; all others, are valued at historic cost.

– **Likelihood of Occurrence and Value of Contingent or Uncertain-Value Liabilities.**

The assumptions used for uncertain or contingent liabilities include the classification of the legal process by the “expert judgment” of the area professionals, the type of contingent liability, the possible legislative changes, and the existence of high-court rulings that applies to the concrete case, the existence of similar cases in the Group, the study and analysis of the substance of the issue, the guarantees existing at the time of the events. The Group shall disclose and not recognized in the financial statements those obligations classified as possible; obligations classified as remote are not disclosed nor recognized.

– **Future Expenditure for Asset Dismantlement and Retirement Obligations.**

In the assumptions and hypothesis used for determining future expenditure for asset dismantlement and retirement obligations, aspects such as the following were considered: estimate of future outlays in which the Group must incur for the execution of those activities associated to asset dismantlement on which legal or implicit obligations have been identified, the initial date of dismantlement or restoration, the estimated date of finalization and the discount rates.

– **Determination of the Existence of Financial or Operating Leases Based on Risk Transfer and Benefits of the Leased Assets.**

The significant assumptions that are considered to determine the existence of a lease include the assessment of the conditions if the right to control the use of the asset is transmitted for a period of time in exchange for a consideration, i.e., the existence of an identified asset is assessed; the right to obtain substantially all economic benefits from the use of the asset over the period of use; the right to direct how and for what purpose the asset is used throughout the period of use; the right to operate the asset over the period's use without any changes in the operating instructions.

– **Recoverability of Deferred Tax Assets.**

Deferred tax asset has been generated by the temporary differences that generate future fiscal consequences in the financial position of the companies within the Group; these differences are essentially represented in fiscal assets that exceed the assets under IFRS, and in fiscal liabilities, lower than the liabilities under IFRS, such as it is the case of the pension liability components, the amortized cost of bonds, financial leasing, and other sundry provisions and contingencies provision.

The Group's deferred tax asset is recovered in the net income taxed on the current income tax generated by each company within the Group.

– **Determination of Control, Significant Influence or Joint Control over an Investment.**

Investment on Ecosistema de Morelos S.A. de C.V. without control.

As of December 31, 2017, The Group had 80% of the equity instruments of Ecosistema de Morelos S.A. de C.V., Therefore, it owned more than half of voting rights, however, due to investment contractual agreements between the Group and the minority shareholders, the Group lost the power to direct its relevant activities, select and remove the majority of the Board of Directors members. Consequently, Ecosistema de Morelos S.A. de C.V. was not consolidated on the Group's financial statements, this investment was incorporated through the subsidiary Tecnología Intercontinental S.A. de C.V. (TICSA) and Proyectos de Ingeniería Corporativa S.A. de C.V. as investments on financial instruments measured at fair value with changes in income. On November 23, 2018, the affiliates TICSA and Proyectos de Ingeniería corporativa S.A. de C.V. entered into a contract of purchase-sale of shares, where the whole of shares they possessed from the Ecosistema de Morelos S.A. de C.V. company were sold and transferred to the companies Terrabrio S.A.P.I. de C.V. and Ecosistema de Sonora S.A.P.I. de C.V. This transaction had no effect on the profit for the period given that the exchange rate for $39,052,355 MXN ($6,176 COP), corresponded to the accounting value of said shares, measured at fair value.

On December 15, 2017, the affiliate TICSA entered into a purchase-sale contract of shares, where it sells and transfers all shares it possessed of the company Aquasol Pachuca S.A. of C.V. to the company Ecosistema de Sonora S.A.P.I. of C.V. See Note 39. Effect of participation in equity investments. At the date of the transaction, the Group had 57.6% of the equity instruments of Aquasol Pachuca S.A. of CV, therefore owning more than half of the voting rights, however, due to contractual investment agreements between the Group and minority investors, the Group lost the power to direct its relevant activities, select and remove the majority of the members of the Board of Directors. Consequently, Aquasol Pachuca S.A. of C.V. was not consolidated, this investment was included in the Group's financial statements through the subsidiary TICSA as investments in financial instruments measured at fair value with changes in income.

– **Assessment of Portfolio Deterioration**

For the calculation of the expected credit loss, each obligation is assigned an individual probability of non-payment that is calculated from a probability model involving sociodemographic, product and behavior variables.

The model uses a window of twelve months, which is why for an obligation to be provisioned at a certain percentage in the same period is assessed. The model will be applied based on the Scorecard developed considering the information of every company within the Group. The models are defined according to the information available and the characteristics of the population groups for each one. Even though the methodology applies to all accounts with balance, some exclusions must be considered, such as: accounts derecognized; self-consumptions; contributions; public lighting and in general charges from third parties. For its calculation, it is previously defined the moment from which it is considered that an obligation was defaulted and will not be recovered.

With this information the calculation of the expected request is made as follows:

PE = PI x SE x PDI, where:

Probability of Default (PI): this corresponds to the probability that, within a period of twelve months, the debtors of a certain segment and portfolio rating incur in default.

Outstanding Balance of the Asset (SE): corresponds to the balance of capital, balance of interests, and other current charges of the obligations.

Default Losses (PDI): defined as the economic deterioration that the entity would incur in the event that any of the default situations materialize.

- **Revenue Estimates**

The Group recognizes income from the sale of goods and the rendering of services to the extent that the performance requirements for the Group are met, regardless of the date on which the corresponding invoice is issued, to carry out this estimate information from contracts or agreements with customers is taken and so the value to be recognized in revenue is stablished.

When the moment at which revenue should be recognized is uncertain, the Group determines to recognize the revenue at the moment in which the performance obligation is satisfied, for those performance obligations that are satisfied over time it is common to use the method of the measured resource as the actually executed costs compared to the estimated costs.

For other concepts different from the supply of residential public utilities, the Group estimates and recognizes the value of revenues from sales of goods or rendering of services based on the terms or conditions of interest rate, period, etc., of each contract that causes the sale.

In the month after recording the estimated revenue, its value is adjusted by the difference between the value of the actual revenue already known against the estimated revenue.

- **Operating Segments**

The determination pf the operating segments is done using information that is regularly provided to the highest decision-making authority in the Group and the segmentation of said information is identified. Once these segments have been identified, the capacity to generate income and incur costs and expenses of the identified groups is analyzed. Likewise, identification of whether the highest decision-making authority reviews the returns and allocates resources based on this segmentation is performed; finally, they review if there is disaggregated financial information that supports this segmentation. In addition to the above factors, the focus and management of the Group is analyzed, in order to consider, to date, possible segments that may arise in the future, according to its strategy.

Note 4. Significant Transactions and Other Relevant Aspects During the Period

The significant transactions and other relevant aspects that occurred during the period, different from those of the normal business of the Group, are related to the contingencies of the Ituango Hydroelectric Project, that took place on April 28, 2018 due to a geological event that blocked the diversion tunnel of the Cauca River with approximately 160 thousand cubic meters of rock and soil, which caused the occluding and flooding of the dam. As a result, EPM has led its decisions prioritizing the protection of the communities and the environment in the first place and after that the infrastructure of the project. Therefore, on May 7, 2018, the decision was made to drain the dammed water through the powerhouse of the future power generation plant for rechanneling it to its traditional flow into the Cauca River and thus lower the water level of the dam. On January 16 and February 5, 2019, the intake gates No. 2 and No. 1, respectively, were closed, thus cutting the waterflow through the powerhouse. From February 8, 2019, the recovery of the flow of the Cauca River began through the flow of water through the tailrace.

In relation to the foregoing, the EPM Group has recognized in its consolidated financial statements as of December 31, 2018, the following:

- Cost and progress of the construction of the Ituango hydroelectric project for $9,368,040 (see Note 5).
- Provision for $38,877 for the care of those affected in the Puerto Valdivia municipality, as compensation for emerging damages, lost profits and moral damages, due to the flooding waters of the Cauca River as a result of the blockage of the site on April 28, 2018. In addition to the provision for $42,917 for the care of people who had to be evacuated as a result of said event (see Notes 28.1.5 and 35).
- Provision for $137,318 of guarantee for the reliability charge covered by the construction and setting up of the Pescadero Ituango Hydroelectric Plant (see Notes 28.1.5 and 35).
- Provision for $31,388 for environmental contingency, established by the specific action plan for the recovery of the parties affected by the occluding events of the diversion tunnel of the Cauca River that happened at the site on April 28, 2018 and by the closing of floodgates that decreased the flow of the river downstream of the site. (see Notes 28.1.1 and 35).
- Provision for $101,797 for the breach, from January to October 2021, to the Intercolombia transporter for the months after the connection infrastructure of the Ituango project comes into operation.
- Loss for $78,295 corresponding to retirement of assets due to the contingency. (see Note 36).
- Other expenses of $45,639 recognized for the attention of the community affected by the contingency. (see Note 36).

Note 5. Property, Plant and Equipment, Net

The breakdown of the recorded value for property, plant and equipment is as follows:

Property, plant and equipment	2018	2017
Cost	42,120,534	38,189,365
Accrued depreciation and impairment loss	(7,631,935)	(6,709,269)
Total	**34,488,599**	**31,480,096**

Figures stated in millions of Colombian pesos

The following is the breakdown of the recorded value for temporarily idle property, plant and equipment:

Temporarily idle property, plant and equipment	2018	2017
Plants, pipelines and tunnels	34,572	57,876
Land and buildings	21,508	9,076
Networks, lines and cables	1,489	83
Other property, plant and equipment	105	976
Machinery and equipment	33	220
Total temporarily idle property, plant and equipment	**57,707**	**68,231**

Figures stated in millions of Colombian pesos

The most significant variation is due to the components of the small power generation plants: Rio Piedras, and Dolores; For the Dolores power plant, a modernization project is underway, and commissioning is expected in 2019, for Rio Piedras the business is looking at alternatives. The land belongs to the Porce IV project that was not executed and that the company has not yet made decisions on and the project land of Espiritu Santo that has not yet started.

For the 2018 and 2017 periods the Group does not possess decommissioned property, plant and equipment that has not been classified as non-current assets held for sale.

The following is the movement of cost, depreciation and impairment of property, plant and equipment:

2018	Networks, lines and cables	Plants, pipelines and tunnels[(2)]	Construction in progress[(1)]	Land and buildings	Machinery and equipment	Communication and computer equipment	Furniture, fixtures and office equipment	Other property, plant and equipment[(3)]	Total
Initial balance	9,750,271	9,910,586	10,824,257	6,083,884	728,530	385,321	130,617	375,900	38,189,366
Additions[(4)]	33,100	35,300	3,938,568	19,680	19,834	47,031	2,260	30,360	4,126,133
Advanced payments (amortized) made to third parties	318	-	19,093	-	-	(86)	-	1,106	20,431
Transfers (-/+)	988,873	1,757,066	(3,060,750)	38,290	42,242	16,843	18,971	(8,937)	(207,402)
Disposals (-)	(21,331)	(40,108)	(81,212)	(3,789)	(16,720)	(28,161)	(2,031)	(5,278)	(198,630)
Effect due to currency exchange	180,742	144,889	25,885	35,965	38,040	6,205	1,395	3,383	436,504
Effect due to loss of control on subsidiary	-	-	(27,129)	-	8	(11)	-	-	(27,132)
Other changes	69,462	(88,023)	(239,925)	52,888	(8,270)	9,561	(19,550)	5,121	(218,736)
Final balance	**11,001,435**	**11,719,710**	**11,398,787**	**6,226,918**	**803,664**	**436,703**	**131,662**	**401,655**	**42,120,534**
Accrued depreciation and impairment loss									
Initial balance of accrued depreciation and impairment loss	(2,784,511)	(2,546,524)	(1,074)	(731,260)	(249,969)	(225,501)	(54,765)	(115,666)	(6,709,270)
Depreciation for the period	(370,797)	(261,731)	-	(80,647)	(44,727)	(46,113)	(10,775)	(14,397)	(829,187)
Disposals (-)	5,402	21,861	-	127	2,462	26,620	1,886	4,468	62,826
Transfers (-/+)	-	6,122	-	(6,292)	168	6	19	4	27
Effect due to currency exchange	(73,417)	(83,373)	(93)	(6,430)	(13,111)	(4,688)	(584)	(2,372)	(184,068)
Effect due to loss of control on subsidiary	-	-	-	-	-	11	-	-	11
Other changes	7,032	4,427	128	302	9,733	(2,892)	10,431	(1,435)	27,726
Final balance accrued depreciation and impairment loss	**(3,216,291)**	**(2,859,218)**	**(1,039)**	**(824,200)**	**(295,444)**	**(252,557)**	**(53,788)**	**(129,398)**	**(7,631,935)**
Total final balance property, plant and equipment	**7,785,144**	**8,860,492**	**11,397,748**	**5,402,718**	**508,220**	**184,146**	**77,874**	**272,257**	**34,488,599**
Advanced payments made to third parties									
Initial balance	518	-	33,305	-	-	86	-	1,196	35,105
Movement (+)	318	96	75,280	-	-	-	-	1,524	77,218
Movement (-)	-	(96)	(56,187)	-	-	(86)	-	(418)	(56,787)
Difference in exchange adjustment	23	-	60	-	-	-	-	-	83
Final balance	**859**	**-**	**52,458**	**-**	**-**	**-**	**-**	**2,302**	**55,619**

Figures stated in millions of Colombian pesos

2017	Networks, lines and cables	Plants, pipelines and tunnels	Construction in progress[1]	Land and buildings	Machinery and equipment	Communication and computer equipment	Furniture, fixtures and office equipment	Other property, plant and equipment[2]	Total
Initial balance	8,689,990	9,523,236	8,619,544	5,940,864	658,242	316,017	95,773	307,539	34,151,205
Business combinations[3]	17,882	4,543	9,702	26,697	1,057	370	86	890	61,226
Additions[4]	74,848	38,773	3,968,418	47,777	19,313	47,211	9,880	95,374	4,301,594
Advanced payments (amortized) made to third parties	105	-	(25,102)	-	-	86	-	1,196	(23,715)
Transfers (-/+)	761,138	608,283	(1,709,156)	42,547	69,883	19,699	26,688	(20,547)	(201,464)
Disposals (-)	(23,359)	(31,473)	(488)	(3,795)	(17,977)	(9,210)	(2,998)	(5,278)	(94,578)
Effect due to currency exchange	15,393	(11,777)	13,855	(1,248)	381	685	1,252	1,353	19,895
Other changes	214,274	(220,999)	(52,516)	31,042	(2,369)	10,462	(65)	(4,627)	(24,798)
Final balance	**9,750,271**	**9,910,586**	**10,824,257**	**6,083,884**	**728,530**	**385,320**	**130,616**	**375,899**	**38,189,365**
Accrued depreciation and impairment loss									
Initial balance of accrued depreciation and impairment loss	(2,454,713)	(2,243,100)	(836)	(623,425)	(218,014)	(183,308)	(36,678)	(125,021)	(5,885,095)
Depreciation for the period	(335,227)	(268,090)	-	(67,407)	(63,191)	(46,578)	(8,431)	(23,535)	(812,459)
Impairment for the period	-	(52,472)	19	(4,122)	(38)	(2)	-	(4)	(56,619)
Disposals (-)	14,905	11,688	-	3,614	10,440	8,529	2,843	4,463	56,482
Effect due to currency exchange	(9,620)	745	(15)	(38,992)	20,653	(13,017)	(12,683)	29,189	(23,740)
Business combination	(7,078)	(1,683)	-	(8,562)	(628)	(292)	(54)	(547)	(18,844)
Other changes	7,223	6,388	(242)	7,634	809	9,166	239	(210)	31,007
Final balance accrued depreciation and impairment loss	**(2,784,510)**	**(2,546,524)**	**(1,074)**	**(731,260)**	**(249,969)**	**(225,501)**	**(54,765)**	**(115,666)**	**(6,709,268)**
Total final balance property, plant and equipment	**6,965,761**	**7,364,062**	**10,823,183**	**5,352,624**	**478,561**	**159,819**	**75,852**	**260,233**	**31,480,097**
Advanced payments made to third parties									
Initial balance	413	-	58,407	-	-	-	-	-	58,820
Movement (+)	97	-	122,711	-	-	86	-	1,205	124,099
Movement (-)	-	-	(141,794)	-	-	-	-	(10)	(141,803)
Difference in exchange adjustment	8	-	(6,019)	-	-	-	-	-	(6,010)
Final balance	**518**	**-**	**33,305**	**-**	**-**	**86**	**-**	**1,196**	**35,105**

Figures stated in millions of Colombian pesos

Property, plant and equipment exhibit a variation compared to 2017, mainly due to the construction of infrastructure in the different businesses of the company, of which, the most relevant corresponds to the construction of the Ituango Hydroelectric Project, for $1,752,025.

[1] Includes capitalization of loans for $332,874 (2017: $275,161), the weighted average effective rate used to determine the amount of borrowing costs was 7.85% in Colombian pesos and 5.73% in USA dollars (2017: 8.40% and 4.01%).

[2] Plants, pipelines and tunnels present an increase corresponding to the entry into operation of the Aguas Claras Wastewater Treatment Plant.

[3] Includes equipment and vehicles of the automotive fleet, medical and scientific equipment, property, plant and equipment in assembly, property, plant and equipment in transit and replacement assets, transportation equipment, traction and elevation, dining equipment, kitchen, pantry and lodging.

[4] Includes purchases, capitalized expenditure that meets the recognition criteria, goods received from third parties and costs for dismantling and removing elements of property, plant and equipment. At the end of 2018 and 2017 no grants were received from the Government.

The following are the main projects under construction:

Project	**2018**	**2017**
Ituango[(1)]	9,368,040	7,616,015
Other Projects	859,740	784,259
Construction, Expansion and Maintenance of substations, networks, lines and branch cables *DECA*	435,911	415,474
Substations, Networks, Lines and Loss-Control *ESSA*	227,104	199,387
Substations, Lines and Network Growth *ENSA*	181,109	129,962
Expansion of *STN* , *STR* , Networks, Lines and Loss-Control *CENS*	103,773	150,955
Substations, Networks, Lines and Loss-Control *CHEC*	67,163	70,551
Aqueduct and Sewage Networks *Aguas Regionales EPM*	26,709	20,516
Empresas Publicas de Rionegro Projects	23,017	
EMVARIAS Projects - *Vaso Altair* (Stage 3)	22,962	2,521
San Nicolas D . Conection - Main	20,924	33,045
Transmission Projects Chile	16,510	-
Distribution Networks and *GIS* Implementation, *Delsur*	14,893	20,271
Expansion and Replacement of Plants, Networks, Lines and Cables *EDEQ*	14,079	12,207
A. Malambo Projects - Aqueduct and Sewage Networks	8,479	8,159
Water Treatment Plants *TICSA Group*	5,003	30,853
Projects *Wind Farm (Parque Eólico) Los Cururos*	1,778	2,533
Southwather Projects	280	-
Aguas de Oriente Projects	273	142
Desalination and Drinking Water and Wastewater Networks *ADASA*	-	147,216
Bello *Aguas Claras* Wastewater Treatment Plant		1,179,116
Total	**11,397,748**	**10,823,183**

Figures stated in millions of Colombian pesos

[(1)] As of December 31, 2018, the Ituango Hydroelectric Project presented a physical advance of 88.2% (2017: 80.5%). It is estimated that the first power generation unit could start operating as of the last quarter of 2021. However, this start date is very dynamic, due to the changes that occur in the technical variables and the evolution and efficiency of the measures implemented to address the contingency of the Ituango Hydroelectric Project, that took place on April 28, 2018 due to a geological event that blocked the diversion tunnel of the Cauca River with approximately 160 thousand cubic meters of rock and soil, which caused the occluding and flooding of the dam. As a result, EPM has led its decisions prioritizing the protection of the communities and the environment in the first place and after that the infrastructure of the project. Therefore, on May 7, 2018, the decision was made to drain the dammed water through the powerhouse of the future power generation plant for rechanneling it to its traditional flow into the Cauca River and thus lower the water level of the dam

[(2)] As of the cut-off date of the financial statements, it was not possible to estimate the value of the real damages to the powerhouse, both in the civil works component and in the electromechanical equipment component. Once the passage of water from the reservoir through the facilities can be restricted and the water remaining in the reservoir can be emptied, a clear and precise assessment of the damages can be performed, and the adjusted estimates can be made regarding the time of interventions, recovery engineering and the works to be implemented to fully recover this component of the project, using updated information.

At the end of the period, impairment testing was performed on assets linked to a CGU and have intangible assets with indefinite useful lives, which did not show impairment.

As of December 31, 2018, there are restrictions on the realization of the property, plant and equipment, associated to some equipment of the automotive fleet for a net recorded value of $2 (2017: $6). These restrictions are due to theft, personal injury and garnishments and have been affected as a guarantee for compliance with obligations.

The most significant commitments of acquisition of property, plant and equipment of the company at the cut-off date amount to $3,452,179 (2017: $1,190,791).

The following is the historical cost of the fully depreciated property, plant and equipment that continue in operation as of December 31, 2018 and 2017:

Group	2018	2017
Communication and computer equipment[1]	51,411	55,196
Plants, pipelines and tunnels	20,085	1,208
Machinery and equipment	12,602	18,120
Networks, lines and cables	12,312	9,114
Furniture and fixtures	9,572	11,010
Otras propiedades, planta y equipo	5,713	6,772
Total	**111,695**	**101,420**

Figures stated in millions of Colombian pesos

[(1)] The most significant variation in Communication and computer equipment, is due to losses by the replacement plan in 2018, likewise, with the revision of annual lifespans it was possible to identify assets that were not in operation and were found totally depreciated, thus were decommissioned.

Note 6. Investment Property

The fair value of investment property is based on an appraisal made by experts with recognized professional capacity and recent experience in the category of real estate investments subject to assessment; this value has been determined by officials of the EPM Group, appraisal specialists or by independent appraisal companies such as Corporación Avaluos Lonja Inmobiliaria, Activos e Inventarios Limitada, Panamericana de Avaluos S.A. To determine the fair value of investment property, the comparative or market method is used, which consists of deducting the price by comparing transactions, supply and demand and appraisals of similar or comparable properties, previous adjustments of time, conformation and location; the residual method, which applies only to buildings and is based on the determination of the cost of the updated construction less the depreciation for age and state of conservation; and the income method, which is used to determine the possible value of a good according to its capacity to generate revenue, taking into account the probable monthly royalty value that tenants would be willing to pay in the market of leases. See Note 44. Fair value measurement on a recurring and non-recurring basis.

Investment Property	2018	2017
Initial Balance	126,740	124,589
Net Profit (Loss) due to Adjustment in Fair-Value[1]	3,873	10,373
Disposals (-)	-	(161)
Foreign currency exchange effects	889	(44)
Transfers[2] (-/+)	(40,120)	(9,180)
Other Changes	-	1,163
Final Balance	**91,382**	**126,740**

Figures stated in millions of Colombian pesos

(1) See detail in Note 33. Other Revenue and Note 36. Other Expenses.

(2) Includes transfers to property, plant and equipment from investment properties.

Revenue from leases of investment property for the period amounted to $657 (2017: $669). Direct expenses related to investment property were $61 (2017: $68).

As of December 31, 2018, and 2017 there were no contractual obligations to acquire, construct or develop investment property or for repairs, maintenance or improvements to them.

As of December 31, 2018, there are no contractual restrictions on investment property.

Note 7. Other Intangible Assets

The breakdown of the recorded value for intangible assets is as follows:

Intangible Assets	2018	2017
Cost	**6,832,185**	**6,445,876**
Goodwill	3,325,834	3,349,147
Other Intangibles	3,506,351	3,096,729
Impairment Loss	**(293,567)**	**(288,475)**
Goodwill	(293,567)	(288,475)
Accrued Amortization and Impairment Loss	**(1,190,393)**	**(1,020,276)**
Other Intangibles	(1,190,393)	(1,020,276)
Total	**5,348,225**	**5,137,124**

Figures stated in millions of Colombian pesos

The movement of cost, amortization and impairment of intangible assets is detailed below:

2018	Goodwill	Concessions and Similar Rights	Capitalized Development Expenses	Software and IT Applications	Licenses	Rights	Other Intangible Assets[1]	Total
Initial Balance Cost	3,349,147	1,899,895	71,454	243,145	115,548	53,964	712,723	6,445,876
Additions[2]	-	25,762	15,100	27,936	13,624	-	7,478	89,900
Advanced Payments made to Third Parties	-	860	-	-	-	-	-	860
Transfers (-/+)	-	101,489	(47,794)	49,565	10,932	-	37,333	151,525
Disposals (-)	-	(18,236)	-	(2,487)	(2,353)	(83)	(1,040)	(24,199)
Recalls	-	-	-	-	(7)	-	(356)	(363)
Foreign Currency Exchange Effects	(23,313)	(53,761)	1,316	8,569	4,831	342	(11,516)	(73,532)
Other Changes	-	318,297	-	2,871	278	(42,019)	(37,309)	242,118
Final Balance Cost	**3,325,834**	**2,274,306**	**40,076**	**329,599**	**142,853**	**12,204**	**707,313**	**6,832,185**
Initial Balance Accrued Amortization and Impairment	(288,476)	(702,567)	(5,623)	(116,523)	(64,806)	(1,615)	(129,141)	(1,308,751)
Amortization for the Period[3]	-	(81,724)	(506)	(31,448)	(13,622)	(485)	(35,136)	(162,921)
Impairment for the Period	-	6,052	-	-	-	-	-	6,052
Disposals (-)	-	-	-	2,450	2,316	-	-	4,766
Transfers (-/+)	-	2,750	-	-	-	-	(2,753)	(3)
Recalls	-	-	-	-	-	-	356	356
Foreign Currency Exchange Effects	(5,091)	13,659	(551)	(3,537)	(3,282)	(56)	(1,544)	(402)
Other Changes	-	(46,158)	5	(1,959)	(849)	99	25,805	(23,057)
Final Balance Accrued Amortization and Impairment	**(293,567)**	**(807,988)**	**(6,675)**	**(151,017)**	**(80,243)**	**(2,057)**	**(142,413)**	**(1,483,960)**
Final Balance Intangible Assets, Net	**3,032,267**	**1,466,318**	**33,401**	**178,582**	**62,610**	**10,147**	**564,900**	**5,348,225**

Figures stated in millions of Colombian pesos

2017	Goodwill	Concessions and Similar Rights	Capitalized Development Expenses	Software and IT Applications	Licenses	Rights	Other Intangible Assets[1]	Total
Initial Balance Cost	3,202,442	1,713,944	46,323	217,412	115,862	51,438	491,795	5,839,216
Business Combinations	-	-	-	-	-	-	504	504
Additions[2]	-	56,339	25,133	22,517	8,408	-	2,447	114,844
Transfers (-/+)	-	9,954	-	16,395	912	-	104,798	132,059
Disposals (-)	-	-	-	(9,368)	(9,921)	-	(425)	(19,714)
Foreign Currency Exchange Effects	146,705	117,830	(83)	(461)	(279)	34	39,254	303,001
Other Changes	-	1,828	82	(3,351)	566	2,492	74,348	75,965
Final Balance Cost	**3,349,147**	**1,899,895**	**71,455**	**243,145**	**115,548**	**53,964**	**712,722**	**6,445,876**
Initial Balance Accrued Amortization and Impairment	(283,625)	(476,652)	(1,471)	(98,909)	(61,623)	(967)	(126,773)	(1,050,020)
Amortization for the Period[3]	-	(66,685)	(499)	(21,895)	(9,353)	(486)	(37,103)	(136,021)
Impairment for the Period	-	(1,207)	(2,394)	-	(663)	-	(2,061)	(6,324)
Disposals (-)	-	-	-	8,640	9,268	-	-	17,908
Foreign Currency Exchange Effects	(4,851)	(156,436)	(9)	(4,135)	(2,384)	(242)	15,173	(152,885)
Other Changes	-	(1,589)	(1,250)	(223)	(51)	80	21,623	18,590
Final Balance Accrued Amortization and Impairment	**(288,476)**	**(702,569)**	**(5,622)**	**(116,522)**	**(64,806)**	**(1,615)**	**(129,141)**	**(1,308,752)**
Final Balance Intangible Assets, Net	**3,060,671**	**1,197,326**	**65,833**	**126,623**	**50,742**	**52,349**	**583,581**	**5,137,124**

Figures stated in millions of Colombian pesos

[1] Includes easements, intangibles related to customers and other intangibles corresponding to premiums at gas service stations.

[2] Includes purchases, capitalizable expenditure that meets the recognition criteria and concessions. In 2018, the purchases associated with capitalized development expenditure were earmarked for IT projects: OPEN Migration and EAM Asset Management. At the end of 2018 and 2017 no grants were received from the Government.

[3] See note 34 Costs of services rendered and note 33 Administrative expenses.

At the end of the period, impairment testing was performed on assets linked to a CGU and have intangible assets with indefinite useful lives, which did not show impairment.

At the end of the periods, impairment testing was performed on assets for those intangibles with an indefinite lifespan. The detail of the impairment recognized in the statement of comprehensive income can be found in note 8. Impairment of assets.

The lifespans of intangible assets are:

Concessions and similar rights	As contract effective term
Easements	Indefinite
Capitalized development expenses	Indefinite
Software and IT applications	Indefinite/ finite 3 to 5 years
Licenses	Indefinite/ finite 3 to 5 years
Rights	As contract effective term
Other intangible assets	Indefinite/ finite 7 to 15 years

Amortization of intangibles is recognized as costs and expenses in the Statement of comprehensive income, section Profit for the period, in the item Costs of services rendered and administrative expenses.

As of December 31, 2018, and 2017, no restrictions on the realization of intangible assets were identified and no contractual commitments were identified for the acquisition of said assets.

The recorded value at the cut-off date and the remaining amortization period for significant assets is:

Relevant Intangible Assets	**Lifespan**	**Remaining Amortization Period (Years)**	**2018**	**2017**
Goodwill	Indefinida	-	3,032,267	3,060,672
Easement Lines Corridor 53	Indefinida	-	63,040	61,530
Easement Lines Corridor 52	Indefinida	-	29,525	25,606
Concession Chile	Definida	15	914,472	904,379
Elektra Noreste S.A. - Business Management System SAP	Definida	10	39,532	36,807
Distribución Electrica del Sur - Business Management System SAP	Definida	6	14,976	15,854

Figures stated in millions of Colombian pesos

The amortization of intangible assets is recognized as costs for $ 137,180 (2017: $ 94,488) and as expenses for $ 25,740 (2017: $ 41,533) in the statement of comprehensive income, section profit for the period, in the lines of Costs of Services Rendered (Note 34) and Administrative Expenses (Note 35).

The following intangible assets have an indefinite lifespan: goodwill and easements, the latter are agreed in perpetuity.

By definition, an easement is the real, perpetual or temporary right over another property, under which it can be used, or exercise certain rights of disposal, or prevent the owner from exercising some of their property rights (Art. 2970 of the Colombian Civil Code). In the Group, easements are not treated individually, since they are constituted for public utility projects, where the general interest prevails over the individual, considering that the objective is to improve the quality of life of the community; the aforementioned projects do not have a definite temporality, that is why they are constituted in perpetuity supported in their use. However, there are some easements with a definite useful life, because they are tied to the useful life of the main asset required by the easement.

As of December 2018, and 2017 the intangible assets with indefinite lifespans have a recorded value of $3,218,138 and $3,199,880 respectively.

Intangible Assets with Indefinite Lifespans	2018	2017
Goodwill		
Aguas de Antofagasta	1,611,530	1,669,881
Empresa electrica de Guatemala S.A.	955,695	929,781
Proyecto Central Generacion Ituango	177,667	177,667
Elektra Noreste S.A.	119,041	115,106
Espiritu Santo	82,981	82,981
Tecnologia Intercontinental S.A. de C.V.	1,263	1,167
Empresas Varias de Medellin S.A. E.S.P	78,642	78,642
Empresa de Energia del Quindio S.A. E.S.P.	5,135	5,135
Surtigas Necocli	303	303
Central Hidroelectrica de Caldas S.A. E.S.P	10	10
Subtotal Goodwill	**3,032,267**	**3,060,672**
Other Intangible Assets		
Easements(1)	185,871	139,208
Subtotal Other Intangible Assets	**185,871**	**139,208**
Total Intangible Assets with Indefinite Lifespans	**3,218,138**	**3,199,880**

Figures stated in millions of Colombian pesos

(1) The variation presented by easements is mainly due to the transfers to operations carried out in the following projects: Linea Bello Guayabal-Ancon, Linea la Sierra-Cocorna y San Lorenzo.

Note 8. Impairment of Assets

8.1 Impairment of Investments in Subsidiaries, Associates and Joint Ventures

At the date of presentation of the financial statements no impairment losses were recognized in the Statement of comprehensive income, related to investments in subsidiaries, associates and joint ventures.

The cumulative effect of recognized impairment losses is presented below:

Cash Generating Unit (CGU)	Recorded Value		Reversal of Impairment Loss	
	2018	2017	2018	2017
Power Generation Segment				
Goodwill	260,647	260,647	-	-
Easements	770	747	-	-
Liceses			-	663
Development Phase Expenditures			-	2,394
Other intangibles			-	2,061
Land			-	(164)
Ongoing Constructions			-	(19)
Buildings			-	(165)
Plants, Pipelines and Tunnels			-	56,930
Machinery and Equipment			-	38
Communication and Computing Equipment			-	
Transport, Traction and Lifting Equipment			-	
Generation	**261,417**	**261,394**	**-**	**61,738**
Power Transmission Segment				
Easements	127,058	91,896	-	-
Transmission	**127,058**	**91,896**	**-**	**-**
Power Distribution Segment				
Goodwill	1,079,883	1,050,031	-	-
Easements	54,373	39,158	-	-
Distribution	**1,134,256**	**1,089,189**	**-**	**-**
Natural Gas Segment				
Goodwill	303	303	-	-
Easements	3,680	3,512	-	-
Natural Gas	**3,983**	**3,815**	**-**	**-**
Water Supply Segment				
Goodwill	1,466,492	1,519,592	-	-
Easements	2,994	2,520	-	-
Water Supply	**1,469,486**	**1,522,112**	**-**	**-**
Sanitation Segment				
Goodwill	224,942	230,098	-	-
Easements	1,052	454	-	-
Concessions and franchises			6,052	1,207
Sanitation Segment	**225,994**	**230,552**	**6,052**	**1,207**
Total	**3,222,194**	**3,198,958**	**6,052**	**62,945**

Figures stated in millions of Colombian pesos

8.2 Impairment Loss of Cash Generating Units (CGU)

The recorded value of the goodwill and the intangible assets with indefinite useful life associated with each CGU are broken down below:

Cash Generating Unit (CGU)	Recorded Value		Reversal of Impairment Loss	
	2018	2017	2018	2017
Power Generation Segment				
Goodwill	260,647	260,647	-	-
Easements	770	747	-	-
Liceses			-	663
Development Phase Expenditures			-	2,394
Other intangibles			-	2,061
Land			-	(164)
Ongoing Constructions			-	(19)
Buildings			-	(165)
Plants, Pipelines and Tunnels			-	56,930
Machinery and Equipment			-	38
Communication and Computing Equipment			-	
Transport, Traction and Lifting Equipment			-	
Generation	**261,417**	**261,394**	**-**	**61,738**
Power Transmission Segment				
Easements	127,058	91,896	-	-
Transmission	**127,058**	**91,896**	**-**	**-**
Power Distribution Segment				
Goodwill	1,079,883	1,050,031	-	-
Easements	54,373	39,158	-	-
Distribution	**1,134,256**	**1,089,189**	**-**	**-**
Natural Gas Segment				
Goodwill	303	303	-	-
Easements	3,680	3,512	-	-
Natural Gas	**3,983**	**3,815**	**-**	**-**
Water Supply Segment				
Goodwill	1,466,492	1,519,592	-	-
Easements	2,994	2,520	-	-
Water Supply	**1,469,486**	**1,522,112**	**-**	**-**
Sanitation Segment				
Goodwill	224,942	230,098	-	-
Easements	1,052	454	-	-
Concessions and franchises			6,052	1,207
Sanitation Segment	**225,994**	**230,552**	**6,052**	**1,207**
Total	**3,222,194**	**3,198,958**	**6,052**	**62,945**

Figures stated in millions of Colombian pesos

The description of the CGUs is broken down below:

- CGU Power Generation, which activity consists of power generation and the commercialization of large electric power blocks, based on the acquisition or development of a portfolio of power proposals for the market.
- CGU Power Distribution, which activity consists of transporting electric power through a set of lines and substations, with their associated equipment, operating at voltages below 220 KV, the commercialization of power to the end user of the regulated market and the development of related and complementary activities. Includes the Regional Transmission System (STR), the Local Distribution System (SDL), the public lighting utility and the rendering of associated services.
- CGU Power Transmission, which activity consists of the transporting of energy in the National Transmission System (STN), composed of the set of lines, with their corresponding connection

equipment, which operate at voltages equal to or greater than 220 KV. The National Transmitter (TN) is the legal entity that operates and transports electric power in the STN or has established a company whose purpose is the development of said activity.

- CGU Natural Gas, which activity consists of driving combustible natural gas from the city gate to the end user, through medium and low-pressure pipes. It includes the sale of natural gas by different systems, including distribution by network, vehicular natural gas, compressed natural gas and service stations.
- CGU Water Supply, which activity consists in conceptualizing, structuring, developing and operating systems for supplying water. It includes carrying out the commercial management of the portfolio of services related to the water supply for different uses, in addition to the use of the productive chain, specifically in the power generation, and the supply of raw water.
- CGU Sanitation, includes the activities of conceptualizing, structuring, developing and operating wastewater and solid waste management systems.

Goodwill is assigned mainly to the segments or CGUs detailed bellow:

Cash Generating Unit (CGU)	2018	2017	Generated by
Power Generation EPM	260,647	260,647	Liquidation of the subsidiary EPM Ituango S.A. E.S.P. and Espiritu Santo which assets were
Power Generation Wind Farm Los Cururos	-	-	Business combination in the acquisition made by EPM Chile
Distribution EDEQ	5,135	5,135	Business combination in the acquisition made by EPM Inversiones
Distribution CHEC	10	10	Business combination in the acquisition made by EPM Inversiones
Distribution EEGSA	955,696	929,781	Business combination in the Grupo Deca II acquisition made by EPM
Distribution ENSA	119,042	115,105	Business combination in the Grupo PDG acquisition made by EPM
Natural Gas EPM	303	303	Business combination with in the Surtidora de Gas del Caribe S.A. E.S.P. made by EPM
Water Supply ADASA	1,580,556	1,638,907	Business combination in the Aguas de Antofagasta acquisition made by Inversiones Hanover
Sanitation ADASA	30,974	30,974	Business combination in the Aguas de Antofagasta acquisition made by Inversiones Hanover
Sanitation TICSA	1,262	1,167	Business combination in the Grupo TICSA acquisition made by EPM Mexico
Sanitation EMVARIAS	78,642	78,642	Business combination in the acquisition made by EPM
Total	**3,032,267**	**3,060,671**	

Figures stated in millions of Colombian pesos

The intangible Easements is mainly assigned to the segments or CGUs detailed below:

Cash Generating Unit (CGU)	2018	2017
Generation EPM	444	444
Generation CHEC	58	57
Generation Hidroecologica del Teribe	269	247
Transmission EPM	127,023	91,861
Transmission ESSA	35	35
Distribution EPM	28,945	21,531
Distribution EDEQ	254	254
Distribution CHEC	6,080	6,021
Distribution CENS	5,130	1,803
Distribution ESSA	7,152	5,725
Distribution EEGSA	501	485
Distribution ENSA	6,311	3,341
Natural Gas EPM	3,680	3,512
Water Supply Adasa	261	-
Water Supply EPM	2,733	2,520
Sanitation EPM	454	454
Sanitation Aguas Nacionales	597	-
Total	**189,927**	**138,290**

Figures stated in millions of Colombian pesos

Impairment of assets and intangibles - CGU Saneamiento Ecosistemas de Ciudad Lerdo

In Ecosistemas de Ciudad Lerdo impairment of assets was measured based on IAS 36 and IAS 16, seeking to ensure that asset value accounted for as of December 31, 2018 reflect their recoverable value through their use or sale.

Value in use: An estimate of the future cash flows that they expect to obtain on the assets of the CGU was made considering expectations of possible variations in value, the most recent financial projections for a period that goes until 2032 was also considered.

The discount rate used for the valuation reflects the capital structure of the Company, which considers the performance the owner would require for this kind of investment, considering: the risk-free rate, the corresponding economic sector, the market, the country where the investment is located and the indebtedness.

At the end of the period, impairment testing of the CGU was carried out, finding evidence of deterioration, which was basically generated from revenues derived from the billing for the treatment of each m^3 of water and the projected demand with the information available to date, is less than the capacity of use required to free the value of the assets used in its operation.

Based on this, the value of the assets' impairment as of December 31, 2018 amounts to:

Value in use:	$86,629,777	Mexican Pesos (MXP)
CGU Recorded Value:	$124,399,353	Mexican Pesos (MXP)
Value of Impairment:	$37,769,577	Mexican Pesos (MXP)
Impairment cost Exchange rate	159.2	COP / MXP

The key assumptions used by the Group in the determination of the value in use/fair value less selling costs are as follows:

Concept	Key Assumption
Revenue	Revenue come from the operation of the *Wastewater Treatment Plant of Lerdo (Planta de Tratamiento de Aguas Residuales de Lerdo)* , treating water sent to the Combined Cycle Power Plants of *Gómez Palacios* and *Guadalupe Victoria* by ultrafiltration and reverse osmosis, at the request of the Federal Electricity Commission (CFE), projected until maturity of the contract and based on historical consumption data.
Costs and Expenses	Costs and expenses were estimated in compliance with the maintenance of the plant, main inputs such as electricity, chemicals and personnel.
Investment	No additional investment to the already made is estimated.

The value in use and the recorded value of the CGU at the end of 2018 that have an indefinite useful life is detailed below:

Cash Generating Unit (CGU)	Functional Currency	Value in Use	Recorded Value
Water Supply EPM	Colombian Pesos	3,208,352	2,285,798
Sanitation EPM	Colombian Pesos	1,501,502	966,331
Power Generation EPM	Colombian Pesos	20,593,115	17,117,851
Power Transmission EPM	Colombian Pesos	926,097	852,669
Power Distribution EPM	Colombian Pesos	6,904,731	3,927,679
Natural Gas EPM	Colombian Pesos	977,066	811,833
Power Generation CENS	Colombian Pesos	14,915	4,809
Power Distribution CENS	Colombian Pesos	986,303	880,363
Power Generation CHEC	Colombian Pesos	338,928	315,519
Power Distribution CHEC	Colombian Pesos	871,516	559,324
Power Distribution EDEQ	Colombian Pesos	370,572	183,351
Power Generation ESSA	Colombian Pesos	54,230	21,756
Power Distribution ESSA	Colombian Pesos	1,791,827	1,239,988
Power Distribution EEGSA	Quetzals	4,532	4,365
Power Distribution ENSA	US Dollar	708	505
Power Generation Wind Farm Los Cururos	US Dollar	103	91
Sanitation TICSA	Mexican Pesos	635	65
Sanitation EMVARIAS	Colombian Pesos	297,306	182,850
Water Supply ADASA	Chilean Pesos	754,866	618,011
Sanitation ADASA	Chilean Pesos	74,657	59,146
Power Generation Hidroecologica del Teribe	US Dollar	153	150

Figures stated in millions of Colombian pesos

Note 9. Investment in Subsidiaries

The breakdown of the subsidiaries of the Group at the date of the reporting period is the following:

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				2018	2017	2018	2017	
Empresa de Energía del Quindío S.A. E.S.P. (EDEQ)		Colombia	Provides public utilities for electric power purchase, sale and distribution of electricity.	92.85%	92.85%	7.15%	7.15%	22/12/1988
Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)		Colombia	Provides public power utilities, operating power generation plants, transmission and sub transmission lines and distribution networks, as well as the commercialization, import distribution and sale of electricity.	80.10%	80.10%	19.90%	19.90%	9/09/1950
Electrificadora de Santander S.A. E.S.P. (ESSA)		Colombia	Provides public utilities of electrical power: purchase, sale and distribution of electric power.	74.05%	74.05%	25.95%	25.95%	16/09/1950
Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)		Colombia	Provides public utilities for electric power, purchase, export, import, distribution and sale. Construction and operation of generating plants, transmission line substations and distribution networks.	91.52%	91.52%	8.48%	8.48%	16/10/1952
Elektra Noreste S.A. (ENSA)		Panama	Purchases power, transports, distributes to customers, transforms voltages, installs, operates and maintains public lighting, authorized to generate power up to a limit of 15% of the maximum demand in the concession area.	51.16%	51.16%	48.84%	48.84%	19/01/1998
Hidrogeológica del Teribe S.A. (HET)		Panama	Finances the construction of the Bonyic hydroelectric project required to meet the growing power demand of Panama.	99.18%	99.19%	0.82%	0.81%	11/11/1994

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				2018	2017	2018	2017	
Empresa Eléctrica de Guatemala S.A. (EEGSA)		Guatemala	Provides the electric power distribution service (utility).	80.90%	80.90%	19.10%	19.10%	5/10/1939
Gestión de Empresas Eléctricas S.A. (GESA)		Guatemala	Provides advice and consulting services to electric power distribution, generation and transmission companies.	100.00%	100.00%	-	-	17/12/2004
Almacenaje y Manejo de Materiales Eléctricos S.A. (AMESA)		Guatemala	Provides outsourcing services in the area of material management.	99.94%	99.94%	0.06%	0.06%	23/03/2000
Comercializadora Eléctrica de Guatemala S.A. (COMEGSA)		Guatemala	Provides of electric power selling utilities.	80.52%	80.52%	19.48%	19.48%	5/11/1998
Transportista Eléctrica Centroamericana S.A. (TRELEC)		Guatemala	Provides of electric power transmission utilities.	80.90%	80.90%	19.10%	19.10%	6/10/1999
Energica S.A. (ENERGICA)		Guatemala	provides construction and maintenance services for projects and goods in the electricity sector.	78.19%	78.19%	21.81%	21.81%	31/08/1999
Crediegsa S.A. (CREDIEGSA)		Guatemala	Provides recruitment services for personnel and other administrative services.	80.90%	80.90%	19.10%	19.10%	1/12/1992
Distribuidora de Electricidad del Sur (DELSUR)		El Salvador	Transformation, distribution and selling of electricity to supply power to the south-central area of El Salvador in Central America.	86.41%	86.41%	13.59%	13.59%	16/11/1995
Innova Tecnología y Negocios S.A. de C.V.		El Salvador	Provider of specialized services in electrical engineering and selling of electrical appliances to electric power users of the Delsur company.	86.41%	86.41%	13.59%	13.59%	19/10/2010
Parque Eólico Los Cururos Ltd..		Chile	Generation of electric power through all types of fuels and renewable energies such as wind, photovoltaic and biomass, transmission, purchase and selling of electricity.	100.00%	100.00%	-	-	26/08/2011

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				2018	2017	2018	2017	
Aguas Nacionales EPM S.A. E.S.P.	(1)	Colombia	Provides public utilities for water, sewage and sanitation, as well as waste management and treatment, complementary activities and engineering services specific to these utilities.	99.99%	99.99%	0.01%	0.01%	29/11/2002
Aguas Regionales EPM S.A. E.S.P.		Colombia	Ensures the provision of residential public utilities of water supply and sanitation and compensate for the lag of the infrastructure of these utilities in associate municipalities.	69.76%	69.76%	30.24%	30.24%	18/01/2006
Empresa de Aguas del Oriente Antioqueño S.A. E.S.P.		Colombia	Ensures the provision of residential public water supply and sanitation utilities as well as other complementary activities related to these utilities.	56.01%	56.01%	43.99%	43.99%	22/11/1999
Aguas de Malambo S.A. E.S.P.	(2)	Colombia	Devoted to guarantee the provision of public utilities for sewage and sanitation in the jurisdiction of the Municipality of Malambo, Department of Atlantic.	98.09%	96.23%	1.91%	3.77%	20/11/2010
Ecosistemas de Colima S.A. de C.V.		Mexico	Devoted to developing an executive project for the wastewater treatment plant, its construction, equipping and commissioning, conservation and maintenance, stabilization of sludge in municipalities of the State of Colima.	80.00%	79.99%	20.00%	20.01%	14/02/2006
Ecosistemas de Tuxtla S.A. de C.V.		Mexico	Devoted to the construction, equipping, commissioning, operation and maintenance of a wastewater treatment system with the modality of total private investment recoverable. Develop drinking water projects and water treatment plants.	80.00%	80.00%	20.00%	20.00%	17/11/2006

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				2018	2017	2018	2017	
Ecosistemas de Uruapan S.A. de C.V.	(3)	Mexico	Subsidiary devoted to wastewater treatment services in the Municipality of Uruapan Michoacán. Includes construction, equipping, testing and commissioning, preservation and maintenance of the plant.	-	80.00%	-	20.00%	18/11/2009
Ecosistema de Ciudad Lerdo S.A. de C.V.		Mexico	Subsidiary devoted to the construction, equipping, commissioning, operation and maintenance for 20 years of a wastewater treatment system in Lerdo Durango city, with the total private recoverable investment modality	80.00%	80.00%	20.00%	20.00%	24/04/2007
Aquasol Morelia S.A. de C.V.		Mexico	Subsidiary devoted to the construction of a wastewater treatment plant located in the town of Atapaneo in the Municipality of Morelia Michoacán, as well as its equipping and commissioning.	80.00%	80.00%	20.00%	20.00%	13/11/2003
Ecosistemas de Celaya S.A. de C.V.		Mexico	Devoted to the development of the executive project for the wastewater treatment plant, as well as the treatment, transport and final disposal of solid waste and sludge in the plant of the city of Celaya, state of Guanajuato.	80.00%	80.00%	20.00%	20.00%	5/12/2008
Desarrollos Hidráulicos de Tampico S.A. de C.V.		Mexico	Devoted to the construction, equipping, expansion, improvement, preservation, maintenance and operation of water supply systems and sewage utilities, collection works, drainage and wastewater treatment.	80.00%	79.99%	20.00%	20.01%	25/08/1995

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				2018	2017	2018	2017	
Ecoagua de Torreón S.A. de C.V.		Mexico	Providing wastewater treatment operation utilities from any source, be it municipal or domestic, as well as all activities related to wastewater treatment.	80.00%	80.00%	20.00%	20.00%	25/10/1999
Proyectos de Ingeniería Corporativa S.A. de C.V.		Mexico	Provision of design services, engineering in general or construction, professional and technical services related to the operation, management, direct and in general to undertake all activities necessary for the development of activities of any commercial, industrial or utility company, in their modality of physical or moral person.	80.00%	80.00%	20.00%	20.00%	1/08/2008
Corporación de Personal Administrativo S.A. de C.V.		Mexico	Rendering of professional services related to the operation, management, direct and in general, to undertake all activities necessary for the development of activities of any commercial, industrial or utility company in its modality of physical or moral person, as well as the management, selection, recruiting and exchange of personnel who perform functions within the facilities of the applicant companies.	80.00%	80.00%	20.00%	20.00%	1/08/2008

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				2018	2017	2018	2017	
Aguas de Antofagasta S.A.		Chile	Construction, and exploitation of public services for the production and distribution of drinking water and collection and disposal of wastewater through the operation of sanitary concessions of the Sanitary Services Company of Antofagasta S.A. (current Econssa Chile S.A.), and the rendering of other services related to said activities, all in the form and conditions established in the decrees with Force of Law numbers 382 and 70, both of the year 1998, of the Ministry of Public Works, and other relevant regulations. For this, dated December 29, 2003, Aguas de Antofagasta S.A. signed with the Sanitary Services Company of Antofagasta S.A. (Current Concessionaire of Sanitary Services S.A. - Econssa S.A.) the Contract of Transfer of the Right of Exploitation of Sanitary Concessions (Contrato de transferencia del derecho de explotacion de concesiones sanitarias), for a term of 30 years from the date of its subscription.	100.00%	100.00%	-	-	28/11/2003
Empresas Varias de Medellín S.A. E.S.P.		Colombia	Subsidiary dedicated to the provision of the public cleaning utility within the framework of integral management of solid waste.	99.93%	99.93%	0.07%	0.07%	11/01/1964
EPM Inversiones S.A.		Colombia	Devoted to the investment of capital in national or foreign companies organized as utility companies.	99.99%	99.99%	0.01%	0.01%	25/08/2003
Maxseguros EPM Ltd.		Bermuda	Negotiating, contracting and management of reinsurance for policies for equity protection.	100.00%	100.00%	-	-	23/04/2008
Panama Distribution Group S.A. - PDG		Panama	Capital investment in companies.	100.00%	100.00%	-	-	30/10/1998
Distribución Eléctrica Centroamericana DOS S.A. - DECA II		Guatemala	Performs capital investments in companies engaged in the distribution and commercialization of electric power and in providing telecommunications services.	100.00%	100.00%	-	-	12/03/1999

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				2018	2017	2018	2017	
Inmobiliaria y Desarrolladora Empresarial de América S.A. (IDEAMSA)		Guatemala	Subsidiary dedicated in making investments in real estate.	80.90%	80.90%	19.10%	19.10%	15/06/2006
Promobiliaria S.A.		Panama	Purchase, sell, build, modify, manage, lease and in general enter into any contract for the provision, improvement, use and usufruct of immovable property not necessary for the operation of property owned by the companies of the EPM Group.	100.00%	100.00%	-	-	8/09/2015
EPM Latam S.A.	(4)	Panama	Capital investment in companies.	100.00%	100.00%	-	-	17/05/2007
EPM Capital México S.A. de C.V.	(5)	Mexico	Executes infrastructure projects related to energy, lighting, gas, telecommunications, sanitation, drinking water treatment plants, sewage treatment, wastewater treatment, buildings, as well as its operation, studies and services.	100.00%	100.00%	-	-	4/05/2012
EPM Chile S.A.	(6)	Chile	Executes power, lighting, gas, telecommunications, sanitation, sewage treatment plants and sewage treatment projects, as well as providing such services and participating in all types of public and private tenders and auctions.	100.00%	100.00%	-	-	22/02/2013

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				2018	2017	2018	2017	
Inversiones y Proyectos Hidrosur SpA (antes Inversiones y Asesorías South Water Services SpA)		Chile	Participate in all types of contests, tenders, public and/or private auctions in the purchase of shares in national or foreign companies. Making strategic alliances, joint ventures and signing business collaboration agreements for tenders, obtain concessions and/or authorizations. Provide all kinds of advisory services and services directly or indirectly related to the activities it undergoes and in which the company is involved.	100.00%	100.00%	-	-	16/12/2014
Tecnología Intercontinental S.A. de C.V. TICSA	(7)	Mexico	Dedicated to study, development, promotion and execution of industrial projects, design, manufacturing and assembly of machinery, the development of technology including commercial representation and commerce in general.	80.00%	80.00%	20.00%	20.00%	28/07/1980
Patrimonio Autónomo Financiación Social		Colombia	Manages the resources and payments of the social financing program created to facilitate users the purchase of electric and natural gas appliances and IT related products.	100.00%	100.00%	-	-	14/04/2008

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				2018	2017	2018	2017	
EV Alianza Energética S.A.	(8)	Panama	Provision of energy efficiency services and all related services, such as environmental services, selling and financing of efficiency projects, as well as the provision of energy and technology solutions, production, transformation, purchase, sale and supply of energy, natural gas and related products as biogas; consulting services, performing studies, reports and projects related to previous operations and services, as well as those related to the environment and energy saving.	51.00%	51.00%	49.00%	49.00%	22/01/2016
EPM Transmisión Chile S.A.	(9)	Chile	Exploitation, development of electrical systems for the transport, transmission and transformation of electric power, either domestically or abroad, and the acquisition thereof. For such purposes, it may obtain, acquire or enjoy the respective concessions, permits and authorizations, such as exercising the rights and powers that the current legislation confers to electric power utility companies. Likewise, the selling of the capacity of transport of lines and transformation at substations and equipment associated with them, in order that the generating plants, national and foreign, can transmit the electric power they produce and reach their consumption centers.	100.00%	100%	-	-	2/02/2017

Name of the Subsidiary		Location (country)	Main Activity	Percentage of participation and voting rights		Percentage of participation of the non-controlling party		Date of establishment
				2018	2017	2018	2017	
Empresas Públicas de Rionegro S.A. E.S.P. - EP RIO	(10)	Colombia	Renders residential public utilities, among them water supply and sewage, as well as the complementary and related activities related to these; specifically, the management, operation, maintenance and investments of the water supply and sewage systems of the Municipality of Rionegro, the execution of programs and projects on environmental issues and the renewable and non-renewable natural resources; promoting sustainable development. Additionally, the company will provide maintenance to the public lighting network of the Municipality of Rionegro.	100.00%	100%	-	-	9/12/1996
ENSA Servicios S.A.	(11)	Panama	Rendering of technical, commercial and any other services complementary to the provision of electricity service, without limiting the other similar, related and/or compatible services that constitute value added to the activities described.	51.16%	51.16%	48.84%	48.84%	29/11/2017

(1) In November 2017, EPM capitalized Aguas Nacionales EPM S.A. E.S.P. for $ 259,999.

(2) In November 2018 and 2017, EPM capitalized Aguas de Malambo S.A. E.S.P. for $ 8,000 and $ 12,499, respectively.

(3) Unconsolidated subsidiary at December 31, 2018 due to loss of control. See Note 9.4.

(4) As of June 30, 2017, EPM Latam recognized and classified as an investment in an associate, the 49% shareholding, equivalent to USD $ 25,525.35 contributed as capital to VE Servicios de Eficiencia Energética S.A.S., an entity incorporated in February 2017.

(5) In June 2017, EPM capitalized EPM Capital Mexico S.A. of C.V. for $ 23,999,907.55 Mexican pesos.

(6) EPM capitalized EPM Chile S.A. in April 2018 and August 2017 for $ 2,453 and $ 10,703, respectively.

(7) In June 2017, EPM Capital Mexico S.A. of C.V. capitalized Intercontinental Technology S.A. of C.V. TICSA for $ 24,000,000 Mexican pesos.

(8) On December 19, 2018, the Shareholders' Meeting of EV Alianza Energética S.A. unanimously approved the dissolution of the Company. Consequently, during 2019 the procedures corresponding to this act will be executed.

(9) Subsidiary incorporated on February 2, 2017 in the Republic of Chile, according to repertoire No. 4359-2017 of the Twenty-Seventh Notary of Santiago, Chile. In August 2017, it was capitalized by EPM Chile S.A. at $ 10,703.

(10) Subsidiary acquired by EPM through the sale of shares transaction perfected on October 31, 2017 (see Note 10 - Business Combinations). Subsequently, it was capitalized in November 2017 for $ 14,235. Through Act No. 54 of March 14, 2018, the Company was transformed into a simplified stock company, consequently, its corporate name was changed by Empresas Públicas de Rionegro S.A.S. E.S.P., this modification was registered in the business register of the Chamber of Commerce of Eastern Antioquia (Camara de Comercio del Oriente Antioqueño) on April 10, 2018.

(11) Subsidiary incorporated on November 29, 2017 in the Republic of Panama, according to public deed No. 19,2017 of the Fifth Notary Public of the notarial circuit of Panama.

The financial information of the Group's subsidiaries that have significant non-controlling interests as of the date of the reporting period is as follows:

2018	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Ordinary Income	Profit for the Period Continuing Operations	Other Comprehensive Income	Total Comprehensive Income	Cash Flows
Elektra Noreste S.A. (ENSA)	689,117	1,882,980	953,049	1,066,721	2,022,376	96,603	42,148	138,751	19,468
Empresa Electrica de Guatemala S.A. (EEGSA)	490,858	1,475,679	453,823	598,840	1,668,797	136,965	35,396	172,361	23,165
Electrificadora de Santander S.A. E.S.P. (ESSA)	312,774	1,427,035	293,144	790,896	1,115,338	139,738	19,994	159,732	129,198
Centrales Electricas del Norte de Santander S.A. E.S.P. (CENS)	173,048	909,308	231,845	621,052	688,659	42,141	(1,800)	40,341	21,866
Distribuidora Electrica del Sur S.A. de C.V. (DELSUR)	216,165	354,490	197,559	229,937	884,840	43,475	10,656	54,131	30,143
Central Hidroelectrica de Caldas S.A. E.S.P. (CHEC)	190,884	864,688	151,124	339,943	681,783	118,901	111	119,012	14,059
Comercializadora Electrica de Guatemala S.A. (COMEGSA)	88,905	581	28,568	76	278,900	4,598	2,014	6,612	5,446
Empresa de Energia del Quindio S.A. E.S.P. (EDEQ)	66,422	193,750	51,399	39,098	233,114	33,665	1,203	34,868	22,472
Tecnologia Intercontinental S.A. de C.V. (TICSA)	121,894	412,125	182,200	114,578	152,372	11,539	22,347	33,886	16,479
Transportista Electrica Centroamericana S.A. (TRELEC)	255,562	773,821	579,335	667	88,945	27,777	15,617	43,394	245
Aguas Regionales EPM S.A. E.S.P.	19,311	120,376	23,964	23,044	50,942	8,383	-	8,383	4,392
Other Participations[1]	735,582	4,301,341	640,185	1,161,602	527,918	242,886	58,463	301,349	193,213

Figures stated in millions of Colombian pesos

[1] Corresponds to investments in subsidiaries where the non-controlling participation is not significant in terms of its equity participation and/or the amount of the financial figures of each entity, and includes the following subsidiaries: Hidrogeológica del Teribe S.A., Energica S.A., Credieegsa S.A., Aguas Nacionales EPM S.A. E.S.P., Empresa de Aguas del Oriente Antioqueño S.A. E.S.P., Aguas de Malambo S.A. E.S.P., Ecosistemas de Colima S.A. de C.V., Empresas Varias de Medellín S.A. E.S.P., EPM Inversiones S.A., Inmobiliaria y Desarrolladora Empresarial de América S.A., Innova Tecnología y Negocios S.A. de C.V., Ecosistemas de Tuxtla S.A. de C.V., Ecosistema de Ciudad Lerdo S.A. de C.V., Aquasol Morelia S.A. de C.V., Ecosistemas de Celaya S.A. de C.V., Desarrollos Hidráulicos de TAM S.A. de C.V., Ecoagua de Torreón S.A. de C.V., Proyectos de Ingeniería Corporativa S.A. de C.V., Corporación de Personal Administrativo S.A. de C.V., EV Alianza Energética S.A. and ENSA Servicios S.A.

2017	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Ordinary Income	Profit for the Period Continuing Operations	Other Comprehensive Income	Total Comprehensive Income	Cash Flows
Elektra Noreste S.A. (ENSA)	479,239	1,617,560	1,002,947	619,404	1,875,827	84,788	(2,695)	82,093	13,602
Empresa Electrica de Guatemala S.A. (EEGSA)	425,320	1,397,928	448,446	516,828	1,642,887	176,436	(6,011)	170,425	15,402
Electrificadora de Santander S.A. E.S.P. (ESSA)	256,755	1,277,097	282,117	669,520	1,034,530	95,754	(3,151)	92,603	104,144
Distribuidora Electrica del Sur S.A. de C.V. (DELSUR)	146,202	323,963	145,456	203,618	798,968	32,930	(2,659)	30,271	11,573
Central Hidroelectrica de Caldas S.A. E.S.P. (CHEC)	236,067	840,980	164,082	382,867	653,603	79,862	(614)	79,248	58,176
Centrales Electricas del Norte de Santander S.A. E.S.P. (CENS)	185,507	839,297	222,315	594,082	615,993	17,653	(2,284)	15,369	35,570
Comercializadora Electrica de Guatemala S.A. (COMEGSA)	86,362	634	23,478	73	253,038	12,926	(534)	12,392	5,261
Empresa de Energia del Quindio S.A. E.S.P. (EDEQ)	56,985	183,318	41,977	40,663	218,959	24,821	(596)	24,225	14,638
Tecnologia Intercontinental S.A. de C.V. (TICSA)	130,836	368,402	210,624	85,584	74,350	11,976	812,406	824,382	19,979
Transportista Electrica Centroamericana S.A. (TRELEC)	105,706	607,481	298,576	685	84,935	41,606	5,067	46,673	349
Aguas Regionales EPM S.A. E.S.P.	24,982	104,149	23,670	21,165	48,209	7,859	-	7,859	11,313
Other Participations[1]	911,678	3,797,409	554,543	1,070,701	476,679	164,887	2,407	167,294	393,129

Figures stated in millions of Colombian pesos

[1] Corresponds to investments in subsidiaries where the non-controlling participation is not significant in terms of its equity participation and/or the amount of the financial figures of each entity, and includes the following subsidiaries: Hidrogeológica del Teribe S.A., Energica S.A., Credieegsa S.A., Aguas Nacionales EPM S.A. E.S.P., Empresa de Aguas del Oriente Antioqueño S.A. E.S.P., Aguas de Malambo S.A. E.S.P., Ecosistemas de Colima S.A. de C.V., Empresas Varias de Medellín S.A. E.S.P., EPM Inversiones S.A., Inmobiliaria y Desarrolladora Empresarial de América S.A., Innova Tecnología y Negocios S.A. de C.V., Ecosistemas de Tuxtla S.A. de C.V., Ecosistemas de Uruapan S.A. de C.V., Ecosistema de Ciudad Lerdo S.A. de C.V., Aquasol Morelia S.A. de C.V., Ecosistemas de Celaya S.A. de C.V., Desarrollos Hidráulicos de TAM S.A. de C.V., Ecoagua de Torreón S.A. de C.V., Proyectos de Ingeniería Corporativa S.A. de C.V., Corporación de Personal Administrativo S.A. de C.V. and EV Alianza Energética S.A.

Profit for the Period, Dividends Paid and Equity Assigned to the Non-Controlling Participation as of the date of the period being reported is as follows:

Non-Controlling Participations	2018				2017			
	Equity	Profit for the Period	Other Comprehensive Income	Dividends Paid	Equity	Profit for the Period	Other Comprehensive Income	Dividends Paid
Elektra Noreste S.A. (ENSA)	270,575	46,894	125	33,341	231,702	41,407	(249)	22,426
Electrificadora de Santander S.A. E.S.P. (ESSA)	170,192	36,266	5,189	22,455	151,103	24,851	(818)	20,398
Empresa Electrica de Guatemala S.A. (EEGSA)	174,531	26,157	374	24,502	163,855	33,696	312	17,715
Central Hidroelectrica de Caldas S.A. E.S.P. (CHEC)	112,332	23,660	22	16,844	105,485	15,892	(122)	10,457
Transportista Electrica Centroamericana S.A. (TRELEC)	85,823	5,305	-	1,490	79,051	7,946	-	1,067
Tecnologia Intercontinental S.A. de C.V. (TICSA)	32,304	(46)	861	-	28,331	(571)	11	-
Centrales Electricas del Norte de Santander S.A. E.S.P.	19,460	3,574	(153)	1,636	17,675	1,497	(194)	2,625
Distribuidora de Electricidad del Sur S.A. de C.V. (DELSUR)	19,432	5,885	(200)	4,435	16,457	4,476	(129)	4,803
Aguas Regionales S.A. E.S.P.	28,025	2,535	-	-	25,491	2,376	-	-
Comercializadora Electrica de Guatemala S.A. (COMEGSA)	11,620	878	-	1,685	12,117	2,469	-	457
Empresa de Energia del Quindio S.A. E.S.P. (EDEQ)	12,124	2,405	86	15,791	11,265	1,774	(43)	2,289
Otras participaciones no controladas [1]	17,289	5,730	2	4,210	15,123	4,987	(6)	4,091

Figures stated in millions of Colombian pesos

[1] Corresponds to investments in subsidiaries where the non-controlling participation interest is not significant and includes the following companies: Inmobiliaria y Desarrolladora Empresarial de América S.A., Energica S.A., Aguas de Malambo S.A. E.S.P., Empresa de Aguas del Oriente Antioqueño S.A. E.S.P., Hidrogeológica del Teribe S.A., Crediegsa S.A., Aguas Nacionales EPM S.A. E.S.P., Ecosistemas de Colima S.A. de C.V., Empresas Varias de Medellín S.A. E.S.P. and E.V. Alianza Energética S.A.

9.1 Changes in Participation of Subsidiaries that did not result in Loss of Control

As of December 31, 2018, and 2017, the Group did not dispose of its participation in any subsidiary that did not result in loss of control.

9.2 Significant Restrictions

As of December 31, 2018, and 2017, the Group does not have any significant restriction to access or use the assets, liquidate Group liabilities, nor do the non-controlling interests have protective rights that could restrict the Group's ability to access or use the assets and liquidate the liabilities of the subsidiaries or restrict dividends and other capital distributions.

9.3 Consolidated Structured Entities

As of December 31, 2018, and 2017, the Group has as a consolidated structured entity the Patrimonio Autónomo Financiación Social. The participation in this entity is 100%, the value of the total assets amounts to $ 149,322 (2017: $ 144,112), the total liabilities to $ 12,583 (2017: $ 9,911) and the net result of the period to $ 18,702 (2017: $ 13,871).

The Group has no obligation to provide financial support to the entity.

9.4 Loss of Control of Subsidiaries

On October 9, 2018, the subsidiaries TICSA and Proyectos de Ingeniería Corporativa S.A. of C.V. entered into a purchase-sale of shares agreement, where sell and transfer 95,941 shares and 1 share, respectively, that they owned in the company Ecosistema de Uruapan S.A. de C.V., to the companies Terrabrio S.A.P.I. of C.V. and Ecosistema de Sonora S.A.P.I. of C.V. The effect of the transaction on the profit for the period is as indicated below:

Value of the Exchange	4,488
Value of the Net Assets in the Subsidiary	7,531
Loss due to Disposal of Subsidiary (See Note 39)	**(3,043)**

Figures stated in millions of Colombian pesos

The net effect on the date of the transaction in the Consolidated Statement of Cash Flows represents a decrease corresponding to the cash and cash equivalents held in the subsidiary Ecosistema de Uruapan S.A. of C.V. for COP $ 10.

Note 10. Business Combinations

The details of the Business Combinations made by the Group at the date of the reporting periods is as follows:

Year	Entity	Activity	Transaction Date	Acquired Participation
2017	Empresas Publicas de Rionegro S.A. E.S.P. - EP RIO	Renders residential public utilities, among them water supply and sewage, as well as the complementary and related activities related to these; specifically, the management, operation, maintenance and investments of the water supply and sewage systems of the Municipality of Rionegro, the execution of programs and projects on environmental issues and the renewable and non-renewable natural resources; promoting sustainable development. Additionally, the company will provide maintenance to the public lighting network of the Municipality of Rionegro.	31/10/2017	100%

Empresas Públicas de Rionegro S.A. E.S.P. - EP RIO:

On October 6, 2017, EPM signed an inter-administrative contract for the purchase of 100% of the shares of Empresas Públicas de Rionegro S.A. E.S.P., perfecting the transaction on October 31, 2017 and acquiring control of said company as of November 1, 2017.

Public Companies of Rionegro S.A. E.S.P. is a public limited company incorporated on December 09, 1996, with registered address in the Municipality of Rionegro, Department of Antioquia, Republic of Colombia, and with commercial registration No. 4558 of Book IX of the Chamber of Commerce of Eastern Antioquia (Cámara de Comercio del Oriente Antioqueño). Its social purpose is the rendering of residential public utilities, among them water supply and sewage, as well as the complementary and related activities related to these; specifically, the management, operation, maintenance and investments of the water supply and sewage systems of the Municipality of Rionegro, the execution of programs and projects on environmental issues and the renewable and non-renewable natural resources; promoting sustainable development. Additionally, the company will provide maintenance to the public lighting network of the Municipality of Rionegro.

The Group acquired control of said company mainly due to the following factors:

- For the National Planning Department (DNP, Departamento Nacional de Planeación) the Medellín-Rionegro axis will be by 2035 one of the ten (10) axes of cities that will lead the economic development of Colombia. Rionegro, one of the 17 municipalities of category 1 of the country and the most important of Antioquia East.
- According to the Cámara Colombiana de la Construcción (CAMACOL), Antioquia's Near East is one of the areas with the highest growth in sales of new housing.
- The Valley of San Nicolas is almost three (3) times, in size, the Valley of Aburrá (where Medellín is located), and its incursion in Rionegro would allow EPM to consolidate as a provider of public utilities of aqueduct and sewage, where it currently provides power and natural gas utilities.
- An adequate provision of public utilities of aqueduct and sewage in the municipality would advance its development, making possible greater revenues for the EPM Group with the offer of a broad service portfolio.
- EPM would contribute to the environmental sustainability of this region, in particular, by investments in wastewater treatment aimed at the protection of water resources. In this sense EPM would make a very important contribution to the current problem of the Guatapé reservoir in the short and medium term.
- Strengthen the social and political legitimacy of the EPM presence in the region.
- The competitive advantage due to the proximity to the Jose Maria Cordoba Airport would lead to the migration of large companies to this Municipality, which would strengthen current industrial zones.

- The Municipality faces pressure due to the increase in population density and a boom in housing construction, generating great pressure from all actors to make viable the development of the region and demanding investments in infrastructure.
- Current high water and sewage rates, that do not have the capacity to meet growth needs, at least in the short term.
- Limitation of the partners to capitalize the company, in order to meet the investment requirements.
- - There is no availability of non-refundable resources to make investments. Rionegro is not part of the PDA (Departmental Plan for the Business Management of Water and Sanitation Utilities, Plan Departamental para el Manejo Empresarial de los Servicios de Agua y Saneamiento) and its DNP (National Planning Department) rating does not allow access to this source of funds.
- Insufficient water sources to meet the future demand, which generated great pressure on the city mayor's office, added to the difficulties with the quality of the current sources (highly contaminated).
- EP RIO presents a series of environmental breaches that affect the community and its environment, plus the financial consequences that may result.

The detail of the fair value for the net assets acquired as of October 31, 2017 and the Revenue by Business Combination is as follows:

Concept	Fair Value
Property, Plant and Equipent	42,381
Intangibles	504
Other Current Assets	1,715
Accounts Receivable(1)	4,949
Inventories	515
Cash and Cash Equivalents	19,234
Identifiable Assets	**69,298**
Credits and Loans	10,505
Accounts Payable	965
Taxes, Contributions and Rates	3,156
Contingent Liabilities(2)	16,572
Employee Benfits	492
Other Current Liabilities	3,685
Deferred Tax Liability	1,254
Liabilities Assumed	**36,629**
Identifiable Net Assets Acquired at Fair Value	**32,669**
Total Fair Value of Consideration Transferred	**-**
Revenue by Business Combination(3)	**32,669**

Figures stated in millions of Colombian pesos

(1) The fair and gross value of the contractual amounts receivable and their composition as of the date of the transaction is as follows:

	Fair Value	Gross Contractual Amounts Receivable
Trade and Other Receivables	4,949	4,552
Accounts Receivable from Related Parties		
Total Accounts Receivable	**4,949**	**4,552**

Figures stated in millions of Colombian pesos

At the date of the transaction, there was a portfolio impairment of $ 2,744 corresponding to the contractual cash flows, which are not expected to be collected.

(2) Corresponds to all lawsuits and contingencies resulting from legal actions against EP Rio, originated from the development of its operations. These shall be resolved once they are ruled by the competent authorities. At the date of presentation, the fair value of these liabilities is $ 16,765, of which $ 1,578 has been classified as probable. See Note 28. Provisions, Assets and Contingent Liabilities.

Transaction costs were recognized for $ 552 that have been recognized as expenses for the period and included in the expense line for fees in the profit for the year.

Revenue from Ordinary Activities and profit from EP Rio included in the Consolidated Financial Statements:

	2017
From the Date of Acquisition to the Period being Reported	
Revenue from Ordinary Activities	5,232
Profit	1,928
From the Beginning of the Year's Period being Reported to the Period being Reported	
Revenue from Ordinary Activities	21,698
Profit	3,576

Figures stated in millions of Colombian pesos

(3) During the period, Profit from the business combination was recognized for $ 32,669, included in the line of Effect of Participation in Equity Investments in the Statement of Comprehensive Income, originated by the difference between the consideration transferred and the fair value of the identifiable net assets acquired[4].

The consideration transferred was established based on the valuation of the company considering future investments (Investments in Capital Assets or Capital Expenditure (CAPEX) that are executed when a business invests in the purchase of a fixed asset or to add value to an existing asset) that must be carried out to guarantee its viability and an adequate provision of public utilities; which generates a negative value for it.

The Cash Flow Analyzes for the acquisition of EP Rio is:

	2017
Transferred Consideration	-
Transaction Costs from tha Acquisition (included in Cash Flow from Operating Activities)	(552)
Net Cash Acquired from the Subsidiary (Included in Cash Flow from Investment Activities)	19,234
Net Cash Flow at the Date of Acquisition	**18,682**

Figures stated in millions of Colombian pesos

[4] Established based on IFRS 13 Fair Value Measurement.

Note 11. Investment in Associates

The breakdown of Investment in Associates of the Group at the date of the reporting period is:

Name of the Associate	Location (country)	Main Activity	Percentage of participation and voting rights 2018	Percentage of participation and voting rights 2017	Date of establishment
Hidroelectrica Ituango S.A. E.S.P.	Colombia	Promotion, design, construction operation, maintenance and electric power sales at the national and international scale from the Ituango Hydroelectric Power Plant.	46.45%	46.45%	8/06/1998
Hidroelectrica del Rio Aures S.A. E.S.P. (1)	Colombia	Generation and sale of electric power through a hydroelectric power plant located i n the municipalities of Abejorral and Sonson, in the Department of Antioquia.	32.99%	42.04%	14/05/1997
UNE EPM Telecomunicaciones S.A.	Colombia	Renders telecommunications and ITC utilities, information services and complementary activities.	50.00%	50.00%	23/06/2006
Inversiones Telco S.A.S.	Colombia	Invest in companies whose corporate purpose is the provision of telecommunications utilities, TIC, information services and complementary activities, as well as in companies that render services of business processes outsourcing.	50.00%	50.00%	5/11/2013
VE Servicios de Eficiencia Energetica S.A.S.	Colombia	Performs all activities, works and services related to the installation, operation and generation of power for each of the energy efficiency projects developed by EV Alianza Energetica SA, such as the provision of power and technology solutions, production, transformation, purchases, sales and supply of electric power, natural gas and related products such as biogas; consulting services.	49.00%	49.00%	21/02/2017

(1) As of December 31, 2018, the percentage of EPM decreased due to capitalizations made by other shareholders.

The financial information of the Group's significant associates as of the date of the reporting period is as follows. All the associates are accounted for using the Equity Method in the Consolidated Financial Statements:

2018	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Ordinary Income	Profit for the Period Continuing Operations	Other Comprehensive Income	Total Comprehensive Income	Dividends Received
UNE EPM Telecomunicaciones S.A.	1,539,706	5,560,423	1,459,007	3,868,853	4,810,880	(62,056)	(2,151)	(64,207)	38,483
Inversiones Telco S.A.S.	154,831	53,169	66,262	133	400,866	13,791	-	13,791	3,442
Hidroelctrica Ituango S.A. E.S.P.	5,209	111,606	924	65,987		480	-	480	-
VE Servicios de Eficiencia Energetica S.A.S.	928	39	507	-	1,378	201	-	201	-
Hidroelectrica del Rio Aures S.A. E.S.P.(1)	454	4,978	37	-	-	(906)	-	(906)	-

Figures stated in millions of Colombian pesos

2017	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Ordinary Income	Profit for the Period Continuing Operations	Other Comprehensive Income	Total Comprehensive Income	Dividends Received
UNE EPM Telecomunicaciones S.A.	1,583,649	5,701,485	1,446,687	3,941,393	5,060,311	(62,766)	(7,060)	(69,826)	-
Inversiones Telco S.A.S.	142,850	51,054	55,619	3,628	400,940	15,296	-	15,296	-
Hidroelectrica Ituango S.A. E.S.P.	2,598	95,419	721	47,841	-	(25)	-	(25)	-
VE Servicios de Eficiencia Energetica S.A.S.	513	30	283	-	420	110	-	110	
Hidroelectrica del Rio Aures S.A. E.S.P.	454	4,978	37	-	-	(906)	-	(906)	-

Figures stated in millions of Colombian pesos

Financial information of these companies, the basis for applying the Equity Method, is prepared under IFRS and adjusted to the Group's accounting policies.

The reconciliation of the summarized financial information with the recorded value of associates in the Consolidated Financial Statements is:

Associate	2018				2017		
	Value of Investment				Value of Investment		
	Cost	Equity Method	Dividends	Total	Cost	Equity Method	Total
UNE EPM Telecomunicaciones S.A.	2,342,488	(653,971)	(38,483)	1,650,034	2,342,488	(630,333)	1,712,155
Inversiones Telco S.A.S.	55,224	19,020	(3,442)	70,802	55,224	12,105	67,329
Hidroelectrica Ituango S.A. E.S.P.	34,313	(11,134)	-	23,179	34,313	(11,343)	22,970
Hidroelectrica del Rio Aures S.A. E.S.P.	2,478	(232)	-	2,246	2,478	(232)	2,246
VE Servicios de Eficiencia Energetica S.A.S.	83	143	-	226	76	51	127
Total investment in Associates	**2,434,586**	**(646,174)**	**(41,925)**	**1,746,487**	**2,434,579**	**(629,752)**	**1,804,827**

Figures stated in millions of Colombian pesos

Significant Restrictions

As of December 31, 2018, and 2017, the Group does not have significant restrictions on Investments in Associates related to the transfer of funds to the Group in the form of dividends in cash, or repayment of loans or advances made by the Group, except in the case of UNE EPM Telecomunicaciones S.A., in which case it will be mandatory to distribute at least fifty percent (50%) of the Net Profit for the Period after the appropriations and/or legal, statutory and occasional reserves, as long as the level of consolidated financial indebtedness does not exceed 2 times the EBITDA of the same period.

Note 12. Investment in Joint Ventures

The breakdown of joint ventures of the Group on the date of the period being reported is as follows:

Name of the Joint Venture	Location (Country)	Main Activity	Percentage of participation and voting rights		Date of establishment
			2018	2017	
Parques del Rio S.A.S. [1]	Colombia	Construction, operation, management and sustainment of the Parques del Rio Medellin Project, as well as acting as urban project manager.	33%	33%	26/11/2015

[1] Joint Venture established on November 26, 2015, in which the Municipality of Medellín, Intervial Colombia S.A.S., Mass Transport Company of the Valle de Aburrá Ltd. (Metro) and EPM participate. The strategic support of EPM's participation in said company is based on the following aspects:

- Apply the EPM experience in large-scale infrastructure construction.

- EPM is qualified to participate by the Territorial Ordinance Plan (POT).

The financial information of the Group relevant Joint Ventures at the date of the reporting period is as follows. All joint ventures are accounted for using the Equity Method in the consolidated financial statements:

2018	Current Assets	Current Liabilities	Profit for the Period Continuing Operations	Total Comprehensive Income	Dividends Received
Parques del Rio S.A.S.	254	6	(32)	(32)	

Figures stated in millions of Colombian pesos

2017	Current Assets	Current Liabilities	Profit for the Period Continuing Operations	Total Comprehensive Income	Dividends Received
Parques del Rio S.A.S.	254	6	(32)	(32)	-

Figures stated in millions of Colombian pesos

As of December 31, 2018, and 2017, the company Parques del Río S.A.S. it is in pre-operative stage, and does not require any capitalization, and in case it required any, they will have to be authorized by the Board of Directors. Consequently, since is in a pre-operative stage, it does not yet have operating income.

The financial information of this company, basis for applying the Equity Method, is prepared under IFRS and adjusted to the Group's accounting policies.

The reconciliation of the summarized financial information with the recorded value of the Joint Ventures in the consolidated financial statements is:

Name of the Joint Venture	2018			2017		
	Value of Investment			Value of Investment		
	Cost	Equity Method	Total	Cost	Equity Method	Total
Parques del Rio S.A.S.	99	(17)	82	99	(17)	82
Total Investments in Joint Ventures	**99**	**(17)**	**82**	**99**	**(17)**	**82**

Figures stated in millions of Colombian pesos

Significant Restrictions

As of December 31, 2018, and 2017, the Group does not have significant restrictions on Joint Ventures related to the transfer of funds to the Group in the form of dividends in cash, or repayment of loans or advances made by the Group.

Note 13. Trade and Other Receivables

The breakdown of joint ventures of the Group on the date of the period being reported is as follows:

Trade and Other Receivables	2018	2017
Non-current		
Public utilities debtors	362,866	344,330
Impairment loss public utilities	(118,283)	(102,530)
Employee loans	113,918	100,261
Impairment Loss Employee loans	(11)	-
Other Loans	587,961	538,116
Impairment Loss Other Loans	(16,975)	(5,426)
Total Non-Current	**929,475**	**874,751**
Current		
Public utilities debtors	2,985,110	2,509,278
Impairment loss public utilities	(341,978)	(372,212)
Employee loans	44,394	41,975
Impairment Loss Employee loans	(322)	(286)
Construction Contracts	1,689	434
Dividends and participations receivable	38,533	-
Other Loans	754,768	692,743
Impairment Loss Other Loans	(197,452)	(119,020)
Total Current	**3,284,742**	**2,752,912**
Total	**4,214,217**	**3,627,663**

Figures stated in millions of Colombian pesos

The increase in the current portfolio balance occurs mainly in the debtors of public utilities of the Holding Company EPM and the subsidiaries EEGSA and ENSA.

Accounts receivable from public utilities debtors are concentrated at 52% in EPM. For the Holding Company these do not generate interest and the term for collection is generally 10 days after the invoice is generated. Individual contracts with large clients or the Power Sector contemplate deadlines agreed in particular negotiations. In the latter case, the period is generally 30 days.

Impairment of portfolio

The Group measures the value correction for expected losses during the lifespan of the asset using the simplified approach, which consists in taking the current value of credit loss arising from all possible default events at any time during the lifetime of the operation.

This alternative is taken given that the volume of clients handled by the Group is very high and the measurement and control of the risk by stages can lead to errors and to an underassessment of the impairment.

The expected loss model corresponds to a forecasting tool that projects the probability of default (non-payment) in a period of one year. Each obligation is assigned an individual probability of non-payment calculated from a probability model that involves sociodemographic, product and behavioral variables.

At the cut-off date, the ageing analysis of accounts receivable at the end of the reporting period that are impaired is:

	2018		2017	
	Gross recorded value	Lifetime expected credit losses value	Gross recorded value	Lifetime expected credit losses value
Public Utilities Debtors				
Not past due nor impaired	2,292,536	(121,164)	1,754,438	(101,452)
Less than 30 days	410,664	(17,614)	453,215	(10,584)
30-60 days	103,257	(7,959)	133,029	(4,445)
61-90 days	90,817	(5,669)	34,823	(4,722)
91-120 days	59,822	(5,366)	22,051	(4,210)
121-180 days	48,355	(11,195)	25,420	(7,004)
181-360 days	91,552	(44,540)	109,564	(21,257)
Greater than 360 days	250,972	(246,755)	321,068	(321,068)
Total public utilities debtors	**3,347,975**	**(460,261)**	**2,853,608**	**(474,742)**
Other debtors				
Not past due nor impaired	1,221,464	(15,622)	988,427	(11,580)
Less than 30 days	123,418	(54,197)	32,192	(2,820)
30-60 days	17,360	(4,873)	146,970	(13,217)
61-90 days	6,405	946	7,255	(1,072)
91-120 days	4,330	(1,594)	3,456	(870)
121-180 days	22,352	(16,549)	3,389	(2,320)
181-360 days	22,027	(12,331)	57,143	(9,189)
Greater than 360 days	123,908	(110,541)	134,697	(83,664)
Total other debtors	**1,541,264**	**(214,761)**	**1,373,529**	**(124,732)**
Total receivables	**4,889,239**	**(675,022)**	**4,227,137**	**(599,474)**

Figures stated in millions of Colombian pesos

- The variation in the provision of the EPM Group amounts to $ 75,548 as it went from ($ 599,474) to ($ 675,022) and is mainly explained by the Impairment of Portfolio in the TICSA, EPM Holding, CENS, EEGSA and DELSUR companies.

The reconciliation of the expected credit loss of the portfolio is as follows:

Lifetime Expected Credit Losses	2018	2017
Adjustment at the beginning of the period	(599,473)	(530,429)
Changes in impairment of receivables held at the beginning of the period(1)	(54,457)	(79,803)
Financial Assets Not Written-Off during the Period	69,576	6,629
New financial assets originated or purchased(1)	(114,556)	(29,429)
Write-Offs	99,521	31,649
Change in Risk Models/Parameters	32	783
Exchange Difference and Other Movements	(75,665)	1,126
Final Balance	**(675,022)**	**(599,474)**

Figures stated in millions of Colombian pesos

(1) The increase in impairment amounted to $ 59,781 and was generated by causation for the period and/or existing from previous periods. The Holding EPM contributes 65% of this value, TICSA 13%, and DECA 4%.

Portfolio reconciliation is as follows:

Portfolio Balance	2018	2017
Initial Balance of Financial Assets	4,227,137	3,868,694
New financial assets originated or purchased	34,394,939	17,070,040
Financial Assets Write-Offs	(31,859,679)	(16,618,252)
Derecognition of Financial Assets	(52,747)	80,459
Changes due to Modifications Without Derecognition	3,165	(27,718)
Other changes - Include change description -	(1,823,576)	(146,086)
Final Balance	**4,889,239**	**4,227,137**

Figures stated in millions of Colombian pesos

The Group derecognizes, against the impairment of value recognized in a corrective account, the values of impaired financial assets when:

- Registered accounts receivable do not present certain rights, goods or obligations for the entity.
- The rights or obligations lack adequate documents and support that allow the undertaking of relevant procedures for payment collection.
- It is not possible to collect the right or obligation, by coercive or judicial jurisdiction.
- It is not possible to impute legally to any person, natural or legal, the value of the portfolio.
- When once assessed and established the cost-benefit relationship, results more expensive advancing the collection process than the amount of the obligation.

Bodies Responsible for Derecognizing

Portfolio derecognition is approved by government areas and committees defined in the governance framework for each of the subsidiaries.

Note 14. Other Financial Assets

The breakdown of Other Financial Assets at the closing of the period is as follows:

Other Financial Assets	2018	2017
Non-Current		
Derivatives designated as Hedging Instruments under Hedge Accounting		
Swap Agreements	180,224	19,445
Total Derivatives designated as Hedging Instruments under Hedge Accounting	**180,224**	**19,445**
Financial Assets measured at Fair Value through Changes in Profit for the Period		
Fixed-Yield Securities	1,855	1,481
Variable-Yield Securities	64,784	61,481
Fiduciary Rights	433,618	381,692
Total Financial Assets Measured at Fair Value through Changes in Profit for the Period	**500,257**	**444,654**
Financial Assets Measured at Fair Value through Changes in Other Comprehensive Income		
Equity Instruments (1)	1,628,874	1,636,781
Total Financial Assets Measured at Fair Value through Changes in Other Comprehensive Income	**1,628,874**	**1,636,781**
Financial Assets Measured at Amortized Cost		
Fixed-Yield Securities	3,013	4,902
Total Financial Assets Measured at Amortized Cost	**3,013**	**4,902**
Total Other Financial Assets Non-Current	**2,312,368**	**2,105,782**
Current		
Derivatives designated as Hedging Instruments under Hedge Accounting		
Swap Agreements	12,240	97
Total Derivatives designated as Hedging Instruments under Hedge Accounting	**12,240**	**97**
Financial Assets measured at Fair Value through Changes in Profit for the Period		
Fixed-Yield Securities	1,176,831	236,946
Variable-Yield Securities	28,824	-
Pledged Investments	5,647	5,435
Fiduciary Rights	5,379	4,962
Total Financial Assets Measured at Fair Value through Changes in Profit for the Period	**1,216,681**	**247,343**
Financial Assets Measured at Amortized Cost		
Fixed-Yield Securities	3,240	16,354
Pledged Investments	126	126
Total Financial Assets Measured at Amortized Cost	**3,366**	**16,480**
Financial Lease	2,018	2,018
Total Other Financial Assets Current	**1,234,305**	**265,938**
Total Other Assets	**3,546,673**	**2,371,720**

Figures stated in millions of Colombian pesos

Conventional purchases and sales of financial assets are recorded applying the trading date.

[1] Financial Assets designated at Fair Value through Other Comprehensive Income

The breakdown of equity investments designated at fair value through other comprehensive income is:

Equity Investment	2018	2017
Interconexion Electrica S.A. E.S.P.[1]	1,574,226	1,598,999
Gasoriente S.A.	35,099	18,224
Promioriente S.A. E.S.P.	11,459	11,459
Reforestadora Industrial de Antioquia S.A.	4,947	4,947
Electrificadora del Caribe S.A. E.S.P.	1,385	1,404
Gensa S.A. E.S.P.	608	608
Terminal de Transportes de Bucaramanga S.A.	142	142
Comantrac S.A.	-	18
Others[2]	1,009	980
Total	1,628,874	1,636,781
Dividends recognized during the period related to investments that are recognized at the end of the period	71,601	49,764
Dividends recognized during the period	71,601	49,764

Figures stated in millions of Colombian pesos

[1] As of December 31, 2018, the market price of Interconexión Eléctrica S.A. E.S.P. closed at $13,980 (2017: $14,200) Colombian pesos.

[2] Includes investments in: Organizacion Terpel S.A., Concentra Inteligencia en Energía S.A.S., Banco Davivienda S.A., Compañía de Alumbrado Eléctrico de San Salvador S.A., Duke Energy Guatemala y Cia. S.A., Fosfonorte S.A., Central de Abastos de Cúcuta, Hotel Turismo Juana Naranjo, Sin Escombros S.A.S. (Sinesco), Acerias Paz del Rio S.A., Cenfer S.A., Unidad de Transacciones S.A. de C.V.

Equity investment stated in the previous table are not maintained for negotiating purposes, instead, they are maintained for strategic purposes in the medium and long term. The management of the Group considers that classification for these strategic investments provides more reliable financial information, which reflects the changes in their fair value immediately in the result of the period.

Note 15. Leases

15.1. Financial Lease as Lessee

As of the cut-off date, the recorded value for property, plant and equipment under financial leasing is as follows:

2018	Land and Buildings	Communication and Computing Equipment	Machinery and Equipment	Total Assets
Cost	200,084	2,592	2,063	204,739
Accrued Depreciation	(73,938)	(1,652)	(1,143)	(76,733)
Total	**126,146**	**940**	**920**	**128,006**

Figures stated in millions of Colombian pesos

2017	Land and Buildings	Communication and Computing Equipment	Machinery and Equipment	Total Assets
Cost	200,057	2,380	2,064	204,501
Accrued Depreciation	(69,601)	(1,466)	(1,077)	(72,144)
Total	**130,456**	**914**	**987**	**132,357**

Figures stated in millions of Colombian pesos

The most relevant financial lease agreement is that of the property called " Edificio Empresas Públicas de Medellín". The agreement has a term of 50 years counted from December 2001, automatically renewable for an equal term if neither party expresses otherwise. The fee is $1,500 monthly, which will be readjusted each year by the Consumer Price Index (IPC).

At the cut-off date, the minimum future payments and the current value of the minimum financial lease payments are distributed as follows:

Financial Lease	2018		2017	
	Minimum Payments	Present Value of Minimum Payments	Minimum Payments	Present Value of Minimum Payments
One Year	18,077	17,287	18,000	17,181
More than One Year and up to Five Years	72,049	55,667	72,000	55,613
More than Five Years	504,002	122,528	522,000	123,514
Total Leases	**594,128**	**195,482**	**612,000**	**196,308**
Less - Value of Uneared Interest	(398,646)	-	(415,692)	-
Current Value of the Minimum Lease Payments	**195,482**	**195,482**	**196,308**	**196,308**

Figures stated in millions of Colombian pesos

The expense for contingent leases of financial leases recognized in Profit for the period is $20,782 (2017: $18,692).

15.2 Operating Lease as Lessor

The most significant operating lease agreements are for the electrical infrastructure for the installation of networks by telecommunications operators. The contingent installments of these leases are determined based on the updating of the Producer Price Index (IPP) and IPC variables as well as the updating of the lease payments, these contracts can be renewed and do not allow a purchase option.

The value of non-cancelable payments for operating leases is as follows:

Leases	2018 Non-Cancelable Operating Leases	2017 Non-Cancelable Operating Leases
One Year	66,315	62,527
More than One Year and up to Five Years	40,327	31,729
More than Five Years	22,637	24,362
Total Leases	**129,279**	**118,618**
Current Value of the Minimum Lease Payments Receivable	**129,279**	**118,618**

Figures stated in millions of Colombian pesos

The Group as a lessor does not have contracts adopting the legal figure of a lease and that in essence do not constitute it.

15.3 Operating Lease as Lessee

The most significant operating lease agreements are in Emvarias with Renting Colombia S.A. , which object is the leasing of vehicles for the provision of cleaning (solid-waste collection) service and EPM premises for customer service offices in the different municipalities of Antioquia and the Metropolitan Area, spaces for facilities and operation of antennas at meteorological stations, office equipment and accessories, user printing infrastructure, equipment for virtual meetings, among others, which have no restrictions. The contracts contemplate the option of being renewed by mutual agreement between the parties, except for the Renting, that is not renewable and does not contemplate the purchase option. In general, lease payments for contracts are updated by the Consumer Price Index (IPC).

As of the cut-off date, minimum future payments for operating leases, non-cancelable, are distributed as follows:

Leases	2018 Non-Cancelable Operating Leases	2017 Non-Cancelable Operating Leases
One Year	36,627	19,169
More than One Year and up to Five Years	105,186	28,699
More than Five Years	708	1,537
Total Leases	**142,521**	**49,405**

Figures stated in millions of Colombian pesos

Note 16. Warranties

The Group has granted the following financial assets as collateral:

Letters of credit, performance bonds and other guarantees for $ 267,767 (2017: 243,218) granted by the subsidiary ENSA to guarantee: fulfillment of the obligations for the concession contract with the National Authority of Public Utilities of Panama (Autoridad Nacional de los Servicios Públicos de Panamá); for power purchase contracts to generating and transmission companies; and to guarantee obligations with financial entities.

Deposits to Fixed Term Certificate (CDT) which recorded value is $ 133 (2017: $ 133). The conditions for the use of the guarantee are to cover contingencies for lawsuits against the Municipality of Bucaramanga by the subsidiary ESSA S.A. This guarantee is constituted and granted to Seguros del Estado.

Premium retained for $ 13,718 (2017: $ 1,621) to the subsidiary Maxseguros by the Ceding Insurance Company, complying with Colombian regulations.

The Group received the premium retained from reinsurance companies for $ 6,232 (2017: $ 1,621) as guarantee by parent of the subsidiary Maxseguros.

The Group has not received guarantees as of December 31, 2018 and 2017, authorizing it to sell or pledge them without a default by the owner of the guarantee.

Note 17. Other Assets

The breakdown of other assets at the end of the periods being reported is as follows:

Concept	2018	2017
Non-Current		
Employee Benefits(1)	51,947	48,888
Advance Payments(2)	15,966	32,052
Deferred Loss due to Leaseback(3)	22,283	22,958
Advanced Payments to Suppliers(4)	20,558	10,246
Goods Received as Dation in Payment	1,466	1,462
Other Advance Payments or Recoverables for Taxes and Contributions	(28)	(25)
Total Other Assets Non-Current	**112,192**	**115,581**
Current		
Reinsurance Activities(5)	232,865	159,275
Value Added Tax (Sales Tax)	70,244	82,960
Advanced Payments(2)	85,991	79,903
Advanced Payments to Suppliers(4)	59,325	63,067
Other Recoverables for Other Taxes	3,851	1,521
Advnace Payment Industry and Commerce Tax	5	1,270
Advance Payment for Special Contribution	-	354
Other Advance Payments or Recoverables for Taxes and Contributions	299	204
Employee Benefits(1)	-	7
Retained Industry and Commerce Tax	831	-
Total Other Assets Current	**453,411**	**388,561**
Total Other Assets	**565,603**	**504,142**

Figures stated in millions of Colombian pesos

(1) Corresponds to the value recognized for loans granted to Group employees at rates lower than those of the market.

(2) Includes mainly the non-current portion of advanced payments made by EPM for the concept of all-risk insurance policies of the Ituango Hydroelectric Project for $ 15,141 (2016: $ 24,550) and non-contractual civil liability for $ 228 (2016: $ 418), both effective until March 15, 2020, which are being amortized. It also includes the premium in legal stability contracts for $ 9,141 (2016: $ 10,033) and leases for $ 1,310 (2016: $ 1,359).

In the current portion, it mainly includes the value of EPM's insurance policies, comprised mainly of the all-risk policies for $ 27,405 (2016: $ 27,271), of which $ 9,459 (2016: $ 9,496) are from the Ituango Hydroelectric Project, and other insurance by $ 19,577 (2016: $ 17,099) of which $ 13,414 (2016: $ 14,866) correspond to climate change insurance and advance payments for support and maintenance of software and other services for $ 8,425 (2016: $ 9,131).

(3) See detail of Financial Lease Agreements in Note 24. Other Financial Liabilities.

(4) As of December 31, 2018, includes mainly in the non-current portion, the resources delivered in administration by EPM, mainly for the agreements with: Empresa de Desarrollo Urbano (EDU) for $ 18,407 (2017: $ 6,893) and Corporación Parque Arví for $ 1,544 (2017: $ 1,152).

(5) The detail of Technical Reserves in charge of Reinsurers is as follows:

Technical Reserves Reinsurers	2018	2017
Lost Reseves Receivable	129,491	92,550
Non-Reported Lost Reserves Recoverable	49,804	32,170
Deferred Permium - Reinsurer Part	39,853	32,935
Withheld Funds	13,718	1,621
Total	**232,866**	**159,275**

Figures stated in millions of Colombian pesos

Note 18. Inventories

Inventories at the end of the period were represented as follows:

Inventories	2018	2017
Materials for the Rendering of Services(1)	355,865	356,531
Gods in Stock(2)	53,051	14,050
Goods in Transit	749	1,659
Total Inventories	**409,665**	**372,240**

Figures stated in millions of Colombian pesos

(1) Includes materials for the rendering of services held by third parties, which are those delivered to contractors that perform activities related to the rendering of services.

(2) Includes goods in stock that do not require transformation, such as power, gas and water meters, and supply goods, as well as those held by third parties.

Inventories were recognized for $234,436 (2017: $190,252) as the cost of the merchandise sold or cost to provide the service during the period. The inventory decline recognized as an expense during the period amounted to $308 (2017: $905).

As of December 31, 2018, The Group does not have committed inventories in warranty for liabilities.

Note 19. Cash and Cash Equivalents

The composition of cash and cash equivalents at the end of the period is as follows:

Cash and Cash Equivalents	2018	2017
Restricted Funds	22,343	-
Non-Current Cash and Cash Equivalents	**22,343**	**-**
Cash on Hand and in Banks	964,553	848,828
Other Cash Equivalents(1)	611,486	342,386
Current Cash and Cash Equivalents	**1,576,039**	**1,191,214**
Total Cash and Cash Equivalents Reported in the Statement of Cash Flows	**1,598,382**	**1,191,214**
Restricted Funds	**173,375**	**183,610**

Figures stated in millions of Colombian pesos

(1) Includes funds in transit $ 15,374 (2017: $ 1,885), restricted funds $ 151,032 (2017: $ 183,610) and cash equivalents $ 445,080 (2017: $ 156,891).

Treasury securities expire within a period equal to or less than three months from their acquisition date and earn market interest rates for this type of investments.

The Group has restrictions on cash and cash equivalents as detailed below. As of December 31, 2018, the fair value of restricted cash equivalents is $173,375 (2017: $183,610).

Fund or convention	Intent	2018	2017
Fondo de Vivienda Sinpro	Contribute to the acquisition and improvement of housing, to the beneficiaries of the convention subscribed between EPM and the unions.	17,936	17,525
Fondo de Vivienda Sintraemdes	Contribute to the acquisition and improvement of housing, to the beneficiaries of the convention subscribed between EPM and the unions.	17,002	20,410
Convenio Area Metropolitana del Valle de Aburra	Convention suscribed between the metropolitan area of the valley of aburra and Empresas Publicas de Medellin E.S.P., Act of execution No. 4 of the framework agreement No. CT 2015-000783 of 2015	8,006	-
Ministerio de Minas y Energia - Fondo Especial Cuota Fomento	Convention for construction co-financing: infrastructure for the distribution and connection to lower income users in the municipalities of Amaga, Santafe de Antioquia, Sopetran, San Jeronimo and Ciudad Bolivar. Compressed Natural Gas and connection to users of Don Matias, Entrerrios, San Pedro, Santa Rosa and Yarumal. Convention No. 106: construction of the connection infrastructure for users of the Aburra Valley, La Ceja, La Union and El Retiro. Convention 179: includes the municipality of Sonson.	5,443	5,245

Figures stated in millions of Colombian pesos

Fund or convention	Intent	2018	2017
Banco Bogota INCODER	Aunar esfuerzos y recursos entre EPM y el INCODER para llevar a cabo el proyecto "estudio de factibilidad para la construccion del distrito de riego y drenaje en parte de la region del uraba antioqueno" con alcance multiproposito.	4,791	9,989
Departamento de Antioquia, Convenio construccion via el Aro - Municipio de Ituango	Managing the resources contributed by the Government of Antioquia to co-finance the construction of the El Aro road - Connection via Puerto Valdivia site of the dam - Ituango municipality.	2,605	7
Credito BID 2120	Disbursement for the construction of the Aguas Claras plant for the treatment of wastewater (PTAR Bello).	2,289	166
Fondo de Educacion Sinpro	Promote the welfare of employees to meet the payment needs for fees, textbooks and equipment for advancing their own studies or the studies of family members.	2,258	2,140
Fondo de Educacion Sintraemdes	Promote the welfare of employees to meet the payment needs for fees, textbooks and equipment for advancing their own studies or the studies of family members.	2,107	2,010
Municipio de Guatape y Cornare	Join efforts for the improvement of technical, economic and social conditions for the execution of the phase 1 of the project to improve the environmental and landscape infrastructure of the Malecon San Juan del Puerto, for the development of sustainable tourism in the Municipality of Guatape.	1,994	2,334
Fondo Entidad Adaptada de Salud y Fondo Fosyga	Mechanism for the control and monitoring of contributions collected by Contributive Regime of Social Security and Healthcare.	1,857	1,610
Corporacion Autonoma de Guatape	Join efforts for the improvement of technical, economic and social conditions for the execution of the phase 1 of the project to improve the environmental and landscape infrastructure of the Malecon San Juan del Puerto, for the development of sustainable tourism in the Municipality of Guatape.	1,742	2,111
Convenio puntos SOMOS	Provide services for the operation of the key capacities associated with the item Points of the Loyalty Program on a large scale for the EPM Group.	1,651	1,522
Transacciones internacionales de energia	Guarantee corresponding to the "compensation" that must be made between the invoice of stock exchange transactions and the advance payments, looking for real payment to be made to XM .	1,636	10,721
Fondo de Calamidad Sintraemdes	Promote the welfare of employees to meet the payment for urgent and unforeseen needs or those of their close family group.	1,613	1,551
Convenios tasas de alumbrado publico y de aseo con los municipios	Convention to manage the resources of territorial entities for the payment to municipalities with agreements of collection of the rates of public lighting and cleaning, these are resources exempt of the 4x1000 tax in Colombia.	1,571	3,308
Fondo de Calamidad Sinpro	Promote the welfare of employees to meet the payment for urgent and unforeseen needs or those of their close family group.	1,310	1,293
CONVENIO INTERADMINISTRATIVO CT -2017-001388 (460007009)	Convention for the construction of 7 indigenous schools in 5 municipalities.	1,057	-

Figures stated in millions of Colombian pesos

Fund or convention	Intent	2018	2017
Programa Aldeas	Usage of the wood that completes its maturation cycle in the forests planted by EPM around its dam reservoirs, to build social housing in the municipalities of Antioquia outside the Valley of Aburra and deliver them to low-income families, preferably in a displacement situation, be it forced or voluntary.	732	1,165
CONTRATO INTERADMINISTRATIVO Numero Pc-2017-001532 De 2017,	Interventory construction of connections for aqueduct and sewerage networks in the neighborhoods Pepe Sierra I, Barrios de Jesus, El Progreso and La Canada del nino:	494	-
Fondo de Reparacion de motos	Promote the welware of official workers who work in the regional market and use motorcycles of their property for the performance of their work.	406	381
Municipio de Medellin - Aguas	Comprehensive management of water for human consumption of the inhabitants of the municipality of Medellin	382	879
Ministerio de Minas y Energia	Contributions from the Ministry of Mines and Energy in accordance with the provisions of contract FAER GGC 430 of 2015 for rural electrification works in the Municipality of Ituango.	191	643
Convenio construccion de infraestructura en Madera para Emvarias	Resource management for the construction of infrastructure in Madera for Emvarias in the La Pradera sanitary landfill.	124	-
Municipio de Caldas	Manage the resources allocated by the municipality of Caldas for the development of the project "Construction, replacement and modernization of aqueduct and sewerage networks and their complementary works, in the urban area of the municipality of Caldas".	116	168
Aporte Municipios de Pueblorrico y Ciudad Bolivar	Convention for the construction of 7 indigenous schools.	90	-
Distrito Termico	Agreement with the Ministry of Environment and Sustainable Development for the execution of the activities of the La Alpujarra Thermal District.	71	167
Municipio de Barbosa - Subsidios	Agreement to partially subsidize the connection of users in strata 1 and 2 in the municipality of Barbosa.	62	59
Espiritu Santo	EPM - Settlement of the Espiritu Santo project	60	58
Depositos Ley 820	Guarantee required by the leesor to the lessse, for the payment of publicutilities, according to Article 15 of Law 820 of 2003 and regulatory decree 3130 of 2003.	59	53
Municipio de Medellin - Terrenos	Acquisition of properties identified and characterized within the zones of protection of hydrographic basins supplying aqueduct systems in the municipality of Medellin.	58	56
Cuenca Verde	Manage the resources allocated for the fulfillment of the objectives of the Corporacion Cuenca Verde.	40	13
Convenio Marco Municipio Medellin No. 4600049285	Construction by EPM of walkways and other road elements in the downtown of Medellin, taking advantage of the Centro Parrilla project, that is, the renovation of aqueduct and sewerage networks.	39	37

Figures stated in millions of Colombian pesos

Fund or convention	Intent	2018	2017
Bogota Galeria Bolivar	Adjust the Carrera 51 (Bolivar road) between the Calle 44 (San Juan avenue) and 57 (La Paz street) and transfom this road segment into what is called La Galeria Bolivar.	23	7,102
Municipio de Medellin - Moravia	Construction, repair work and replacement of aqueduct and sewage networks and paving in the municipality of Medellin of the roads affected by these works in the Moravia neighborhood.	3	3
IDEA convenio 4600003912	Inter-administrative agreement to join efforts for the design and construction of electricity generation and distribution systems in rural areas in the department of Antioquia.	2	2
Bogota Convenio parques del rio	Transfer of public utilities networks for the development of the project called Parques del Rio Medellin.	1	1
IDEA Convenio 4600003283	Join efforts for the construction of residential gas connections in the different subregions of the department of Antioquia under the framework program "Gas without Borders".	1	22,373
Subsidios Goberrnacion 2016	Manage resources to subsidize the connections of lower income users in the department of Antioquia.	-	526
Convenio Interadministrativo Plaza del Tomatero en el Municipio del Penol	Join efforts to improve the technical, economic, environmental and social conditions to boost development and counteract the effect generated, for the municipality of Penol, of the reduction levels of the Penol-Guatape dam reservoir.	-	369
Fondo multilateral del protocolo de Montreal	Collaboration afgreement with the Ministry of Environment and Sustainable Development for the development of activities within the framework of the implementation in Colombia of the Montreal Protocol.	-	248
Convenio Municipio de Itagui Colector Ajizal	Manage the resources allocated by the Municipality of Itagui for the construction of the stabilization works for the channel of the creek the sesteadero for the Ajizal collector.	-	5
Total Restricted Funds EPM		**79,823**	**116,250**

Figures stated in millions of Colombian pesos

Fund or convention Empresas Varias	Intent	2018	2017
ENCARGO FID 919301039524 - Pradera	Resources reserved for payments (Pradera)	12,454	-
ENCARGO FID 919301039524 - Pradera	Resources reserved for payments (Pradera)	2,219	-
Encargo 919301039523 - Pradera	Resources reserved for payments (Pradera)	388	-
Convenio 18-897796-47 EDU	Agreement of delegated administration with the Municipality of Medellin, for the maintenance of green zones of the institutions of the Municipality and its 5 townships	319	118
FL BBVA 423 Convenio Poda-Tala	Agreement of delegated administration with the Municipality of Medellin for the service of trimming of green areas and pruning and felling of trees	31	31
FL Occidente INDER	Agreement with the INDER for the washing of stadium bridges and ceilings	8	8
FL Convenio zonas verdes 400054603	Agreement for the service of Green Areas	2	2
FL Bancolombia 6093-Clausura	Resources destined for the payment of the closing, closure and post-closure of Pradera	1	5,841
FL Convenio Zonas Verdes 2014	Agreement of delegated administration with the Municipality of Medellin for the service of trimming of green zones	0	2,275
FL Fiduex. 437100-Clausura	Collective portfolio	-	9,119
Total Restricted Funds Empresas Varias		**15,422**	**17,392**

Figures stated in millions of Colombian pesos

Fund or convention ESSA	Intent	2018	2017
Convenio FAER GGC 377	Rural electrification agreement signed with the Ministry of Mines and Energy	5,042	9,607
BBVA garantias 0408	Bank account XM	3,366	3,179
Convenio FAER GGC 382	Rural electrification agreement signed with the Ministry of Mines and Energy	965	3,139
Convenio Interadministrativo	Relocation of power line section	844	-
Convenio Linea 115 Puerto Wilches	Puerto Wilches rural electrification agreement - Barrancabermeja	589	570
Convenio FAER GGC 381	Rural electrification agreement signed with the Ministry of Mines and Energy	521	779
Convenio Alumbrado publico San Gil	Convention public lighting of San Gil	494	408
Convenio Gobernacion - ESSA Fase V	Rural electrification governance agreement	444	440
Recursos FAER	Management resources of rural electrification agreements	41	41
Convenio Recursos audiencias publicas	Rural electrification agreement signed with the Ministry of Mines and Energy	1	1
Convenio PRONE 383	Rural electrification agreement signed with the Ministry of Mines and Energy	-	0
Convenio FAER GGC 426	Rural electrification agreement signed with the Ministry of Mines and Energy	-	2,510
Total Restricted Funds ESSA		**12,307**	**20,675**

Figures stated in millions of Colombian pesos

Fund or convention TICSA Group Mexico	Intent	2018	2017
Fideicomiso Banco del Bajio 15892649	Restricted Funds Aquasol Morelia	4,139	-
Fideicomiso Banco Nacional de Obras y S	Restricted Funds Aquasol Morelia	2,647	-
Fideicomiso Banco del Bajio 15892649	Restricted Funds Colima	4,204	-
Fideicomiso Banco del Bajio/Multiva	Restricted Funds Tuxtla	2,554	-
Fideicomiso Banco Nacional de Obras y S	Restricted Funds Celaya	218	-
Fideicomiso Banco Del Bajio 15892649	Restricted Funds Celaya	1,077	-
Total Restricted Funds TICSA Group Mexico		**14,839**	**-**

Figures stated in millions of Colombian pesos

Fund or convention Empresas Publicas de Rionegro	Intent	2018	2017
Plan Contingencia	Resources to attend to possible contingencies subsequent to the acquisition of EP Rio by Epm	8,388	8,036
Contrato interadministrativo 189-2016. Alumbrado navideno.	Delegated administration of resources for the rental and transport of Christmas lights in the urban area of the Municipality of Rionegro	382	488
Convenio 073- 2017	Agreement 073 OF 2017 Optimize wastewater treatment plants (PTARS) located in rural area of the Municipality of Rionegro.	11	0
Contrato interadministrativo 198-2017. Alumbrado navideno.	Delegated administration of resources for the rental and transport of Christmas lights in the urban area of the Municipality of Rionegro	10	419
Convenio interadministrativo 094 DE 2017	Construction of the network for the aqueduct system in the Cuatro Esquinas sectors. Santa Ana of the urban area of the Municipality of Rionegro	4	818
Convenio 180 de 2017	Delegated administration for the replacement of sewage networks of the Villa Camila urbanization neighborhood 4 esquinas	1	91
Convenio 125 de 2017	Optimize wastewater treatment plants (PTARS, Plantas de Tratamiento de Aguas Residuales) located in rural area of the Municipality of Rionegro.	0	381
Total Restricted Funds Empresas Públicas de Rionegro		**8,797**	**10,233**

Figures stated in millions of Colombian pesos

Fund or convention CHEC	Intent	2018	2017
Fondo Especial Vivienda	Fund created to attend the housing loans to CHEC employees, according to the procedure and conditions established in the Collective Agreement of Labor in Force (CCTV, Convención Colectiva de Trabajo Vigente) signed between the union of SINTRAELECOL and CHEC	2,421	2,331
Fondos Especial Plan de Financiacion Social - PFS	Fund created to meet the microcredits that are made to users of the company's market, with collection through the energy bill; These loans have rates and conditions more favorable than those offered by the market. This program was created by the Board of Directors of the company	1,037	1,008
Fondo Mantenimiento de Plantas de Generacion	Fund created to meet the civil maintenance of the CHEC generation plants, through a delegated administration contract	240	358
Fondo especial CONFA	Special fund created for the attention of social and cultural extension programs for CHEC employees; through a contract of delegated administration with the company CONFA	198	200
Fondo Mantenimiento de Edificios	Fund created to service the maintenance of CHEC buildings, through a delegated administration contract	159	293
Fondo de administracion de gestion ambiental	Fund to execute the environmental management plans of the area of influence of CHEC generation plants	99	25
Cuenta custodia manejo XM	Fund created to meet the guarantees forpower transactions in the exchange that is managed and controlled by the market administrator XM	98	311
Fondo especial Convenio Aprendizaje	Fund created to attend the programs of the annual training agenda of CHEC employees; through a delegated administration contract	30	31
Fondo Especial de Predios	Fund created for the administration of the forest conservation lands in the hydrographic basins of the company; through a delegated administration contract	24	240
Total Restricted Funds CHEC		**4,307**	**4,797**

Figures stated in millions of Colombian pesos

Fund or convention CENS	Intent	2018	2017
Fondo Rotatorio de Vivienda	Housing loans to CENS S.A. employees	1,008	204
Cuenta custodia BBVA XM Garantias Bancarias	Guarantee and TIES of compliance to protect projects of energy purchase.	711	343
Convenio Ecopetrol-Bogota	Join technical, administrative and financial efforts to perform the execution of rural electrification works in the Municipalities of Tibu and El Carmen, Norte de Santander department, according to the activities contemplated in the Expansion Plan of the Coverage OR CENS (PECOR, Plan Expansión de la Cobertura), and the Program of Rural Electrification for the Catatumbo Zone and the Province of Ocana III.	469	481
Convenio Ecopetrol-Davivienda	Join technical, administrative and financial efforts to perform the execution of rural electrification works in the Municipalities of Tibu and El Carmen, Norte de Santander department, according to the activities contemplated in the Expansion Plan of the Coverage OR CENS (PECOR, Plan Expansión de la Cobertura), and the Program of Rural Electrification for the Catatumbo Zone and the Province of Ocana III.	249	-
FAER Catatumbo III	Perform the execution of rural electrification works in the municipalities of Convention, San Calixto, Cachira, Hacarí, Ocana, La Playa, Villa Caro, Teorama and La Esperanza Norte de Santander department	221	397
Convenio Gobernacion	Join technical, administrative and financial efforts between the Norte de Santander department and power plants of Norte de Santander (CENS, centrales electricas del norte de Santander) S.A. E.S.P., to carry out the execution of rural electrification works in the municipalities of	98	413
Contrato AOM	Administration, operation, maintenance and replacement of rural electrification assets built with the resources of the project "rural electrification program area of Catatumbo and province of Ocana, stage 1, Norte de Santander" (programa de electrificación rural zona del Catatumbo y provincia de Ocana, etapa 1, Norte de Santander).	65	65
Fundescat	Carry out the execution of rural electrification works in the municipalities of Tibu and Tarra, Norte de Santander department	9	12
FAER Morales-Aguachica	Expand the coverage, improve the quality and continuity of the electric power service and satisfy the demand for it in the areas of the National Interconnected System (SIN, Sistema Interconectado Nacional)located in the Market of the network operator - power plants in the north of Santander (centrales eléctricas del norte de Santander) s.a. e.s.p., through the execution of projects of the Financial Support Fund for the Energization of the Interconnected Rural Areas - FAER (Fondo de Apoyo Financiero para la Energización de las Zonas Rurales Interconectadas)	-	38
Total Restricted Funds CENS		**2,831**	**1,953**

Figures stated in millions of Colombian pesos

Fund or convention HET	Intent	2018	2017
Certificado de deposito. Contrato Concesion	Bond coverage originated by the Concession Contract of the BPPS Administration, granted by the entity National Environmental Authority (Autoridad Nacional del Ambiente), the CDT and the Bond is renewed annually. The Concession contemplates the land where the Plant is located.	1,168	1,072
Certificado de deposito Contrato Etesa	Coverage for the letter of credit in favor of ETESA, Transmission Line Access Agreement (Contrato de Acceso a la Linea de transmision), the CDT and L/C is renewed annually.	335	308
Deposito de garantia ETESA-OER	Guarantee deposits for ETESA contract.	334	105
Certificado Deposito Sura	Lawsuit deposits for guarantee in favor of HET	69	63
Fondo de Cesantia-Indemnizacion	Value corresponding to the Employee Severance Fund related to the Seniority Premium, which by law must be reserved a percentage for compensation.	16	15
Depositos para servicios	Value corresponding to lease deposits	10	9
Fondo de Cesantias excedentes	Surplus Severance Fund	-	26
Total Restricted Funds HET		**1,931**	**1,599**

Figures stated in millions of Colombian pesos

Fund or convention EDEQ	Intent	2018	2017
Vivienda	Resources destined to improve the quality of life of employees through the granting of credits destined to the purchase and improvement of housing	1,559	2,104
Bienestar Social y Capacitacion	Resources allocated to provide employees and their families with access to higher education, health, well-being and recreation	229	175
Motos	Resources intended to provide employees with loans to acquire and replace motorcycles intended for the fulfillment of their duties	16	23
Calamidad	Resources destined for events caused by serious and unforeseen situations that affect the worker or his family	7	12
Total Restricted Funds EDEQ		**1,811**	**2,314**

Figures stated in millions of Colombian pesos

Fund or convention Aguas Regionales	Intent	2018	2017
Prestamos de vivienda	Housing loans	**56**	124
FL IDEA 10006236	IDEA	**-**	2
Total Restricted Funds Aguas Regionales		**56**	**126**

Figures stated in millions of Colombian pesos

Fund or convention Aguas de Malambo	Intent	2018	2017
Convenio Vida	For the agreement source of life of the micro measurement program	1	-

Figures stated in millions of Colombian pesos

Total Restricted Funds EPM Group	**173,375**	**183,610**

Figures stated in millions of Colombian pesos

Note 20. Equity

20.1 Capital

The Group does not have its Capital divided in Shares.

Capital	2018	2017
Initial Balance	67	67
Increase (Reduction) of Capital	-	-
Total	**67**	**67**

Figures stated in millions of Colombian pesos

20.2 Reserves

Of the accounts that make up equity, the reserves at the cut-off date were constituted by:

Reserves	2018	2017
Legal Reserves		
Initial Balance	2,587,163	2,686,989
Establishment	56,358	35,737
Release	(986,767)	(135,563)
Other Movements	(227,574)	-
Final Balance Legal Reserves	**1,429,180**	**2,587,163**
Occasional Reserves		
Initial Balanca	579,717	579,428
Establishment	18,677	289
Final Balance Occasional Reserves	**598,394**	**579,717**
Other Reserves		
Initial Balance	312,403	338,372
Establishment	2,244	64,681
Release	(9,139)	(57,361)
Other Movements	227,575	(33,289)
Final Balance Other Reserves	**533,083**	**312,403**
Total Reserves	**2,560,657**	**3,479,283**

Figures stated in millions of Colombian pesos

The nature and purpose of the Group equity reserve are described below:

- **Legal Reserves:** the EPM Group companies operating in Colombia have constituted legal reserves, in compliance with the tax provisions of Colombia that were contained in Articles 130 of the Tax Code, which was repealed by Law 1819 of 2016 (reserve of 70% for the excess of tax depreciation over the accountable) and Decree 2336 of 1995 (for revenue incorporated to profits in the application of the equity method applied under local regulation).

For the subsidiaries in El Salvador, the legal reserve is established in accordance with the current Code of Commerce, companies must annually establish a legal reserve of 7% of net profits, with a minimum established limit of one fifth of its company capital. Additionally, according to Income Tax Law, when the legal reserve is reduced for any circumstance, such as capitalization, application to losses of previous years or distribution, legal reserves shall constitute taxable income for the company for the amount deducted for income tax effects in previous tax years of the decrease, being settled separately from the ordinary income, at a rate of 25%. For such purposes, the company will keep record of the establishment of legal reserves and the amount deducted to determine the net or taxable income in each fiscal year or tax period.

For Guatemalan subsidiaries under the Code of Commerce, all mercantile companies must annually appropriate at least 5% of their net profits to establish the legal reserve, which cannot be distributed until the liquidation of the company. However, this reserve can be capitalized when it is equal to or greater than 15% of the capital paid at the close of the immediately preceding year, without prejudice to continuing to reserve the mentioned 5%.

For affiliates in other countries in which the EPM Group operates, the establishment of legal reserves has not been established by law.

(1) In EPM, the Board of Directors in its March 20, 2018 and March 14, 2017 sessions approved:

- Release reserves for $ 323,407 (2017: $ 135,563) gathered in previous periods by authorization of the Board of Directors.
- Release reserves for $ 667,204 of article 130 of the Tax Code, pursuant to the provisions of article 290 of Law 1819 of 2016.

Occasional Reserves: in compliance with article 211 of the Colombian Tax Code, the EPM Group companies operating in Colombia have established the required reserves in order to enjoy the special tax treatment and obtain cuts in the income and complementary taxes**.**

- **Other Reserves:** includes statutory reserves, for repurchase of shares and quotas, patrimonial funds and others, which as of December 31 record the net balance corresponding to the releases made by the subsidiaries in those reserves that have already fulfilled the requirements to be released**.**

20.3. Retained Profit

The movements of Retained Profit during the period was:

Retained Profit	2018	2017
Initial Balance	13,692,151	12,959,786
Movement of Reserves	918,626	92,217
Surpluses or Dividends Decreed	(1,203,504)	(1,609,136)
Transfer to Other Comprehensive Income	(51)	-
Purchase-Sale to Non-Controlling Interest	2	-
Income Tax related to Transactions with Owners	(341)	(1,681)
Other Movements for the Period	(14,693)	64,663
Total Comprehensive Income	**13,392,190**	**11,505,849**
Net Profit for the Period for Non-Controlling Interests	**2,258,293**	**2,186,302**
Total Retained Profit	**15,650,483**	**13,692,151**

Figures stated in millions of Colombian pesos

Surpluses paid during the year were $ 1,203,503 (2017: $ 1,609,136), $ 656,457 (2017: $ 550,438) ordinary and $ 547,046 (2017: $ 371,146) extraordinary. The year 2017 includes the payment for $ 300,000 due to the sale of ISAGÉN.

20.4. Other Components of Equity

Includes the equity effect due to excess of value paid over the fair value in capital contributions or due to changes in shares of the Group subsidiaries and the equity effects for payments based on shares of investments in associates.

20.5. Non-Controlling Interests

The movement of Non-Controlling Interests to the cut-off date is:

Non-Controlling Interests	2018	2017
Initial Balance	857,654	803,461
Surpluses or Dividends Decreed	(106,956)	(86,328)
Share in Profit for the Period	159,245	140,800
Share in Other Comprehensive Income	6,306	(1,238)
Purchase-Sale to Non-Controlling Interest	33	-
Income Tax related to Transactions with Owners	(326)	(1,605)
Other Movements for the Period(1)	37,751	2,563
Total Cumulative Profit	**953,707**	**857,654**

Figures stated in millions of Colombian pesos

Note 21. Accumulated Other Comprehensive Income

The breakdown of each component of the Other Comprehensive Income for the Consolidated statement of financial position and the corresponding tax effect is as follows:

Accumulated Other Comprehensive Income	2018			2017		
	Gross	Tax Efect	Net	Gross	Tax Efect	Net
Reclassification of Property, Plant and Equipment to Investment Property	13,439	(1,643)	11,796	13,439	(1,360)	12,079
New Measurements of Defined Benefit Plans	(47,279)	18,898	(28,381)	(43,995)	14,437	(29,558)
Equity Investments Measured at Fair Value through Equity	2,300,129	(131,825)	2,168,304	2,309,259	(135,913)	2,173,346
Participation in Other Comprehensive Income of Associates and Joint Ventures	(3,640)	-	(3,640)	(2,582)	-	(2,582)
Cash Flow Hedges	(21,581)	(48,922)	(70,503)	(24,762)	18,974	(5,788)
Translation of Financial Statements of Foreign Operations	817,051	-	817,051	716,675	-	716,675
Total	**3,058,119**	**(163,492)**	**2,894,627**	**2,968,034**	**(103,862)**	**2,864,172**

Figures stated in millions of Colombian pesos

Below, a reconciliation of the initial and final balances to the cut-off date is presented for each component of comprehensive income:

21.1 Component: Reclassification of Property, Plant and Equipment to Investment Property

The component of Reclassification of Property, Plant and Equipment to Investment Property of Other comprehensive income corresponds to transfers from property, plant and equipment to investment property, which are measured at fair value. Changes in fair value do not reclassify to Profit for the period.

Reclassification of Property, Plant and Equipment to Investment Property	2018	2017
Initial Balance	12,079	12,079
Associated income tax (or equivalent)	(283)	-
Total	**11,796**	**12,079**

Figures stated in millions of Colombian pesos

21.2. Component: New Measurements of Defined Benefit Plans

The component of New Measurements of Defined Benefit Plans represents the accumulated value of actuarial profits or losses, the return on plan assets and changes in the effect of the asset ceiling, excluding the values included in the net interest on the liability (asset) of net defined benefits. The net value of the new measurements is transferred to retained profit and does not reclassify to the results of the period.

New Measurements of Defined Benefit Plans	2018	2017
Initial Balance	(29,557)	(14,949)
Profit for the Period for New Measurements of Defined Benefit Plans	(3,409)	(31,686)
Associated income tax (or equivalent)	4,440	11,012
Other Changes - Net	144	6,066
Total	**(28,381)**	**(29,557)**

Figures stated in millions of Colombian pesos

21.3. Component: Equity Investments Measured at Fair Value through Equity

The component of other comprehensive income from Equity Investments Measured at Fair Value through Equity represents the accumulated value of the profits or losses from the assessment at fair value less the values transferred to retained profit when these investments have been sold. Changes in fair value do not reclassify to the result of the period.

Equity Investments Measured at Fair Value through Equity	2018	2017
Initial Balance	2,173,345	1,745,876
Net Profit due to Changes in the Fair Value of Equity Investments	(9,156)	475,222
Associated income tax (or equivalent)	4,045	(43,703)
Accumulated Profit (loss) tranferred to Accumulated Profit (Loss) for the Period	70	(18)
Other Changes - Net	-	(4,032)
Total	**2,168,304**	**2,173,345**

Figures stated in millions of Colombian pesos

21.4. Component: Participation in Other Comprehensive Income of Associates and Joint Ventures

The component of Other Comprehensive Income from Participation in Other Comprehensive Income of Associates and Joint Ventures represents the cumulated value of applying the equity method to profits and losses of Other Comprehensive Income of Associates and Joint Ventures. The cumulated value of the profits or losses will be reclassified to the Profit for the period or to the Accumulated Profit, depending on the items that originated the equity method, when these investments have been sold.

Participation in Other Comprehensive Income of Associates and Joint Ventures	2018	2017
Initial Balance	(2,582)	189
New Measurements of Defined Benefit Plans	(277)	(3,187)
Translation of Financial Statements of Foreign Operations	49	4
Associated income tax (or equivalent)	37	(699)
Hedging Transactions	(868)	701
Other Changes - Net	-	410
Total	**(3,640)**	**(2,582)**

Figures stated in millions of Colombian pesos

21.5. Component: Cash Flow Hedges

The component of Other Comprehensive Income from Cash Flow Hedges represents the cumulative value of the effective portion of the gains or losses that arise from changes in the fair value of hedged items in a cash flow hedge. The accumulated value of the profits or losses will reclassify to the Profit for the period only when the hedged transaction affects the Profit for the period or the highly probable transaction is not expected to occur, or is included, as part of its recorded value, in a heading non-financial item.

Cash Flow Hedges	2018	2017
Initial Balance	(5,789)	(8,262)
Losses due to Changes in Fair Value of Hedging Instruments	3,181	(5,388)
Associated income tax (or equivalent)	(77,848)	8,429
Other Changes - Net	9,953	(568)
Total	**(70,503)**	**(5,789)**

Figures stated in millions of Colombian pesos

21.6. Component: Profit for Translation of Financial Statements of Foreign Operations

The Translation Differences component represents the accumulated value of the exchange differences that arise from the conversion to the Group's presentation currency of the results and of the net assets of the operations abroad, as well as of the gains or losses of hedge instruments that are designated in a net investment hedge in a foreign business. Cumulative conversion differences reclassify the results of the period, partially or totally, when the operation is arranged abroad.

Profit for Translation of Foreign Operations	2018	2017
Initial Balance	716,676	705,284
Net Exchange Differences for Translation of Foreign Operations	100,375	15,222
Associated income tax (or equivalent)	-	-
Other Changes		(3,830)
Total	**817,051**	**716,676**

Figures stated in millions of Colombian pesos

Note 22. Credits and Loans

The following is the breakdown of the recorded value of credits and loans:

Credits and Loans	2018	2017
Non-Current		
Commercial banks loans	4,139,390	3,845,655
Other Bonds and Securities Issued	6,177,480	7,785,051
Multilateral banks loans	3,249,965	1,093,597
Development banks loans	1,819,138	802,370
Bonds and Securities Issued	643,168	589,570
Overdrafts	-	-
Other Loans	-	-
Loans to Economic Associates	-	-
Total Other Credits and Loans Non-Current	**16,029,141**	**14,116,243**
Current		
Commercial banks loans	1,581,113	1,210,946
Multilateral banks loans	615,309	574,671
Other Bonds and Securities Issued	2,029,387	455,148
Bonds and Securities Issued	391,119	484,163
Development banks loans	177,626	117,552
Other Loans	11,105	-
Loans to Economic Associates	-	-
Overdratfs	-	-
Total Other Credits and Loans Current	**4,805,659**	**2,842,480**
Total Other Credits and Loans	**20,834,800**	**16,958,723**

Figures stated in millions of Colombian pesos

The breakdown of credits and loans by entity is as follows:

Company	Entity or Loan	Original Currency	Initial Date DD/MM/YYY	Term	Nominal Interest Rate	December 31, 2018				December 31, 2017			
						IRR	Nominal Value	Amortized Cost Value	Total Amount	IRR	Nominal Value	Amortized Cost Value	Total Amount
AGUAS DE ANTOFAGASTA	Banco BICE-BCI	CLP	10/06/2016	-	-	0.00%	3	-	3	0.00%	-	-	-
AGUAS DE ANTOFAGASTA	Banco del Estado	CLP	23/10/2014	5.00	UF + 1.9%	1.04%	9,670	(27)	9,643	1.04%	19,283	64	19,347
AGUAS DE ANTOFAGASTA	Banco del Estado	CLP	14/01/2015	10.00	UF + 2.9%	1.51%	151,157	2,107	153,265	1.51%	173,169	2,404	175,573
AGUAS DE ANTOFAGASTA	Banco del Estado	CLP	18/10/2018	5.00	TAB + 0.65%	1.42%	433,144	2,355	435,499	4.64%	662,372	1,528	663,901
AGUAS DE ANTOFAGASTA	Scotiabank	CLP	18/10/2018	5.00	TAB + 0.65%	1.50%	845,310	4,966	850,276	4.51%	662,372	1,528	663,901
AGUAS REGIONALES	Banco BBVA 400	COP	19/08/2014	10.00	IPC + 4.90%	0.00%	-	-	-	7.85%	338	18	355
AGUAS REGIONALES	Banco BBVA 400-2	COP	28/10/2014	10.00	IPC + 4.90%	0.00%	-	-	-	7.88%	338	17	355
AGUAS REGIONALES	Banco BBVA 700	COP	23/07/2014	10.00	IPC + 4.90%	0.00%	-	-	-	7.76%	591	32	623
AGUAS REGIONALES	Banco BBVA 850	COP	16/03/2015	10.00	IPC + 4.90%	0.00%	-	-	-	8.58%	717	24	741
AGUAS REGIONALES	Banco Popular 1082	COP	20/09/2013	12.00	DTF + 3.45%	0.00%	-	-	-	8.07%	839	25	864
AGUAS REGIONALES	Banco Popular 1500	COP	24/09/2012	12.00	DTF + 3.45%	0.00%	-	-	-	8.04%	1,013	28	1,040
AGUAS REGIONALES	Banco Popular 1700	COP	2/05/2014	10.00	DTF + 2.75%	0.00%	-	-	-	7.58%	1,381	41	1,422
AGUAS REGIONALES	Banco Popular 1915	COP	13/12/2013	12.00	DTF + 3.45%	0.00%	-	-	-	8.12%	1,533	47	1,580
AGUAS REGIONALES	Banco Popular 3000	COP	26/02/2014	10.00	DTF + 2.75%	0.00%	-	-	-	7.41%	2,344	65	2,409
AGUAS REGIONALES	Banco Popular 350	COP	19/10/2012	12.00	DTF + 3.45%	0.00%	-	-	-	8.02%	245	11	256
AGUAS REGIONALES	Banco Popular 500	COP	26/07/2013	12.00	DTF + 3.45%	0.00%	-	-	-	8.20%	388	15	402
AGUAS REGIONALES	Banco Popular 520	COP	25/04/2013	12.00	DTF + 3.45%	0.00%	-	-	-	8.12%	390	16	406
AGUAS REGIONALES	Banco Popular 520 Occ	COP	30/10/2014	10.00	DTF + 2.75%	0.00%	-	-	-	7.86%	455	11	466
AGUAS REGIONALES	Banco Popular 616	COP	10/05/2013	12.00	DTF + 3.45%	0.00%	-	-	-	8.04%	462	18	481
AGUAS REGIONALES	Banco Popular 666	COP	12/04/2013	12.00	DTF + 3.45%	0.00%	-	-	-	8.04%	499	23	522
AGUAS REGIONALES	Banco Popular 700	COP	27/11/2012	12.00	DTF + 3.45%	0.00%	-	-	-	8.21%	490	14	504
AGUAS REGIONALES	Banco Popular 800	COP	26/12/2012	12.00	DTF + 3.45%	0.00%	-	-	-	8.07%	560	15	575
AGUAS REGIONALES	Banco Popular 950	COP	4/12/2013	12.00	DTF + 3.45%	0.00%	-	-	-	8.17%	760	24	784
AGUAS REGIONALES	Bancolombia 3000	COP	17/10/2013	10.00	DTF + 2.75%	0.00%	-	-	-	7.28%	2,250	87	2,337
AGUAS REGIONALES	Bbva	COP	20/05/2014	10.00	DTF T.A. + -0.7%	3.27%	688	12	700	3.88%	813	18	831
AGUAS REGIONALES	Bbva	COP	19/12/2014	10.00	DTF T.A. + -0.7%	3.55%	1,033	9	1,042	4.16%	1,205	13	1,218
AGUAS REGIONALES	Bogotá	COP	28/10/2015	10.00	DTF T.A. + 2.6%	7.27%	595	8	603	8.32%	680	10	690
AGUAS REGIONALES	Davivienda	COP	19/02/2018	10.00	IPC + 4.8%	8.22%	5,000	47	5,047	0.00%	-	-	-
AGUAS REGIONALES	HELM	COP	16/03/2012	12.00	DTF T.A. + -1%	2.63%	4,328	99	4,427	3.24%	5,153	146	5,298
AGUAS REGIONALES	Popular	COP	1/06/2018	7.00	IBR + 3%	7.41%	13,563	85	13,648	0.00%	-	-	-
CENS	Agrario	COP	30/09/2015	2.50	DTF + 1.60%	0.00%	-	-	-	7.52%	5,000	87	5,087
CENS	Bancolombia	COP	31/01/2018	1.00	IBR + 1.86%	6.17%	7,000	70	7,070	0.00%	-	-	-
CENS	BBVA	COP	13/07/2016	10.00	IBR + 4.89%	0.00%	-	-	-	12.40%	1,133	56	1,189
CENS	BBVA	COP	17/08/2016	10.00	IBR + 4.89%	0.00%	-	-	-	10.17%	1,309	30	1,339
CENS	BBVA	COP	15/09/2016	10.00	IBR + 4.89%	0.00%	-	-	-	10.13%	4,722	78	4,800
CENS	BBVA	COP	3/10/2016	10.00	IBR + 4.89%	0.00%	-	-	-	10.12%	5,000	59	5,059
CENS	BBVA	COP	14/10/2016	10.00	IBR + 4.89%	0.00%	-	-	-	10.07%	2,496	27	2,523
CENS	BBVA	COP	24/10/2016	10.00	IBR + 4.89%	0.00%	-	-	-	10.00%	6,140	62	6,202
CENS	BBVA	COP	28/09/2018	1.00	IPC + 2.6%	5.91%	15,000	11	15,011	0.00%	-	-	-
CENS	BBVA	COP	18/10/2018	1.00	IPC + 2.6%	5.94%	5,000	59	5,059	0.00%	-	-	-

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CENS	Bogotá	COP	4/09/2012	7.00	IBR + 1.88%	5.86%	6,000	125	6,125	6.18%	12,000	319	12,319
CENS	Bogotá	COP	15/05/2014	7.00	IBR + 1.88%	6.35%	5,000	27	5,027	6.69%	7,000	47	7,047
CENS	Bogotá	COP	18/12/2015	7.00	IBR + 1.88%	7.63%	8,000	(17)	7,983	8.20%	10,000	(156)	9,844
CENS	Bogotá	COP	16/02/2018	9.00	IBR + 2.98%	7.40%	137,832	3,590	141,422	0.00%	-	-	-
CENS	Davivienda	COP	16/06/2016	10.00	IBR + 4.89%	0.00%	-	-	-	10.07%	40,000	(302)	39,698
CENS	Davivienda	COP	15/07/2016	10.00	IBR + 4.89%	0.00%	-	-	-	10.10%	5,488	195	5,683
CENS	Davivienda	COP	18/08/2016	10.00	IBR + 4.89%	0.00%	-	-	-	10.18%	6,198	141	6,339
CENS	Davivienda	COP	16/09/2016	10.00	IBR + 4.89%	0.00%	-	-	-	10.17%	5,156	77	5,233
CENS	Davivienda	COP	14/10/2016	10.00	IBR + 4.89%	0.00%	-	-	-	10.10%	4,851	46	4,897
CENS	Davivienda	COP	17/11/2016	10.00	IBR + 4.89%	0.00%	-	-	-	9.97%	3,877	14	3,891
CENS	Davivienda	COP	24/11/2016	10.00	IBR + 4.89%	0.00%	-	-	-	9.90%	11,020	41	11,061
CENS	Davivienda	COP	5/12/2016	10.00	IBR + 4.89%	0.00%	-	-	-	9.95%	14,210	(25)	14,185
CENS	Davivienda	COP	16/12/2016	10.00	IBR + 4.89%	0.00%	-	-	-	9.94%	15,232	(59)	15,173
CENS	Davivienda	COP	13/01/2017	10.00	IBR + 4.89%	0.00%	-	-	-	9.92%	11,000	462	11,462
CENS	Davivienda	COP	29/11/2018	10.00	IPC + 4.3%	7.72%	6,000	39	6,039	0.00%	-	-	-
CENS	Davivienda	COP	19/12/2018	10.00	IPC + 4.3%	7.71%	15,000	37	15,037	0.00%	-	-	-
CENS	Popular	COP	15/05/2017	10.00	IBR + 3.35%	7.64%	37,241	432	37,672	8.92%	37,241	351	37,591
CENS	Popular	COP	26/05/2017	10.00	IBR + 3.35%	7.64%	8,540	81	8,621	8.90%	8,540	57	8,597
CENS	Popular	COP	23/06/2017	10.00	IBR + 3.35%	7.65%	6,505	21	6,526	8.93%	6,505	(8)	6,497
CENS	Popular	COP	29/06/2017	10.00	IBR + 3.35%	7.61%	10,162	33	10,195	8.90%	10,162	(13)	10,149
CENS	Popular	COP	18/07/2017	10.00	IBR + 3.35%	7.60%	14,951	560	15,511	8.95%	14,951	621	15,572
CENS	Popular	COP	27/07/2017	10.00	IBR + 3.35%	7.60%	6,500	230	6,730	8.95%	6,500	255	6,755
CENS	Popular	COP	23/08/2017	10.00	IBR + 3.35%	7.71%	6,000	155	6,155	8.94%	6,000	192	6,192
CENS	Popular	COP	15/09/2017	10.00	IBR + 3.35%	7.69%	6,442	144	6,586	8.93%	6,442	168	6,610
CENS	Popular	COP	19/09/2017	12.00	IBR + -1.8%	3.16%	5,923	79	6,002	3.24%	5,923	54	5,977
CENS	Popular	COP	19/09/2017	10.00	IBR + 4.45%	9.53%	11,846	348	12,194	9.62%	11,846	305	12,151
CENS	Popular	COP	17/11/2017	10.00	IBR + 3.35%	7.62%	9,659	120	9,779	8.88%	9,659	100	9,759
CENS	Popular	COP	17/11/2017	12.00	IBR + -1.8%	2.91%	4,077	27	4,104	2.97%	4,077	14	4,091
CENS	Popular	COP	17/11/2017	10.00	IBR + 4.45%	9.47%	8,154	129	8,283	9.59%	8,154	90	8,244
CENS	Popular	COP	18/12/2017	10.00	IBR + 3.35%	7.59%	20,000	136	20,136	8.85%	20,000	61	20,061
CENS	Popular	COP	18/01/2018	10.00	IBR + 3.35%	7.57%	37,000	1,429	38,429	0.00%	-	-	-
CHEC	Agrario	COP	6/01/2016	10.00	DTF + 2.99%	0.00%	-	-	-	8.17%	65,000	1,327	66,327
CHEC	Bancolombia	COP	9/02/2018	8.00	IBR + 2.29%	6.70%	58,906	855	59,761	0.00%	-	-	-
CHEC	BBVA	COP	22/08/2014	10.00	IPC + 3.5%	6.65%	48,156	628	48,784	7.49%	56,531	866	57,397
CHEC	BBVA	COP	28/12/2015	10.00	DTF + 2.35%	0.00%	-	-	-	7.51%	60,000	119	60,119
CHEC	Corpbanca	COP	22/08/2014	10.00	IPC + 3.5%	6.64%	36,656	482	37,138	7.49%	43,031	661	43,692
CHEC	Davivienda	COP	27/12/2018	12.00	IBR + 0.388%	4.59%	43,000	21	43,021	0.00%	-	-	-
DEL SUR	Bonos	USD	16/08/2010	10.00	LIBOR 6M + 4.5%	1.52%	68,245	425	68,669	1.52%	62,664	327	62,991
DEL SUR	Citibank	USD	27/12/2018	-	+ 4.9%	0.00%	14,624	-	14,624	0.00%	-	-	-
DEL SUR	Davivienda	USD	26/08/2013	10.00	LIBOR 3M + 3.7%	1.02%	54,840	296	55,135	1.02%	57,815	7	57,822

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DEL SUR	Davivienda	USD	7/10/2015	10.00	LIBOR 3M + 4.2%	1.02%	43,872	557	44,428	1.02%	44,760	671	45,431
EDEQ	AV VILLAS	COP	23/06/2016	7.00	IBR + 3.1%	10.67%	2,699	19	2,718	10.67%	2,999	25	3,024
EDEQ	AV VILLAS	COP	15/09/2017	7.00	IBR + 3.1%	7.48%	6,000	13	6,013	7.85%	6,000	16	6,016
EDEQ	Banco Agrario	COP	25/06/2015	3.25	DTF + 1.65%	0.00%	-	-	-	5.96%	2,475	13	2,488
EDEQ	Bancolombia	COP	4/05/2018	1.00	IBR + 1.86%	6.21%	11,000	105	11,105	0.00%	-	-	-
EDEQ	DAVIVIENDA	COP	12/11/2015	7.00	DTF + 2.66%	8.35%	5,875	(43)	5,832	2.83%	7,344	5	7,349
ENSA	Banco Davivienda	USD	21/12/2016	0.08	LIBOR + 1.4%	0.00%	-	-	-	2.00%	53,712	485	54,197
ENSA	Banco Davivienda	USD	21/06/2017	0.58	LIBOR + 2.00%	0.00%	-	-	-	0.00%	5,968	54	6,022
ENSA	Banco Latinoamericano de Comercio Exterior, S.A.	USD	5/12/2017	0.17	LIBOR + 1.65%	0.00%	-	-	-	1.65%	38,792	44	38,836
ENSA	Bonos	USD	10/07/2006	15.00	7.6%	8.16%	324,975	8,465	333,440	8.16%	298,400	6,813	305,213
ENSA	Bonos	USD	13/12/2012	15.00	4.73%	3.46%	259,980	(2,520)	257,460	3.46%	238,720	(2,561)	236,159
ENSA	Citibank	USD	7/08/2017	0.49	LIBOR + 2.00%	0.00%	-	-	-	2.00%	38,792	58	38,850
ENSA	Citibank	USD	8/11/2017	0.49	LIBOR + 1.94%	0.00%	-	-	-	1.94%	35,808	39	35,847
ENSA	Scotiabank	USD	9/10/2017	0.41	LIBOR + 1.89%	0.00%	-	-	-	1.89%	59,680	63	59,743
ENSA	Scotiabank	USD	16/10/2017	0.49	LIBOR + 1.98%	0.00%	-	-	-	1.98%	59,680	43	59,723
ENSA	Scotiabank	USD	6/12/2017	0.49	LIBOR + 1.95%	0.00%	-	-	-	1.95%	44,760	61	44,821
ENSA	Scotiabank	USD	11/12/2017	0.49	LIBOR + 1.95%	0.00%	-	-	-	1.95%	14,920	16	14,936
ENSA	Scotiabank	USD	3/10/2018	5.00	4.25%	4.25%	324,975	732	325,707	2.00%	29,840	28	29,868
ENSA	Scotiabank	USD	6/11/2018	0.25	LIBOR + 2.9%	2.90%	19,499	5	19,503	0.00%	-	-	-
ENSA	Scotiabank	USD	7/12/2018	0.25	LIBOR + 2.68%	2.68%	19,499	35	19,533	0.00%	-	-	-
EP RIO	Bogotá	COP	15/06/2016	10.00	DTF T.A. + 5%	10.19%	2,344	(11)	2,332	11.03%	2,500	(14)	2,486
EP RIO	Bogotá	COP	19/10/2015	10.00	DTF T.A. + 5%	10.18%	2,563	(4)	2,558	11.01%	2,897	26	2,923
EP RIO	Bogotá	COP	28/02/2016	10.00	DTF T.A. + 5%	10.16%	3,792	(14)	3,778	10.98%	4,000	54	4,054
EP RIO	Bogotá	COP	27/07/2016	10.00	DTF T.A. + 5%	10.22%	896	(6)	890	11.02%	1,000	(10)	990
EPM	1013 AFD	USD	10/08/2012	14.00	4.311%	4.47%	824,287	13,588	837,875	4.47%	840,978	13,693	854,672
EPM	1014 EDC	USD	4/08/2016	6.00	LIBOR + 1.4%	4.65%	974,925	10,059	984,984	0.00%	-	-	-
EPM	1015 CAF	USD	3/10/2016	18.00	LIBOR + 3.1%	6.28%	649,950	5,285	655,235	0.00%	-	-	-
EPM	1019 COLPATRIA	COP	19/12/2018	1.00	IBR + 1.78%	6.06%	100,000	199	100,199	0.00%	-	-	-
EPM	1020 BBVA	COP	20/12/2018	1.00	IBR + 1.793%	6.07%	35,000	59	35,059	0.00%	-	-	-
EPM	1220 BID 2120	USD	25/03/2009	25.00	LIBOR + 0%	3.62%	374,249	(1,614)	372,635	3.33%	111,903	(55)	111,848
EPM	1230 IDB INVEST tramo 12 años	USD	29/12/2017	12.00	LIBOR + 2.75%	6.37%	1,218,656	(36,582)	1,182,074	0.00%	-	-	-
EPM	1231 IDB INVEST tramo 8 años	USD	29/12/2017	8.00	LIBOR + 2.125%	5.88%	243,731	(7,346)	236,385	0.00%	-	-	-
EPM	1254 BONOS IPC	COP	20/11/2008	10.00	IPC + 5.37%	0.00%	-	-	-	10.49%	174,410	3,563	177,973
EPM	1256 BONOS TASA FIJA	COP	20/11/2008	10.00	13.8%	0.00%	-	-	-	13.79%	58,000	853	58,853
EPM	1257 BONOS IPC II TRAMO	COP	22/01/2009	10.00	IPC + 5.8%	9.16%	138,600	2,366	140,966	10.25%	138,600	2,447	141,047
EPM	1259 BONOS TF II TRAMO	COP	22/01/2009	10.00	10.8%	10.79%	74,700	7,558	82,258	10.79%	74,700	7,564	82,264
EPM	1261 BONOS IPC III TRAMO	COP	21/04/2009	15.00	IPC + 6.24%	9.63%	198,400	4,260	202,660	10.55%	198,400	4,374	202,774
EPM	1262 BONOS INTERNACIONALE	USD	29/07/2009	10.00	7.625%	8.25%	1,624,875	49,306	1,674,181	8.17%	1,492,000	39,894	1,531,894
EPM	1264 BONOS IPC IV TRAM 2	COP	14/12/2010	12.00	IPC + 4.2%	7.58%	119,900	515	120,415	8.74%	119,900	113	120,013
EPM	1265 BONOS IPC IV TRAM 3	COP	14/12/2010	20.00	IPC + 4.94%	8.40%	267,400	548	267,948	9.37%	267,400	(57)	267,343

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EPM	1266 GLOBAL 2021 COP	COP	31/01/2011	10.00	8.375%	8.70%	1,250,000	88,210	1,338,210	8.69%	1,250,000	85,144	1,335,144
EPM	1267 BONOS IPC V TRAMO I	COP	4/12/2013	5.00	IPC + 3.82%	0.00%	-	-	-	8.55%	41,880	83	41,963
EPM	1268 BONOS IPC V TRAMO II	COP	4/12/2013	10.00	IPC + 4.52%	8.17%	96,210	(311)	95,899	9.10%	96,210	(529)	95,681
EPM	1269 BONOS IPC V TRAM III	COP	4/12/2013	20.00	IPC + 5.03%	8.62%	229,190	(1,541)	227,649	9.54%	229,190	(1,819)	227,371
EPM	1270 BONOS IPC VI TRAMO I	COP	29/07/2014	6.00	IPC + 3.57%	7.36%	125,000	740	125,740	8.31%	125,000	322	125,322
EPM	1271 BONOS IPC VI TRAMO II	COP	29/07/2014	12.00	IPC + 4.17%	7.78%	125,000	166	125,166	8.70%	125,000	42	125,042
EPM	1272 BONOS IPC VI TRAM III	COP	29/07/2014	20.00	IPC + 4.5%	8.08%	250,000	(100)	249,900	8.99%	250,000	(191)	249,809
EPM	1273 GLOBAL 2024 COP	COP	3/09/2014	10.00	7.625%	7.74%	965,745	17,243	982,988	7.73%	965,745	16,659	982,404
EPM	1274 BONOS IPC V TRAM IV	COP	20/03/2015	10.00	IPC + 3.65%	8.01%	130,000	362	130,362	8.94%	130,000	192	130,192
EPM	1275 BONOS IPC VII TRAMO I	COP	20/03/2015	5.00	IPC + 2.72%	6.13%	120,000	167	120,167	7.11%	120,000	(102)	119,898
EPM	1276 BONOS IPC VII TRAMO II	COP	20/03/2015	12.00	IPC + 3.92%	7.34%	120,000	146	120,146	8.25%	120,000	(67)	119,933
EPM	1277 BONOS IPC VII TRAM III	COP	20/03/2015	20.00	IPC + 4.43%	7.83%	260,000	949	260,949	8.86%	260,000	367	260,367
EPM	1278 GLOBAL 2027 COP	COP	31/10/2017	10.00	8.375%	8.46%	2,300,000	15,626	2,315,626	8.46%	2,300,000	13,925	2,313,925
EPM	1665 BID-1664-1	COP	9/12/2005	20.00	7.8%	9.24%	332,231	4,367	336,598	9.46%	379,692	3,935	383,627
EPM	2015 CLUB DEAL BANK OF TOKYO	USD	29/12/2015	5.00	LIBOR + 1.4%	4.94%	763,691	6,548	770,239	4.00%	701,240	(3,567)	697,673
EPM	2016 BNDES	USD	26/04/2016	23.50	4.887%	5.22%	132,517	(4,144)	128,373	5.22%	76,971	(3,092)	73,879
EPM	2021 BID 2120-1	COP	25/03/2009	25.00	6.272%	7.25%	190,295	(2,591)	187,704	7.05%	190,295	(1,892)	188,403
EPM	2022 BID 2120-2	COP	25/03/2009	25.00	7.5%	8.06%	388,096	1,624	389,720	8.04%	413,134	4,607	417,741
EPM	2023 BID 2120-3	COP	25/03/2009	25.00	6.265%	6.56%	193,216	2,134	195,350	6.56%	205,681	826	206,507
EPM	2179 BANK OF TOKYO-MITSUB	USD	29/09/2008	15.00	LIBOR + 0.95%	2.07%	270,782	14,372	285,154	1.17%	298,376	16,760	315,136
EPM	2218 BID 800-RELIQUIDADO	USD	14/07/1994	25.00	LIBOR + 1.43%	2.43%	26,312	827	27,138	2.29%	48,320	1,671	49,992
EPM	5765 AGRARIO	COP	20/05/2014	16.00	IPC + 4.7%	8.38%	116,000	(1,234)	114,766	9.22%	116,000	(1,098)	114,902
EPM	6014 POPULAR	COP	26/12/2017	1.00	IBR + 1.8%	0.00%	-	-	-	6.47%	100,000	87	100,087
EPM	6015 COLPATRIA	COP	12/12/2017	1.00	IBR + 1.65%	0.00%	-	-	-	6.38%	100,000	324	100,324
EPM	6016 COLPATRIA	COP	21/12/2017	1.00	IBR + 1.65%	0.00%	-	-	-	6.36%	100,000	170	100,170
EPM	6017 POPULAR	COP	15/01/2018	1.00	IBR + 1.8%	6.06%	100,000	1,312	101,312	0.00%	-	-	-
EPM	6018 Bancolombia	COP	22/01/2018	1.00	IBR + 1.59%	5.87%	100,000	1,110	101,110	0.00%	-	-	-
EPM	6019 Bancolombia	COP	29/01/2018	1.00	IBR + 1.59%	5.87%	70,000	697	70,697	0.00%	-	-	-
EPM	6020 Bancolombia	COP	19/02/2018	1.00	IBR + 1.59%	5.89%	130,000	873	130,873	0.00%	-	-	-
EPM	9999 COMISIONES CREDITOS NO DESEMBOLSADOS	USD	0/01/1900	-	-	0.00%	-	(20,185)	(20,185)	0.00%	-	(13,260)	(13,260)
ESSA	BBVA	COP	14/06/2017	12.00	IBR + 3.56%	8.09%	10,000	18	10,018	8.47%	10,000	22	10,022
ESSA	BBVA	COP	29/06/2017	12.00	IBR + 3.56%	7.94%	8,000	36	8,036	8.32%	8,000	47	8,047
ESSA	BBVA	COP	13/07/2017	12.00	IBR + 3.56%	8.09%	10,000	151	10,151	8.48%	10,000	174	10,174
ESSA	BBVA	COP	28/09/2017	12.00	IBR + 3.56%	8.08%	15,000	(14)	14,986	8.46%	15,000	(5)	14,995
ESSA	BBVA	COP	12/10/2017	12.00	IBR + 3.56%	8.08%	5,000	78	5,078	8.47%	5,000	90	5,090
ESSA	BBVA	COP	30/10/2017	12.00	IBR + 3.56%	8.08%	5,000	59	5,059	8.46%	5,000	69	5,069
ESSA	BBVA	COP	29/11/2017	12.00	IBR + 3.56%	8.08%	7,000	36	7,036	8.29%	7,000	49	7,049
ESSA	BBVA	COP	11/12/2017	12.00	IBR + 3.56%	8.05%	4,000	15	4,015	8.44%	4,000	18	4,018
ESSA	BBVA	COP	14/12/2017	12.00	IBR + 3.56%	8.05%	14,000	44	14,044	8.44%	14,000	53	14,053
ESSA	BBVA	COP	26/12/2017	12.00	IBR + 3.56%	8.13%	90,000	(230)	89,770	8.44%	90,000	100	90,100

Company	Entity or Loan	Original Currency	Initial Date DD/MM/YYY	Term	Nominal Interest Rate	December 31, 2018				December 31, 2017			
						IRR	Nominal Value	Amortized Cost Value	Total Amount	IRR	Nominal Value	Amortized Cost Value	Total Amount
ESSA	BBVA	COP	29/10/2018	12.00	IBR + 2.91%	7.35%	40,000	492	40,492	0.00%	-	-	-
ESSA	BBVA	COP	28/11/2018	12.00	IBR + 2.91%	7.35%	6,000	39	6,039	0.00%	-	-	-
ESSA	BBVA	COP	26/12/2018	12.00	IBR + 2.91%	7.34%	54,000	52	54,052	0.00%	-	-	-
ESSA	Bogotá	COP	26/02/2013	7.00	IBR + 1.88%	5.85%	28,000	216	28,216	6.17%	50,400	512	50,912
ESSA	Bogotá	COP	11/04/2013	7.00	IBR + 1.88%	5.92%	10,950	162	11,112	6.27%	18,250	337	18,587
ESSA	Bogotá	COP	20/05/2013	7.00	IBR + 1.88%	5.73%	2,100	21	2,121	6.07%	3,500	46	3,546
ESSA	Bogotá	COP	10/04/2014	7.00	IBR + 1.88%	5.94%	9,000	141	9,141	6.31%	12,600	242	12,842
ESSA	Bogotá	COP	16/04/2014	7.00	IBR + 1.88%	6.00%	5,000	71	5,071	6.36%	7,000	122	7,122
ESSA	Bogotá	COP	30/04/2015	7.00	IBR + 1.88%	6.17%	9,100	91	9,191	6.53%	11,700	143	11,843
ESSA	Bogotá	COP	27/01/2016	7.00	IBR + 1.88%	6.25%	12,750	114	12,864	6.62%	15,000	162	15,162
ESSA	Bogotá	COP	16/02/2016	7.00	IBR + 1.88%	6.27%	11,050	60	11,110	6.68%	13,000	105	13,105
ESSA	Bogotá	COP	28/03/2016	7.00	IBR + 1.88%	6.02%	5,950	18	5,968	6.38%	7,000	32	7,032
ESSA	Bogotá	COP	14/04/2016	7.00	IBR + 1.88%	6.29%	7,650	79	7,729	6.66%	8,500	103	8,603
ESSA	Bogotá	COP	1/07/2016	12.00	IBR + 3.15%	7.59%	19,500	281	19,781	9.41%	20,000	404	20,404
ESSA	Bogotá	COP	19/08/2016	12.00	IBR + 3.15%	7.54%	7,800	52	7,852	9.35%	8,000	74	8,074
ESSA	Bogotá	COP	13/10/2016	12.00	IBR + 3.15%	7.60%	9,000	106	9,106	9.42%	9,000	149	9,149
ESSA	Bogotá	COP	11/11/2016	12.00	IBR + 3.15%	7.63%	35,000	170	35,170	9.42%	35,000	298	35,298
ESSA	Bogotá	COP	5/12/2016	12.00	IBR + 3.15%	7.60%	8,000	9	8,009	9.42%	8,000	16	8,016
ESSA	Bogotá	COP	14/12/2016	12.00	IBR + 3.15%	7.58%	15,000	0	15,000	9.42%	15,000	11	15,011
ESSA	Bogotá	COP	11/01/2017	12.00	IBR + 3.15%	7.59%	14,994	184	15,179	9.42%	15,000	258	15,258
ESSA	Bogotá	COP	16/01/2017	12.00	IBR + 3.15%	7.58%	9,994	117	10,112	9.42%	10,000	158	10,158
ESSA	Bogotá	COP	15/05/2017	12.00	IBR + 3.15%	7.58%	10,000	57	10,057	9.36%	10,000	100	10,100
ESSA	Bogotá	COP	26/12/2017	12.00	IBR + 3.15%	7.57%	10,000	(26)	9,974	7.88%	10,000	10	10,010
ESSA	Popular	COP	28/12/2018	12.00	IBR + 2.91%	7.24%	106,000	61	106,061	0.00%	-	-	-
GRUPO DECA	Banco Agromercantil	GTQ	23/02/2012	10.00	TAPP + -6.56%	6.82%	42,002	(258)	41,744	6.81%	50,784	(184)	50,601
GRUPO DECA	Banco Agromercantil	USD	27/04/2018	1.00	LIBOR + 2.03%	4.33%	159,237	-	159,237	0.00%	-	-	-
GRUPO DECA	Banco América Central	GTQ	21/12/2018	10.00	TAPP + -6.81%	6.14%	64,264	95	64,359	6.95%	93,687	(649)	93,038
GRUPO DECA	Banco América Central	USD	21/12/2018	10.00	LIBOR + 2.26387%	5.10%	97,492	120	97,611	6.78%	36,704	(103)	36,600
GRUPO DECA	Banco América Central	USD	22/05/2017	3.00	TAPP + -1.5%	0.00%	-	-	-	4.55%	29,840	(0)	29,840
GRUPO DECA	Banco América Central	GTQ	26/12/2018	10.00	TAPP + -6.81%	6.00%	64,684	-	64,684	0.00%	-	-	-
GRUPO DECA	Banco América Central	USD	26/12/2018	10.00	LIBOR + 2.26387%	5.00%	32,497	-	32,497	0.00%	-	-	-
GRUPO DECA	Banco de América Central, S.A.	USD	20/11/2014	10.00	PPA - 1.50%	0.00%	-	-	-	4.58%	29,840	21	29,861
GRUPO DECA	Banco de Desarrollo Rural, S.A.	USD	14/12/2014	5.00	PPA - 1.20%	0.00%	-	-	-	4.89%	29,840	21	29,861
GRUPO DECA	Banco G&T Continental	USD	27/04/2017	3.00	TAPP + -1.5%	0.00%	-	-	-	4.55%	41,776	(0)	41,776
GRUPO DECA	Banco Industrial	GTQ	20/12/2018	10.00	TAPP + -6.8%	6.19%	109,627	181	109,808	6.95%	144,111	(986)	143,125
GRUPO DECA	Banco Industrial	GTQ	20/12/2018	10.00	TAPP + -6.8%	6.05%	140,289	-	140,289	0.00%	-	-	-
GRUPO DECA	Banco Industrial, S.A.	USD	20/11/2014	10.00	PPA - 1.56%	0.00%	-	-	-	4.51%	74,600	52	74,652
GRUPO DECA	Banco Internacional	USD	19/12/2018	10.00	TAPP + -1.25%	5.10%	16,249	24	16,273	7.51%	7,661	(36)	7,626
GRUPO DECA	Banco Internacional	USD	19/12/2018	10.00	TAPP + -1.25%	5.00%	16,249	-	16,249	0.00%	-	-	-
GRUPO DECA	Banco Internacional, S.A.	USD	4/12/2014	10.00	PPA - 1.50%	0.00%	-	-	-	4.58%	8,952	7	8,959

Company	Entity or Loan	Original Currency	Initial Date DD/MM/YYY	Term	Nominal Interest Rate	December 31, 2018				December 31, 2017			
						IRR	Nominal Value	Amortized Cost Value	Total Amount	IRR	Nominal Value	Amortized Cost Value	Total Amount
GRUPO DECA	Banco Reformador	USD	17/08/2017	3.00	TAPP + -1.5%	0.00%	-	-	-	4.55%	44,760	(0)	44,760
GRUPO DECA	Bancolombia	USD	9/07/2018	1.00	LIBOR + 2.03%	4.33%	129,989	-	129,989	0.00%	-	-	-
TICSA	Banco del Bajío	MXN	31/07/2013	14.67	TIIE + 2.75%	11.35%	65,184	(643)	64,542	8.73%	64,334	(2,356)	61,978
TICSA	Bank of America	MXN	8/12/2017	1.00	TIIE + 1.75%	0.00%	-	-	-	6.11%	7,626	-	7,626
TICSA	Bank of America	MXN	6/04/2018	1.00	TIIE + 1.75%	10.35%	28,547	-	28,547	6.11%	23,792	-	23,792
TICSA	Bank of America	MXN	16/04/2018	1.00	TIIE + 1.75%	10.35%	9,950	-	9,950	6.11%	9,197	-	9,197
TICSA	Bank of America	MXN	23/07/2018	1.00	TIIE + 1.75%	10.35%	9,571	-	9,571	6.11%	2,745	-	2,745
TICSA	Bank of America	MXN	3/09/2018	1.00	TIIE + 1.75%	10.35%	11,551	-	11,551	6.11%	4,575	-	4,575
TICSA	Bank of America	MXN	4/12/2018	1.00	TIIE + 2.25%	10.85%	11,551	-	11,551	6.11%	1,525	-	1,525
TICSA	Bank of America	USD	6/07/2018	1.00	LIBOR + 2.25%	10.35%	10,341	-	10,341	6.11%	6,101	-	6,101
TICSA	Bank of America	USD	28/09/2018	1.00	LIBOR + 2.25%	10.35%	12,677	-	12,677	6.11%	4,575	-	4,575
TICSA	Bank of América	MXN	30/11/2016	1.00	TIIE + 1.75%	0.00%	-	-	-	6.11%	3,050	-	3,050
TICSA	Banobras	MXN	1/09/2001	15.50	8.28%	-	-	-	-	0.00%	-	-	-
TICSA	FIDE	MXN	9/12/2015	3.00	7.31%	8.69%	469	(428)	41	8.69%	468	-	468
TICSA	Interacciones	MXN	1/08/2007	15.33	TIIE + 3%	11.60%	22,748	854	23,603	7.60%	27,347	(1,155)	26,191
TICSA	Interacciones	MXN	1/05/2011	8.00	TIIE + 3.9%	8.28%	1,646	6	1,651	8.16%	6,084	114	6,198
TICSA	Santander	MXN	14/06/2016	7.00	TIIE + 2.15%	12.20%	36,704	172	36,876	11.45%	40,110	(215)	39,895
TICSA	Santander	MXN	14/06/2016	10.00	TIIE + 2.15%	12.41%	53,031	(116)	52,915	11.34%	52,998	(529)	52,469
TICSA	Santander	MXN	14/06/2016	14.00	TIIE + 2.15%	13.15%	18,861	58	18,919	12.02%	18,149	(98)	18,051
TICSA	Santander	MXN	25/05/2018	1.00	TIIE + 3%	11.60%	4,916	-	4,916	6.76%	4,347	-	4,347
Total							**20,628,839**	**205,962**	**20,834,801**		**16,750,112**	**208,611**	**16,958,723**

Figures stated in millions of Colombian pesos

Interest paid for credit operations as of December 31, 2018 was $ 1,191,430 (2017: $ 1,013,853).

The Assumed Net Exchange Difference as of December 31, 2018 associated with debt was for $ -278,638 (2017: $ 59,730).

The information of Bonds Issued is as follows:

Subseries	Original Currency	Initial Date DD/MM/YYY	Term	Nominal Interest Rate	December 31, 2018				December 31, 2017				Amount Awarded					
					IRR	Nominal Value	Amortized Cost Value	Total Amount	IRR	Nominal Value	Amortized Cost Value	Total Amount	Amount 2017	Amount 2016	Amount 2015	Amount 2014	Amount 2013	Amount 2012
A10a	COP	20/11/2008	10	IPC + 5.37%	0.00%	0	0	0	10.49%	174,410	3,563	177,973	174,410	174,410	174,410	174,410	174,410	174,410
A10a	COP	22/01/2009	10	IPC + 5.8%	9.16%	138,600	2,366	140,966	10.25%	138,600	2,447	141,047	138,600	138,600	138,600	138,600	138,600	138,600
A10a	COP	4/12/2013	10	IPC + 4.52%	8.17%	96,210	-311	95,899	9.10%	96,210	(529)	95,681	96,210	96,210	96,210	96,210	96,210	-
A10a	COP	20/03/2015	10	IPC + 3.65%	8.01%	130,000	362	130,362	8.94%	130,000	192	130,192	130,000	130,000	130,000	-	-	-
A12a	COP	14/12/2010	12	IPC + 4.2%	7.58%	119,900	515	120,415	8.74%	119,900	113	120,013	119,900	119,900	119,900	119,900	119,900	119,900
A12a	COP	29/07/2014	12	IPC + 4.17%	7.78%	125,000	166	125,166	8.70%	125,000	42	125,042	125,000	125,000	125,000	125,000	-	-
A12a	COP	20/03/2015	12	IPC + 3.92%	7.34%	120,000	146	120,146	8.25%	120,000	(67)	119,933	120,000	120,000	120,000	-	-	-
A15a	COP	21/04/2009	15	IPC + 6.24%	9.63%	198,400	4,260	202,660	10.55%	198,400	4,374	202,774	198,400	198,400	198,400	198,400	198,400	198,400
A20a	COP	14/12/2010	20	IPC + 4.94%	8.40%	267,400	548	267,948	9.37%	267,400	(57)	267,343	267,400	267,400	267,400	267,400	267,400	267,400
A20a	COP	4/12/2013	20	IPC + 5.03%	8.62%	229,190	-1,541	227,649	9.54%	229,190	(1,819)	227,371	229,190	229,190	229,190	229,190	229,190	-
A20a	COP	29/07/2014	20	IPC + 4.5%	8.08%	250,000	-100	249,900	8.99%	250,000	(191)	249,809	250,000	250,000	250,000	250,000	-	-
A20a	COP	20/03/2015	20	IPC + 4.43%	7.83%	260,000	949	260,949	8.86%	260,000	367	260,367	260,000	260,000	260,000	-	-	-
A5a	COP	4/12/2013	5	IPC + 3.82%	0.00%	0	0	0	8.55%	41,880	83	41,963	41,880	41,880	41,880	41,880	41,880	-
A5a	COP	20/03/2015	5	IPC + 2.72%	6.13%	120,000	167	120,167	7.11%	120,000	(102)	119,898	120,000	120,000	120,000	-	-	-
A6a	COP	29/07/2014	6	IPC + 3.57%	7.36%	125,000	740	125,740	8.31%	125,000	322	125,322	125,000	125,000	125,000	125,000	-	-
C10a	COP	22/01/2009	10	10.8%	10.79%	74,700	7,558	82,258	10.79%	74,700	7,564	82,264	74,700	74,700	74,700	74,700	74,700	74,700
C10a	COP	20/11/2008	10	13.8%	0.00%	0	0	0	13.79%	58,000	853	58,853	58,000	58,000	58,000	58,000	58,000	58,000
Bono internacional	USD	29/07/2009	10	7.625%	8.25%	1,624,875	49,306	1,674,181	8.17%	1,492,000	39,894	1,531,894	1,492,000	1,500,355	1,574,735	1,196,230	963,415	884,115
Bono internacional	COP	31/01/2011	10	8.375%	8.70%	1,250,000	88,210	1,338,210	8.69%	1,250,000	85,144	1,335,144	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Bono internacional	COP	3/09/2014	10	7.625%	7.74%	965,745	17,243	982,988	7.73%	965,745	16,659	982,404	965,745	965,745	965,745	965,745	-	-
Bono internacional	COP	31/10/2017	10	8.375%	8.46%	2,300,000	15,626	2,315,626	8.46%	2,300,000	13,925	2,313,925	2,300,000	-	-	-	-	-
TOTAL						**8,395,020**	**186,210**	**8,581,230**		**8,536,435**	**172,780**	**8,709,215**	**8,536,435**	**6,244,790**	**6,319,170**	**5,310,665**	**3,612,105**	**3,165,525**

Figures stated in millions of Colombian pesos, the exchange rate used was the MRR at the closing of each period

The detail of the International Bonds issued by the Group's subsidiaries is as follows:

ENSA:

Subseries	Original Currency	Initial Date DD/MM/YYY	Term	Nominal Interest Rate	December 31, 2018				December 31, 2017				Amount Awarded					
					IRR	Nominal Value	Amortized Cost Value	Total Amount	IRR	Nominal Value	Amortized Cost Value	Total Amount	Amount 2017	Amount 2016	Amount 2015	Amount 2014	Amount 2013	Amount 2012
Bonos preferentes	USD	10/07/2006	15	7.6%	8.16%	324,975	8,465	333,440	8.16%	298,400	6,813	305,213	-	-	-	-	-	-
Bonos corporativos	USD	13/12/2012	15	4.73%	3.46%	259,980	- 2,520	257,460	3.46%	238,720	- 2,561	236,159	-	-	-	-	-	141,458
TOTAL						**584,955**	**5,945**	**590,900**		**537,120**	**4,252**	**541,372**	**-**	**-**	**-**	**-**	**-**	**141,458**

Figures stated in millions of Colombian pesos, the exchange rate used was the MRR at the closing of each period

DELSUR:

Subseries	Original Currency	Initial Date DD/MM/YYY	Term	Nominal Interest Rate	December 31, 2018				December 31, 2017				Amount Awarded					
					IRR	Nominal Value	Amortized Cost Value	Total Amount	IRR	Nominal Value	Amortized Cost Value	Total Amount	Amount 2017	Amount 2016	Amount 2015	Amount 2014	Amount 2013	Amount 2012
CERTIFICADOS DE INVERSION - CIDELSUR1 (ScotiaInversiones, BVES)	USD	16/08/2010	10	LIBOR 6M + 4.5%	1.52%	68,245	425	68,669	1.52%	62,664	327	62,991	-	-	-	-	-	-
TOTAL						**68,245**	**425**	**68,669**		**62,664**	**327**	**62,991**	**-**	**-**	**-**	**-**	**-**	**-**

Figures stated in millions of Colombian pesos, the exchange rate used was the MRR at the closing of each period

In 2018, EPM Group had the following credit novelties:

EPM Holding Company

had the following credit novelties:

Disbursements of Long-Term Credits:

Long-term credit with Export Development Canada (EDC) with the following conditions: Libor + 1.40% rate and a term of 6 years:

- January USD 110 million
- April USD 100 million
- May USD 90 million

Long-term credit with Development Bank of Latin America (CAF) with the following conditions: Libor rate + 3.1% and a term of 18 years:

- June USD 100 million
- August USD 100 million

Long-term credit with National Bank of Economic and Social Development (BNDES) with the following conditions: fixed rate: 4.887% and with a term of 23.5 years:

- February USD 11 million
- March USD 4 million

Long-term credit with the IDB-2120 with the following conditions: LIBOR rate and a term of 25 years:

- May USD 23 million
- August USD 9 million
- September USD 48 million

Long-term credit with IDB INVEST, a disbursement was submitted in December for USD 450 million, assigned to tranches A and B, with financial terms Libor rate + 2.75%, term of 12 years Libor rate + 2.1125%, term of 8 years.

The following short-term credits were obtained:

- January, with Bancolombia for COP 170,000, at an IBR + 1.59% rate and Banco Popular for COP 100,000 at a rate of IBR + 1.80%. Both with a term of 1 year.
- February, with Bancolombia for COP 130,000, at an IBR rate of 1.59% and a term of 1 year.
- November, with EMVARIAS for COP 40,000 at an IBR + 2.1% rate and for a term of 1 year
- December, with COLPATRIA for COP 100,000, at an IBR + 1.78% rate and for a term of 1 year
- December, with BBVA for COP 35,000, at an IBR rate of 1.79% and a term of 1 year

Aguas Regionales

Received disbursements of the following long-term loans:

Banco Davivienda, with the following financial conditions: IBR + 4.8% rate, term of 10 years.

- February 19, COP 2,500
- May 11, COP 2,500

Banco Popular, with the following financial conditions: IBR + 3% rate, 7-year term.

- June 1, COP 14,606

Centrales Eléctricas del Norte de Santander S.A. E.S.P. (CENS)

Received disbursements of the following long-term loans:

Banco Popular, with the following financial conditions: IBR + 3.35% rate, 10-year term:

- January 18, COP 37,000

Banco de Bogota, with the following financial conditions: IBR + 2.98% rate, 9-year term:

- February 16, COP 137,832

Davivienda, with the following financial conditions: IPC rate + 4.3%, term of 10 years:

- November 29, COP 6,000
- December 19, COP 15,000

Received disbursements of the following short-term loans:

Bancolombia, with the following financial conditions: IBR + 1.86% rate, 1-year term:

- January 31, COP 7,000

BBVA, with the following financial conditions: IPC rate + 2.6%, term of 1 year:

- September 28, COP 15,000
- October 18, COP 5,000

Electrificadora de Santander S.A. E.S.P. (ESSA)

Received disbursements of the following long-term loans:

BBVA, with the following financial conditions: IBR + 2.91% rate, 12-year term:

- October 29, COP 40,000
- November 28, COP 6,000
- December 26, COP 54,000

Banco Popular, with the following financial conditions: IBR + 2.91% rate, 12-year term:

- December 28, COP 106,000

Received disbursements of the following short-term loans:

Banco Popular, with the following financial conditions: IBR + 1.8% rate, 1-year term:

- April 30, COP 80,000

- May 30, COP 12,000
- July 31, COP 10,000

Central Hidroeléctrica de Caldas S.A. E.S.P. (CHEC)

Received disbursements of the following long-term loans:

Bancolombia, with the following financial conditions: IBR + 2.29%, term of 8 years:

- February 9, COP 65,000

Davivienda, with the following financial conditions: IBR + 0.39% rate, 12-year term:

- December 27, COP 43,000

Received disbursements of the following short-term loans:

Banco ITAU, with the following financial conditions: IBR + 1.83% rate, 1-year term:

- April 26, COP 7,300

Empresas de Energía del Quindío S.A. E.S.P. (EDEQ)

Received disbursements of the following short-term loans:

Bancolombia, with the following financial conditions: IBR + 1.86% rate, 1-year term:

- May 4, COP 11,000

Distribuidora de Electricidad del Sur (Delsur)

Received disbursements of the following short-term loans:

Citibank Bank, with the following financial conditions: fixed rate 4.95%, term of 7 days:

- November 29, USD 3.5 million
- December 27, USD 4.5 million

Bank of Central America, with the following financial conditions: fixed rate 5%, term of 7 days:

- September 28, USD 3.5 million
- October 31, USD 1.5 million

Tecnología Intercontinental S.A. de C.V. (TICSA)

Received disbursements of the following short-term loans:

Banco Santander, with the following financial conditions: TIIE rate + 3%, term of 1 year:

- May 25, MXN 30 million

Banco de America, with the following financial conditions: TIIE + 1.75% rate, 1-year term:

- April 6, MXN 173 million
- April 16, MXN 60 million
- July 23, MXN 58 million

- September 3, MXN 70 million

Banco de America, with the following financial conditions: TIIE + 2.25% rate, 1-year term:

- July 6, USD 3.1 million
- September 28, USD 3.8 million
- December 04, MXN 70 million

Received disbursements of the following short-term loans:

Banco Santander, with the following financial conditions: TIIE rate + 3%, term of 1 year:

- May 25, MXN 30 million

Banco de America, with the following financial conditions: TIIE + 1.75% rate, 1-year term:

- April 6, MXN 173 million
- April 16, MXN 60 million
- July 23, MXN 58 million
- September 3, MXN 70 million

Banco de America, with the following financial conditions: TIIE + 2.25% rate, 1-year term:

- July 6, USD 3.1 million
- September 28, USD 3.8 million
- December 04, MXN 70 million

Elektra Noreste S.A. (Ensa)

Received disbursements of the following long-term loans:

Banco Davivienda, with the following financial conditions: LIBOR + 2.1%, term of 0.49 years:

- January 2, USD 5 million
- January 4, USD 18 million
- January 5, USD 2 million

Banco Scotiabank, with the following financial conditions: LIBOR rate + 2.1%, term of 0.50 years:

- January 2, USD 15 million

Banco America Central, with the following financial conditions: LIBOR + 2%, term of 0.16 years:

- February 15, USD 4 million

Banco Citibank, with the following financial conditions: LIBOR rate + 1.94%, term of 0.09 years:

- March 8, USD 13 million

Banco Scotiabank, with the following financial conditions: LIBOR + 2.5%, term of 0.49 years:

- March 9, USD 10 million

Banco Scotiabank, with the following financial conditions: LIBOR rate + 1.89%, term of 0.49 years:

- March 12, USD 10 million

Banco Scotiabank, with the following financial conditions: LIBOR rate + 2.81%, term of 0.50 years:

- April 6, USD 10 million
- April 9, USD 10 million

Banco America Central, with the following financial conditions: LIBOR + 2.65%, term of 0.25 years:

- May 14, USD 6 million

Banco Citibank, with the following financial conditions: LIBOR rate + 2.47%, term of 0.17 years:

- June 6, USD 12 million

Banco Scotiabank, with the following financial conditions: LIBOR + 2.46%, term of 0.17 years:

- June 7, USD20

Banco Scotiabank, with the following financial conditions: LIBOR rate + 2.55%, term of 0.25 years:

- July 5, USD 15 million

Banco Davivienda, with the following financial conditions: LIBOR rate + 3.6%, term of 0.42 years:

- July 5, USD 2 million

Banco Scotiabank, with the following financial conditions: LIBOR + 2.55%, term of 0.17 years:

- August 6, USD 6 million

Banco Citibank, with the following financial conditions: LIBOR + 2.43%, term of 0.16 years:

- August 31, USD 12 million

Banco Citibank, with the following financial conditions: LIBOR rate + 2.46%, term of 0.08 years:

- • September 4, USD 13 million

Banco Bladex, with the following financial conditions: LIBOR + 2.84%, term of 0.08 years:

- September 12, USD 14 million

Banco America Central, with the following financial conditions: LIBOR rate + 3%, term of 0.08 years:

- September 12, USD 6 million

Banco Scotiabank, with the following financial conditions: LIBOR rate + 2.9%, term of 0.25 years:

- November 6, USD 6 million

Banco Scotiabank, with the following financial conditions: LIBOR rate + 2.68%, term of 0.25 years:

- December 7, USD 6 million

Grupo Deca

Received disbursements of the following short-term loans:

- April 27, with Banco Agromercantil for USD 49 million, at a LIBOR + 2.03% rate and for a term of 1 year.
- July 9, with Bancolombia for USD 66 million, at a rate LIBOR + 2.03% and for a term of 1 year.

Management Operations:

Aguas de Antofagasta

Performed a Management Operation with Banco del Estado and Scotiabank, for CLP 273,020 million with the following financial conditions: TAB rate + 0.65%, term of 5 years.

Centrales Eléctricas del Norte de Santander S.A. (CENS)

Performed a Management Operation with Banco de Bogota, for COP 137,832 million with the following financial conditions: IBR + 2.98%, term of 9 years.

Grupo Deca

Performed a debt management operation for the following long-term loans:

Banco Industrial, for GTQ 595 million with the following financial conditions: amount of TAPP-6.8%, term of 10 years.

Banco America Central, for GTQ 307 million with the following financial conditions: TAPP rate-6.81%, term of 10 years.

Banco America Central, for USD 40 million with the following financial conditions: LIBOR + 2.26%, term of 10 years.

Banco Internacional, for USD 10 million with the following financial conditions: TAPP rate USD -1.25%, term of 10 years.

Elektra Noreste S.A. (Ensa)

Performed out management operation with Scotiabank, for USD 100 million with the following financial conditions: fixed rate 4.25%, term of 5 years.

Debt/EBITDA Covenant

EPM has several financial covenants, established in the loan agreements signed with the French Agency for Development (AFD), Inter-American Development Bank, Development Bank of Latin America (CAF), National Bank for Economic and Social Development (BNDES), HSBC, IDB Invest, 2009 international bond issue and warranty by the Japan Bank for International Cooperation (JBIC).

The loss (profit) of these indicators to December 2018 is broken down below:

Covenant	Credit type	2017	2018	Limit	Meets
EBITDA/FINANCIAL EXPENSES	BNDES, AFH, HSBC, Bonds 2019	5.49	5.45	3.00	✓
Monthly accrued EBITDA		4,732	5,115		
Monthly accrued financial expenses		863	939		
EBITDA/FINANCIAL EXPENSES NET	CAF, IDB Invest	6.91	7.06	3.00	✓
Monthly accrued EBITDA		4,732	5,115		
Monthly accrued financial expenses		863	939		
Monthly accrued financial revenue		177	214		
DEBT/EBITDA LTM	JIBD, AFD, BID, Bonds 2019	3.43	3.86	3.50	✕
Financial liability *		16,211	19,736		
EBITDA last twelve months		4,732	5,115		
NET DEBT/EBITDA LTM	CAF, IDB Invest, HSBC	3.16	3.34	4	✓
Financial liability *		16,211	19,736		
Cash and cash equivalents **		1,272	2,645		
EBITDA last twelve months		4,732	5,115		
LONG-TERM DEBT/EQUITY	JBIC, BNDES, BID	0.69	0.74	4.00	✓
Long-term debt		14,315	16,265		
Equity		20,868	22,034		

Figures stated in millions of Colombian pesos

* The financial liability for the Debt/EBITDA calculation does not consider treasure credit and transitories, amortized cost and pension bonds

** Cash and cash equivalents plus other financial assets less restructed-use funds

*** Long-ter debt does not include pension bonds

The value of the long-term financial debt to EBITDA ratio indicator, as of December 2018, is 3.86.

Contractually, one of the management structures to avoid defaulting on these types of covenants is the issuance of waivers by creditors.

It should be noted that the fact that EPM exceeds the agreed covenant Debt/EBITDA does not generate a direct activation of the declaration of non-compliance by the banking entities, nor of early payment, for being an action contractually subject to the bank(s) decision to exercise or not such declaration and additionally to the fact of having remedial periods agreed in the contracts to attend a possible default.

EPM must report compliance with the Long-Term Financial Debt/EBITDA indicator as follows: to the Japan Bank for International Cooperation (JBIC) quarterly, to the French Development Agency (AFD) semiannually and to the Inter-American Development Bank (BID) annually. For the results of December 2018, a waiver was granted by the AFD and the IDB, as for the JBIC, it expressed its intention to contractually modify the covenant or give a waiver of default, depending on the analyzes carried out internally once the official Financial Statements for the year are published.

Due to the periodicity of measurement, the waivers delivered by AFD and IDB cover the 2019 term, while JBIC will review the compliance of said indicator quarterly.

Regarding the 2009 International Bonds and the HSBC credit, these have agreed on the Financial Debt/EBITDA and Net Financial Debt/EBITDA indicators, respectively, but they are inactive, given that EPM has two credit risk ratings at an investment grade level.

Default events

During the reporting period, the EPM Group has not defaulted on any principal or interest payment of its loans.

Note 23. Creditors and Other Accounts Payable

The creditors and other accounts payable consist of:

Creditors and Other Accounts Payable	2018	2017
Non-Current		
Creditors	155,062	174,746
Acquisition of Goods and Services	62,971	29,910
Insurance and Reinsurance Operations	-	-
Allocated Grants	-	-
Deposits Received as Collateral(1)	257,175	15,430
Advance Payments Received	4,054	435
Resources Received for Management	15,083	23,530
Other Accounts Payable	-	-
Construction Contracts	8,423	20,479
Comissions Due	-	-
Total Creditors and Other Accounts Payable Non-Curent	**502,768**	**264,530**
Current		
Creditors	742,979	939,867
Acquisition of Goods and Services	1,784,124	1,643,403
Insurance and Reinsurance Operations	-	-
Allocated Grants	8,109	3,415
Deposits Received as Collateral(1)	18,446	221,777
Advance Payments Received	92,824	55,959
Resources Received for Management	49,701	50,043
Other Accounts Payable	871	981
Construction Contracts	(470)	30,848
Comissions Due	2,110	2,110
Total Creditors and Other Accounts Payable Curent	**2,698,694**	**2,948,403**
Total Creditors and Other Accounts Payable	**3,201,462**	**3,212,933**

Figures stated in millions of Colombian pesos

(1) In Guatemala, the General Electricity Act (Ley General de Electricidad) establishes that every new user must give the distributor a guarantee of payment. This guarantee may be provided in monetary form or by means of a deposit and will be calculated for each user category as the amount equivalent to two average monthly bills of a typical user of the same category. EEGSA collects such guarantees from its clients and registers the amounts received as "Consumer deposits". In accordance with the provisions of the General Electricity Act, Decree No. 93-96 of November 15, 1996, article 94, from that date until March 10, 2007, the deposits received from clients accrued real interest from the 5% per year As of March 11, 2007, deposits received must be returned adding to the capital the monthly weighted average active interest rate of the banking system. It also establishes that, upon termination of the contract, the distributor must make a settlement that includes the initial amount of the guarantee plus all accrued and capitalized interest each year less the outstanding debts and costs that the user may have incurred.

From December 31, 2006, EEGSA records a provision for the amount of the interest derived by the payment guarantees.

Deposits received from consumers, plus accrued interest and less any outstanding debt for past services, are reimbursable to users when they cease to use the electric power service provided by EEGSA. In 2018, these deposits have been classified as non-current liabilities because the company does not expect to make significant payments in the next year, according to the estimates and recurrence of customer withdrawals, in addition to the business premise underway.

As of December 31, 2018, the amount of consumer deposits was $ 227,748 (2017: $ 205,312).

The term for payment to suppliers is generally 30 calendar days, with exceptions that are documented in the processes and determined among others, by the type of obligation and contract.

Default events

During the reporting period, the Group has not defaulted on any principal or interest payment to creditors and other accounts payable.

Note 24. Other Financial Liabilities

The other financial liabilities consist of:

Other Financial Liabilities	2018	2017
Non-Current		
Financial Leases	194,267	195,330
Pension Bonds [(1)]	297,304	320,636
Derivatives not under Hedge Accounting	-	3,590
Cash Flow Hedge Derivatives (See Note 25)	-	18,914
Total Other Financial Liabilities Non-Current	**491,571**	**538,470**
Current		
Financial Leases	1,216	1,161
Pension Bonds [(1)]	345,884	320,083
Derivatives not under Hedge Accounting	-	10,266
Cash Flow Hedge Derivatives (See Note 25)	-	33,368
Total Other Financial Liabilities Current	**347,100**	**364,878**
Total Other Financial Liabilities	**838,671**	**903,348**

Figures stated in millions of Colombian pesos

[(1)] The variation was generated by the amortized cost and payments made during the period.

Conventional purchases and sales of financial liabilities are accounted by applying the trading date.

The Group has not designated financial liabilities at fair value through changes in income.

Default events

During the reporting period, the EPM Group has not defaulted on any principal or interest payment of its loans.

Note 25. Derivatives and Hedges

The Group has the following types of cash flow hedges, which fair values as of December 31, 2018 amount to $ 192,465 (2017: $ 38,131 Liability).

Hedge Classification	Description	Hedged Risk	Trench	Hedged Item	Recorded Value of Hedged Item	Recorded Value of Hedging Instrument	Changes in Fair Value of the Hedging Instrument for the Period	Changes in Fair Value of the Hedged Item for the Period	Hedge Effectiveness Recognized in the Profit for the Period	Hedge Effectiveness Recognized in Other Comprehensive Income	Reclassification of Other Comprehensive Income into Profit for the Period [1]
Cash Flow Hedging											
Swaps EPM	Cross Currency Swap	Tasa de cambio USD/COP y tasa de interés Libor/fija del servicio de deuda	Parte de los créditos Club Deal, AFD y EDC	Crédito en Dólares	2,593,098	(186,230)	(169,970)	20,068	N.A	(169,970)	(191,712)
Swaps TICSA	Swap de cobertura de tasa de interes	Tasa de interes TIIE	Crédito Santander	Crédito en MXN	108,710	(6,235)	484	N.A	N.A	484	N.A
Futures	Derivex	Precio de Venta en bolsa de energía	N.A	Ventas de Energía partida altamente probable	N.A	-	314	N.A	N.A	314	411
Figures stated in millions of Colombian pesos											

[1] Reclassification of Other Comprehensive income to Profit for the period, for swap instruments, affected the interests item, difference in exchange, difference in interest and capital of the right; and for the instruments futures contracts affected the item of power sales in the stock market. Additionally, $23,823 were capitalized as borrowing costs mainly to the Ituango project.

Cash Flow hedging

The characteristics of the main cash flow hedging instruments that are under hedge accounting are the following:

Swaps:

EPM

Characteristics														
Hedged Underlying	Club Deal Credit	Club Deal Credit	Club Deal Credit	Club Deal Credit	Club Deal Credit	Club Deal Credit	AFD Credit	AFD Credit	AFD Credit	AFD Credit	AFD Credit	EDC Credit	EDC Credit	EDC Credit
Trench No.	2	3	8	9	14	12	1	2	3	4	5	1	2	3
Closing Date	24-May-16	26-May-16	20-Jun-16	8-Jul-16	21-Jul-16	8-Aug-16	3-Feb-17	6-Feb-17	10-Feb-17	24-Mar-17	30-Mar-17	23-Mar-18	3-Apr-18	11-May-18
Derivative Type	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS
Counterparty	JP Morgan	JP Morgan	Bank of America Merrill Lynch	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	CITI BANK	CITI BANK	Goldman Sachs	Goldman Sachs	Goldman Sachs
Nominal Amount (USD)	50,000,000	50,000,000	60,000,000	40,000,000	5,000,000	30,000,000	64,750,000	47,381,250	85,312,500	13,164,375	85,312,500	110,000,000	100,000,000	90,000,000
Spot Exchange Rate	3,058	3,053	2,976	2,965	2,924	2,990	2,850	2,855	2,850	2,899	2,878	2,847	2,776	2,816
Obligation (COP)	152,900,000,000	152,650,000,000	178,560,000,000	118,600,000,000	14,620,000,000	89,700,000,000	184,537,500,000	135,273,468,750	243,140,625,000	38,163,523,125	245,529,375,000	313,170,000,000	277,600,000,000	253,440,000,000
	Forward starting	Forward starting	Forward starting	Forward starting	Back starting	Back starting	Back starting	Back starting	Back starting	Back starting	Back starting	Back starting	Back starting	Back starting
Expiring Date	29-Dec-20	29-Dec-20	29-Dec-20	29-Dec-20	29-Dec-20	29-Dec-20	31-Jul-22	31-Jul-22	31-Jul-22	31-Jul-22	31-Jul-22	4-Aug-22	4-Aug-22	4-Aug-22
Initial Exchange	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Final Exchange	Si	Si	Si	Si	Si	Si	No	No	No	No	No	No	No	No
Modality	Non Delivery	Non Delivery	Non Delivery	Non Delivery	Non Delivery	Non Delivery	Non Delivery	Non Delivery	Non Delivery	Non Delivery	Non Delivery	Non Delivery	Non Delivery	Non Delivery

* CCS : Cross Currency Swap

TICSA

Characteristics	COLIMA	CELAYA	MORELIA
Hedged Underlying	Credito Santander	Credito Santander	Credito Santander
Trench No.	1	1	1
Closing Date	31-Dec-18	31-Dec-18	31-Dec-18
Derivative Type	swap	swap	swap
Counterparty	Santander	Santander	Santander
Nominal Amount (MXN)	282,750,000	95,250,000	246,300,000
Spot Exchange Rate	N.A	N.A	N.A
Obligation (MXN)	377,000,000	127,000,000	328,400,000
Expiring Date	12-feb-24	10-dic-26	10-ene-22
Initial Exchange	No	No	No
Final Exchange	No	No	No
Modality	Non Delivery	Non Delivery	Non Delivery

Early Termination of Hedging

The Group had reclassified to non-cash flow hedge accounting two instruments swaps that were canceled in February 2018. The characteristics of the canceled operations are as follows:

Characteristics	Trench 1	Trench 11
Contract date	24-May-16	21-Jul-16
Hedged underlying	Club Deal credit	Club Deal credit
Derivative type	CCS	CCS
Counterpart	Merrill Lynch International	BNP Paribas
Nominal amount (USD)	50,000,000	25,000,000
Spot exchange rate	3,058	2,924
Obligation (COP)	152,900,000,000	73,100,000,000
EPM pays	IBR + 2.1077	8.48%
	IBR OIS compound 1 day	
EPM receives	LIBOR 6 months + 140	LIBOR 6 months + 140
Periodicity	half-yearly	half-yearly
Expiring date	29-Dec-20	29-Dec-20
Initial exchange	No	No
Final exchange	Yes	Yes
Cancelation date	12-Feb-18	12-Feb-18
Cancelation exchange rate	2,887	2,898
EPM (Pays / Receives)	Pays	Pays
Amount of reported liquidity (USD)	3,720,000	1,630,000

* CCS : Cross Currency Swap

Embedded Derivatives

The Group has not formalized any contracts containing embedded derivatives.

Note 26. Employee benefits

The item of employee benefits recognized at the cut-off date, presents the following composition:

Employee Benefits	2018	2017
Non-Current		
Post-Employment Benefits	767,749	763,749
Long-Term Benefits	90,671	85,652
Termination Benefits	95	157
Other Benefits	-	-
Total Employee Benefits Non-Current	**858,515**	**849,558**
Current		
Short-Term Benfits	146,148	132,959
Post-Employment Benefits	104,422	105,000
Termination Benefits	691	-
Total Employee Benefits Current	**251,260**	**237,959**
Total	**1,109,775**	**1,087,517**

Figures stated in millions of Colombian pesos

26.1. Post-Employment Benefits

Consists of the defined benefit plans and the defined contribution plans detailed below:

26.1.1. Defined Benefit Plans

Definite Benefit Plans	Pensions[1]		Retroactive Severances[2]		Public Utilities Subsidy[3]		Educational Assistance Plan[4]		Other Definite Benefit Plans		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Current Value f Liabilities due to Definite Benefits												
Initial Balance	1,051,681	1,045,255	141,061	133,747	40,185	44,215	-	-	25,935	23,734	1,258,862	1,246,951
Current Service Cost	1,383	7,335	4,814	4,848	171	227	-	-	3,950	3,309	10,318	15,719
Profit (or Loss) due to Interests	66,450	63,430	8,732	9,228	2,692	3,060	85	-	12	250	77,972	75,968
New Measurements	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial Profit or Loss due to Changes in:	-	-	-	-	-	-	-	-	-	-	-	-
Experience Assumptions	6,480	30,323	(6,847)	2,104	(1,509)	(5,040)	(95)	-	-	(55)	(1,971)	27,332
Demographic Assumptions	-	862	(16)	(28)	(141)	(156)	-	-	-	-	(157)	678
Financial Assumptions	268	5,531	1,619	7,007	(386)	102	29	-	-	(229)	1,530	12,411
Changes due to Asset Ceiling	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Past Service	(328)	41	-	-		-	-	-	-	534	(328)	575
Profits (or Losses) on Disposal	-	-	-	-	(432)	-	-	-	(599)	-	(1,031)	-
Foreign Currency Exchange Effects	(38,322)	11,130	-	-	83	470	-	-	499	-	(37,739)	11,600
Contributions made to the Plan	-	101	-	-	-	-	-	-	-	-	-	101
Contributions made to the Plan - By Participants	-	-	-	-	-	-	-	-	-	-	-	-
Payments made by the Plan	(96,613)	(111,757)	(19,330)	(15,845)	(2,680)	(2,693)	(211)	-	(3,072)	(3,183)	(121,906)	(133,478)
Business Combinations	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	(2,446)	-	(2,446)	-
Effect due to Loss of Control in Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Other Changes	1,084	(570)	68	-	(68)	-	1,481	-	1,338	1,575	3,903	1,005
Current Value of Liabilities as of December 31	**992,082**	**1,051,681**	**130,101**	**141,061**	**37,916**	**40,185**	**1,289**	**-**	**25,617**	**25,935**	**1,187,006**	**1,258,862**
Fair Value of Plan Assets												
Initial Balance	385,026	401,182	-	-	-	-	-	-	5,087	-	390,113	401,182
Contributions Made to the Plan	9,277	10,149	-	-	-	-	-	-	-	6,406	9,277	16,555
Contributions made to the Plan - By Participants	-	-	-	-	-	-	-	-	-	-	-	-
Payments made by the Plan	(65,633)	(56,620)	-	-	-	-	-	-	-	(1,241)	(65,633)	(57,861)
Profit for Interests	21,268	26,847	-	-	-	-	-	-	-	4	21,268	26,851
Actuarial Profit or Loss:	-	-	-	-	-	-	-	-	-	-	-	-
Expected plan Returns (excluding profits due to interests)	(989)	11,114	-	-	-	-	-	-	-	-	(989)	11,114
Otro (descripción)	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Exchange Effects	(32,928)	-	-	-	-	-	-	-	-	(2)	(32,928)	(2)
Business Combinations	-	(8,239)	-	-	-	-	-	-	-	-	-	(8,239)
Disposals	-	-	-	-	-	-	-	-	-	(29)	-	(29)
Other Changes	(1,185)	593	-	-	-	-	-	-	(5,087)	(51)	(6,272)	542
Fair Value of Plan Assets as of December 31	**314,836**	**385,026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,087**	**314,836**	**390,113**
Surplus (or Deficit) of the Define Benefit Plan	**677,246**	**666,655**	**130,101**	**141,061**	**37,916**	**40,185**	**1,289**	**-**	**25,617**	**20,848**	**872,170**	**868,749**
Surplus Adjustment due to Asset Ceiling	-	-	-	-	-	-			-	-	-	-
Net Asset (or Liability) Activo o (pasivo) of the Definite Benefit Plan	**677,246**	**666,655**	**130,101**	**141,061**	**37,916**	**40,185**	**1,289**	**-**	**25,617**	**20,848**	**872,170**	**868,749**
Other Definite Benefit Items	-	-	-	-	-	-	-	-	-	-	-	-
Total Definite Benefit	**677,246**	**666,655**	**130,101**	**141,061**	**37,916**	**40,185**	**1,289**	**-**	**25,617**	**20,848**	**872,170**	**868,749**

Figures stated in millions of Colombian pesos

(1) For the EPM Group, it includes Retirement Pension Plans in charge of each company, complying with each country regulations of each country. Includes social security and funeral assistance contributions.

(2) For the EPM Group, it includes Retroactive Severance Payments, as a post-employment benefit, consisting of the recognition of an average monthly salary multiplied by the years of service, payable through advances and at the time of contract termination. The source that gives rise to the plan is the "Sixth Law of 1945 by which some provisions are enacted on labor conventions, professional associations, collective disputes and special labor jurisdiction" and National Decree 1160 of 1989, which partially regulates Law 71 of 1988, by which rules on pensions are issued and other provisions are enacted.

(3) Public Utilities Subsidy is a plan consisting of a total or partial discount on the monthly charge for the Public Power Utility, and in some cases in the Aqueduct and Telephony Utilities, in the following companies of the Group: Central Hidroeléctrica de Caldas S.A. E.S.P., Centrales Eléctricas del Norte de Santander S.A. E.S.P., Electrificadora de Santander S.A. E.S.P. and Elektra Noreste S.A. In Electrificadora de Santander S.A. E.S.P., the benefit is granted to former employees whose service time at the retirement date was at least 15 years of employment. The Public Utilities Subsidy is covered by the current collective labor agreements of these companies.

(4) Correspond to the Educational Assistance that by law is granted to children of retirees economically dependent, up to 25 years of age.

No risks have been identified for the EPM Group, arising from Post-Employment Benefit Plans, nor modifications, nor reductions or liquidations that impact the present value of the obligation.

The weighted average of the duration in years, of the obligations by defined benefit plans at the cut-off date, is presented below:

Benefit	2018		2017	
	From	To	From	To
Pension	8	12	9	12
Retroactive Severances	5	7	7	11
Public Utilities Subsidy	9	12	11	12
Other Define Benefit Plans	2	6	2	6

The Group has no restrictions on the current realization of the defined benefit plan surplus.

The Group did not make any contributions for defined benefits during 2018 and does not expect to make contributions for the next year period.

Fair value of the plan assets is composed as follows:

Assets Supporting the Plan	2018		2017	
	Participation %	Fair Value	Participation %	Fair Value
Cash and Cash Equivalents	**2.55%**	**8,016**	**2.51%**	**9,780**
Equity Instruments				
Financial Sector	-	-	6.01%	23,465
Services Sector	-	-	0.80%	3,123
Real Sector	-	-	-	2,039
Government Sector	7.06%	22,233	0.79%	3,093
Total Equity Instruments	**7.06%**	**22,233**	**7.61%**	**31,720**
Debt Instruments				
AAA	78.47%	247,040	67.50%	263,343
AA	6.62%	20,840	7.80%	30,447
BB and Below	1.05%	3,312	-	-
Unclassified	2.18%	6,857	10.33%	40,291
Investment Funds (1)	2.08%	6,538	2.45%	9,569
Total Debt Instruments	**90.39%**	**284,587**	**88.09%**	**343,650**
Other Assets	**-**	**-**	**1.27%**	**4,963**
Total Assets Supporting the Plan	**100%**	**314,836**	**100%**	**390,113**

Figures stated in millions of Colombian pesos

(1) Includes for EPM a Collective Investment Fund of conservative profile, with immediate resource availability Rentaliquida, managed by Fiduciaria Davivienda, with a balance of $ 1,522 and a Stock Exchange Fund (ETF) that follows the Colcap behavior, with a balance of $ 5,016.

The main actuarial assumptions used to determine the obligations under the defined benefit plans are as follows:

Assumptions	Colombia				Panama			
	2018		2017		2018		2017	
	From	To	From	To	From	To	From	To
Discount Rate (%)	5.00%	7.70%	5.40%	7.10%	4.51%	4.75%	3.70%	4.35%
Yearly Salary Increase Rate (%)	3.50%	5.50%	4.00%	4.70%	5.00%	5.00%	3.80%	5.00%
Real Rate of Return on Plan Assets	3.14%	6.44%	6.00%	9.70%	5.25%	5.25%	-	-
Future Yearly Pension Increase Rate	3.25%	4.00%	3.00%	4.00%	-	-	-	-
Yearly Inflation Rate (%)	3.00%	4.00%	3.00%	4.00%	0.20%	0.20%	2.00%	2.00%
Mortality Rate Tables	Valid Rentiers 2008 Table				Republic of Panama Urban Population Mortality Tables 2010-2015			

Assumptions	Guatemala				Mexico			
	2018		2017		2018		2017	
	From	To	From	To	From	To	From	To
Discount Rate (%)	6.00%	6.10%	6.30%	6.30%	7.50%	7.50%	7.50%	7.50%
Yearly Salary Increase Rate (%)	4.50%	4.50%	4.50%	4.50%	5.50%	5.50%	5.50%	5.50%
Future Yearly Pension Increase Rate	-	-	-	-	-	-	-	-
Yearly Inflation Rate (%)	4.00%	4.00%	4.00%	4.00%	3.50%	3.50%	3.50%	3.50%
Mortality Rate Tables	RP-2000 Tables							

Assumptions	El Salvador				Chile			
	2018		2017		2018		2017	
	From	To	From	To	From	To	From	To
Discount Rate (%)	4.70%	4.70%	4.08%	4.08%	1.54%	1.54%	2.00%	2.00%
Yearly Salary Increase Rate (%)	1.50%	1.50%	1.50%	1.50%	0.05%	1.00%	1.00%	1.00%
Future Yearly Pension Increase Rate	-	-	-	-	-	-	-	-
Yearly Inflation Rate (%)	1.00%	1.00%	3.00%	3.00%	2.43%	2.43%	-	-
Mortality Rate Tables	CSO-80 Table				CB H 2014 and RV M 2014 Tables			

The following table shows the effect of a variation for more than 1% and less than 1% in Salary Increase, Discount Rate and an Increase in Benefit over the obligation for Post-Employment Defined Benefit Plans:

Assumptions	Increase in Discount Rate by +1%	Decrease in Discount Rate by -1%	Salary Increase Rise by +1%	Salary Increase Decline by -1%	Benefit Increase Rise by +1%	Benfit Increase Decline by -1%
Pensions	795,966	952,291	-	-	102,649	102,649
Retroactive Severances	123,344	137,329	143,619	153,488	17,139	17,139
Public Utilities	33,836	41,469	-	-	24,652	24,652
Other Post-Employment Benefits	101,743	124,008	1	-	1,360	1,360
Total Post-Employment Benefits	**1,054,889**	**1,255,097**	**143,620**	**153,488**	**145,800**	**145,800**

Figures stated in millions of Colombian pesos

The methods and assumptions used to prepare the sensitivity analysis for the Present Value of Defined Benefit Obligations (DBO) were made using the same methodology that for actuarial calculation as of December 31, 2018 and 2017: Projected Unit of Credit (PUC) Method. The sensibility does not present neither limitations nor changes in the methods or assumptions used to prepare the current period analysis.

Pension Liabilities and Commutations Calculation according to current fiscal requirements in Colombia

Resolution 037 of 2017 issued by the General Accountancy of the Nation established the obligation to disclose the calculation of pension liabilities in accordance with the parameters established in Decree 1625 of 2016 and Decree 1833 for pension commutations; therefore, the figures presented below do not correspond to the IFRS requirements.

Pension Liabilities

The actuarial calculation of pensions was prepared with the following technical bases:

Actuarial Assumptions - Pension Obligation	2018	2017
Real Technical Interest Rate	4.80%	4.80%
Salary Increase Rate	5.09%	5.74%
Pension Increase Rate	5.09%	5.74%
Mortality Rate Table	Valid Rentiers 2008 Table	

The following table is the calculation of Pension Liabilities with the previous parameters:

Concept	2018		2017	
	Number of people	Amount of the obligation	Number of people	Amount of the obligation
Personnel pensioned entirely by EPM Group Companies	1,480	352,114	1,617	352,471
Personnel pensioned with amounts shared with Colpensiones (state pension system)	1,771	169,403	1,872	149,149
Personnel benefit shared with Colpensiones	838	85,660	839	85,578
Personnel pensioned with amounts shared with other institutions	323	35,737	346	46,290
Total	**4,412**	**642,914**	**4,674**	**633,488**

Figures stated in millions of Colombian pesos

Below are Pension Bonuses related to Pension Obligations:

Concept	2018		2017	
	Number of people	Amount of the Reserve	Number of people	Amount of the Reserve
Retirement payment type A modality 1	246	2,524	250	2,399
Retirement payment type A modality 2	4,542	192,122	4,302	170,423
Retirement payment type B	3,556	383,006	4,166	415,910
Retirement payment type T	5	340	5	393
Other - Contributions Law 549	178	4,925	178	4,636
Total	**8,527**	**582,917**	**8,901**	**593,761**

Figures stated in millions of Colombian pesos

Following, the differences between the pension liabilities calculated under IFRS and the fiscal pension liabilities are shown:

	2018	2017
Pension Liabilities under IFRS	719,344	809,270
Fiscal Pension Liabilities	1,131,353	781,748
Difference	**(412,009)**	**27,522**

Figures stated in millions of Colombian pesos

Pension Commutation Liabilities

The actuarial calculation of pension commutation was prepared with the following technical bases:

Actuarial assumptions - Pension Commutation	2018	2017
Real technical interest rate	4.80%	4.80%
Salary increase rate	5.09%	5.74%
Pension increase rate	5.09%	5.74%
Mortality rate table	Valid rentiers 2008 table	

The following table is the calculation of the pension commutation with the previous parameters:

Concept	2018		2017	
	Number of People	Amount of the Obligation	Number of People	Amount of the Obligation
Personnel pensioned entirely by EPM Group companies	109	23,558	151	31,288
Personnel pensioned with amounts shared with Colpensiones (state pension system)	340	42,781	312	35,451
Personnel benefit shared with Colpensiones	34	2,757	31	2,435
Personnel pensioned with amounts shared with other institutions	44	3,576	44	4,547
Total	**527**	**72,672**	**538**	**73,721**

Figures stated in millions of Colombian pesos

Below are the Pension Bonuses related to Pension Commutation Liabilities:

Concept	2018		2017	
	Number of people	Amount of the reserve	Number of people	Amount of the reserve
Retirement payment type A modality 1	12	35	12	33
Retirement payment type A modality 2	262	10,398	267	9,787
Retirement payment type B	226	21,795	229	21,199
Retirement payment type T	3	149	3	219
Other - Contributions Law 549	3	107	3	101
Difference	**506**	**32,484**	**514**	**31,339**

Figures stated in millions of Colombian pesos

Differences between Pension Commutation Liability as calculated under IFRS and the Tax Pension Commutation Liability are shown below:

	2018	2017
pension-switching liabilities under IFRS	83,240	83,972
Fiscal pension-switching liabilities	105,157	105,059
Difference	(21,916)	(21,087)

Figures stated in millions of Colombian pesos

26.1.2. Defined Contribution Plans

The Group made contributions to Defined Contribution Plans for $ 68,786 (2017: $ 62,424), recognized in the Profit for the period as an expense $ 21,261 (2017: $ 19,751), cost $ 47,525 (2017: $ 42,673).

26.2. Long-Term Employee Benefits

Long-Term Benefits	Seniority Premium[1]		Other Long-Term Benefits		Total	
	2018	2017	2018	2017	2018	2017
Current Value of Liabilities due to Other Long-Term Benefits						
Initial Balance	84,008	78,690	1,644	1,506	85,652	80,196
Present Service Cost	7,881	6,539	-	224	7,881	6,763
Profit (or loss) due to interests	5,580	5,397	-	107	5,580	5,504
Assumptions by experience	1,300	2,218	-	64	1,300	2,282
Demographic Assumptions	(695)	(646)	-	(42)	(695)	(688)
Financial Assumptions	524	2,170	-	52	524	2,222
Past Service Cost	419	-	-	-	419	-
Foreign Currency Exchange Effects	1,685	-	(1,644)	-	41	-
Payments Made by the Plan	(10,030)	(10,380)	-	(267)	(10,030)	(10,647)
Other Changes		20	-	-	-	20
Current Value of Liabilities as of December 31	**90,671**	**84,008**	**-**	**1,644**	**90,671**	**85,652**
Surplus (or Deficit) due to Long-Term Benefits	**(90,671)**	**(84,008)**	**-**	**(1,644)**	**(90,671)**	**(85,652)**
Net Asset (or Liability) due to Long-Term Benefits	**(90,671)**	**(84,008)**	**-**	**(1,644)**	**(90,671)**	**(85,652)**

Figures stated in millions of Colombian pesos

(1) Granted based on the employee Years of Service, it is recognized and paid in accordance with the terms established in the current collective labor agreements of each company or the labor regulations of the country.

In the Group, no risks generated by the Long-Term Benefit Plans have been identified, nor modifications, reductions or liquidations that impact the present value of the obligation.

The weighted average duration in years, of the obligations for long-term benefit plans at the report date, is as follows:

Benefit	2018		2017	
	From	To	From	To
Seniority Premium	6.5	6.6	4.7	10.4
Other Long-Term Benefits	7.15	9.7	7.5	7.6

The Group does not expect to make contributions to the plan for the next year period.

The main actuarial assumptions used to determine the obligations for long-term employee benefit plans are the following:

Assumptions	Colombia		Guatemala	
	2018	2017	2018	2017
Discount Rate (%)	6.65%	6.70%	6.10%	6.60%
Yearly Salary Increase Rate (%)	4.50%	4.70%	4.50%	4.50%
Yearly Inflation Rate (%)	3.50%	3.50%	4.00%	4.00%
Mortality Rate Tables	Valid Rentists 2008 Table		RP-2000 Table	

The following table shows the effect of a variation of plus 1% and minus 1% in the Salary Increase, in the Discount Rate and in the Increase in the Benefit over the Obligation for Long-Term Benefit Plans:

Assumptions	Increase in Discount Rate by +1%	Decrease in Discount Rate by -1%	Salary Increase Rise by +1%	Salary Increase Decline by -1%	Benefit Increase Rise by +1%	Benfit Increase Decline by -1%
Seniority Premium	82,501	81,926	92,996	82,374	-	-
Other Long-Term Benefits	1,811	2,073	2,067	1,815	-	-
Total Long-Term Benefits	**84,312**	**83,999**	**95,063**	**84,189**	**-**	**-**

Figures stated in millions of Colombian pesos

The methods and assumptions used to prepare the sensitivity analysis for the Present Value of Defined Benefit Obligations (DBO) were made using the same methodology that for actuarial calculation as of December 31, 2017: Projected Unit of Credit (PUC) Method. The sensibility does not present neither limitations nor changes in the methods or assumptions used to prepare the current period analysis.

26.3. Short-Term Employee Benefits

The composition of the short-term benefits is as follows:

Short-term benefits	2018	2017
Payroll payable	7,059	8,311
Severances	44,733	40,697
Interests on severances	5,793	5,514
Vacations	27,613	25,273
Vacations bonus	35,568	33,336
Service Bonus	459	422
Holidays (Christmas) bonus	248	233
Bonuses	13,866	8,751
Other Bonuses, Salaries and Legal Benefits	10,809	10,422
Total short-term benefits	**146,148**	**132,959**

Figures stated in millions of Colombian pesos

Note 27. Taxes, Contributions and Rates

The detail of taxes, contributions and rates, other than income tax, is as follows:

Taxes, Contributions and Rates	2018	2017
Withholding Tax on Income and Stamp Duty	91,307	85,725
Industry and Commerce Tax	38,269	32,462
Value Added Tax	34,376	26,526
Rates	15,822	16,408
Contributions	5,517	6,397
Taxes, Contributions and Rates Overseas	2,462	1,039
Customs and Fees Tax	1,127	10,043
Other National Taxes	713	703
Other Municipal Taxes	702	6
Royalties and Monetary Copensations	611	1,541
Control and Audit Fees	148	-
Valuation Tax	136	-
Unified Property Tax	86	217
National Consumption Tax	5	3
Sanctions	-	670
Total Taxes, Contributions and Rates	**191,281**	**181,740**

Figures stated in millions of Colombian pesos

Note 28. Provisions, Contingent Liabilities and Contingent Assets

28.1. Provisions

The reconciliation of provisions is as follows:

Concept	Dismantling or Restoration	Onerous Contracts	Lawsuits	Contingent Collateral - Business Combination	Other Provisions	Total
Initial Balance	58,925	89,414	269,083	159,734	207,215	784,371
Additions	33,963	-	36,294	51	376,703	447,011
Adjustments for Changes in Estimates	(6,983)	4,797	79,906	(577)	36,007	113,149
Foreign Currency Exchange Effects	-	-	(486)	10,983	-	10,497
Other Changes	2,098	2,745	8,940	4,734	15,486	34,002
Principal Payments	(3,670)	(28,863)	(6,327)	(630)	19,550	(19,940)
Reversals	(278)	(7,042)	(61,250)	(4,902)	(60,116)	(133,588)
Foreign Currency Exchange Effects	1,079	-	(20)	-	15,806	16,865
Final Balance	**85,134**	**61,051**	**326,141**	**169,392**	**610,649**	**1,252,367**
Non-Current	48,351	31,463	97,420	144,622	152,292	474,148
Current	36,783	29,588	228,721	24,770	458,357	778,219
Total	**85,134**	**61,051**	**326,141**	**169,392**	**610,649**	**1,252,367**

Figures stated in millions of Colombian pesos

28.1.1 Dismantling or Restoration

The Group is obliged to incur costs of Dismantling or Restoring its facilities and assets, in the following:

- Recall of transformers containing PCBs (Polychlorinated Biphenyls). The Group has committed to the dismantling of these assets from 2008 to 2026, covered by Resolution 222 of December 15, 2011 of the Ministry of Environment and Sustainable Development and the Stockholm Convention of May 22, 2008. Applies in Colombia, Panama and El Salvador. The provision is recognized by the present value of the expected costs to settle the obligation using estimated cash flows. The main assumptions considered in the calculation of the provision are: estimated costs, CPI and fixed rate TES. To date, it has been shown that the provision will be affected given that it is planned to complete the dismantling in a shorter time than estimated, while the estimated costs decrease since the dismantling peak is already finished.
- Solid waste disposal in Colombia is made in landfills. It is land in which cells or vessels are built for the deposit of garbage, and it is necessary to restore it through a series of activities aimed at closing, decommissioning and post-closing. The obligation begins from the moment in which the sanitary landfill is in optimal conditions for the realization of the activity of final disposal and goes until the regulating environmental entity, by resolution, decrees the completion of the closing, decommissioning and post-closure.
- Decommissioning of a coal mine located in the Municipality of Amagá, Department of Antioquia, Colombia, with Resolution 130 AS-1106242 of October 21, 2011 issued by the competent environmental authority (CORANTIOQUIA), approving the environmental component of the plan to close the coal mines of the mining title and to this end, contracts for the construction of various civil works, urban planning and monitoring in the coal mines of the mining title, code RPP 434 of the Amagá area. The main assumptions considered in the calculation of the provision are: estimated costs, CPI and fixed rate TES. Currently the company is in the final stages of the actions contemplated in the aforementioned resolution and awaiting a pronouncement by CORANTIOQUIA on the matter, which could involve more monitoring. However, it is clear that independent of this pronouncement, EPM must carry out the necessary actions for the delivery of the title, which include legal, technical processes and the structuring of decisional schemes. To date, it has been shown that the provision will be affected, due

to the fact that, depending on the qualification of the existing risk, it is necessary to continue monitoring the gases from the Amagá area mines for the next term 2018.

- The closure and abandonment plan for the Los Cururos Wind Farm in Chile includes the dismantling of facilities such as wind turbines, substation and civil works, among others. Two years before the closing, a closure and abandonment plan will be delivered to the competent authority, in accordance with current legal requirements. The main assumptions considered in the calculation of the provision are: estimated costs, CPI and fixed rate TES.

- In EPM, environmental provision in the construction of infrastructure projects: it arises as a legal obligation derived from environmental licenses granting to compensate for loss of biodiversity during the construction phase, as well as compensation for the taking of preserve areas, affectation to endangered species and forest use; obligations that are formalized, through the resolutions of the National Authority of Environmental Licenses(ANLA, Autoridad Nacional de Licencias Ambientales), Regional Autonomous Corporation (CAR, Corporación Autonoma Regional) and/or the Ministry of Environment and Sustainable Development (MADS). The executions of the biotic environmental compensations of the project extend beyond the time in which the asset begins to operate technically, being necessary to implement the figure of the provision with the intention that these expenditures remain as a greater value of the construction in progress. The Group is committed to offset the loss of biodiversity, taking and affectation from 2016 to 2019 according to resolutions: Res. 1313/2013 ANLA, Res. 519/2014 ANLA, Res LA. 0882/04/08/2014 ANLA, Res. 1166/2013 MADS, Res. 1852/2013 CAR, Res. 2135/2014 CAR, Resolution 1189/22/07/2104 MADS, Res. 1120907 / 17-03-2015 CORNARE, Res. 141011206 / 16-10-2014 CORANTIOQUIA, Res LA. EIA1-9872 04/21/2014 CVS, among others. The provision is recognized by the present value of the expected costs to settle the obligation using estimated cash flows. The main assumptions considered in the calculation of the provision are: estimated costs, CPI and fixed rate TES.

In 2018 EPM includes the provision arising from the contingency of the Ituango project for $ 31,388 for environmental contingency, established by the specific action plan for the recovery of the parties affected by the events of the occluding of the Cauca river diversion tunnel that presented the project. on April 28, 2018; by the closing of floodgates in 2019 that decreased the flow of the river downstream of the project; and for the events that may arise due to the technical milestones still to be reached, specific to the contingency, as well as the execution of the project itself.

The specific action plan for recovery must consider three framework programs:

a. Recovery of affected marshes
b. Recovery of the affected fish fauna
c. Restoration of aquatic habitats located in the affected area

These three programs correspond to the environmental component as an answer to the identification of the caused effects, as well as discretionary actions. It also includes social programs, economic activities, infrastructure, risk management, among others.

The different actions are planned to be developed between the municipalities of Valdivia to Nechí, however, if they are identified in the municipalities that are part of La Mojana, they will also be subject to intervention.

28.1.2 Onerous Contracts

As of December 31, 2018, the Group has recognized $61,051 (2017: $89,414) for the contract of fuel supply and transportation signed between EPM and TGI-Transportadora de Gas Internacional S.A. E.S.P., with the objective of supporting the Termo Sierra plant and obtaining the income from the reliability charge established by the Energy and Gas Regulatory Commission.
The main assumptions considered for calculating the provision are: costs associated to the contract with the stated conditions, utilization factor or suspension of payments for contract maintenance, LIBOR rate,

fixed rate in Colombian pesos TES, Market Representative Rate (TRM) for the quarter and macroeconomic environment.
The main hypothesis used for future events are: from 2018 to 2020 the following assumptions are maintained: Suspension of the contract for 30 days every year and utilization of the contract only for 15 days each year for generation for the Termo Sierra plant and the rest of the time would be paid without using the contract (only fixed costs).

28.1.3 Lawsuits

This provision covers the estimated probable losses related to labour, administrative, civil and tax lawsuits (by Administrative or Governmental Channels) that arise in the operations of the Group companies. The main assumptions considered for calculating the provision are: Average CPI to actual data in previous years and projected data in future years, discount rate calculated with reference to market yields of bonds issued by the National Government, fixed rate TES in Colombian pesos to discount, estimated value to be paid, and the estimated payment date for those lawsuits rated as probable. As of today, no future events have been foreseen that may affect the calculation of the provision.

For the Group companies operating in Colombia, in order to minimize the uncertainty that may arise regarding estimated dates of payment and values to be paid in a lawsuit rated as probable, the company uses business rules based on statistical to obtain the average length of processes per action as well as case law to estimate the maximum amounts the law defines for the value of the extra-economic or intangible claims when they exceed their amount, as described below:

Average length of processes per action

Administrative and tax processes

Type of legal action or procedure	Average length (in years)
Abbreviated	4
Petition for compliance	4
Group action	6
Representative actions	4
Conciliation (pre-trial)	2
Partie civile proceedings	4
Contractual (Breach of contract)	13
Survey and demarcation	5
Executive	5
Singular executive	3
Expropriation	4
Comprehensive reparation incident (criminal)	2
Imposition of easements	4
Nullification of administrative acts	5
Nullification and reinstatement of rights	10
Nullification and reinstatement of labour rights	11
Ordinary litigation	7
Ordinary of membership	5
Accusatorial criminal (Law 906 of 2004)	4
Division's lawsuit	4
Protection of consumer rights	6
Police Grievance	3
Right to reclaim	7
Direct compensation	12
Oral	5

Labour processes

Type of legal action or procedure	Average length (in years)
Labor Solidarity	3.5
Pension	3.5
Extra hours	3.5
Job reinstatement	4
Salary scale equalization	3.5
Unfair dismissal compensation	3.5
Reassessment of social benefits	3.5
Compensation work accident	4
Refund of the health/pension contribution	4

Application of case law

Typology: the values of claims for compensation of extra-patrimonial damages will be recorded according to the following typology:

- Non-material damage.
- Damage to health (physiological or biological damage), derived from a physical or psychophysical injury.
- Damage to relationship life.
- Damage to constitutional and conventional property.

The values of other extra-patrimonial damage claims not recognized by case law will not be recorded, unless by the claim can be inferred that, despite being otherwise denominated, it corresponds to one of the accepted typologies. Neither will claims for extra-patrimonial compensation for damages to property be recorded.

Quantification: The amounts of extra-patrimonial damage claims will be recorded uniformly as follows, regardless of its typology:

Direct victim compensation	100 Monthly Minimum Legal Wage Enforced (MMLWE)
Indirect victim compensation	50 Monthly Minimum Legal Wage Enforced (MMLWE)

- **For Subsidiaries in Chile**: with regard to the probable payment date of trials, the type of process and previous cases are considered, in this sense, the labor process being oral and having only two hearings, has a maximum duration of six months, except in specific cases where notifying the demand is troublesome. In civil trials, given that they are lengthy procedures and available instances can last at least two years, thus the estimated time in the trials currently processed by the subsidiary Aguas de Antofagasta SA, considering its progress, They should last until 2019.

  Amounts: to determine the amount of the judgments, first the amount of the claim by the plaintiff is considered, for applying case law in that regard is unfeasible, the amounts will vary depending on the Court and the cause to ask. Additionally, in civil trials, the amounts of the indemnities will depend on the court that dictates it, given that Chile possesses no case-law-system. What a civil judge cannot do and less the appellate and supreme court, is to confer figures greater than plaintiffs' demands.

- **For Subsidiaries in Panama**: regarding the estimated date of payment, each case is evaluated in a particular way with external legal advisors, for which the average duration of similar processes is taken into consideration.

  Amounts: estimated amounts to pay for a lawsuit is determined based on the amount of the plaintiff claim and an analysis of the specific condition that motivates the claim in order to determine the recognition of a possible loss. For this we use the appreciation of external legal advisors of each company and in certain cases with the support of insurance advisors in case of requiring an actuarial valuation.

- **For Subsidiaries in El Salvado**r: the estimated date of payment for administrative or judicial proceedings is assessed based on the average length for the resolution of similar processes, obtained from statistical data over the 20 years of operation of the subsidiaries.

  Amounts: estimate amounts of lawsuits are determined based on the amount of the initial claim filed against the company.

  Detail for each type of process is as follows:

Company	Third party (Plaintiff)	Complaint	Amount in COP
EPM	Oscar Elias Arboleda Lopera	Includes 173 plaintiffs who worked for EADE and express that in the dissolution and liquidation of that company there was employer substitution, which makes the company liable for all the labor obligations.	161,007
	Consortium Dragados Porce II	Compensate the plaintiffs the amounts resulting from the return of the illegally deducted compensation by EPM in the contracting process No. CD002376.	27,427
	Various labour Processes	Other processes of less than $ 1,240 million COP.	15,041
	Various Administrative Processes	Other processes of less than $1,016 million COP.	11,521
	John Walter Jaramillo	Nullification for the dismissal, with the respective salaries and their increases, the social benefits during all the time they remain disengaged; in the same way it will be on behalf of the demander the contributions to the social security until it is effectively reinstated.	7,241
	Fiduciaria Colpatria S.A.	Issue payment order against EPM and in favor of Fiduciaria Colpatria S.A. acting as spokesperson for the Autonomous Patrimony FC - Enertotal.	4,708
	Municipality of Yumbo (Valle)	Industry and commerce and its complementary notices and boards and public lighting.	4,393
	consortium Dragados Porce II	That EPM be ordered to recognize and pay the amount of damages caused in the good name of the companies that constituted the CONSORTIUM DRAGADOS CONCONCRETO PORCE III	3,888
	Oliver Antonio Aguirre Soto	Nullification for the record of conciliation signed under duress (defect) and consequently order the job reinstatement, the reimbursement, the payment of all the salaries and benefits not received, similarly, the payment of all contributions to social security from the moment of dismissal and until the actor is effectively reinstated.	3,058
	Victor Vergara	Job reinstatement for former EADE worker	2,596

	Jenifer Andrea Marcelo Jimenez	Order Empresas Públicas de Medellín E.S.P. jointly and severally, to the compensation for all material damages for loss of profit, past and future, as well as the moral and serious alterations to the conditions of existence due to a work accident.	2,442
	Unión Temporal Energía Solar S.A. y Estructuras Arbi Ltd.	It be declared that the bid submitted by the plaintiffs to the tender N ° ES-2043-GI convened by EPM, was legally suitable to take it into account at the moment of awarding the respective contract of the tender N ° ES-2043-GI.	1,865
	Construcciones Pico y Pala Ltd..	Nullification of resolutions 95070 of 05/04/1999, from EPM, by means of which contract 1 / DJ-682/15 between EPM and Consortium Trainco S.A. was unilaterally terminated, and 113701 of 03/15/2000, from EPM, by means of which the appeal for reversal filed against resolution 95070 of 04/05/1999 was resolved negatively.	1,786
	Francisco Javier Munoz Usman	Nullification for the dismissal, with the respective salaries and their increases, the social benefits during all the time they remain disengaged; in the same way it will be on behalf of the demander the contributions to the social security until it is effectively reinstated.	1,515
	Carlos Olimpo Cardona	The plaintiff to be reinstated to the same positions or offices or another of the same or higher category that they had been performing, that as a consequence of the compensation, all the salaries and legal social benefits that were not perceived must be compensated as well, in addition to all the contributions caused in favor of the Comprehensive Social Security System.	1,240
	Accesorios y Sistemas S.A.	Nullification of resolution 3077 of 11/12/200, issued by the General Manager of EPM, by means of which it was decided to declare the risk realization of quality and correct operation of the vehicles object of the contract 090321557.	1,133
	Various fiscal	Other processes of less than $4,392 million COP.	1,097
	TRAINCO S.A.	Nullification of resolutions 161052 of 03/05/2001, from EPM, by means of which contract 2101870 between EPM and Trainco SA was unilaterally terminated. and 178702 of 06/07/2001.	1,038

	Didier De Jesús Restrepo Montoya	The plaintiffs claim compensation for moral damages allegedly caused by the eviction of their homes installed in a property owned by EPM, for the construction of the Porce III Hydroelectric Project, by which they were the object of eviction ordered by the Mayor's Office of the Municipality of Anori.	1,017
	Consorcio Dragados Porce II	Registration difference in account change 271005 Litigation No. 14000857	(486)
Total EPM			**253,527**
CHEC	Jairo Castaño Hoyos	Loss of Income/Material and Non-Material Damage	2,088
	Cartones Y Papeles Del Risaralda S.A.	Compensation and Payment for Material Damages	1,972
	Norma Cecilia Osorio Montoya	Non-Material Damages	1,943
	Albeiro Valencia Lopez	Non-Material Damage Claim	1,877
	Leidy Marcela Jimenez Jaramillo	Loss of Income	1,581
	Jose Ivan Valencia Rendon And others	Compensation for Material Damages	1,479
	Claudia Viviana Morales	Material Damages	977
	Jhon Fredy Vanegas Hoyos	Non-Material Damages	833
	Jose Fernando Jimenez Velez	Adjustment of wages and social benefits	761
	Erasmo Antonio Hinestroza And others	Employer Responsibility on Work-Accident	719
	Carlos Arturo Marulanda Agudelo	Non-Material Damages	675
	Alba Lucia Saldarriaga Toro	Adjustment of wages and social benefits	599
	Jairo Humberto Bedoya Moreno	Non-Material Damages	578
	Hernando Montoya Loaiza	Non-Material Damages	461
	Aleida Del Socorro Giraldo	Work-Accident, Non-Material Damages	440
	John Jairo Marulanda Garcia	Loss of Income/Material and Non-Material Damage	435
	Ana Constanza Aguirre Soto	Loss of Income/Material and Non-Material Damage	399
	Hernando De Jesús Ocampo Jiménez	Actual Contract	393
	Gustavo Martinez	Material Damage	354
	Flor Maria Sanchez Palacio	Loss of Income/Material Damage	353
	Luis Alberto Merchan Gomez	Emerging Damage	281
	Imgeniería Y Desarrollo Ltd.	Emerging Damage	280
	Camilo Donado Barcelo	Termination without Just Cause - Reinstatement	209
	Mario Romero Londoño	Employer Responsibility on Work-Accident	183
	Jairo Antonio Amariles Marulanda	Public Apologies and Compensation	127
	Jesús Maria Vanegas Villa	Non-Material Damages	121

	Floralba Salgado Pimiento	Survivor's Pension	121
	Zoe Ospina De Gomez	Survivor's Pension	121
	Julio Cesar Sanchez Hernandez	Permanent Expenses - Social Security Contributions	72
	Jose Hernando Anturi Noriega	Permanent Expenses - Social Security Contributions	72
	Luis Carlos Carmona Cardona	Permanent Expenses - Social Security Contributions	72
	Victor Julio Rincon Miranda	Permanent Expenses - Social Security Contributions	72
	Jose Fernando Arango	Permanent Expenses - Social Security Contributions	72
	Gustavo Perez Restrepo	Permanent Expenses - Social Security Contributions	72
	Abel Patiño Ramirez	Permanent Expenses - Social Security Contributions	72
	Jose Gustavo Marin Gallego	Permanent Expenses - Social Security Contributions	72
	Pedro Nel Verano Sierra	Permanent Expenses - Social Security Contributions	72
	Edilberto Gil Duque	Permanent Expenses - Social Security Contributions	72
	Gustavo Garcia Soto	Permanent Expenses - Social Security Contributions	69
	Maria Noralba Florez	Claims meeting criteria for Survivor's Pension	38
	Francisco Fernando Sanchez Hincapie	Material Damage / Non-Material Damage	29
	Jose Aldover Cardona Sanchez	Termination without Just Cause - Reinstatement	29
	Hector Fabio Castano Gomez	Retroactive Recognition of collective agreement 2013-2017	27
	John Jairo Ayala Valero	14 Wage Premium (Mesada 14)	25
	Angelmira Garces Candamil	Compensation for Material Damage	24
	Albeiro Murcia Lopez	100% Recognition of the 14 Wage Premium (Mesada 14)	18
	Carlos Humberto Correa Franco	14 Wage Premium (Mesada 14)	17
	Jose Alcides Campuzano Valencia	14 Wage Premium (Mesada 14)	10
	Jose Dario Grisales Lopez	14 Wage Premium (Mesada 14)	10
	Jose Nelson Ocampo Lopez	14 Wage Premium (Mesada 14)	10
	Carlos Enrique Loaiza Arredondo	14 Wage Premium (Mesada 14)	9
	Jose Gildardo Salazar Gallego	14 Wage Premium (Mesada 14)	9
	Jose Hernando Anturi Noriega	14 Wage Premium (Mesada 14)	9
	Luis Alberto Castrillón Ocampo	14 Wage Premium (Mesada 14)	9
	Martha Iris Cardena Gaviria	14 Wage Premium (Mesada 14)	9
	Jaime Diaz Echavarria	14 Wage Premium (Mesada 14)	8
	Jose Alberto Rios Latorre	14 Wage Premium (Mesada 14)	7
	Gustavo Cardona Lopez	14 Wage Premium (Mesada 14)	7
	William Gallego Carmona	14 Wage Premium (Mesada 14)	7

	Mario Canon Patiño	14 Wage Premium (Mesada 14)	6
	Omar Ramirez Osorio	14 Wage Premium (Mesada 14)	5
	Julio Enrique Rincon Duque	14 Wage Premium (Mesada 14)	5
	Hernán De Jesús Marín Salgado	Pension Wages	5
	Luis Gonzaga Arango	14 Wage Premium (Mesada 14)	4
	Jorge Antonio Franco Aguirre	14 Wage Premium (Mesada 14)	4
	Oscar Aguirre Orozco	14 Wage Premium (Mesada 14)	4
	Gloria Esperanza Cardona Cardona	14 Wage Premium (Mesada 14)	3
Total CHEC			**21,496**
CENS	Luis Alberto Pena Villamizar	For CENS S.A. E.S.P. to pay the amounts illegally discounted from his liquidation, for wages and social benefits caused in the period between December 1, 2008 and the date of retirement.	3,171
	Elsa Reyes De Buitrago	Indexation of the first pension allowance, in its condition of Pensioners and/or Pensioner Survivor to all plaintiffs and to pay interests to the maximum legal contemplated in the law 100 of 1993 in its art. 141.	2,259
	Other Labour Processes	Other Labour Processes (20) of less than $250 million	1,706
	William Alexis Ramirez	Cease the charge for street lighting to the municipality of Cucuta, reimbursement of balances for street lighting to the municipality, payment of contractual and extracontractual damages. Claim: $ 928,023.004.78 Incentive: 15% of the amount the Municipality recovers.	1,104
	Jesús Efrain Ibarra Ochoa	Pension compatibility be declared between the retirement pension recognized by CENS and the old-age pension recognized by the former Social Security Institute (ISS, Instituto de Seguro Social) pensions (today COLPENSIONES).	1,048
	Carmen Alicia Rodriguez	Indexation of the first pension allowance, in its condition of Pensioners and/or Pensioner Survivor to all plaintiffs and to pay interests to the maximum legal contemplated in the law 100 of 1993 in its art. 141.	896
	Jose Francisco Arango Bautista	Material Damages / Non-Material Damages/ Damages to Social and Family Life.	746
	Ermelina Perez De Rivera	Declared CENS with the obligation to continue paying all contributions to health-care and continue paying 12% on the pension allowance; likewise, compensation of contributions not paid from the date of pension, indexing them, plus late interest.	653

	Hayber Humberto Bermudez Peñaloza	Non-Material Damages to the wounded, his son, parents and siblings.	625
	Yesid Jaimes	Adjustment of pension according to art. 1 of Law 71 of 1988 and not those established in art. 14 of the Law 100 of 1993, retroactively pay the missing amounts, the respective indexation and interest for default that is dealt with in art.141 of Law 100 of 1993.	525
	Carmen Rosa Galvis Urbina	Declare CENS and Imgeniería y servicios union temporal extra-contractually liable for the damages caused to the plaintiff by reason of the death of Freddy Diaz. / Non-Material Damages / consolidated and Future Material Damages.	461
	Alexander Pineda Riobo	Workers' claim for compensation of transport allowance of contractor company and no consignment of unemployment benefits and failure to pay social benefits. $ 374,619,803 COP.	353
	Bersaline Ortiz Llanez	Demands the loss of the possibility of virtual activities be repaired, which, although they do not produce patrimonial yields, make the existence pleasant. To determine these values of Physiological Damage, Council of State Case Law is used, therefore, assessed in 100 Monthly Minimum Legal Wage Enforced (MMLWE), for each one of the members of the family (wife and daughter). As a consequence of the previous one, the pain, sorrow, suffering and sadness produced by the action that gave rise to the responsibility must be paid, being assessed at 100MMLWE.	321
	Ana Victoria Rivera Mantilla	Refund 12% pensioned health contributions // According to the demand, it is higher than 50 minimum legal monthly salaries for each of the plaintiffs. The provision corresponds to the following value: According to the lawsuit, it is higher than $ 312,496,800 COP	298
	Jose Javier Velandia	Declare Cens and Acomyconta administrative and extra-contractually liable for the damages that were caused by dismissing Mr. Jose Velandia, for Loss of Profit, Non-Material Damages, for a value of 1,500,000 COP from the filing date of the claim.	163
	Sociedad Palmas La Llana S.A.S	Declare Cens civilly liable in the modality of extra-contractual civil liability of the damages of different order. Emerging Damages. Loss of Profits. Non-Material Damages.	123
Total CENS			**14,452**

	Eusebio Gonzalez and others (20)	Actual Contract (20 Plaintiffs)	973
	Various	Labour Liability and Actual Contract	968
	Orlando Alfonso Duque Zuluaga	Actual Contract (Communal Zone Chief)	552
	Bernardo de Jesús Alzate Ceballos	Actual Contract (7 Plaintiffs)	333
	Carlos Alberto Bedoya and others	Actual Contract (7 Plaintiffs)	330
	Cristian Camilo Rodriguez and others	Actual Contract (5 Plaintiffs).	243
	Bladimir Valencia Salazar/Edgar de Jesús Rojas Vanegas/Elkin David Cardona Ortiz/Mauricio Aria	Actual Contract (5 Plaintiffs)	221
	Adrián Marcelo Moreno arias/Elver Eduardo Parra Rendon/Ramon Arcángel Higuita Graciano/roque a	Actual Contract (4 Plaintiffs)	187
	Aicardo de Jesús Guzman Zapata	Actual Contract (4 Plaintiffs)	180
	Leon Dario Vasquez Cardona	Actual Contract (4 Plaintiffs)	172
	Duver Mauricio Manco Echavarría and others	Actual Contract (3 Plaintiffs)	143
	Gustavo Alberto Cardona Pineda	Actual Contract (3 Plaintiffs)	136
EMVARIAS	Guillermo Leon Garces Ramirez	Actual Contract (3 Plaintiffs)	135
	Hernando Fernandez Aguirre	Actual Contract (3 Plaintiffs)	133
	Erney Enoc Bran Garcia	Actual Contract (3 Plaintiffs)	132
	Hector Ivan Sierra Valencia	Actual Contract (3 Plaintiffs)	132
	Jonny Alexander Velazquez	Actual Contract	131
	Jorge Mario Restrepo Gomez	Actual Contract	130
	Luis Alberto David Vargas	Actual Contract (3 Plaintiffs)	129
	Gildardo Gamboa Castro	Actual Contract (3 Plaintiffs)	128
	Cesar Octavio Castano Montoya	Actual Contract (3 Plaintiffs)	127
	Mauricio Andres Diaz Vega	Actual Contract (3 Plaintiffs)	126
	Claudia Yaneth Restrepo Tamayo and others	Actual Contract	121
	Jhon Edward Lara Posada (3)	Actual Contract	120
	Ivan Bedoya Berrío	Actual Contract	118
	Luz Dary Garcia Ortega	Survivor's Pension	101
	Nestor Raul Montoya	Actual Contract (2 Plaintiffs)	97
	Jose Angel Valencia and Other	Actual Contract (2 Plaintiffs)	96
	Edwin Arley Rodriguez Tamayo	Actual Contract - Different from the Contractors Theme	87

	Jhon Jairo Bejarano Cordoba	Actual Contract	83
Total EMVARIAS			**6,564**
ESSA	Juan Gabriel Henao Mantilla	Declare that between ELECTRIFICADORA DE SANTANDER S.A. E.S.P. and Mr. JUAN GABRIEL HENAO MANTILLA, exists an individual contract of indefinite term work as of July 7, 2003, which is in force.	913
	Luis Antonio Manrique Hernandez	Order the companies sued ELECTRIFICADORA DE SANTANDER S.A. E.S.P. and ECOPETROL S.A. in a joint and several manner to pay Mr. LUIS ANTONIO MANRIQUE HERNANDEZ for full and ordinary compensation for Material Damages in the case of the consolidated Loss of Profit arising out of the work accident on July 21, 2008, amounting to $ 187,295,407 COP. account the actuarial technical study that is attached to the claim.	574
	Luis Carlos Porras Mayorga	Condemn ENECON and ESSA, jointly and severally, to recognize and pay in favor of LUIS CARLOS PORRAS MAYORGA, for the concept of total and ordinary compensation for Material Damages in the amount corresponding to the CONSOLIDATED LOSS OF PROFIT, generated on the occasion of the work accident suffered on the 27th. June 2012, the sum of $ 69,769,500 or the maximum value that is settled by the dispatch.	515
	Martha Cecilia Rodriguez Ardila	The plaintiffs request ESSA be declared liable for all the damages and losses caused to the plaintiffs, for the events in which Mr. HUGO FELIZ DUARTE ROJAS was killed in events occurred on 09-Jan-1991. 1000 GRAMS OF GOLD.	364
	Gabriel Antonio Villegas Murcia	Declared that between GABRIEL ANTONIO VILLEGAS MURCIA and FUREL S.A. there was an individual labour contract for an indefinite term, established orally, within the time periods included from November 5, 2011 to July 15, 2014.	323
	Jorge Eliseo Chaparro Murcia	Declare ESSA administratively liable for the death of Ernesto Chaparro Uruena as a result of an electric shock and, consequently, the payment of 100 Minimum Wages to each of the plaintiffs.	266
	Carlos Eduardo Solano	Declare ESSA administratively liable for the damages caused to the plaintiffs on the occasion of the death of MAURICIO SOLANO CAMACHO and as consequence, paying the plaintiffs Material and Non-Material Damages.	255

	Alvaro Ramirez	1- The sum of $ 238,327,160.88 COP is paid 2- Recognize the payment of Interest for the amounts previously described, from July 2, 2015 and until the actual payment of the obligation is verified.	252
	Maria Yasmina Sanbria Mejia	Declare administrative and extra contractually liable ELECTRIFICADORA DE SANTANDER S.A. ESP, CHARTIS INSURANCE, INSURANCE OF THE STATE, H-V CONSTRUCTORES LTD., CPI CENTRAL PROJECT AND ENGINEERING LTD. AND CARLOS JULIO HERRERA SUAREZ, of the damages caused to the plaintiff on the occasion of an INDISCRIMINATE TREATMENT OF TREES THAT PRODUCED EROSION ON MY CLIENT´S PROPERTY AND INVASION OF PRIVATE PROPERTY.	233
	Franquelina Ortiz Cruz	Declare administrative and extra-contractually liable ELECTRIFICADORA DE SANTANDER SA ESP, AIG SEGUROS COLOMBIA, INSURANCE OF THE STATE, HV CONSTRUCTORES LTD., CPI CENTRAL PROJECT AND ENGINEERING LTD. AND CARLOS JULIO HERRERA SUAREZ, of the damages caused to the plaintiff, on the occasion of an INDISCRIMINATED CUTTING OF TREES THAT PRODUCED AND INVASION OF PRIVATE PROPERTY.	182
	Eduardo Portilla Plata	Declare ESSA extra-contractually liable for the damages caused to the plaintiff.	159
	Juana Martinez Fonseca	Compensation of Damages due to death to Mr. Alvaro Martinez - on Dec. 15, 2006 in the La Floresta farm, municipality of Mogotes.	154
	Carolina Herrera De Ortiz	Based on the facts described above, the Legal Norms, corresponding evidence, National Case Law, request of the Judge, deign to decree by means of a judgment that the case be ruled res judicata, the following: DECLARATIONS AND CONVICTIONS 1: To declare that Mrs. CAROLINA HERRERA DE ORTIZ, has the right to the defendant to grant him the replacement of the retirement pension of his deceased husband Mr. PAULINO ORTIZ LUNA, completely and compatible with the retirement substitution for seniority recognized by the INSTITUTO DE SEGUROS SOCIALES (ISS).	148

	Mileidy Duran Florez	As unpaid balance. / Interest in arrears provided for in article 177 of Decree 01 of 1984 CCA at the rate of 1.5 times the current bank interest, generated on the capital value, settled from November 8, 2015 and until the date of filing of the claim. / Interest on arrears provided for in article 177 of Decree 01 of 1984 CCA at the rate of 1.5 times the current bank interest, generated on the capital value, settled from December 8, 2017 and until that the total payment of the obligation is verified.	122
	Jesús Rodriguez Alarcon	Recognition of Family Health Benefits, Scholarships or Study Assistance.	97
	Alirio Aparicio Lopez	Recognition of Family Health Benefits, Scholarships or Study Assistance.	97
	Nestor Eugenio Sandoval Morales	Recognition of Family Health Benefits, Scholarships or Study Assistance.	97
	Alberson Carmona Castano	Joint Liability in Labour Contract.	96
	Carmen Smith Granados De Acelas	Declare ESSA SA ESP as administratively liable for all Material Damages and Losses caused by the installation of 2 towers that support electric power networks and that have impeded the ultimate purpose through which the plaintiff acquired the property (for housing construction.)	83
	Mercedes Ardila De Ballesteros and others	Recognition of Family Health Benefits, Scholarships or Study Assistance.	76
	Hernando Serrano Forero	Recognition of Family Health Benefits, Scholarships or Study Assistance.	71
	Nestor Raul Pinzon Seija	Recognition of Family Health Benefits, Scholarships or Study Assistance.	70
	Hernando Picón Gonzalez	Recognition of Family Health Benefits, Scholarships or Study Assistance.	53
	Maria Concepcion Ortega Becerra	FIRST: that the ELECTRICITY POWER UTILITY (SERVICIO DE ENERGÍA ELÉCTRICAS), contemplated in Article 58 of the collective labor agreement, be recognized and canceled from now on to the plaintiffs.	38
	Isabel Mesa De Mayorga	That the ELECTRICITY POWER UTILITY (SERVICIO DE ENERGÍA ELÉCTRICAS), contemplated in Article 58 of the collective labor agreement, be recognized and canceled from now on to the plaintiffs.	37

	Gerardo Vargas Baron	Declare ELECTRICIADORA DE SANTANDER jointly and severally liable, and if the claim against the pension fund administrator ING does not succeed, it condemns it to pay the disability pension of common origin for the following aspects. For being the beneficiary entity of the personal services provided by my client, because his personal services always I lend them in the name of the ESSA for the users. Because the ESSA did not fulfill its legal and regulatory obligation to guarantee and corroborate that the contractors here sued, fulfilled their employer obligations in favor of the workers as well as making the contributions to the social security - pensions, complete and in a timely manner.	28
	Victor Manuel Diaz Dominguez	Recognition and payment for Damages and Losses caused to date by the Easement imposed on the property of the plaintiff.	9
	Flor Maria Gracia De García	Grant Mr. ROBERTO GARCIA (R.I.P.) the right to be recognized the indexation of the first pension allowance and to pass to the present value the average of the accrued, which is the base salary of October 23, 1969, to the July 2, 1979 and therefore ordered the replacement of the adjusted allowance to his spouse and Survivor.	9
	Pablo Armando Buitrago	Declare ESSA liable for Material and Non-Material Damages to the plaintiff by the de-facto public works imposed on the property Corinto farm located in the municipality of Suaita, Santander, property of the plaintiff.	4
	Eseir Bohorquez Suarez	That the Municipality of Lebrija and ESSA pay the 10 MMLWE they have been ruled to in first instance, as well as the costs settled by the Thirteen Administrative Court of Bucaramanga in $ 1,987,600 COP/Order to pay $ 17,113. 600 COP	3
	Ignacio Andres Bohorquez Borda	Executive process against ESSA for payments and incentive generated by Class Action	3
	Municipality of Bucaramanga	Pending refund of bonds paid to the Court by issued rulings. The municipality sent invoice, and this was paid directly.	(57)
Total ESSA			**5,274**
Aguas Nacionales	Jesús Enrique Acevedo Ruiz	appeal in guarantee: Actual Contract. Payment of wages and social benefits, legal and extralegal and social security, compensation of law and moratoriums, monetary correction, extra and ultra petita sentence and payment of court costs.	1,571

	Alberto Guerrero Castro	Readjustments of wages, benefits and social security, moratorium compensation.	250
	Rodrigo Cuervo Duque	Declare AGUAS NACIONALES EPM S.A. E.S.P. jointly and severally liable for wages, social benefits, compensation for unfair dismissal and compensation for dismissal of sick worker (Law 361 of 1997).	50
	Jorge Orlando Buitrago	Recognition of financial penalties for Damages and Losses caused in a traffic accident suffered by one of the drivers of the Contractor in 2005.	7
Total Aguas Nacionales			**1,878**
ENSA	Alex Montenegro And others	Civil Process.	402
	Aristides Contreras	Civil Process.	325
	Oswall Dall	Civil Process.	78
	Electrical Technology	Civil Process.	20
Total ENSA			**825**
DELSUR	Superintendencia de Electricidad y Telecomunicaciones	Compensation for poor tariff classification to consumers	279
	Various Employees	Claim 4 (Employee Benefits)	217
	Various Customers	Claims for damaged appliances	185
	Administracion Nacional de Acueductos y Alcantarillados	Compensation for $ 89,642,566 COP.	90
	Alcaldía Municipal de San Salvador	Claim 2 (Municipal Tax for Pole Installation)	31
	Alcaldía San Esteban Catarina	Claim 1 (Rate for use of poles and installation of structures)	20
Total DELSUR			**822**
Other Subsidiaries	Aguas de Antofagasta S.A.	Miscellaneous Lawsuits.	5,162
	Aguas de Malambo S.A.	Miscellaneous Lawsuits.	485
	Empresas Públicas de Rionegro	Miscellaneous Lawsuits.	15,602
	Aguas de Regionales S.A.	Miscellaneous Lawsuits.	35
	Empresa de Energía del Quindío	Miscellaneous Lawsuits.	20
Total Other Subsidiaries			**21,304**
Total Recognized Lawsuits			**326,142**

Figures stated in millions of Colombian pesos

Labour Processes:

Process	Average length	Maximum Estimate Amount to be Paid
Judicial Labour Process of Reinstatement and Unpaid Wages	5 years	The amount established in the initial claim by the worker and if is ruled in favor of the worker, the unearned wages are added to the date of statement of the last ruling, not exceeding wages for55 days of salary.
Judicial Labour Process of Compensation due to Unfair Dismissal	5 years	The amount established in the initial claim by the worker and if is ruled in favor of the worker, the unearned wages are added to the date of statement of the last ruling, not exceeding wages for55 days of salary.

Judicial Administrative Processes:

Process	Average length	Maximum Estimate Amount to be Paid
Illegal Acts of the Public Administration	6 years	The amount established in the initial claim, which is usually resolved by the Administrative Entity against the Subsidiary, or the amount required by the Municipal Mayor Offices.

Processes with Administrative Authorities:

Process	Average length	Maximum Estimate Amount to be Paid
Municipal Administrative Procedures	2 years	The amount established in the initial claim by the Municipality.
Regulatory Administrative Procedures	6 months	The amount established in the initial claim by the worker

The following are the recognized lawsuits:

28.1.4 Contingent Consideration - Business combination

Corresponds to contingent considerations related to the acquisition of the following group of assets that constitute a business: Espiritu Santo Energy S. de R.L. subsidiary and Empresas Varias de Medellín S.A. E.S.P. (EMVARIAS) subsidiary, the balance as of December 31, 2018 amounted to $135,082 (2017: $125,428) and $18,587 (2017: $19,025), respectively.

The main assumptions considered for calculating the contingent consideration related to the acquisition of Espiritu Santo are: estimated date of occurrence of milestones associated to the contingent payment, probability of occurrence associated, and additionally the discount of the flows of payments applying a discount rate (LIBOR Rate) according to the risk of the liability. As of this date no future events have been revealed that may affect the calculation of the provision.

The main hypothesis used in the future events of the contingent consideration related to the acquisition of EMVARIAS are: ongoing lawsuits against EMVARIAS at the date of the transaction, definition of the year of materialization of each lawsuit, definition of the related amount to each of the disputes, estimate of future contingent expenses related to the litigation estimated for each year and discount rate (TES fixed rate) to discount future contingent expense flows. To date, there have been no future events that could affect the calculation of the provision.

28.1.5 28.1.6. Other provisions

The Group maintains other provisions for events such as: Management Premium, Multiplying Points, Somos Program, Technical Reserve and provisions for High-Cost and Catastrophic Illness, Compensation to Customers for non-compliance with Quality of Service Standards, which are regulated by the , Autoridad Nacional de los Servicios Públicos de Panamá (ASEP), provision for compliance with quality indicators and energy not served.

The main assumptions considered in the calculation for each type of provision are:

Management premium: Awarded to the members of EPM management as an extra-legal benefit. An aggregate deductible was contracted from November 1st, 2016 through December 31, 2018, for $5,500. The main assumptions considered for calculating of each type of provision are the provision are: discount rate TES fixed rate, estimated value to be paid and estimated date of payment. To date, there have been no future events that could affect the calculation of this provision.

Multiplying points: Points obtained throughout the year must be recognized at the request of the interested party or by decision of the Human Talent Development Directorate each accounting closing for the period and must be disbursed along with the payroll. The value of each point is equivalent to 1% of the Monthly Minimum Legal Wage Enforced (MMLWE) and the points should not be accumulated from one year to the next.

Somos Program: The program operates under the modality of point accumulation. Depending on behavior of the statistics the points are accounted for with a cashing probability of 80%.

Technical reserve: The calculating basis for this reserve is that corresponding to all the authorization of services issued and that on the closing date in which the reserve is calculated have not been collected, except those that correspond to authorizations with over twelve months of issuance or to those that after at least 4 months of having been issued, there is evidence they have not been used.

high-cost and catastrophic illness: The calculating basis for this provision is that corresponding to the analysis of the entire population served of affiliates and beneficiaries of the Entidad Adaptada de Salud (EAS) of EPM, that suffer of any of the previously authorized illnesses.

For other provisions, the main assumptions considered in the measurement are: estimated life expectancy, estimated date of payment, estimated amount to be paid, discount rate calculated with reference to market yields of bonds issued by the National Government.

For 2018 the Group includes the following provisions derived from the contingency of the Hidroituango project:

1. Provision of $38,877 for the contingency of the Ituango project that caused the flooding of the Cauca River because of the occluding that the project suffered on May 12, 2018. For the attention of those affected in the Puerto Valdivia municipality, for Compensation of emerging damage, lost profits and moral damages, $25,807 were allocated; and, $13,070 for the destruction caused to community infrastructure. Due to adjustments and payments, this provision ended, in December 2018, at $38,815.
2. Provision for $ 19,217 for the recovery of families affected and evacuated by the total losses of their homes and economic activities as a result of the flooding the Cauca River, caused by the occluding of the Ituango project, on April 28, 2018.
3. Provision for the warranty of the reliability charge of $137,318 to cover the construction and commissioning of the Hydroelectric Power Plant and its monthly readjustments.

   Establishment of the provision for warranty No. 10090002278 - Reliability charge which amount is USD 42.3 million (COP $137,318). According to Resolution CREG 061 of 2017, the warranties of the reliability charge for the entry of new generation projects are executed when the commercial operation of the plant is delayed for more than one year. The contingencies presented in the diversion tunnel make the Ituango Hydroelectric project incur in this type of delay and, therefore, under the current regulations, the execution of this warranty.

EPM is negotiating with the CREG and the Government in general, a modification to the regulation of warranties of reliability charge that provides some opportunity to continue with the obligations of steady power and that in turn avoids the execution of the warranty in matter. The main actions are: a) making feasible several auctions of annual reconfiguration of the amount, b) seek for support in other generation assets, such as generation with the Termo Sierra power station and c) looking for new power plants that increase the country's power supply.

4. Provision of $101,797 for the default, from January to October of 2021, to the Intercolombia transporter for the months following the entry into operation of the connection infrastructure of the Ituango project.

Considerations for calculating the Hidroituango Contingency provisions are:

Attention of evacuees: An initial estimate is recognized on June 30 for an amount of $ 25,794 and the exercise is performed with the actual information paid in that month, due to the fact that it was the closest thing to what could happen in the following months, the calculation is made with a simple average and considering the number of sheltered people at the time. This estimate included a time of occurrence from July to November of the same year, official information at the time of the red alert.

In September an adjustment of $ 17,123 was made, for a total provision of $ 42,917, which includes all costs for sustaining the shelters and the payment of financial assistance. For the estimate, the real payments for the month of September were taken as reference, since in July and August representative payments of goods and services acquired in the months of May and June were made. This estimate was projected until March 2019, the official estimated date of the red alert.

Guarantee for Reliability Charge: Establishment of the provision for the guarantee No. 10090002278 - Reliability charge which amount is USD 42.2 million (COP $ 121,633). In accordance with Resolution CREG 061 of 2017, the guarantees of the reliability charge for the entry of new generation projects are executed when the commercial operation of the plant is delayed more than one year. The contingencies presented in the diversion tunnel make the Ituango Hydroelectric project incur this type of delay and, therefore, under the current regulations, the execution of this guarantee.

EPM is advancing before the CREG and the Government in general, a modification to the regulation of guarantees for reliability charge that provides some opportunity to continuing with the firm obligations of steady power and that in turn avoids the execution of the guarantee in matter. The main actions are: a) to make viable several auctions of annual reconfiguration of the Charge, b) to seek support in other generation assets, such as generation with the Termo Sierra Power Station and c) to seek new power plants that increase the country's energy supply.

Other provisions are include as stated below:

1. In Aguas Nacionales for $ 15,723 related to disputes presented by the CICE and HHA consortiums of a contractual, non-judicial nature. The CICE consortium built the Northern Interceptor (Interceptor Norte). The HHA Consortium is in charge of building the Aguas Claras Wastewater Treatment Plant in Bello and the points under discussion are related to the deadline, design engineering and financial issues. The main assumptions considered in the calculation for each type of provision are the same as those applied to lawsuits.
2. At EPM a $14,947 provision as performance guarantee for the project Conexión Proyecto Guayabal 230 kV and Associated Works (associated to the Bello-Guayabal-Ancon project) of the EPM distributor for the breach of obligations that covers the guarantee, which also guarantees the date of

commissioning (date kept), the taking of power from the system during the first ten (10) months, at a value equal to or greater than 90% of the energy demand that was projected to consume (which was not fulfilled).

As of December 31, 2018, the Technical Reserves associated with the obligations of insurance contracts are included, which are detailed in section 28.2. Insurance Technical Reserves.

28.1.6 Estimated payments

The estimate of the dates on which the Group will have to disburse payments related to the provisions included in this notes to the separate statement of financial situation at the cut-off date, is the following:

Year	Dismantling or Restoration	Onerous Contracts	Lawsuits	Contingent Collateral - Business Combination	Other Provisions	Total
2019	42,154	29,681	227,291	47,894	215,510	562,530
2020	10,333	31,463	46,579	124,384	104,298	317,057
2021	20,011	-	8,220	-	2,403	30,634
2022 and Others	2,923	-	31,889	20,238	3,780	58,830
Total Estimated Payments	**75,422**	**61,144**	**313,979**	**192,516**	**325,990**	**969,050**

Figures stated in millions of Colombian pesos

28.2. Insurance Technical Reserves

Technical Reserves associated with Insurance Contract Obligations are detailed below:

Insurance Technical Reserves	2018	2017
Payable Loss Reserve	129,491	92,550
Incurred But Not Reported (IBNR) Reserve	49,804	32,350
Unearned Premium Reserve (UPR)	39,912	32,979
Total	**219,207**	**157,879**

Figures stated in millions of Colombian pesos

Movement of Insurance Technical Reserves is as follows:

2018	Initial Balance	Adjustment in Technical Reserves	Final Balance
2017	92,550	36,941	129,491
Payable Loss Reserve	32,350	17,454	49,804
Incurred But Not Reported (IBNR) Reserves	32,979	6,933	39,912
Total	**157,879**	**61,328**	**219,207**

Figures stated in millions of Colombian pesos

2017	Initial Balance	Adjustment in Technical Reserves	Final Balance
2017	8,948	83,602	92,550
Payable Loss Reserve	23,914	8,437	32,350
Incurred But Not Reported (IBNR) Reserves	37,064	(4,085)	32,979
Total	**69,926**	**87,954**	**157,879**

Figures stated in millions of Colombian pesos

28.3. Contingent Liabilities and Contingent Assets

The breakdown of contingent liabilities and contingent assets is as follows:

Type of Contingency	Contingent Liabilities	Contingent Assets
Lawsuits	964,862	340,342
Guarantees	267,767	133
Other	466,404	-
Total	**1,699,033**	**340,475**

Figures stated in millions of Colombian pesos

The Group has lawsuits or procedures that are currently in process with the legal, administrative and arbitration bodies. Considering the reports of the legal advisors, it is reasonable to consider that such lawsuits will not affect/significantly affect the financial situation or the solvency, even in the case of unfavorable conclusion of any of them.

The main lawsuits pending of resolution and judicial and extrajudicial disputes in which the company is a party to as of the report date, are indicated below:

28.3.1 Contingent liabilities

Company	Third party (Plaintiff)	Complaint	Amount in COP
EPM	Isagén S.A. E.S.P.	Order EPM to compensate ISAGÉN for the damages suffered as a result of the aforementioned fire and the consequent unavailability of the Guatapé Power Plant.	252,804
	Various Administrative Processes	Other processes of less than $11,505 million pesos.	198,149
	Federación Nacional de Cafeteros	Recognition and payment of investments made by the National Federation of Coffee Growers of Colombia (Federación Nacional de Cafeteros de Colombia) in electrical infrastructure works.	107,393
	Compañía Minera La Cuelga Ltd..	Compensation of all economic damages caused to the La Cuelga Mining Company, caused for the works of execution and filling of the reservoir and commissioning of the Porce III hydroelectric project.	38,955
	Reinaldo De Jesús Jaramillo Sucerquia	Economic liability by HIDROITUANGO S.A. ESP be declared for the damages and losses caused to the plaintiffs (606 people), due to the impediment to work, due to the violation of the right to work, caused by the construction works of the Ituango Hydroelectric Power Plant.	38,117

Company	Third party (Plaintiff)	Complaint	Amount in COP
	Aura De Jesús Salazar Mazo	Violate and risk the collective right, for destroying, interrupting and cutting the ancestral horseshoe paths that lead from the Alto Chiri village in the municipality of Briceño to the Valley of Toledo parish.	37,996
	Aura De Jesús Salazar Mazo	Compensation of 100 MMLWE for the impediment to perform the mining activity; and, for Non-Material Damages that they assess, in an equivalent to 200 MMLWE for each of the people in the group, about 113 people.	27,253
	Demandas laborales (Labour Suits)	Job reinstatement, Salary scale equalization, Extra hours, Convention acquired rights, etc.	15,146
	Yalida Maria Madrigal Ochoa	For the eleven defendants, pledging damages to their social and family life due to the death of Nicolas Alberto Moreno Trujillo.	11,506
	Jesús Evelio Garces Franco	Nullification to the resolutions that resolves appeal for reconsideration by EPM, and by the Public Utilities Superintendence (SSPPD) for suffer of lack of cause, power deviation, unrecognition of the right to hearing and defense; EPM be declared administratively liable for the reinstatement of rights to the plaintiff for undue payment of alleged works in connection with the aqueduct .	161
Total, EPM			**727,480**
EDEQ	Gerson Obed Pena Munoz and others	Reposition of collected amounts for Public Lighting Tax in the municipality of Armenia, since they consider this collection illegal.	62,612
	Donaldo Fabian Santander	Declare jointly and severally liable for the payment of each and every one of the damages of various kinds caused to the plaintiffs, due to the serious injuries suffered in the events that occurred on July 11, 2012 in the la Palmera Village, jurisdiction of the Municipality of Salento (Q.) and when he performed his own duties as a lineman.	2,530
	Maria Amparo Fernandez Gil	Declare jointly and severally liable for the payment of all Damages, due to the death of Mr. Otalvaro Sanchez	2,348

Company	Third party (Plaintiff)	Complaint	Amount in COP
	Danielly Arcila de Gil and others	Declare administrative, extracontractual, joint and severally liable to the defendants of the injuries suffered by Mrs. Danielly Arcila de Gil, result of the fall of an iron coupling that is part of the lid of the junction box, which is concrete and belongs to the Municipality of Armenia, the Las Empresas Públicas De Armenia E.S.P. and the Empresa De Energía Del Quindío S.A. E.S.P. (EDEQ).	2,217
	Paola Andrea Giraldo Cadrasco and others.	Compensation for Damages caused by the death of Wilmer Marin Marulanda due to an electric shock from high voltage line.	1,842
	Derly Patricia Alvarez and others	Compensation for Damages caused by the death of Alfredo Barragan Espinosa due to an electric shock suffered when he fitted the top of a dump truck in the river Barragan municipality of Caicedonia.	1,643
	Wilson Grisales Henao and others	Declare Employer Negligence in the work accident suffered by Mr. Wilson Grisales Henao in events occurred on October 17, 2012 when he performed electrical work on the farm the mountain path Peking municipality of Quimbaya by the contractor of EDEQ Ingelel SAS, consequently, claims the payment of full and ordinary damages compensation. EDEQ is jointly and severally sued.	1,302
	Diana Rocio Vargas Alzate and others	Direct reparation for the death of the minor Joan Manuel Vargas Pelaez, incident occurred on November 16, 2013 in the Finca La Molienda Quindiana. (Vereda Baraya - Montenegro Quindío)	800
	Sandra Milena Sanchez	Co-defendants be declared administratively liable for the facts and omissions that caused the death of Mr. Otalvaro Sanchez, and that as a consequence of said declaration the Co-suits be condemned.	553
	Jhon James Montoya Marin and others	The defendant entity be declared administratively liable for the damages caused to Mr. Jhon James Montoya Marin and others as a result of an electric shock caused by an electric line.	524

Company	Third party (Plaintiff)	Complaint	Amount in COP
	Leonardo Castano Lopez	Declare that Mr. Leonardo Castano Lopez was unfairly dismissed and therefore he is entitled to the compensation that this situation entails.	452
	Alba Lucia Luna Garcia and others	EDEQ is sued for the Damages due to the death of the youth Victor Manuel Serrano Luna and of the injuries suffered by Laura Victoria Botero occurred on November 22, 2014, being 1:20 in the afternoon, when the youth were traveling in a motorcycle, brand Auteco, line pulsar 135 LS, model 2014, plate ITT 13D, in the neighborhood La Alambra, street 19A in front of the block A number 3, of the municipality of Armenia, when they stumbled upon a block of fixed cement, left on the road, which caused them to collide against an energy pole, located incorrectly, on the edge that separates the platform from the road.	377
	Luis Fernando Ceron Betancur and others	EDEQ is sued for the Damages suffered by Mr. Luis Fernando Ceron Betancur and his family on the occasion of the electric shock that he suffered on June 11, 2015 while he was carrying out construction work on the second floor of a house located in the Municipality of Montenegro in race 6 No. 20-49, as a result of an electric discharge from the second floor.	286
	Alba Irene Munoz and others	EDEQ and the Municipality of Quimbaya are sued for alleged Damages caused by the suspension of the construction of a house located in Urbanizacion HERNETO VIGOYA, block B, lot 17, which was suspended on the occasion of a police protection lodged by EDEQ, since the construction was made breaching the safety distances established in the RETIE.	124
	Julian Fernando Martinez Santamaria	Julian Fernando Martinez Santamaria, former ENECON employee, files suit to declare that he was dismissed if just cause; It also requests that EDEQ be sentenced in virtue of the solidarity that exists between the parties.	8
	Pdc Vinos Y Licores Ltd.	The Pdc Vinos Y Licores Ltd. presents lawsuit for the sale of the property in common and jointly owned with EDEQ and 16 other companies, identified with real estate registration 280-82025, of which EDEQ owns 0.0142%. Additionally, she requests payment for the administration and maintenance expenses that she has been paying for 5 years. To EDEQ claims the amount of $ 43,772 COP.	0.04
Total, EDEQ			**77,618**

Company	Third party (Plaintiff)	Complaint	Amount in COP
CHEC	Honorio Herrera Lopez	Material Damage	13,736
	Municipality of Salamina	Interruption in the production and sell of Power	5,058
	Maria Marleny Montoya De Garcia	Material Damage	3,823
	Mauricio Velez Giraldo	Damages and Losses	1,700
	Heriberto Garcia Giraldo	Damages or Emerging Damage	1,517
	Jose Gustavo Morales Guarín	Injury compensation	1,320
	Positiva Compañía de Seguros S.A.	Return of mathematical capital reserve	984
	Diana Ginneth Toro Sanchez	Material Damage	975
	Oscar Nicolas Osorio Ciro	Material and Non-Material Damages	884
	Alexandra Osorio Ciro	Non-Material Damages	807
	Jorge Augusto Manzur Macias	Material Damages	788
	Raul Loiza	Material Damage	781
	Jose Ancisar Trejos Henao	Non-Material Damages	779
	Pedro Pablo Carmona Rengifo	Non-Material Damages due to Electric Accident	664
	Suministros y Proyectos Tecnologicos Eléctricos SYPELC	Return of unauthorized discounts	594
	Mayerli Eliana Hernandez Patiño	Non-Material Damages	492
	Andres Mauricio Arenas Bolivar	Material and Non-Material Damages	479
	Ernesto De Jesús Monsalve Mazo	Material Damages	457
	Reinel Rivera Toro	Direct compensation for Non-Material Damages	405
	Alfredo Carvajal Gonzales	Direct compensation for Non-Material Damages	381
	Leonor Toro	Direct compensation for Non-Material Damages	357
	Mauricio Velez Montes	Direct compensation for Material and Non-Material Damages	344
	Camilo Enrique Pescador Arias	Direct compensation for Non-Material Damages	331
	Consuelo Gonzalez Ocampo	Material Damages - Imposition of Easement for Electric Utility	270
	Oscar Ivan Ramirez Jaramillo	Direct compensation for Material Damages	231

Company	Third party (Plaintiff)	Complaint	Amount in COP
	G & R Imgeniería S.A.S.	Material Damages in Contract Execution	228
	Armando De Jesús Zapata Sossa	Direct compensation for Material Damages	215
	Luis Carlos Rivera Galvis	Direct compensation for Material Damages	177
	Furel S.A.	Material Damages in Contract Execution	117
	Alberto Llano Londoño	Material Damages	91
	Luz Marina Agudelo Caicedo	Direct compensation for Material Damages	63
	Gloria Carmenza Giraldo Botero	Direct compensation for Material Damages	11
Total, CHEC			**39,059**
ESSA	Tomon Ltd.	Declare the existence of a contract between the ESSA and the Temporary Union "San Gil Iluminado",	8,201
	Others	Others	5,080
	Carlos Gerardo Hernandez Florez	Declare the Department of Santander, Municipality of Betulia and Electrificadora de Santander S.A. ESP as administratively liable in solidarity or individual form depending on the case of Material and Non-Material Damages caused to Mr. Carlos Gerardo Hernandez Florez for failure or lack of service of the administration for the events that occurred on January 7, 2015 that caused the fire in the municipality of Betulia Santander and that affected its real estate called Finca Vistahermosa	5,047
	Aph Servicios Eléctricos S.A., Tomon Ltd., Kesman Overseas Limited, Inversiones El Prado	Declare the existence of a Strategic Alliance contract between the ESSA and the Temporary Union "San Gil Iluminado",	4,610
	Gerrsson Enmanuel Duarte Pabon	Declare ESSA liable for the damages caused to Gerrsson Duarte and his family group (4 Persons), for the damages derived from the inadequate location of power grids that caused the actor's electrocution on July 30, 2011, when he was doing work in the property located on 10th street with 14th street No. 10-37 San Antonio de Piedecuesta neighborhood. That the Essa be condemned for the material and moral damages derived from the described event, which, in the opinion of the plaintiff, amount to the sum of $ 2,128,885,110 COP.	2,700

Company	Third party (Plaintiff)	Complaint	Amount in COP
	Ana Aydee Prada Ochoa	Payment of compensation for the death of Mr. ALIRIO SILVA PIMIENTO in a work accident in the Municipality of San Joaquin, due to voltage discharge.	1,681
	Promotora Agrotropical Colombiana S.A.S.	Declare breach of the commercial offer No. ON-013-2008 of October 3, 2008,2. ESSA be ordered to pay $ 886,313,271.31 COP for Damages.	1,163
	Gabriel Mendez Jaimes	Declare ESSA administratively liable for the damages caused to the plaintiff.	988
	Gloria Edilse Gomez	Declare ESSA administratively liable for the death of Omar Mendez Lozano and be ordered to pay Material and Non-Material Damages.	888
	Blanca Sepulveda Oviedo	Non-Material Damage / Loss of Profit / Damage to Healt	860
	Derly Patricia Alvarez Rojas	Non-Material Damage due to pain, affliction, anguish, uneasiness felt by each of the 19 plaintiffs for the death of Mr. Barragan, where they requested 100 MMLWE for each of the direct victims and 50 MMLWE for each of the indirect victims/Damage to social and family life and/or alteration to the conditions of existence/Damage to health caused exclusively to the plaintiff or victim/Loss of profits for $ 7,087,850.00 COP for Mrs. Derly Patricia Alvarez and future losses for $ 61,155,000 for	735
	Esther Rosa Cantillo Lascarro	Non-Material Damage/Damage to Social and Family Life today, Damage to Health.	670
	Nancy Pinzon Suarez	Declare existence of labour contract between Mr. Eudoro Pinzon and company Ingenieros En Obra from April 11, 2016 and declare the company as passively liability for the work accident suffered by the worker. Declare ESSA jointly and severally liable for paying the following amounts: to Mrs. Celina Suarez a $ 305,000,000 COP amount. To Ivan Dario Pinzon Suarez as a son, a $ 90,000,000 COP amount, to Nancy Pinzon Suarez as daughter, a $ 90,000,000 COP amount. To Uber Dario Pinzon Suarez as a son, a $ 105,000,000 amount, to Yuri Tatiana Pinzon Suarez as daughter, a $ 105,000,000 amount, and to William Ferney Pinzon Suarez as son, a $ 105,000,000 amount. In conclusion, for Material Damages, a $ 320,000,000 COP total amount, and for Non-Material Damages a $ 480,000,000 COP amount, for a $ 700,000,000 COP total.	631

Company	Third party (Plaintiff)	Complaint	Amount in COP
	Luis Ernesto Acevedo Silva	Declare the defendants liable for the wounds, sequels loss of working capacity and other damages suffered by Luis Ernesto Acevedo due to a fall caused by a crash against a lighting pole located on the platform, in the vicinity of balcón del Tejar in Bucaramanga, Profits for $ 12,408,726 COP, Loss of Future Profits for $ 73,738,436 COP, Total Loss of Profits for $ 86,146,972 COP, Non-Material Damage for $ 176,850,000 COP, Physiological Damage or Damage to Social and Family Life for $ 176,850,000 COP. Total compensation for $ 439,846,972 COP.	555
	Carlos Abel Perez Mantilla	Non-Material Damages	541
	Ana Mercedes Leal	Third: Declare that Mr. Oscar Alberto Camacho Leal suffered a work accident on October 1, 2014 while performing his duties in the service of Mecm Contratistas Profesionales Sas, which caused his death. Fourth: Declare that the beneficiary of the work in which the worker Oscar Alberto Camacho Leal lost his life on October 1, 2014 is the Electrificadora de Santander. Fifth: Declare the solidary Liability contemplated in Article 34 Labour Code (CST, Codigo Sustantivo de Trabajo) between the companies Mecm Contratistas Profesionales Sas and Electrificadora de Santander for the liabilities declared on the occasion of the employer's fault in the work accident in which Mr. Oscar Alberto Camacho Leal lost his life.	537
	Marina Reyes Manzano	Emerging Damage/Loss of Profits/Future Loss of Profits/Non-Material Damage to the three plaintiffs Marina, Celso and Alexander	461
	Diana Rocio Rivera Galeano and others	Declare that the work accident in which Juan Alberto Granados Ramirez lost his life occurred due to lack of verification fault of the employer. 4. Declare that the Electrificadora de Santander is jointly and severally liable with the employer for the value of the compensation to which the legitimated survivors, such as his daughter and his surviving permanent companion, are entitled.	369
	Mabel Astrid Ariza Vargas	Non-Material Damages/Damage to Health/Emerging Damage/Loss of Profits	363
	Marta Ines Barrera	Declare administrative, extra-contractual and jointly and severally liable the municipality of Barrancabermeja, Electrificadora de Santander S.A. ESP and empresa de transportes Trans Surenco S.A.S, Mr. Felix Alejandro Erazo and Mr. William Betancourt Castellanos for the damages suffered and caused to the plaintiffs	342

Company	Third party (Plaintiff)	Complaint	Amount in COP
Total, ESSA			**36,422**
Emvarias	Jac Vainillal and others	Direct Repair Sanitary Landfill Compensation to Communal Action Board	10,518
	Junta De Accion Comunal La Cejita	Declarations	8,844
	Various	Labour Liability and Direct Compensation	5,105
	John Jairo Mesa Isaza	Employer's Liability	166
	Luz Dary Echavarria Rojas	Employer's Liability with Comultrevv	25
	Fabiola Londoño Higuita	Joint Labour Liability with Coomultreevv Ctto 140 of 2010	24
	Francelly Zulieth Duque Lopez	Joint Labor Liability with Coomultreevv Ctto 140 of 2010	24
	Martha Cecilia Echavarria Rojas	Joint Labor Liability with Coomultreevv Ctto 140 of 2010	24
	Ligia Beatriz Pereira Giron	Survivor's Pension	10
Total, Emvarias			**24,740**
CENS	Orlando Emiro Contreras Velasco	Declare that the plaintiffs have the right within their entire pension life, the pension be readjusted in accordance with the parameters indicated in article 1 of Law 71 of 1988 and not those established in art. 14 of Law 100 of 1993, order CENS to pay the Plaintiffs retroactively, the amounts left to be pendant and apply the greater increase; equally, each unpaid value must be properly indexed. That is condemned to recognize and pay the interests due to default that is dealt with in art.141 of Law 100 of 1993.	2,005
	Mariana Bautista Ortiz	Declare civil, administrative, patrimonial and extra-contractually liable the State and Cens S.A. E.S.P., of the damages caused to the plaintiffs due to the death of Mr. Ramon Alipio Alvarez Paez (R.I.P.) occurred on April 26, 2016, in the Miraflores district, Puerto Leon sector of the Banco de Arena Parish, in the Municipality of Zulia, Department of Norte de Santander, as a consequence of an electric discharge produced by a high-voltage line. Material and Non-Material Damages are requested for the plaintiffs.	1,414
	Geomara Carreno	For Non-Material Damages, an amount of 1300 MMLWE. Damages in social and Family Life. Material Damages. Loss of Profits.	1,368

Company	Third party (Plaintiff)	Complaint	Amount in COP
	Paht Construcciones S.A.S.	Order the settlement of Contract CT-2015-000070, concluded between the parties, where Cens S.A. E.S.P., must readjust the contractual equity in favor of Paht Construcciones S.A.S., applying the theory of unpredictability, as well as the amounts for complement of the payment of Act No. 6 for works executed, recognized and not paid.	1,351
	Other Labour Processes	Other Labour Processes of less than $250 million COP	1,306
	Eleida Carrascal Velazquez	Obtain recognition and payment by CENS and the Norte de Santander Department, in favor of the plaintiff, the value of the Material Damages (Emerging Damage, Loss of Profits and Non-Material) caused by the total destruction of the commercial establishment called Ferreteria y Materiales Diego Alejandro, in events that occurred on February 5, 2015, which caused detriment to its patrimony and to income, not only for the Loss of Income, but also for the cost caused by the recovery of his house.	1,102
	Clinica Oftalmologica Penaranda S.A.S.	Declare CENS directly and civilly liable in the modality of extra-contractual liability for damages for the destruction of the Excimer Laser equipment for refractive surgery.	909
	Other Administrative Processes	Other Administrative Processes (7) of less than $250 million COP.	852
	Sara Franco Guerrero	Order CENS S.A. E.S.P. and Electroning S.A.S. to pay for moral damages 100 MMLWE to each of the plaintiffs and the direct victim/pay for Damages to Social and Family life 100 MMLWE to each of the plaintiffs.	839
	Jeison Orlando Ortiz Valenzuela	Declare jointly and severally CENS and the Municipality of Aguachica-Alcaldía-Secretaria Planeacion, administratively liable for all Damages and Losses caused to the plaintiffs by the death of Mr. Fabio Alberto Ortiz Valenzuela, in events that occurred on March 29, 2014, cause of electrocution. Recognize interests in arrears from its execution. Condemn defendant entities to pay procedural costs and legal agencies.	819

Company	Third party (Plaintiff)	Complaint	Amount in COP
	Julio Cesar Pena Villamizar	Declare CENS S.A. E.S.P. liable for the death of the minor Gerson Fabian Pena Capacho, occurred on October 27, 2006. Order CENS to pay for Moral Damages the sum of 100 MMLWE for each of the 8 plaintiffs. Order to pay for Material Damages and funeral expenses equivalent to 8 MMLWE. Order to pay interest arrears for the amounts resulting from the process' costs.	648
	Carlos Enrique Salamanca Soto	Order continuity of the payment of 12% on the pension allowance, resume the contributions discounted from the moment of compatibility of the pension properly indexed and the payment of interest arrears according to article 141 of the law 100 of 1990, plus the process costs.	513
	Luis Alberto Pena Villamizar	Order the payment of legal and conventional social benefits between the period in which the retirement pension was recognized and August 31, 2009, the recognition of the additional month of June of wage 14, arrears indemnity, indexation and interest arrears.	442
	Domingo Hernandez Carvajal	Declare administratively, extra-contractual, patrimonial and jointly and severally liable the Municipality of Salazar and to CENS, for Material and Non-Material Damages, caused by the accident suffered by the convener on August 3, 2016/Non-Material Damages/Damages to Health/Emerging Damage/Loss of Earnings/ Future Loss of Earnings.	397
	Carlos Augusto Rangel Alvarez	Convention Benefits	365
	Diomar Jesús Manzano Garcia	Declare CENS and EPM administratively and materially liable for the damages caused to Diomar Jesús Manzano Garcia and Marlene Tarazona Bayona, as a result of failure in the electric power service where a deflagration was generated that destroyed part of the paddock, fences, crops and irrigation hoses, on their property. Interest arrears for the amounts that result in favor of the plaintiffs, from the date in which the payment should have been made until that in which it is actually made.	353
	Daniel Orlando Suarez Navas	Refund of the 12% Pension Health Contributions	333
	Carlos Augusto Ropero Gaona	Declare that CENS has violated fundamental rights of the plaintiff, due to his dismissal without due process to which he was submitted from 07 and 18 February 2013 and the consequent reinstatement.	320

Company	Third party (Plaintiff)	Complaint	Amount in COP
	Manuel Jesús Navarro	Declare CENS S.A E.S.P. administratively and extra-contractually liable for damages caused to the plaintiffs by the death by electrocution of the minor Katherine Dayana Olivos Sanchez. Order CENS S.A E.S.P., to pay for Non-Material Damages, an amount of one hundred (100) MMLWE for each of the injured parties.	317
	Jorge Leonardo Ballesteros Franco	Order payment of compensation for unfair dismissal, severance and interest, holidays and arrears compensation referred to in Article 99 of Law 50 of 1990, along with process costs.	280
	Jesús Alejandro Sinisterra	Order CENS S.A. E.S.P. pay the plaintiff the amounts that were illegally discounted from his liquidation for wages and social benefits caused in the period between May 18, 2009 and the dismiss date.	264
Total, CENS			**16,197**
Aguas Nacionales	Conjunto Residencial Tarento	Appeal in guarantee: Monetary recognition for the damages caused in rainstorm happened in the month of March of 2006, that flooded the residential compound, where a construction contract was being executed and the plaintiff were performing an audit.	8,499
	Various Administrative	Other processes.	2,535
	Matilde Andrade de Palacios and others	Declare administratively and severally liable without dividing quotas of all the damages suffered by the plaintiffs for the reckless and irresponsible conduct that directly caused the accident.	2,166
	Adrian Heber Murillo Ortiz	Declare and order the Municipality of Quibdo, Aguas del Atrato, Aguas Nacionales E.P.M. S.A. ESP, administratively liable without division of quotas for all Non-Material Damages, alteration of life conditions and Material Damage for Emerging Damage suffered by the Plaintiffs, due to the negligent, reckless and irresponsible conduct that originated decisively the accident that caused serious damage to Mr. Adrian Heber Murillo Ortiz, occurred on May 30, 2014.	1,031
	Cice Consortium	AMB-9- "Unforeseeable" conditions that gave rise to damage and clogging of the tunnel boring machines and the application for reprogramming the works.	18,718

Company	Third party (Plaintiff)	Complaint	Amount in COP
	Cice Consortium	Reinforcing steel. The Contracting Party to assume the costs derived from the greater amount of steel used in the manufacture of the concrete tubes used for the lining of the Interceptor tunnel.	3,253
	Cice Consortium	AMB-10- Order for recognition and payment of the cost overruns generated by the events that gave rise to AMB10 (low yields, "unpredictable" soil conditions)	21,410
	Cice Consortium	Recognition of cost overruns due to the over-consumption of tools for the cutting wheels of the tunneling machines ANV 2200mm and AVN 2400mm.	8,058
	Cice Consortium	Recognition and payment of the financial cost overruns incurred by the CICE Consortium, due to a change in the cash flow expected in the contract.	3,907
	Cice Consortium	Recognition of the cost of social and environmental management for the additional period initially agreed in the contract.	692
	Cice Consortium	Cost overruns incurred in the construction of the CE5 chamber, due to unpredictable conditions caused by the poor condition in the existing pipeline.	144
	Cice Consortium	Cost overruns incurred by the contractor for the longer term of execution of the works, for supervision, management and financial costs.	12,780
	HHA Consortium	Controversies in term, design engineering and financials.	397,442
Total, Aguas Nacionales			**480,635**
Aguas Regionales	Maria Inés Osorio Montoya, Sandra Milena Triana Lopez, Tomas Jimenez Triana, Octavio Jimenez Hernandez, Julian Jimenez Osorio	Configuration type criminal fraud and direct reparation with which requests for declaring liable the Municipality of Apartado and Aguas Regionales for the death of the young Cesar Augusto Jimenez Osorio determined by the injuries suffered in events that occurred on June 1, 2016 in the city of Apartado, consequently, to pay Material Damages (past and future), Non-Material Damages and Damages to Health. Initial phase of the investigative stage	**2,595**
Total, Aguas Regionales			**2,595**
ENSA	Compañías generadoras	Liabilities Guarantee	194,249
	Autoridad Nacional de los Servicios Públicos	Liabilities Guarantee	48,746
	Empresa de Transmisión Eléctrica S.A.	Liabilities Guarantee	3,687

Company	Third party (Plaintiff)	Complaint	Amount in COP
	Empresa de Transmisión Eléctrica S.A.	Liabilities Guarantee	18,912
	Ente Operador Regulador de El Salvador	Liabilities Guarantee	1,524
	Empresa Nacional de Autopistas S.A.	Banking Guarantee	650
	Other	Other processes	25,640
Total, ENSA			**293,408**
Aguas de Malambo	T & A Proyectos Ltd..	Problem additional amounts of work and greater permanence of work in the execution of contract No. 22-2012.	723
	Nelson Mercado Luna	Payment of invoice No. 0095 in virtue of alleged works carried out to attend emergency in Carrera 22 with Calle 22 of the Municipality of Malambo.	138
	Fabian Bacca Jimenez	Recognition by Aguas de Malambo of a labour relationship acquired in the years 2015 and 2016 where he served as a worker for the company Temporal S.A.S. and, consequently, the payment of vacations, bonuses, severance, bonus for subscription of the convention, and compensation for unfair dismissal.	18
Total, Aguas de Malambo			**879**
Total, Contingent Liabilities			**1,699,033**

Figures stated in millions of Colombian pesos

Regarding uncertainty in the estimated dates of payment and amounts to be paid, for contingent liabilities the same business rules indicated in note 28.1.3 apply. Lawsuits.

28.3.2 Contingent Assets

Lawsuits

Company	Third party (Plaintiff)	Complaint	Amount in COP
EPM	Municipality of Bello	Complete nullification of the complex administrative act contained in Resolutions 2717 of 2009 and 0531 of 2010. PTAR Bello.	112,259
	Municipality of Bello	Reimbursement of amounts paid by EPM, for the purpose of determining and liquidating the surplus effect, PTAR Bello.	107,079
	Comisión de Regulación de Energía y Gas -CREG	Nullification of the administrative act - issued by the CREG, official letter MMECREG-438 of 28-02-98 by which the right of petition presented by EPM is answered.	85,756
	Others Administrative	Processes of amounts less than $2,991 million COP.	6,928

Company	Third party (Plaintiff)	Complaint	Amount in COP
	The Nation Ministry of Health and Social Protection (MINSALUD, La Nacion Ministerio de Salud y Protección Social)	MINSALUD, has the legal and constitutional obligation to recognize and cancel the value of the services provided to members in relation to medicines and / or procedures, interventions or elements not included in the Mandatory Health Plan (POS).	6,509
	Ministry of the Environment and Territorial Development (Ministerio del Medio Ambiente y Desarrollo Territorial)	Nullification invoked, declare that within the costs related to the construction and operation of the Proyecto Hidroeléctrico Porce III, EPM may include the costs related to readjustments and other concepts.	4,728
	Interconexión Eléctrica S.A. E.S.P. (ISA)	Civilly liable for not recognizing EPM the value that corresponds to the remuneration that ISA received between 1995 and 1999, for the line modules that correspond to the STN's use assets in Las Playas and Guatapé substations.	3,365
	Poblado Club Campestre Ejecutivo S.A.	Liability for damage to the collector owned by EPM, which collects and transports wastewater from the sanitation basin of the La Honda stream in the Municipality of Envigado.	3,150
	Other Fiscals	Processes of amounts les tan $3,155 million COP.	2,145
Total, EPM			**331,919**
CENS	DIAN,-Dirección de Impuestos y Aduanas Nacionales	Declare null the following administrative acts: Sanction Resolution No. 900.001 of September 14, 2015, and Resolution (Resolución) No. 007390 of September 29, 2016, issued by the DIAN. As reinstatement of rights, Order the defendant to make reimburse the amounts paid by CENS S.A E.S.P. for the higher income and supplementary tax and the penalty for inaccuracy established in resolution No. 007390 dated September 29, 2016, with current and default interest in accordance with the provisions of art. 863 of the Tax Code.	3,893
	Consortium CDE Ltd.	Payment of resources owed in favor of CENS	1,226
	Comercializadora Nave Ltd.	Declare the company Comercializadora Nave LTD., breached the contract signed with CENS S.A. E.S.P., for which it is requested to declare the termination of the contract.	141
	Ruben Dario Sanchez	Declare liable for the damages caused to CENS in the electrical infrastructure, of which $ 20,524,812 COP correspond to material damages and the remaining amount to labour.	118
	Other Civil Processes	Other Civil Processes (33) for less than $7 million COP	99
	Luis Eduardo Baquero Penaranda	Pension overpayment	25
	Municipality of Abrego	Shares and Pension Bonds	18
	Unspecified Persons	Order to pay the amount of $ 15,194,752 for Unregistered Power	16

Company	Third party (Plaintiff)	Complaint	Amount in COP
	E.S.E. HOSPITAL MENTAL RUDESINDO SOTO	Shares and Pension Bonds	15
	Unspecified Persons	Order compensation for damages due to the punishable conduct of manipulation of measuring equipment, executed by the user in $ 12,052,508 COP, according to pre-liquidation of power left to invoice.	14
	Ivan Leal Vega	Pension overpayment	14
	Unspecified Persons	Order compensation for damages due to the punishable conduct of manipulation of measuring equipment, executed by the user in $ 11,783,891 COP, according to pre-liquidation of power left to invoice.	12
	Unspecified Persons	Order compensation for damages due to the punishable conduct of manipulation of the measuring equipment, executed by the user in pesos (COP) M/C according to pre-liquidation of the energy left to invoice.	11
	Unspecified Persons	Investigate the above described conducts to determine the parties' involvement in the commission of the events that motivate the present complaint, make criminally liable and that CENS S.A. E.S.P., is called as a victim, to enforce their rights that have been constitutionally and legally conferred, by virtue of the legislative act 03 of 2002, amending art. 250 of the C.N. and Law 906 of 2004, Art. 22.	9
	Unspecified Persons	Investigate the above described conducts to determine the parties' involvement in the commission of the events that motivate the present complaint, make criminally liable and that CENS S.A. E.S.P., is called as a victim, to enforce their rights that have been constitutionally and legally conferred, by virtue of the legislative act 03 of 2002, amending art. 250 of the C.N. and Law 906 of 2004, Art. 22.	8
Total, CENS			**5,619**
CHEC	Corporación Autónoma Regional de Caldas -CORPOCALDAS	Compensation for Damages, total nullification of resolution 126 of June 27, 2013.	511
CHEC	Unidad Administrativa de Gestión Pensional y Contribuciones Parafiscales de la Protección Social	Declare partial nullification of the official settlement No. RDO 513 of March 28, 2014 issued by the UGPP.	355
CHEC	Autoridad Nacional de Licencias Ambientales – ANLA	Declare total nullification of resolution 1064 of September 10, 2014.	308
CHEC	Fernando Alonso Ocampo Arias	Impose in favor of CHEC S.A. E.S.P., Easement for power conduction.	284

Company	Third party (Plaintiff)	Complaint	Amount in COP
	Oscar Humberto Giraldo Castaneda	Recover the amounts for power left to invoice	154
	Edgar Alberto Leon	Amounts for power left to invoice	131
	Sandra Milena Tamayo	Amounts for power left to invoice	117
	Jhon Henry Cortes Martinez	Amounts for power left to invoice	109
	Darío Luis De Los Ríos	Recover the amounts for power left to invoice	95
	John Fredy Correa Pineda	Recover the amounts for power left to invoice	73
	Ingetrans S.A.	Material Damages in a Contract Execution	54
	Olimpo Leon Avello	Recover the amounts for power left to invoice	46
	Jose Gabriel Mejia Quiceno	Recover the amounts for power left to invoice	44
	Elkin Suarez Soto	Recover the amounts for power left to invoice	27
	Sandro Escarpeta Garcia	Recover the amounts for power left to invoice	24
	Jose Dumar Velez	Recover the amounts for power left to invoice	21
	Carlos Alberto Munoz Calvo	Recover the amounts for power left to invoice	18
	Jose Guillermo Ortiz Olarte	Recover the amounts for power left to invoice	12
	Alfredo Gallego Estrada	Recover the amounts for power left to invoice	11
	Alvaro Velazco	Recover the amounts for power left to invoice	10
	Francisco Javier Jaramillo Hoyos	Impose Easement for power conduction.	10
	Jair Dario Calle Rendon	Recover the amounts for power left to invoice	9
	Martha Lilia Echeverry Serna	Criminal complaint for Patrimonial Damage in favor of CHEC	3
	Carlos Arturo Calvo Londoño	Recover the amounts for power left to invoice	2
Total, CHEC			**2,428**
EDEQ	Superintendencia de Servicios Públicos Domiciliarios (SSPD)	Declare nullification of Resolutions that liquidated the special contribution for the Quindío Energy Company (EDEQ, Empresa de Energía del Quindío) for the 2014 period.	284
Total, EDEQ			**284**
Aguas Regionales	Superintendencia de Servicios Públicos Domiciliarios (SSPD)	Nullification and reinstatement of rights overpayment for official settlements 20175340030676 of July 4, 2017 Sewage and SSPD No. 20175340030606 of July 4, 2017 Aqueduct, as well as the acts that resolve appeals for reconsideration and appeal.	51
	Oscar Evelio Gallo Pérez y Juan Francisco Perez Piedrahita	Criminal type configuration. Fluid fraud. Initial phase of investigative stage.	8
	Superintendencia de Servicios Públicos domiciliarios Territorial Occidente	04/27/2018 MC Lawsuit presented. Nullification and reinstatement of rights, by revocation of the resolution denying appeal for reconsideration, and in second instance it was revoked, nevertheless, the administrative act presented inconsistency because the regulation that supported the first instance decision and is revoked and then cited.	3
Total, Aguas Regionales			**62**

Company	Third party (Plaintiff)	Complaint	Amount in COP
Emvarias	Marta Nelly Quintero R.	Mortgage Executive	25
Total, Emvarias			**25**
Aguas de Malambo	Superintendencia de Servicios Públicos Domiciliarios (SSPD)	Refund overpayment by Aguas de Malambo S.A. E.S.P., for the concept of the special contribution corresponding to the year 2015, for the Sewerage utility.	5
Total, Aguas de Malambo			**5**
Total, Contingent Assets - Lawsuits			**340,342**

Figures stated in millions of Colombian pesos

Guarantees

The group has granted the next guarantees:

Company	Third party (Plaintiff)	Complaint	Amount in COP
ESSA	Seguros del Estado	Established and granted for covering lawsuits (Tax) against the Municipality of Bucaramanga	133
Total ESSA			**133**
Total Contingent Assets - Guarantees			**133**

Figures stated in millions of Colombian pesos

28.3.3 Estimated payments and collections

The estimate of the dates on which the Group will have to disburse payments related to contingent liabilities or will collect payments for contingent assets provisions included in this notes to the Consolidated statement of financial situation at the cut-off date, is the following:

Year	Contingent Liabilities	Contingent Assets
2019	212,937	99,047
2020	37,882	128,191
2021	10,114	9,724
2022 And Others	1,051,443	137,621
Total	**1,312,376**	**374,584**

Figures stated in millions of Colombian pesos

Note 29. Other Liabilities

The breakdown Other Liabilities is as follows:

Other Liabilities	2018	2017
Non-Current		
Collection in Favour of Thrid Parties[1]	10	10
Payments Received in Advance	4,371	4,740
Government Grants	25,778	25,153
Assets Received from Customers or Third Parties	31,784	33,808
Other Deferred Credits	21,159	21,228
Transfer of Financial Assets and Guarantees	36,425	33,668
Total Other Liabilities Non-Current	**119,527**	**118,607**
Current		
Collection in Favour of Thrid Parties[1]	115,715	97,692
Payments Received in Advance	67,786	73,189
Government Grants	763	638
Assets Received from Customers or Third Parties	153	7
Transfer of Financial Assets and Guarantees	6,231	1,621
Total Other Liabilities Current	**190,648**	**173,147**
Total Other Liabilities	**310,175**	**291,754**

Figures stated in millions of Colombian pesos

(1) Corresponds to Collection in Favor of Third Parties for Public Lighting Agreements, Portfolio Collection, Cleaning Utility, Taxes, among others.

29.1 Deferred Reinsurance Commissions

The detail of Deferred Reinsurance Commissions, which is included in the Revenue Received in Advance, is as follows:

Deferred Reinsurance Commission Revenue	2018	2017
Initial Balance	7,288	9,052
Amortization	(676)	(1,764)
Final Balance	**6,612**	**7,288**

Figures stated in millions of Colombian pesos

29.2 Government Grants

Movement of Government Grants to the cutoff date is as follows:

Grants	2018	2017
Initial Balance	25,790	26,576
Granted during the Period	353	442
Recognized in the Profit for the Period	(2,090)	(1,051)
Foreign Currency Exchange Effects	1,587	(107)
Other Changes	901	(69)
Final Balance	**26,541**	**25,791**
Non-Current	25,778	25,153
Current	763	638
Recorded Value as of December 31	**26,541**	**25,791**

Figures stated in millions of Colombian pesos

The Group has received grants from the Inter-American Development Bank (BID) for the micro and small business financing program; by Financiera del Desarrollo (FINDETER) as a favorable rate credit for the construction of aqueduct and sewage infrastructure; by the Fund for the Reconstruction of the Coffee Region (FOREC, Fondo para la Reconstruccion del Eje Cafetero) for the reconstruction of energy networks as a consequence of the earthquake in that region of the country; by the Financial Fund for Development Projects (FONADE, Fondo Financiero para Proyectos de Desarrollo) for the promotion of telecommunications in rural schools and by the Oficina de Electrificación Rural of Panama and the National Investment Fund in Electricity and Telephony (Fondo de Inversion Nacional en Electricidad y Telefonia) of El Salvador for the construction of infrastructure rural electricity.

The Group has not defaulted in any of the conditions related to grants.

29.3 Revenue Received in Advance

The breakdown of Revenue received in advance at the cut-off date is as follows:

Revenue Received in Advance	2018	2017
Non-Current		
Leases	339	572
Sales	117	
Power Utilities Sales	3,855	4,168
Total Revenue Received in Advance Non-Current	**4,371**	**4,740**
Current		
Leases	381	392
Sales	8,520	8,731
Power Utilities Sales	45,640	37,927
Aqueduct Utilities Sales	1,591	120
Sewage Utilities Sales	83	164
Cleaning Utilities Sales	677	1,230
Natural gas Utilities sales	5,406	8,330
Telecommunications Utilities Sales	-	-
Other Revenue Received in Advance	5,488	16,295
Total Revenue Received in Advance Current	**67,786**	**73,189**
Total Revenue Received in Advance	**72,157**	**77,929**

Figures stated in millions of Colombian pesos

Note 30. Changes in Liabilities due to Financing Activities

The reconciliation of Liabilities due to Financing Activities is as follows:

Reconciliation of liabilities due to financing Activities 2018	Initial Balance	Cash Flows	Changes Other than Cash		Other Changes 1	Total
			Currency Exchange	Changes in Fair Falue		
Credits and Loans (See Note. 22)	16,958,723	3,179,749	280,935	-	415,393	20,834,800
Liabilities due to Leses (See Note. 24)	196,491	(1,040)	-	-	33	195,483
Pension Bonds (See Note. 24)	640,720	(34,798)	-	-	37,266	643,188
Hedging Instruments	46,596	(77,241)	-	(163,086)	1,266	(192,465)
Dividends or Surpluses Payed	340,996	(1,629,893)	-	-	1,331,104	42,207
Capital Grants	25,790	353	-	-	397	26,540
Other Finance Flows	-	195,939	-	-	(195,939)	-
Total Liabilities Arising from Financing Activities	**18,209,315**	**1,633,069**	**280,935**	**(163,086)**	**1,785,459**	**21,549,754**

Figures stated in millions of Colombian pesos

Reconciliation of liabilities due to financing Activities 2017	Initial Balance	Cash Flows	Changes Other than Cash		Other Changes 1	Total
			Currency Exchange	Changes in Fair Falue		
Credits and Loans (See Note. 22)	14,848,008	1,870,505	59,730	-	180,480	16,958,723
Liabilities due to Leses (See Note. 24)	197,214	(935)	-	-	211	196,491
Pension Bonds (See Note. 24)	625,619	(29,826)	-	-	44,927	640,720
Hedging Instruments	65,680	(12,384)	-	117,615	(124,315)	46,596
Dividends or Surpluses Payed	38,537	(1,395,464)	-	-	1,697,923	340,996
Capital Grants	26,576	143	-	-	(928)	25,790
Other Finance Flows	-	26,234	-	-	(26,234)	-
Total Liabilities Arising from Financing Activities	**15,801,635**	**458,273**	**59,730**	**117,615**	**1,798,297**	**18,209,315**

Figures stated in millions of Colombian pesos

[1] Includes interest paid during the year for $ 1,268,260 (2017: $ 1,118,565), that by company's policy are classified as operating activities in the Statement of Cash Flows; the variation in the measurement at amortized cost of Credits and Loans $ 1,271,472 (2017: $ 1,023,498); Exchange Effect $ 110,875 (2017 $ 174,330); Dividends and Surpluses $ 1,331,104 (2017 $ 1,697,923); Business Combination $ - (2017 $ 10,505) and Others $ 340,268 (2017 $ 10,605).

Note 31. Regulatory Deferral Accounts

The balance of the deferred regulatory accounts as of the date of presentation of the Consolidated Financial Statements corresponds to the local regulatory framework applicable to the subsidiary Elektra Noreste S.A. (ENSA), established by the Autoridad Nacional de los Servicios Públicos de Panamá (ASEP). This entity is responsible for regulating and establishing the final rates that the Company bills its customers. The Company keeps its accounting records in accordance with the uniform system of accounts established by the ASEP for electric companies.

The regulated system under which the Company operates allows any excess or deficiency between the estimated electric power costs considered in the tariff and the current costs incurred by the Company to be included as a compensatory adjustment, to be recovered from (or returned to) customers, in the next tariff review. Any excess in power costs charged to customers is accumulated as credit balance in the deferred regulatory account in the consolidated financial statement of the Group and entails a reduction in the next tariff revision to be applied to customers. Likewise, any deficit in the cost of energy charged to customers is accumulated as a debit balance in the deferred regulatory account in the consolidated statement of financial position of the Group and leads to an increase in the next rate revision to be recovered from the customers.

Deferred regulatory accounts with debit balance represent probable future income associated with certain costs that are expected to be recovered from customers through the tariff process. Deferred regulatory accounts with credit balance represent probable reductions in future revenues associated with amounts that are expected to be credited to customers through the tariff process.

The movement of Regulatory Accounts is as follows:

Regulatory Accounts	Assets	
	2018	2017
Initial Balance	48,842	15,813
Profit for the Period	52,884	33,643
Exchange Rates/Discount Rates Effect	10,142	(614)
Final Balance	**111,868**	**48,842**

Figures stated in millions of Colombian pesos

The balances associated with the Regulatory Deferral Accounts in accordance with the regulation must be recovered or returned in the following two semesters.

The movement of the Deferred Tax associated with the Regulatory Accounts is as follows:

Deferred Tax Associated to Regulatory Accounts	Liabilities	
	2018	2017
Initial Balance	14,653	4,744
Profit for the Period	15,928	(3,204)
Foreign Currency Exchange Effect	2,979	13,113
Final Balance	**33,560**	**14,653**

Figures stated in millions of Colombian pesos

Cash Flows generated by Regulatory Accounts amounted to $ 63,026 (2017: $ 33,029), which, by the Group's policy, are classified as operating activities in the Statement of Cash Flows.

Note 32. Revenue from Ordinary Activities

The breakdown of Revenue from Ordinary Activities is the following:

Revenue from Ordinary Activities	2018	2017
Sales of Goods	18,266	52,045
Rendering of Services		
Power Generation Service(1)	3,853,158	3,464,670
Power Transmission Service	259,997	315,762
Power Distribution Service(2)	10,360,426	10,262,251
Power Inter-Segment Elimination	(1,350,517)	(1,981,671)
Natural Gas(3)	847,081	730,707
Sanitation	590,327	566,950
Aqueduct(4)	1,083,065	957,918
Cleaning(5)	222,470	201,047
Insurance and Reinsurance Services(6)	9,353	8,222
IT Services	339	339
Construction Contracts	125,697	43,254
Other Services	156,053	116,546
Refunds(7)	(271,561)	(241,396)
Total Rendering of Services	15,904,154	14,496,644
Leases	83,110	76,992
Gain Sale of Assets(8)	7,311	1,647
Total	**15,994,575**	**14,575,283**

Figures stated in millions of Colombian pesos

(1) Includes greater sales to large customers at EPM, increase in quantities, mainly due to the new demand from Ecopetrol Rubiales, Grupo Femsa, Corona and the Éxito Group.

(2) Revenue from the energy distribution service increased due to the higher unit cost and the increase in consumption. Also increase in prices and amounts in subsidiaries such as: CHEC, COMEGSA, DELSUR, ENSA, ESSA and CENS that recorded higher sales in the stock market, standing out those made to Enertolima.

(3) The increase due to higher sales in the secondary market and greater demand for thermals on the Coast.

(4) The increase corresponds basically to EPM executing Construction Contracts of the agreement with the Municipality of Medellín for the urban planning works of the Galería Bolivar Project; in the subsidiary ADASA by a larger number of customers, higher consumption and higher average sale price in the unregulated market and by the consolidation of the revenues of Empresas Públicas de Rionegro, a subsidiary that only started to be consolidated as of October 2017.

(5) Increase originated in the EMVARIAS subsidiary due to the updating of the classification of residential users' facilities to commercial and industrial users, the update of gauging and tariffs for large generators

(6) Correspond to revenue from commissions assigned and net premium accrued from the subsidiary Maxseguros

(7) Refunds presented an increase due to a higher return of the reliability charge associated with greater power generation.

(8) Corresponds to sales of assets by EPM, mainly for a land of the Poblado substation and for the sale of specialized vehicles by Empresas Varias de Medellín.

The group does not have any pledge on ordinary revenue, contingencies that have not been recognized affecting income or firm commitments with customers for the rendering of future services of which Losses are estimated.

Construction Contracts

The Group recognized revenue from Construction Contracts of Assets within the scope of IAS 11 - Construction Contracts as of the cut-off date, for $ 125,697 (2017: $ 43,254).

The method used to determine the degree of progress of previous construction contracts is the proportion of the contract costs incurred in the work already performed to date, in relation to the total estimated costs for the contract.

Note 33. Other Revenue

El breakdown of Other Revenue is as follows:

Other Revenue	2018	2017
Compensations[(1)]	109,633	17,314
Recoveries[(2)]	104,848	226,216
Other Ordinary Income	58,402	44,677
Commissions	32,448	31,284
Utilization	7,855	7,930
Valuation of Investment Property	4,352	10,848
Tender Sale	2,587	738
Professional Fees	2,185	
Goods and Services Sales Margin	2,094	2,297
Government Grants	2,091	928
Remainings	179	129
Public Utilities Management Contracts	90	269
Photocopies	4	3
Total	**326,768**	**342,633**

Figures stated in millions of Colombian pesos

(1) Includes $ 67,966 recognized in EPM for indemnities received for the incident that occurred in 2017 at the Playas Hydroelectric Plant (Central Hidroeléctrica Playas); for damages in the transport of some equipment of the Ituango Project (Proyecto Ituango) in 2016 and for damages in the Porce Hydroelectric Plant (Central Hidroeléctrica Porce). In addition, $ 15,000 of the civil liability policy for the affectation to third parties for the Ituango Project and compensation for lost profits for $ 16,150, and in 2017, $ 5,908 of the compensation for emergent damage related to the Playas plant is included.

(2) 2017 includes Refunds for overpayments of the tax on the estate of the taxable period 2011 for $ 127,205.

Note 34. Costs of Services Rendered

The breakdown of Costs of Services Rendered is the following:

Costs of Services Rendered	2018	2017
Cost of Goods and Public Services (Utilities) for Sale[1]	7,164,001	6,281,940
Personal services	780,488	705,675
Depreciations	758,843	723,248
Orders and Contracts for Other Services	673,220	591,507
Orders and Contracts for Maintanance and Repairs	319,049	329,772
Materials and Other Operating Expenses	181,161	179,283
Licenses, Contributions and Royalties	152,397	163,022
Amortizations	137,180	94,488
General	100,777	107,695
Insurances	98,500	96,798
Professional Fees	93,606	102,239
Consumption of Direct Imputs	83,222	80,364
Taxes and Rates	73,850	64,358
Leases	60,319	58,855
Public Utilities	24,339	24,312
Sold Goods	17,140	20,839
Depletion	9,322	7,741
Intangible Assets Impairment Loss	6,052	6,324
Value Redction of Inventories	308	1,113
Cost due to Losses in Rendering of the Aqueduct Utility	201	1,023
Property, Plant and Equipment Impairment Loss	-	56,619
Total	**10,733,975**	**9,697,215**

(1) Includes the value for Power Purchases in Block and in the Stock Exchange, Connection Costs, use of Networks, Lines and Pipelines, Sales Costs and Natural Gas Distribution, among Other Costs. The increase compared to the previous period is mainly due to the use of Networks due to greater sales to large customers, greater Power Purchase in the Stock Market and in the long term, and higher sales of Natural gas in the secondary market.

Note 35. Administrative Expenses

The breakdown of Administrative Expenses is the following:

Administrative expenses	2018	2017
Personnel Expenses		
Payroll Expeses	395,297	379,848
Social Security Expenses	98,639	100,962
Pension Expenses	44,796	44,000
Benfits in Interst Rates to Employees	8,054	6,682
Other Post-Employment Benefit Plans Other than Pension	5,237	5,767
Other Long-Term Benefits	4,894	6,293
Termination Benefits	1,918	1,778
Total Personnel Expenses	**558,835**	**545,330**
General Expenses		
Other miscellaneous provisions(1)	318,874	37,712
Taxes, contributions and rates(2)	188,053	188,608
Provision for contingencies(3)	134,381	133,382
Charges, fees and services	111,904	125,458
Impairment of Property, Plant and Equipment	61,022	81,471
Maintenance	56,314	54,376
Intangibles	36,691	30,356
Provision for Dismantling, Removal or Rehabilitation	31,549	73
Amortization of Intangibles	25,740	41,533
Other general expenses(4)	23,963	19,015
Surveillance and Private Security	17,612	17,091
Studies and Projects	15,420	17,350
General Insurances	15,342	12,409
Christmas Lights	14,547	20,260
Publicity and Advertising	14,355	19,783
Public Utilities	12,979	12,013
Services of Cleaning, Cafeteria, Restaurant and Laundry	10,591	10,001
Leases	10,492	10,627
Communication and Transportation	9,277	8,880
Promotion and Publications	9,080	15,168
Licenses and Safeguards	6,690	6,156
Learning Contracts	5,070	4,576
Provison Onerous Contracts	4,797	5,836
Printing, Publications, Subscriptions and Affiliations	4,157	4,809
Materials and Inputs	4,031	4,783
Legal Expenses	3,727	2,917
Information Processing	3,519	2,363
Fuels and Lubricants	2,131	819
Management Contracts	2,004	2,368
Photocopies	1,754	2,009
Travel Expenses and Allowances	1,623	2,006
Cleaning, Laudry and Cafeteria Elements	1,616	1,845
Organización de eventos	1,443	2,903
Processes Expenses	1,197	2,025
Repairs	882	890
Industrial Safety Equipment	596	208
Social Assets	545	1,236
Risk Centrals Consultation	430	250
Design and Studies	381	329
Industrial Safety	370	396
Public Relations	267	382
Cultural Events	228	1,440
Total General Expenses	**1,165,644**	**906,112**
Total	**1,724,479**	**1,451,442**

Figures stated in millions of Colombian pesos

(1) Includes provisions of $ 137,318 for the guarantee that covers the construction and operation of the Ituango-Pescadero Hydroelectric Plant, $ 100,445 for the Ituango Connection, $ 42,917 to continue assistance to evacuees' attention due to the project's contingency, and $ 31,388 for the project. environmental contingency

(2) Decrease is explained by the lower wealth tax in the national subsidiaries due to the fact that in 2017 the last installment was recorded.

(3) Includes the update of the change of claim for 9 labour lawsuits of EADE former workers and provision for $ 38,877 caused for the assistance to those affected by the contingency of the Ituango Hydroelectric project that occurred on April 28, 2018.

(4) Includes expenses for Industrial Safety, Industrial Safety Equipment, Public Relations, Warehouse, Videos, Losses for Construction Contracts, Organization and Commissioning Expenses, Quality Control Expenses.

Note 36. Other Expenses

The breakdown of Other Expenses is as follows:

Other Expenses	2018	2017
Loss on Assets Disposal(1)	102,781	30,990
Other Ordinay Expenses(2)	64,028	10,104
Contributions to Non-Corporate Entities	15,025	21,159
Arbitral Awards and Extrajudicial Conciliations(3)	12,360	8,439
Loss on Asset Sale	4,162	7,321
Loss due to Changes in Fair Value in Investment Property	479	475
Court rulings	371	113
Donations	318	617
Assumed Taxes	3	44
Total	**199,527**	**79,262**

Figures stated in millions of Colombian pesos

(1) Includes $78,295 for asset retirement due to the contingency of the Ituango Hydroelectric Project.

(2) Includes $45,639 recognized for the assistance to the community affected by the contingency of the Ituango Hydroelectric Project.

(3) Includes in EPM $ 10,017 for the Arbitral Award in the case of Energía del Rio Piedras S.A. E.S.P.

Note 37. Financial Income and Expenses

37.1 Financial Income

The breakdown of Financial income is as follows:

Financial Income	2018	2017
Interest Revenue:		
Bank Deposits	38,023	37,486
Income from Interest on Financial Assets at Amortized Cost	35	713
Interests by Debtores and Arrears	176,293	139,088
Monetary Readjustment Gains	13	6
Gains from Valuation of Financial Instruments at Fair Value	26,339	24,997
Gains from Valuation of Financial Instruments at Amortized Cost	1,989	6,455
Gains for Trust Rights	23,750	37,021
Other Financial Income	4,394	7,136
Total Financial Income	**270,836**	**252,902**

Figures stated in millions of Colombian pesos

37.2 Financial Expenses

The breakdown of Financial expenses is as follows:

Financial Expenses	2018	2017
Interest Expenses:		
Interests on Liabilities under Financial Leasing	37,795	35,786
Other Interest Expenses	62,262	67,618
Total intereses	**100,057**	**103,404**
Total Expenses due to Interest on Financial Liabilities not measured at Fair Value with change in Profit	829,912	750,008
Other Financial Costs:		
Commissions	8,433	8,229
Other Financial Expenses(1)	111,391	160,636
Total Financial Expenses	**1,049,793**	**1,022,277**

Figures stated in millions of Colombian pesos

(1) In 2017 the valuation of financial instruments at fair value of the hedges are not under hedge accounting due to the cancelation of the underlying in November 2017.

Note 38. Net Exchange Difference

The effect of transactions in foreign currency was as follows:

Net Exchange Difference	2018	2017
Exchange Difference Revenue		
Own Position		
For Goods and Services and Others	5,376	4,394
For Liquidity	62,336	36,954
Accounts Receivable	119,608	74,451
Other Adjustments n Exchenge Difference	13,686	19,508
Financial		
Gross Income	43,000	129,294
Total Exchange Difference Revenue	**244,006**	**264,601**
Exchange Difference Expenses		
Own Position		
For Goods and Services and Others	(15,415)	(4,610)
For Liquidity	(7,358)	(6,135)
Accounts Receivable	(76,298)	(41,747)
Other Adjustments n Exchenge Difference	(87,684)	(10,516)
Financial		
Gross Expenses	(321,368)	(42,863)
Total Exchange Difference Expenses	**(508,123)**	**(105,871)**
Net Exchange Difference	**(264,117)**	**158,730**

Figures stated in millions of Colombian pesos

Rates used for the exchanging foreign currency in the Consolidated Financial Statements are:

Currency	Code	Exchange to USD as of December 31		Exchange Rate as of December 31		Average Exchange Rate as of December 31	
		2018	2017	2018	2017	2018	2017
United States Dollar	USD	-	-	3,249.75	2,984.00	3,218.55	2,991.76
Guatemalan quetzal	GTQ	7.74	7.34	420.03	406.27	416.37	407.55
Mexican peso	MXP	19.69	19.57	165.01	152.51	160.23	155.87
Chilean peso	CLP	694.00	614.98	4.68	4.85	4.70	4.71

Note 39. Dividends on Equity Investment

The Dividends on Equity Investments is as follows:

Participation in Equity Investments	2018	2017
Dividends and Participations [1]	68,209	49,764
Revenue by Business Combination (See Note. 10)	-	32,669
Revenue by Sale of Equity Investments, Net [2]	(3,042)	32
Total Effect by Participation in Equity Investments	65,167	82,465

Figures stated in millions of Colombian pesos

[1] Includes dividends of investments classified in Financial Instruments (See Note 14. Other Financial Assets).

[2] Corresponds In 2018 to loss due to Sale of Equity Investment held in Ecosistemas de Uruapan S.A. de C.V. (see Note 9.4) and in 2017 Includes mainly income for $ 11 corresponding to the Sale of the investment classified in Financial Instruments held by the subsidiary Tecnología Intercontinental S.A. of C.V. TICSA in Aquasol Pachuca S.A. of C.V.

Note 40. Income Tax

40.1 Tax Provisions

Tax Provisions applicable and in effect, establish the following:

– The nominal rate of income tax is 33% and a 4% surcharge for EPM and its subsidiaries in Colombia.

– For the subsidiaries in Guatemala, the tax is determined by the Regime on the Profits of Lucrative Activities, consisting on applying a rate of 25% on the utility; or by the Simplified Optional Regime on Income from Lucrative Activities, consisting on applying a tax rate on the monthly taxable income. From the period 2014 onwards, the tax rate is 5% on the first Q 30,000 (GTQ), and 7% on the surplus; likewise, the tax legislation contemplates a Regime on Capital Income which establishes a rate of 10% and a tax of 5% on the distribution of dividends and profits to both resident and non-resident shareholders.

– For the subsidiaries in El Salvador, 30% for companies with taxable income greater than US $ 150,000 and 25% for companies that do not exceed said limit; for subsidiaries in Panama and Mexico a tax rate of 30% and for the subsidiaries of Chile the nominal rate is 27% for 2018 and following periods.

Residential Public Utilities in Colombia are excluded from determining the Income Tax by the system or presumptive income calculated based on the net tax equity of the immediately preceding year.

– During the taxable period, the Congress of the Republic of Colombia approved Law 1943 of 2018 modifying the current tax rates, which generated a significant impact of recovery of the deferred tax of EPM and its national subsidiaries.

– The holding company of the EPM Group uses the tax benefit called "Special deduction for investment in productive real fixed assets", equivalent to 40% of the investments made during the taxable period. This benefit is valid for the generation segment of EPM on the occasion of the legal stability contract signed with the National Government in 2008.

40.2 Reconciliation of the Effective Rate

Reconciliation between the Accounting Gain and the Tax Gains and the composition of the Income Tax expense for the 2018 and 2017 periods is as follows:

Income Tax and Complementary	2018	2017
Earnings Before Taxes	**2,597,976**	**3,076,215**
Plus Items that Increase Income	1,898,828	815,193
Surplus of Unrealized Exchange Difference over Realized	184,339	-84,837
Dividends effectively perceived from Controlled	391,940	343,803
Non-Deductable Provissions	701,683	161,264
Financial Lease	92,368	36,198
Losses on Disposal of Assets	90,466	22,934
ECE Regime Gains	73,636	63,331
Other Non-Deductable Costs and Expenses and Taxed Revenue	364,396	272,500
Less Items that Decrease Income	2,278,742	2,281,193
Special Deductions (AFRP/Disability/Science and Technology)	792,263	792,906
Not Taxed Dividends	317,601	208,387
Excess of Tax over Accounting Depreciation and Amortization	427,442	422,958
Not Taxed Recoveries	140,920	139,883
Compensation for Emerging Damage	91,573	8,021
Payment against Provisions	194,892	208,431
Operating Lease	88,784	36,690
Others Not Taxed	196,964	423,544
Tax effects on foreign subsidiaries	28,303	40,374
Ordinary Liquid Income for the Period	**2,218,062**	**1,610,215**
Less Excempt Income	56,387	64,146
Less Compensation for Losses/Surplus of Presumptive Income	570,796	21,694
Plus Special Income	-	-
Others	-	87
Taxable Liquid Income	**1,590,879**	**1,524,462**
Income Tax Rate for Colombia	33%	34%
Income Tax Surcharge for Colombia	4%	6%
Occasional Income Tax Rate for Colombia	10%	10%
Income Tax for Colombia	677,702	425,888
Occasional Income Tax for Colombia	539	8
Occasional Income Tax Rate for Foreign Subsidiaries	78,445	164,441
Less Tax Discounts	9,767	124,836
Income Adjustment for Previous Periods	(172,029)	7,642
Current Tax	**574,890**	**473,143**
Detail of Current and Deferred Expenses		
Current Tax and Uncome Surcharge	574,890	473,143
Deferred Tax	(357,496)	312,817
Income Tax	**217,394**	**785,960**

Figures stated in millions of Colombian pesos

40.3 Income Tax Recognized in Profits or Losses

The most significant components of the income tax expense at the cut-off date are:

Income Tax	2018	2017
Current Income Tax		
Expenses for Current Income tax	745,033	465,463
Recognized Adjustments in the Current Period related to Current Income Tax of Previous Periods	(172,029)	7,642
Tax Benefits for Tax Losses, Tax Credits or Temporary Differences used during the period	-	-
Net expenses for Current Income Tax, PPUA, Reserves and Rectifications	-	38
Other Current Income Tax	1,886	-
Total Current Income Tax	**574,890**	**473,143**
Deferred Tax		
Net Deferred Tax Expenses related to the Origin and Reversal of Temporary Differences	(123,162)	348,826
Net Expenses (Revnue) for Deferred Tax related to Changes in Tax Rates or Regulations[1]	(234,860)	4,665
Tax Benefits for Tax Losses, Tax Credits or Temporary Differences used during the period[2]	1,782	(40,674)
Derecognition of Accounts (or reversals. Recognized Write-offs in previous Accounts) [Assets x Deferred Taxes]	371	-
Net Expenses (Revenue) x Deferred Tax related to Changes in Accounting Policies/errors.	(611)	-
ther Deferred Taxes	(1,016)	-
Mergers - Business Restructuring	-	-
Total Deferred Tax	**(357,496)**	**312,817**
Income Tax	**217,394**	**785,960**

Figures stated in millions of Colombian pesos

(1) Deferred Tax Expenses (Revenue) related to changes in tax rates for 2017 corresponds to variations in the rate of deferred tax determination in Mexican subsidiaries and in relation to the 2018 period originated by the amendment incorporated in the Law 1943 of December 28, 2018, applicable rates as of January 2019. The rates used to determine the deferred tax are:

37% for 2018 (33% rent and 4% surcharge), which varied from the one used the previous year of 40%, this for the short-term items that are reversed during 2018. For generation a 37% rate is used considering the legal stability contract signed with the National Government of Colombia.

33% for 2019, which varied with respect to the one used the previous year of 37%, this for the medium-term items that revert during 2019, due to the surcharge elimination.

32% for 2020, which varied with respect to the one used the previous year of 33%, this for the long-term items that revert during 2020.

31% for 2021, which varied with respect to the one used the previous year of 32%, this for the long-term items that revert during 2021.

30% for 2022, which varied with respect to the one used the previous year of 31%, this for the long-term items that revert during 2022 and following.

For Properties, Plant and Equipment, the current rate was used considering the year in which the difference is expected to be reversed, taking as reference the remaining useful life of each asset.

For the case of assets whose Profit is expected to be realized as Occasional Income, a 10% rate is used.

27% for temporary differences generated in subsidiaries in Chile, 30% for subsidiaries in Panama and Mexico and 25% for other subsidiaries in Central America.

- Current Income tax expenses are affected, result of the recoveries from previous periods of income tax and complementary, since EPM received during the taxable period 2018 refunds from the tax authority for an amount close to $ 440,000 MM, for the offsetting and recoveries in the Income And Complementary taxes, by the application of article 66 of Law 1739 of 2014, Tax on the assets of the 2011 period under the legal stability contract, and Wealth Tax by decreasing the net equity and consequently reducing the tax base.

On the amounts not recognized in return by the Directorate of National Taxes and Customs (DIAN) for the concept of tax on the assets of the taxable period 2011, EPM in exercise of the means of control of nullity and reinstatement of the right filed a Lawsuit before the Administrative Tribunal of Antioquia against the tax authority, whose claims amount to approximately $ 258,000 MM.

Rates used for determining Deferred Tax for the Subsidiaries in Colombia, are:

Year	2018	2019	2020	2021	2022
Income	33%	33%	32%	31%	30%
Surcharge	4%	-	-	-	-
Total Rate	**37%**	**33%**	**32%**	**31%**	**30%**

The Power Generation segment of EPM, has a rate of Income and Complementary tax of 33%, stabilized for 20 years under the legal stability contract EJ-04 of March 31, 2008, modified by OTHER IF EJ -01 June 4, 2010.

(2) For 2017, the Expenses (Revenue) for Deferred Tax related to Tax Benefits of Tax Losses, Tax Credits or Temporary Differences used in the period corresponds to benefits for Tax Losses used by the subsidiaries in Chile and Mexico.

40.4 Temporary Difference without Effect on Deferred Tax

The deductible temporary differences and the unused tax losses and credits, for which the Group has not recognized deferred tax assets, are detailed below:

Concept	2018	2017
More than One Year and Up To Five Years	179	-
More Than Five Years	47	931
Without a Time Limit	5,342	5,559
Unused Tax Losses	**5,568**	**6,490**
Without a Time Limit	59	35
Unused Tax Credits	**59**	**35**
More than One Year and Up To Five Years	2,229	8
Excess of Presumptive Income over Ordinary Liquid Income	**2,229**	**8**
Deductible Temporary Differences		
Total	**7,856**	**6,533**

Figures stated in millions of Colombian pesos

Deductible Temporary Differences and Losses, Tax Credits and Excesses of Presumptive Income on Ordinary Liquid Income not used correspond to Unused Tax Losses by Aguas de Malambo S.A. E.S.P. for $ 5,521 million (2017 $ 6,486), EV Alianza Energética S.A. for $ 47 (2017 $ 4), Unused Tax Credits by Aguas de Malambo S.A. E.S.P. for $ 59 million (2017 $ 35) and Excess of Presumptive Income on Ordinary Liquid Income Unused by EPM Inversiones S.A. for $ 2,222 million (2017 $ 0), EV Alianza Energética S.A. for $ 7 (2017 $ 8).

The value for the Asset or Liability on Income Tax is as follows:

Concept	2018	2017
Asset of Liability on Income Tax		
Total Liability on Income Tax Non-Current	**(33,701)**	**-**
Income Tax(1)	(33,701)	-
Total pasivo por impuesto sobre la renta corriente	**(91,264)**	**(148,088)**
Income Tax(1)	(91,264)	(147,903)
CREE Tax and Surcharge	-	(185)
Total Asset on Income Tax	**118,400**	**415,669**
Income Offsetting	118,400	415,669
Total (Liability) Asset on Income Tax, Net	**(6,565)**	**267,581**

Figures stated in millions of Colombian pesos

(1) Corresponds to Tax Liabilities for works of EPM and EDEQ, which represents the possibility of companies partially paying the Income and Complementary Taxes through the Financing and Execution of public works of social importance in the Zones Most Affected by the Conflict (ZOMAC) instead of transferring the resources to the DIAN.

This possibility arose with Law 1819 of 2016 and was regulated by Decree 1915 of 2017. This liability is backed by a Commercial Trust agreement which is executed as the works framed in this program are being built.

40.5 Income Tax Recognized in Other Comprehensive Income

The detail of the Tax Effect corresponding to each component of the Other Comprehensive Income of the Consolidated Statement of Comprehensive Income is as follows:

Other Accumulated Comprehensive Income	2018			2017		
	Gross	**Tax Effect**	**Net**	**Gross**	**Tax Effect**	**Net**
Reclassifications of Property, Plant and Equipment into Investment Property	13,439	(1,643)	11,796	13,439	(1,360)	12,079
New Measurements of Defined Benefit Plans	(47,279)	18,898	(28,381)	(43,995)	14,437	(29,558)
Equity Investments Measured at Fair Value through Equity	2,300,129	(131,826)	2,168,303	2,309,259	(135,913)	2,173,346
Participation in Other Comprehensive Income of Associates and Joint Ventures	(3,643)	-	(3,643)	(2,582)	-	(2,582)
Cash Flow Hedges	(21,581)	(48,921)	(70,502)	(24,762)	18,974	(5,788)
Conversion of Financial Statements of Foreign Businesses abroad	817,052	-	817,052	716,675	-	716,675
Total	**3,058,117**	**(163,492)**	**2,894,625**	**2,968,034**	**(103,862)**	**2,864,172**

Figures stated in millions of Colombian pesos

40.6 Deferred Tax

The breakdown of Deferred Tax is as follows:

Deferred Tax	2018	2017
Deferred Tax Asset	249,700	225,317
Deferred Tax Liability	(2,556,008)	(2,854,341)
Total Net Deferred Tax	**(2,306,308)**	**(2,629,024)**

Figures stated in millions of Colombian pesos

40.6.1 Deferred Tax Asset

Deferred Tax Asset	Initial Balance	Changes Included in Other Comprehensive Income	Net changes included in Profit for the period	Attributable Exchange Difference	Translation/adjustments Effect	Effect due to Loss of Control in Subsidiaries	Other	Restatements for Errors	Restatement or Policy Changes	Exchange Difference Effects	Final Balance
Assets	**909,466**	**1,133**	**214,319**	**(67)**	**(2,624)**	**(187)**	**(6,260)**	**(142,985)**	**10,488**	**15,906**	**999,190**
Property, Plant and Equipment	516,787	-	177,184	-	-	-	-	2,235	-	8,897	705,103
Intangibles	23,441	-	(10,958)	-	-	-	-	-	-	469	12,952
Investment Property	2,594	-	(2,594)	-	-	-	-	-	-	-	-
Investments and Derivative Instruments	49,040	(73)	(37,740)	-	-	-	217	-	-	670	12,114
Accounts Receivable	246,734	-	(67,523)	-	(2,624)	-	(6,494)	91	10,488	1,308	181,980
Cash and Cash Equivalents	168	-	(168)	-	-	-	-	-	-	-	-
Inventories	3,145	-	3,515	(51)	-	-	-	-	-	27	6,636
Other Assets	67,557	1,206	152,603	(16)	-	(187)	17	(145,311)	-	4,536	80,405
Liabilities	**(684,149)**	**39**	**(37,442)**	**-**	**97**	**-**	**(13,203)**	**(13,941)**	**1,204**	**(2,095)**	**(749,490)**
Credits and Loans	153,429	-	136,417	-	97	-	-	-	-	(979)	288,964
Accounts Payable	77,966	-	(53,089)	-	-	-	(21)	-	-	128	24,984
Employee Benefits	534,663	1,452	(302,997)	-	-	-	-	-	-	19	233,137
Derivative Operations	24,985	-	(24,762)	-	-	-	-	-	-	-	223
Provisions	203,763	-	(6,913)	-	-	-	-	(6,039)	-	60	190,871
Other liabilities	378,585	-	(254,586)	-	-	-	(10,276)	(7,902)	1,204	1,561	108,586
Unused Tax Losses and Credits	-	-	-	-	-	-	-	-	-	-	-
Effect of Asset Disposal	(2,057,540)	(1,413)	468,488	-	-	-	(2,906)	-	-	(2,884)	(1,596,255)
Total Deferred Tax Asset	**225,317**	**1,172**	**176,877**	**(67)**	**(2,527)**	**(187)**	**(19,463)**	**(156,926)**	**11,692**	**13,811**	**249,700**

Figures stated in millions of Colombian pesos

40.6.2 Deferred Tax Liability

Deferred Tax Liability	Initial Balance	Changes Included in Other Comprehensive Income	Net changes included in Profit for the period	Attributable Exchange Difference	Translation/adjustments Effect	Effect due to Loss of Control in Subsidiaries	Other	Restatements for Errors	Restatement or Policy Changes	Exchange Difference Effects	Final Balance
Assets	**3,737,243**	**63,375**	**(44,336)**	**-**	**(12)**	**-**	**(147,014)**	**(26,122)**	**(432)**	**10,483**	**3,593,185**
Property, Plant and Equipment	3,318,135	-	(369,163)	-	(12)	-	(128,615)	148	-	2,588	2,823,081
Intangibles	59,039	-	2,571	-	-	-	-	(27,148)	-	83	34,545
Investment Property	7,492	-	(6,091)	-	-	-	-	-	-	-	1,401
Investments and Derivative Instruments	158,536	63,375	(110,958)	-	-	-	217	-	-	8	111,178
Accounts Receivable	162,600	-	400,733	-	-	-	(81)	878	(432)	6,559	570,257
Cash and Cash Equivalents	167	-	(167)	-	-	-	-	-	-	-	-
Inventories	3,376	-	(2,023)	-	-	-	-	-	-	11	1,364
Other Assets	27,898	-	40,762	-	-	-	(18,535)	-	-	1,234	51,359
Liabilities	**(882,901)**	**(831)**	**(137,555)**	**(47)**	**(208)**	**-**	**(37,788)**	**32,751**	**1,149**	**(11,746)**	**(1,037,177)**
Credits and Loans	61,721	-	(35,358)	-	(208)	-	13	-	1,019	234	27,421
Accounts Payable	150,514	-	(53,921)	(47)	-	-	-	-	-	26	96,572
Employee Benefits	442,157	441	(267,120)	-	-	-	253	-	-	(383)	175,348
Derivative Operations	1,588	141	57,729	-	-	-	-	-	-	141	59,599
Provisions	12,532	-	(9,472)	-	-	-	-	-	-	(46)	3,014
Other liabilities	506,127	-	(297,896)	-	-	-	(35,149)	32,751	130	(8,839)	197,124
Unused Tax Losses and Credits	-	-	(1)	-	-	-	1	-	-	-	-
Effect of Asset Disposal	(2,057,540)	(1,413)	468,483	-	-	-	(2,906)	-	-	(2,879)	(1,596,255)
Total Deferred Tax Liabilities	**2,854,342**	**62,544**	**(181,891)**	**(47)**	**(220)**	**-**	**(184,802)**	**6,629**	**717**	**(1,263)**	**2,556,008**

Figures stated in millions of Colombian pesos

The relevant differences in the Deferred Tax Asset and Liability, are mainly caused by the application of the new rates introduced by Law 1943/2018, meaning, a recovery of the Income Tax; to the extent that the Deferred Tax on temporary differences to 2017, was calculated with a higher income rate based on the rates in force under Law 1819 of 2016, in harmony with paragraph 47 of IAS 12.

Another significant item is the Unrealized Exchange Difference by the application of the exchange rate at the end of the reporting period, which when compared to the exchange rate established by the fiscal rule, generates a temporary difference greater than that reported in the calculation of the deferred tax of the previous year, i.e., the exchange difference for debt causes the accounting base of the financial liability to be higher than its fiscal base.

40.6.3 Temporary Differences

The most significant concepts on which Temporary Differences were presented are the following:

In assets, the largest effects on the deferred tax arise from temporary differences in property, plant and equipment, in accounts receivable in relation to portfolio provisions due to the difference in the portfolio cleaning-up provision under tax-law and the impairment of portfolio under IFRS and as a result of the assessment at amortized cost of accounts receivable. The unrealized rate difference in the cxc is another representative item in the temporary differences, a concept introduced by Law 1819/2016.

For Assets, the greatest effects arise from Temporary Differences in the ownership of Plant and Equipment by virtue of purchase and sale of Assets between companies of the EPM Group, which implies the recognition of Unrealized Accounting Profits in the Group, over which the companies individually considered should be taxed, and by the valuation at amortized cost of the long-term accounts receivable. In accounts receivable from the commercial portfolio, it corresponds to the portfolio provisions due to the difference in portfolio cleansing provision under the tax rule and the impairment of the portfolio under the accounting standard under the expected loss method; additionally, there are temporary differences by the effect of the amortized cost valuation of short-term loans between economic associates.

For Liabilities, the items that impact the calculation of the deferred tax are, mostly, the settlement of the provision corresponding to installments of pension bonds, the actuarial calculation in pensions and pension commutation of EADE, the amortization of actuarial calculation in EMVARIAS pensions and, the credits and loans for the valuation at amortized cost of bonds, securities issued, credits and short-term loans, also includes the one that is generated by the temporary differences in the valuation at amortized cost of the loans and Long-Term Loans between associates. On the other hand, the temporary differences of the liabilities for Long-Term Employee Benefits such as retirement pensions, installments of pension premiums bonds and actuarial calculation of retroactive severance and interest to severance and the unrealized exchange difference of accounts payable.

For Items without Future Tax Effects, as is the case of Tax Liabilities and the financial gains generated in the assets of the plan of EPM, CHEC and EMVARIAS for being exempt income in accordance with the provisions of number 7 of the Article 235-2 of the Tax Statute, no Deferred Tax was generated.

The temporary differences over which no deferred tax was generated were, among others, investments in subsidiaries, associates and joint ventures, according to paragraph 39 of IAS 12; likewise, in the items that do not have future tax consequences, as it is the case of Liabilities for Taxes and the Assets of the pan of EPM, CHEC and EMVARIAS corresponding to items exempt of income tax.

The approval of dividends in the EPM Group after the revelation date and before the Financial Statements were authorized for publication, does not generate income tax consequences since it is established as a policy for the national subsidiaries that only tax-free profits and reserves are distributed. The tax effects that may be generated by the dividends decreed by the foreign subsidiaries, with the entry into force of Article 69 of Law 1943/2018, shall be considered as income exempt capital under the Colombian Holding Companies (CHC) framework.

New Regulations for Subsidiaries in Colombia

Financing Bill Colombia

During 2018, the National Government presented a financing bill to the Congress of the Republic, whose purpose, according to the explanatory memorandum, is to cover additional requirements received during the approval process of the General National Budget Law (PGN, fir its Spanish initials) for 2019 in the Congress of the Republic, whose additional resources required amount to $14,0005 billion Colombian pesos. This corresponds to an austere budget, but that allows the continuation of social and economic programs of vital importance for the country's fairness and economic growth.

The initiative is supported by information collected by the Ministry of Finance and Public Credit that collects the opinion of citizens, associations, companies, academic and territorial entities, and public entities of different nature against the creation of new income and the modification of existing ones.

Under this scenario and after exhausting the stages required for the inception of the bill within the Colombian legal system, on December 28, 2018, Law 1943 of 2018 "By which financing laws for the restoration of the equilibrium in the national budget and other provisions are dictated" was enacted.

Thus, among the main modifications, the following can be highlighted:

General rate of income tax and complementary

The rates of income tax and complementary are modified, as follows:

Year 2019:	Thirty-three percent (33%)
Year 2020:	Thirty-two percent (32%)
Year 2021:	Thirty-one percent (31%)
Year 2022 and forward:	Thirty percent (30%)

Presumptive income

Shall have a phasing-out, as follows:

Year 2018: 3.5%

Years 2019 and 2020: 1.5%

Year 2021 and forward: 0%

The exemption is maintained in the determination of presumptive income for Public Utilities.

Value-Added Tax (VAT) or Sales tax

- The general rate of 19% will remain in force.
- The rate of 5% for electric vehicles and their components, parts and accessories will remain in force, as well as for components and spare parts for the natural gas-powered vehicle plan.
- The VAT rule of article 192 of Law 1819 of 2016 remains in force, according to which, the VAT rate of contracts in which a public entity is contracting will correspond to the date of the resolution or award act, or subscription of the respective contract, the rates will increase once they are added.

Translator note: In Spanish one billion is 1,000,000,000,000 (10^{12}), while in English is 1,000,000,000 (10^{9}). The stated amount is 14,000,0000,0000,0000.

Other elements

- It is allowed to take as tax deductions in the income tax the VAT paid in the acquisition, import, construction and forming of real productive fixed assets, including the required services to put the good in use conditions, and those assets acquired through leasing.
- The possibility of taking as a tax deduction of 50% of the industry and commerce tax is incorporated. It is expected that, starting in 2022, this discount will be of 100%.
- The tax on dividends received by national companies is applied to the general rate of 7.5% by way of withholding tax on income, that will be transferable and imputable to the resident natural person or investor resident abroad.
- The sale of electric power generated based on wind energy, biomass or agricultural waste, solar, geothermal or ocean will be exempt income tax for a period of 15 years according to the definitions of Law 1715 of 2014 and Decree 2755 of 2003.
- Article 264 of Law 223 of 1995 that allows taxpayers to support their actions in the written concepts issued by the DIAN is repealed, now they continue to be mandatory for the entity's officials; in the case of taxpayers, they can only defend their actions based on the law.
- The Colombian Holding Companies (CHC) framework is created as an instrument to promote foreign investment in the country.
- Tax benefits are implemented through the figure of Mega-Inversiones with the possibility of accessing a stable tax regime.
- The sub-capitalization rule that limited the deductibility of the interest paid when there is over-indebtedness is modified, specifying that such limitations only apply with respect to the debts contracted between national economic associates.

Note 41. Related Party Disclosures

EPM, Holding Company of the EPM Group, is an industrial and commercial company of the State, decentralized from the municipal order, which sole owner is the Municipality of Medellín. Its capital is not divided into shares.

Subsidiaries, Associates, Joint Ventures, are considered as related parties of the Group, including Subsidiaries of Associates and Joint Ventures, Key Management Personnel, as well as the entities on which Key Management Personnel may exercise control or joint control and the Post-Employment Benefit Plans for Employee Welfare.

Balances and transactions between the companies of the EPM Group have been eliminated in the consolidation process and are not disclosed in this note. The total value of the transactions performed by the Group with its Related Parties during the corresponding period is presented below:

Transactions and Balances with Related Parties	Revenue(1)	Costs/ Expenses(2)	Amounts Receivable(3)	Amounts Payable(4)	Guarantees Received(5)
Associates:					
2018	146,319	34,656	45,000	12,459	-
2017	111,811	189,470	42,746	35,885	-
Key Management Personnel from the Company or its Controller:					
2018	189	18,936	1,038	1,304	964
2017	-	20,963	2,444	3,814	704
Other Related Parties:					
2018	23,231	67,728	9,826	214,522	
2017	526,772	1,146,786	688,160	798,142	-

Figures stated in millions of Colombian pesos

(1) Revenue from transactions with Associates corresponds to the sale of services related to information and communication technologies, information services and complementary activities related. Revenue generated with other related parties correspond mainly to the Sale of Power, Provision of Public and Financial Services.

(2) Corresponds to Costs and Expenses from transactions with Power Purchase, Acquisition of Goods and Services, including services related to communications and complementary activities, with associates and other related parties.

(3) The Group has Accounts Receivable with its related parties derived from the Sale of Power, Provision of Public Utilities, Sale of Services associated with information and communication technologies, information services, among others. The EPM Group carries out the rating of the portfolio under criteria that allow prioritizing the management of its recovery through the dependencies in charge of the latter or collection entities. The collection applies according to the billing cycle with respect to Residential Public Utilities.

(4) The payment policy, for most cases, is of 30 days date of filing for the invoice.

(5) Guarantees received correspond to mortgage guarantees on housing loans granted to key personnel of the management.

Transactions between the Group and its related parties are carried out under conditions equivalent to those that exist in transactions between independent parties, in terms of their purpose and conditions.

Transactions and Balances with Related Government Entities

The total financial surplus paid to the Municipality of Medellín as of December 2018 was $ 1,503,504 (2017 $ 1,309,136).

Remuneration to the Board of Directors and key Personnel of the Group:

The remuneration to the members of the Board of Directors and Key personnel of the Group's Management is as follows:

Concept	2018	2017
Wages and Other Short-Term Employee Benefits	26,896	30,353
Pensions and Other Post-Employment Benefits	479	478
Other Long-Term Employee Benefits	1,725	725
Remuneration to Key Management Personnel	**29,099**	**31,556**

Figures stated in millions of Colombian pesos

Amounts disclosed are those recognized as Costs or Expenses during the period report for Compensation to key management personnel.

Note 42. Capital Management

Capital of the Group includes indebtedness through the Capital Market, Commercial Banks, Development Banks, Development Agencies and Multilateral Banks, at a national and international level.

The Group manages its capital in order to plan, manage and assess the attainment of financial resources in the national and international financial markets, for strategic investments, and investment projects, through different options that optimize costs, that guarantee the stability of adequate financial indicators and adequate credit rating, and minimize financial risk. For this, the following capital management policies and processes have been defined:

Financial Management: corresponds to the performance of all long-term credit operations, in order to guarantee the timely availability of the resources required for the normal operation of the company and to materialize the investment and growth decisions, striving to optimizing financing costs.

The Group has not made any changes to its Capital Management objectives, policies and processes during the period ended as of cut-off date, nor has it been subject to external capital requirements.

In order to face the changes in the economic conditions, the Group implements proactive management mechanisms for their financing, enabling as far as it is feasible, different financing alternatives, so that at the time performance of any long-term credit operation is required, there will be access to the source that each time has availability of competitive market conditions at the required time.

Following are presented the values that the Group manages as capital:

Capital Management	2018	2017
Bonds and Loans		
Commercial Bank Loans	5,720,503	5,056,601
Multilateral Bank Loans	3,865,275	1,668,268
Development Bank Loans	1,996,764	919,922
Issued Bonds and Debt Securities	1,034,287	1,073,732
Otros bonos y títulos emitidos	8,206,867	8,240,200
Other Loans	11,104	-
Total Debt	**20,834,800**	**16,958,723**
Total Capital	**20,834,800**	**16,958,723**

Figures stated in millions of Colombian pesos

Note 43. Financial Risk Management Objectives and Policies

The Group is exposed to the financial risk, which is defined as the possibility of occurrence of an event that affects negatively the financial results, among which are market risk, liquidity risk, credit risk and operating risk.

Market risk refers to the changes or volatility of market variables that can generate economic losses. The market variables refer to exchange rates, interest rates, securities, commodities, among others; and their changes may impact, for example, the financial statements, cash flow, financial indicators, contracts, project viability and investments.

Credit risk refers to the possible default of payment obligations by third parties derived from contracts or financial transactions performed.

Liquidity risk is the scarcity of funds and the inability to obtain the resources at the time they are required to cover the contractual obligation and carry out investment strategies. The scarcity of funds leads to the need to sell assets or contract financing operations in unfavorable market conditions.

Finally, operating risk, from a financial standpoint, is defined as deficiencies or failures in the processes, technology, infrastructure, human resources or occurrence of unforeseen external events.

The Management, with Integral Risk Management, aims to lead the definition and implementation of the strategy for comprehensive risk management, in order to achieve adequate protection and assurance of the assets, resources and interests of the EPM Group.

The Group's policy is to manage the risks that affect its activity and its environment, adopting the best practices and international standards of Integral Risk Management (GIR), as a way to facilitate compliance with the purpose, strategy, objectives and business purposes, both statutory and Legal. It has an information system that facilitates the Integral Risk Management, guarantees the confidentiality, availability and reliability of the information and allows analysis and monitoring of risks and improvement plans. The Group has implemented an Integral Risk Management System and has a methodology for the identification, analysis, assessment, control and monitoring of risks, among which are those associated with money laundering and terrorism financing, which reduces vulnerability, and propose and implement effective mechanisms for the proper development of business, processes, projects and contracts. The valuation tables of the consequences of the materialization of the risks and the probability tables are available as evaluation criteria, which are applicable at the different management levels defined in the Methodological Guide for Integral Risk Management.

The activity of monitoring and reviewing the Integral Risk Management is aligned with the process of Management Monitoring established in the Group, in order to propose and implement improvement actions. The established monitoring and review scheme assess, among others, the following aspects:

- The strategy for the implementation of Integral Risk Management.
- Changes in the internal and external context that imply adjusting treatment of identified risks or that generate new risks.
- Variation of the risks in terms of frequency, probability and consequence.
- Assessment criteria for the probability and consequence of the risks.
- The deployment and effectiveness of treatment plans.

The Group manages the financial risks associated with the different levels of management, for which it identifies risks within the market, liquidity and credit grouping that are classified in the category of financial risks and quantifies their impact and implements mitigation strategies.

43.1. Market Risk

Market Risk is the risk that the fair value of the future cash flows of a financial instrument may fluctuate due to changes in market prices. The Group has identified that financial instruments affected by market risk include:

- Cash and cash equivalents (Fixed Income Securities and Fiduciary Charges)
- Investments at Fair Value through Profits.
- Investments Measured at Fair Value through Equity.

The sensitivity analyzes correspond to the financial situation as of December 31, 2018 and apply for the following concepts:

- Cash and cash equivalents (Fixed Income Securities and Fiduciary Charges).
- Investments at Fair Value Through Results.

The methodology used to measure Market Risk is the Value at Risk (VaR), consisting of the quantification of the maximum loss that the portfolio could present in a month with a confidence level of 95%. For the quantification of VaR, the methodology defined by the Financial Superintendence in the Basic Financial Accounting Circular (CE100 of 1995) is used.

43.2. Interest Rate Risk

Interest Rate Risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates. The EPM Group has identified that financial instruments affected by interest rate risk include:

- Cash and Cash Equivalents
- Investments at Fair Value through Profits.
- Financial Liabilities measured at Amortized Cost – Credits and Loans
- Financial Liabilities measured at Fair Value through changes in Other Comprehensive Income - Derivative Instruments

Concentration of Interest Rate Risk materializes when there are large individual exposures and significant exposures to counterparties whose probability of default is determined by factors such as the economic sector, currency and credit ratings. Interest rate risk management seeks to preserve capital and maintain or increase profitability. The EPM Group has defined policies on risk in interest rates, through the identification of risks, the determination of the position of rates and the simulation of possible hedging strategies. This assist decision making, oriented to maintaining the position to hedge it, and later the results of the executed strategies are assessed.

Sensibility analysis to interest rates

The following table indicates the sensibility to a possible reasonable change in the interest rates of financial instruments exposed to this risk, without considering the effect of hedge accounting. Keeping all other variables constant, the pre-tax profit/loss of the EPM Group's equity would be affected by changes in variable interest rates as follows:

	Increase/Decrease in Basic Points	Financial Effect	
		In Earning Before Taxes	In Equity
2018			
Financial Assets Measured at Fair Value with changes in Profit			
Investment at Fair Value with changes in Profit	100	(15,084)	(12,067)
	(100)	15,084	12,067
Financial Liabilities Measured at Amortized Cost			
Credits and Loans	100	(79,034)	(63,228)
	(100)	79,034	63,228
Financial Liabilities Measured at Fair Value with Changes in Other Comprehensive Income			
Derivative Instruments	*100*	*(3,991)*	*(3,193)*
	(100)	*3,991*	*3,193*
2017			
Financial Assets Measured at Fair Value with changes in Profit			
Investment at Fair Value with changes in Profit	100	2,654	2,123
	(100)	(2,643)	(2,115)
Financial Liabilities Measured at Amortized Cost			
Credits and Loans	100	(137,213)	(109,770)
	(100)	137,213	109,770
Financial Liabilities Measured at Fair Value with Changes in Other Comprehensive Income			
Derivative Instruments	*100*	*303*	*(11,956)*
	(100)	*(303)*	*12,576*

Figures stated in millions of Colombian pesos

The Group considers that the sensibility analysis is representative in respect to the exposure of the Interest Rate Risk.

43.3. Exchange Risk

Exchange Risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in exchange rates.

The Group has identified that financial instruments affected by exchange risk include:

- Cash and Cash Equivalents
- Investments at Fair Value through Profits
- Financial Liabilities measured at Amortized Cost – Credits and Loans
- Financial Liabilities measured at Fair Value through changes in Other Comprehensive Income - Derivative Instruments

The exposure to exchange risk relates, first, to financing activities in a currency other than the functional currency and with the hedging operations contracted.

The Group manages its exchange risk through hedging operations over a medium-term period. It is the Group's policy not to close speculative hedging transactions, so that the conditions of the hedging derivative instruments replicate the conditions of the underlying with the purpose of maximizing hedge effectiveness.

The Group hedges its exposure to fluctuations in exchange rates using different hedging instruments, including Swaps, Forwards and Options at different terms.

Sensibility Analysis to Exchange Rates

The following table indicates the sensibility to a possible reasonable change of 100 Colombian pesos in the exchange rate to American Dollars without considering the effect of hedge accounting. The effect is caused by the variation in monetary and non-monetary assets. Keeping other variables constant profit/loss before taxes and the Group's assets would be affected by changes in exchange rates as follows:

	Increase/Decrease in Basic Points	Financial Effect	
		In Earning Before Taxes	In Equity
2018			
Financial Assets Measured at Fair Value with changes in Profit	100	29,238	23,391
	(100)	(29,238)	(23,391)
Financial Liabilities Measured at Amortized Cost			
Credits and Loans	100	(333,672)	(266,937)
	(100)	333,672	266,937
Financial Liabilities Measured at Fair Value with Changes in Other Comprehensive Income			
Derivative Instruments	*100*	*64,773*	*51,819*
	(100)	*(64,773)*	*(51,819)*
2017			
Financial Assets Measured at Fair Value with changes in Profit	100	1,795	1,436
	(100)	(1,795)	(1,436)
Financial Liabilities Measured at Amortized Cost			
Credits and Loans	100	(241,285)	(193,028)
	(100)	241,285	193,028
Financial Liabilities Measured at Fair Value with Changes in Other Comprehensive Income			
Derivative Instruments	*100*	*59,183*	*47,346*
	(100)	*(59,183)*	*(47,346)*

Figures stated in millions of Colombian pesos

The Group considers that the sensibility analysis is representative in respect to the exposure of the Exchange Risk.

43.4. Credit Risk

Credit Risk is the risk that one of the counterparts does not comply with the obligations derived from a financial instrument or purchase contract and that this will translate in a financial loss. The Group has identified that the financial instruments affected by credit risk include:

- Cash and Cash Equivalents
- Other Financial Assets
- Accounts Receivable and Other Accounts Receivable

Credit Risk Management by type of financial instrument is detailed below, it is considered representative in relation to the exposure to Credit Risk:

Cash and Cash Equivalents and Investments at Fair Value in Profit: For Credit Risk management, the EPM Group allocates quotas by issuer, counterparty and intermediary, considering the financial, risk and fundamental analyses of the entities, emphasizing the patrimonial support of the shareholders. The methodology considers the characteristics of the investment portfolio and applicable regulations. Credit Risk Concentration is limited since it complies with the provisions of the business rules manual for treasury operations. The description of the factors that define the concentration of risk is detailed below:

- The quotas are updated quarterly based on the latest available Financial Statements of analyzed entities.

- When the value of the consolidated portfolio of temporary investments exceeds the equivalent of 10,000 Monthly Minimum Legal Wages Enforced (MMLWE), no more than 20% of this value should be concentrated in the same issuer, counterparty or intermediary except for securities issued by governments that comply with current regulations.

- Securities intermediaries, other than supervised banking institutions, can act as counterparts to perform operations, but cannot be considered as admissible issuers.

- Broker-dealer companies that act as counterparty to treasury operations must have at least the second risk rating in terms of strength or quality in portfolio management.

- Stock broker Companies backed by banks, that is, banked counterparts, must have a minimum equity of 30,000 MMLWE.

Finally, efforts to avoid Risk Concentration are oriented at establishing, analyzing, monitoring and controlling the quotas, for this, controlling current quotas and their occupation status. On the other hand, the justifications related to the need to temporarily surpass the quotas are submitted for approval.

Accounts Receivable measured at Amortized Cost and Other Accounts Receivable: EPM Group is exposed to the risk that users or customers who use Public Utilities may default or not pay for said services. Accounts receivable from Public Utilities debtors are classified into two large groups: those originated by default in payment and the other group corresponds to financing or payment agreements with customers that are made as a portfolio recovery strategy or for the linking new clients.

EPM Group companies evaluate the behavior and value of Accounts Receivable at each period's end to determine if there is objective evidence of Portfolio Impairment and identifies possible effects on future cash flows. The criteria used to determine whether there is objective evidence of impairment loss are:

- Customers defaulting on their payment obligations.
- Knowledge or evidence of the customer entering processes of corporate restructuring, insolvency or liquidation.
- The rise of social turmoil, be it of public order or natural disasters, which according to experience are directly correlated with the default of accounts.

In order to avoid an excessive concentration of risk, EPM Group Companies have developed and put into operation various strategies that allow it to mitigate the risk of default, among which are:

- **Persuasive collection** by making phone calls and sending letters to customers with assistance from specialized collection agencies.
- Segmentation of customers to identify those with the highest risk, based on the amounts, to execute personalized collection activities.
- Possibility of payment agreements or partial payments that lead to the recovery of exposed capital.
- Compensation of receivables and payables by the EPM Group with customer that are also suppliers.
- When the former strategies do not generate satisfactory results, coercive collection actions are implemented through suspension of the service.
- If the former strategies do not generate satisfactory results, the collection of receivables through the judicial process is proceeded.

The Group considers that the value that best represents its exposure to Credit Risk at the end of the period, without considering any collateral taken or other credit enhancements is:

Concept	2018	2017
Cash and Cash Equivalents (Fixed Income Bonds and Fiduciary mandates)	445,080	156,891
Other Financial Assets	1,277,941	305,344
Accounts Receivable(1)	460,261	474,742
Other Accounts Receivable(1)	214,760	124,732
Other		
Maximum Exposure to Credit Risk	**2,398,042**	**1,061,709**

Figures stated in millions of Colombian pesos

(1) Corresponds to the amount of the Portfolio Provisions.

Impairment of Accounts Receivable: Expected Credit Losses are estimated considering the probability that an uncollectible loss may or may not occur and are recognized as Profit or Loss in the Statement of Comprehensive Income, section Profit for the Period against a lower value of the financial asset. The Group assesses the credit risk of accounts receivable on a monthly basis at the time of presenting the reports in order to determine the value correction for expected credit losses on financial assets.

Non-compliance with the agreements is measured in accordance with what is indicated in the contracts for the provision of services and the regulations of the subsidiary in each country.

43.5. Liquidity Risk

Liquidity Risk refers to the possibility of insufficient resources for the timely payment of operations and commitments of the entity, and thus the Group would be forced to obtain liquidity in the market or to liquidate investments in an onerous manner. It is also understood as the possibility of not finding buyers for offered bonds.

The Group has identified that the financial instruments affected by the liquidity risk include:

- Non-Derivative Financial Assets
- Debt Financial Instruments with Variable Interest Rates
- Debt Financial Instruments with Fixed Interest Rates

To control Liquidity Risk, time-series comparisons of figures are made of benchmark indicators and of liquidity levels at different time-frames. From that assessment, investment strategies that do not affect the liquidity of the Group are formulated, considering the cash-budget and the market risk analyses to consider the diversification of the funding sources, the capacity to sell assets and the creation of contingency plans.

Generally, the main aspects considered in said analysis are:

a. Liquidity of securities: analyses characteristics of the issuer, amount, and negotiation volume.

b. Market liquidity: analyses the market's general behavior and forecasts rates to infer future behavior.

c. Portfolio liquidity: cash flows are coordinated to determine investment strategies according to future requirements of liquidity, and diversification is sought to avoid the concentration of securities by issuer, rates and/or terms.

The following table shows the analysis of contractual expirations remaining for non-derivative financial liabilities and assets:

	Average Effective Interest Rate	Less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	More than 4 years	Total contractual obligation
2018							
Non-Derivative Financial Assets	4.73%	1,133,713	19,450	-	8,000	2,600	1,163,763
Debt Financial Instruments with Variable Interest Rates	5.69%	1,436,375	1,363,233	315,519	1,750,339	6,694,780	11,560,246
Debt Financial Instruments with Fixed Interest Rates	7.68%	1,890,752	176,553	1,751,528	176,553	5,072,613	9,067,998
2017							
Non-Derivative Financial Assets	4.63%	174,760	8,402	7,000	8,000	2,000	200,162
Debt Financial Instruments with Variable Interest Rates	6.33%	1,447,600	1,843,851	1,282,056	334,277	3,153,412	8,061,196
Debt Financial Instruments with Fixed Interest Rates	7.71%	238,999	1,747,699	243,663	1,729,399	4,912,824	8,872,585

Figures stated in millions of Colombian pesos

Values included in the tables above for Non-Derivative Financial Assets and Liabilities may change in view of changes in the interest rate with variable respect to the interest rate estimated at the end of the reporting period. The Group considers that cash flows cannot occur earlier than indicated above.

The following table shows the analysis of contractual expirations remaining for derivative financial liabilities:

	Less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	Total contractual obligation
2018					
Swap Contracts	21,520	(45,843)	12,165	(192,984)	(205,142)
Total					
2017					
Swap Contracts	45,094	30,857	(14,388)	(3,037)	53,046
Total	45,094	**30,857**	**(14,388)**	**(3,037)**	**53,046**

Figures stated in millions of Colombian pesos

The main method for the assessment and follow-up of liquidity is the projection of the cash flow that is performed at the Group companies and is consolidated in the cash budget. From this, a daily follow-up and projections of this cash position are continuously made, in order to:

- Follow up the liquidity needs related to the operating and investment activities associated to the acquisition and disposal of long-term assets.
- Pay, prepay, refinance and/or obtain new credits, according to the cash flows generation capacity in the Group.

These projections consider debt financing plans of the Group, fulfillment of ratios, compliance with organizational objectives and applicable regulations.

Finally, and in addition to the Investment Management and Cash Flow Forecast as part of the prudent Liquidity Risk management strategy, in order to control the current and working capital ratio, the EPM Group seeks to guarantee an adequate liquidity to through the availability of long-term financing with credit alternatives. As of December 2018, it has appropriately approved and renewable credit lines with local banking for approximately $ 2.5 Thousand Billion COP, a quota available to be placed in the local bond market of $ 1.5 Thousand Billion COP; additionally, it has signed financing facilities and disbursements such as: credit agreement for USD 750 million with HSBC, a credit agreement for USD 550 million with IDB Invest and a credit agreement for $ 1.0 Thousand Billion COP with Bancolombia.

43.6. Insurance Risk

EPM Group has established a captive reinsurance company, domiciled in Bermuda, registered in REACOEX Colombia and rated by AM Best with A-, and it is through this company how the reinsurance risk is transferred from the insurance company in Colombia (Currently, SURA) to the reinsurer market, for the policies of: Material Damages + Loss of Profit, Sabotage and Terrorism, Directors and Administrators, Infidelity and Financial Risks ("Crime"), Errors and Omissions, Civil Liability and Coverage for cyber risks.

As mentioned, said Risk Management is done through Maxseguros EPM Ltd., which consolidates the assumed risks and cedes them through reinsurance operations.

In reference to the policies of Selection, Cession and Management of Reinsurance, these are performed based on a strategy established jointly by the Integral Risk Management Executive of EPM and Maxseguros EPM Ltd., which may change from year to year. In accordance with the fluctuations of the reinsurance market and the conditions of the insured risks, however, it is sought to have a solid backing and a minimum score of A- or equivalents is required.

Reinsurance companies with which operations were executed in 2018 were the following:

Reinsurer	Risk Score
Liberty Mutual USA	S&P A
Chubb Seguros (Federal Insurance)	S&P AA
AIG (National Union Fire 78%)	AM Best A
Swiss Re International SE	AM Best A+
Hannover Re	S&P AA-

The values of the insured assets are as follows:

Type of Asset	2018	2017
Minor and Wind Power Plants (<20MW)	1,622,096	1,487,587
Major Hydroelectric Power Plants (>20MW)	9,708,524	8,926,698
Planta térmica La Sierra (Thermo-Electric Plant)	1,043,534	927,989
Waters Assets	838,041	813,527
Transmission and Distribution Assets	1,743,721	1,551,178
Corporative Assets	1,193,592	1,085,395
Natural Gas Assets	16,938	15,435
Total	**16,166,446**	**14,807,809**

Figures stated in millions of Colombian pesos

Note 44. Fair Value Measurement on a Recurring and Non-Recurring Basis

The methodology established in IFRS 13 Fair Value Measurement specifies a Hierarchy in the assessment techniques based on whether the variables used in the determination of the fair value are observable or not. The Group determines the fair value on a recurring and non-recurring basis, as well as for disclosure purposes:

- Based upon prices quoted in active or passive markets identical to those the Group can access on the measurement date (level 1).
- Based upon assessment techniques commonly used by market participants that use variables different from prices quoted which are observable for the asset or liability, directly or indirectly (level 2).
- Based upon internal assessment techniques of cash flow discounts or other assessment models, using variables estimated by the company that are non-observable for the asset or liability, in the absence of variables observed in the market (level 3).

During 2018 and 2017 in the Group no transfers have been made between the fair value hierarchy levels, either for transfers in and out of the levels.

Assessment techniques and variables used in the company for measurement of fair value for recognition and disclosure:

Cash and cash equivalents: include Fixed-Income Instruments and Fiduciary Mandates. The latter reflects the balance of the Collective Investment Funds (FIC) held by the EPM Group. These funds are used as a savings and investment mechanism and are managed by trust companies. Through these funds, resources are invested in a portfolio of assets, which are restated at fair value. The EPM Group uses the Market Approach as the valuation technique for this item, these items are classified in level 1 of the fair value hierarchy.

Investments at fair value through profit and loss and through equity: includes investments made to optimize the liquidity surpluses, i.e., all those resources that are not immediately allocated to the performance of the activities that constitute the corporate object of the companies. The EPM Group uses the Market Approach as assessment technique, these items are classified in level 1 of the fair value hierarchy. For equity investments, Cash Flow is the methodology used; it is estimated at the market price for those listed on the stock exchange; the others are valued at historical cost.

Derivative instruments - Swaps: the Group uses derivative financial instruments, such forwards, futures, swaps and options to hedge financial risks, mainly Interest rate risk, Exchange risk and commodities prices. Such derivative financial instruments are recognized initially at their fair value as of the date when the derivatives agreement is executed and are later reassessed at their fair value. The Group uses as assessment technique for the swaps the discounted cash flow, with an income approach. The variables used are: interest rate swap curve for rates denominated in US dollars, to discount cash flow in US dollars; and external interest rate swap curve rates denominated in Colombian pesos, to discount cash flows in pesos. These items are classified in level 2 of the fair value hierarchy.

Accounts Receivable - Business Combination: originated in Business Combination by acquisition of the subsidiary Empresas Públicas de Rionegro, the discount of the payment flows is considered applying the discount rates of the average CDT 360 days. This item is classified in level 2 of the Fair Value Hierarchy.

Contingent Collaterals: originated in Business Combinations by acquisitions of the subsidiaries Espiritu Santo Energy S. de R.L. and subsidiary Empresas Varias de Medellín S.A E.S.P. (EMVARIAS), the discount of the payment flows is considered by applying the discount rates: LIBOR Rate and TES Rate, respectively. These items are classified in level 2 of the Fair Value Hierarchy. (See Note 28. Provisions, Contingent Liabilities and Contingent Assets).

Investment Property: properties (land or buildings, considered in whole or in part, or both) held (by the Group on their own behalf or by a financial lease) to obtain income, capital gains or both, instead of:

- Its use in the production or supply of goods or services, or for administrative purposes; or

- Its sale in the ordinary course of operations.

The Group uses two valuation techniques for these items. Within the market approach, the Comparative or Market Method is used, which consists of deducting the price by comparing transactions, supply and demand and appraisals of similar or comparable properties, previous adjustments of time, conformation and location. Items valued with this technique are classified in level 2 of the fair value hierarchy. Within the Cost Approach, the Residual Method that applies only to buildings is used and is based on the determination of the Updated Construction Cost, less the depreciation for age or condition. These items are classified in level 2 of the Fair Value Hierarchy.

The following table shows for each of the Fair Value Hierarchy levels, the assets and liabilities of the Group, measured at fair value on a recurring basis to the cut-off date, as well as the total value of the transfers between level 1 and level 2 occurred during the period:

	Level 1		Level 2		Level 3	
Fair Value Measurement on a Recurring Basis 2018	**Transfers to Level 2[1]**	**Nivel 1**	**Transfers to Level 1[2]**	**Level 2**	**Level 3**	**Total**
Assets						
Negotiable or Designated at Fair Value						
Cash and Cash Equivalents - Fiduciary Mandates	-	445,080	-	-	-	445,080
	-	**445,080**	**-**	**-**	**-**	**445,080**
Other Investments at Fair Value (See Note. 14)						
Fixed Income Securities	-	1,167,359	-	11,326	-	1,178,685
Variable Income Securities	-	93,608	-	-	-	93,608
Investments Pledged as Collateral	-	5,647	-	-	-	5,647
	-	**1,266,614**	**-**	**11,326**	**-**	**1,277,940**
Other Equity Investments (See Note. 14)						
Variable Income Securities	-	1,467,361	-	17,367	144,145	1,628,873
		1,467,361	**17,367**	**17,367**	**144,145**	**1,628,873**
Fiduciary Rights (See Note. 14)						
Fiduciary for Management	-	438,997	-	-	-	438,997
		438,997	**-**	**-**	**-**	**438,997**
Derivatives (See Note 14)						
Futures Contracts	-	-	-	-	-	-
Swaps	-	3,130	-	189,335	-	192,465
	-	**3,130**	**-**	**189,335**	**-**	**192,465**
Investment Property (See Note. 6)						
Urban and Rural Land	-	-	-	70,040	261	70,301
Buildings ad Houses	-	125	-	20,834	121	21,080
		125	**-**	**90,874**	**382**	**91,381**
Liabilities						
Contingent Consideration (See Note. 28)						
Provision - Business Combination	-	-	-	192,484	15,723	208,207
		-	**-**	**192,484**	**15,723**	**208,207**
Total	**-**	**3,621,307**	**17,367**	**116,418**	**128,804**	**3,866,529**
		93.66%		**3.01%**	**3.33%**	

Figures stated in millions of Colombian pesos

Fair Value Measurement on a Recurring Basis 2017	Nivel 1	Nivel 2	Nivel 3	Total
Assets				
Negotiable or Designated at Fair Value				
Cash and Cash Equivalents - Fiduciary Mandates	156,891	-	-	156,891
	156,891	**-**	**-**	**156,891**
Other Investments at Fair Value (See Note. 14)				
Fixed Income Securities	238,428	-	-	238,428
Variable Income Securities	61,481	-	-	61,481
Investments Pledged as Collateral	5,435	-	-	5,435
	305,344	**-**	**-**	**305,344**
Other Equity Investments (See Note. 14)				
Variable Income Securities	1,599,999	-	36,782	1,636,781
	1,599,999	**-**	**36,782**	**1,636,781**
Fiduciary Rights (See Note. 14)				
Fiduciary for Management	386,655	-	-	386,655
	386,655	**-**	**-**	**386,655**
Derivatives (See Note 14)				
Futures Contracts	-	97	-	97
Swaps	-	19,445	-	19,445
	-	**19,542**	**-**	**19,542**
Debtors (See Note. 12)				
Otras cuentas por cobrar - combinación de negocio	2,017	-	-	2,017
	2,017	**-**	**-**	**2,017**
Investment Property (See Note. 6)				
Urban and Rural Land	-	108,705	-	108,705
Buildings ad Houses	-	18,035	-	18,035
	-	**126,740**	**-**	**126,740**
Liabilities				
Contingent Consideration (See Note. 28)				
Provision - Business Combination	-	144,453	-	144,453
	-	**144,453**	**-**	**144,453**
Derivatives (See Note. 25)				
Swaps	-	66,138		66,138
	-	**66,138**	**-**	**66,138**
Total	**2,450,906**	**(64,309)**	**36,782**	**2,423,379**
	101.14%	**-2.65%**	**1.52%**	

Figures stated in millions of Colombian pesos

During the year 2017 there were no transfers between levels.

The following tables present a reconciliation of the assets and liabilities of the Group measured at fair value on a recurrent basis with unobservable variables (classified in level 3 of the fair value hierarchy) at December 31, 2018 and 2017:

Changes in Level 3 of the Fair Value Hierarchy 2018	Initial Balance	Changes Recognized in Profit	Changes Recognized in Other Comprehensive Income[1]	*Transfers* Al nivel 3	Final Balance
Assets					
Other Equity Investments (See Note. 14)					
Variable Income Securities	36,782	-	505	-	37,287
	36,782	**-**	**505**	**-**	**37,287**
Investment Property (See Note. 6)					
Urban and Rural Land	-	-	-	261	261
Buildings and Houses	-	-	-	121	121
	-	-	-	382	382

Figures stated in millions of Colombian pesos

Changes in Level 3 of the Fair Value Hierarchy 2017	Initial Balance	Changes Recognized in Profit	Changes Recognized in Other Comprehensive Income1	*Transfers* Al nivel 3	Final Balance
Assets					
Other Equity Investments (See Note. 14)					
Variable Income Securities	30,049	-	6,733	-	36,782
	30,049	**-**	**6,733**	**-**	**36,782**

Figures stated in millions of Colombian pesos

[1] Includes $ 505 (2017 - $ 6,733) presented in the item Exchange Differences for foreign business conversion, recognized in Other Comprehensive Income.

Recorded Value and the Estimated Fair Value of assets and liabilities of the Group that are not recognized at fair value in the consolidated statement of financial position, but require their disclosure at fair value, as of December 31, 2018 and 2017 is as follows:

2018	Recorded Value	Level 1	Level 2	Total
Assets				
Public Utilities	2,887,714	563,310	1,656,250	2,219,560
Employees	157,980	16,455	135,491	151,946
Construction Contracts	1,689	34	782	816
Economic Associates	-	-	30,583	30,583
Other Accounts Receivable	-	-	30,583	30,583
Total Assets	**3,047,383**	**579,799**	**1,853,689**	**2,433,488**
Liabilities				
Development Bank Loans	1,996,764	43,021	-	-
Other Issued Bonds and Securities	8,206,867	-	-	-
Multilateral Bank Loans	3,865,275	-	-	-
Commercial Bank Loans	5,720,503	475,479	2,471,986	2,471,986
Issued Bonds and Securities	1,034,287	-	-	-
Other Loans	11,105	-	-	-
Total Liabilities	**20,834,801**	**518,500**	**2,471,986**	**2,471,986**
Total	**(17,787,418)**	**61,299**	**(618,297)**	**(38,498)**
		-159%	1606%	

Figures stated in millions of Colombian pesos

2017	Recorded Value	Level 2	Total
Assets			
Public Utilities	2,089,112	2,089,112	2,089,112
Employees	141,950	141,950	141,950
Construction Contracts	434	434	434
Other Accounts Receivable	1,396,167	1,396,167	1,396,167
Total Assets	**3,627,663**	**3,627,663**	**3,627,663**
Liabilities			
Development Bank Loans	919,922	919,922	919,922
Other Issued Bonds and Securities	8,240,200	8,240,200	8,240,200
Multilateral Bank Loans	1,668,268	1,668,268	1,668,268
Commercial Bank Loans	5,056,601	5,056,601	5,056,601
Other Loans	1,073,732	1,073,732	1,073,732
Total Liabilities	**16,958,723**	**16,958,723**	**16,958,723**
Total	**(13,331,060)**	**(13,331,060)**	**(13,331,060)**
		100%	

Figures stated in millions of Colombian pesos

As of December 31, 2018, there were no items in level 3 and in 2017, there were no items in levels 1 and 3.

Note 45. Service Concession Arrangements

At the cut-off date the Group manages as operator several concessions that contain provisions for the construction, operation and maintenance of facilities, as well as the provision of public utilities such as water supply, collection and treatment of waste water, according to application regulations.

The remainder term of the concessions where the company acts as operator is detailed below:

Entity/Agreement	Activity	Country	Concession period	Initial remaining period
Empresas publicas de Medellin - Municipio de Barbosa	The Municipality agreeds to make available and facilitate the use of networks and other infrastructure for the rendering of water supply and sewage utilities.	Colombia	30 years (extendable)	9 years
Empresas publicas de Medellin - Municipio de Caldas	The Municipality agreeds to make available and facilitate the use of networks and other infrastructure for the rendering of water supply and sewage utilities.	Colombia	30 years (extendable)	10 years
Empresas publicas de Medellin - Municipio de Itagui	Construction of aqueduct and sewage networks to rerender the utilities to the assignated neighborhoods.	Colombia	30 years (extendable)	29 years
Empresas publicas de Medellin - Municipio de Copacabana	Execution of works for the supply of drinking water, sewage and the rendering of such utilities.	Colombia	20 years (extendable)	12 years
Empresas publicas de Medellin - Municipio de Girardota	Rendering of the Aqueduct and Sewage Utilities.	Colombia	20 years (extendable)	14 years
Empresas publicas de Medellin - Municipio de Sabaneta	The Municipality agreeds to make available and facilitate the use of networks and other infrastructure for the rendering of water supply and sewage utilities.	Colombia	10 years (extendable)	6 years
Empresas publicas de Medellin - Municipio de La Estrella	Execution of works and rendering of the supply of drinking water and sewage utilities.	Colombia	10 years (extendable)	6 years
Empresas publicas de Medellin - Municipio de Envigado	Rendering of water supply and sewage utilities.	Colombia	10 years (extendable)	9 years
Empresas publicas de Medellin - Municipio de Bello	Execution of works and rendering of the supply of water (aqueduct) and sewage utilities.	Colombia	10 years (extendable)	4 years
Aguas Regionales - Municipio de San Jeronimo	The Municipality agreeds to make available and facilitate the use of networks and other infrastructure for the rendering of water supply and sewage utilities.	Colombia	30 years	19 years
Aguas Regionales - Municipio de Santa Fe	The Municipality agreeds to make available and facilitate the use of networks and other infrastructure for the rendering of water supply and sewage utilities.	Colombia	30 years	19 years
Aguas Regionales - Municipio de Sopetran	The Municipality agreeds to make available and facilitate the use of networks and other infrastructure for the rendering of water supply and sewage utilities.	Colombia	30 years	19 years
Aguas Regionales - Municipio de Olaya	The Municipality agreeds to make available and facilitate the use of networks and other infrastructure for the rendering of water supply and sewage utilities.	Colombia	30 years	19 years
Aguas Regionales - Municipio de Apartado	The Municipality agreeds to make available and facilitate the use of networks and other infrastructure for the rendering of water supply and sewage utilities.	Colombia	30 years	19 years
Aguas Regionales - Municipio de Carepa	The Municipality agreeds to make available and facilitate the use of networks and other infrastructure for the rendering of water supply and sewage utilities.	Colombia	30 years	19 years
Aguas Regionales - Municipio de Chigorodo	The Municipality agreeds to make available and facilitate the use of networks and other infrastructure for the rendering of water supply and sewage utilities.	Colombia	30 years	19 years
Aguas Regionales - Municipio de Mutata	The Municipality agreeds to make available and facilitate the use of networks and other infrastructure for the rendering of water supply and sewage utilities.	Colombia	30 years	19 years
Aguas Regionales - Municipio de Turbo	The Municipality agreeds to make available and facilitate the use of networks and other infrastructure for the rendering of water supply and sewage utilities.	Colombia	30 years	19 years

Entity/Agreement	Activity	Country	Concession period	Initial remaining period
Aguas de Oriente - Municipio El Retiro	Operate and maintain Networks and other infrastructure received during the concept of an adequate Service Provision	Colombia	Without Explicit Period	155 meses
Adasa - Econssa Chile S.A.	Exploitation of Public Utilities for the production and distribution of drinking water, collection and disposal of wastewater and other services related to said activities	Region de Antofagasta	30 years	15 years
Aquasol Morelia - Morelia	Wastewater Treatment	Mexico	20 years	16 years
Desarrollos Hidraulicos de Tampico - Tampico	Wastewater Treatment	Mexico	24 years	21 years
Ecosistema de Celaya - Jumapa de Celaya	Wastewater Treatment	Mexico	20 years	13 years
Ecosistema de Colima - Municipio de Colima y Villa de alvarez	Wastewater Treatment	Mexico	34 years	23 years
Ecosistema de Ciudad de Lerdo - Ayuntamiento del Municipio de Lerdo	Wastewater Treatment	Mexico	20 years	10.5 years
Ecoagua de Torreon - Sistema municipal de agua y saneamiento de Torreon	Wastewater Treatment	Mexico	20 years	3.7 years
Ecosistema de Tuxtla - Sistema municipal de agua potable y alcantarillado	Wastewater Treatment	Mexico	20 years	15 years
Ecosistema de Urapan - Municipio de Uruapan	Wastewater Treatment	Mexico	15 years	12 years

Concession Agreements for Provision of Aqueduct and Sewage Utilities

In Colombia:

Concession Agreements between companies of the Group domiciled in Colombia with the municipalities establish the conditions under which the aqueduct and sewerage networks are administered, operated and maintained for the provision of the Drinking Water and Sanitation of Wastewater Utilities to its inhabitants, in the terms, conditions and rates established by the Commission for the Regulation of Drinking Water and Basic Sanitation (CRA, Comisión de Regulacion de Agua Potable y Saneamiento Basico).

The agreements indicate the following rights and obligations for the Group companies as operator in the Service Concession Agreement:

- The right to receive from the municipality the totality of the aqueduct and sewage networks and to have exclusivity as system operator.
- Obligation to make exclusive use of the aqueduct and sewage networks for the purposes for which they are intended, maintain and return them under the use conditions in which they were received.
- Some concession agreements have the option to be renewed automatically for equal periods unless one of the parties expresses the intention not to continue with it.
- The concession agreements do not establish the obligation of construction of Property, Plant and Equipment elements.

Upon termination of the Concession, the Group companies must return the aqueduct and sewage networks without any consideration to the municipalities. No changes have occurred in the terms of the concession agreements during the period.

In Chile:

The ADASA Concession Agreement, domiciled in Antofagasta - Chile, with the Empresa Concesionaria de Servicios Sanitarios S.A.(Econssa S.A.) establishes the conditions for the financing and execution of works required for the maintenance, replacement and expansion of the infrastructure and facilities necessary to satisfy the demand of the related Public Utilities, during the term of exploitation right, in the operational territory of the concession and in accordance with the Development Plan approved by ECONSSA CHILE S.A. or that which qualifies the Superintendence of Sanitation Services in terms of article fifty-eight of the General Law of Sanitary Services.

As part of the contract that granted the Concession to the Company, it received real estate, furniture, facilities, rights of water use and easements, which are used in the exploitation of sanitary concessions. The Company is prohibited from assigning, encumbering, leasing or constituting any right in favor of third parties over the goods received through the concession, which must be returned at the end of the Contract in the state in which they are found. Subsequent investments made by the Company, in that part that cannot be recovered via rates because their estimate of use exceeds the remaining term of the Sanitary Concession, will be recovered in said portion at the end of the concession, where ECONSSA Chile S.A. will make reimbursement of these investments, provided that the investment reimbursement clauses are applicable, as indicated and established the respective contract of transfer subscribed.

As part of its obligations, the Company must present annually specific information on the assets of use maintained in loan, as well as the new investments made in the framework established in the transfer agreement signed between both Companies, including a registry of each and every one of the facilities and networks of the sanitary services for the production and distribution of drinking water and sewage collection and disposal.

Note 46. Operating Segments

46.1 Information by Segments

For management purposes, the Group is organized into segments based on its products and services, and has the following eight operating segments on which information is presented:

- Electric Power Generation Segment, whose activity consists in the Generation of Electric Power and commercialization of Large Electric Power Blocks, from the acquisition or development of a portfolio of Power Proposals for the market.
- Electric Power Distribution Segment, whose activity consists in transporting electric power through a set of lines and substations, with their associated equipment, which operate at voltages below 220 KV, the commercialization of energy to the end user of the regulated market and the development of related and complementary activities. It includes the Regional Transmission System (STR), the Local Distribution System (SDL), the Public Lighting Utility and the provision of associated services.
- Electricity Transmission Segment, whose activity consists in the transportation of energy in the National Transmission System (STN), consisting of the set of lines, with their corresponding connection equipment, operating at voltages equal to or greater than 220 KV. The National Transmitter (TN) is the legal entity that operates and transports electricity in the STN or has established a company whose purpose is the undertaking of such activity.
- Segment of Distribution and Commercialization of Natural Gas, whose activity consists of the gas conduction from the city gate to the final user, through medium-pressure and low-pressure pipes. It includes the sale of gas by different systems, among them distribution by network, vehicular natural gas, compressed natural gas and service stations.
- Water Supply Segment, whose activity consists of conceptualizing, structuring, developing and operating systems to provide water. It includes carrying out the commercial management of the portfolio of services related to water supply for different uses, in addition to the use of the productive chain, specifically in the production of energy, and the supply of raw water.

- Wastewater Management Segment, includes the activities of conceptualizing, structuring, developing and operating wastewater and solid waste management systems.
- Solid Waste Management Segment, includes carrying out the commercial management related to these services and the use of biosolids and other byproducts of wastewater treatment and solid waste management.
- Others Segment, which corresponds to the other activities that are not included in the segments mentioned above. Includes: Entidad Adaptada de Salud (EAS) and Medical and Dental Services Unit, billing and collection services for third parties, income received from investment properties (leases), social financing, EATIC Laboratory tests, provision of the specialized transport service and services associated with information and communication technologies, information services and related activities.

The Group has not added operating segments to conform these eight reportable segments; however, it carries out the activity of energy commercialization, which consists in the purchase of electricity in the wholesale market and its sale to other market agents or to regulated or non-regulated end users. Therefore, the Group includes its financial information in the corresponding segments of this activity.

The Management supervises results of the operating segments separately in order to make decisions about the allocation of resources and evaluate their performance. Said segment performance is evaluated on the basis of the gain or loss from operations before taxes and discontinued operations and is measured uniformly with the losses or Profits from operations of the Consolidated Financial Statements.

Transfer prices between operating segments are agreed as between independent parties in a manner similar to that agreed with third parties.

2018	Power Generation (Generacion)	PowerTransmission (Transmision)	Power Distribution (Distribucion)	Natural Gas (Gas)	Water Supply (Provision agua)	Wastewater Management (Gestion aguas residuales)	Solid Waste Management (Gestion residuos solidos)	Others (Otros segmentos)	Total segments	Inter-Segments Eliminations	Consolidated
Revenue Outer Customers	2,891,158	201,949	10,237,830	866,380	1,108,340	685,696	226,205	103,785	16,321,343	-	**16,321,343**
Inter-Segment Revenue	912,323	62,680	477,272	9,269	23,819	80,149	1,222	60,652	1,627,386	(1,627,386)	**-**
Total Revenue, Net	**3,803,481**	**264,629**	**10,715,102**	**875,649**	**1,132,159**	**765,845**	**227,427**	**164,437**	**17,948,729**	**(1,627,386)**	**16,321,343**
Costs and Expenses without Depreciation, Amortization, Provisions and Impairment of Property, Plant & Equipment and Intangibles	(1,930,458)	(71,700)	(8,464,646)	(737,306)	(544,452)	(361,555)	(181,451)	(202,131)	(12,493,699)	1,523,318	**(10,970,381)**
Depreciation, Amortization, Provisions and Impairment of Property, Plant & Equipment and Intangibles	(587,881)	(42,755)	(591,224)	(18,145)	(174,821)	(50,492)	(13,864)	(18,518)	(1,497,700)	9,627	**(1,488,073)**
Accounts Receivable Impairment	(2,762)	(725)	(36,296)	(15,422)	(7,322)	(3,829)	12	(6,697)	(73,041)	3,580	**(69,461)**
Other Expenses	(154,979)	(4,823)	(27,110)	(420)	(6,424)	(2,381)	(3,783)	(549)	(200,469)	941	**(199,528)**
Profit for Interests and Gains	34,677	1,332	153,998	40,466	34,983	116,011	6,245	75,715	463,427	(225,347)	**238,080**
Financial Income (Different from Interests and Gains)	10,665	664	8,933	2,117	1,100	5,501	4,306	2,815	36,101	(3,345)	**32,756**
Total Financial Income	45,342	1,996	162,931	42,583	36,083	121,512	10,551	78,530	499,528	(228,692)	**270,836**
Expenses for interests	(288,455)	(52,733)	(288,955)	(46,891)	(90,366)	(161,465)	(4)	(230,315)	(1,159,184)	229,215	**(929,969)**
Financial Expenses (Different from interests)	(21,119)	(1,098)	(41,044)	(1,631)	(19,418)	(6,980)	(5,632)	(21,601)	(118,523)	(1,301)	**(119,824)**
Total Financial Expenses	(309,574)	(53,831)	(329,999)	(48,522)	(109,784)	(168,445)	(5,636)	(251,916)	(1,277,707)	227,914	**(1,049,793)**
Net Exchange Difference	(189,860)	(10,978)	(61,792)	6,245	(126)	3,463	(1)	(11,068)	(264,117)	-	**(264,117)**
Equity Method for Participation in Profits of Associates and Joint Ventures	-	-	-	-	-	-	-	(18,017)	(18,017)	-	**(18,017)**
Effect due to Participation in Equity Investment	-	-	1,285	-	-	-	-	65,137	66,422	(1,255)	**65,167**
Earnings for the Period Before Taxes	**673,309**	**81,813**	**1,368,251**	**104,662**	**325,313**	**304,118**	**33,255**	**(200,792)**	**2,689,929**	**(91,953)**	**2,597,976**
Income Tax	71,034	(28,770)	(400,035)	(42,358)	156,808	(177,564)	(15,340)	191,821	(244,404)	27,010	**(217,394)**
Net Movement of Regulatory Accounts related to Profit for the period	-	-	36,956	-	-	-	-	-	36,956	-	**36,956**
Net Profit for the Period	744,343	53,043	1,005,172	62,304	482,121	126,554	17,915	(8,971)	2,482,481	(64,943)	2,417,538
Total Assets without Investments in Associates and Joint Ventures and Debit Balances of Deferred Regulatory Accounts	21,063,269	2,133,221	14,608,450	1,139,092	6,101,078	5,204,786	322,928	11,121,931	61,694,755	(11,063,909)	**50,630,846**
Investments in Associates and Joint Ventures accounted for using the Equity Method	-	-	-	-	-	-	-	1,746,569	1,746,569	-	**1,744,736**
Debit Balances of Deferred Regulatory Accounts	-	-	111,868	-	-	-	-	-	111,868	-	**111,868**
Total Assets and Debit Balances from Deferred Regulatory Accounts	**21,063,269**	**2,133,221**	**14,720,318**	**1,139,092**	**6,101,078**	**5,204,786**	**322,928**	**12,868,500**	**63,553,192**	**(11,063,909)**	**52,489,283**
Total Liability	12,767,880	1,350,728	9,143,632	702,839	2,907,281	2,445,644	247,294	4,808,783	34,374,081	(3,954,576)	**30,419,505**
Deferred Liabilities related to Balances of Regulatory Accounts	-	-	33,560	-	-	-	-	-	33,560	-	**33,560**
Total Liabilities and Credit Balances of Deferred Regulatory Accounts	12,767,880	1,350,728	9,177,192	702,839	2,907,281	2,445,644	247,294	4,808,783	34,407,641	(3,954,576)	**30,453,065**
Additions of Non-current Assets	2,029,298	189,929	1,045,663	19,873	340,390	424,629	25,319	123,348	4,198,449	-	**4,198,449**

Figures stated in millions of Colombian pesos

2017	Power Generation (Generacion)	PowerTransmission (Transmision)	Power Distribution (Distribucion)	Natural Gas (Gas)	Water Supply (Provision agua)	Wastewater Management (Gestion aguas residuales)	Solid Waste Management (Gestion residuos solidos)	Others (Otros segmentos)	Total segments	Inter-Segments Eliminations	**Consolidated**
Revenue Outer Customers	2,440,325	257,350	9,572,126	734,405	1,013,807	594,542	208,992	96,369	14,917,916	-	**14,917,916**
Inter-Segment Revenue	1,033,732	61,221	976,118	7,367	17,072	80,045	597	50,827	2,226,979	(2,226,979)	**-**
Total Revenue, Net	**3,474,057**	**318,571**	**10,548,244**	**741,772**	**1,030,879**	**674,587**	**209,589**	**147,196**	**17,144,895**	**(2,226,979)**	**14,917,916**
Costs and Expenses without Depreciation, Amortization, Provisions and Impairment of Property, Plant & Equipment and Intangibles	(1,669,984)	(103,857)	(8,473,525)	(675,539)	(498,794)	(304,638)	(173,589)	(198,429)	(12,098,355)	2,139,244	**(9,959,111)**
Depreciation, Amortization, Provisions and Impairment of Property, Plant & Equipment and Intangibles	(309,852)	(67,045)	(565,906)	(19,520)	(167,571)	(41,418)	(13,258)	(11,847)	(1,196,417)	6,871	**(1,189,546)**
Accounts Receivable Impairment	8,017	(1,617)	(42,311)	(731)	(4,149)	(18,304)	(1,338)	(16,367)	(76,800)		**(76,800)**
Other Expenses	(26,700)	(248)	(28,604)	(1,125)	(14,119)	(4,818)	(3,588)	(427)	(79,629)	367	**(79,262)**
Profit for Interests and Gains	64,308	1,109	168,873	35,054	27,261	91,872	6,930	95,941	491,348	(277,746)	**213,602**
Financial Income (Different from Interests and Gains)	4,344	318	10,012	1,656	2,031	2,996	9,075	13,692	44,124	(4,824)	**39,300**
Total Financial Income	68,652	1,427	178,885	36,710	29,292	94,868	16,005	109,633	535,472	(282,570)	**252,902**
Expenses for interests	(264,121)	(42,836)	(298,835)	(50,911)	(89,721)	(114,755)	-	(252,223)	(1,113,401)	259,990	**(853,411)**
Financial Expenses (Different from interests)	(72,669)	(2,892)	(49,101)	(2,838)	(17,838)	(14,687)	(7,620)	(20,016)	(187,661)	18,795	**(168,866)**
Total Financial Expenses	(336,790)	(45,728)	(347,936)	(53,749)	(107,559)	(129,442)	(7,620)	(272,239)	(1,301,062)	278,785	**(1,022,277)**
Net Exchange Difference	21,665	(462)	14,761	100	(5,564)	(25,471)	-	153,701	158,730	-	**158,730**
Equity Method for Participation in Profits of Associates and Joint Ventures	-	-	-	-	-	-	-	(8,802)	(8,802)	-	**(8,802)**
Effect due to Participation in Equity Investment	1,224	1,224	3,625	-	1	11	-	(17,517)	(11,432)	93,897	**82,465**
Earnings for the Period Before Taxes	**1,230,289**	**102,265**	**1,287,233**	**27,918**	**262,416**	**245,375**	**26,201**	**(115,098)**	**3,066,600**	**9,615**	**3,076,215**
Income Tax	(274,513)	(34,715)	(469,114)	(4,579)	(13,067)	12,968	(9,450)	(26,335)	(818,805)	32,845	**(785,960)**
Net Movement of Regulatory Accounts related to Profit for the period	-	-	36,847	-	-	-	-	-	36,847	-	**36,847**
Net Profit for the Period	955,776	67,550	854,966	23,339	249,349	258,343	16,751	(141,433)	2,284,642	42,460	2,327,102
Total Assets without Investments in Associates and Joint Ventures and Debit Balances of Deferred Regulatory Accounts	18,343,053	1,719,111	13,869,245	967,170	5,818,751	5,123,336	305,502	10,630,276	56,776,444	(11,324,518)	**45,451,926**
Investments in Associates and Joint Ventures accounted for using the Equity Method	-	-	-	-	-	-	-	1,804,909	1,804,909	-	**1,804,909**
Debit Balances of Deferred Regulatory Accounts	-	-	48,842	-	-	-	-	-	48,842	-	**48,842**
Total Assets and Debit Balances from Deferred Regulatory Accounts	**18,343,053**	**1,719,111**	**13,918,087**	**967,170**	**5,818,751**	**5,123,336**	**305,502**	**12,435,185**	**58,630,195**	**(11,324,518)**	47,305,677
Total Liability	10,205,126	999,386	8,810,207	571,969	2,863,381	2,352,310	244,782	4,970,358	31,017,519	(4,594,704)	**26,422,815**
Deferred Liabilities related to Balances of Regulatory Accounts	-	-	14,653	-	-	-	-	-	14,653	-	**14,653**
Total Liabilities and Credit Balances of Deferred Regulatory Accounts	10,205,126	999,386	8,824,860	571,969	2,863,381	2,352,310	244,782	4,970,358	31,032,172	(4,594,704)	**26,437,468**
Additions of Non-current Assets	2,138,214	270,695	1,099,408	22,478	291,979	446,373	13,391	133,899	4,416,437	-	**4,416,437**

Figures stated in millions of Colombian pesos

46.2 Information by Geographic Area

Revenue from Outer Customers

Country	2018	2017
Colombia (Country of Residence of EPM)	10,661,294	9,614,640
Guatemala	1,975,441	1,921,914
Panama	2,056,850	1,911,027
El Salvador	887,256	801,102
Chile	556,070	534,278
Mexico	176,483	123,210
Ecuador	3,316	4,994
Bermuda	8,765	8,229
Elimination of International Inter-Segments	(4,132)	(1,478)
Total Countries Different from Colombia	**5,660,049**	**5,303,276**
Total Consolidated Revenues	**16,321,343**	**14,917,916**

Figures stated in millions of Colombian pesos

Revenue information is based on the customer's location.

There is no single client in the Group that generates more than 10% of its ordinary income.

Non-Current Assets

Country	2018	2017
Colombia (Country of Residence of EPM)	31,381,539	28,606,870
Chile	3,574,900	3,627,065
Panama	2,292,551	2,026,401
Guatemala	2,218,423	1,987,493
El Salvador	347,581	315,612
Mexico	20,975	53,779
Total Countries Different from Colombia	**8,454,430**	**8,010,350**
Total Consolidated Revenues	**39,835,969**	**36,617,220**

For these purposes, non-current assets include Property, Plant and Equipment, Intangible Assets and Investment Property including assets for the acquisition of subsidiaries and credit.

Note 47. Events after the Reporting Period

On March 1, 2019, the Norwegian-Chilean firm Skava Consulting delivered the results of the root cause analysis of the contingency of the Ituango hydroelectric project. The study, which was conducted independently and is based on the scientific method, was aimed at analyzing the root cause of a specific event: the occluding of the auxiliary diversion tunnel (GAD), a structure that was in operation since September 2017 and in April 2018 it was the only water outlet of the Cauca River while the dam and tailrace were completed, among other main works of the project.

The auxiliary diversion tunnel (GAD) was built as a temporary alternative that, once it came into operation, would allow the technical and ultimate sealing of the original diversion tunnels.

The consulting team that participated in the root cause investigation was composed of 7 German, Swiss and Chilean engineers. Among them 3 professionals with more than 25 years of experience in this industry, 2 with a doctorate degree and 2 with a master's degree, experts in geotechnical engineering with experience in tunnels and dams, and in rock, geology, hydrology and civil engineering for mining projects, metro systems and hydroelectric power plants.

Based on the available documental and analytical evidence, Skava Consulting considered as most probable hypothesis that the obstruction of the auxiliary diversion tunnel (GAD), was due to the "progressive erosion in weak areas of the rock", located on the floor of the tunnel, that were not properly addressed due to a design deficiency during the advisory stage.

To the date of presentation of the separate financial statements, the financial effect of the results of the root cause analysis for the contingency of the project is not estimated.

EPM continues the recovery of the Ituango project, always with the priority of reducing the risks for the people who live downstream from the main works.

After the revelation date of the consolidated financial statements and before the authorization for publication date, no relevant events occurred that imply adjustments to the figures.

Certification for the Financial Superintendence of Colombia

Jorge Londoño De la Cuesta, in his capacity as legal representative of the municipally-owned industrial and commercial company known as Empresas Públicas de Medellín E.S.P., and in accordance with Article 37 of Act 222 of 1995 and Article 46 of Act 964 of July 8, 2005,

CERTIFIES

That the consolidated financial statements and other reports that are relevant to the public do not contain any flaws, inaccuracies, or errors that may prevent the actual financial position or operations of Grupo EPM as of December 31, 2018, from being known.

That the information contained therein has been previously verified according to the current International Financial Reporting Standards (IFRS) and that their balances have been faithfully taken from the books.

Jorge Londoño De la Cuesta
CEO
Colombian citizenship ID No. 70,564,579

This certification is issued in Medellín on March 26, 2019, to comply with the demands made by the Financial Superintendence of Colombia to security issuers.

estamos ahí

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