

2017 ANNUAL REPORT

The graphics used in this edition of Grupo SURA's Annual Report are inspired by the work of the Colombian artist Ricardo Cárdenas, called El Nido. This work of art aptly symbolizes our focus on becoming a constantly evolving Business Group. Each of the companies that make up our Group play a key role in our shared purpose of creating well-being and sustainable development for people, organizations and society at large.

The work of Cardenas is complemented with a selection of 11 illustrations showing the more representative species of birds that are present in all those countries in Latin America where the Company is present. This sample also has a pedagogical slant regarding the importance of biodiversity in Latin America.

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PRESENTATION



The ability to build trust is one of the most important attributes for companies belonging to the world of financial services.

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Trust comes from the positive expectations that our stakeholders have of us, which in turn is based on how we engage with them. Fulfilling these expectations is a daily challenge. This is why we, in Grupo SURA, are fully aware that building trust is a lengthy undertaking, since every day we must renew our commitment to our corporate principles of transparency, respect, responsibility and fairness while acting and making decisions accordingly.

As part of this commitment we are providing our Management Report for 2017, which again poses the challenge of putting together in a single document the most relevant aspects of the work carried out by thousands of employees throughout Latin America that make up our Organization.

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In our Annual Report for 2017, you shall find the most significant aspects relating to the performance of both Grupo SURA and its core investments, along with a report on our Ethics and Corporate Governance System as well as our financial statements with their respective explanatory notes. We have also included the key elements of our Organization's ongoing strategy, as well as various risk and materiality analyses that were carried out when drawing up the information herein reported.

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As in previous years, this document was drawn up in accordance with the

Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines. This also demonstrates our commitment to achieving the Sustainable Development Goals (SDG).

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In this respect, Grupo SURA together with our subsidiaries and operating companies renewed our commitment to the United Nations Global Compact and continue to uphold other similar standards so as to continue on the path to greater sustainability, based on incorporating best practices.

Both the financial and non-financial information herein reported was verified by Ernst & Young, an independent auditing firm, this in accordance with the International Standard on Assurance Engagements (ISAE) 3000. To facilitate ready access to our annual report, we would like to remind you that this has been made available in various printed and digital formats. This latest version can be downloaded from the gruposura.com website.

We therefore hope that all our stakeholders, and especially our shareholders and investors, shall find this report useful for evaluating our performance, gaining greater insight for the decisions they make and maintaining our current relationships, as we continue to form stronger ties while building greater trust.

DAVID BOJANINI GARCÍA
Chief Executive Officer - Grupo SURA

INDICES, STANDARDS AND RECOGNITION

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These are some of the most relevant commitments that Grupo SURA and its subsidiaries have engaged in, which were either renewed or in force during 2017, thus allowing the Companies' performance to be constantly aligned with best practices:

	Dow Jones Sustainability Index Yearbook RobecoSAM.		Colombian business transparency index - MTE
	IR Award - Bolsa de Valores de Colombia (Colombian Stock Exchange)		CECODES - Colombian Business Council for Sustainable Development
	Oekom rating as a sustainable and responsible investment		ALAS20 - Sustainable Leadership Agenda
	FTSE4Good Emerging Markets index of socially responsible investments		Corporate Reputation Business Monitor
	Evaluation of environmental practices by CDP - Driving Sustainable Economies		Support for the United Nation's Global Compact

All financial information concerning Grupo SURA, as contained in this report, has been published under International Financial Reporting Standards - IFRS. Figures are stated in both Colombian pesos (COP) and U.S. dollars (USD) under the North American numbering system. The exchange rates used in this report are as follows:

INCOME ACCOUNTS	BALANCE SHEET ACCOUNTS
COP 2,951.32	COP 2,984.00
- AVERAGE EXCHANGE RATE FOR 2017	- CLOSING RATE FOR 2017

Both the accounting and financial information contained in this report, as well as the non-financial information, has been audited by the firm Ernst & Young Audit S.A.S.

MEMORY ENGRAVED IN A BEAK OF BONE

Its name comes from south of the American continent. Tucana is the language that gave it its name: the Toucan. This bird hides a secret in its bony beak, a testimony to its origins and its hypnotizing beauty; a beak that protects and provides its inner strength, balancing its own temperature, heat, and the levity with which it takes flight. It is a bird with a colorful body that camouflages a memory revealed in each flutter of wings, a refuge from the aroma of the humid forest. Its song is a strange resonating tune; and unlike other species of birds that migrate, the Toucan never leave its home preferring to be precisely where memories are formed; and in order to build its nest it searches for hollow trees, since it instinctively knows that a home is found and not built.

TOUCAN

Scientific name:	Ramphastos tucanus
Class:	Birds
Family:	Ramphastidae
Order:	Piciformes
Region:	Mexico



01

CORPORATE INFORMATION

MATERIAL ASPECTS

- Business Development
- Comprehensive range of services

COMPANY PROFILE

Grupo SURA has consolidated its regional expansion and become one of the most important players in the Latin American financial services industry.

102-1 Grupo de Inversiones Suramericana - Grupo SURA is the parent company of a financial conglomerate that offers its services in a total of eleven countries in Latin America, this for the overarching purpose of creating greater well-being and sustainable development for people, organizations and society at large. This shared purpose is carried out by the Group's core investments in the insurance, pensions, savings, investment and banking industries. The Companies that make up the Conglomerate contribute to the aspiration of becoming the leading Latin American Group in the financial services sector, based on our ability to evolve and provide superior added value to both shareholders and society at large.

The subsidiaries and core investments that form part of Grupo SURA's portfolio are: Suramericana, specializing in insurance and trends and risks management, present in nine countries throughout the region; and SURA Asset Management, an expert player in the Latin American pension, savings, investment and asset management industry present in a total of six countries. Grupo SURA is also the largest non-controlling shareholder of Grupo Bancolombia, the leading banking institution in both Colombia and Central America.

102-6 Grupo SURA's portfolio also includes industrial investments, given its participation in Grupo Nutresa (processed foods) and Grupo Argos (cement, energy and concessions). The portfolio is also complemented by a range of companies offering substantial growth potential and prospective synergies for the purpose of leveraging the Group's core investments.

The Company has been listed on the Colombian Stock Exchange (BVC

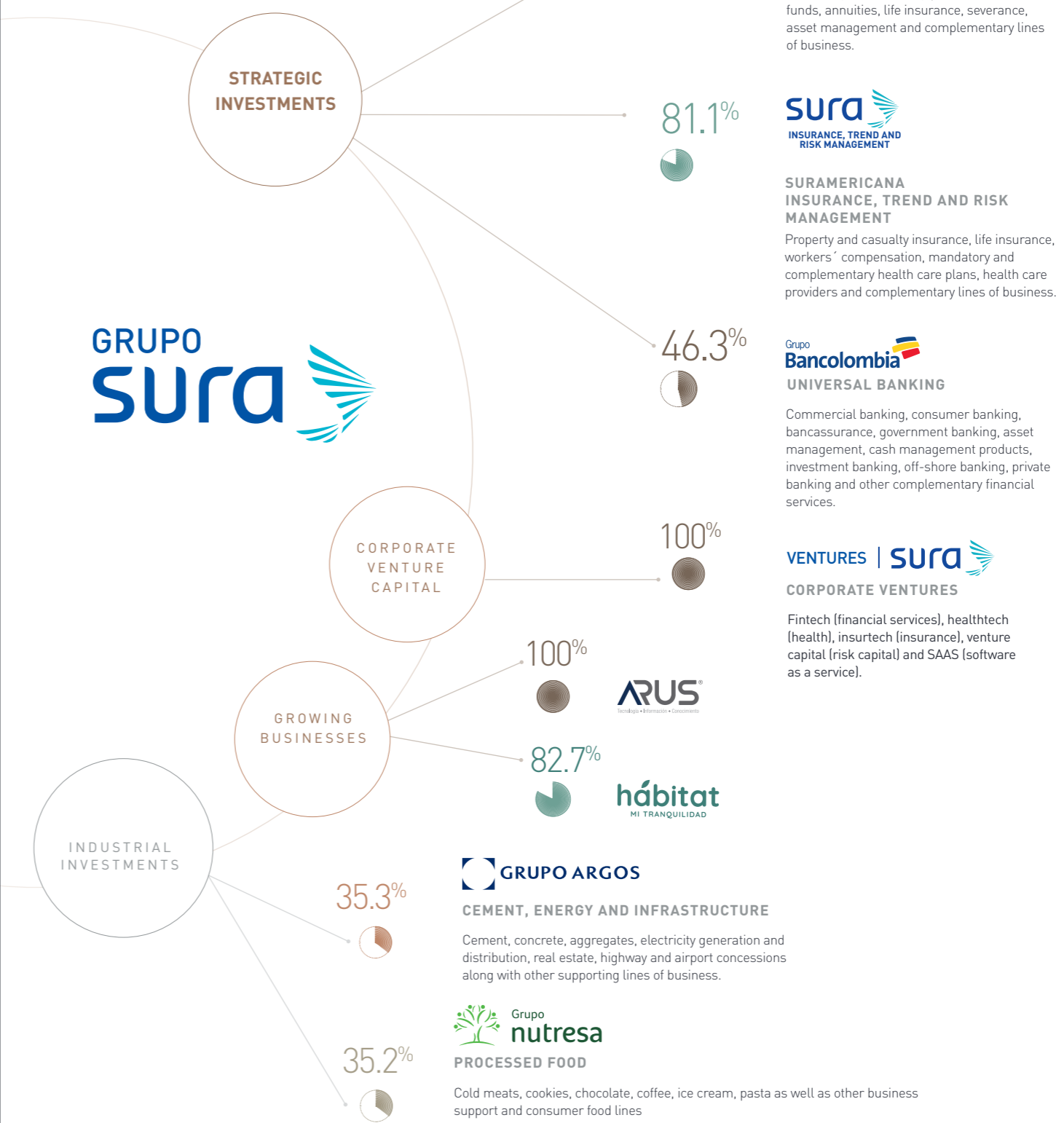
102-12 since 1945 and is registered with the ADR- Level 1 program in the United States. It is also the only company from the Latin American Diversified Financial Services sector to be admitted to the Dow Jones World Sustainability Index, which monitors companies which have become global benchmarks thanks to the good practices they have adopted from the economic, environmental and social standpoints.

The SURA Business Group first came into being in 1944, when the Compañía Suramericana de Seguros Generales was founded, known today as Seguros SURA, a subsidiary of Suramericana S.A. Throughout its history, it has created new companies and acquired a growing number of stakes in companies belonging to the financial, insurance and other industries, thereby extending and consolidating its investment portfolio. In 1997, its insurance portfolio was spun off and Grupo SURA was first formed. It is now the holding company of the SURA Business Group and Financial Conglomerate, with the long-standing Suramericana becoming one of its core investments.

The two major milestones reached in terms of the Company's recent growth, were the acquisitions of the ING Latin American assets in 2011, as a result of which SURA Asset Management was formed as another of the Group's subsidiaries, as well as the more recent purchase of the RSA companies, also in Latin America, on the part of Suramericana, the Group's insurance arm. With these operations, Grupo SURA has consolidated its regional expansion and become one of the most important players in the Latin American financial services industry.

PORTFOLIO

102-2



The percentages shown correspond to the voting stakes held by Grupo SURA in each of the aforementioned companies at year-end 2017.

KEY FIGURES

Year after year, Grupo SURA has consolidated, through its subsidiaries and strategic investments, a comprehensive financial services platform present in 11 countries throughout Latin America. These are some of the Organization's main financial figures at year-end 2017.

REVENUES

COP **20.5**
trillion
(USD 6,933 million)

ASSETS

COP **69.4**
trillion
(USD 23,249 million)

NET INCOME

COP **1.26**
trillion
(USD 426 million)

EQUITY

COP **23.8**
trillion
(USD 7,986 million)

11

COUNTRIES¹

48.8 million

CLIENTS²

56,900

EMPLOYEES²

AUM³
COP **601.8**
trillion^{*}

(USD 201,665 million)

¹ Figures taken from Grupo SURA's consolidated financial statements.

² Figures corresponding to the Group's core investments: Suramericana, SURA Asset Management and Bancolombia.

³ Corresponding to the parent company's net income and equity.

* Total assets under management for all three companies.

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GRUPO SURA'S SUBSIDIARIES IN LATIN AMERICA: SURAMERICANA AND SURA ASSET MANAGEMENT

Revenues and AUM are stated in millions

MEXICO		
	SURA ASSET MANAGEMENT	SURAMERICANA
Revenues	COP 872,398 / USD 296	COP 516,291 / USD 175
AUM/Reserves*	COP 85,748,759 / USD 28,736	COP 554,916 / USD 186
Clients	7,113,066	152,183
Employees	3,092	402

EL SALVADOR		
	SURA ASSET MANAGEMENT	SURAMERICANA
Revenues**	COP 185,342 / USD 63	COP 296,105 / USD 100
AUM/Reserves*	COP 14,321,928 / USD 4,800	COP 343,865 / USD 115
Clients	1,599,272	804,516
Employees	311	276

COLOMBIA		
	SURA ASSET MANAGEMENT	SURAMERICANA
Revenues**	COP 757,323 / USD 257	COP 9,529,871 / USD 3,229
AUM/Reserves*	COP 93,796,534 / USD 31,433	COP 9,756,956 / USD 3,270
Clients	5,896,699	11,349,773
Employees	1,840	13,277

PERU	
	SURA ASSET MANAGEMENT
Revenues	COP 467,876 / USD 159
AUM	COP 59,821,660 / USD 20,047
Clients	2,007,253
Employees	670

CHILE		
	SURA ASSET MANAGEMENT	SURAMERICANA
Revenues	COP 1,006,538 / USD 341	COP 1,201,994 / USD 407
AUM/Reserves*	COP 137,887,706 / USD 46,209	COP 2,322,267 / USD 778
Clients	1,840,579	1,892,979
Employees	2,468	611

DOMINICAN REPUBLIC	
	SURAMERICANA
Revenues	COP 142,257 / USD 48
Reserves	COP 150,013 / USD 50
Clients	41,276
Employees	247

PANAMA	
	SURAMERICANA
Revenues	COP 405,990 / USD 138
Reserves	COP 446,716 / USD 150
Clients	216,194
Employees	356

BRAZIL	
	SURAMERICANA
Revenues	COP 517,168 / USD 175
Reserves	COP 452,988 / USD 152
Clients	1,880,404
Employees	330

URUGUAY		
	SURA ASSET MANAGEMENT	SURAMERICANA
Revenues	COP 94,911 / USD 32	COP 302,309 / USD 102
AUM/Reserves*	COP 9,050,097 / USD 3,033	COP 230,394 / USD 77
Clients	328,340	215,734
Employees	168	109

ARGENTINA	
	SURAMERICANA
Revenues	COP 1,287,876 / USD 436
Reserves	COP 988,861 / USD 331
Clients	1,044,893
Employees	775

*Referring to AUM in the case of SURA Asset Management and to reserves in the case of Suramericana.

** Corresponding to commission income on the part of AFP Protección and AFP Crecer and not to revenues recorded via the equity method on the consolidated financial statements..

Grupo SURA strengthens its footprint in Latin America

“In 2017, we were able to extend our profitable growth, by improving business efficiency with greater spending controls and a more optimized investment portfolio”.

David Bojanini García
CHIEF EXECUTIVE OFFICER - GRUPO SURA

“In addition to securing a dynamic pace of operating performance, we bolstered our Savings and Investment Unit and created our new Asset Management Unit for our institutional clients”

Ignacio Calle Cuartas
CHIEF EXECUTIVE OFFICER - SURA
ASSET MANAGEMENT

“We focused on consolidating all our operations throughout the region and offering a more comprehensive range of solutions for both companies and individuals, which allowed us to go beyond the budgeted growth rates in terms of both premiums and profit.”.

Gonzalo Pérez Rojas
CHIEF EXECUTIVE OFFICER - SURAMERICANA



PENSIONS, SAVINGS, INVESTMENT
AND ASSET MANAGEMENT

PRESENT IN:
Chile, Colombia, El Salvador, Mexico, Peru and Uruguay

EBITDA
COP 1.5 trillion
(USD 495 million*)
↑ 15.7%

NET INCOME¹
COP 615,229 million
(USD 208 million*)
↓ 0.3%

EQUITY¹
COP 9.3 trillion
(USD 3,112 million*)
↑ 11.8%

AUM
COP 402.5 trillion
(USD 134,876 million*)
↑ 19.6%

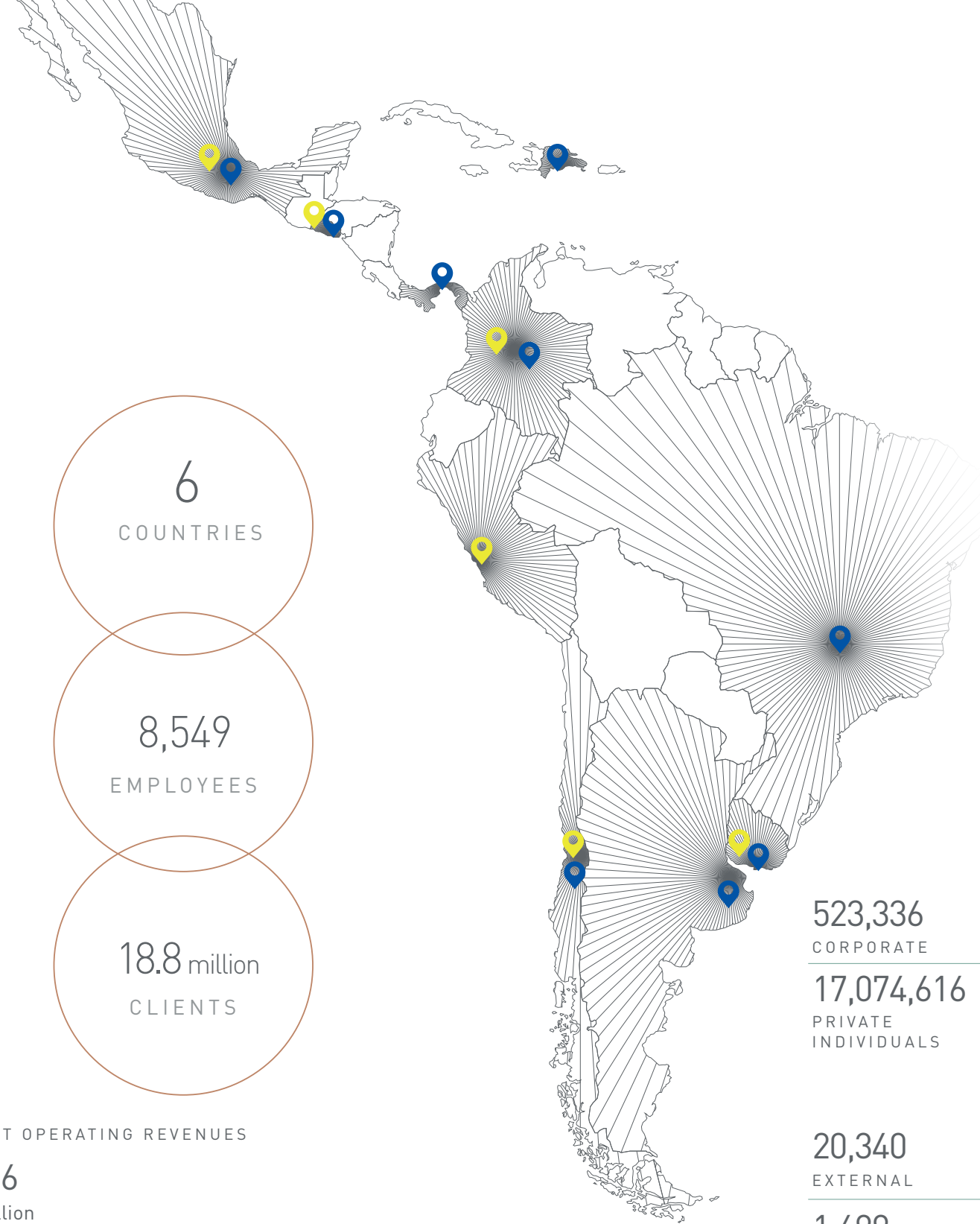


NET OPERATING REVENUES

2.6 trillion
(USD 885 million)
↑ 10.1%

SHARE OF THE REGIONAL MANDATORY PENSION MARKET IN LATIN AMERICA

23.0% (#1)



523,336 CORPORATE
17,074,616 PRIVATE INDIVIDUALS

20,340 EXTERNAL
1,699 INTERNAL



SURAMERICANA

PRESENT IN:
Argentina, Brazil, Chile, Colombia, El Salvador, Mexico, Panama, Dominican Republic and Uruguay.

WRITTEN PREMIUMS
COP 12.0 trillion
(USD 4,073 million)
↑ 23.1%

NET INCOME¹
COP 505,269 millones
(USD 171 million)

EQUITY
COP 4.5 trillion
(USD 1,508 million)
↑ 11.3%

RESERVES
COP 15.3 trillion
(USD 5,115 million)
↑ 13.7%

¹ Corresponding to the parent company's net income and equity.
* Variations calculated using nominal exchange rates.

¹ Figures corresponding to the parent Company's net income and equity.
Variations stated in Colombian pesos calculated using nominal exchange rates.

ETHICS AND CORPORATE GOVERNANCE

2017 was a challenging year for the Latin American state and business sectors, given the fact that transparent management is by no way a done deal simply because a Company has its own Codes of Good Governance or has made public declarations as to its ethical conduct. This year proved that corruption can affect all areas of the region's economy and that companies must go beyond spouting their best intentions and instead establish effective mechanisms to combat illegality and ensure institutional legitimacy, which is a task for both the public and private sectors.

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Grupo SURA, aware of these challenges, has been structuring its own Ethics and Corporate Governance System, where its corporate principles of Transparency, Fairness, Responsibility and Respect form the basis for its sustainable business

performance, while strictly respecting both the law and the rights of our stakeholders. Our ongoing challenge is to ensure the utmost consistency between our business performance and our pledged commitments, this as the basis for creating well-being and development.

In this respect, Grupo SURA presents the most significant aspects of its performance in 2017, in terms of its Corporate Governance, which includes information regarding its Board of Directors, Senior Management and main shareholders together with certain regulatory aspects that impact the Company, such as the new Financial Conglomerates Act, among other issues.

The Chapter titled Corporate Governance Report contains more detailed information in this respect.

Aware of the current challenges, Grupo SURA **continued to strengthen its Ethics and Corporate Governance System in which its corporate principles of Transparency, Equity, Responsibility and Respect** form the basis for its sustainable business performance.

FINANCIAL CONGLOMERATES ACT

On September 21, 2017, the Colombian Congress passed the so-called Financial Conglomerates Act (Law 1870 of 2017), which will enter full force and effect as of September 2018, once it is regulated by the Colombian Government.

This new law, introduced by the Colombian Government as part of the framework governing the country's admittance to the Organization for Economic Cooperation and Development (OECD), shall affect the way Grupo SURA interacts with both of its subsidiaries, Suramericana and SURA Asset Management, as well as with Bancolombia and Protección. It shall also affect the degree of responsibility that Grupo SURA shall have vis-à-vis these companies in its role as a financial holding company.

OBJECTIVE AND SCOPE

The prime purpose of the Financial Conglomerates Act is to provide the Colombian Government and the Superintendency of Finance with the power to maintain a comprehensive and thorough oversight of financial conglomerates and their companies, in aspects such as:

- Capital adequacy
- Financial risk management
- Applied corporate governance standards

THE ADVENT OF THE NEW SURA FINANCIAL CONGLOMERATE

This new law has given rise to Grupo SURA's new Financial Conglomerate, which is made up of the companies Suramericana, SURA Asset Management, Bancolombia and Protección, all of which provide financial services both at home and abroad.

Grupo SURA has a legally established time frame for preparing its structure, processes and communication channels with other companies belonging to the financial conglomerate, so as to be able to adequately fulfill its responsibilities as a financial holding company. This shall be a sizeable challenge for the Organization, that shall involve strengthening its strategy and corporate role with regard to its core investments while maintaining a long-term vision.

To ensure a successful transition towards the new standards introduced by this new law, it is important to take into account the following key elements, among others:

- Sound, well-defined corporate governance practices
- Duly established channels of interaction with the companies that make up the conglomerate
- Smooth and transparent relationships with regulatory authorities
- Robust systemic risk management methodologies.

Key aspects of conglomerate oversight:

- » Capital adequacy
- » Financial risk management
- » Corporate governance standards

BOARD OF DIRECTORS » 102-18|102-22|405-1

Grupo SURA's Board of Directors consists of seven (7) principal members, four (4) of whom enjoy an independent status, including the Chairman and Vice-Chairman.

These Directors were appointed for a two-year period by the General Assembly of Shareholders at their Annual Ordinary Meeting held on March 31, 2016.

MEMBERS 102-23**1 LUIS FERNANDO ALARCÓN MANTILLA**

Chairman - Independent Member

2 JAIME BERMÚDEZ MERIZALDE

Vice-chairman - Independent Member

3 SERGIO MICHELSEN JARAMILLO

Independent Member

4 CARLOS ANTONIO ESPINOSA SOTO

Independent Member

5 JORGE MARIO VELÁSQUEZ JARAMILLO

Equity Member

6 CARLOS IGNACIO GALLEGU PALACIO

Equity Member

7 ALEJANDRO PIEDRAHÍTA BORRERO

Equity Member

BOARD COMMITTEES:

- Audit and Finance Committee
- Appointment and Remuneration Committee
- Sustainability and Corporate Governance Committee
- Risk Management Committee

HIGHLIGHTS

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- In 2017, the Corporate Governance Committee was renamed the Sustainability and Corporate Governance Committee, when it was assigned additional responsibilities in sustainability matters.
- The Board of Directors met on 19 occasions last year producing an overall attendance rate of 98%. The fees paid to each member of the Board, as authorized for 2017 by the General Assembly of Shareholders came to COP 6.9 million per month.
- The Board of Directors received training in topics concerning strategy, trends and risk management, innovation and knowledge of the Group's different lines of business.
- The members of the Board have extensive professional experience, as well as the skills and knowledge required to play a strategic role in responding to Grupo SURA's needs as well as the demands of today's business environment.

The chapter titled "Corporate Governance Report" contains more detailed information regarding the Board's performance and the Group's Corporate Governance function.

SENIOR MANAGEMENT» 102-18|405-1**JUAN LUIS MÚNERA GÓMEZ**

Chief Legal
Corporate Affairs Officer
(since August 2017)

DAVID BOJANINI GARCÍA

Chief Executive Officer

RICARDO JARAMILLO MEJÍA

Chief Corporate
Finance Officer

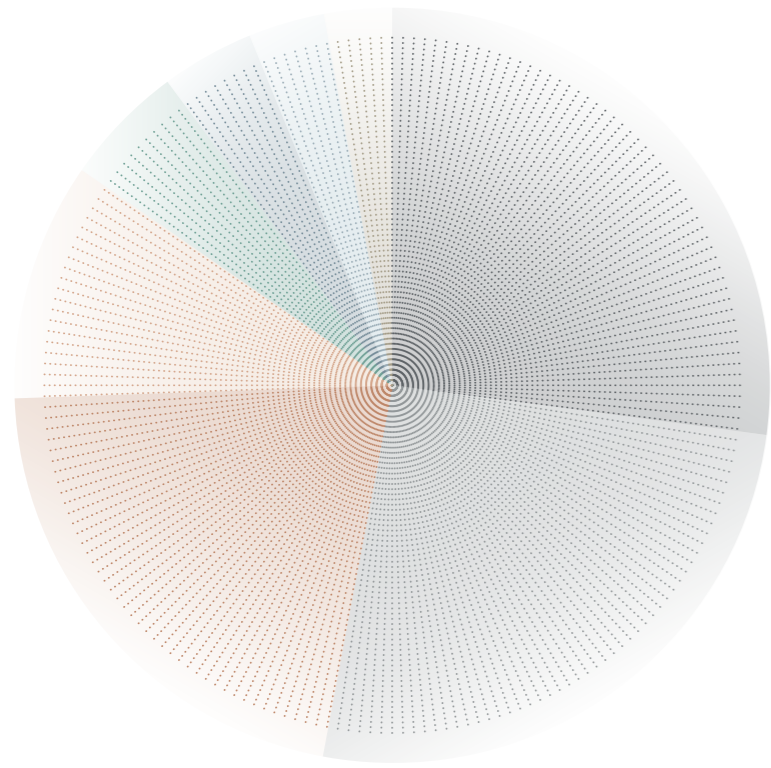
TATYANA OROZCO DE LA CRUZ

Chief Corporate
Affairs Officer
(since May 2017)

NEW CORPORATE DEPARTMENT

In June 2017, Grupo SURA's Board of Directors authorized the creation of a new Department for Legal Corporate Affairs to be in charge of steering the Group with regard to legal and regulatory aspects, as well as ensuring an optimal corporate governance performance. The parent's Company Secretary shall henceforth report to this new department.

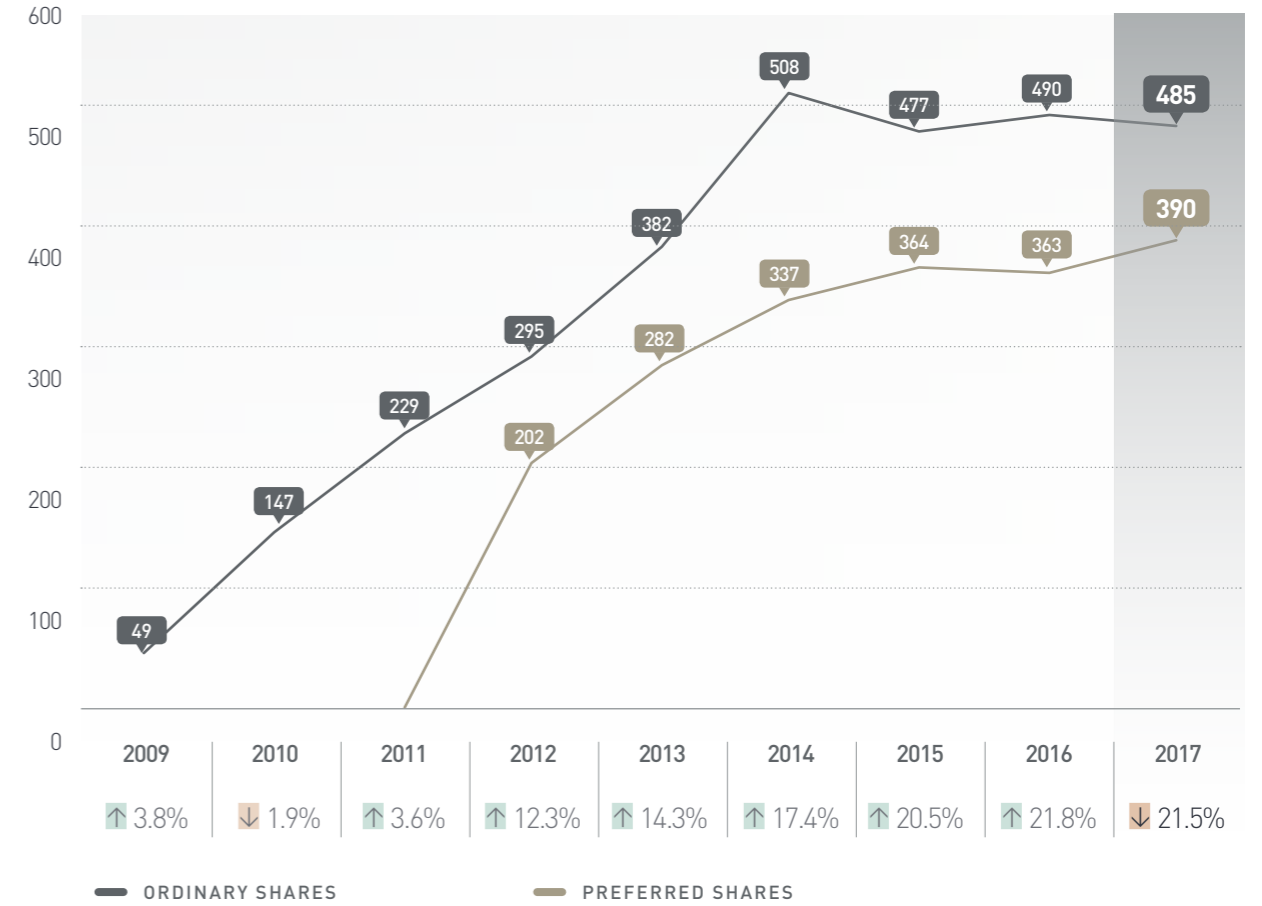
GRUPO SURA'S SHAREHOLDERS»
102-5



- 27.10%
GRUPO ARGOS
- 25.83%
SEVERANCE AND PENSION FUNDS
- 21.51%
INTERNATIONAL FUNDS
- 10.20%
GRUPO NUTRESA
- 5.21%
INSTITUTIONAL INVESTORS
- 3.98%
INDIVIDUAL INVESTORS
- 3.26%
LOCAL FUNDS
- 2.90%
FOUNDATIONS

SHAREHOLDERS	ORDINARY SHARES	PREFERRED SHARES	TOTAL SHARES	% STAKE
Grupo Argos	157,742,130	-	157,742,130	27.10%
International funds	97,766,471	27,430,974	125,197,445	21.51%
Severance and pension funds	87,083,418	63,249,245	150,332,663z	25.83%
Grupo Nutresa	59,387,803	-	59,387,803	10.20%
Institutional Investors	21,381,738	8,917,824	30,299,562	5.21%
Foundations	16,123,899	782,290	16,906,189	2.90%
Individual Investors	15,911,198	7,231,150	23,142,348	3.98%
Local funds	13,640,603	5,328,805	18,969,408	3.26%
TOTAL	469,037,260	112,940,288	581,977,548	100.00%

INTERNATIONAL FUNDS »
Evolution of participation in the Company



875 international funds hold a 21.5% stake in Grupo SURA

OTHER CORPORATE GOVERNANCE HIGHLIGHTS »

The following are certain highlights of Grupo SURA's performance from the Ethics and Corporate Governance standpoint in 2017:

- The Company completed the Best Corporate Practices Survey – known in Colombia as the Country Code - corresponding to 2016. This covered the implementation of 145 out of a total of 148 recommendations issued by the Colombian Superintendency of Finance. This report has been made available on the gruposura.com website.
- We also played an active role as a member of the Colombian Stock Exchange's Issuers Committee and have taken part in different discussion panels on Equities and Corporate Governance organized by this Committee.
- Once again, the Company received the Investor Relations Recognition (IR Recognition) award from the Colombian Stock Exchange, for its sound strategy with regard to the voluntary implementation of practices that facilitate a direct and close interaction between Grupo SURA's Senior Management and its shareholders, investors and other stakeholders.
- Grupo SURA received two international awards in recognition of its robust Ethics and Corporate Governance System:

The British publication Ethical Boardroom presented Grupo SURA with its "Best Corporate Governance" award in the Latin American Holdings category in July 2017, highlighting the Company's efforts to raise Corporate Governance standards and protect its long term value promise for both its shareholders and other stakeholder groups.

In November Grupo SURA obtained the "Leading Company" award in the Corporate Governance category from Alas20, which ranks all those leading companies from the environmental, social and corporate governance (ESG) standpoint
- The Company continued with its efforts to optimize its Ethics and Corporate Governance System based on international best practices and standards, including those suggested by the Dow Jones Sustainability Index (DJSI). Likewise, we defined all those practices and standards which are more in keeping with our corporate governance model, our business philosophy and our corporate principles, this in order to incorporate these within said system.
- Grupo SURA and its subsidiaries, Suramericana and SURA Asset Management, structured a dissemination and training program for its Ethics and Corporate Governance function. This program caters to all employees of the SURA Business Group and focuses on communicating the main guidelines contained in our standards, through the role play of various ethical dilemmas so as to invite thought provoking contributions and encourage a responsible business culture.
- We continued with the SURA Business Group's Corporate Governance Roundtable so as to promote greater interaction between the Companies in terms of: good corporate governance practices, the implementation of new standards and providing guidelines to Companies belonging to the Business Group, employee training with regard to Ethics and Corporate Governance, among other matters. This roundtable first came into being as a result of implementing the Colombian Country Code and met on 12 occasions in 2017.

ETHICS HELPLINE

Grupo SURA's Ethics Help Line is a confidential and secure channel that has been made available to all our stakeholders so that they may report any situation that goes against our Company's ethical conduct and corporate principles that all our employees must abide by.

²⁰⁵⁻³
No cases of corruption were reported in 2017, neither were any complaints of possible ethical violations made via the Company's Ethics Help Line or received by its Ethics Committee.

lineaetica@gruposura.com.co

STRATEGY

Driving new opportunities in responding to today's rapid pace of change so as to remain relevant over time.

In addition to fostering a greater degree of articulation among its companies, the international expansion that the Group has undergone over recent years, has made it one of the more important players in the Latin American financial services industry, this based on its value promise and the trust earned from its different stakeholder groups.

In 2017, Grupo SURA reviewed its strategic planning, for the purpose of consolidating the different businesses that make up its portfolio as well as making them more profitable. This also included driving new opportunities in order to respond to the speed at which the world is changing so as to remain relevant over time.

As part of this review, Grupo SURA and its core investments participated in several events, where they were able to confirm the importance of belonging to a Group that actively encourages their growth in the finance industry, where the barriers between different businesses are slowly coming down and trust is built on a sound performance and the ability of organizations to anticipate and evolve with change, among other aspects.

This review allowed us to align our shared purposes, reinforce the con-

¹⁰²⁻¹⁴
solidation of the companies belonging to our portfolio, detect opportunities and risks beyond our current business environments and encourage the transformation of our business going forward. Likewise, we identified the capabilities that we must work on in order to face the challenges of a more competitive environment and ensure our ongoing sustainability.

In order to understand how companies evolve and the main risks to which they are exposed, we carried out an examination of the fundamental elements of each business and how the environment, current trends and people's behavioral patterns determine the way in which companies perform and evolve. In this way, we were able to detect opportunities for gaining greater competitiveness and sustainability in a world that is evolving at an unprecedented pace.

Also, with the support of Singularity University -a community that inspires and empowers leaders to understand the enormous challenges facing humanity- we were able to draw up an overview of how we envision the future, identifying the building blocks of our long-term vision, thus allowing us to align and focus our efforts on evolving in prospective scenarios, in addition to assessing the risks and opportunities appearing on the horizon.

STRATEGIC DEFINITIONS

In addition to our shared purpose and aspiration, we were able to determine the six pillars that form the basis of our strategy. These, in turn, represent Grupo SURA's focus and strengths in assisting its core investments in providing greater added value.

Aspiration

To become a leading Latin American Group in the financial services sector, due to its ability to evolve and generate superior value to shareholders and society at large.



Enabling elements

- **Corporate governance:** a set of principles, rules and practices for a proper business management.
- **Risk management:** responding to the dynamic changes of today's environment and supported by our business practices.
- **Internal auditing:** a strategic partner that provides value-added opinions and recommendations so as to help our companies to achieve their goals.
- **Regulatory trend management:** including the implementation of new regulations such as the Financial Conglomerates Act.
- **Responsible management practices:** driving our strategy and the way we do things in order to create greater well-being and development.

Challenges:

- **Adequate returns for investors.**
- **Creating added economic value.**
- **Contribution to society.**
- **Building stakeholder trust.**



FINANCIAL MANAGEMENT

Coordinating the Group's financial resource cycle by means of:

- Effectively aligning the obtention of the required funds with maintaining an adequate capital structure.
- Allocating capital based on the established criteria and in accordance with the Business Group's strategy.
- Pro-actively handling our investments while monitoring and measuring these so as to ensure our ability to provide added value.



HUMAN TALENT AND CULTURE

Human talent is a differentiating element in being able to develop our organizational capabilities that form the bedrock for transforming Grupo SURA and thus furthering its competitiveness and sustainability.

Culture is a set of characteristics that ensure consistency with regard to the Organization's philosophy, principles, leadership and management style. It is the way we do things on a day to day basis.

In order to guarantee our ongoing business sustainability, our companies work together so as to develop stronger leaders and reinforce the Group's awareness and culture by promoting exchanges to further diversity, develop projects and joint initiatives and drive our human talent as an important factor that sets our strategy apart.



REPUTATION AND TRUST

This is the result of fulfilling our value promise, by incorporating good practices, which in turn are based on our ethical principles and being able to forge long-term relationships with our stakeholders.

With regard to this particular pillar, Grupo SURA is spearheading a greater degree of articulation with its subsidiaries, so as to strengthen its culture and care for its reputation, this based on a common positioning purpose and a management model ensuring that employees remain committed to these shared purposes. This is also aimed at providing optimal brand development while driving the SURA brand promise in support of our different lines of business



INTERNAL AND EXTERNAL PARTNERSHIPS

Internal and external alliances, synergies and articulations that make us more competitive and efficient with regard to our shared purpose of creating greater well-being and sustainable development.

For this purpose, Grupo SURA supports the transformation of its strategic investments, encouraging internal and external partnerships to strengthen these while helping them to prepare for the new challenges posed by an increasingly competitive environment.



INNOVATION AND ENTREPRENEURSHIP

Innovation is the quality of transforming and creating new businesses and processes capable of creating added value, which in turn is supported by an organizational culture that encourages and enables the permanent development of skills and abilities, such as creativity and experimentation.

On the other hand, entrepreneurship is understood to mean creating new companies and making new investments with the aim of ensuring the ongoing sustainability of Grupo SURA's investment portfolio.

The aim of this pillar is also to build up an investment portfolio that responds to the challenges of the digital era while encouraging the creation of new businesses and the transformation of existing ones using innovative models.



KNOWLEDGE

This is defined as the holistic understanding of our industry, through a systematic analysis and overview of our environment and emerging trends, as well as the articulation of organizational information and learnings, so as to be able to improve our decision-making, anticipate changes and trends, continue with our ongoing sustainability and keep us relevant over time, and in so doing help us fulfill our strategic aspirations.

MATERIALITY ANALYSIS

102-21 | 102-44

So as to encourage a greater degree of involvement on the part of different stakeholder groups in its decision-making process, Grupo SURA maintains a constructive and continuous dialogue with these in order to ascertain their expectations and forge stronger ties in building greater trust. With this in mind, a materiality analysis is periodically performed so as to identify and prioritize the most important social, environmental and economic issues for the Company and its stakeholders.

In 2017, Grupo SURA and its subsidiaries carried out the internal review, validation and prioritization of the material issues affecting of the Business Group. This included the risks and trends affecting the financial sector for which we consulted leading companies in conjunction with a variety of stakeholder groups and reviewed the implementation of international standards and frameworks. All this was carried out so as to maintain the Company's strategic planning in sync with the latest trends and patterns.

STAKEHOLDERS CONSULTED

LARGE-SCALE

- 1 Shareholders and investors
- 1 Clients
- 1 Suppliers
- 1 Employees

SPECIFIC

- 1 Board of Directors
- 1 Trade unions and associations
- 1 The State
- 1 Academic institutions
- 1 The Media
- 1 Opinion leaders

DRAWING UP THE MATERIALITY ANALYSIS



RESULTS OF THE MATERIALITY ANALYSIS - 2017 102-47

PRIORITIZED MATTERS

- 1 CORPORATE GOVERNANCE**
 Implement corporate governance policies and processes, as well as international standards for the purpose of becoming a leading player in good corporate governance practices.
- 2 REGULATIONS**
 Handling and anticipating new legislation and regulations in all those countries where we are present and analyzing and understanding the risks and opportunities that arise. Playing a responsible and proactive role in public policy-making.
- 3 INNOVATION**
 Deploying strategies and initiatives to create added value and remain relevant in today's business environment while providing new responses to challenges and opportunities as they arise.
- 4 BUSINESS DEVELOPMENT**
 Growing both organically and inorganically, by developing new businesses (new channels, solutions, segments) and identifying key trends for greater market penetration.
- 5 STRATEGIC CAPITAL ALLOCATION**
 Allocating capital in a manner consistent with our business strategy, with a view to long-term growth.
- 6 CAPITAL STRUCTURING**
 Coordinating and liaising with our companies to maintain an adequate capital structure thus guaranteeing shareholder dividends, productivity and competitiveness in terms of quality, profitability and long-term growth.
- 7 LONG-TERM CLIENT RELATIONSHIP**
 Creating added value for our clients by providing them with our trend and risk management services thus ensuring their welfare, care, peace of mind, competitiveness and sustainability.
- 8 COMPREHENSIVE RANGE OF SERVICES**
 Developing the capacity to offer a comprehensive portfolio of services in all those countries where we are present, by means of extending our entire portfolio to all those companies belonging to our Business Group in different parts of Latin America.
- 9 ATTRACTING, DEVELOPING AND RETAINING HUMAN TALENT**
 Implementing strategies to attract the most reliable professional staff on the Latin American job market. Providing comprehensive professional training and staff retention programs.
- 10 CORPORATE CULTURE**
 Encouraging an organizational culture based on respect, responsibility, fairness and transparency when engaging with our stakeholders.
- 11 REPUTATION, BRAND AND STAKEHOLDER ENGAGEMENT**
 Acting proactively to strengthen and protect SURA's reputation in Latin America, through a strategy that includes stakeholder engagement, branding, a coherent corporate discourse, institutional projection and sustainable business development.

RELEVANT ISSUES

- 1 OCCUPATIONAL HEALTH AND SAFETY**
 Comprehensively handling the physical and mental health and safety of our human talent, with a clear focus on the well-being and quality of life of those who form part of the SURA Business Group.
- 2 PROTECTING CLIENTS AND USERS**
 Ensuring the safekeeping of our investments, protecting sensitive information and guaranteeing information security through a culture based on prevention and protection.
- 3 ESG INVESTMENT APPROACH**
 Ensuring that our investment analysis and business models include environmental, social and corporate governance (ESG) parameters and criteria for decision making purposes.

EMERGING ISSUES

- 1 SUPPLY CHAIN**
 Implementing policies and / or procedures for evaluating, developing and monitoring suppliers and service providers, by implementing a participatory framework to ensure that best practices are applied.
- 2 HUMAN RIGHTS**
 Respecting and promoting human rights.
- 3 SOCIAL INVESTMENT**
 Participating in local and international initiatives by investing in social development projects, our corporate volunteer work; encouraging inter-institutional alliances and strategies that promote healthy and productive communities and ensuring a greater degree of inclusion and financial education in all those countries where the SURA Business Group operates.
- 4 HANDING OUR ENVIRONMENTAL IMPACT**
 Ensuring that environmental risks and opportunities are responsibly managed for the optimal development of our different lines of business.

Grupo SURA faces the challenge of introducing an official procedure for measuring and managing these material issues. This involves defining different metrics to show the extent to which the Company handles these matters and in so doing fulfills the expectations of its stakeholders. As part of the strategic planning for 2018, certain strategic projects shall be mapped out and various indicators shall be defined for each material aspect, both on a corporate and subsidiary level.

A FABLE FOR THE CIGUA PALMERA

The palm fronds rock the little Cigua to and fro with every lulling gust of wind, and the sticky air of the sea reminds her that it is here where she prefers to live with her nearest and dearest. In fact, the Cigua has built rooms for everyone, from the old uncle who has moved in with his wife and kids, the cousins who have left their island to come and spend some time with her and even the old grandmother who came and never left. There is enough room for every member of her numerous family as well as for partying and singing with tremendous joy. Supper is none other than the fruit of the dove and how they enjoy this soft morsel before going on to partake of a banquet of worms, small insects and maggots. What an abundance! How lucky we are! The Cigua is always busy at work with its beak and legs and this has given it a country, a name and a dwelling.

CIGUA PALMERA

Scientific name:	Dulus dominicus
Class:	Birds
Family:	Dulidae
Order:	Paseriformes
Region:	Dominican Republic



02

MANAGEMENT REPORT

INTEGRATING, STRENGTHENING AND EVOLVING

are three words that apply describe our group-wide experience in 2017.



So as to be able to continue creating added value for our shareholders and other stakeholders, this year we concentrated our efforts on honing our strategic planning, with a clearly-defined focus on profitability, innovation and adaptation to new requirements and challenges in today's ever-changing business environment.

After a decade of expanding on an international scale, strengthening our financial position and diversifying our sources of income, that now span a total of 11 countries, 2017 was a year in which we focused on consolidating our inorganic growth, furthering the strategic management of our portfolio for optimal performance and greater profitability, as well as driving the scale of our Business Group throughout Latin America".

Despite an economic slowdown affecting the entire region, both Suramericana, the Group's specialized insurance and trend/risk management firm, and SURA Asset Management, its pensions, savings and investment management subsidiary performed well. Similarly, Bancolombia, Grupo SURA's strategic universal banking investment also obtained a good level of performance. This resulted in an increase of 48.8 million in the client base of all three companies, which in turn were attended by 56,900 employees. Consolidated revenues for Grupo SURA rose by 12%, producing COP 1.26 billion (USD 426 million) in net income and COP 601.8 billion (USD 201,665 million) in assets under management on the part of our strategic investments, as shown further on in this report.

As a Financial Conglomerate, a term adopted as a result of new oversight rules and regulations being passed in Colombia, we embarked on a review last year of our strategic planning, an initiative we call "Evolution". This new endeavor is consistent with the current need to address new trends and requirements, enhance the profitability and sustainability of our investments, come up with better solutions for our current and potential clients, and be able to spot opportunities and risks beyond our current business environment.

A SHARED DIRECTION

After a great deal of fruitful, in-depth conversations to bring our strategic planning up to speed as to the direction we are pursuing, we were able to construct a higher purpose for all companies belonging to the SURA Financial Conglomerate: namely "creating well-being and sustainable development for people, organizations and society", while aspiring to become "the leading Latin American Group in the financial services sector, based on our ability to transform and generate superior value to shareholders and society alike".

These definitions shall ensure that we become increasingly more useful for the overall development of all those countries where we are present while steering us towards providing greater added value for all our stakeholders. Consequently, the greatest challenges to our new Evolution 2030 initiative are addressed by the following six strategic pillars that shall determine the prioritization of plans and projects over the coming years: **human talent and organizational culture**, as factors driving our competitiveness

and differentiating our performance; **innovation and entrepreneurship**, that contribute to the sustainability of our portfolio; **internal and external alliances**, since they enhance our capabilities and make us more efficient; **knowledge**, which is so necessary for analyzing emerging trends in our business environment, planning ahead and remaining relevant over time; reputation and trust, with which to strengthen our relationships as a consequence of delivering on our promise of value and adopting the best corporate governance standards; and finally the optimal **management of our financial resources** in order to further the sound financial position that has always characterized us as a Company and a Group

102-14

This roadmap drills down on and complements aspects that have formed the core of Grupo SURA's strategic planning over recent years as well as our ability to create both added value and trust. Given the level of maturity we have reached as a regional player, we are convinced that our central purpose of creating wellbeing and sustainable development shall guide the way we manage our portfolio in the face of the challenges to be addressed in the financial services sector.

102-10 | 103-1

SEEKING GREATER PROFITABILITY

Under these conditions, our updated strategy is concentrated on enhancing the profitability of the operations acquired over recent years as well as those previously existing, through a greater focus on portfolio optimization, combining our capabilities and efficiencies based on technology and innovation, as well as driving the or-

ganic growth of our different lines of business. Therefore, we continue to be actively involved in our investments by constantly monitoring and gauging our performance so as to ensure a continued level of value creation on the part of all those Companies belonging to our Conglomerate.

Our goal is to achieve an adequate capital structure, going beyond the indicators commonly used by the credit rating agencies for this purpose, which is why we have been able to maintain an international investment grade. For this reason we have taken various measures such as divesting certain non-strategic and real estate portfolio investments, totaling COP 74,045 million (USD 25.1 million) in 2017, in addition to the debt reduction plan to improve our overall leverage. Likewise, debt maturities in 2017 and 2018 were refinanced in the amount of COP 708,000 million (USD 237 million) so as to make our cash position more flexible over the next two years.

On the other hand, an issue of bonds was placed on the local market for COP 550,000 million (USD 184 million) to finance part of the purchase of the minority stake held by the International Finance Corporation (IFC), the World Bank's private investment firm, as well as IFC ALAC Fund in SURA Asset Management. This transaction, completed in April 2017, amounted to USD 382.5 million and extended Grupo SURA's stake in this subsidiary to 83.6%.

Our business profitability also entails optimizing our investment portfolio. Here, it is worth noting that on Oc-

tober 31 SURA Asset Management finalized the sale of its majority stake in its life annuity operation, Seguros SURA Peru, for a total of USD 276.3 million. In this way, we are focusing on furthering the growth of our pension fund management business and driving both our savings and investment business for private individuals as well as our asset management offering for the institutional segment.

Suramericana, for its part, acquired the life insurance company of SURA Asset Management in Mexico; this transaction worth USD 20.6 million was completed in November 2017 and remains subject to regulatory approval. In this way, each of our subsidiaries shall be able to capitalize on the greatest potential for growth that their own areas of specialty offer.

PLACING OUR FAITH IN THE FUTURE

Our outlook over the long-term depends on innovation and entrepreneurship which forms one of our strategic pillars. We have designed a well-articulated Innovation System that propels us as a holding company to invest, create and consolidate new companies based on disruptive models, that currently show great growth potential and constitute a perfect fit with our current strategy. This is a path we have chosen to tread in asserting the enterprising spirit we have as a group and to build up a portfolio that adequately addresses the emerging risks and trends in all those industries to which we belong, and hence helps us to improve the lives of our clients.

In 2017, we furthered our corporate venturing program called SURA Ventures which was developed in conjunction with the firm, Veronorte. We already hold investments worth USD 22.1 million (COP 65,224 million) in a venture capital fund as well as another eight new high-tech ventures in the financial services and insurance sectors.

Five of these investments were completed in 2017, namely MoneyLion, which offers a platform for clients to optimize their financial management capabilities, through which products specially tailored to their needs are recommended; Clover, a US health insurance company for the over 65s, which uses analytical predictions for optimizing operating costs; Driver, which created a groundbreaking platform for accessing and developing cancer treatments; Pager, which produces technological solutions for managing health care services both digitally and remotely; and Trov, that reads patterns of behavior and provides, in a simple, straightforward manner, a range of insurance policies catering to the current demand or those required in the moment.

Our investments in solutions, that are still at a development or growth stage, were mainly detected by an Entrepreneurship Ecosystem in Silicon Valley in the US, and now join various others which were given the go-ahead back in 2016: Acsendo, a Colombian technological solution for handling human talent at a corporate level; Bold-Capital Partners, a venture capital fund focused on disruptive companies; Alkanza, which makes use of a robo-advisory software to structure and manage financial port-

We have designed a well-articulated Innovation System that propels us as a holding company to invest, create and consolidate new companies based on disruptive models, that currently show great growth potential.

ISSUE OF BONDS
WORTH

COP **550,000**
million

(USD 184 million)

folios; and LendingHome, which serves the US mortgage market with a solution that fast tracks credit approvals while ensuring optimal portfolio quality.

Several of the aforementioned investments, in conjunction with our financial service companies, have begun to explore possible alliances that could drive business development in our own fields and, in this way, enhance our sustainability and competitiveness.

By leveraging the adoption of new technologies and business models, we are furthering our commitment to the future of our Group. It is also another way of addressing the vertiginous changes of the digital age and the so-called Fourth Industrial Revolution. In fact, Grupo SURA is already a Latin American benchmark for the innovation ecosystem as applicable in corporate venturing segment.

NEW FINANCIAL CONGLOMERATE ACT

Besides redirecting our strategic planning, focusing on the profitability of our investment portfolio and our latest initiatives in terms of innovation, it is also worth mentioning when it comes to our performance last year, the application of a new regulatory framework for the oversight of financial conglomerates, which came into being as a result of Law 1870, passed on September 21, 2017, and is currently in the process of being regulated.

These new rules and regulations shall require us to: (i) continue strengthening our Corporate Governance System as a Financial Conglomerate,

of which Grupo SURA is the parent company; (ii) review our risk management and capital adequacy models; (iii) move ahead with simplifying our corporate structure; and (iv) strengthen the internal control and information reporting systems of the Companies that make up the Group, among other aspects, this in accordance with the guidelines to be issued by the Financial Regulation Unit (URF in Spanish) and the Colombian Superintendency of Finance, both attached to the Colombian Ministry of Finance

With this aim in mind, we are working on an action plan facilitating a more proactive dialogue with the Colombian Government now that this new legislation is being regulated while preparing our companies for the new obligations this shall represent.

Complying with new regulations, implementing the new strategy and better addressing the demands of today's business environment, are all opportunities for us to further the collaborative efforts on the part of all those companies that make up the SURA Financial Conglomerate. This shall allow for greater coordination in handling and forming alliances between our different lines of businesses so as to extend our value offering and accentuate our shared identity.

BUSINESS ENVIRONMENT, MARKETS AND STOCKS

With regard to the global macroeconomic situation in 2017, we saw an improved growth with the global gross domestic product (GDP). The International Monetary Fund (IMF) estimates that global GDP shall end

Commitments relating to the Colombian Financial Conglomerates Act

- » Continue strengthening our Corporate Governance System as a Financial Conglomerate
- » Review our capital adequacy and risk management models
- » Continue moving ahead with simplifying our corporate structure:
- » Work towards more robust internal control systems.

up at 3.7% FY 2017, that is to say, half a percentage point higher than that recorded for 2016, thanks to the extent of the recovery shown by both developed and emerging economies. Based on this, the projected GDP growth for 2018 has been raised from 3.7% to 3.9%, this as a result of the changes in the US tax policy as well as a gradual increase in interest rates on the part of the FED.

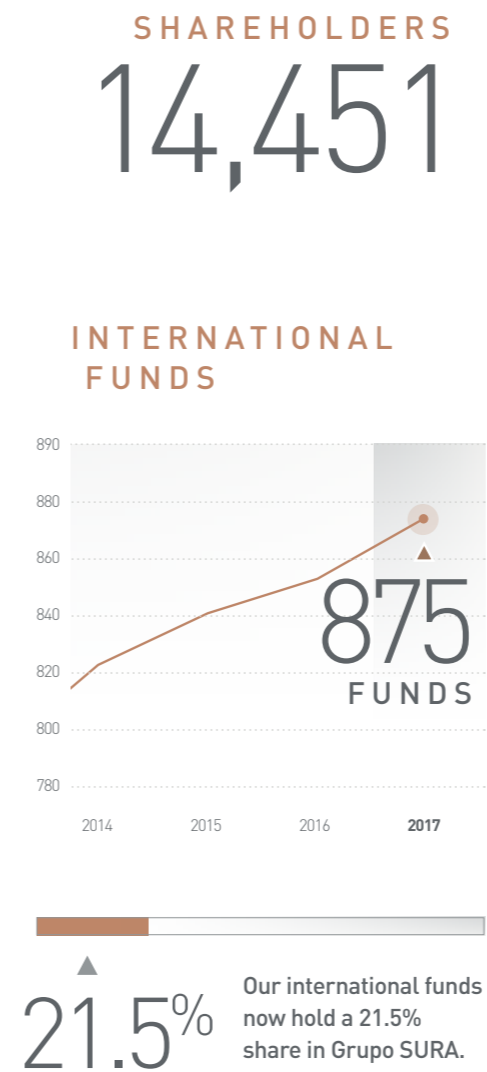
In the case of Latin America, the overall macroeconomic situation recorded an improvement year-on-year, thanks to a recovery in investment and foreign trade as well as higher commodity prices. Furthermore, as for the countries where SURA is present, Brazil and Argentina were able to emerge from recession, while Mexico showed signs of recovery. Consequently, the IMF is forecasting a regional GDP growth of 1.3%, after a decline of 0.7% in 2016, and is projecting a further recovery in 2018 with a projected GDP growth of 1.9%.

With regard to our performance on the capital market, our shares continued to steadily climb with our ordinary stock (GRUPOSURA) ending 2017 at COP 40,300 (USD 13.5), up 5.5% compared to year-end 2016; while our preferred stock (PFGRUP-SURA) reached COP 39,000 (USD 13.1), at year-end, for a year-on-year increase of 5.4%. On the other hand, the COLCAP, Colombia's main stock index recorded a year-on-year increase of 12%. Average daily trades for 2017 in the case of our own shares came to approximately COP 13,000 million, as we continue to be one of the top traded shares on the local market.

Consequently, Grupo SURA's market cap reached COP 23.3 trillion (USD 7.8 trillion), compared to COP 21.85 billion (USD 7,23 billion) in 2016, accounting for 6.4% of the Colombian stock market's total market cap. Upon adding all those listed companies that form part of our investment portfolio, including our strategic and industrial investments as well as certain subsidiaries (Grupo SURA, Grupo Nutresa, Bancolombia, Grupo Argos, Odinsa, Protección, Celsia, Cementos Argos and Epsa), these account for 29.2 % of the local market capitalization along with a 56% weighting of the COLCAP stock index at the end of 2017.

The Company ended the year with 14,451 shareholders, 3,476 of whom hold both ordinary as well as preferred shares, that is, 2,004 more than in 2016. This increase was due to the fact that 86% of our shareholders decided to receive their dividend payments in the form of preferred shares in 2017 and obtained gains of 6.7%, upon selling on the same payment date, or 9% at year-end 2017. The fact that we continue to have 875 international funds as shareholders -22 more than in 2016-, is another vote of confidence, which means that foreign holders of both Grupo SURA's ordinary and preferred shares now reaches 21.5% of the total shareholder base.

In this sense, a relevant benchmark for investor decision-making is the fact that Grupo SURA was included for the seventh year running in the Dow Jones Sustainability World Index (DJSI). Moreover, it remains the only Latin American company in the diverse financial services and capital



Grupo SURA is one of the 24 Latin American entities that form part of the 478 companies listed on the latest edition of RobecoSAM's Sustainability Yearbook.

markets sector, obtaining a score of 79 out of 100 in terms of the practices thus evaluated.

The Company joined a total of 24 other companies throughout the region that are among the 478 included in the latest edition of the Sustainability Yearbook, as published in January 2018 by the consultancy firm, RobecoSAM, after evaluating the performance of 2,479 organizations. This has indeed strengthened our ties with international investors, in addition to being able to constantly gauge our performance against the highest environmental, social and governance standards. This also has reaffirmed our organizational practices ensuring that we are able to stand the test of time and continue creating added value for our stakeholders.

It should be noted that all those Multilatinas in which Grupo SURA owns stakes have continued to be listed in the DJSI as well in the Sustainability Yearbook with regard to their respective sectors, namely Bancolombia (banking), Grupo Nutresa (food processing) and Grupo Argos and its subsidiary Cementos Argos (building materials). This confirms our commitment to building a portfolio of sustainable investments.

102-7 FINANCIAL RESULTS

Our financial results for 2017 were largely due to the following five factors: the operating performance of our subsidiaries, which continued strengthening on a quarterly basis thus reinforcing their competitive position throughout the region; higher contributions from the operations acquired by Suramericana in 2016,

which exceeded our initial growth expectations; the good performance obtained from our insurance companies as well as the SURA Asset Management pension fund management firms; stable sources of revenues obtained via the equity method from our associates (Bancolombia, Grupo Argos, Grupo Nutresa, Protección and others); and the impact of the foreign exchange differences given the appreciation of the Colombian peso, as well as the amount of non-recurring expenses posted.

Consequently, the Group's consolidated revenue performed well in spite of the low growth recorded throughout the region, having risen by 12% year-on-year to reach COP 20.5 trillion (USD 6,933 million). This was mainly due to a 13.9% increase in retained premiums, which totaled COP 12.0 trillion (USD 4,060 million), as well as an increase of 21.1% in revenue from services rendered amounting to COP 2.8 trillion (USD 952 million); this as a result of a higher number of users of both SURA's mandatory and complementary health care plans. Likewise, revenues in the form of returns obtained from the investment portfolios of the insurance companies as well as the legal reserves held by the pension fund management firms reached COP 1.9 trillion (USD 652 million), for a growth of 12.6% compared to year-end 2016.

Consolidated expense came to COP 18.6 trillion (USD 6,306 million) for a growth of 14.5%. This increase was largely due to the amount of expense incurred for the first full year after Suramericana took over the RSA

operations, as well as higher interest and amortization expense on the part of the acquired companies.

As a result, the parent's consolidated net income came to COP 1.26 trillion (USD 426 million), for a decline of 13.0% compared to COP 1.44 trillion (USD 473 million) recorded at year-end 2016. This drop was mainly due to other non-comparable items on a year-to-year basis, exchange differences, which produced a negative variation of COP 242,356 million (USD 82 million) along with depreciation, tax and non-recurring expense. Were we to exclude the aforementioned adverse effects, Grupo SURA's net income would have risen by 7.7%, given the level of operating performance obtained by both subsidiaries and associates.

On the other hand, Grupo SURA's financial position at the end of 2017 showed assets of COP 69.4 trillion (USD 23,249 million), that is to say, 2.8% more than a year ago, Liabilities rose by 2.4% to COP 43.1 trillion (USD 14,460 million). On the other hand, shareholders' equity came to COP 23.8 trillion (USD 7,986 million) for a growth of 5.2% compared to 2016, this due to the amount of net income obtained for the year.

As far as the Company's separate financial statements are concerned, net income totaled COP 755,085 million (USD 255.8 million), for a decline of 9.6% compared to 2016. That was mainly due to the adverse effect of exchange differences and higher interest expense due on a higher level of debt taken out to finance the Company's inorganic growth. It is on this amount of net income that the

Company's proposed profit distribution is based.

As for our financial management, it should be noted that the credit rating agency Fitch Ratings maintained a BBB investment grade for Grupo SURA, along with a stable outlook. This rating reflects the Holding Company's creditworthiness as well as its stable, well-diversified stream of revenues. Similarly, the aforementioned credit ratings agency confirmed its expectations that the Company shall be able to maintain adequate levels of liquidity and a stable while moderately leveraged capital structure over the coming years. On the other hand, Standard & Poor's downgraded its rating from BBB to BBB-, while providing a stable outlook, as a consequence of having downgraded Colombia's sovereign debt rating.

CORE INVESTMENT PERFORMANCE

Sura Asset Management:

With regard to this subsidiary, which is present in six countries and already attends 18.8 million clients in the pension, savings and investment industry, one of the main milestones last year was having created a new Asset Management Unit to strengthen its institutional business. It has also been rounding up its offering having launched 26 new funds in 2017, for a grand total of 400. This represents a widely diversified range of investment options for its clients. Meanwhile, operating performance for this subsidiary remained strong in spite of the slow economic growth throughout the region and was in line

CONSOLIDATED REVENUES

↑ 12.0%

COP

20.5
trillion

(USD 6,933 million)

CONSOLIDATED EXPENSE

↑ 14.5%

COP

18.6
trillion

(USD 6,306 million)

CONSOLIDATED NET INCOME

↓ 13.0%

COP

1.26
trillion

(USD 426 million)

with average wage/salary increases on which the mandatory pension business is highly dependent.

In keeping with its corporate strategy and the opportunity detected in the voluntary savings sector, SURA Asset Management continued to invest in developing the voluntary business, producing increases of 25.7% in fee and commission income and 31% in assets under management (AUM), which reached COP 37.1 trillion (USD 12,421 million) at year-end 2017. The Company continues to strictly focus on growth in order to reach sufficient scale so as to reflect the profitability of this business while depending less on local regulatory frameworks, producing higher margins than for the rest of the mandatory pension business, and taking advantage of a high potential for market penetration.

Total Assets Under Management (AUM) reached COP 402.5 trillion (USD 134,876 million) at year-end, for a growth of 19.6% compared to 2016. This goes hand in hand with returns going 73% higher than the market average for managed funds.

As for the life annuity business, it is worthwhile noting that Sura Asset Management sold off its 69.29% stake in the life insurance company in Peru (Seguros de Vida Perú), for a total of USD 276 million. This took place after a regulatory change was introduced that had an adverse effect on the Company's life insurance business in this part of the world, and hence it was decided to concentrate on its core fund management business instead. Another of last year's highlights was an issue of bonds pla-

ced on the international markets for USD 350 million in April 2017, producing a bid to cover ratio of 8. This indeed was a vote of confidence from the investor community in SURA Asset Management.

Against this backdrop, the Company's operating revenues came to COP 2.6 trillion (USD 885 million), for a growth of 10.1% compared to 2016. Also, worth noting was the amount of revenues received in the form of pension fund returns, which rose by 119.2%. There was also a 45.2% growth in revenues obtained from associates via the equity method, which came to COP 172,836 million (USD 58.6 million). On the other hand, fee and commission income rose by 4.3%, which was in line with the increase in the wage/salary base for mandatory pension fund members.

Operating expense totaled COP 1.5 trillion (USD 523 million) for an increase of 6.7%, which was lower than the increase posted in revenues. This was mainly due to our efficiency efforts, which served to offset the moderate growth rates obtained with the mandatory pension business as well as the decline in written premiums.

This item also evidences the amount of investment that has been made over recent years to develop a regional platform and consolidate a client-centric sales force and a multi-product offering. Technological and more efficient distribution channels have also been launched to take our services to a greater number of people throughout the region.

73%
of the funds managed by SURA Asset Management provided returns that surpassed the market average.

In this respect, operating earnings recorded a year-on-year increase of 15.4% reaching COP 1.07 trillion (USD 361 million). Consequently, SURA Asset Management posted a net profit figure attributable to its shareholders of COP 615,229 million (USD 208.5 million), similar to that obtained during 2016. Finally, the consolidated Ebitda for this subsidiary amounted to COP 1.46 trillion (USD 495.2 million) for an increase of 15.7%, with Chile accounting for 32.3% of the total figure, followed by Mexico (29.2%), Peru (24.1%), Colombia (11%) and Uruguay (3.4%). In the case of Colombia, this calculation covered revenues obtained via the equity method from Proteccion, which includes Crecer in El Salvador.

Suramericana

This subsidiary specializing in insurance and trend/ risk management, focused its efforts on several fronts last year, including the integration of all those operations recently acquired from RSA in six countries; incorporating new clients -which rose by 5.9% to 17.6 million; introducing technological upgrades; strengthening and developing channels; positioning the SURA brand in the insurance industry outside Colombia; and strengthening the range of solutions offered. All this was aimed at achieving a level of profitability above and beyond the cost of capital in all countries in which it operates.

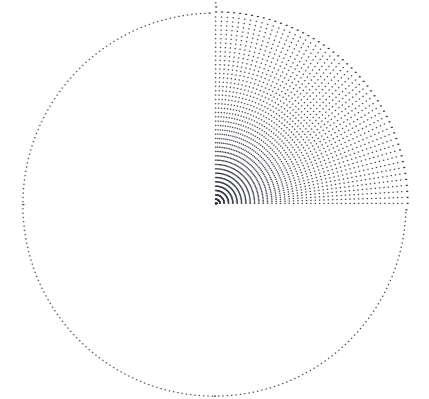
One of last year's highlights was the progress made with those foreign-based operations acquired in 2016, whose growth rates have surpassed their respective market averages having responded favorably to SURA's organizational culture and its way of doing business.

Along with the aforementioned level of organic growth, another important milestone was having acquired the Life Insurance Company that formerly belonged to SURA Asset Management in Mexico. Once approval has been issued by the Mexican Regulatory Authorities, Seguros Sura shall be strengthening its competitive position in Mexico with a total of 200 thousand clients and an annual production of USD 200 million in premiums.

Regarding its operations in Colombia, Suramericana continues to lead the local insurance market with a 25% share for 2017, according to data published by the Colombian Superintendency of Finance. Upon adding its insurance and social security operations, a growth of 10% was obtained which is far higher than the average scored by the local market. With regard to just its insurance business, its Life Insurance operations produced a 12% increase in revenues %, while its Property and Casualty business rose by 8%, mainly due to the increase in car insurance premiums.

With regard to the performance of its social security companies in Colombia in 2017, its mandatory health care company increased its revenues by 24% while significantly expanding its coverage and providing more than 33 million individual health care services. So much so that the Colombian Ministry of Health declared SURA as the best mandatory health care provider in the country. In terms of revenues from Suramericana's Workers' Compensation firm, ARL Sura, these

25%
Suramericana holds a 25% of the Colombian insurance market



Increases in the revenues obtained by the Suramericana's lines of business in Colombia.

LIFE
INSURANCE

↑ 12%

PROPERTY AND
CASUALTY INSURANCE

↑ 8%

EPS (MANDATORY HEALTH CARE)

↑ 24%

ARL (WORKERS' COMPENSATION)

↑ 20%

Suramericana is moving ahead with its **strategic focus as a trend and risk** management firm this based on its superior human talent and new solution and product development.

rose by 20% and, together with its Risk Management Consulting Service, it continues to help drive down accident, occupational disease and mortality rates among almost 3.5 million workers belonging to 231 thousand affiliated employers.

Consequently, Suramericana increased its consolidated revenues by 20.9% to COP 14.2 trillion (USD 4,812 million). This figure is not totally comparable with that recorded for 2016, since this was the first full year of operations for the recently acquired operations, whereas in 2016 Suramericana took control over these companies on a gradual basis. The good business performance obtained in Colombia, Central America and the Caribbean, as well as higher than budgeted results for Mexico, Chile, Argentina, Uruguay and Brazil were all decisive factors for the growth posted in revenues.

Written premiums totaled COP 12.02 trillion (USD 4.073 million) for a growth of 23% compared to the previous year. Meanwhile, fee and commission income increased by 39%, while those obtained from services rendered rose by 22%. Portfolio returns rose by 1% compared to 2016, when higher inflation had a positive effect on CPI-indexed securities which form an important part of this subsidiary's investment portfolio.

Consolidated expense rose by 20% to COP 13.6 trillion (USD 4,603 million), due to various factors including a 26% increase in total claims, higher amortizations relating to acquisition costs and a 23% increase in the costs of services rendered. This comes in

contrast with the strict control over administrative expenses, which rose by just 7%, this being lower than the increase in revenues. Also, lower reserves were set up which helped to offset the increase in retained claims. As a result, consolidated net profits attributable to the shareholders rose by 26% for the year to COP 505,269 million (USD 171 million).

These figures go hand in hand with adequate levels of reserves, which underpin the continued sustainability of our different lines of business. The liability for insurance reserves increased by COP 1.84 trillion (USD 615 million), that is to say 14% more than for 2016 with consolidated reserves reaching COP 15.26 trillion (USD 5,115 million).

This level of performance from Suramericana shows the progress made with its strategic focus as a trend and risk management firm, leveraged by its human talent and the development of new solutions capable of responding to today's interpretation of the business landscape as well as to the needs of all those markets where the Company is present. Hence, technology is increasingly becoming an enabler of opportunities for bringing business strategies to a fruitful outcome while furthering sustainability, value creation, effective engagement and operating efficiency.

Grupo Bancolombia

As one of Grupo SURA's strategic investments, Bancolombia successfully tackled what was after all a challenging year, due to lower economic activity, higher provisions for loan impairment and a more measured demand for credit in Colombia.

Against this backdrop, it is worth pointing out that net interest income rose by 7.8%, given a higher gross loan portfolio, that in turn increased by 5.7%, as well as an improved interest margin, which reached 6.1%. Net commissions also increased by 8%, mainly due to a growth in credit and debit cards.

The Bank's efficiency indicator, that is to say the ratio between operating income and expense, ended up at 49.2%, showing a decline of 1.8% compared to 2016, which amid much more complex market conditions shows the amount of effort made in controlling expense by automating different processes, reducing the amount of "bricks and mortar" branch offices, and optimizing operations, among other contributing factors. Furthermore, operating expense rose by 3.5%, which was lower than the inflation rate for Colombia where its main operations are concentrated.

All in all, there was an annual decline of 8.7% in consolidated net income, which came to COP 2.62 trillion (USD 886.1 million), this having been affected by a year-on-year increase of 26.7% in the provisions that had to be set up in order to maintain a solid coverage ratio. In this respect the Bank obtained a coverage of 1.64 times the value of its 90-day past due loans along with a regulatory capital that comfortably surpasses the levels required in the different countries where it is present. Doubtlessly, this has allowed Bancolombia to ideally position itself so as to continue capitalizing on growth opportunities.

Indeed, Grupo Bancolombia consolidated its on-line banking strategy

in 2017, with 51% of its 12.4 million clients already using its on-line channels, thus accounting for 80% of the total transactions conducted by the Bank. This level of performance is underpinned by initiatives such as Nequi, the organization's native digital bank, with more than 300,000 clients, as well as InvesBot, the robot platform that up till now has managed investments worth COP 63,000 million (USD 21.1 million)

On the other hand, Grupo Bancolombia has successfully transferred its operating model in Colombia to its subsidiaries abroad, including the top financial institution in El Salvador (Banco Agrícola), the second largest in Panama (Banistmo) and the fourth largest in Guatemala (BAM), thus becoming the leading financial network on the Central American market.

It is also worth noting the growth obtained by its non-banking correspondents, which is an alternative channel that has facilitated the Bank's expansion into what hitherto were unattended, underbanked segments of the population. Today, there are more than 10,000 non-banking correspondents and in 2017 this channel exceeded the number of transactions carried out in the "bricks and mortar" branch office network.

Finally, we would like to make special mention of Bancolombia's commitment to environmental sustainability, as can be seen with its financing of projects relating to renewable energies and sustainable building construction all of which help to combat climate change.

Besides being the No. 1 bank in Colombia, Bancolombia is now the leading financial network on the Central American markets.

Growing Businesses

In addition to the aforementioned strategic investments, Grupo SURA's investment portfolio also includes certain businesses that not only offer future growth potential but also can be used to harness possible synergies in terms of skills and capabilities for driving our different lines of business.

These include Arus, which offers integrated technology, information and knowledge solutions. This Company has made great strides with its profitable growth strategy with total revenues reaching COP 222,883 million (USD 74.7 million), for a year-on-year increase of 7.7%, whereas EBITDA came to COP 24,521 million (USD 8.2 million) for a year-on-year increase of 1.3 %, as well as a margin of more than 11%. The Company invested COP 8,355 million (USD 2.8 million) in technology aimed at driving its transformation and ensuring the delivery of its services on a platform that offers the highest availability rate for clients to conduct their business. It also made progress with its robot-based digitalization initiative in providing its services, automating its processes and offering cloud solutions.

As for Habitat, this specialized assisted living institution for the elderly became one of the top facilities of its kind in 2017. This was made possible by acquiring the new El Ciruelo facilities and opening its new headquarters in the Loma de los Bernal sector in Medellín. At the end of 2018, it shall be able to offer a total of 350 rooms prior to determining the second stage of this new headquarters.

This investment for us complements the services offered to the clients of our Business Group, as we accompany them throughout their life cycles.

OTHER HIGHLIGHTS

We have always acknowledged that our human talent is one of the main driving factors in our Organization's ongoing competitiveness. This is why, being able to manage our human resources is so essential to our strategy, ensuring that our employees receive a relevant and growth-oriented value-added offer, within the framework of an organizational culture that facilitates the development of leadership skills in accordance with our shared purposes. Human talent is after all a factor that sets us apart and ensures the sustainability and ongoing development of our organizational capabilities, allowing us all to abide by the same corporate principles, thereby building up a shared organizational culture as a Group.

Based on our corporate principles of Transparency, Fairness, Responsibility and Respect, we reinforced our Ethics and Corporate Governance System in 2017 for the purpose of said principles forming the shared basis for a sustainable business performance, characterized by strict compliance with all legal and regulatory requirements, and with the aim of consolidating long-term relationships with various stakeholder groups. This commitment was taken up by the Board of Directors' Sustainability and Corporate Governance Committee, whose scope was extended in 2017.



Companies in which we have detected future growth potential along with possible synergies in terms of the skills and capabilities required for driving our different lines of business.

AMOUNTS INVESTED BY THE SURA FOUNDATION

↑ 11%
COP 18,641 million
(USD 6.32 million)

An external performance evaluation was also performed on the Board of Directors by the firm AT Kearney, producing outstanding results, which have been made available on Grupo SURA's website. It is worth noting that our Board of Directors is made up and chaired mainly by independent members. The Board also met on 19 occasions in 2017, with an attendance rate of 98%.

As previously mentioned, as a holding company, we must strengthen and extend the Corporate Governance System to the other companies belonging to the SURA Financial Conglomerate, pursuant to that stipulated in Law 1870 of 2017, which was introduced as a result of Colombia being admitted to the Organization for Economic Cooperation and Development (OECD).

For Grupo SURA and its subsidiaries, social outreach initiatives lie at the heart of our corporate responsibility. In this regard, and during the past year, the SURA Foundation made a real difference to the lives of more than 180 thousand people, by investing a total of COP 18,641 million (USD 6.3 million) for a year-on-year increase of 11%. The Foundation extended its presence from 25 to 32 Departments in Colombia, in addition to expanding its reach to countries such as El Salvador and starting up its initial operations in Chile and Mexico.

In any case, education continues to be the central focus of the Foundation's social investment strategy. In Colombia, this strategic focus on culture and education was evident through projects such as "Memory and Creativity: the Indigenous En-

terprise", which concentrated on the marketing of more than 500 different handicrafts made by in 11 communities belonging to 10 ethnic groups. Also, the coverage of the Foundation's banner education program for peaceful co-existence, called Felix and Susana, was also expanded in Bogotá, with the capital's District Council providing co-financing for this initiative. We are also very pleased to learn that Ms. Astrid López, a teacher with the Felix and Susana program, received a Colombia 2020 award for the classroom experience she provides with regard to teaching peaceful co-existence.

It was also enormously gratifying to see that 3,576 of our employees came together simultaneously in 10 countries for two whole days of volunteer work, as part of an unprecedented initiative for driving the quality of basic education.

LEGAL MATTERS AND CONTROL ARCHITECTURE

Grupo SURA's Corporate Internal Auditing staff carried out their annual work plan, as approved by the Audit and Finance Committee, and reported on the progress made during the course of 2017. This work plan essentially revolved around the self-control and self-management mechanisms defined and implemented by the Company, which in turn are aligned with the standards that form part of the COSO 2013 - International Internal Control Framework drawn up by the Committee of Sponsoring Organizations of the Treadway Commission- and COBIT 5 - Framework for the Governance and Management of Enterprise Information Technologies, Auditing Practices issued by the

Institute of Internal Auditors (IIA) and the definitions contained in the good governance practices issued as part of Colombia's Country Code.

In order to continue working in coordination with the internal auditing areas of our subsidiaries, we have laid on various means to increase the exchange of information and thus strengthen our synergies and provide a more comprehensive overview of the auditing function. Examples of this include the Corporate Internal Auditing Committees, the roundtables organized by different areas of expertise as relating to the internal auditing function as well as carrying out cross-cutting audits. Upon extending this initiative to our subsidiaries according to the agreed schedules, no material impairment was incurred that could have affected the effectiveness of the Business Group's Internal Control System.

Likewise, as part of the audits performed on the Group's Internal Control System, the level of maturity of the Control Architecture was updated, based on the components and principles defined in the COSO 2013 framework. The findings thus obtained were shared with the different areas so as to be able to continue enhancing Grupo SURA's Control Architecture.

As an additional measure, the Company's functional areas have continued to develop self-control mechanisms through self-assessment guides, which contribute to strengthening the control environment and activities, risk management, communication and monitoring.

In 2017, the findings of the work carried out by the Internal Auditing staff as well as the Statutory Auditing firm were presented to Grupo SURA's Audit Committee, whereupon recommendations were made aimed at strengthening the Group's Control Architecture. As a result, Senior Management drew up action plans with the persons responsible for such as well the corresponding implementation dates, and these are subject to periodic follow-ups on the part of Grupo SURA's Internal Auditing staff.

As part of the evaluation conducted on the Company's Internal Control System, although room for improvement was found, no shortfalls or weaknesses were discovered that could materially affect the Company's Control Architecture.

As for the Company's legal matters, Senior Management hereby states that it has faithfully complied with all applicable intellectual property and copyright legislation, both in terms of its products and the software used for its normal day-to-day running. Also, the use of its brands and distinctive symbols have been duly registered before the corresponding authorities.

Furthermore, and pursuant to that provided by Law 1676 of 2013, the Company hereby states that did not obstruct the free circulation of invoices as issued by its vendors or suppliers.

102-15 CONVERTING CHALLENGES INTO OPPORTUNITIES

Based on new learnings, capabilities, advances and strategic decisions that have allowed us to tread a sustainable path to growth in 2017, we focused our attention on the challenges

being posed throughout Latin America, particularly in the industries to which we belong. This has led us to implement a more proactive attitude towards transforming challenges into opportunities and creating added value for all our stakeholders.

In terms of the region's current situation, we must take full and timely advantage of the gradual improvements seen with overall macroeconomic conditions and the restoring of consumer confidence in the face of external shocks. This shall be key to gaining greater market penetration - which continues quite low - with our financial services and also for risk rating agencies to take a more favorable view of the markets in which we are present.

However, there shall be a certain amount of political uncertainty in several countries, due to new presidential elections in Brazil, Mexico and Colombia, which is precisely what happened in Chile in March 2018. These electoral proceedings are almost always preceded by growing social discontent, new cases of corruption being unmasked and manifestations of institutional weakness.

Therefore, expectations regarding the outcome of a series of necessary reforms that remain pending shall also lead to a certain amount of legal uncertainty and affect business and investment performance throughout the region.

In particular, pension systems still face challenges in gaining greater coverage, efficiency and sustainability, while discussions continue to be held regarding the adjustments required for enhancing retirement and social

security conditions for the Latin American population. Regulatory changes have already been ushered in in El Salvador, Uruguay and Argentina, and headway is being made with reforms in Chile and Brazil, while this remains an issue of much electoral debate in Colombia it is expected to form part of the agenda of the next Government to be elected in Mexico.

This leads to the challenge of actively participating in these discussions, thereby placing our knowledge of the industry at the disposal of all those concerned, seeking more collaborative efforts between companies and the State, based on transparency and institutional respect, as well as demonstrating to the public the benefits of the role played by the private sector when it comes to strengthening the pension savings of the Latin American people and responding to their retirement expectations.

At the same time, although we have already gained a great deal of experience in operating both efficiently and profitably amid high levels of uncertainty, we must focus more on constantly monitoring the business environment, adapting to new realities, anticipating new trends and changes in our lines of business and strengthening our capabilities in the face of new competitors emerging in our financial services sector. It is for this reason that it shall be a priority for both Grupo SURA and its strategic investments to continue to develop and opportunely transform its operations based on new technologies and innovative business models that in turn drive our competitiveness and profitability. At the same time, we wish to continue creating greater added value for the solutions we are able to provide to our clients.

In order to turn these challenges into opportunities, we need to have a more in-depth knowledge of the people we attend and how their consumption patterns are evolving. In response to all of this, the Trend and Risk Management initiative that Suramericana has developed over the past couple of years, is becoming more robust and as a result the Company is more capable of reaching out in a timely and relevant fashion to different market segments, both current and potential

For its part, SURA Asset Management looks ahead to adapting its pension fund management models in the light of possible regulatory changes that may arise in different countries. At the same time, the Company continues to develop products, channels and business models to offer more relevant voluntary savings and investment options throughout the region, while consolidating itself as a platform for accessing the Latin American market for large-scale institutional investors with its asset management services catering to the corporate segment.

As for Bancolombia, after a challenging year in spite of which it was still able to continue with a good level of operating performance, its current priorities are to improve its lending indicators in Colombia, reinforce the operating model of its subsidiaries and in this way help the Bank extend its profit margins. It shall also continue to make headway with its digital banking initiative, remaining at the forefront of new solutions and channels, so as to boost its consolidated results.

Achieving a level of sustainability that is consistent with the aims of our current strategy necessarily involves us taking on the role as a holding company of encouraging a greater amount of articulation and integration between our different operations while forming internal and external alliances. At the same time, we must build upon a shared identity based on a corporate culture that encourages innovation and creativity at all levels of the Organization.

Finally, this report provides us with an ideal opportunity for acknowledging the efforts of each and every one of SURA's employees who have made it possible for us to attain the level of performance we are reporting for 2017, and who bring to bear their knowledge, experience and efforts on a day-to-day basis in facing the challenges going forward. In addition to our employees, we would also like to thank our shareholders, investors, as well as the millions of clients, suppliers and other stakeholders that have helped us with our strategic purpose of creating well-being and sustainable development and being genuinely committed to being socially useful companies for the Latin American people.

MANY THANKS TO YOU ALL,

Luis Fernando Alarcón Mantilla
CHAIRMAN OF THE BOARD OF DIRECTORS
Jaime Bermúdez Merizalde
VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

Carlos Antonio Espinosa Soto
Sergio Michelsen Jaramillo
Alejandro Piedrahita Borrero
Carlos Ignacio Gallego Palacio
Jorge Mario Velásquez Jaramillo

David Bojanini García
PRESIDENT GRUPO SURA

One of the priorities set for Grupo SURA and its core investments shall continue to be evolving and opportunely transforming our business operations, thanks to new technologies and innovative business models that are driving our competitiveness and profitability.

THE KEEPER OF SOULS

The God Quetzalcoatl bestowed on the Quetzal the gift of being the keeper of souls, a divine and solitary occupation; it was given a small body, covered with a rainbow cloak, because each man has been assigned a color. The Quetzal is only seen with his partner during the breeding season, when their cries become acute, as both male and female announce that all their beautiful blue eggs have hatched. It then returns to its former solitude, keeping watch from the branches of the trees, its green crest slowly moving this way and that as if rocked by the wind. When Tecún Umán was dying on the battlefield, he did not invoke the gods but rather the Quetzal, asking it never to forget his name. The bird landed on his body and drank his blood, the "God of the Air" while staining its chest red, as both a covenant and shield.

QUETZAL

Scientific name:	Pharomachrus mocinn
Class:	Birds
Family:	Trogonidae
Order:	Trogoniforms
Region:	Guatemala



03

KNOWLEDGE

KNOWLEDGE THE HOLISTIC UNDERS- TANDING OF OUR INDUSTRY

through a systematic analysis and overview of our environment and emerging trends. This also entails articulating our organizational information and learnings, so as to be able to improve upon the decisions we make. This makes it easier for us to plan ahead, continue being sustainable and remain relevant over time in fulfilling our aspiration.

It is crucial for our companies to be able to observe, understand and know their environments so as to be able to plan ahead and prepare for the upcoming disruptions and in so doing achieve a real change.

103-1

It is crucial for our companies to be able to observe, understand and know their environments so as to be able to plan ahead and prepare for the upcoming disruptions and in so doing achieve a real change. In this respect, being about to truly understand and know our clients shall allow us to move ahead and opportunely meet consumer needs.

This is why the ability to observe and learn are important organizational capacities that shall enable Grupo SURA to move forward with drawing up strategic pillars aimed at meeting the challenges posed with its corporate purpose of generating wellbeing and sustainable development for people, organizations and society at large.

In order to build knowledge as an organizational capacity, the Company has worked on the following two fronts:

- Developing in-house knowledge, through an Observatory that was recently set up for this purpose.
- Risk and Trend Management

This initiative is created to identify, observe, define, study, map, analyze and monitor current trends and events. An in-depth look at the topics chosen leads to make connections, which in turn, facilitates discovering opportunities, defining postures on different issues, and making better decisions. Below are the subjects prioritized, beginning with:

- 1 Socioeconomic, cultural, political and demographic changes particularly in all those countries where Grupo SURA is present.
2. New scientific and technological advances, with a special focus on the largest global innovation cen-

ters. Detecting new business models, players and non-traditional competitors, while understanding their important role in emerging economies.

3. Greater knowledge of what makes humans tick, their needs, habits and behavior patterns. Data analysis is allowing us to carry out more precise segmentation in this regard.
4. Understanding the financial services industry and the changes that are affecting it, from an ecosystemic standpoint, thus allowing us to gauge how our clients are positioned in all of this while providing a more comprehensive analysis of the environment itself.

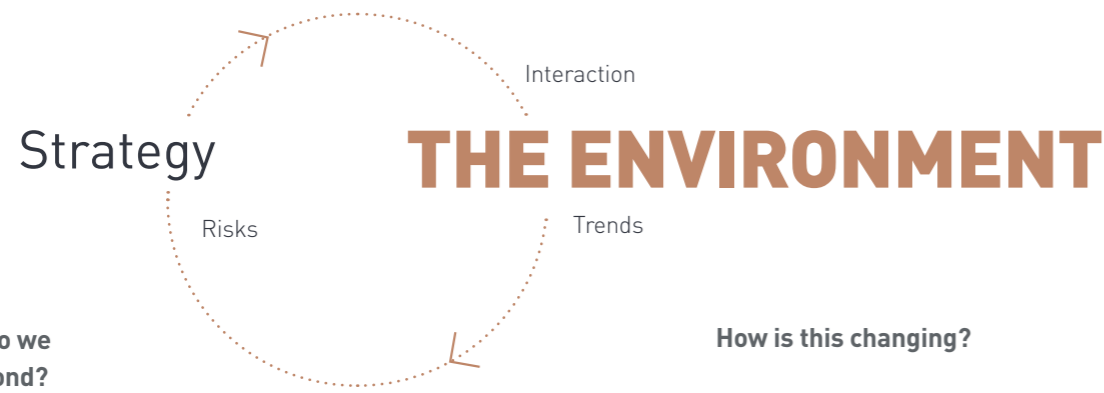
We are also taking into account how the former borders are coming down in our industry and the way financial services interact with political, economic and social actors.

As part of the work carried out by the Observatory in 2017 Grupo SURA made significant progress with researching the implications of digital transformation and the risks and opportunities that the digital economy is currently offering. We also drew up a comprehensive study on the financial services industry, which included historical aspects, competitor analysis, main risks, interaction with other ecosystems, the mapping out of consumer trends and identifying new business models, among others.

The following topics were addressed:

- Blockchain, one of the main technologies used for transferring assets.
- Opportunities of the corporate offices to support all companies in their portfolio to create greater value.

UNA MANERA DE ADMINISTRAR



How do we respond?

How is this changing?

- Striking a balance between the purpose and execution of our corporate strategy and analyzing how this is perceived by our stakeholders.
- Analysis of future job market scenarios.
- Challenges facing pension systems and the asset management business.
- Reflections concerning the insurance business, and its new realities and trends.
- Value and profitability management striking a balance between growth and profitability.
- Reputation, the result of fulfilling our value promise.
- Sustainable Development Goals (SDG): their implementation in Colombia and how they relate to Grupo SURA.
- Digital economy: an analysis of its impact on our core investments.
- The economic environment and the changes introduced by the latest structural tax reform.

cision-making, as well as providing valuable elements to be considered for our review of our strategic planning, which was carried out in 2017.

RISK AND TREND MANAGEMENT

In order to draw up a comprehensive strategy in this regard, it is important to understand the fundamental factors of our business and how the environment, current trends and risks as well as people's behavior determine the way in which companies operate and evolve over time. Performing an overview that takes into account the latest trends and risks allow companies to detect where opportunities are for greater competitiveness and sustainability in a world that is changing at an unprecedented rate.

In conjunction with the Board of Directors, Senior Management and different Company areas, we carried out an exercise aimed at identifying current trends and obtaining a more in-depth grasp of the strategic risks involved.

Trend identification:

Trend and Risk Management (TRM) methodology designed by Surameri-

cana classifies all those trends that have the potential to affect the Organization's ability to attain its strategic goals in three separate categories:

Strategic Risk Management

An articulated analysis was carried out on the strategic trends and risks that were detected. We drilled down on the definitions and categories of the risks detected, as well as the interaction between trends and risks as a tool for prioritizing these and gauging their interconnection.

Grupo SURA faces the challenge of drilling down on identified trends and gauging their impact and connection with the strategic risks detected, so as to continue identifying all those opportunities to be had with regard to driving our ongoing competitiveness and sustainability.

Knowledge allows organizations to gain a better understanding of the world and how they interact with today's business environment. Being a dynamic concept, in constant flux, we need to provide the opportunity for people to exchange ideas and debate the fundamental issues of such as

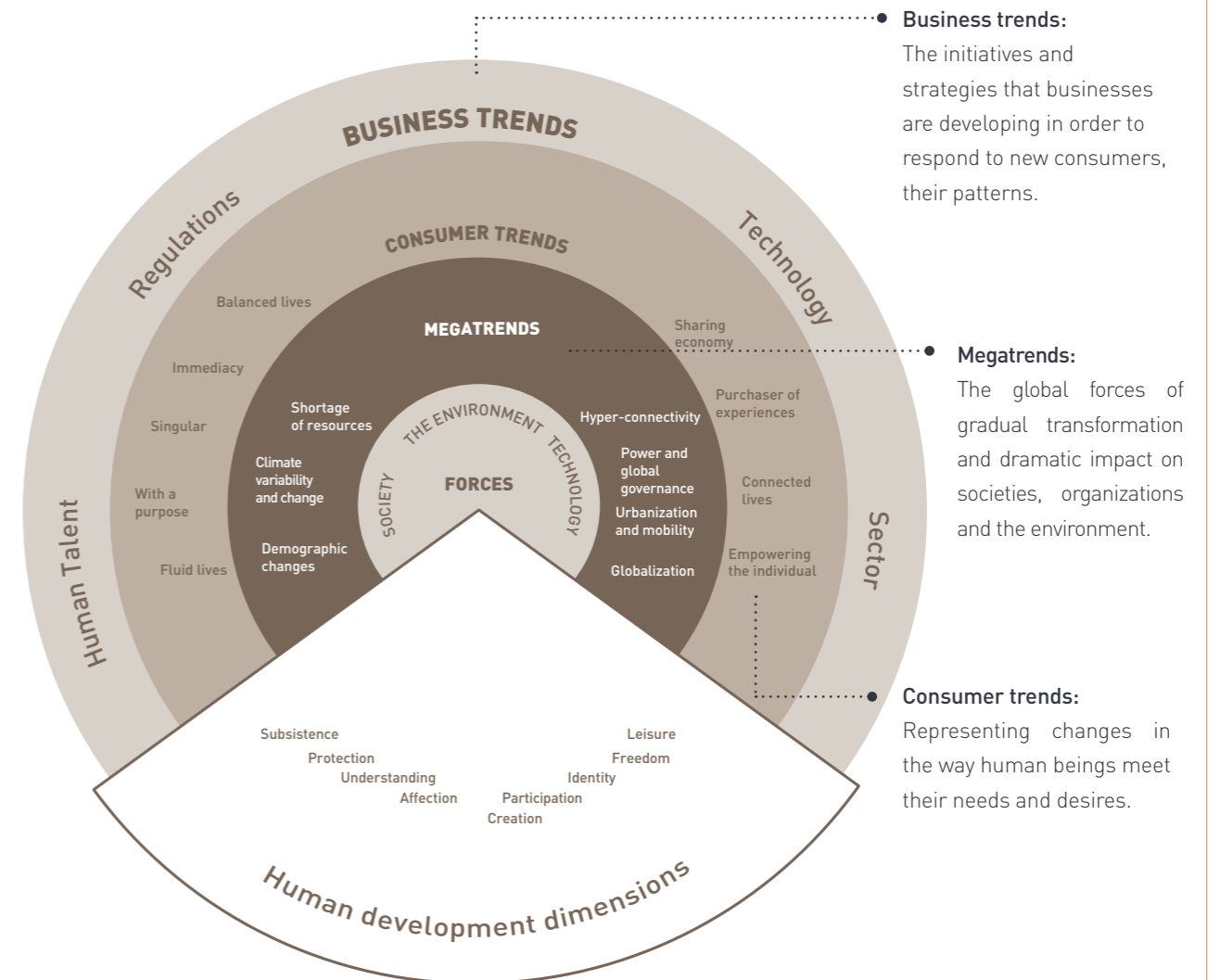
Likewise, more specific studies were carried out for the purpose of strengthening our analysis of various strategic issues that could affect our de-

to be able to take our knowledge to another level. But beyond that, we as a Company, must overcome the obstacles encountered in encouraging a knowledge-based culture. Organized observation of our environment is not enough since true knowledge can only be obtained through trial and error. It is essential that we create a culture willing to experiment, that is tolerant of the mistakes eventually made and that constantly measures its performance, which shall allow us to make the necessary adjustments for better decision making.

“WHAT WE KNOW IS A DROP, WHAT WE DON'T KNOW IS AN OCEAN”..

Isaac Newton

TREND AND RISK MANAGEMENT METHODOLOGY



Business trends:
The initiatives and strategies that businesses are developing in order to respond to new consumers, their patterns.

Megatrends:
The global forces of gradual transformation and dramatic impact on societies, organizations and the environment.

Consumer trends:
Representing changes in the way human beings meet their needs and desires.

RISK MANAGEMENT SYSTEM

For the SURA Business Group, being able to manage trends and risks is a determining factor in the way that the Companies interact with each other and are managed from the strategic, tactical and operating standpoints. This allows us to understand our environment and visualize the risks and opportunities that arise so as to be able to take measures to increase our competitiveness in a sustainable manner, preserve profitability and ensure long-term relationships with different stakeholder groups.

The Risk Management System allows for strategic, administrative and operating decisions to be made in order to create added value not just by maximizing revenues within low levels of tolerable risk, but also understanding global trends and the internal dynamics of the different subsidiaries. Similarly, appropriate control mechanisms have been designed and put into place, thus ensu-

ring the sustainability and continuity of the different lines of business over the long term.

It is important to understand that Grupo SURA, is exposed both to its own risks as a parent company, as well as those inherent to its different investments. This is why there are risk management guidelines firmly in place that allow the Companies to create added value as well as address the new challenges and opportunities of an ever-changing business environment.

The implementation of new risk management standards as well as the structuring and strengthening of the risk management teams at subsidiary level have been key factors in being able to consolidate the recently acquired companies,

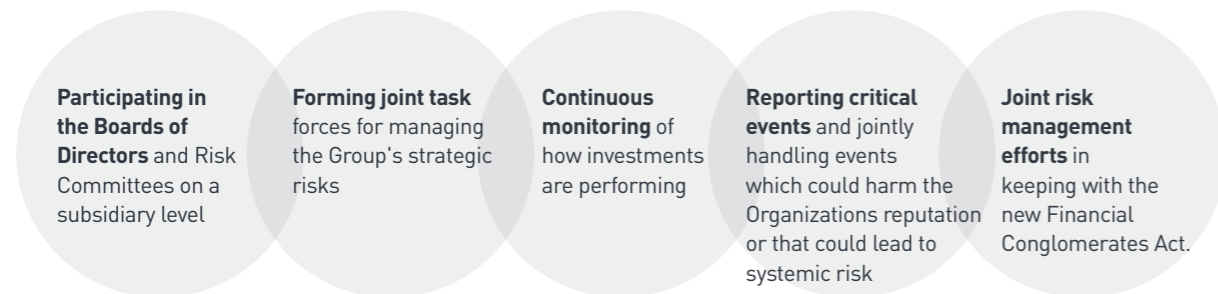
The risk management function as a Business Group requires both a governance and an organizational

structure that assigns specific and clearly-defined responsibilities to each area at a subsidiary level. The Boards of Directors and their Risk Committees are the highest governing bodies responsible for addressing the risks involved and providing guidelines to the various senior management teams who in turn must ensure compliance with the all applicable rules and regulations as well as the guidelines issued by the aforementioned governing bodies.

The following is the SURA Business Group's risk management framework. It is to be noted that the Companies that make up the SURA Financial Conglomerate shall be strengthening their interaction in terms of risk management, this based on new Colombian regulations that were issued in 2017 with regard to the new Financial Conglomerates Act that shall enter into full force and effect in 2018.

GRUPO SURA RISKS + INVESTMENT RISKS

Means of interaction:



1. Identifying risk 2. Analyzing and assessing risk 3. Treating risk 4. Monitoring and reporting risk

Strategic risks are internal, external events and trends that could create a positive or negative change to the expected trajectory of creating added value and impacting sustainability. These are inherent to a Company's strategy its assumptions and attributes.

The following common factors are highlighted with regard to managing risk as a Business Group:

- Adequate knowledge and understanding of the environment, trends and risks so as to assist with the main challenges that our Companies currently face or shall inevitably face in the future.
- An overview of the connections between the different risks and trends, in order to understand the impact on the Company as a whole as well as to prioritize the handling of such.
- The introduction of a new way of seeing risks when it comes to decision making.
- Evaluating and monitoring risks using models, metrics and qualitative analysis so as to provide a greater range of elements on which our decisions are to be based.
- Permanent monitoring of current and emerging risks. Emerging risks are those that are new or that have grown out of existing risks, that originate in current trends and are difficult for the Organization to understand. These risks can be included in an existing risk category or conversely a new category specially created for this purpose.
- Fluid and permanent communications between Companies regarding the status of the risks they face and their handling.
- Joint efforts between the Companies belonging to the Business Group so as to devise new initiatives to manage strategic risks.

THE STRATEGIC RISKS FACING THE BUSINESS GROUP

In 2017, the Business Group conti-

nued to work on handling strategic risks, especially with regard to how these interact with each other so as to be able to prioritize those having the greatest impact and their connection with the main trends detected. This exercise carried out at the same time as we reviewed our strategic planning last year. This update allowed our Companies to have a more robust risk management system in place thereby helping to articulate the following objectives:

- Challenging the strategy and suggesting any necessary changes and adjustments to such.
- Converting risks into business opportunities and competitive advantages
- Coordinating and articulating the handling of contagion risks that could affect the Group's companies
- Providing opportune information to the Boards of Directors in order to be able to anticipate events that could well pose a risk.

The diagram shown on the next page illustrates the confluence of the strategic risks faced by the Business Group, connecting up and drilling down on the findings of the strategic risk exercises carried out as a Business Group as well as those carried out by each Company, this within the framework of a detailed trend and risk management exercise while identifying the fundamental elements of our financial business.

FOCUS ON GROUP RISKS

Conglomerate risk

This refers to situations and trends that prevent us from continuing to provide added value, due to the nature of the Sura Business Group. This

risk is handled mainly by articulating a response to systemic or contagion risk, maintaining transparent reporting and strengthening relationships with our investors, as well as harnessing synergies for achieving greater efficiencies and providing a comprehensive range of services.

Corporate governance

One of the mainstays that allows Companies to create added value and inspire trust in a sustainable manner is to provide the utmost clarity with regard to standards, practices, governing bodies as well as administrative and decision-making processes. In this sense, the SURA Business Group has put into place an adequate Ethics and Corporate Governance

System, based on corporate principles that in turn provide guidance on how we establish relationships and make our decisions. Due to the importance of this element, the Company constantly reports on the Ethics and Corporate Governance System and stages training programs in this respect so as to be able articulate and strengthen all those elements contained in said System.

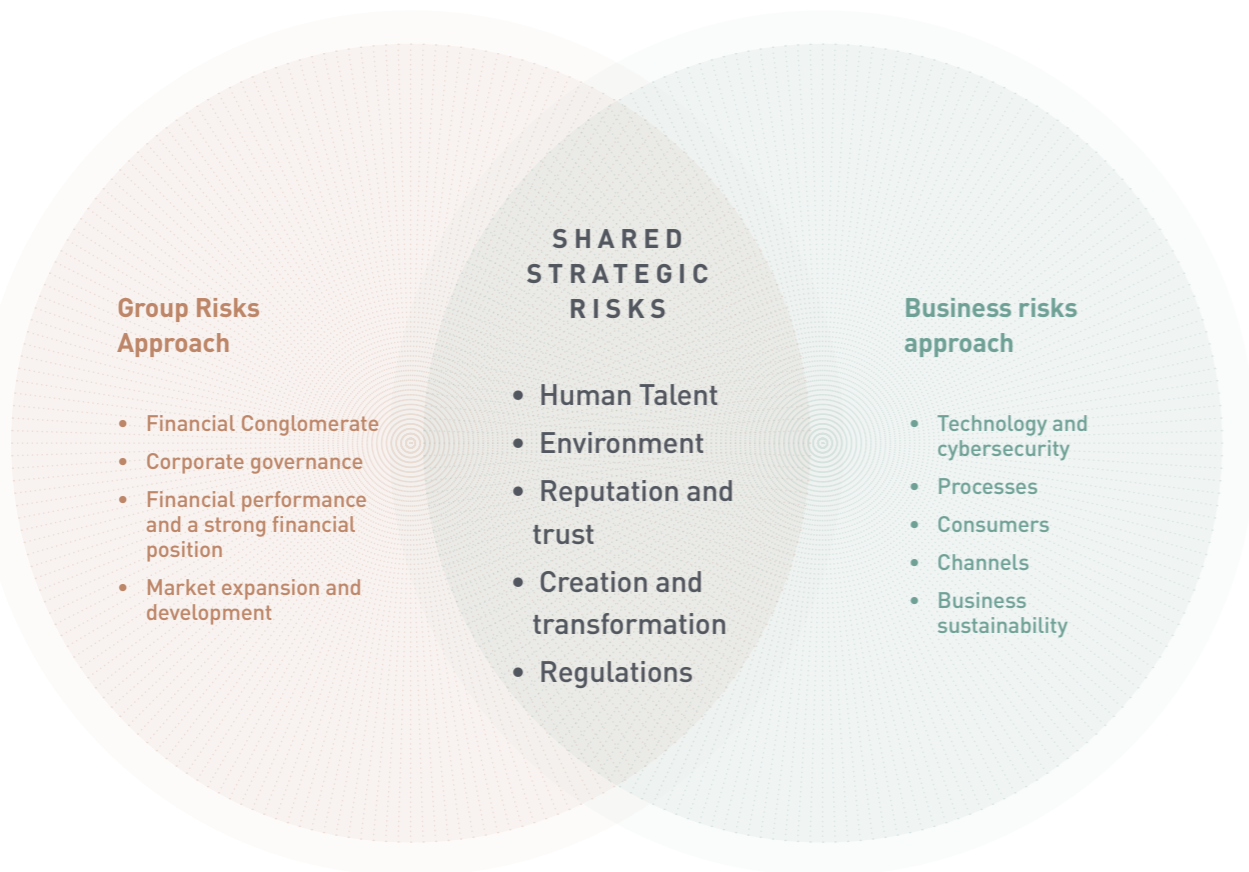
Financial performance

This refers to having a strong financial position, adequate capital structures, and sufficient solvency and resources to fulfill our financial obligations and continue with the expansion and profitability plans of our different companies. Each company has developed

and standardized its individual systems in order to monitor their investment performance, capital structure and risk exposure vis-à-vis the corresponding financial variables.

Market expansion and development Given the status of their business plans and their organic and inorganic expansion, our Companies are exposed to certain risky situations in the light of their integration and growth. In this regard, two important transactions were carried out in 2017: SURA Asset Management sold its annuity business in Peru to Intercorp Financial Services and Suramericana acquired the life insurance business of SURA Asset Management in Mexico.

CONVERGING STRATEGIC RISKS FOR THE BUSINESS GROUP AS A WHOLE



COMMON STRATEGIC RISKS

Reputation and brand management:

The Companies belonging to the SURA Business Group are exposed to certain situations and trends that could alter the perception that certain stakeholder groups have of us with regard to our reputation and brand recognition. Our efforts in this respect are channeled through a system aligning our different Companies, in order to respond to all those events that could affect our positioning and perception that our stakeholders have of us.

Human talent and culture

In order to respond to risks regarding our business environment and maintain our competitiveness, our human talent must be able to adapt and opportunely react to change and have the required skills on both a personal and technical level to face the new challenges as well as to develop a strategy to enhance the Business Group's cultural identity. In this respect, our companies have focused their efforts on furthering knowledge management, developing employee skill sets as well as honing their attraction and retention strategies, as ways to dealing with the challenges arising in terms of our ongoing growth and business sustainability.

Regulations

Since they operate in highly regulated sectors, the Companies belonging to the Group often have to address situations and trends produced by a dynamic regulatory environment that could entail significant changes to their different lines of business. In order to manage this type of situations, there are internal governing bodies in

charge of monitoring new regulations and trends in this matter, thus ensuring our regulatory compliance.

Business environment

As a Latin American Business Group, our companies are exposed to situations within their local business environments that could well have an impact on their business performance, especially in all those countries where we are present. For this reason, each company has a specially designated area or department that constantly monitors changes to the economic environment as well as the financial markets, and geopolitical events. This facilitates our efforts to detect risks and opportunities that allow for better decisions to be made regarding capital allocation and the development of specific initiatives within each Company.

Business creation and transformation

One way to ensure the sustainability of our Companies and help create added value is to develop their skills and capability to anticipate new solutions and scenarios as well as face new trends. We are working on creating innovative business models and initiatives so as to detect differentiating factors and drivers of change in our different industries, as well as identify new business opportunities and ways of engaging with our clients, this for the purpose of continuing to create added value in a sustainable fashion.

FOCUS ON BUSINESS RISKS

Technology and cybersecurity

This is based on the importance of having access to and appropriately

using technology that enables us to fulfill our corporate strategy. Consequently, any situation that could affect the client's experience and trust in the Company due to possible cyber and technological risks is handled in a timely manner.

Processes

Here it is necessary to have a flexible operating model and be able to come up with a swift and appropriate response in order to meet our strategic objectives.

Consumers

This is all about knowing and understanding the needs of our clients and what represents true added value for them, this in order to plan ahead and offer the appropriate solutions in a timely manner so as to meet their expectations.

Channels

In order to create added value for our clients, we have provided appropriate access to make ourselves available to our clients wherever, however and whenever we are required.

Business sustainability at individual company level

These risks corresponding to activities carried out by our core investments in the insurance, asset management and banking sectors. In order to deal with these risks, our Companies have Comprehensive Risk Management Systems firmly in place, these based on the policy guidelines issued by the Business Group.

ADVANCES IN HANDLING INTERNAL RISKS AT INDIVIDUAL COMPANY LEVEL»

The most significant risks to which our Companies have been exposed over the last year are analyzed, taking into account the characteristics, complexity and size of their respective lines of business, as well as particularities of all those countries where these are present.

GRUPO SURA - AS PARENT COMPANY

Progress was made in strengthening the Group's Internal Risk Management System. Our efforts in 2017 were largely confined to the following fronts:

- From the business continuity standpoint, we drew up a project aimed at ensuring an adequate strategy that is fit for purpose along with procedures for dealing with events affecting our operations and business processes. Here, we identified the possible impact that could be caused so as to evaluate the processes offering the greatest risk in the event of any interruptions to our business operations. We also conducted a risk analysis so as to be able to identify the risks and possible scenarios that could affect our critical operating activities.
- We also defined our risk appetite so as to make it easier to our risk exposure and align the objectives of Grupo SURA with its risk profile. This also served as an input for assigning responsibilities and setting delegation levels.

With regard to the risk management function at subsidiary level, this is led

and executed by specialized areas, with sufficient knowledge and expertise, based on the nature of each business. Grupo SURA has put suitable interaction mechanisms in place so as to be able to monitor the Group's risk profile and the manner in which risk is handled.

SURAMERICANA

In 2017, we consolidated the risk management teams of staff at all those subsidiaries that joined Suramericana the previous year. This allowed for a greater, more holistic understanding of the risk profile behavior patterns to which this subsidiary is exposed. In this regard, we took into account a series of particular situations and business contexts while at the same time, our operations abroad made special effort to adjust and raise the level of maturity shown in handling relevant issues, so as to be able to adapt these to the Organization's risk appetites.

The Suramericana subsidiaries also carried out various exercises in order to identify relevant trends and strategic risks, for which they took into account their particular business context, their operating capacity, local market realities and, generally speaking, the situation of the country where they operate. The result of these exercises provided a crucial input for the strategic planning of these subsidiaries, which, in turn, determined their business planning, the project portfolio and the redesign of key processes at individual company level.

Furthermore, Suramericana carried out multiple initiatives in terms of risk management, the following being the main highlights:

The risk management function at subsidiary level is led and carried out by specialized teams of staff with the required knowledge and expertise based on the nature of each particular business.

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Operating risk

Risk policies. Policies for Comprehensive Risk Management, Business Continuity, Crisis Management and Reputational Risk, Prevention of Money Laundering and the Financing of Terrorism, Anti-Fraud and Anti-Corruption Measures and the Information Security Policy were approved by the Boards of Directors of each subsidiary, who also provided the guidelines to be followed on an internal level.

Process risks. We consolidated risk management controls for the Organization's more critical processes, in terms of operating efficiency, our client-centric focus client, regulatory compliance and adequate financial reporting.

Money Laundering and Terrorist Financing Risk: Our subsidiaries provided employee training plans in this respect as well as introduced improvements to some controls in order to implement new technology platforms that support their business transactions.

Preventing and detecting fraud and corruption. Consistent with the provisions of the corresponding policy we carried out activities for structuring and strengthening our anti-fraud and anti-corruption program so as to ensure a robust mitigation protocol and a swift response to potential internal situations. This program is being replicated amongst our different subsidiaries.

Reputational crisis and risk. Training programs were developed for internal staff in charge of managing this type of risk, this as part of our strate-

gy to strengthen the capabilities of all Suramericana's subsidiaries. Also, formal channels were laid on for reporting any type of abnormal situation that should occur in this respect. All Suramericana's subsidiaries set up their own Risk Mitigation Committees, except in the case of Brazil, which is to follow suit in 2018. These Committees are focused on identifying risk scenarios that could have an impact on the Company's reputation and reinforce subsidiary abilities to respond to such events.

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Technological risks. Understanding the role of technology in leveraging the Organization's strategy, a comprehensive assessment was carried out throughout the region in order to determine the status of this type of risk, as well as the effect this could have on the Organization's ability to achieve its strategic objectives, its operations as well as new project development. Risk management was also applied when evaluating technological tools and their projected implementation, which could represent a significant impact on the strategy or operations of both Suramericana and its subsidiaries.

Business continuity. Last year saw a series of natural disasters occurring throughout the region, and although these did not affect the operating performance of Suramericana's subsidiaries, they did test their ability to continue operating at the expected levels and opportunely cater to the needs not only of our clients, but of all stakeholder groups, including our employees and regulatory authorities. A diagnosis was also carried out at subsidiary level to fully assess the

level of maturity gained with regard to handling our Business Continuity as well as draw up the required action plans for the coming years.

Financial risk

Investment portfolio management. Progress was made in creating tools and methodologies to provide a comprehensive, efficient and timely handling of the risks relating to our portfolio investments, this in order to constantly monitor their structure and the way the credit, market and liquidity risks are evolving. Likewise, in order to continue implementing the Group's Assets and Liabilities Management System (ALM in English), we worked on building Internal Solvency Models for our different subsidiaries, with the exception of Brazil. In this way, we put into place a tool for periodically monitoring financial risks, based on the respective profile of our abilities, maintaining optimal portfolio structuring strategies and ensuring adequate pricing. This is based on a thorough understanding of the liabilities held by our different Companies as well as the investment alternatives offered on the different capital markets where Suramericana is present.

Credit Risk. In order to align the Organization's risk appetite, credit risk analyses were performed on new issuers and the quotas held with existing issuers were updated so as to ensure that our investment portfolios were structured based on the guidelines defined by the Group. In all those cases where the handling of our portfolios is outsourced, the different financial risks are constantly monitored in conjunction with the

corresponding investment portfolio management firms. Finally, and on a centralized level, we performed a constant monitoring of the sovereign risk inherent to each of the countries where Suramericana is present, and generally speaking, in each of the economies throughout the region along with the respective impact that this could have at individual company level.

Liquidity. Although the Company manages this type of risk in a comprehensive fashion, using the tools developed for our Asset and Liability Management (ALM) function, progress was made in building direct historical cash flows at company level and maintaining a constant monitoring over their cash and risk management functions. Progress was also made with developing new models to project more accurately our short-term cash position, thereby facilitating the cash management function at subsidiary level.

Reinsurance credit risk. We continued to work, on a centralized level, on conducting studies of the financial capacity of each of our reinsurers, and in so doing tending to the Company's credit risk and providing greater peace of mind with the third parties that help us with our insurance business. In Mexico, a Reinsurance Scorecard was deployed with the aim of evaluating potential losses in the case of any in compliance on the part of our reinsurance firms, as well as a new methodology for calculating impairment to client receivables, under the International Financial Reporting Standards (IFRS).

Asset impairment. We worked in

conjunction with our subsidiaries in 2017, to draw up methodologies for calculating impairment to our accounts receivable. This methodology came about as a result of an initiative taken by Grupo SURA in order to comply with IFRS 9 which came into full force and effect in 2018.

Technical risks

Internal solvency model and joint asset-liability management. An internal solvency model based on the Solvency II guidelines was deployed by all our subsidiaries, with the exception of Brazil where this is to be introduced in 2018. This capital model better reflects the risks to which the Company is exposed and shall be used as a tool for making risk-based decisions. This tool also serves to evaluate the aggregate effects of the risks to Suramericana's parent company as well as its subsidiaries, so as to impact the impact of this type of risk on the Group's equity position as a whole.

Reserve Risk Management. A system was implemented the purpose of which is to guarantee adequate levels of reserves that are calculated based on comprehensive information thereby enhancing the decision-making function. The Risk Management Department ensures that all those involved in this process are perfectly aligned and have a defined role.

Equity allocation. The Internal Solvency Model deployed in 2017, allowed several subsidiaries to allocate their assets to individual solutions, based on how much capital each one required, according to the level of risk inherent to each solution.

Efficient reinsurance frontier approach. An efficient reinsurance frontier model was drawn up for all countries where Suramericana is present, that allows us to understand the effect that different reinsurance alternatives have on risk and return. This model in turn allows us to pinpoint all those alternatives that provide the highest returns, given the level of risk defined by the Company's risk appetite.

This frontier also allows us to evaluate the total amount of capital that is required in order to subscribe an insurance portfolio, by adding the capital provided by the reinsurer and the insurer, thus ensuring the lowest possible amounts in order to provide the client with the most efficient solution in terms of transfer costs.

Lastly, audits were carried out in 2017 on our risk management systems, and, as a result, room for improvement was found and addressed and, today, action plans have been put in place to increase the system's level of maturity.

Main challenges

The challenges posed on a regional level in 2017 continue on our radar for 2018. The Organization is being called upon to prospectively manage the low growth rates obtained in some economies, which result in growing demands within the business environment with regard to transparency, innovation, sustainability and competitiveness. Structural reforms from the monetary, fiscal, social and economic standpoints are also on the legislative agenda for some countries within the region.

Grupo SURA has put adequate liaisoning mechanisms in place so as to be able to monitor the **Group's risk profile and the manner in which risk is handled.**

In that context, 2018 shall doubtlessly pose challenges for our risk management staff with regard to the operating aspects of each of our subsidiaries as well as well as the wider business environment in which they operate and apply their strategies. These challenges include:

- Regulatory progress with regard to risk management.
- Political and government changes throughout the region.
- Highly volatile economic environments.
- Changes in core technology platforms, both on a business and financial level.
- Trend and risk monitoring.
- Implementing delivered methodologies.
- Consolidating the regulatory requirements introduced by Solvency II at subsidiary level in Mexico and Chile.
- Strengthening the risk management culture in each of our subsidiaries.

SURA ASSET MANAGEMENT

Sura Asset Management's Risk Management model was further defined in 2017, based on the elements helping to create added value with its Internal Control System (SCI) and the articulation throughout the Company of its strategy, governance, structure, information, culture, methods, methodologies and processes, all underpinned by a common language. Progress was also made with identifying opportunities and weaknesses in all those countries where the Company is present, so as to be able to standardize the differences obtained as we endeavor to introduce this model on a Company-wide level.

SURA Asset Management is moving ahead with a project that is enabling its strategy with regard to its Internal Control System Architecture (ICSA). Its main objectives are: to strengthen its Internal Control System model; harness synergies existing between the Organization's different lines of defense and its existing processes; improve the visibility of the Company's risk exposure; and strengthen the Organization's culture in this respect, thereby inspiring greater trust on the part of our stakeholder groups.

Operating risks

The Company continued with its periodic risk level monitoring in 2017 as well as its handling of the operating risks to which its business is exposed, while managing and conducting follow-ups on all those plans aimed at addressing and resolving the findings and incidents thus detected. The Centers for Operating Risk Excellence continued to seek out synergies between the staff of our Corporate Headquarters, subsidiaries and associated companies. These are some of the main advances obtained.

Reputation Risk

Follow-ups were carried out at subsidiary level, and we worked on evaluating the risk of fraud on an individual process level, both at our Corporate Headquarters as well as on a subsidiary and associated company level. We employed risk matrices for this evaluation.

Business continuity. Based on the methodology approved by SURA Asset Management, last year we launched our business continuity program beginning with our Corporate

Headquarters and have maintained the activities and programs being implemented by each subsidiary, with these planning and executing tests that allow for this program to be updated and refreshed.

The Company's Mexican subsidiary suffered one of the main impacts occurring in this respect in 2017 namely the earthquake that rocked Mexico City; although one of the main buildings was lost, operations were almost completely restored in just a week, without any victims being reported. This led us to review our business continuity plans from other standpoints, considering this as a great learning opportunity for the rest of our subsidiaries who are exposed to the same type of natural disaster

Supplier risk. A methodology was deployed to control exposure to risks that could affect the Organization's ability to attain its goals, focusing on the analysis of supplier risk and the corresponding risk assessment so as to be able to standardize metrics and concepts at subsidiary level.

Technical and business risks

There was a greater focus last year on the Company's profitability and balance sheet, with various measures being taken including the following:

- Senior Management was provided assistance with evaluating the profitability of SURA Asset Management Strategic Projects.
- Tools and methodologies were developed to standardize the value metrics of the fund management as well as stock brokerage firms, in order to track the way in which added value is being created by

all those new Investment Savings and Asset Management lines of business, this as part of the wider strategic planning process.

- Methodologies, policies and tools were also drawn up for adopting IFRS 9 with regard to recognizing the expected loss on portfolios of financial assets measured at cost.
- The exhaustive work of standardizing and unifying concepts continued, with a focus on the profitability metrics of our Voluntary Savings products. We shall continue to stabilize the way in which parameters are calibrated and value metrics are calculated in 2018 so as to include these in the Company's monitoring program.
- Assistance was provided to all those leaders of Strategic Projects with assessing their Strategic Risks. One of the more relevant dimensions here is how to handle risk within the business' particular context and with a special focus on adapting our value-added offering to the needs of our clients.

Financial risk

SURA Asset Management and its subsidiaries manage and develop investment and savings products, and consequently they are exposed to the financial risk inherent to the assets in which investments are made. Therefore, SURA Asset Management imparts guidelines for its subsidiaries to establish governance structures and procedures for effectively handling this type of risk, which involves socio-environmental and corporate governance factors. Significant progress was made in the following areas in 2017.

With regard to their risk management functions, Grupo SURA's subsidiaries are faced with the challenge of evaluating the impact of regulatory and government changes due to take place in 2018 as well as the performance of the region's economies on their different lines of business.

Market Risk. An initiative called Eureka was structured, with the aim of centralizing the investment information pertaining to the portfolios managed by SURA Asset Management. A stress testing methodology was also developed, which simulates different economic scenarios for the purpose of analyzing their corresponding impact on investment portfolios (what if).

Credit Risk. The methodology developed by the Center of Excellence was revamped so as to provide a more in-depth analysis of issuer creditworthiness. The number of issuers analyzed using this new methodology increased.

Mutual Funds. A new index fund management evaluation model was created to allow the Company to evaluate in a much more specialized fashion the companies heavily investing in the different countries.

Alternative assets. The Center of Excellence for Alternative Assets was created, which is responsible for evaluating private equity, infrastructure and real estate investments. Although these types of assets help to diversify the Company's portfolios, they nevertheless require specialized evaluation teams given their complexity.

Asset Management Unit. The corresponding risk structure was drawn up, bearing in mind its processes, staff and governing bodies.

Investment quality. In addition to financial risks, environmental, social

and governance (ESG) factors are also duly monitored. These are important pillars to taken into account when making investment decisions since they seamlessly connect up with Grupo SURA's responsible investment policy. In keeping with Sura Asset Management's commitment to its business sustainability and its stakeholder engagement, in some cases potential investments in projects or controversial assets were turned down since they did not comply with basic ESG standards.

Main challenges

The challenges for managing Operating Stability Risk are focused on continuing to consolidate the supplier risk management function at individual company level, gaining a greater level of maturity with regard to fraud risk assessments, implementing the Governance, Risk and Compliance (GRC) tool for handling operating risk, as well as continuing to provide operating risk support for corporate projects.

Similarly, SURA Asset Management is developing a new methodology for classifying information assets, identifying the type of information that the Company has collected while at the same time guaranteeing its confidentiality, integrity and availability and providing proper protection through efficient controls. This is allowing Sura Asset Management to enhance its handling of physical and functional risks from a technological standpoint. This Company is also working on defining its corporate IT security model, which shall allow it to:

- Define its security governance function.
- Develop new information protection policies in keeping with the Company's digital transformation and evolution.
- Optimize its IT Risk Management Framework, identifying and correlating IT security risks, threats and vulnerabilities from the technological, cybersecurity and information security standpoints.
- Define processes and indicators for identifying, preventing, detecting and addressing security events.

This shall have three effects: (i) to increase the level of maturity of its controls with regard to the operating aspects of the different processes carried out by the Company and the technology that underpins said processes; (ii) to help reduce the risk inherent to the use of information technologies that could be exacerbated by our digital transformation strategy; and (iii) to identify new risks, trends, emerging threats and vulnerabilities, threat agents and attack vectors to which the organization is constantly exposed.

SURA Asset Management has continued with its efforts in terms of continuous improvement, reinforcing the commitment of its different lines of defense so as to be able to take up positions and make decisions in support of its technological and information risk management function.

THE JUNGLE PENDULUM

You can see the Torogoz huddled in the hollow of a tree, as if it were trying to hide. They say that he likes to be alone, although he behaves like the most generous and attentive of parents with his offspring; and his idea of family has indeed attracted the greatest praise. What is not usually talked about is the fact that the Torogoz looks for a remote hole in a tree in the middle of the jungle which it turns into a type of clock tower, which is why they call it "the clock bird" since the pendular movement of its tail indicates where to go to shelter from the rain and warns of changes in the weather, mudslides, droughts and rains; the Torogoz is quick to announce this news the instant the wind darkens the sky, even when the sun is at its zenith; he celebrates with his song when the full moon comes out at night with a throaty magical cwaanhoho sound; and this he repeats over and over again while swaying in sync with the leaves on the trees. So, we can safely conclude that its small size is indeed deceptive: since more than a watchman, the Torogoz relays the pulsations of the forest and everything that lives there.

TOROGOZ

Scientific name:	<i>Eumomota superciliosa</i>
Class:	Birds
Family:	Momotidae
Order:	Coraciiformes
Region:	El Salvador



04

INNOVATION AND ENTREPRENEURSHIP

MATERIAL ASPECTS:

Business development - Innovation

INNOVATION IS THE QUALITY OF BEING ABLE TO TRANSFORM EXISTING BUSINESS AND CREATE NEW BUSINESS AND PROCESSES FOR THE PURPOSE OF PROVIDING ADDED VALUE,

this based on an organizational culture that facilitates and encourages employees to build upon their skills and abilities, such as creativity and experimentation.

Entrepreneurship is the creation and investment in nascent companies and the acceleration of new companies that contribute to the sustainability of Grupo SURA's portfolio

Grupo SURA has mapped out the challenges, opportunities, strengths and risks facing the Company and designed a comprehensive innovation system, in order to further the Group's sustainability and enable it to respond quickly and effectively to changes in its business environment. For this reason, we must be

able to broaden our overall view of things so as to acquire a more global vision, since the changes occurring in faraway corners of the planet can move at great speed, breaking down borders and affecting industries, business models, customers, shareholders and economies in general.

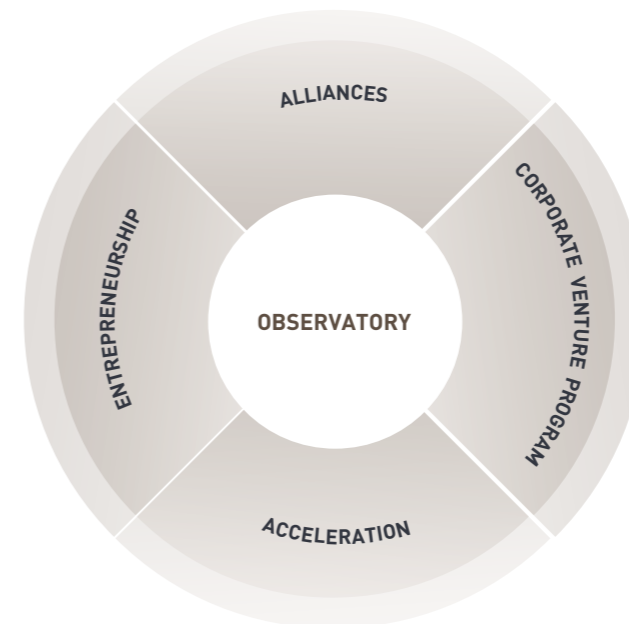
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Grupo SURA's Innovation System is based on a strategy aimed at setting up, developing and consolidating five interconnected platforms, thereby helping to acquire and/or create new companies or business models and systematically accelerate their growth. With that aim in mind, methodologies and techniques are learned and applied so as to be able to adequately manage all those risks associated with innovation, thereby increasing the probability of success. The purpose of this System is to connect up the individual innovation systems of all those Companies that belong to the SURA Business Group and encourage project development over the long term.

OBSERVATORY

Our Observatory lies at the heart of our innovation system and provides the opportunity for obtaining and

PLATFORMS PERTAINING TO OUR INNOVATION SYSTEM



Time horizons

HORIZON 1:

This relates to the Organization's core, usually mature businesses that are able to generate cash flow and encourage the skills required for developing new businesses. Here, short-term results are expected.

HORIZON 2:

This relates to growing businesses that require funding to accelerate their growth and reach Horizon # 1 in about 5 years. Here results are expected in the mid-term.

HORIZON 3:

This relates to the seeds sown for tomorrow's business; more than ideas, these consist of initiatives and projects where the minority shares held can be increased, alliances formed, pilot tests carried out, among other options. Generally-speaking, these carry substantial risk which is why in the case of many initiatives, results are seen after an approximate 10-year period.

INNOVATION SYSTEM FOCUS IN 2017

ENTREPRENEURSHIP

1. Introducing new companies to the portfolio.
2. Experimental culture
3. Detecting entrepreneurial in-house talent.

VENTURING PROGRAM

1. Introducing new companies to the portfolio.
2. Providing information on applied emerging technologies and non-traditional competitors.
3. Detecting entrepreneurial talent.
4. Enabling the transformation of the Group's Companies

ACCELERATION

1. Accelerating the growth of businesses in which we hold a share or have particular interests, or where we have identified substantial potential.
2. Conducting a first look at companies offering substantial potential.
3. Detecting entrepreneurial talent.

furthering our knowledge and capabilities which form an important differentiating factor for Grupo SURA and its investments. This mainstay has already been addressed in Chapter 3 of this Report. We include the following detailed information regarding the platforms on which major developments and advances were made during the last year.

CORPORATE VENTURING PROGRAM

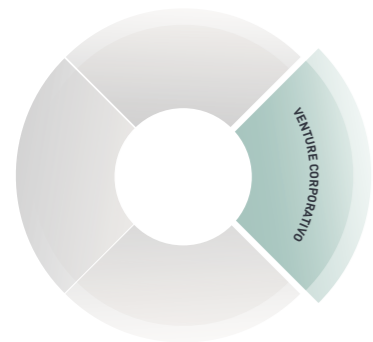
Our corporate venturing program, called **SURA Ventures**, continues to make great strides with its consolidation, in alliance with Veronorte, a firm specialized in managing this type of investment. This is an important platform for our Innovation System, since it serves as a lookout for identifying new applied technologies, new business models and emerging competitors.

Consequently, it provides Grupo SURA with a fresh take on the opportunities that are opening up today in the financial services industry, and the way new players are responding to the challenges posed by our environment. The other advantage this program offers is enabling and promoting significant

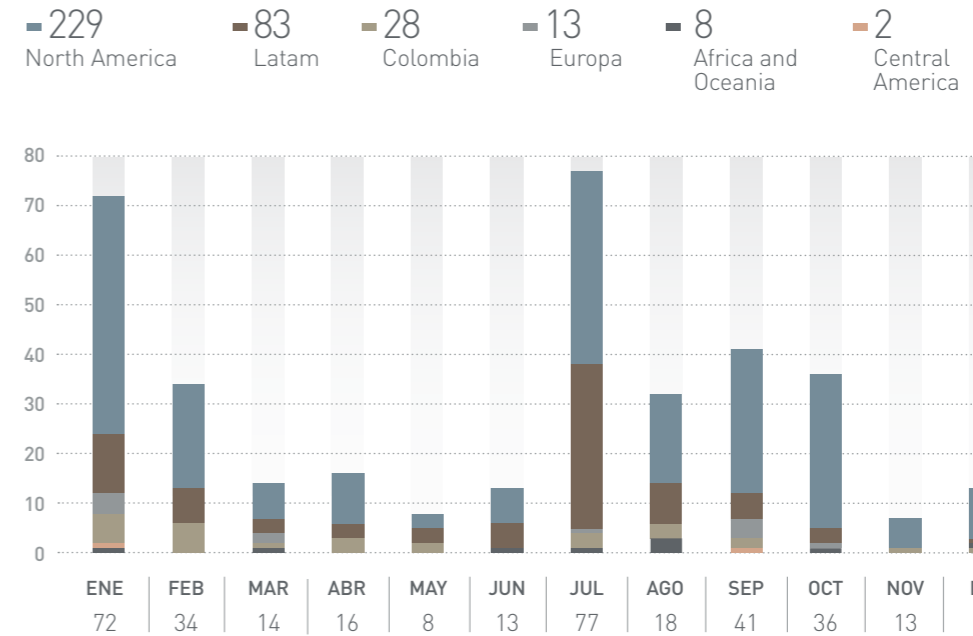
levels of transformation for Grupo SURA's different lines of businesses so as to ensure that they remain competitive and sustainable.

After identifying opportunities in our own particular industries, in 2017 we continued to invest in Companies showing substantial potential for innovation, transformation and exponential growth. These opportunities were identified in the different countries where the Group is present, mainly those offering mature innovation systems. This is allowing Grupo SURA to focus on the business of the future, enabling and speeding up the pace at which our Companies are transforming their strategic investment portfolios.

Over this last year, at total of 363 opportunities were evaluated in more than 18 countries, 5 of which were included in the SURA Ventures portfolio, as discussed later on in this Chapter. 155 other companies are in the pipeline, some at later stages than others, based on the financing initiatives that have been deployed in search of investors, as illustrated on the next page.



COMPANIES ANALYZED BY SURA VENTURES IN 2017

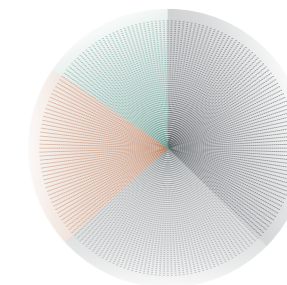


363
Companies analyzed

- 221 discarded
- 95 companies of interest
- 20 leads
- 2 en espera
- 5 on hold

BREAKDOWN OF COMPANIES BEING EVALUATED

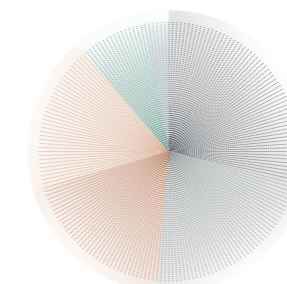
BY SECTOR



155 companies in total

- 58 Fintech
- 40 B2B
- 33 Insurtech
- 24 Healthtech

BY FINANCING STAGE



155 companies in total

- 50 Series A
- 30 Series B
- 24 Seed/Angel
- 20 Serie C
- 19 Seed/VC
- 9 Serie D
- 3 Serie E

With the help of this platform and its wider Innovation System, Grupo SURA is positioning itself on a global scale as one of the most significant corporate venturing programs in Latin America, thus ensuring a constant stream high quality business, as well as a better positioning and more attractive conditions for companies pursuing potential alliances.

As a result, progress is being made in developing new organizational capabilities for the Company to become a desirable investor, these include (i) broadening its field of vision, by interacting with non-traditional companies outside the countries where the Business Group operates today; (ii) increasing our investment horizon; and (iii) incorporating elements of systemic change in our current business model.

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As part of this process, we have been able to consolidate a network of partners in different countries, who are helping us to identify investment opportunities in our main sectors of interest, all leveraged by new technology solution development: fintech (financial services), insurtech (insurance) and healthtech (health). Grupo SURA has invested a total of USD 22.1 million in a venture capital fund as well as in 8 new companies of the past two years, five of which received funding in 2017 namely Clover, MoneyLion, Driver, Pager and Trov. The benefits of SURA Ventures. This program provides important feedback for

our Observatory, helping us to appreciate first-hand how other companies are using technology to generate new business models and identify some of the tools that Grupo SURA's strategic investments could well use to drive their business transformation.

SURA Ventures also serves as a window for identifying, in advance and at an early stage, emerging and less visible competition, so that alliances can be formed to facilitate our business evolution. From this first-hand, applied perspective, we identified certain models that can be adapted to the needs of our clients and business environment in all those countries where the SURA Business Group operates, as well as form new companies as part of the parent company's intrapreneurship program called E3 or the innovation laboratories of each individual Company.

Another notable highlight in 2017 was having built up a network of partners who are able to provide us access to the best business ventures. The fact that we have hooked up with the most representative venture capital funds in the world is also enhancing our vision of the future, through the exchange of different points of view regarding current and emerging trends and how these are shaping the future of the financial services industry.

Grupo SURA has a network of 67 funds around the world that are also constantly monitoring the business

environment, so as to identify all those companies that offer substantial disruptive potential and are able to come up with value-added solutions. In this regard, the SURA Ventures program is recognized within this network for its serious commitment, in-depth analyses, rigorous processes, reciprocal relationships as well as the caliber of the companies that form its portfolio.

Ultimately the greatest strategic value to be obtained from this program shall be the ability to receive and transfer knowledge to the Companies that make up the SURA Business Group, along with new and important technologies and business models that are capable of making a real difference, thereby helping to drive a constant pace of evolution.

Grupo SURA has invested a total of USD 22.1 million in this program's venture capital fund as well as in 8 other companies over the last two years, five of these investments having been completed in 2017.

SURA VENTURES INVESTMENT PORTFOLIO PERFORMANCE



INVESTMENTS CARRIED OUT IN 2017

Clover ●

A US health insurance company focused on improving the health of its patients while reducing operating costs. Its clients are aged 65 and over, who suffer from chronic disease.

Clover offers an advanced analytical framework allowing for a more prevention-based model while offering an outstanding user experience, a culture of continuous improvement based on experimentation, as well as the ability to make informed decisions regarding patient management based on real-time information.

Driver*

This US health care technology company based in San Francisco, created a platform for developing different cancer treatments and optimizing access to such. Its first business model has to do with a marketplace, since it boasts a platform that connects up and empowers cancer patients to get to know what the best treatments are and, in turn, allows the pharmaceutical industry to find the right type of patient in order to perform clinical tests and obtain regulatory approvals for new medications and treatments.

The Company's on-going business plans include the later deployment of a collaboration model with pharmaceutical companies for the purpose of developing precision medicine.

trōv

This insurtech offers an insurance platform on demand, which provides insurance for objects by micro-moments in a simple and transparent fashion. Its offering is underpinned by technology that allows the Company to adjust its risk based on people's behavior patterns. It also offers a solution for insurance companies, which consists of making available its technological platform that offers insurance on demand to the final consumer with its own brand of insurers.

MoneyLion ●●

This company has developed a personal finance management platform with marketing, sales, financial product management and an in-depth knowledge of the client. This is underpinned by a personal finance management application, which collects data that is later examined using the latest technology and advanced analytical models so as to optimize the client's financial management capabilities, analyze their respective risk profiles, develop tailored products and recommend different financial instruments, according to their corresponding profiles.

In the United States, it offers its services directly to people who register their bank accounts with MoneyLion for the purpose of receiving loans, financial product recommendations from third parties and strengthening MoneyLion's analytical platform. At the same time, the Company provides its platform to banks in other countries under its own brand.

pager

This health care technology company operates in the United States and offers a platform based on artificial intelligence, mobile and web applications, and a network of MDs, in order to digitally and remotely manage the patient's relationship with the health system (insurers, clinics and professional doctors). This makes it easier for patients to navigate the health care system and gain access to health services in a cost-effective fashion, avoiding intermediaries and having to enter the system through emergency rooms when this is not at all necessary.

The greatest strategic value offered by SURA Ventures lies with its ability to receive and transfer knowledge so that **Grupo SURA's Companies may apply important new technologies and business models**, so as to make a real difference and help drive their growth.

INVESTMENTS CARRIED OUT IN 2016

Acsendo ●●●

This Colombian "software as a service" company (SAAS) allows Latin American companies to manage, evaluate and quantify the performance of their staff in order to increase their effectiveness for which a targeted evaluation program can be implemented in order to interpret the findings obtained.

alkanza ●●

This US fintech based in Silicon Valley, California, develops robo-advisory software for structuring and managing financial portfolios using advanced statistical techniques, numerical methods, computation and artificial intelligence.

LendingHome ●

This US technology company based in San Francisco has developed a digital marketplace, focused on serving the North American mortgage market. This company offers tailor-made products (mortgage loans) using a fast, efficient and transparent design process.

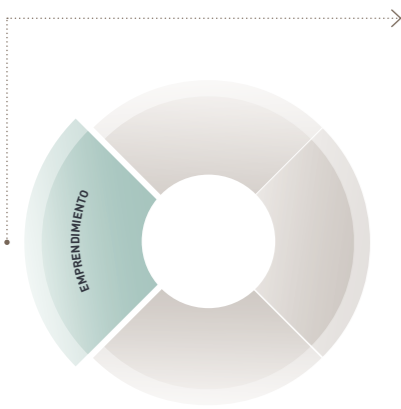
BOLD | CAPITAL PARTNERS

This venture capital fund is managed by Peter Diamandis, a co-founder of the Singularity University. This fund focuses on technology companies that are still at an early stage of growth but are led by entrepreneurs who are able to create solutions for solving humanity's greatest challenges, this based on exponential technologies.

VALUABLE CONTACTS THROUGH SURA VENTURES



The companies that form part of SURA Ventures are holding conversations with strategic investments in order to identify possible value-added relationships. To date, we have formed alliances with two of these, which in the space of less than a year are providing the Company with a stream of revenues.



ENTREPRENEURSHIP AND NEW BUSINESS

Some of the major cross-cutting challenges that face the financial services industry today, regardless of their geographical location, include (i) being able to provide access to the system, that is to say, being able to configure an inclusive system; (ii) continuing to inspire trust, which can be eroded when going from a centralized entity to networks; and (iii) bringing down high transaction costs, due to the systems on which these entities conduct safe operations.

This has led to more and more companies deciding to create a real disruption within the industry. For this reason, Grupo SURA offers added value in many of the solutions it provides in order to resolve basic and universal problems, through the more mature innovation ecosystems that are being examined by SURA Ventures and at our observatory, as platforms for its Innovation System.

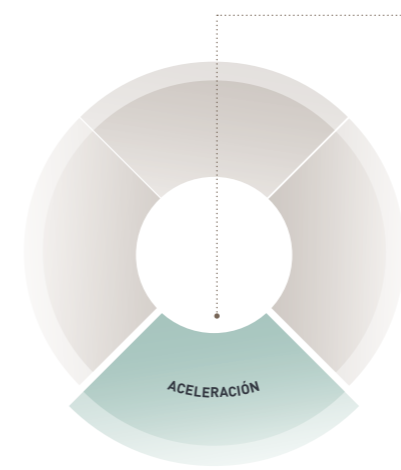
These business models and new solutions represent a clear opportunity upon being adapted to the particular characteristics of the environments in which the Organization's business units operate. This in turn provides feedback for the intrapreneurship program and challenges us to adapt models and truly "own" our technology, based on an in-depth knowledge of market realities, while creating new businesses with Grupo SURA's back-office support, know-how and networking capabilities.

In this regard, the E3 program is an initiative that began during the second half of 2017 bringing together some of the best human talent that the Organization has to offer for the purpose of building new lines of business for the Company.

After an open, in-house call for submissions, the E3 program got off to a good start by selecting 12 of Grupo SURA's top employees from the standpoint of job excellence, innovative thinking and entrepreneurial potential, with the approval of their direct superiors.

This team received training from international experts, where they learned to overcome mental biases, demonstrate leadership, drill down on innovation methodologies, new business models, fintechs, design and user experience, as well as evaluating and investing in new business ventures, all of which are vital tools for creating new projects. These team members dedicate one day a week (20% of their time) to working on creating new business within the Group.

At the same time, E3 serves as a platform for experimentation where hypotheses are explored and tested and the corresponding prototypes are constructed. The team is governed by rules different from those of the rest of the Organization, since they have more opportunity for making mistakes and learning from these, thereby allowing them to perceive risk from a different angle. This initiative is currently responsible for several projects addressing issues such as inclusion, financial education, disintermediation, among others, work on these is scheduled to continue in 2018.



ACCELERATION PROGRAM

We made substantial headway in 2017 drawing up Grupo SURA's Acceleration program, the purpose of which is to boost the growth of all those businesses that are of interest to us or that offer substantial potential, this at an early stage. This is the last component implemented by our Innovation System since it allows us to take a first look at companies offering substantial potential and detect entrepreneurial talent which we need to support the Company's Entrepreneurship program.

In order to create added value and boost growth, we have helped all those companies that form part of the SURA Ventures portfolio to enter into conversations with the Group's strategic investments, with a view to accelerating new growth in the form of opening new markets in Latin America. This in turn is aimed at forming alliances and taking advantage of new business opportunities.

The Acceleration program is also helping Grupo SURA to become an important player with regard to innovation in Latin America as well as scaling down to subsidiary level all those initiatives offering the greatest potential down, this being one of its more pressing challenges. Thus, by connecting up the incubation systems of each individual company, Grupo SURA shall help by going that "last mile" in creating spin-offs, which in turn shall enhance the entrepreneurship ecosystem both in Colombia and the rest of Latin America.

INNOVATION AND ENTREPRENEURSHIP AT SUBSIDIARY LEVEL

Suramericana

Suramericana's strategic vision and business planning are firmly grounded in its Trend and Risk Management program which is allowing the Company to detect new opportunities, assess strategic risks and, through a systematic analysis of consumer behavior patterns and identify all those trends or risks that could have the greatest impact on our clients.

Understanding that a trend that is ignored could well turn into a risk and that a monitored trend can fast become an opportunity, innovation is clearly the next step to be taken on the basis of a trend and risk management assessment. This premise must be upheld in everything the Company does, that is to say, by all areas of the business and must involve all its employees.

Here all the Group's subsidiaries conducted Trend and Risk Management assessments in 2017, which resulted in improved processes and new solutions, as well as better detecting changes in the subsidiary's business environment, thereby taking innovation one step further. The following is a brief description to the initiatives carried out and the progress made by Suramericana's subsidiaries in different parts of Latin America.

Suramericana shall be consolidating its Trends and Risk Management function in 2018 as a guiding and enabling driver of innovation in all those countries where it is present.

Argentina. Last year this subsidiary invested in co-creating initiatives, this being understood as multidisciplinary efforts for a kick-off project that was subsequently carried out for developing a telematic platform for expanding digital tools to be used by both the Company and its clients. This platform is expected to be launched in March 2018.

Brazil. An agreement was reached with HSM, a knowledge platform that serves as a bridge between the global stage and the local reality in driving the Company's performance from an innovation standpoint. This subsidiary was also actively involved in insuretech forums and workshops and even hooked up with Amazon in order to provide cloud services.

Chile. Suramericana's subsidiary in this part of the world decided to create four solutions that can be entirely managed on-line through Direct Channel; one of these solutions is a road/vehicle insurance payable per kilometer, which incorporates technology and product adaptation. Seguros SURA Chile also invested in its own mobile app to support all solutions offered to its clients.

Colombia. The Suralab innovation lab continued to expand in 2017 when a total of seven projects were launched along with different training and innovation programs for both employees and the public at large, with the help of students, employees and outside partners.

El Salvador. A multidisciplinary team of staff was formed in May 2017, for the purpose of handling trends and risk. This team acts as investigators, observing the latest trends, drilling down on those that become more repetitive and analyzing these so as to determine the feasibility of proceeding further.

Panama. Solutions were created, defined and optimized, in order to meet the needs of our clients and enhance our operating processes.

Dominican Republic. Our innovation strategy in this part of the world is aimed at implementing strategies to improve our ability to serve our clients, including our help line and the online services offered on our website. Our short and mid-term plans in this respect including redesigning our website and introducing new innovative features such as online payments, on-line policy renewals and WhatsApp chats.

Uruguay. Investments were made in a telematics project in this country, thereby facilitating digital solutions and managing relationships with entities such as Uruguay's Chamber of Commerce, the Interactive Advertising Bureau (IAB), the Uruguayan Association of Insurance Companies (AUDEA in Spanish), and the Latin American Association of Maritime Underwriters (ALSUM in Spanish).

Challenges facing Suramericana

- To continue consolidating its Trend and Risk Management program to facilitate the innovation capabilities of its different subsidiaries, anticipating trends and achieving more effective solutions in keeping with client needs.
- To encourage and prioritize opportunities for our employees to think about and discuss the latest trends while launching initiatives aimed at allowing us to become more relevant and reach out to new client segments.
- To provide new channel access, based on the latest technology, that allows us to get closer to our clients, whenever, wherever and however we are required.
- To invite and consider different viewpoints when creating new solutions and services.
- To achieve greater acceptance, brand recordal and word-of-mouth recommendations by providing services and solutions that deliver greater levels of well-being, competitiveness and sustainability.

Sura Asset Management:

Colombia. Innovation was defined as an organizational priority as well as a strategic guideline for Protección S.A. Consequently, on October 1st, 2017, a team of staff was formed for the purpose of developing and articulating this organizational capacity, reporting directly to the Company's Chief Executive Officer.

In June 2017, Protección became the first company from the Colombian financial sector to obtain due certification from the Research, Development and Innovation Unit of Colciencias which is the Colombian Government's Department of Science, Technology and Innovation. It was also nominated for the awards given by the Colombian economic journal, Portafolio, specifically in the Innovation category. The following highlights include the practices, projects and outstanding achievements relating to innovation and new businesses:

- Project Scaling + Protección.
- The "Always Active" pilot project, in conjunction with Habitat, one of Grupo SURA's growing investments.
- The "We do it for you" pilot project, in conjunction with our partner ALKANZA, a company that forms part of the SURA Ventures portfolio.
- The REDI Project, in partnership with ARL SURA and Comfama, the Colombian Family Welfare Institution.
- Strengthening our innovation culture by designing and developing initiatives such as providing basic innovation training, staging the Innovation Movers program, holding a seminar on innovation tools as well as Protección's Second Annual Innovation Fair. Approval was obtained for the Innovation Movers program thereby obtaining access to tax benefits through the Colombian Government's Department of Science, Technology and Innovation (Colciencias) this consisting of a COP 385 million tax deduction for 2017.
- Drawing up intellectual property protocols for employees, universities and suppliers.

Mexico. The innovation strategy in this part of the world was deployed on two fronts: innovation or experimental cultu-

re, which includes initiatives for identifying innovation ambassadors and staging applied innovation workshops for addressing internal challenges; and an open innovation culture, which allows the innovation and entrepreneurship ecosystems to liaison with each other in identifying new business opportunities and providing more exposure through new forums. Several initiatives were carried out on both fronts in 2017 including:

- Creating a new innovation methodology, based on tools provided by different models that can be easily adapted and applied.
- The Coffee Brain forum was staged for more than 300 employees, to which experts from the innovation and entrepreneurship ecosystems were invited to discuss how new trends and new technologies are to be approached.
- The innovation and collaboration methodology was deployed among various areas and departments for the purpose of addressing internal challenges, which in turn gave rise to five incremental innovation projects. Approval was granted at these workshops for implementing three solutions that began with ideas from the prototype and evaluation stages with real users.

The SURA Acceleration Program: this platform was launched in June 2017, providing an opportunity for the entrepreneurship ecosystem to collaborate with SURA Asset Management Mexico in the joint solution of challenges associated with their businesses, through pilot projects staged for the purpose of evaluating their value offering, technology and integration capabilities. This program is a great source of innovation while creating the means for identifying

SURA Asset Management is concentrating on forming a **comprehensive vision of innovation** that facilitates the harnessing of synergies between all of its operations.

possible alliances for creating new businesses. More than 80 startups postulated when we first called for submissions, which produced 16 finalists, 6 of which were selected for subsequent execution with 5 of these already executed.

Finally, the feedback obtained from consultants and entities belonging to the entrepreneurship ecosystem evidences that the Company is pursuing a sound and clearly-defined innovation strategy while remaining open to new initiatives in this regard.

Challenges facing SURA Asset Management

- to maintain and enhance the effect that an experimental culture has on the Company's employees
- to implement the innovation projects resulting from the initiatives taken in 2017.
- To consolidate our comprehensive innovation vision on a regional level, taking into account the different initiatives being carried out at individual country level as well as facilitating the harnessing of synergies.
- To obtain a well-differentiated cultural identity along with an optimal communication channel for all that relating to innovation.

Entrepreneurial leaders in the "VUCAH" age

By Jay Rao
Special guest

The world has faced great changes since the end of the 70s: the opening of Chinese economy after the death of Mao; the rise of the Asian Tigers; the fall of the Berlin wall, the disappearance of the majority of the military juntas that previously dominated Latin America, the emergence of India on the world stage, the "WWW" technology, digitalization and mobile communications whose coverage extends across the entire world.

These changes have produced higher levels of VUCAH: Volatility, Uncertainty, Complexity, Ambiguity and Hyperconnectivity. VUCAH is phrase that was made popular by the former Secretary of Defense of the United States, Donald Rumsfeld, and Hyperconnectivity was later added by my colleague, Professor Anirudh Dhabar. VUCAH has created unique opportunities, but also many challenges. Companies that do not face these challenges pay the price.

Think of the Fortune 500 companies in the United States. Only 202 of the companies that appeared on this list in 1980 remained in 2000. Those that no longer were listed were either acquired, merged, or divided up. In the 60's, a Fortune 500 'Goliath' remained on this list for an average of 60 years. That number today has dropped to 15 years. Things are not so different outside the United States. The top 1000 global companies are disappearing faster than ever. In most cases, the old "Goliaths" of the business sector have been removed from power or dethroned by fast, flexible and enterprising "Davids" such as Amazon, Google, Facebook, Netflix, Alibaba, Xiaomi, Haier, Huawei, Micromax, Airbnb, Uber, Workday, Spotify and others. In Colombia, we have D1 and Tostao.

It is not that Kodak, Sony, Nokia, Blackberry, Blockbuster and Sharp have not been able to see into the future. Many had the right technologies and recognized the fundamental changes in consumer needs. They had abundant human and financial resources and worked hard to maintain their dominant market shares. And yet, they disappeared, why? Some resisted abandoning their outmoded business models that had served them so well and for such a long time. Others took a long time to make the transition from analog to digital, and some even fell prey to the arrogance and inaction of its leaders.

The VUCAH age needs a new kind of leader - an entrepreneurial leader (EL) - a person who thinks and acts like an entrepreneur. Conventional leaders are 'risk managers'. They focus on the existing business - keeping it productive and on track - keeping current customers happy, meeting sales and profit goals, and studying what the well-known competitors do. Risk is an important issue for these leaders because they have a lot to lose. But by focusing their shortsightedness on the risks to which their existing business is exposed, they lose sight of the future. ELs also keep a watchful eye on

their current business, as they should, but most of their attention is focused on what is after all an uncertain future.

Risk and uncertainty are fundamentally different. Risk refers to what is known and knowable, that is to say, current customers and competitors, current products and distribution channels, monthly production and sales figures, and today's technologies and business models. Risk management is fed with data from the past and uses historical data to calculate risk and make decisions. Spreadsheets, net present values, projections and analyses of potential situations are the preferred tools. Currently, there is no shortage of risk managers; any person who has a degree in business administration is prepared to tow this line.

Uncertainty, on the other hand, refers to the unknown: unidentified customers and competitors, unknown markets, immature technologies, new products and business models that have not as yet been tested, and for which there is no data. In the absence of data, uncertainty cannot be calculated. However, decisions must be made without the benefit of spreadsheets, the analysis of potential situations,

or other conventional tools. However, entrepreneurial leaders do make decisions and act.

What are the characteristics of entrepreneurial leaders? How do they differ from conventional leaders and risk managers? An EL can fit into any of the commonly accepted personality "types" inherent to a leader: charismatic, extroverted, thoughtful and discerning, transformative, transactional, heroic, and so on. These labels have very little value. Research has not shown any one of these types to be more effective than the others. However, we can safely say that ELs are cognitively ambidextrous, that is say they are both "risk managers" and "navigators of uncertainty".

ELs do not get bogged down by endless analyzes and bouts of indecision ("let's hope we get more data"). They are also pragmatic and able to change course when required. They know when to analyze and act (analytical thinking) and when to act first and then analyze (creative action). An EL understands that the traditional method of analyzing and then acting does not work well when the VUCAH levels are high. Instead, they apply the "act-learn-build" approach that successful innovators use, by applying quick and inexpensive experiments to test their hypotheses. And once they find the right formula, they scale it up or down quickly. For example, when three social entrepreneurs decided that they would improve the schooling of low-income children in Kenya back in 2008, they designed, tested, redesigned and re-tested several school prototypes in the poorest area of Nairobi. When they found the correct formula, they applied it on a large scale. By the end of 2017, Bridge International Academy was operating at total of 500 schools throughout Kenya and parts of Uganda.

Questioning the status quo

An EL understands that there is always a better way of doing absolutely anything. Their tireless search for improvements

inspires others to create and explore alternatives for "normal types of business." Where others see only obstacles, an EL sees new possibilities. Where others are cautious and seek certainty, ELs are able leave their comfort zone and squarely face ambiguity.

Take Fernando Fischmann, founder of Crystal Lagoons, based in Chile. Crystal Lagoons are enormous artificial bodies of fresh water, more than 200 times the size of Olympic swimming pools and, nevertheless, the clarity and purity of the water is maintained with less chemicals and filtration mechanisms than those required by traditional pools. The company had an unusual start. Fischmann had a large lagoon overflowing in the grounds of his property development complex. With the hope of being able to clean it up, he visited the top water management companies in the world, namely, GHD in Australia, Pacific Aquascape in California and Disney in Florida. They all said that water management had never been achieved on a scale such as he was imagining, and that what he wanted to do was probably impossible. Without losing heart, Fischmann spent almost three years seeking help. Since no help was forthcoming, he spent another four years doing his own laboratory experiments, failing frequently. But as ELs always do, he took responsibility for his failures, picked himself up, shook himself off and tried other approaches, until he finally succeeded.

Fischmann applied what he had learned in a small pool, and then to the large stagnant lagoon on his property. In the course of all this experimentation, he invented technologies, chemicals and systems that now use only 2% of the energy required for traditional pools.

Changing the competition and making a difference to society

As problem solvers, ELs bring fresh values to their clients and enhance the competitive position of their companies. Elon Musk knew that the cost of launching satellites and transporting cargo

Jay Rao

Dr. Rao is a professor at Babson University (Boston, United States) where he teaches the Executive Education program besides being an adviser and a business consultant. He is primarily focused on innovation and entrepreneurship, specifically from the standpoint of corporate innovation management, corporate entrepreneurship and innovation based on customer experience.

As problem solvers, Entrepreneurial Leaders bring fresh value to their clients while enhancing the competitive position of their companies

in space would be drastically reduced if multi-million dollar rockets could be recovered and reused instead of just allowing them to drop into the ocean never to be seen again. However, recovering booster rockets posed a daunting series of engineering problems: it had never been done and most people thought it was impossible to do. But the Musk SpaceX team accepted the challenge. After years of tackling the problems encountered and failing in the process, they finally managed to land the booster rockets back on the platforms from where they were first launched. The world was astonished at this feat and SpaceX fundamentally changed the economy of its industry, saving more than USD 60 million with each launch.

Pragmatic navigators

Like all good navigators, ELs are able to sail against the wind and changing currents. They are not married to their initial ideas or solutions. ELs are able to quickly modify or change their course. For example, Steve Kaufer's travel website, Travelocity, had a problematic start. In 2000, Kaufer created a search engine for travel sites or travel sections of entities such as Yahoo, AOL, and Lycos. His first client was the Lycos travel portal, with which he negotiated an agreement to split the profits from the advertising sold on the page. That strategy failed to provide enough revenue, and Travelocity was running out of funds. Kaufer switched to advertising banners on the Expedia travel site. He estimated that between 2% and 3% a click would provide the revenues he needed, but the percentage obtained at that time was just 0.3%. The future of Travelocity looked dark. Undaunted, he established links with hotels in specific cities and customers could use those links to directly make reservations. This provided an astonishing 15% a click and gave rise to a truly sustainable business model. Travelocity had succeeded!

Being able to spotlight opportunities

When spreadsheets are inadequate or insufficient to persuade investors, ELs

use prototypes to tell their stories. When Abby Speicher tried to raise money for her drone school on Shark Tank, a popular television program in the United States, she asked one of the program's resident investors to operate one of her drones. When he realized that there was more to this than meets the eye, he and the other investors recognized that flying drones - a fast-growing activity - was neither easy nor intuitive. Therefore, a school for drone operators seemed like an excellent opportunity. There and then, the entrepreneur Mark Cuban gave Speicher USD 300,000 for a 10% stake in her firm.

Creating opportunities for experimenting

Some ELs create work environments in which employees can, without fear or reprisals, share their ideas and information, observe, ask questions, experiment, fail, and succeed.

The 3M Corporation, based in Minnesota, learned the importance of this type of workplace decades ago. In 1948, the company's thought leader and business philosopher, William McKnight, introduced a policy known as the "15% rule," which allowed employees to devote 15% of their work time to explore and experiment with any project they chose. Since then, the 15% rule has led to many of the 22,000 patents that 3M has registered along with its leading products in the market, such as the well-known and profitable Post-It-Notes.

In 1950, Mervin Kelly of AT & T encouraged a test environment for innovation at Bell Labs, that reunited thinkers and doers under one single roof. He gathered a team of physicists, metallurgists and electrical engineers to work in difficult ways. Theoretical scientists worked side by side with the experimenters and the manufacturers. The result was a stream of inventions and innovations that changed the world: the transistor, the silicone solar cell, digital communication satellites, cellular telephony, and the 'C' and 'Unix' computer languages.

In the early 1970s, professors Ivan Sutherland and David Evans were already legends in the field of computer-generated graphics. They were pioneers in the fields of virtual reality, printer languages and virtual reality hardware. The Department of Computing at the University of Utah became a magnet for brilliant students, many of whom would later create important technologies and businesses: Ed Catmull, co-founder of Pixar; Alan Kay, who would later invent the Smalltalk language, that pioneered object-oriented programming; John Warnock, founder of Adobe Systems; and Jim Clark, founder of Silicon Graphics and Netscape. Sutherland and Evans had created an amazing "sandbox" for innovation. They gathered students with different interests and gave them a roof and computer access. With very little guidance, these students were allowed to develop what they were passionate about. This was where individual and collective creativity flourished and individual excellence was driven by passion. These joint achievements were the result of a wide range of thoughts and talents prevailing in that environment.

Lastly, ELs are models for others. Like Sutherland and Evans, they inspire new ways of thinking and acting, and in so doing, they encourage an entrepreneurial culture that fosters productive change and innovation from all those present. So, we can see how Ed Catmull was able to replicate the environment enjoyed by the IT Department of the UT, when he founded Pixar. Sergey Brin, Larry Page and

Eric Schmidt have done something very similar with Google.

ELs are born and made

To survive and prosper in the VUCAH world, the "Goliaths" of today's marketplace need more entrepreneurial leaders, not only at the top, but at all levels. A single person in a corporation, a division, a department, or even a team of staff, cannot see or act on every opportunity that presents itself when it comes to driving innovation and positive change. You need many eyes, many ideas, and many daring spirits.

Sadly, EL's are scarce. Few academic programs teach students to navigate uncertainty and behave like entrepreneurs. Most business schools produce risk managers who are good at 'running trains on schedule' but do little to extend the tracks into unexplored territory. Some people are lucky enough to be born with the skills and characteristics of an EL, but most are not. An EL's capabilities must be, for the most part, developed and cultivated.

The good news is that large companies are eager to develop the entrepreneurial talents of their employees. And despite what many believe, entrepreneurial leadership can be taught through practical projects for creating new businesses.

Entrepreneurial Leaders also keep a watchful eye on their current business, as they **should**, but most of their attention is focused on what is after all an uncertain future

Entrepreneurial Leaders inspire people to adopt new ways of thinking and doing.

ANOTHER SUN HIGH ABOVE

To call the Harpy Eagle, we only have to shout her name up into the sky over which she reigns. The Harpy Eagle uses her beak and claws to destroy and pierce the flesh; she can lift two or three times her own weight when she swoops down to hunt her prey only to continue her flight, as if she were the wind itself. She is admired for the care she takes of the balance reigning in the forest but is hated when she takes pets and farm animals; her feathers are a symbol of strength and protection that surround her body like an ancient aura, just like the one associated with the mythological Harpyies - an ever-vigilant female predator with the body of a bird and a human head.

However, it also has an American origin, in the Olmec and Chavin art, as well as with tribes such as the Huaoroni, which revered the Harpy Eagle as a God and whose power was a guarantee of victory in battle. Seeing her fly with her wings spread out, is to see another Sun, a promise of blood and strength, of control and cry.

HARPY EAGLE

Scientific name:	Harpia harpyja
Class:	Birds
Family:	Accipitridae
Order:	Accipitriformes
Region:	Panama



05

HUMAN TALENT AND CULTURE

MATERIAL ASPECTS

- Attracting, developing and retaining the best possible human talent
Occupational Health and Safety
Corporate culture

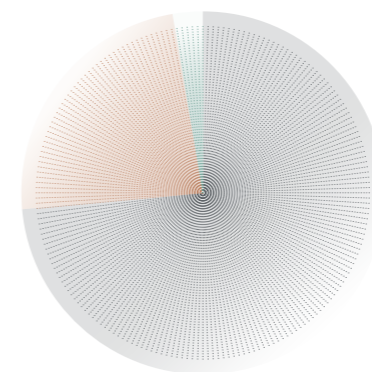
GREATER WELL-BEING AND SUSTAINABLE DEVELOPMENT BEGINS WITH OUR EMPLOYEES

For this reason, Grupo Sura considers its human talent is as one of the mainstays of its business. Companies are only able to pursue their corporate strategies and drive their business growth if their staff are fully aware of their responsibilities in terms of their own personal development and impact on others.

HEADCOUNT GROWTH FOR THE ENTIRE SURA BUSINESS GROUP

↑ 9.15%

BY JOB CATEGORY



- 73%
Employees in administrative positions
- 24%
Customer care personnel
- 3%
Interns or trainees

103-1 103-2

Our Organization's human talent function is firmly based on the individual, since right from the outset of the interview and selection process, we place a special focus on getting to know the candidate and this continues with periodic contacts, initiatives and projects involving our employees, throughout their service to the Organization.

Consequently, Grupo SURA's efforts are mainly aimed at furthering its human talent program based on personal development training. It is also aimed at maintaining an organizational culture that encourages competent teams of dedicated staff with the very best human qualities. Staff are coached in a variety of aspects including client satisfaction.

It is precisely our organizational culture, which is firmly based on our corporate principles of fairness, responsibility, respect and transparency, that is reflected in everything our employees do and decide for the benefit of our different lines of business. For this reason, we constantly stage educational initiatives that help our employees to understand and "own" our corporate culture.

Likewise, our ability to transform and consolidate our organizational culture directly depends on the caliber of our leaders. Year after year, the Organization invests in the furthering the human talent of our leaders on all levels. This is why we favor initiatives that allow them to get to know themselves better, develop their skills and in so doing strengthen the capabilities of their respective teams.

So as to ensure that we have sufficient human talent to allow us to grow and evolve as a Group, we conduct constant follow-ups on the latest global trends affecting industries, technology and consumers etc., this in order to adapt our processes accordingly. This makes it easier for us to build a sound and coherent employer branding based on Grupo SURA's value promise.

103-3

KEY FIGURES AT YEAR-END 2017

The following figures show the impact that Suramericana's geographic and market expansion has had on its headcount, especially over the last three years. For 2017, this subsidiary reported a 18.98% increase in its employee base

For its part, SURA Asset Management reduced its headcount last year as a result of various divestitures, particularly its annuity business in Peru. The following are just some of the more noteworthy figures in this regard:

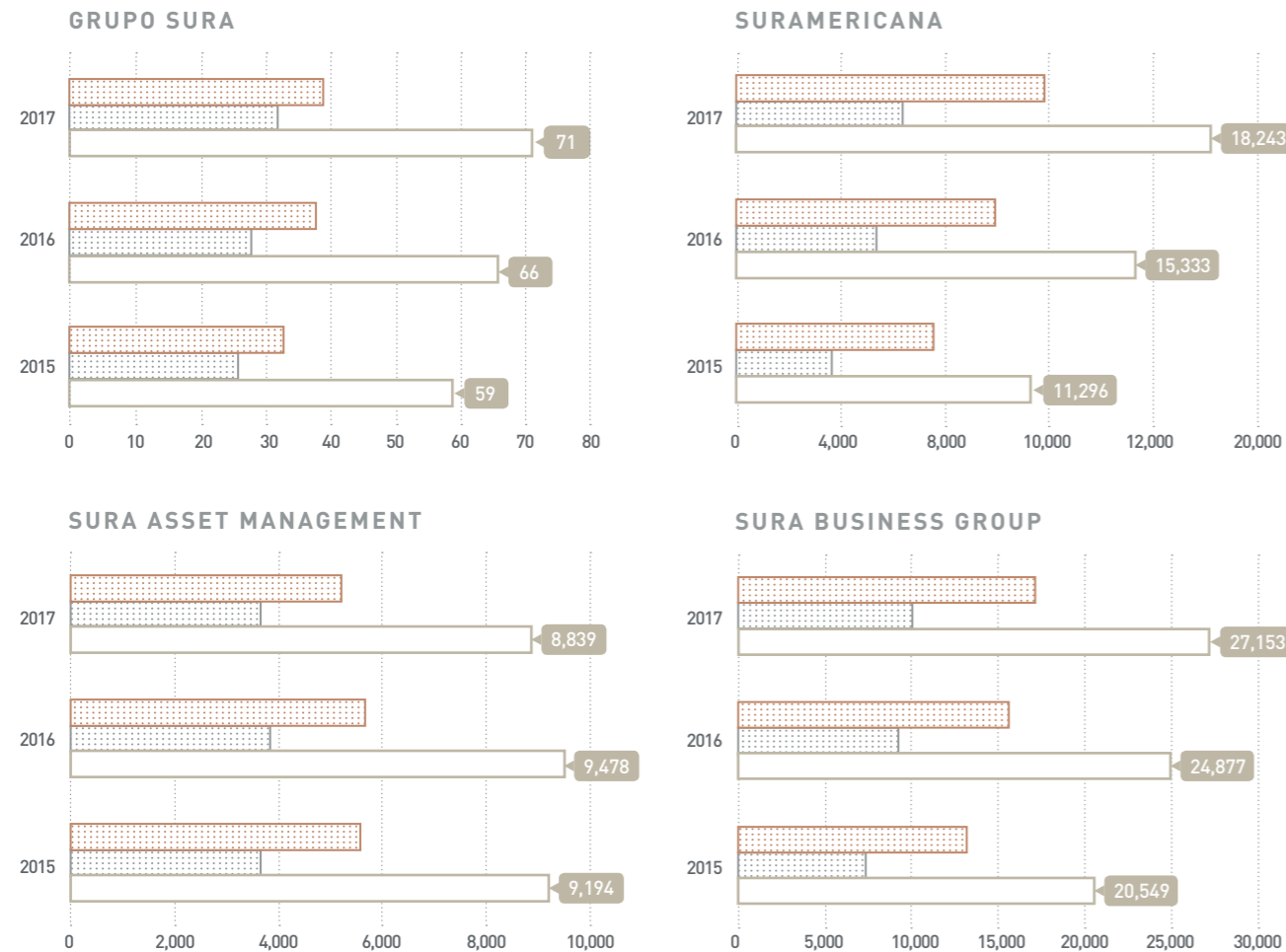
- In 2017, the total number of people employed by the SURA Business Group rose by 9.15%.
- 73.47% of the total number of employees work in administrative positions.
- 23.85% of the total employee base correspond to customer care personnel (who hold employment contracts with the Company).
- 2.69% of the total correspond to professional interns and trainees.

BREAKDOWN OF THE BUSINESS GROUP'S HEADCOUNT - 2017

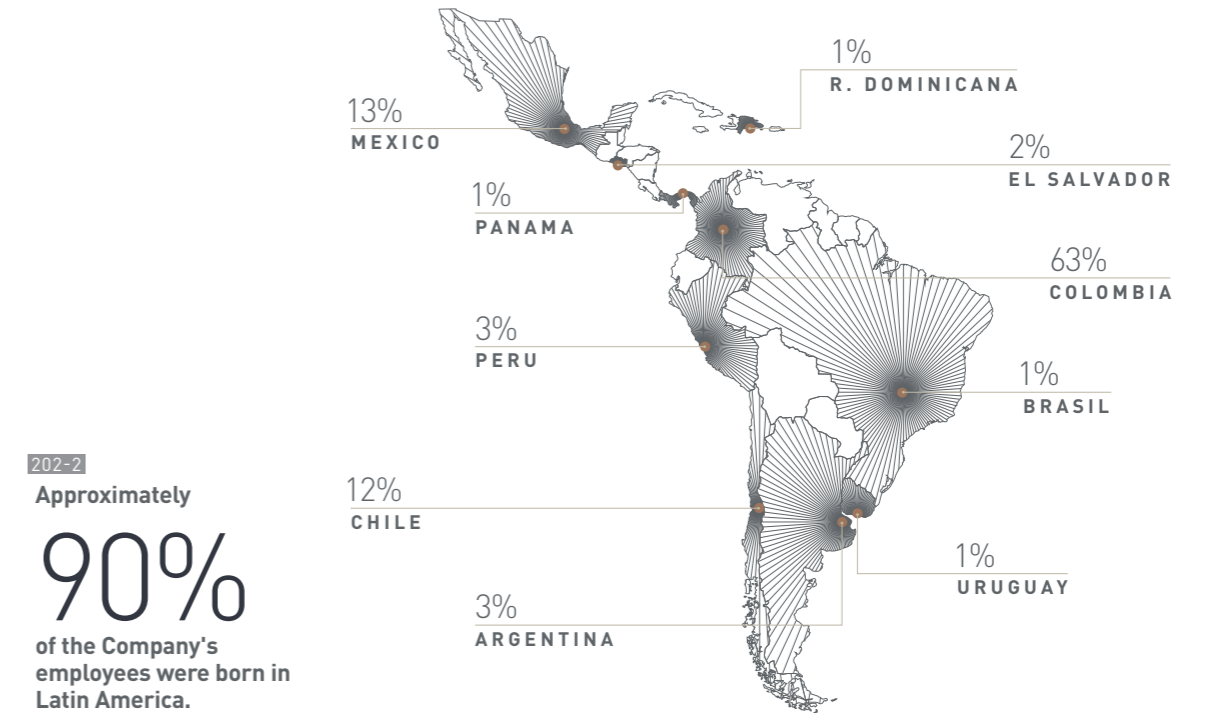
	GRUPO SURA		sura SEGUROS, TENDENCIAS Y RIESGOS		sura ASSET MANAGEMENT		YEAR-ON-YEAR CHANGE TO HEADCOUNT			
	Men	Women	Men	Women	Men	Women	Men	Women	TOTAL	%
Men	45%	35%	41%	37%	41%	37%	37%	63%		
Women	55%	65%	59%	63%	59%	63%	63%			
Administrative employees	31	38	5,514	10,294	1,776	2,295	7,321	12,627	19,948	73.47%
Customer care personnel	0	0	701	1,181	1,791	2,802	2,492	3,983	6,475	23.85%
Interns	1	0	38	32	51	62	90	94	184	0.68%
Trainees	0	1	159	324	17	45	176	370	546	2.01%
Total	32	39	6,412	11,831	3,635	5,204	10,079	17,074	27,153	100.00%

EVOLUCIÓN ANUAL EN EL NÚMERO DE EMPLEADOS

Mujeres Hombres Total



GEOGRAPHICAL BREAKDOWN OF THE SURA BUSINESS GROUP'S HEADCOUNT



202-2
 Approximately **90%** of the Company's employees were born in Latin America.

As a Multi-Latina group, SURA uses the cultural diversity of its employees as an opportunity to further its organizational practices. The Business Group employs people with 31 different

nationalities (from a total of 19 Latin American countries as well as from Germany, Australia, the United Kingdom, Spain, Holland, the United States, South Africa and Zaire.

PERCENTAGE OF EMPLOYEES BY HIERARCHICAL TIER

	2016	2017	2017	
			%	
Level 1: Corporate CEO, Local CEO and Corporate Senior Executive Officers	0.1%	0.1%	78.8%	21.2%
Level 2: Local Corporate Executive Officer, Auditor	0.4%	0.4%	76.2%	23.8%
Level 3: Manager, Assistant Manager	1.7%	1.8%	62.7%	37.3%
Tier 4: Assistant Manager, Office Manager, Manager, Department Head, Deputy Department Head	4.0%	4.0%	47.6%	52.4%
Tier 5: Section Head, Specialist, Supervisor, Coordinator	7.1%	7.1%	47.3%	52.7%
Tier 6: Analyst	48.8%	48.5%	38.0%	62.0%
Tier 7: Assistant, clerk	37.9%	38.1%	31.5%	68.5%
Total	100%	100%	37.2%	62.8%

*Distribución de los empleados en la estructura organizacional. Sin asesores comerciales.

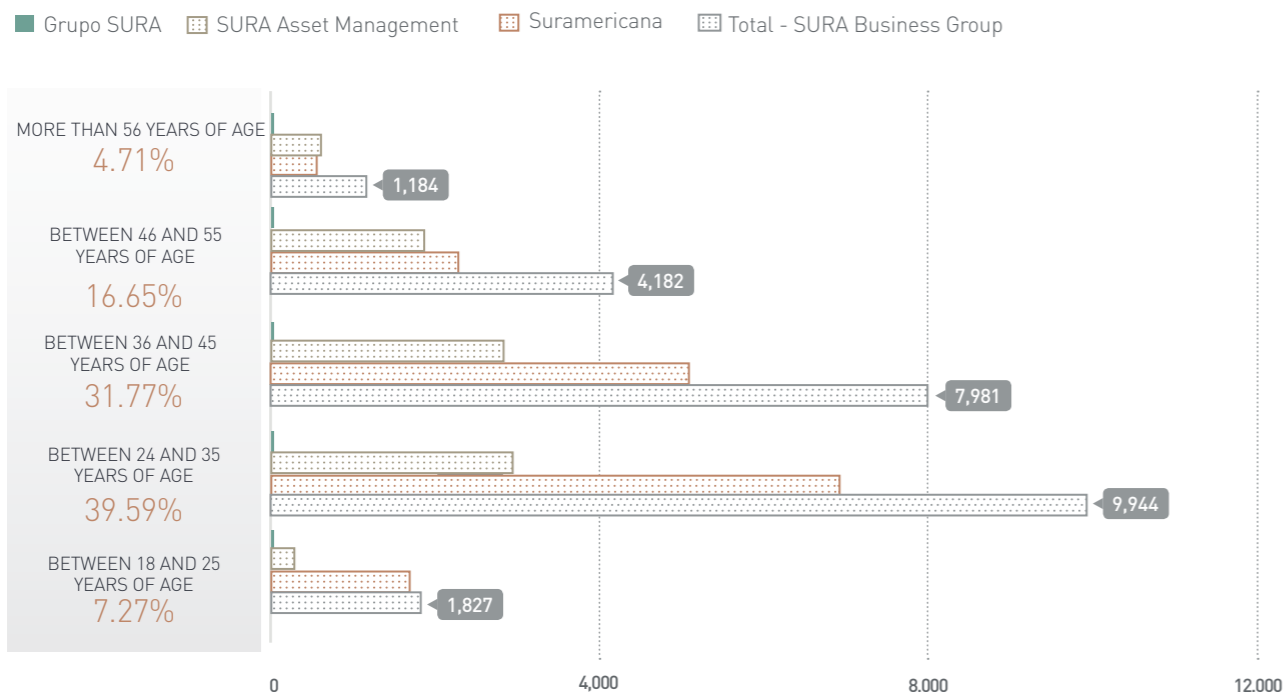
NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT

Total	GRUPO Sura		sura SEGUROS, TENDENCIAS Y RIESGOS		sura ASSET MANAGEMENT		TOTAL - SURA BUSINESS GROUP					
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	% VAR. 16-17	
2016	66		15,360		9,651		25,077					
2017	71		18,243		8,839		27,153				↑ 8.28%	

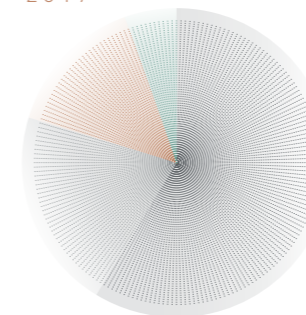
TYPE OF EMPLOYMENT CONTRACT	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	% VAR. 16-17
Fixed term	1	1	421	913	973	966	1,395	1,880	5.56%	6.92%	34.77%
Indefinite term	64	68	14,385	16,777	8,505	7,698	22,954	24,543	91.53%	90.39%	6.92%
Professional internships	1	1	76	70	173	113	250	184	1.00%	0.68%	-26.40%
Trainees	0	1	478	483	0	62	478	546	1.91%	2.01%	14.23%

90.39% of the SURA Business Group's total headcount held indefinite employment contracts at year-end 2017.

EMPLOYEE BREAKDOWN BY AGE AT YEAR-END 2017



BREAKDOWN OF THE SURA BUSINESS GROUP'S EMPLOYEE SENIORITY AT YEAR-END 2017



- 58.68% Between 1 and 5 years
- 21.04% Between 6 and 10 years
- 14.84% Between 11 and 20 years
- 5.45% More than 20 years of service

EMPLOYEE ATTRACTION, DEVELOPMENT AND RETENTION INDICATORS

Minimum Basic Wage / Salary and Payments

2.38% of the Sura Business Group's employees earn a minimum wage as set by their respective employer company, which is broken down as follows: 2 employees belong to the Holding, 562 to Suramericana and 83 to SURA Asset Management. The majority of these are trainees participating in technical or technological programs, University students doing their internships and people in caring positions.

However, in the majority of the countries where the Organization is present, the minimum wage or salary paid by the Group's Companies exceeds that established by the State and various employment benefits,

both financial and non-financial, are given to help attract and retain our human talent.

For the Sura Business Group fully complying with all applicable labor legislation and offering fair and competitive wages and salaries to all employees, according to their respective country and operating sector, form the basis for all our employment relationships. That is why in most countries, the minimum wage or salary paid out by the Companies exceeds the minimum wage set by the Government and various financial and non-financial employment benefits are given to help attract and retain our human talent.

DISABLED EMPLOYEES

The SURA Business Group is fully compliant with all applicable labor regulations in each of the countries where it is present and adopted the definition of the disability concept as established by the Convention on the Rights of Persons with Disabilities (CRPD) "persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others."

79 employees have a disability

68 Suramericana 11 SURA Asset Management

MINIMUM BASIC SALARY / WAGE ON BOTH A COUNTRY AND COMPANY LEVEL -2017

202-1

TOTAL AMOUNT PAID OUT TO EMPLOYEES

(salaries, legal, extra-legal and other employment benefits):

● Grupo SURA
USD **3,044,505**

● Suramericana
USD **377,252,929**

● SURA Asset Management
USD **264,309,408**

- Minimum salary / Wage On An Individual Country Basis (Usd)
- Grupo SURA
- Suramericana
- Sura Asset Management

MEXICO

SUBSIDIARY	SALARY / WAGE IN USD	MINIMUM BASIC SALARY	WAGE PAID OUT BY THE COMPANY VERSUS THE COUNTRY'S OFFICIAL MINIMUM BASIC SALARY
●	126.97		
●	309.33	244%	0
●	140.18	110%	0

EL SALVADOR

SUBSIDIARY	SALARY / WAGE IN USD	MINIMUM BASIC SALARY	WAGE PAID OUT BY THE COMPANY VERSUS THE COUNTRY'S OFFICIAL MINIMUM BASIC SALARY
●	300.00		
●	400.00	133%	0
●	340.00	113%	12

PERU

SUBSIDIARY	SALARY / WAGE IN USD	MINIMUM BASIC SALARY	WAGE PAID OUT BY THE COMPANY VERSUS THE COUNTRY'S OFFICIAL MINIMUM BASIC SALARY
●	260.66		
●	367.99	141%	19

CHILE

SUBSIDIARY	SALARY / WAGE IN USD	MINIMUM BASIC SALARY	WAGE PAID OUT BY THE COMPANY VERSUS THE COUNTRY'S OFFICIAL MINIMUM BASIC SALARY
●	416.17		
●	437.35	105%	1
●	416.17	100%	0

PANAMA

SUBSIDIARY	SALARY / WAGE IN USD	MINIMUM BASIC SALARY	WAGE PAID OUT BY THE COMPANY VERSUS THE COUNTRY'S OFFICIAL MINIMUM BASIC SALARY
●	568.18		
●	612.00	107%	0

BRASIL

SUBSIDIARY	SALARY / WAGE IN USD	MINIMUM BASIC SALARY	WAGE PAID OUT BY THE COMPANY VERSUS THE COUNTRY'S OFFICIAL MINIMUM BASIC SALARY
●	293.48		
●	495.34	169%	2

ARGENTINA

SUBSIDIARY	SALARY / WAGE IN USD	MINIMUM BASIC SALARY	WAGE PAID OUT BY THE COMPANY VERSUS THE COUNTRY'S OFFICIAL MINIMUM BASIC SALARY
●	550.85		
●	624.25	113%	84

REPUBLICA DOMINICANA

SUBSIDIARY	SALARY / WAGE IN USD	MINIMUM BASIC SALARY	WAGE PAID OUT BY THE COMPANY VERSUS THE COUNTRY'S OFFICIAL MINIMUM BASIC SALARY
●	324.75		
●	340.97	105%	0

COLOMBIA

SUBSIDIARY	SALARY / WAGE IN USD	MINIMUM BASIC SALARY	WAGE PAID OUT BY THE COMPANY VERSUS THE COUNTRY'S OFFICIAL MINIMUM BASIC SALARY
●	249.96		
●	249.96	100%	2
●	249.96	100%	475
●	249.96	100%	71

URUGUAY

SUBSIDIARY	SALARY / WAGE IN USD	MINIMUM BASIC SALARY	WAGE PAID OUT BY THE COMPANY VERSUS THE COUNTRY'S OFFICIAL MINIMUM BASIC SALARY
●	428.22		
●	942.68	220%	0
●	571.54	133%	0

NEW EMPLOYEES

Employees by type of gender during the period

401-1

CUSTOMER CARE PERSONNEL

	SURA SEGUROS, TENDENCIAS Y RIESGOS	SURA ASSET MANAGEMENT	TOTAL SURA BUSINESS GROUP
Men	230	927	1,157
Women	415	974	1,389
Total	645	1,901	2,546

EMPLOYEES IN ADMINISTRATIVE POSITIONS

	GRUPO SURA	SURA SEGUROS, TENDENCIAS Y RIESGOS	SURA ASSET MANAGEMENT	TOTAL GRUPO EMPRESARIAL SURA
Men	12	1,019	307	1,338
Women	6	1,919	317	2,242
Total	18	2,938	624	3,580

EMPLOYEE TURNOVER BY COMPANY *

401-1

	GRUPO SURA	SURA SEGUROS, TENDENCIAS Y RIESGOS	SURA ASSET MANAGEMENT
GÉNERO			
Men	13.79%	12.16%	17.51%
Women	2.63%	10.89%	15.69%
AGE GROUP			
Less than 30 years	0.00%	7.28%	24.22%
Between 30 and 50 years	12.20%	5.89%	14.44%
More than 51 years old	0.00%	5.02%	14.17%
Total	7.46%	11.26%	16.48%

EMPLOYEE TURNOVER BY COUNTRY

EL SALVADOR SURAMERICANA 21.28% SURA ASSET MANAGEMENT 12.79%	URUGUAY SURAMERICANA 9.17% SURA ASSET MANAGEMENT 5.31%	PANAMA SURAMERICANA 9.92%
CHILE SURAMERICANA 11.78% SURA ASSET MANAGEMENT 17.78%	ARGENTINA SURAMERICANA 11.10%	COLOMBIA GRUPO SURA 7.46% SURAMERICANA 10.62% SURA ASSET MANAGEMENT 11.02%
MEXICO SURAMERICANA 13.82% SURA ASSET MANAGEMENT 19.81%	BRASIL SURAMERICANA 24.85%	TOTAL GRUPO SURA 7.46% SURAMERICANA 11.26% SURA ASSET MANAGEMENT 16.48%
PERU SURA ASSET MANAGEMENT 23.09%	R. DOMINICANA SURAMERICANA 16.73%	

*These figures do not include customer care personnel nor interns and trainees. Information is not available for external consultants. Figures corresponding to the subsidiary Suramericana for 2016 have been restated

Employee turnover¹ shows the changes to each Company's headcount. This rate represents the number of employees that leave the Company regardless of the reason compared

to the average number of active employees for the period. This is further broken down to show the number of employees in administrative positions as well as the number of internal and external customer care personnel.

YEAR-ON-YEAR CHANGE IN EMPLOYEE TURNOVER BY COMPANY

GRUPO SURA

	2016	2017
Administrative employees	22.86% 12 withdrawals 5 7	7.46% 5 withdrawals 4 1

SURAMERICANA

Administrative employees	13.15% 1,697 withdrawals 652 1,055	11.26% 1,747 withdrawals 655 1,092
Sales employees	36.47% 1,259 withdrawals 423 836	25.73% 970 withdrawals 413 557

SURA ASSET MANAGEMENT

Administrative employees	14.71% 508 withdrawals 195 313	16.48% 671 withdrawals 311 360
Sales employees	35.67% 1,966 withdrawals 945 1,121	43.54% 2,000 withdrawals 913 1,087

¹Employee turnover is calculated as follows: Turnover = [number of employees that left the company regardless of the reason for the reporting period in question] / average number of active employees for the reporting period in question.

Employee training

GRUPO SURA

548

hours of training given

USD 0.15 million
Total amount invested

USD 2,615
Amount invested per capita

SURAMERICANA

937,094

hours of training given

USD 3.12 million
Total amount invested

USD 191
Amount invested per capita

70 employees participating in international internships
57% women

SURA ASSET MANAGEMENT

378,213

hours of training given

USD 2.90 million
Total amount invested

USD 282
Amount invested per capita

20 employees participating in international internships
45% women

402-3

Performance evaluations

All Companies belonging to the Sura Business Group perform two types of annual performance evaluations: a 360-degree assessment of leaders, in some cases, other employees; and performance tracking assessments with administrative staff and, in some cases, sales personnel.

Both types of performance evaluations are aimed at aligning individual and group efforts in fulfilling the Organization's strategy, leveraging our human talent processes and maximizing our business results. The coverage of these performance evaluations, in terms of the number of employees subject to such, is as follows: Grupo SURA (100%), Suramericana (100%) and SURA Asset Management (72.88%).

Training 404-1

This function focuses on developing both individual and team skills and abilities on both a personal and professional level, that is to say with regard to furthering the Organization's capabilities. These programs form part of a development plan specially designed for each employee. It is our people who make it possible for us to fulfill our corporate strategy, transform our business and achieve the corporate culture we all desire. For this reason, the Business Group focuses on continuous learning and knowledge building,

as evidenced by more than USD 5 million invested in employee training programs. The main topics addressed by these training programs include:

- Leadership and development programs and mentoring.
- Sustainability.
- Accounting and financial refresher courses
- Talent program.
- Bilingualism.
- Developing business /customer care personnel and leaders
- International internships.
- Internal controls preventing the Risk of Asset Laundering and the Financing of Terrorism
- Coaching certification.
- Scholarships for technical and vocational training courses.
- Marketing and customer service.
- Communication skills.
- Individual assistance and coaching.
- Pension refresher courses.
- Innovation and technology.
- SAP Sacala, Talentum, Success-Factor.
- Job skills.
- Insurance refresher courses
- Business continuity and inherent risks
- Refresher courses on legal matters.

Employment benefits 404-2

Each of the companies has put into pla-

USD 6.17 millones

The SURA Business Group invested USD 6.17 million in employee training and development programs

TOTAL AMOUNT INVESTED IN EMPLOYMENT BENEFITS

USD 20.07 million

ce policies, manuals and processes governing the monetary and non-monetary benefits granted to employees. The amount invested in employee benefits in 2017 came to USD 20.07 million, with Suramericana accounting for USD 9.53 million of this figure and SURA Asset Management the remaining USD 10.54 million.

Some of the benefits enjoyed by our employees include: coverage in the form of banking, health care, service and university agreements; life and group insurance policies (disability and invalidity, household, funeral/funeral services); performance and education bonuses, employee assistance (loans, medical/dental plans, cars, housing, family deaths and births); provisions for retirement; shares; healthcare, safety and welfare programs, psychological, legal and financial support for employees and their families; other monetary contributions such as savings incentives for employee cooperatives, pension funds and international internships.

Measuring our organizational climate
Each of the Companies belonging to

our Business Group independently measures their organizational climate every two years. Since 2015, we have been standardizing the methodologies used, allowing most of our Companies to follow that implemented by the Great Place to Work Institute, which evaluates the working environment on three different levels, namely (i) the confidence inspiring abilities on the part of both leaders and the Company itself; (ii) the camaraderie existing among colleagues; and (iii) the pride produced by working for the company in question. These metrics also include how committed or engaged employees are with their companies –see table–.

According to the aforementioned Institute, several of the Group's Companies are considered to be among the best places to work in Latin America. This is precisely the case with SURA Asset Management Colombia, Seguros SURA in Argentina, Colombia, Mexico, Dominican Republic and Uruguay, as well as the Colombian companies ARL SURA, EPS SURA, Consultoría en Gestión de Riesgos SURA and Dinámica.

EFFECTIVE COMMITMENT TO THE COMPANY*

Engagement - maximum score = 100%

COUNTRY	SURAMERICANA		
	YEAR	RANKING	COVERAGE
Argentina	2016	79%	91%
Brasil	2017	70%	95%
Chile	2016	91%	89%
Colombia	2015	52%	77%
El Salvador	2016	73%	94%
México	2017	N.D.**	90%
Panamá	2016	68%	100%
R. Dominicana	2016	88%	89%
Uruguay	2016	92%	100%

* The results reported by SURA Asset Management are applicable to its Colombian Headquarters. With a coverage of 81% of the total headcount, overall engagement came to 83%. No engagement was reported. Ranked in No. 25 position among the best companies to work for.

95% of the SURA Business Group's employees taking paternity and maternity leave returned to their jobs.

401-3

PATERNITY AND MATERNITY LEAVE						
	GRUPO SURA		SURAMERICANA		SURA ASSET MANAGEMENT	
No. of leaves granted	● 4	● 0	● 97	● 375	● 33	● 231
Días de licencia	● 36	● 0	● 875	● 35,271	● 249	● 26,526
	● Paternity		● Maternity			

OCCUPATIONAL HEALTH AND SAFETY INDICATORS

Greater well-being, competitiveness and sustainability are all mainstays of a strategy that touches different stakeholder groups. Consequently, employee well-being combines their physical, emotional, mental and financial health by adopting healthy and sustainable life styles that go beyond job, family and social concerns.

Some of the initiatives taken by some of the Companies for the purpose of improving the occupational health and safety of their workplaces include the following: flexitime, teleworking, shorter working hours on Fridays, access to cultural activities, half-day off on birthdays, as well as psychological, financial, legal assistance for employees and their families.

403-1

One hundred percent of the employees of both Grupo SURA and its subsidiaries in Colombia are represented on occupational health and safety committees (COPASST in Spanish). Similarly, occupational health and safety initiatives and programs exist in the other nine countries where the Group is present.

Occupational Health and Safety Training Programs

At least 90% of the employees pertaining to Grupo SURA and its subsidiaries have received training and educational material (both virtual and face-to-face) on issues relating to health and safety within the workplace. The most frequent topics addressed as part of our induction and ongoing programs are: stress management, a healthy workplace, ergonomics and occupational risk, sporting and recreational activities, nutrition, flexible work schedules and teleworking.

Absenteeism - days lost due to accidents, occupational disease and common illness

This indicator is monitored every month and sometimes more frequently should this be required. Furthermore, risk matrices are reviewed and updated every three months so as to be able to gauge the severity and the frequency of the cases reported, along with other cases of absenteeism and the more common illness that require additional handling, all this underpinned by risk prevention programs. The results of this analysis are shown below:

All Companies have their own Coexistence and Emergency Committees.

ABSENTEE RATE

403-2

	GRUPO SURA			SURA SEGUROS, TENDENCIAS Y RIESGOS			SURA ASSET MANAGEMENT		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
ADMINISTRATIVE EMPLOYEES									
Absentee rate	0.32%	1.03%	0.71%	1.22%	1.86%	1.64%	0.90%	1.72%	1.36%
# of cases of sick leave due to common illness	7	28	35	3,864	13,555	17,419	512	1,466	1,978
of days lost due to common illness	27	106	133	16,496	49,159	65,655	3,911	9,826	13,737
of days lost (days of sick leave due to work-related injuries)	0	0	0	622	546	1,168	248	472	720
# of work accidents	0	0	0	78	182	260	16	48	64
# of cases of occupational disease	0	0	0	12	23	35	0	1	1
# of cases of occupational disease with days lost	0	0	0	10	7	17	0	1	1
# days lost (days of sick leave due to occupational disease)	0	0	0	325	191	516	0	1	1
# days lost due to any reason	27	106	133	17,443	49,896	67,339	4,159	10,299	14,458
DEPENDENT SALES EMPLOYEES									
Absentee rate				2.03%	2.24%	2.16%	3.23%	6.38%	5.13%
# of days lost due to common illness				615	1,523	2,138	1,445	3,765	5,210
# of cases of sick leave due to common illness				3,400	6,231	9,631	14,693	45,289	59,982
# of work accidents				15	128	143	275	952	1,227
# of days lost (days of sick leave due to work-related injuries)				10	28	38	23	116	139
# of cases of occupational disease				0	0	0	1	8	9
# of cases of occupational disease with days lost				0	0	0	1	8	9
# days lost (days of sick leave due to occupational disease)				0	0	0	59	220	279
# days lost due to any reason				3,415	6,359	9,774	15,027	46,461	61,488

* There are different ways of calculating the absentee rate, in this case we used the following mathematical formula: Absentee rate = number of days lost due to any reason on the part of all employees during the reporting period / number of days per year worked by all employees. Here an 8 hour- day was used for an average of 22 work days per month.

** Grupo SURA, the parent company, does not have any employees working in a sales capacity.

FREEDOM OF ASSOCIATION AND TRADE UNIONS 102-41


We respect and defend employee rights including freedom of association and collective bargaining.

EMPLOYEES OF THE SURA BUSINESS GROUP ARE FREE TO BELONG TO TRADE UNIONS AND BE COVERED BY COLLECTIVE BARGAINING AGREEMENTS.

 CHILE

SURA Asset Management

AFP Capital's National Trade Union	72 members	4.90% of total headcount	AFP Capital's Metropolitan Trade Union	27 members	1.84% of total headcount
AFP Capital's Ex Santa Maria Trade Union	300 members	20.41% of total headcount	Seguros de Vida SURA's Trade Union	145 members	20.25% of this Insurance Company's total headcount

 URUGUAY

Suramericana

AEBU – Association of Banking Employees of Uruguay

18 members	16.51% of total headcount
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Collective Bargaining Agreement Covering a Term of Three Years (2016 to 2018)

100% of total headcount

SURA Asset Management

SURA AM's Trade Unions in Uruguay

2.38% of total headcount	100% of total headcount
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Collective Bargaining Agreement currently in effect governing

168 employees	100% of total headcount
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 COLOMBIA

Suramericana

ASSOAS, (National Association of Insurance Agents)	890 members	64.63% of total sales staff	ASES (Association of Suramericana Employees)	131 members	6.05% of total headcount
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Collective bargaining agreement due to take effect in 2018

A collective bargaining agreement with ASES was signed in 2017 for a term of 4 years. This entered full force and effect on November 10, 2017 and shall expire on November 9, 2021

 MEXICO

Suramericana

National "President Adolfo López Mateos" Trade Union

28 members	6.97% of the total Claims and Policy-Issuing Staff
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 BRASIL

Suramericana

Insurance Trade Union of the State of Sao Paulo

330 members	100% of total headcount
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Collective bargaining agreements currently in effect

Collective labor agreement

100% of total headcount

SURA Asset Management

Protección's Trade Unions

129 members	7.01% of total sales staff
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Collective bargaining agreement governing 1695 employees

1,695 members	92.12% of total headcount covered
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 ARGENTINA

Suramericana

Argentina's Insurance Trade Union

703 members	92.26% of total headcount
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* Companies in all those countries that are not mentioned do not have any trade unions nor have they reported the existence of any collective bargaining agreements.

Unionized employees at year-end 2017

17.12%
4,648

SURAMERICANA

2,112

SURA ASSET MANAGEMENT

2,536

Employees of the SURA Business Group covered by agreements, negotiations or collective agreements:

-14.64%

-3,975
EMPLOYEES

OUTSTANDING INITIATIVES

INTERNSHIPS

Being fully aware that we can develop our human talent in a variety of ways, we increased the number of exchange internships provided in 2017 for defined periods, amongst our different business units and countries. This is a valuable practice that is allowing us to develop new skills, gain greater business knowledge and deploy consistent cross-cutting initiatives, thereby facilitating the transfer of knowledge within our Business Group.

TRAINING AND SKILL ASSESSMENTS

Our learning model for individual skill development is designed for all the Group's employees, regardless of the position held. Before drawing up these individual development plans we assess the employee's current skills and capabilities so as to be able to tailor these plans accordingly. This goes hand in hand with an important consideration that is to say knowledge is an all-encompassing faculty. This is why we go beyond just providing technical training and provide personal and professional development courses, all of which help enhance the Organization's performance.

These skills and capabilities are evaluated using a 360-degree model which involves direct superiors, peers, other employees and internal clients. The results thus obtained are used to provide the required feedback prior to drawing up the corresponding development plans, this in order to drive the strengths and remedy any deficiencies detected.

HUMAN TALENT PROGRAMS

We have carried out an initiative that, based on the 360-degree leader profiles, focuses on the succession plans for different positions within the Group, this for the purpose of encouraging outstanding employees to develop and acquire new value-added tools and skills.

We first consider the individual employee's performance and conduct a series of tests to level out the information obtained and determine the corresponding successors. Subsequently, these individual development plans are enhanced so as to be able to close the gaps detected and enhance the incumbent's personal transformation.

Challenges to be faced in 2018

- Make further headway with building a cross-cutting organizational culture, enriched with the diversity inherent to a Multi-Latina Organization, and helping to strengthen SURA as an employer brand.
- Consolidate the practices shared among businesses, thereby helping us to extend our value promise to all the Group's employees.
- Continue to ensure competitive levels of remuneration so as to guarantee optimal levels of financial and emotional well-being among our employees.
- Strengthen leader development as an essential part of the Company's continued sustainability.

A SILENT GOD, KING OF ALL TIME

The Condor was never able to deliver a song, not even a cry. Instead, and according to Inca legend, it was given a pair of magnificent wings to roam the skies and conquer the Andes beginning in the Patagonia and ending up in the great mountain ranges and valleys of Venezuela. The Condor lives high up in the mountains, making its home in the nooks and crannies of rocky peaks, from where it receives the first rays of the Sun, which is both its messenger and guardian. It does not hunt, merely watches, keenly listening out for messages from the dead which it must take up to the heavens; whereupon its heavy body takes flight by spreading its wings and soaring up towards the firmament, where the Condor becomes one with the wind: its greatness was revered by many of our ancient Indian tribes, children of the mountains and the rivers. Being a bridge and a messenger between heaven and earth, this "silent God" in all its glory was revered for its long-standing wisdom and royal presence, being blessed by the sun

CONDOR

Scientific name:	Vultur gryphus
Class:	Birds
Family:	Cathartidae
Order:	Accipitiformes
Region:	Colombia



06

FINANCIAL MANAGEMENT

STRATEGIC CAPITAL
Allocation capital structure

STRENGTHENING OUR SOUND FINANCIAL POSITION BY ENHANCING OUR CAPITAL CYCLE.

OPTIMIZING OUR
PORTFOLIO BY
DIVESTING NON-
STRATEGIC ASSETS
IN THE AMOUNT

USD
300
million

Financial management is one of the pillars of the SURA Business Group's strategy aimed at fulfilling the higher purpose of creating well-being and driving sustainable development. It is also a crucial building block for achieving profitable levels of organic growth, while ensuring increased financial flexibility going forward.

Such a priority is addressed by the following three main activities, all of which are aligned with the Organization's objectives: (i) obtaining the required financial resources, in accordance with an adequate and efficient capital structure; (ii) allocating capital based on previously established criteria; and (iii) a pro-active investment management function, through follow-ups and measurement controls so as to guarantee the ability of all Companies belonging to the SURA Business Group to provide true added value.

Since 2017, we have complemented this approach with a special focus on seeking greater efficiencies and levels of organic growth with regard to our core investments [Suramericana, SURA Asset Management and Bancolombia], strategically optimizing our portfolio and reducing our leverage, this is order to provide Grupo SURA with greater financial flexibility over the coming years.

All the aforementioned initiatives are aimed at improving the profitability of our Business Group, after an intensive period of expansion throughout the region. As part of this new stage in the Company's growth, the following are just some of the highlights of our financial strengthening efforts over the past year.

102-10 | 103-3 MORE EFFICIENT CAPITAL STRUCTURE

Although we fully comply with the debt and liquidity ratios required to maintain the investment grades issued by our international rating agencies, the SURA Business Group wishes to go a step further in achieving a more efficient capital structure. Consequently, we are concentrating on extending our financial capacity so as to take full advantage of the opportunities for inorganic growth that lie in store for us, once our current business plans gain greater maturity. In 2017, we carried out several strategies with this in mind.

DIVESTING NON-STRATEGIC ASSETS

Between Grupo SURA and its investment vehicles (ICE and Grupo de Inversiones Suramericana Panamá) a number of non-strategic and real estate investments were sold off for a total value of COP 74,045 million (USD 25.1 million).

Also, SURA Asset Management Perú divested a majority stake (69.29%) held in a local insurance firm, specializing in annuities and mortgage loans. This business was acquired by Intercorp Financial Services, as part of a transaction that was completed in October 2017 for a total of USD 276.3 million. This divestiture was based on a new regulatory framework coming into full force and effect in Peru as well as the Company's decision to focus on its core pension, savings and investment fund management business while driving its institutional asset management services.

GRUPO SURA'S INDEBTEDNESS

COP 4.99 trillion

[USD 1,672.2 million]

ISSUED BONDS

COP 550,000 million

[USD 190 million]

The total amount divested with regard to the Business Group's insurance operations (especially annuities) and non-strategic assets came to USD 300 million in 2017.

LEVERAGE INDICATORS

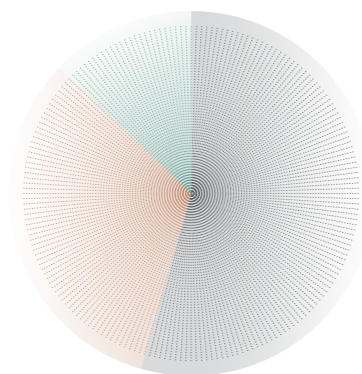
A plan for reducing the Group's leverage was drawn up, aimed at substantially improving our leverage ratios over the coming years while optimizing our liquidity position. This shall lead to an increasingly robust financial position, while enhancing our credit profile and facilitating our organic and inorganic expansion plans.

103-1 DEBT PROFILE

Another way to manage leverage is by reprofiling the Group's financial indebtedness, which at year-end 2017 came to COP 10.04 trillion (USD 3,364.6 million), of which COP 4.99 trillion (USD 1,672.2 million) corresponds to Grupo SURA as the parent company.

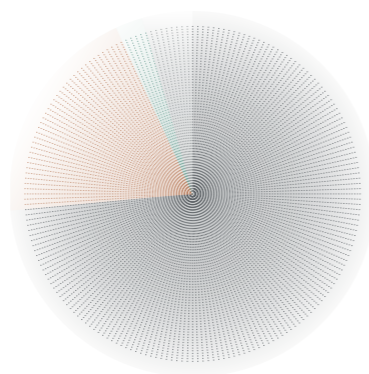
Here, Grupo SURA issued bonds on the local market worth COP 550,000 million (USD 190 million) at the end of February 2017. These funds were used to finance part of the purchase of a minority stake held by both the International Finance Corporation (IFC), and the IFC ALAC Fund in SURA Asset Management.

BREAKDOWN OF INDEBTEDNESS BY COMPANY



- 54% Grupo SURA and subsidiaries
- 33% SURA Asset Management
- 13% Suramericana

TYPE OF INDEBTEDNESS



- 74% Bonds
- 20% Banks and Leasing
- 2% Derivatives
- 4% Preferred dividends

Another of last year's highlights was SURA Asset Management's international bond issue for USD 350 million in April 2017, producing a bid to cover ratio of 8, which was interpreted as a vote of confidence from the investor community.

Likewise, debt maturing in 2017 and 2018 was refinanced in the amount of COP 708,000 million (USD 237 million) so as to ensure a more flexible cash position over the next two years.

OTHER STRATEGIES

Finally, two other measures were taken to ensure a more efficient capital structure, namely:

- A dividend distribution proposal was submitted at the Annual Meeting of the General Assembly of Shareholders held in 2017, consisting of paying out a total of COP 280,780 million in dividends, of which COP 237,782 million were paid out in the form of preferential shares, that is to say, 85% of the total amount to be distributed, with the remaining COP 42,998 million in cash.
- An exchange rate hedging plan was structured to mitigate the Group's exchange and interest rate exposure.

103-1|103-2|103-3 CAPITAL ALLOCATION CRITERIA

In keeping with our efforts to provide added value and ensure our ongoing profitable growth, we made headway in 2017 with updating Grupo SURA's capital allocation guidelines, based on the understanding of the inherent competitive advantages as well as the risks, exposure levels and resource availability concerns.

With regard to the more significant acquisitions that took place last year, the Group purchased the minority stake formerly held by IFC and ALAC in SURA Asset Management. This transaction worth USD 382.5 million was completed in April 2017 and consequently Grupo SURA increased its stake in this subsidiary from 78.7% to 83.6%.

Also, in the interests of strategically optimizing its portfolio, Suramericana acquired a 100% stake in the Mexican Life Insurance firm that formerly belonged to Sura Asset Management. This transaction, worth USD 20.6 million was completed in November of 2017. Regulatory authorization was still pending at the end of last year.

This transaction shall complement and diversify Suramericana's offering in Mexico, besides enhancing its competitive position in this part of the world. For its part, SURA Asset Management shall be focusing its efforts on growing its pension, savings and investments business in this country by reaching out to new consumer and corporate segments. At the same time, both subsidiaries shall continue with their shared purpose of harnessing the synergies existing with their complementary lines of business thus enhancing their value-added offerings.

INVESTMENT MONITORING

On the other hand, Grupo SURA has put into place processes and protocols for monitoring and tracking the performance indicators of all its Companies, in order to ensure their profitable growth in the mid- and long term and, in so doing, create added

The Group's stake in SURA Asset Management

2017 83.6%
[2016 → 78.7]

Over the past year, our IR Department has held **300 meetings with investors.**

value for our shareholders and other stakeholders.

In 2017, we worked on deploying a new model for measuring our profitability and the added value that each and every one of our business units provide. This model takes into account the particular characteristics as well as the degree of consolidation and integration and the overall situation of each of our business units while projecting their likely level of performance going forward.

This model is also helping us to optimize our portfolio and strengthen the decisions we are making with regard to eventually divesting certain operations or lines of business lines we consider to be non-strategic in nature, as was the case when we sold off our annuity business in Peru in 2017. We also reinforced our criteria with regard to possible future investments, these being in keeping with our overall strategy while providing new capabilities or strengthening the financial services offered by the Business Group, as is the case with our new corporate venturing program, SURA Ventures. For more information regarding SURA Ventures, please refer to the Innovation and Entrepreneurship Chapter contained in this Report.

OUR INVESTOR RELATIONS

Grupo SURA also made much headway in 2017 with forging long-term relationships with our investor community these based on trust, transparency and providing the market with complete and timely information. We also played an active part in eight conferences and non-deal road shows, which have allowed us to continue increasing the stakes held

by our international investors, who already hold 21.5% of the Company's total share capital.

Likewise, we continued to improve upon our financial reporting, having incorporated the suggestions and comments given in the form of feedback from more than 300 meetings that were held by our IR staff over this past year.

Our IR Department also laid on new processes so as to keep our current and potential shareholders better informed with the aim of providing a more efficient service. This is why well-differentiated strategies are being applied for each investor segment, attending their specific situations for more enhanced communications with this important stakeholder group.

The efforts made in 2017 shall allow us to address the challenges relating to implementing a new regulatory framework in Europe, namely "The Markets in Financial Instruments Directive" (known as "MiFID"), as well as strengthening the processes that ensure the ongoing open and fluid dialogue we have established with the market.

With regard to our performance on the capital market, our shares continued to steadily climb with our ordinary stock (GRUPOSURA) ending 2017 at COP 40,300, up 5.5% compared to year-end 2016; while our preferred stock (PFGRUPOSURA) reached COP 39,000 at year-end, for a year-on-year increase of 5.4%.

GRUPO SURA'S STOCK PRICES



On the other hand, the COLCAP, Colombia's main stock index recorded a year-on-year increase of 12%. Average daily trades for 2017 in the case of our own shares came to approximately COP 13,000 million, as we continue to be one of the top traded shares on the local market.

FINANCIAL INTERACTION WITH OUR COMPANIES»

Here we have set up a permanent exchange of information with the financial departments of our subsidiaries and strategic investments which in turn has allowed us to articulate our group-wide efforts in achieving a sustainable and profitable level of organic growth. In this regard, our Financial Committee held important discussions in 2017 with regard to all that concerning our strategic decision-making as well as other issues that are important to us as a Business Group.

This multidisciplinary governing body had various issues on its agenda last year, including optimizing our capi-

tal structure, coordinating access to different sources of funding, as well as the identifying opportunities for enhancing our operating efficiency, structuring our hedging agreements, allocating capital and monitoring investments.

TAX STRATEGY

Grupo SURA drew up a new group-wide tax policy in 2017 which is expected to be approved and released in 2018. These new guidelines are based on our corporate principles, our Codes of Ethical Conduct and Corporate Governance and are in due compliance with the policy and regulatory frameworks in effect in each country where the Group is present. Strategy, governance and tax risks form part of this policy which has been drawn up based on a reasonable interpretation of the corresponding regulations.

The Tax Departments of Grupo Sura, its subsidiaries and operating companies throughout the region all actively interact with each other, thereby ensuring our continuous improve-

ment through various of measures:

- Identifying opportunities and mitigate financial and reputational risk relating to tax interpretations or treatments.
- Monitoring local legislative and policy changes, as well as interacting with trade associations and Government entities.
- Discussing and analyzing ambiguous tax initiatives and fiscal positions in various countries, with the support of outside experts, who promptly report their conclusions to the appropriate governing bodies.
- Determining the indicators to measure tax management issues.

Finally, it should be noted that each company is responsible for its own tax obligations, in strict compliance with all legislative and regulatory frameworks, without prejudice to applying the guidelines set by the Business Group for the purpose of unifying criteria, and according to the type of tax involved.

TAXES PAID BY GRUPO SURA AND ITS SUBSIDIARIES

MEXICO			
FILIAL	2015	2016	2017
●	-	-	-
●	-	48.59	24.74
●	57.82	48.59	55.06

EL SALVADOR			
FILIAL	2015	2016	2017
●	-	-	-
●	1.00	5.47	7.11
●	5.53	6.70	7.39

COLOMBIA			
FILIAL	2015	2016	2017
●	22.60	91.63	21.59
●	176.30	232.97	124.23
●	93.56	58.05	53.95

PERU			
FILIAL	2015	2016	2017
●	-	-	-
●	-	-	-
●	34.89	23.00	36.44

CHILE			
FILIAL	2015	2016	2017
●	-	-	-
●	-	49.13	54.30
●	21.10	31.42	(9.66)

D. REPUBLIC			
FILIAL	2015	2016	2017
●	-	-	-
●	12.40	13.85	15.68
●	-	-	-

PANAMA			
FILIAL	2015	2016	2017
●	-	-	-
●	9.30	11.32	10.84
●	-	-	-

BRAZIL			
FILIAL	2015	2016	2017
●	-	-	-
●	-	29.78	27.86
●	-	-	-

URUGUAY			
FILIAL	2015	2016	2017
●	-	-	-
●	-	22.45	26.45
●	4.90	4.71	4.81

ARGENTINA			
FILIAL	2015	2016	2017
●	-	-	-
●	-	27.89	23.79
●	-	-	-

The areas **involved in handling tax matters at subsidiary and operating company level actively** interact with the Tax Departments at Corporate Headquarter level.

FILIAL

- Grupo SURA
- Suramericana**
- Sura Asset Management

Figures stated in USD millions. The exchange rates used are the annual average dollar rates for each currency.

**In the case of Suramericana, no withholding tax payments corresponding to third party tax credits were included in the figures corresponding to 2017

A CHAPERONE AMONG THE ROCKS

The little Andean Cock-of-the-Rock loves the humid abundance of the waterfalls and the sound of gushing water. She migrated here for protection, making her home in the small caves hidden among the rocks, that are luxuriously padded with green moss thus forming a stark background to her orange plumage. The rhythm of the falling water that descends like a melody, ideal for dancing and courting the female cocks, when males fight for the honor of being chosen and being able to show off their newly found chaperones. When a female cock chooses a male, it is because he is the most handsome, because she has been wooed with his coquettish dancing and twittered compliments; she then takes over the reins of the nest and cares for their offspring. The male cock is so handsome and so much fun! It is lovely seeing him preen himself in the circles of sand every October.

ANDEAN COCK-OF-THE-ROCK

Scientific name:	Rupicola peruviana
Class:	Birds
Family:	Contigidae
Order:	Paseriformes
Region:	Peru



07

OTHER RESPONSIBLE MANAGEMENT PRACTICES MATERIAL ASPECTS

Human rights

Environmental impact management • Supply chain • ESG investment approach • Social investment

OUR ORGANIZATION IS AWARE OF THE CHALLENGES IT FACES AND HOW THESE TRANSLATE INTO OPPORTUNITIES

To strengthen stakeholder engagement, especially now that companies are playing roles that go beyond purely economic concerns.

Upon defining our overarching corporate purpose "to create well-being and sustainable development for people, organizations and society", we acknowledged three main obligations of our Business Group, namely, understanding and meeting the expectations of our stakeholders; maintaining a watchful eye on emerging trends so as to be able to identify the opportunities and risks involved beyond our current business environment; and provide support to the natural transformation of our business going forward.

These obligations shall always entail considering environmental, social and governance (ESG) factors in our decision-making, this in order to improve the socioeconomic conditions of the communities we serve, thereby guaranteeing compliance with the aforementioned purpose.

SUSTAINABLE DEVELOPMENT GOALS (SDG)

In this order of ideas, the measures taken on a day-to-day basis help Grupo SURA to have a greater impact on the United Nations' Sustainable Development Goals (SDGs). As a Company belonging the financial services sector, we We aim to contribute particularly with Goal No. 8 (Decent work and economic growth).

However, the strategy as a responsible business and projects aimed at promoting sustainability, allow contributing to the other 16 objectives, although with greater incidence in those related to health and well-being, quality education, industry and innovation.

Furthermore, sustainable growth lay at the heart of the Company's strategy for 2017, this for the purpose

of creating responsible value for our shareholders. In this regard, Grupo SURA's Board of Directors approved reconfiguring the functions of its Corporate Governance Committee which was given a new name, the Sustainability and Corporate Governance Committee, whose functions are as follows:

- Providing support to the Group's Board of Directors as well as guidelines to Senior Management regarding the Company's ongoing sustainability.
- Providing guidance to Senior Management with adopting, monitoring and improving environmental, economic and social practices.
- Ensuring that sustainability and corporate social responsibility remain part of the long-term strategy of both the Company and the Business Group as a whole.
- Periodically reviewing the Company's social investment and sustainability commitments and policies, which take into account responsibilities to our stakeholders and the corresponding strategy to be followed, this based on current trends and best practices.
- Ensuring strict compliance with all those commitments, policies and other internal rules and regulations that the Company is upholding in terms of its sustainability and responsible social investment.
- Recommending to the Board all those measures to be adopted in connection with Sustainable Development Goals (SDGs)

It should be noted that the Company's strategy and the good practices thus adopted have been recognized by the

PRIORITY SDGS SUSTAINABLE DEVELOPMENT GOALS



most prestigious global sustainability indices and analysts, including:

- The Dow Jones Sustainability Index (DJSI).
- The Carbon Disclosure Project (CDP).
- The Oekom Research AG, which ranks sustainable investments for asset management firms.
- FTSE4Good, belonging to the FTSE Russell family of global indices.
- MSCI, a leading investment research firm that ranks environmental, social and corporate governance practices and forms part of the family of Morgan Stanley Capital International indices.

At the same time, Grupo SURA has embraced the Global United Nations Compact governing the introduction of practices with regard to respecting human rights, labor standards, environment conservation and transparency.

for the region's development but they are also helping to drive the economic and social value of all those Companies belonging to the Business Group.

Suramericana and SURA Asset Management have drawn up action plans for attending, protecting and educating their financial consumers. In this way they are focusing on providing information and tools that enable consumers to truly understand the products they are being offered, and to grasp the wider financial system. They are also ensuring utmost compliance with current rules and regulations when responding to requests from clients and users.

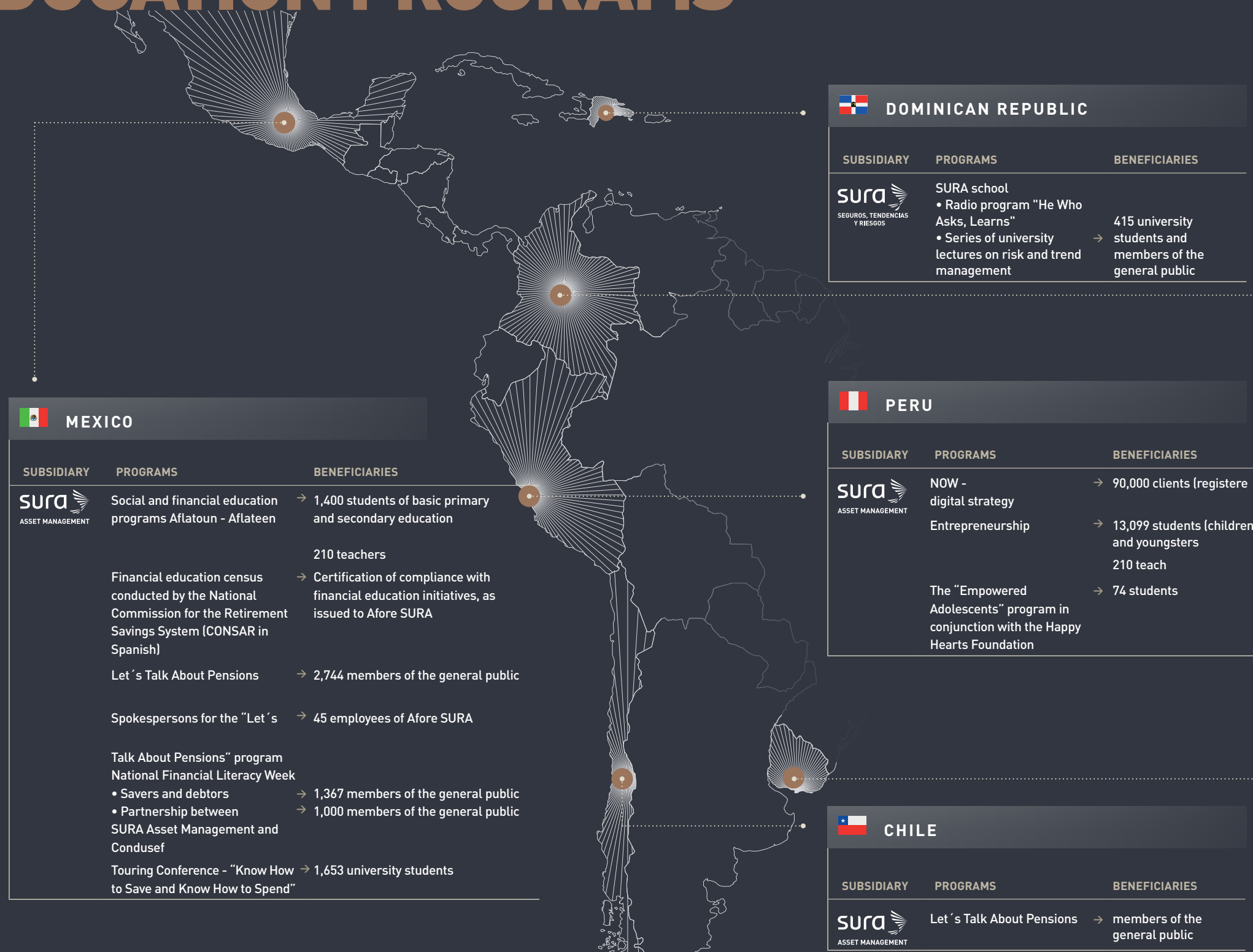
Grupo SURA's subsidiaries have also increased their share of their respective sectors and have helped to extend access to and encourage the effective use of formal financial products.

With this aim in mind, both subsidiaries have developed innovative solutions to increase social inclusion, these adapted to different needs in terms of the segments served and expanding markets, processes and channels.

This evidences the Group's commitment to ensuring the well-being and competitiveness of both private individuals and businesses alike through various programs and solutions, as shown below:

Being able to further knowledge, develop individual skills for decision-making and responsibly acquire financial products are not only driving factors

FINANCIAL EDUCATION PROGRAMS



MATERIAL ASPECTS
Business development
STAKEHOLDER GROUPS
Clients - users
Employees
Customer care personnel
Suppliers
Trade Associations and Federations
The Community

SUSTAINABILITY PRACTICES
Over recent years, inclusion and financial education have become important issues that the governments of both developed and emerging economies have placed on their political agendas, with multilateral organizations and the private sector following suit.

Grupo SURA enhances the development of the region by encouraging knowledge and skills for the **responsible and conscious acquisition of financial products.**

SOLUTIONS ORIENTED TO FINANCIAL EDUCATION



ARGENTINA

Suramericana

Variable unemployment insurance
In partnership with the ITAU Bank.

5,674 policy-holders



URUGUAY

Suramericana

Various insurance solutions. Emerging segment

- Standard household
- Unemployment
- Personal accident insurance
- Civil liability - motorcycle accidents
- Bicycle accidents

71,712 policy-holders

SURA Asset Management

Basic Savings Fund

An investment fund catering to members of the general public, regardless of their capacity to save, while offering them immediate liquidity. This product is straightforward and can be easily accessed, since the client can open an account using just his or her ID Card anywhere in the country, thanks to an agreement made with a major collection network.



DOMINICAN REPUBLIC

Suramericana

Various insurance solutions for the emerging segment.

- Life insurance
- Protected business
- Unemployment
- Micro-life
- Funeral

373,000 beneficiaries



CHILE

Suramericana

Debtors, unemployment and disability insurance in partnership with other entities

Insurance solutions aimed at people who have no access to bank credit as well as clients and users of family welfare institutes and retail stores.

997,117 insured lease-holders

Existing partnerships with

- CCAF La Araucana
- BancoEstado
- Financoop
- Ripley Telemarketing
- Cruz Blanca
- Concreces Leasing

SURA Asset Management

Inclusive Branch Offices

Specialized service points for people suffering from physical, visual and auditory disabilities. These facilities have proven service protocols that are being reinforced by digital tools.



MÉXICO

México SURA AM

Various insurance solutions. Emerging segment.

- Standard household
- Unemployment
- Personal accidents
- Civil liability - motorcycle accidents
- Bicycle accidents

71,712 policy-holders

Direct debit payments

Discounts through a TDD, that is automatically transferred to the client's individual account, at the frequency chosen.

41,256 policy-holders

Practical Life Insurance

A microinsurance policy covering the need for protection upon the death of the policy-holder or for past expense incurred.

11,468 policy-holders



COLOMBIA

Suramericana

Insurance correspondents

Insurance aimed at the emerging segment. Low-cost insurance solutions (life, accident and hospitalization) that are easily acquired and readily understood.

1,341 policy-holders

Workplace Marketing

Providing group insurance solutions to employees and their families directly in the client's work place, through a team of sales staff representing group life, health and car insurance among other solutions).

154,120 policy-holders

Partnerships between Seguros SURA and retail companies

Sura's omnichannel, multi-format, multi-brand and multiproduct strategy for selling insurance solutions Especially aimed at emerging segments.

2 millones million policy-holders

WeSURA

Collaborative insurance policy based on assurance communities This is 100% managed on-line Insurance for mobile phones, pets, computers, tablets and bicycles.

4,841 policy-holders

BiciSURA

Aimed at SURA's policy-holders who use their bicycles as a means of transport. Here memorable experiences and tailored solutions are provided at BiciSura's Service Centers as well as the Bicycle Parking Network This is to begin in 2018

SURA Travel Insurance

Assistance and assurance when planning and going on trips. This is marketed in partnership with Viajes Exitó, which is the travel agency of a large chain of supermarkets in Colombia.

4,500 policy-holders

Bifi - Financial Wellbeing

This solution is based on an in-depth understanding of how people's needs change at different stages of their lives, so as to be able to engineer a sustainable transformation of their financial behavior patterns. This solution is aimed at Suramericana's employees.

Existing partnerships

- Almacenes Éxito and SURA
- Corvette and SURA
- Éxito Retail Group with EPS SURA and Protección.
- Supermercados Euro and SURA.

Direct sales

Insurance solutions (life, accident, hospitalization). These are marketed through the Novaventa sales catalog.

1,363 policy-holders

Mis Aliados

Social innovation initiative Employability, insurance per use and training platform. Aimed at freelance workers. Is 100% managed on-line

733 policy-holders



PANAMÁ

Suramericana

Unemployment insurance

Partnership with the Banitsmo Bank

2,448 policy-holders

Collective debit balance

Protecting the pension portfolios of the Social Security Institute.

2,473 policy-holders

MATERIAL ASPECTS

Human rights

STAKEHOLDER

Clients
Employees
Suppliers

103-1

HUMAN RIGHTS

Grupo SURA's commitment to upholding human rights is in keeping with the United Nations' guiding principles on business and human rights, as well as the principles relating to the International Labor Organization's Declaration on Fundamental Principles and Rights at Work

- Employment principles
- Code of Conduct for Suppliers.

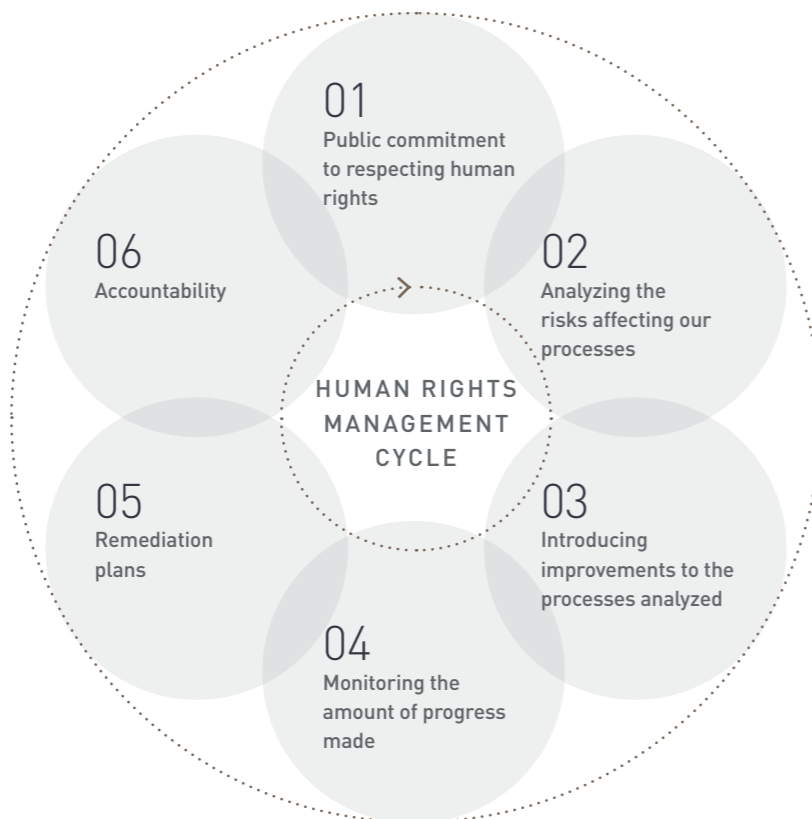
We also recognize the importance of maintaining a fluid dialogue with our employees, workers, suppliers and clients. This is why in 2015 we began to deploy our human rights management cycle (see diagram). This began with an evaluation of the potential impact, which was carried out in Colombia, in order to understand the effects that the Business Group's strategy and the activities of its Companies could have on this issue, against a backdrop of constant change. As a result of this, a methodological framework was drawn up whose points of reference are our guiding principles.

At the same time, the Company upholds the guidelines issued to multi-national companies by the Organization for Economic Cooperation and Development (OECD) and is a signatory of the UN Global Compact. This commitment is materialized through the following

- Our corporate principles
- The Sura Business Group's Code of Ethical Conduct

103-2

We recognize the importance of maintaining a fluid dialogue with employees, workers, suppliers and clients.



MATERIAL ASPECTS

Environmental impact management

STAKEHOLDER GROUPS

Clients
Employees
Suppliers

THE ENVIRONMENT 201-2

In 2017, the 23rd Annual Conference on Climate Change (COP23) was held in Bonn. A warning was given in this German City of the need for countries to embrace the commitments outlined at the Paris Conference (COP 21), aimed at unifying efforts to keep the planet from warming more than 2 degrees Celsius.

According to the latest projections, the emission reduction commitments, as set out in the agreement signed by all member countries, are not sufficient. This shall pose direct and irreversible consequences for global economic performance, with resources becoming scarcer and ecosystems and the services these provide becoming more depleted. This challenge requires the active involvement of the private sector in order to mitigate this environmental threat and ensure that prevention measures continue over time.

103-1

As investors, we take responsibility for inculcating respect for the environment while taking a long-term view of environmental conservation in order to meet the expectations of our stakeholders. In this sense, Grupo SURA has made headway with understanding the risks and opportunities arising from environmental conditions, climate change and its manifestations, understanding our corporate role in handling trends such as the carbon market, responsible investing, the depletion of natural resources, fluctuating commodity prices and other effects

of environmental change as well as regulatory and market conditions.

103-2

In order to address these issues, we manage our investment portfolios bearing in mind the environmental performance of all those companies that form part of the SURA Business Group. Similarly, we evaluate investment alternatives in projects focused on providing solutions for environmental challenges. We are also encouraging our subsidiaries to develop products and services that respond to current environmental conditions while creating value for our clients.

Eco-efficiency 302-1 302-4

Energy consumption Grupo SURA's energy consumption is either direct, in the form of the fuel used by its own vehicles and corporate aircraft or indirect, which is purchased from the national energy grid. We reduced our direct energy consumption by 37% in 2017 in the case of air travel and 42% on overland trips using our corporate vehicles. On the other hand, our indirect energy consumption rose by 30%, due to having moved into our new and larger headquarters which demands air conditioning equipment with higher capacity and coverage. Nevertheless, it must be noted that Grupo SURA's new corporate headquarters were specially designed based on energy efficiency criteria.

303-1

Water consumption Here we reduced our consumption by 79%, thanks to having moved to our new headquar-

Reducing our water consumption

↓ 79%

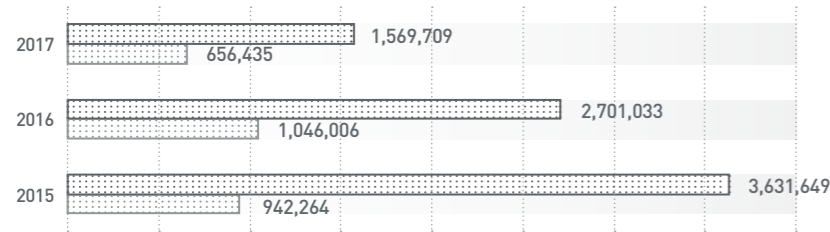
ters with its own water meters that eliminate all outside factors that could affect this measurement.

from FSC- (Forest Stewardship Council TM) forestry plantations or is paper made from the sugarcane waste produced by sugar manufacturing. Grupo SURA's paper consumption rose 30% year-on-year.

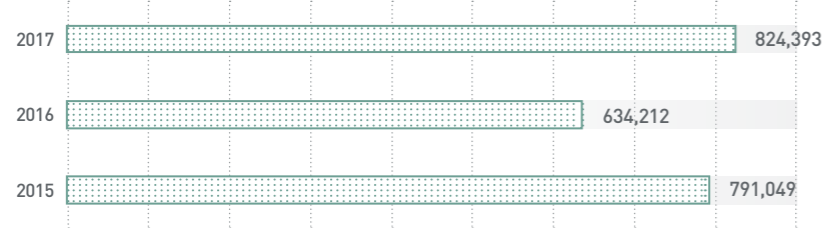
Paper consumption: the majority of the paper we consume is sourced

103-3
ECOEFFICIENCY INDICATORS AT HOLDING COMPANY LEVEL

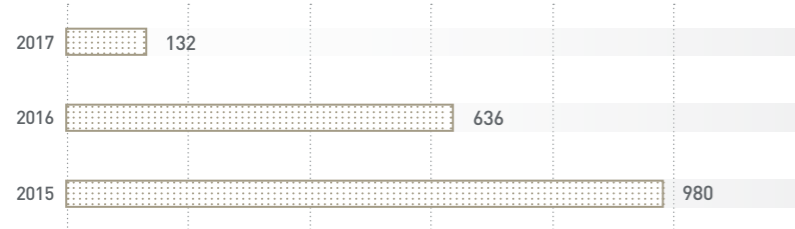
Direct energy consumption (No. Of Energy Units (MJ))



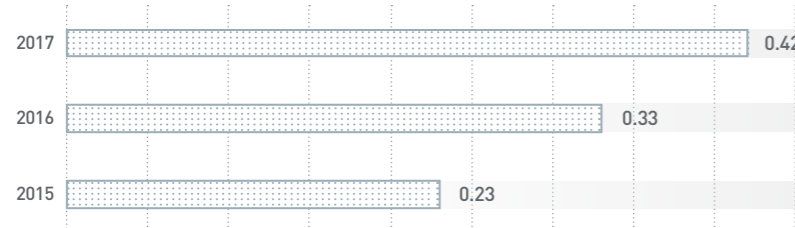
Indirect energy consumption (MJ)



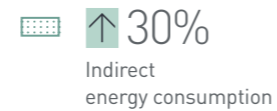
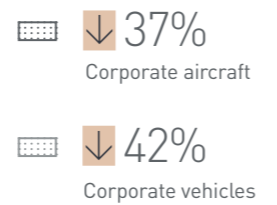
Water consumption (m³)



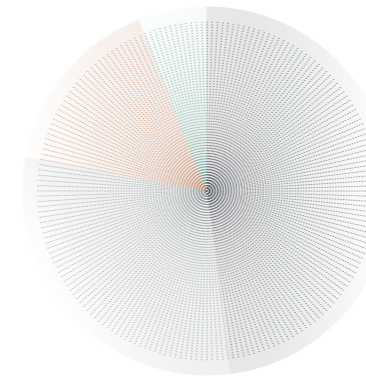
Paper consumption (tons)



ECOEFFICIENCY PERFORMANCE 2017 VS. 2016



GRUPO SURA'S CARBON FOOTPRINT Per source



- 48% Corporate aircraft
- 30% Corporate air travel
- 16% Corporate vehicles
- 6% Energy consumption
- 0% Paper consumption

305-5 Carbon footprint. Grupo SURA measures the carbon dioxide (CO2) emissions produced by its business activities in order to be able to manage the amount of direct and indirect energy consumption that produces such emissions. For this purpose, we are endeavoring to achieve significant reductions with new technologies, consumption reduction campaigns and training programs as well as encouraging the use of alternative sources of energy. One of our main objectives is to standardize our consumption metrics so that they can be more readily compared amongst our different countries as well as for subsequently setting corporate targets in this respect.

These measurements and indicators have been based on the emission factors issued by the Colombian Mining and Energy Planning Department (-UPME in Spanish)- as well as the Greenhouse Gas (GHG) Protocol. Using these factors as a baseline, we intend to draw up strategies to reduce

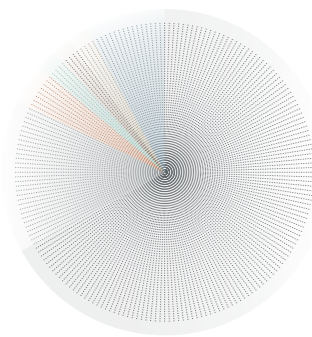
the impact of our operations on climate change. Our carbon footprint is measured and categorized in three broad scopes:

- **Scope 1:** emissions produced by direct energy sources, which are owned or controlled by Grupo SURA. The reduction obtained this past year was due to having decreased the number of flying hours corresponding to our corporate aircraft as well as trips made using our company vehicles.
- **Scope 2:** indirect emissions produced by electricity purchased from the national grid. The change in the energy emission factor in Colombia has allowed for the corresponding carbon footprint to be further reduced.
- **Scope 3:** other indirect emissions including emissions from suppliers, clients and other participants in the life cycle of the services provided by Grupo SURA. The increase reported for 2017 is largely due to the increase in corporate travel.

305-1 305-2 305-3
EVOLUTION OF EACH SCOPE (Number of tons of CO₂ e)

	2015	2016	2017	YoY CHANGE 2016-2017
SCOPE 1				
	329.89	310.42	185.00	↓ -40.4%
SCOPE 2				
	49.6	33.73	18.95	↓ -43.8%
SCOPE 3				
	74.08	75.15	88.66	↑ 18.0%

306-2 GRUPO SURA'S WASTE CLASSIFICATION



- 67% Ordinary waste
- 15% Paper
- 4% Cardboard
- 2% Plastic
- 2% Glass
- 2% Metal
- 8% Organic

Waste management Grupo SURA has located waste collection points on every floor of its Corporate Headquarters, in keeping with the standard color coding for such. The building's administration is responsible for the final disposal of the waste thus collected, which is handed over to waste disposal firms specialized according to the type of waste, normally organic, ordinary, dangerous and recyclable. We also performed a waste characterization in 2017.

ENVIRONMENTAL MANAGEMENT AT SUBSIDIARY LEVEL

Suramericana 302-1|302-4

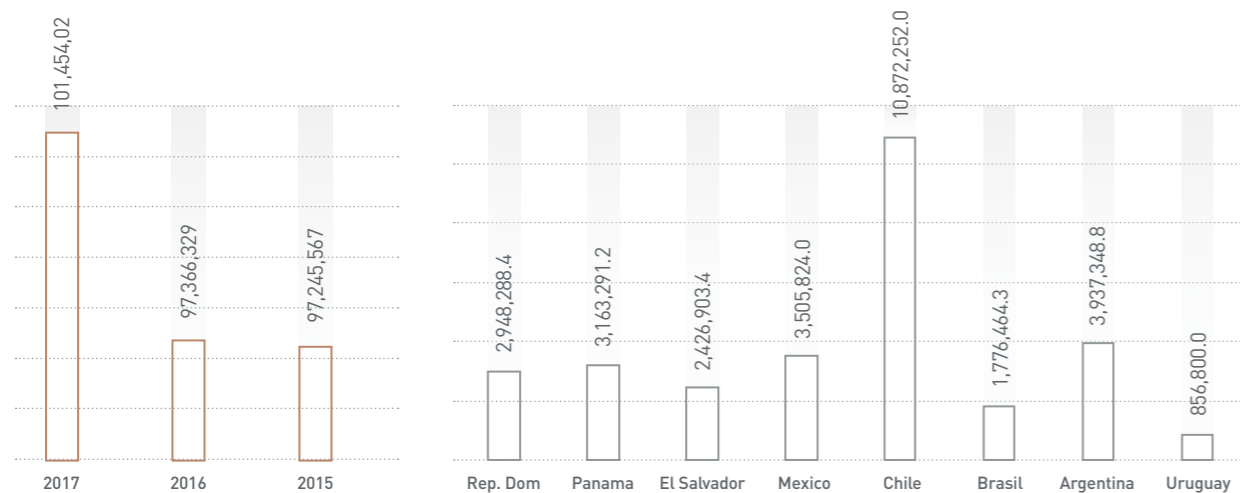
Energy consumption. In Colombia, practices such as technological renovation and the scheduled functioning of air conditioning equipment and lighting fixtures have been implemented, and motion sensors have been installed for turning off lights and taking advantage of natural light. However, this subsidiary's energy consumption increased by 4%

for 2017, this due to an 8% increase with its headcount (administrative, customer care and sales personnel as well as interns and trainees) and in the number of corporate headquarters (12 new regional offices). The following are just some of the measures implemented by some of our international subsidiaries:

- Mexico has continued to deploy initiatives facilitating a more efficient use of energy, such as reducing the time air conditioning equipment remains on and the use of sensors that turn the lighting off and on as needed.
- In Panama we replaced the traditional lighting fixtures with LED lights in two of our premises in this country, this representing energy savings of 193,849.2 MJ as of September 2017 (USD 7,000).
- In the Dominican Republic we obtained an 8% reduction, thanks to new air conditioning technology at our main headquarters, which represented savings of 63,953.3 MJ, worth USD 3,200.

INDIRECT ENERGY CONSUMPTION (MJ)

FOR COLOMBIA



305-1|305-2|305-3 SURAMERICANA'S CARBON FOOTPRINT IN COLOMBIA (Number of tons of CO₂e)

	2015	2016	2017	YoY CHANGE 2016-2017
SCOPE 1				
	1,168.5	1,614.28	1,575.8	↓ -2.0%
SCOPE 2				
	6,108.6	5,179	2,332	↓ -55.0%
SCOPE 3				
	1,706.9	2901.0	3,259.0	↑ 12.3%

305-5

Carbon footprint. With respect to our carbon footprint, as covered by Scope 1, we recorded a reduction of 38.51 tons of CO₂e in 2017. Nevertheless, fuel consumption to our electricity generating plants rose to our Insurance (18%) and Social Security (52%) lines of business, mainly due to the blackouts experienced with the local power grids in the northern and western parts of the country.

ponds to the journeys made by clients and/or policy-holders of our Workers' Compensation and Health Care Subsidiaries, given the medical treatment they receive and/or the need to attend rating meetings, the cost of which insurance companies must assume in accordance with current regulations.

Waste management The waste produced by the activities of Suramericana are diverse in nature and depend on the activities of each of its Companies:

- Organic, ordinary and recyclable waste (paper, glass, cardboard, electronics) on a corporate headquarter level.
- Biological waste from health provider facilities.
- Waste from car damage/accidents such as oil, batteries, coolants, fuels and gases or scrap metal, plastics and other recoverable waste.

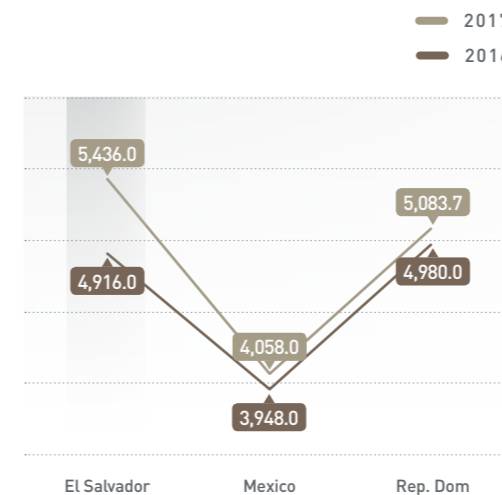
To Scope 2, the fact that the energy emission factor was amended in Colombia helped to reduce our consumption in this we also invested USD 876,217 in 2017 in new air conditioning equipment, which reduced our carbon footprint by 17.9 tons of CO₂e, thanks to the more efficient new equipment.

Lastly with regard to Scope 3, we recorded an increase of 12.3% due to more corporate trips being taken although our paper consumption dropped by 2.05%. It should be noted that 28% of the carbon footprint corresponding to corporate trips corres-

303-1

WATER CONSUMPTION ON THE PART OF OUR SUBSIDIARIES ABROAD

(In cubic meters - m³)



king available the respective containers for the disposal of different types of waste, while ensuring that their size is adequate. We also take advantage of recyclable waste which is sold on to waste management firms; old computer equipment which is still in good condition is either donated or sold off; and hazardous electrical and electronic waste (according to the WEEE directive) as well as that entailing biological risk all of which require special disposal methods are collected by certified and specialized firms for their final disposal.

SURA Asset Management

As part of its commitment to the environment, in 2017 this subsidiary carried out various measures both from the investment management and operating standpoints. The following are just some of the highlights of this subsidiary's performance in this respect:

- In December 2017, SURA Asset Management joined the United Nations' Portfolio Decarbonization Coalition (PDC), a program that encourages investment companies to apply low carbon investment strategies. This initiative is

expected to be further consolidated in 2018 upon fully defining each of the measures required for fulfilling this commitment.

- The Ecoefficiency Management program was developed and implemented, which helped standardize the measurement criteria used as well as developing a new tool for monitoring and managing the following environmental indicators at all 6 regional headquarters: water consumption, energy consumption, waste generation, greenhouse gas (GHG) emissions, consumption of raw materials and environmental management. With the aforementioned tool we obtained a baseline for measuring the environmental performance of both the Company and of each of its operations in the different countries.

305-5

Carbon footprint. Upon carrying out the aforementioned project, we identified the following outstanding initiatives being carried out by SURA Asset Management this for the purpose of reducing our carbon footprint.

- **Mexico:** where a program has been deployed that consists of sending electronic account statements to our clients, thereby reducing our consumption of paper, printing ink and delivery costs to the client's home. This has in turn diminished the pressure on natural resources and reduced GHG emissions, both in the production and distribution of paper and account statements.
- **Colombia:** additional headway was made with solid waste management with an awareness campaign being staged. One of the main achievements with this project has been obtaining a waste compacting unit that reduces the volume of waste produced, thereby facilitating its temporary storage and lowering the corresponding transport and final disposal costs.
- **Chile:** SURA Asset Management's regional headquarters in this part of the world, which opened in 2013, obtained its LEED gold certification for its energy and environmental design. In 2017, a rainwater collection system was deployed for bathroom and garden watering purposes.

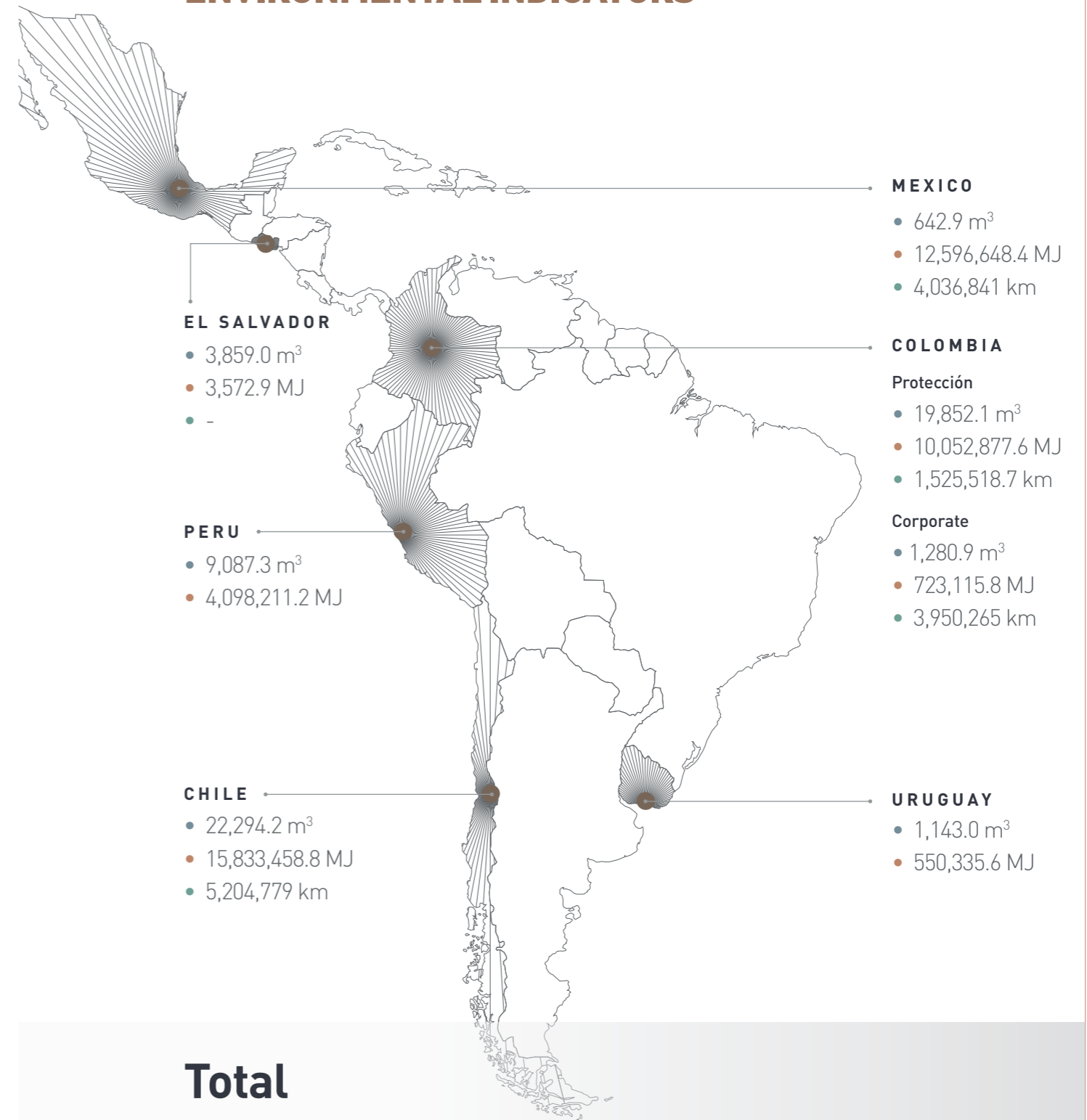
302-1 305-1

SURA ASSET MANAGEMENT'S CARBON FOOTPRINT
(Number of tons of CO₂ e)

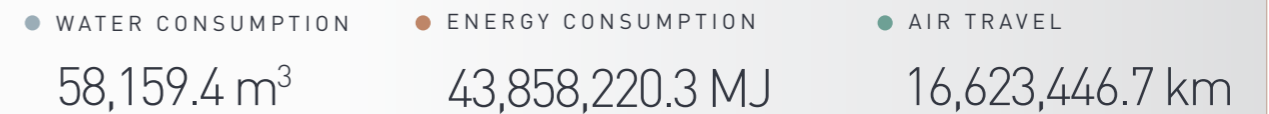
CORPORATE	PROTECCION	MEXICO	CHILE	PERU	URUGUAY	SALVADOR	TOTAL
SCOPE 1							
26.71	140.55	9.24	5.02	32.95	-	177.66	392.14
SCOPE 2							
39.99	555.98	1,602.57	1,746.08	295.98	8.82	0.24	4,249.67
SCOPE 3							
415.42	175.90	428.87	2,116.62	232.25	2.04	12.09	3,383.2
TOTAL							
482.13	872.43	2,040.68	3,867.71	561.19	10.86	189.99	8,025

305-1|305-2|305-3

SURA ASSET MANAGEMENT'S ENVIRONMENTAL INDICATORS



Total



• **Peru:** here the SURA recycling program was deployed, promoting the recycling of materials such as paper, newspaper, cardboard, PET bottles, cans, batteries, among other articles. The money obtained from selling this waste was used to set up a fund for community environmental initiatives. This project won the Recycling for the Community competition.

102-13
INTER-INSTITUTIONAL PARTICIPATION

Grupo SURA, its subsidiaries and affiliates took part in various events that were staged in 2017 for the purpose of promoting inter-institutional involvement in environmental issues:

- The Regional Environmental Committee of the Antioqueñan Chapter of the Colombian National Association of Businessmen (ANDI).
- Cycle Seven 2017: "Sustainability in Latin America" Week.
- Colombian Business Council for Sustainable Development (BCSD), the Colombian branch of the World Business Council for Sustainable Development.
- Sustainability Principles for the Insurance Industry, spearheaded by the United Nations Environmental Program Financial Initiative (UNEP FI), of which Suramericana is a member.

CARBON DISCLOSURE PROJECT (CDP)

Grupo SURA has embraced the CDP initiative - Driving Sustainable Economies, that sponsors the global environmental information disclosure system allowing companies, cities and regions to measure and manage their environmental impact on climate change, water and forest-

land. Its network of investors, representing a total of USD100 trillion in conjunction with different Governments, employs data from the CDP and applies the CDP vision in order to make informed decisions.

It should be noted that companies who measure their environmental impact are better prepared to strategically manage such. All those companies that transparently report this information are able to make decisions based on their access to a critical source of global data that provides the required evidence for measures to be subsequently taken. The following are just some of the global indicators produced by this initiative:

- 87% of companies identified opportunities when responding to the CDP survey
- 67% of those surveyed obtained higher returns on their capital compared to their peers who did not take part in the survey.
- USD 53 billion in savings were reported by the Companies who form part of the CDP.
- USD 1.2 million was saved in interest payments by companies reporting to the CDP.

ENVIRONMENTAL CULTURE

In keeping with a responsible environmental performance in all those countries where it is present, the SURA Business Group carried out various initiatives in 2017 that helped further its culture of environmental care and conservation:

- Grupo SURA sponsored a group of 18 employees from both the parent company and Suramericana to attend the Circular Economy Forum, organized by the Americas Sustainable Development Foundation.

SUBSIDIARY SAVINGS IN COP

COP **53** billion

SAVINGS IN INTEREST PAYMENTS

COP **1.2** million

A total of USD 8,000 was allocated to this venture.

- An internal communications campaign was staged for the benefit of our employees on various environmental issues relating to waste and water management as well as the protection of our oceans and forests.
- Our Corporate Responsibility staff received various training courses, such as the Legal Environmental Management Seminar and a Course on the Value of Sustainability for Investors as applicable to the Colombia Global Compact network.
- Seguros SURA Colombia provided training in environmental matters to both its employees and its clients. The more noteworthy initiatives in this regard were the alliances formed with suppliers for ascertaining the latest trends in sustainable mobility (benefiting 3 employees); training in preventive car maintenance (benefiting 994 clients); training in the handling of hazardous waste (benefiting 542 employees); the Eco-Product fair (attended by 3 employees).
- Seguros SURA in the Dominican Republic drew up a plan for furthering its environmental culture, which resulted in savings totaling USD 8,560, just by reducing the Company's energy consumption.

Grupo SURA is fully aware of the headway made by its subsidiaries in terms of the different environmental initiatives that were implemented, as well as the opportunities to be had in furthering, strengthening and enhancing the Organization's best practices. The challenge now is to strengthen our knowledge networks and standardize

the goals and targets set in terms of our environmental performance. The main environmental projects to be staged in 2018 include:

- Performing an assessment of the progress made with our environmental performance at subsidiary level.
- Defining short- and long-term goals to reduce our energy, paper and water consumption levels.
- Extending the measuring of our carbon footprint to our subsidiaries.
- Continuing to monitor our eco-efficiency indicators.



102-9 103-1

MATERIAL ASPECTS
Best practices at supplier level
STAKEHOLDER GROUPS
Clients Employees suppliers

SUPPLIERS

A company's results depend to a certain degree on the suppliers of the goods and services it consumes. Working in conjunction with our suppliers means that the corresponding risks and opportunities are shared for the benefit of both parties, which is why it is so important to act responsibly.

We, in the SURA Business Group, recognize the important role that our suppliers play in being able to deliver our value promise to our different stakeholders, which is why we have drawn up a comprehensive supplier management model which lays out the basis for our relationships with these, our constant allies in the pursuit of our corporate goals.

This model forms part of our risk management and internal control system, our long-term relationships, our firm commitment to sustainable development and our adoption of best practices and international standards. These guidelines are contained in our Comprehensive Supplier Mana-

gement and Procurement Policy. We also have put into a place a Code of Conduct especially geared to our Suppliers, which contains the principles, rules and regulations that govern the conduct of our suppliers as well as issues affecting our relationships in this regard.

103-2

A greater knowledge of our suppliers allows us to manage information much more optimally as well as identify the risks to which our Companies may be exposed. This helps us draw up the corresponding action plans to further the effectiveness and efficiency of our processes and decisions and makes for more transparent relations.

In this regard, we have drawn up various risk maps to help us evaluate our exposure along our entire supply

chain, according to the particular characteristics of each line of business and the nature of the respective supplier or service provider.

204-1

In this order of ideas, for the purpose of selecting and categorizing our suppliers and service providers we take into account (i) the level of risk involved; (ii) the degree of maturity of their financial, workplace, environmental, governance and human rights practices; and (iii) the quality, price and timely delivery of the goods and services provided.

In 2017, Grupo SURA and its subsidiaries, Suramericana and SURA Asset Management paid out a total of COP 3.84 billion (USD 1,218 million) to its suppliers, 98% of which corresponded to local suppliers and service providers

Identifying supplier risk

- » Legal
 - » Fraud
 - » Corruption
-
- » Reputation
 - » Operating disruptions

STAGES OF SURA'S COMPREHENSIVE SUPPLIER MANAGEMENT SYSTEM



Highlighted practices

In drawing up our supplier management practices, we made headway with various initiatives carried out by the Companies belonging to our Business Group, including the following:

Business development program.

Aware of the importance of improving the capabilities of our suppliers and service providers we drew up a program aimed at improving their functions and technical and administrative skills.

Other efforts in this regard include our 4th Annual National Meeting of Suppliers held in 2017 with 611 people in attendance. This effectively strengthened ties with our suppliers and allowed Seguros SURA Colombia to share its business vision. It also offered us an important opportunity for acknowledging our suppliers and service providers as major players in helping us to fulfill our corporate purposes. This networking and learning event addressed shared issues of interest such as: management trends and risks; tending to our sustainability; service promise and leadership for organizational transformation.

Collaborative communities: in order to facilitate our cooperation efforts and allow our supplier network to find new avenues of growth and ways of furthering their financial and operating efficiencies, SURA assisted a total of 30 companies based in Medellin, as part of the initial stage of its partnering and joint development plans.

This initiative is aimed at encouraging greater operating and administrative efficiencies by advising our strategic partners on how to enter new markets, obtain supplies using jointly negotiated discounts and credits and draw up a comprehensive vision of their business in order to fulfill the needs of the supplier company and its other customers.

Means of engagement: we have laid on a special portal, proveedor.sura.com, so that suppliers can access relevant content, obtain payment information, download certificates and carry out other strategic initiatives that facilitate the Group's supplier management.

Challenges to supplier management

In order to continue enhancing our efforts to ensure the sustainability of our suppliers we shall be working on the following fronts in 2018:

- Helping our subsidiaries to deploy and standardize our Supplier Management model, delivering our value promise to all our stakeholder groups pursuant to our organizational principles.
- Implementing the risk methodology defined for our entire supply chain, so as to ensure our ongoing sustainability and business continuity.
- Strengthening our partnerships with the public, private and third sectors for developing our suppliers and service providers in terms of their administrative and technical knowledge and skills.

Amounts paid to suppliers

GRUPO SURA
COP 23,656 million
(USD 7.9 million)

SURAMERICANA
COP 4,316 billion
(USD 1,446 million)

SURA ASSET MANAGEMENT
COP 1,035 Billion
(USD 346.8 million)

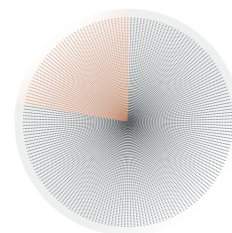
TOTAL PAGADO
COP 5,374 billion
(USD 1,801 million)

PROVEEDORES

103-3

GRUPO SURA

2017
160
Suppliers

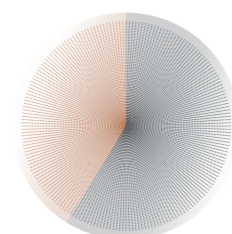


89.3%

DOMESTIC SUPPLIERS

SURAMERICANA

2017
37,424
Suppliers

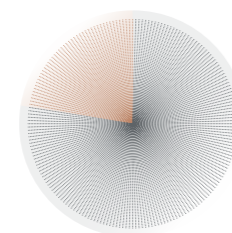


99.2%

NATIONAL SUPPLIERS

SURA ASSET MANAGEMENT

2017
5,691
Suppliers



96.1%

NATIONAL SUPPLIERS

Total suppliers

2017 **43,275**

Change to number of suppliers

↑ -21.6%

103-1 | 103-2 RESPONSIBLE INVESTING

The context in which Grupo SURA conducts its business poses important challenges with adopting best practices, developing solutions and exploring new business alternatives, thereby allowing us to remain relevant and sustainable over time.

With this in mind, Grupo SURA not only bases its decisions on the purely financial but also environmental, social and governance (ESG) factors, so as to ensure its long-term growth and the mitigation of risk.

Currently, the Business Group upholds a responsible investment policy, which provides the framework for analyzing different investments so as to continue strengthening and furthering the growth of its Companies. Generally speaking, this policy sets out the minimum issues that our Companies must consider from the ESG standpoint when managing their investments and handling disputes.

Policy scope:

- » Mergers and acquisitions
- » Own portfolio investments
- » Third-party managed investments

This policy has been made available under the Corporate Responsibility tab on the gruposura.com website.

Grupo SURA's Risk Committee is the highest governing body responsible for discussing and issuing both general and strategic guidelines with regard to responsible investing. Furthermore, each company has its own governing body in ESG matters and has put into place an investment and risk analysis procedure.

In 2017, our Companies continued to build upon their internal models so as to have the required assessment tools

at their disposal for analyzing different investments based on their specific characteristics, the sectors to which they belong and the countries where these are located, this in the light of the corresponding environmental, social and governance factors. Furthermore, we continued to work on providing constant training to the staff in charge of deciding on where to invest in terms of ESG best practices.

For Grupo SURA, responsible investment is part of its responsible business practices and plays a fundamental role in addressing the challenges relating to our ongoing sustainability, inspiring trust, building upon our reputation and managing strategic risks and trends. In keeping with our ethical principles and our overarching purpose of creating greater well-being and sustainable development, the progress we have made in this field serves several criteria.

EVALUATING INVESTMENTS BASED ON ESG CRITERIA

All ESG criteria are taken into account as part of our investment and risk analysis function prior to investing in companies, projects and structures. This ensures that we have a positive impact on sustainable development beyond the financial returns obtained. This analysis directly affects the credit ratings of all those issuers of securities in which our insurance and fund management companies invest using both their own portfolios as well as those of third parties.

AN OPPORTUNITY FOR DEVELOPING AND OFFERING NEW PRODUCTS

ESG criteria are taken into account when creating new products and businesses as part of the services provided by our insurance companies as well as new financial products on the part our fund management firms.

RISK AND TREND MANAGEMENT

Our risk and trend management function allows us to better understand the changes arising in our different business environments from the environmental, social and good governance standpoints that could eventually have a positive or negative impact on our Companies. Being able to manage risk and trends beforehand allows us to provide our clients with timely assistance as well as drive their competitiveness in a sustainable fashion.

201-1 SUSTAINABLE INVESTMENT MANAGEMENT

Specific business practices as relating to investment management are helping to drive the sustainability of the planet and the handling of risks associated with climate change. In this regard, our subsidiary SURA Asset Management joined the United Nations' Portfolio Decarbonization Coalition (PDC), a program that encourages investor companies to embrace low carbon investment strategies in 2017.

In view of the above, the challenge facing the Sura Business Group continues to revolve around furthering its knowledge of environmental, social and governance matters. Here, we must constantly review our policies relating to the responsible investment practices being uphold by our companies, in order to maintain the highest standards and in so doing help drive

the Group's strategy. We also provide assistance to all those insurance companies that were purchased in 2016 in adopting such practices.

103-1 103-2 INVESTING IN SOCIAL DEVELOPMENT

Grupo SURA and its subsidiaries recognize the impact they have on the overall development of all those countries where it is present, not just because of our economic performance but also our ability to influence public policy-making and the different social development projects carried out on a local level. In this order of ideas, we are involved with various initiatives aimed at furthering individual and organizational skills, which in turn enhance people's quality of life and well-being as well as the competitiveness of organizations and countries alike.

As part of our Corporate Responsibility Strategy, we made headway in 2017 with drawing up our new Social Investment Policy framework which in turn was approved by our Board of Directors. These guidelines shall allow us to standardize, focus on, plot, and measure the impact of our investments, either directly or through our SURA Foundation, in all those countries where the latter has been legally incorporated

This policy framework recognizes and officially acknowledges the importance for the SURA Business Group of investing in social development concerns. This is why we continue with our strategic focus on initiatives that enhance the quality of education, enrich our local cultures and strengthen our institutions. These initiatives can easily be adapted to other countries depending on their specific social situations and circumstances, while at

the same time meeting the social investment criteria and mechanisms, as listed below:

Criteria for investing in social development:

- The project or initiative must be entirely unrelated to any business interests the Group may have
- Possibility of an articulated collaboration between cross sector alliances
- The work to be done must respond to the actual context
- Social innovation initiatives are involved
- An impact is produced on matters of public interest
- Providing a source of additional knowledge
- There is a clearly-defined project management approach
- Two-way communications are firmly in place.

Social investment mechanisms

- Social development initiatives
- Volunteer Corps
- Business initiatives with a social outreach focus
- Participating on the Boards of Trustees of various social development entities
- Strengthening our participatory democracy

SOCIAL DEVELOPMENT INITIATIVES

Quality of education

This line of investment is aimed at furthering the personal and technical skills of teachers and students alike so that they make take advantage of greater professional and job opportunities, in keeping with society's changing needs and challenges. In 2017, a total of COP 7,264 million

MAIN SOCIAL INVESTMENT FIGURES FOR 2017 103-3

SOCIAL INVESTMENT IN 10 COUNTRIES

COP **35,020** million
(USD 11.86 million)

The SURA Foundation, created in 1971, channels the resources of Grupo SURA, Suramericana and SURA Asset Management. It participates in projects that create well-being and sustainable development in the communities where the Sura brand is present

OTHER SOCIAL DEVELOPMENT AND OUTREACH INITIATIVES

COP **15,001** million
(USD 5.08 million)

VOLUNTEER CORPS

Managed by the SURA Foundation

COP 2,674 million <small>(USD 906,188)</small>	3,698 volunteers	35,181 Total volunteer hours
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Managed by SURA Asset Management and its subsidiaries

COP 1,311 million <small>(USD 444,385)</small>	1,957 volunteers	10,380 Total volunteer hours
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IN COLOMBIA

PRESENCE SPANNING 27 DEPARTMENTS

TOTAL AMOUNT INVESTED IN SOCIAL OUTREACH PROGRAMS

COP **14,132** million
(USD 4.78 million)

alliances with

70 entities for the development of
73 initiatives

More of

180,000 direct beneficiaries and approximately 896,000 indirect beneficiaries
896,000 indirect beneficiaries

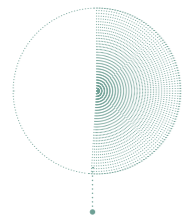
CONTRIBUTIONS RECEIVED BY THE SURA FOUNDATION FROM THE COMPANIES THAT MAKE UP THE GROUP

COP **13,915** million
(USD 4.6 million)

*. Including contributions from the SURA Foundation, our corporate volunteer corps and business initiatives with a social outreach focus.
* Invested directly by the Companies and which have a clear impact on social development.

INVESTMENTS MADE IN 2017 TO ENHANCE THE QUALITY OF EDUCATION

COP 7,264 million
(USD 2.46 million)



51%
Out of the total amount invested

(USD 2.46 million) were invested. The main achievements of this type of initiative are as follows:

- The coverage of the Felix and Susana program was extended to another 70 schools in 11 different districts in Bogotá, in partnership with the District Education Department. This is the only time the Sura Foundation has ever entered into a co-financing agreement with a local government entity.
- 786 meaningful classroom experiences were documented, as relating to the prevention of child abuse and mistreatment, peaceful coexistence, respect and diversity, citizenship, among other important topics.
- We began to evaluate impact that our Felix and Susana education program has had, this in conjunction with the University de los Andes.
- 2,646 applications were submitted from 23 different departments this corresponding to the call for submissions in 2017 for the Nicanor Restrepo Santamaría Scholarship.
- 320 senior teachers from a total of 310 schools in 8 different municipalities in Colombia were invited to enhance their skills as administrative and community pedagogical leaders, through the Transforming Senior Teachers Program, which is a nation-wide initiative sponsored by the Businessmen for Education Foundation.
- We sponsored a cultural awareness program benefiting a total of 5,880 children, youngsters and teachers. Here, we were able to expand on the cultural richness and wisdom of Colombia's indigenous communities using educational materials belonging to the Ancient Indigenous Wisdom Project.

Cultural Development

This line of investment line is aimed at initiatives that further entrepreneurial skills and projects that connect local communities to their own artistic and cultural heritage. Conserving our cultural heritage and promoting social change through art and culture has long been one of the Company's main interests. The amount invested in 2017 came to COP 2,591 million (USD 878,009) in 2017 and produced the following achievements:

- For the first time, the communities benefiting from the project "Memory and Creativity: The Indigenous Enterprise" took part in a National Handicraft Fair ("Expoartesanas") which was held in Bogota.
- The cabaret performance "No One Knows Who I Am" was chosen AS Play of the Year by the readers of the specialized journal Arteria. This play was staged as a result of the artistic education project Residencias Cundinamarca which was implemented in conjunction with the Museum of Antioquia.
- We also took part in the "Reimagined Museum" meeting in 2017, to which museum curators from all parts of the Americas were invited, this organized by the Explora Park in Medellín A total of 675 people from 23 countries attended.
- Older adults were able to explore their cultural heritage for the first time at the National Museum of Colombia, as part of an initiative aimed at local communities in Bogota.

Institutional Strengthening

This line of investment is aimed at inviting Organizations to reflect, investigate and weigh in on issues such as justice, development, transparency, democracy, environment and citizens-

INVESTMENTS MADE IN 2017 TO ENRICH LOCAL CULTURES

COP 2,591 million
(USD 878,009)



18%
Out of the total amount invested

INVESTMENTS MADE IN 2017 FOR INSTITUTIONAL BUILDING PURPOSES

COP 1,574 million
(USD 533,262)



11%
Out of the total amount invested

hip. A total of COP 1, 574 million (USD 533,262) was invested in this project that provided support for a total of 38 organizations in 2017, benefiting 184,512 people through the initiatives taken.

Other programs

Last year, the SURA Foundation invested COP 2,704 million (USD 916,070), that is to say 19% of the total, in initiatives aimed at improving the quality of life for the underprivileged in Colombia.

On the other hand, SURA Asset Management, through Proteccion S.A. invested another COP 691 million (USD 234,122) in social development initiatives, that benefited approximately 24,244 people. Here the comprehensive care of the elderly was a prime focus, through the "Live Better" program, benefiting a total of 452 senior citizens.

INTERNATIONAL SOCIAL DEVELOPMENT INITIATIVES

In keeping with the international expansion and consolidation of our Group's business abroad, the SURA Colombia Foundation made significant progress in 2017 by extending its scope to other countries where SURA is present, by investing COP 1,833 million (USD 621,142) in social development projects.

Likewise, the Group's subsidiary SURA Asset Management allocated a total of COP 1,455 million (USD 493,166) to social investment initiatives in Chile, El Salvador, Mexico, Peru and Uruguay. The following are just some of the more relevant social development programs being deployed outside Colombia:

Regional education and employability alliances in Latin America

Three such partnership agreements were entered into in 2017. The first, in May, was with the international organization, United Way, in which we pledged to further our education and corporate volunteer efforts, the second was in June, when we embraced an agreement for furthering the employability of youngsters in the member countries of Pacific Alliance (Mexico, Colombia, Peru and Chile); and the third in November, was when we partnered with the Latin-American Network for Education (known as Reduca in Spanish) so as to further our joint efforts in building knowledge and applied education research in Latin America.

The SURA Foundation in Mexico and Chile

Last year we managed to consolidate our SURA Foundation in both Chile and Mexico so as to channel the Group's social development and volunteer initiatives in said countries, mainly in connection with enhancing the quality of education, enriching our local cultures and strengthening our institutions.

In Mexico, the SURA Foundation focused on providing support to the victims of an earthquake that shook its capital city in September 2017. A solidarity fund was set up amongst our employees with the SURA Foundation donating two pesos for every peso received. Consequently 474 employees of SURA Mexico raised a total of MEX 235,431 (12,449 USD) which gave rise to a total of MEX 706,293 (USD 37,346) being handed over.

The SURA Foundation invested

COP 1,833 million
(USD 621,142)

in implementing social development initiatives outside Colombia.

The Felix and Susana educational program in El Salvador and the Dominican Republic

Since 2015, the SURA Foundation has entered into various technical cooperation agreements with the Business Foundation for Development (FEPA-DE), in El Salvador, and with the Business Action for Education Foundation (EDUCA), in the Dominican Republic, this for the purpose of transferring and implementing the Felix and Susana methodology and program in schools in both countries. At year-end 2017, training had been given to a total of 500 teachers at 45 schools thus benefiting some 11,000 school children. The total amount invested in 2017 came to COP 1,744 million (USD 591,118).

Financial education program in Mexico and Peru

This program provides children and young people in both of these countries with the tools they need from the standpoint of savings and entrepreneurship so as to be able to make better financial decisions that in turn shall allow them to attain their goals and aspirations.

- The program "Taking the Initiative" that Sura Asset Management is staging in Peru, is aimed at helping children and youngsters to become good "economic" citizens, while creating a savings culture and helping them to acquire the attitudes, skills and knowledge they need to become truly successful entrepreneurs. In partnership with the Regional Education Department of Lima's Metropolitan Area, this program has already directly benefited 13,099 students and 210 teachers.
- In Mexico City, the SURA Kids program staged a summer vacation

course for children and youngsters on the importance of savings and welfare education. The various initiatives carried out amounted to an estimated investment of USD 57,000.

Improving school infrastructure in Mexico and Peru

This program is aimed at enhancing the actual physical infrastructures of basic primary schools in the rural areas of Mexico and Peru. In 2017, a total of seven schools were either built or revamped in Mexico and another in Peru.

SURA CORPORATE VOLUNTEER CORPS

Through this program, spearheaded by the SURA Foundation, our employees are able to extend their personal and technical abilities by dedicating their time, talent and knowledge to furthering community development. This initiative has helped to improve people's quality of life and strengthen the Company's ties with the community.

One of the range of programs that our volunteers could choose from in 2017 was the "Meeting of Minds" program. This consisted of two activities aimed at enhancing community conditions and improving school facilities in Argentina, Brazil, Colombia, Peru, Uruguay, El Salvador, Dominican Republic, Chile, Panama and Mexico.

Other volunteer initiatives SURA Asset Management and its subsidiaries invested a total of COP 1,311 million (USD 444,385) in its corporate volunteer initiatives, these aimed at making employees more aware of the real social conditions prevailing in each of their countries. This included the following initiatives:

Social investment on the part of SURA Asset Management and its subsidiaries in Chile, El Salvador, Mexico, Peru and Uruguay.

COP **1,455** million
(USD 493,166)

"MEETING OF MINDS" PROGRAM

COP **2,083** million
(USD 705,891)

SURA CORPORATE VOLUNTEER CORPS - 2017

Argentina • 111 • 844 • 518	Brasil • 130 • 951 • 256	Chile • 295 • 2,328 • 712	Colombia • 1,666 • 13,428 • 18,236	El Salvador • 290 • 2,088 • 980
Mexico • 455 • 3,785 • 2,913	Panama • 67 • 461 • 2,390	Peru • 344 • 2,182 • 3,192	R. Dominicana • 89 • 936 • 2,538	Uruguay • 126 • 888 • 301

Total

• VOLUNTEERS	3,573
• HOURS	27,891
• BENEFICIARIES	32,036

Peru Through the program called "A Single Force", employees are helping those affected by natural disasters. This included 51 employees and 57 of their family members and friends who dedicated a total of 1,351 hours to this important cause.

Mexico Here the 'SURA School', mentoring program was staged for children in third grade to acquire a second language A total of 100 employees and 57 of their family members and friends dedicated a total of 549 hours to this language program.

Chile A total of 57 employees were actively involved as volunteer judges in a Contest for Entrepreneurs called Jump, thereby providing their knowledge and business vision with regard to the different competing projects.

BUSINESS INITIATIVES WITH A SOCIAL PROJECTION

In 2017, Grupo SURA and its subsidiaries invested a total of COP 12,855 million (USD 4.36 billion) in initiatives

which, in addition to furthering the SURA brand, invite people to reflect on and take action with regard to different social development initiatives on a local level. These included:

The Hay Festival

SURA has served as a partner in Latin America for this cultural event which is held every year in Cartagena, Medellin, Queretaro (Mexico) and Arequipa (Peru). This provides an ideal opportunity for discussing and analyzing issues relating to culture and sustainable development, which are priority areas where the Group wishes to make its mark.

Landscape. Heritage and identity. An analysis based on the SURA and Franz Mayer Collections

In partnership with the Franz Mayer Museum in Mexico a photography contest was held called "Mexican Landscapes Under the Lens" the aim of which was to raise awareness of mankind's footprint on the environment and the importance of environmental conservation.

Caracol Titans

SURA sponsored the "Culture" category of this initiative staged by Caracol Television the aim of which is to recognize Colombians who have dedicated their efforts to providing opportunities, access and knowledge to individuals and communities alike so that they may develop their artistic potential, thus facilitating greater social inclusion and enhancing the overall quality of life.

Partnership with the FNPI

SURA encourages the adoption of best practices so as to further ethical journalism throughout the region thereby helping to build responsible public opinion leaders and preserve democracy in Latin America. With this in mind, we consolidated our partnership with the Latin American New Journalism Foundation (FNPI in Spanish) in supporting two of its banner programs, this in conjunction with Bancolombia. The first of these programs is the Gabriel Garcia Marquez Festival and Awards for Journalism, held for the fifth year running in September 2017, in Medellin. The

other program has to do with the Secure Ethical Journalism Network, whose digital strategy is focused on providing on-line consultations, opportunities to learn and discuss matters on social networks as well as holding meetings with editors and heads of various Colombian media.

Culture of care

Our Health Care subsidiary EPS SURA and our Workers' Compensation subsidiary SURA ARL helped to draw up various educational and communication strategies designed to further people's well-being and provide a dignified quality of life. This culture of care program is a cross-cutting factor in being able to ensure better conditions for both people and organizations.

Participating on the Boards of Trustees of various social entities
In 2017, the Senior Executives of Grupo SURA and Suramericana served as members of the Boards of Trustees on the following social entities in Colombia:

- Medellín's Museum of Modern Art
- Centro de Ciencia y Tecnología de Antioquia (Antioquian Center for Science and Technology)
- Fundación Amigos del Parque Explora (Friends of the Explora Park Foundation)
- Corporación Parque Explora. (Explora Parque Corporation)
- Businessmen for Education Foundation

- Metropolitan Institute of Technology
- Corporación Antioquia Presente (Antioquia Present! Corporation)
- Fundación para el Progreso de Antioquia Proantioquia (Foundation for Progress in Antioquia)
- Ballet Folclórico de Antioquia (Antioquian Dance Company)
- Medellín Philharmonic Orchestra

CHALLENGES FACING OUR SOCIAL INVESTMENT PROGRAMS

Based on the work carried out in 2017 by the SURA Foundation in Colombia and other countries within the region, we have detected various challenges which must be addressed going forward:

- Increasing our contributions to social development in all those countries where we are present, either through own initiatives or in partnership with other organizations particularly with regard to enhancing the quality of education and enriching our local cultures.
- Continuing to build on the regional partnerships entered into in 2017. Here, in conjunction with Reduca, we shall be publishing a research paper on the Educational Panorama in Latin America, as part of our commitment to ensuring better education throughout the region.
- Creating greater awareness and acceptance of our Social Investment Policy Framework, in order to consolidate and standardize the metrics used to gauge the impact of our social investment initiatives throughout the region.

AMOUNTS INVESTED IN VARIOUS SOCIAL AND CULTURAL INITIATIVES

COP **12,855** million
(USD 4.36 million)

The SURA Foundation shall be **increasing the amounts it invests in social initiatives** in all those countries where the Group is present.

DOW JONES SUSTAINABILITY INDEX - 2017

Grupo SURA was again admitted for the seventh year running to the DJSI global index, which tracks the best performing companies in terms of corporate sustainability and focuses on how organizations can provide greater added value based on their approach to handling risks and opportunities from the environmental, social and economic standpoints.

The Company is evaluated as part of the Diversified Financial Services and Capital Markets sector, where it reports on both its own performance as well as the practices upheld by its subsidiaries, Suramericana and SURA Asset Management. This is allowing Grupo SURA to reinforce all those aspects of its performance so as to be able to remain relevant over time and create greater added value through its core lines of business.

The Group is fully engaged with identifying best practices on a global level and fully incorporating these in its activities as part of its focus on continuous improvement as well as its long-term business vision. In this way we are ensuring Grupo SURA's permanence over time while offering a timely response to the needs and expectations of our different stakeholder groups.

AREAS TO BE REINFORCED

- Corporate governance.
- Political leverage
- Eco-efficiency
- Developing our human capital
- Improving upon our reporting of practices, indicators, targets and external audits.

3,500 companies were invited to take part

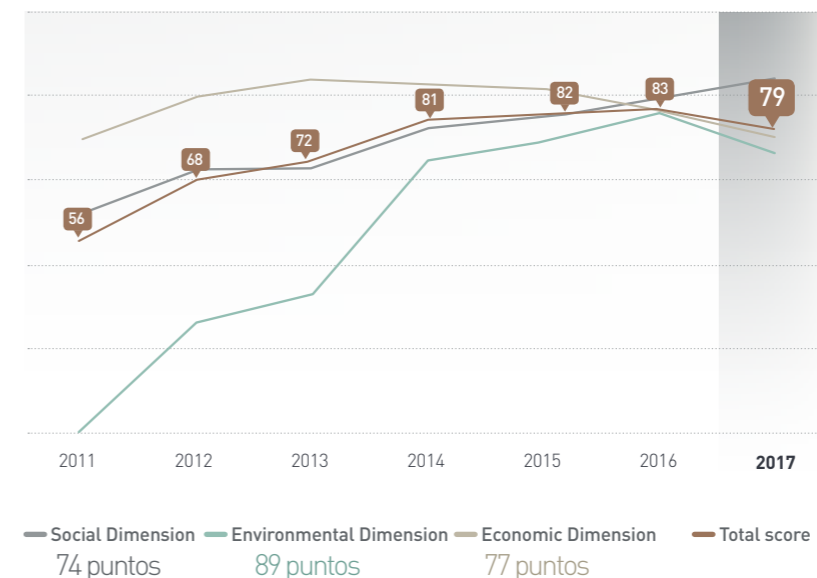
320 companies were selected

From **24** industries

15 companies belonging to the Diversified Financial Services and Capital Markets sector and listed on the DJSI.

47 companies were listed on the DJSI, 3 of these belonging to the Diversified Financial Services and Capital Markets sector

EVOLUTION OF GRUPO SURA'S RESULTS IN THE DJSI



GRUPO SURA

The only Latin American company from the Diversified Financial Services and Capital Markets Sector

No. 1 in risk and crisis management.

No. 1 in climate change strategy.

No. 2 with regard to the environmental dimension.

- Member of the Sustainability Yearbook for 2018
- Grupo SURA obtained the third highest score in its sector.
- Grupo SURA belongs to the DJSI world, emerging markets and MILA indices

ITS SONG, ITS TRUE HEART

The red thrush inhabits all of South America, having made the entire continent its own land and where it has distributed its song hither and thither as one would scatter seeds; since his little red breast carries the beat of the Laranjeira, the Samba. Very early, even before daybreak, the thrush begins to rehearse its repertoire, a tune, a sound, a higher or lower octave, honing and clarifying its sound box -as if it were a daily workout. Ready, set, go. Let ´s begin with the concert. Its song becomes more acute between August and January, when it intensifies and becomes more fruitful, and there palpitates its true heart, nostalgic memories telling its story, which poets and musicians have celebrated as a joyful and nostalgic hymn to life itself

THRUSH

Scientific name:	Turdus rufiventris
Class:	Birds
Family:	Turdidae
Order:	Paseriformes
Region:	Brazil



08

REPUTATION AND TRUST

MATERIAL ASPECTS

Reputation, branding and stakeholder engagement

REPUTATION IS THE RESULT OF FULFILLING OUR VALUE PROMISE

by incorporating good practices, which in turn are based on our ethical principles and being able to forge long-term relationships with our stakeholders.

BUILDING A CORPORATE REPUTATION



103-1 Reputation is after all a measure of confidence. This is possibly the most important attribute that the Companies belonging to the SURA Business Group could offer, since they all belong to the financial and insurance industry. Confidence is associated with offering support, experience and a sound financial position so that people and organizations prefer SURA when seeking assistance and solutions for their risk exposure and financial protection needs, not to mention growth opportunities.

Similarly, our brand, as one of our Organization's most important intangible assets, reflects our corporate identity, taking on a personality in keeping with the attributes it depicts.

103-2 The following are key factors in building a Company's reputation: brand management, the content of the communications that take place at all levels of the Organization (speeches); the various forms of institutional projection (such as the causes undertaken and scenarios that the Company is known for); and the handling of stakeholder engagement (in a cross-cutting fashion). However, none of this is effective, if it is not based on the Organization's performance and underpinned by business practices that are in keeping with the brand's promise and the expectations that our stakeholders have of us. This is the only real way of building reputation and trust.

PROGRESS MADE IN 2017

In Colombia the SURA brand has built up a track record of consistent business performance, which over the last 73 years, has allowed us to build a reputation as one of the 10 top

companies with the best reputation in the country as ranked by the Monitor Empresarial de Reputación Corporativa - MERCO (Corporate Reputation Business Monitor) in a survey carried out in 2017.

103-3 GRUPO SURA IN MERCO COLOMBIA

YEAR	POSITION
2014	10
2015	8
2016	8
2017	8

With the SURA brand making its initial debut in other Latin American countries at the beginning of the current decade, we encountered new challenges regarding the Organization's knowledge and positioning as well as building and strengthening our stakeholder relationships.

103-1 As part of our overarching purpose of getting more and more people acquainted with our SURA brand in Latin America while building sound and lasting relationships with these potential clients, the following progress was made in 2017:

- Within the framework of our Regional Reputation and Branding Committee, we updated the Group's policy in this regard and reviewed the attributes which should represent the brand in all of its messaging.
- We continued to reinforce our reputation and branding governance model incorporating new elements to facilitate a more aligned performance. This included a new training program to reinforce

the criteria of our different teams of staff throughout the region, as well as a SURA brand certification course.

- So as to have more tools at our disposal, we drew up a reputation measurement / management model, the scope of which covers all those countries where we are present. This model includes a series of six dimensions, each with their own attributes. Our different stakeholder groups were consulted with regard to each of these attributes and the findings obtained became a key input for the plans put into effect by different areas of the Organization, since building and protecting our reputation involves each one of us.

As far as brand management is concerned, over the last year we worked on furthering the SURA brand recognition and how it relates to our insurance, pensions, savings and investment products. The debut of our brand on new countries such as Brazil and Argentina was another of the highlights to be noted in this regard.

In addressing the challenges posed by our digital transformation, it is vital that we further our staff's capabilities, knowledge and skills so as to be able to construct a digital brand architecture, this based on the needs of our business and the expectations of our clients. In this sense, we made comprehensive efforts in 2017 aimed at:

SURA BRAND ATTRIBUTES:

Basic attributes for the financial services category

Expert advice

An organization that has built up a sound knowledge based on which it is able to provide opinions, suggestions and optimal advice and assistance to its clients in all those industries to which it belongs.

Reliability

A serious, sound, responsible and transparent organization that provides support, makes good on its commitments and develops long-term relationships.

Differentiating factors

Dynamism

A modern, agile, creative and innovative organization, with a great deal of determination and the right capabilities for adapting to future challenges.

Close-at-hand

A warm and friendly organization that knows, advises and assists its different stakeholder groups so that these may make more informed decisions while providing them with the protection and support they require.

Latin

An organization that draws strength from its Latin American culture and identity, recognizing the fact that this is indeed a region of opportunities while capitalizing on its ability to understand local dynamics.

Comprehensive offering

An organization with a complete portfolio of insurance and financial services so as to be able to help its Latin American clients at different stages of their lives.

Enabling facilitator

An organization that delivers skills to its stakeholders, thereby contributing to their well-being, competitiveness and sustainability.

- Understanding and paving the way to enhancing the customer experience we provide in the digital world, in keeping with the scope of our regional business
- Reinforcing the work carried out in conjunction with our subsidiaries, especially in all those countries where we have various business units so as to standardize the practices and processes used to handle our digital assets.
- Designing a brand architecture and governance model to be applied within the digital universe, thus allowing us to handle, in a consistent and sustainable fashion, the digital assets relating to our brand as well as driving the use of our on-line channels.

102-21 | 102-143 | 103-3

SURA BRAND RECOGNITION CONTINUES TO GROW

As a result of a consistent and coherent strategy over time, this upheld by the branding and communications staff from each of our business units, our brand recognition continues to grow as more and more people become familiar with our offering in different Latin American countries. On measuring our brand recognition, the results obtained in countries such as

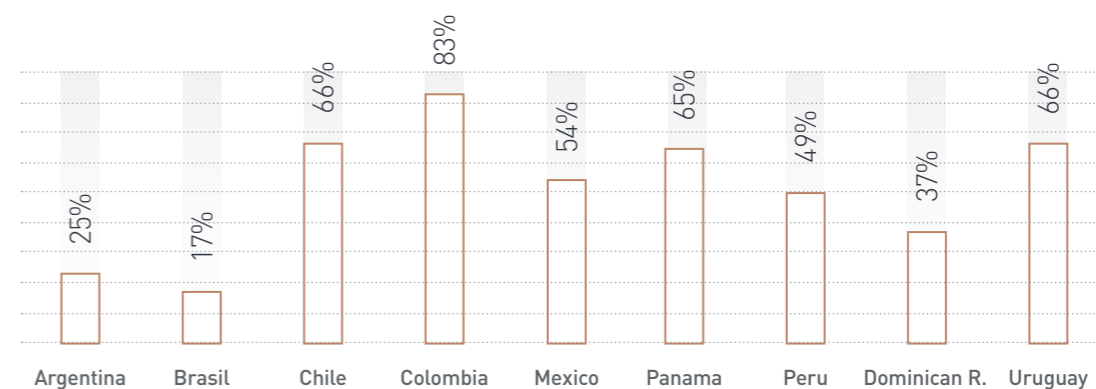
Chile and Mexico were very gratifying as well as the confirmation of our leading position in Colombia.

Challenges for 2018:

- To continue to strengthen our brand positioning, over and beyond the degree of recall that has already been achieved, this by reinforcing the SURA brand's association with our Organization's own attributes, including those that are crucial for the particular industries to which we belong.
- To drill down on SURA's brand association in Latin America as a point of reference for a comprehensive range of timely and relevant solutions for both private individuals and companies within the region.
- In the case of Suramericana, we must build upon our brand positioning using the new solutions we are now offering in all those countries where the Company is present. In the case of SURA Asset Management, we must further our brand positioning with regard to our voluntary savings and investment fund management business as well as our asset management services catering to our institutional clients.

Challenges:
To continue to strengthen our brand positioning, over and beyond the degree of recall that has already been achieved, this by reinforcing the association of our brand with our Organization's own attributes.

TOTAL BRAND RECOGNITION / FAMILIARITY



*Source: SURA Branding Survey, IPSOS Waves 1 and 2, 2017

THE CALQUÍN AND THE MAP OF THE HEAVENS

The Calquin eagle rises at daybreak to greet the very first rays of the sun, whereupon she becomes lost in their brightness. Sometimes, she speaks with the Sun, her companion. She was named the Calquin Eagle by the Mapuche tribe since her feathers are of the same colors as an ancient language: black, white and grey, as if tracing out a map of the heavens, which is only decipherable to a discerning few. She flies in a widely circling pattern and loves it when the wind takes her high above where she can disappear behind the clouds; touching the sun before nose-diving back down only to return to the heavens where she has made her mythical home, where everything looks better: the Andes mountain range that extends like a mantle, the never-ending Tierra del Fuego, the small animals that will soon shall become her prey, and her nest, which keeps her safe and hidden on a cliff. At night, she quietens down to rest, since her Kingdom is the daytime whose sacred story is renewed at every sunrise.

CALQUIN EAGLE

Scientific name:	Geranoaetus melanoleucus
Class:	Birds
Family:	Accipitridae
Order:	Accipitriformes
Region:	Chile



09

CORPORATE GOVERNANCE REPORT

MATERIAL ISSUES

• Corporate governance • Regulation

2017 WAS A CHALLENGING YEAR FOR THE LATIN AMERICAN GOVERNMENT AND BUSINESS SECTOR,

given the fact that transparent management is by no way a done deal simply because a Company has its own Codes of Good Governance or has made public declarations as to its ethical conduct.

Grupo SURA continued to strengthen its Ethics and Corporate Governance System in which its corporate principles of Transparency, Fairness, Responsibility and Respect form the basis for its sustainable business performance.

This year proved that corruption is a scourge that can affect all areas of the region's economy and that companies must go beyond spouting their best intentions and instead establish effective mechanisms to combat illegality and ensure institutional legitimacy, which is a task for both the public and private sectors.

102-16 | 103-1 | 103-2

Grupo SURA, aware of these challenges, has been structuring its own Ethics and Corporate Governance System, where its corporate principles of Transparency, Fairness, Responsibility and Respect form the bedrock for its sustainable business performance, while strictly respecting both the law and the rights of our stakeholders. Our ongoing challenge is to ensure the utmost consistency between our business performance and our pledged commitments, this as the basis for creating well-being and development.

In keeping with all those rules and regulations adopted in this regard, Grupo SURA presents its Annual Corporate Governance Report, outlining the highlights and progress made in 2017.

102-26

HIGHLIGHTS AND CHALLENGES

Within the framework of the Company's activities, the following are just some of the more significant highlights with regard to the Company's Ethics and Corporate Governance Performance in 2017:

- The Best Corporate Practices Survey corresponding to 2016 was completed as part of Colombia's Country Code initiative. Here, we were able to implement 145 of the

148 recommendations issued by the Colombian Superintendency of Finance. This report has been made available on the gruposura.com website.

- Also, the internal rules and regulations adopted in response to Good Corporate Governance standards were also reviewed so as to be able to gauge how well they are being complied with. A favorable conclusion was reached, since the Company has been correctly following the established guidelines. In this regard we found room for improvement with various aspects that shall be reinforced as part of the work plan scheduled for the period 2018-2019.
- We also played an active role as a member of the Colombian Stock Exchange's Issuers Committee and have taken part in different discussion panels on Equities and Corporate Governance organized by this Committee.
- Once again, the Company received the Investor Relations Recognition (IR Recognition) award from the Colombian Stock Exchange, for its sound strategy with regard to the voluntary implementation of practices that facilitate a direct and close interaction between Grupo SURA's Senior Management and its shareholders, investors and other stakeholders.

- In 2017, Grupo SURA received two international awards in recognition of its robust Ethics and Corporate Governance System. The first was when the British pu-

blication Ethical Boardroom presented Grupo SURA with its "Best Corporate Governance" award in the Latin American Holdings category in July 2017, highlighting the Company's efforts to raise Corporate Governance standards and protect its long-term value promise for both its shareholders and other stakeholder groups. Later on, in November, Grupo SURA obtained the "Leading Company" award in the Corporate Governance category from Alas20, which ranks all those leading companies from the environmental, social and corporate governance (ESG) standpoint

- The Company continued with its efforts to optimize its Ethics and Corporate Governance System based on international best practices and standards, including those suggested by the Dow Jones Sustainability Index (DJSI). Likewise, we defined all those practices and standards which are more in keeping with our corporate governance model, our business philosophy and our corporate principles, this in order to incorporate these within said system.

102-30

- Grupo SURA and its subsidiaries, Suramericana and SURA Asset Management, structured a dissemination and training program for its Ethics and Corporate Governance function. This program caters to all employees of the Grupo SURA and focuses on communicating the main guidelines contained in our standards, by role-playing various ethical dilemmas so as to invite thought-provoking contributions and

encourage a responsible business culture.

- Recognizing the role that sustainability plays in the Organization's strategy, the Board of Directors decided to reconfigure the functions of the Corporate Governance Committee, assigning additional responsibilities and re-naming it the Sustainability and Corporate Governance Committee.
- Training courses were staged for the members of the Boards of Directors of all those companies that form part of the Business Group with regard to strategy, trend and risk management, innovation and business knowledge. These were given by experts from different subsidiaries as well as outside partners of international renown such as the Singularity University (California, United States).
- We continued with the Grupo SURA Corporate Governance Roundtable so as to promote greater interaction between the Companies with regard to good corporate governance practices, the implementation of new standards and guidelines, employee training in Ethical and Corporate Governance matters, among other topics. This roundtable first came into being as a result of implementing the Colombian Country Code and met on 12 occasions in 2017.
- Grupo SURA's Annual Investors' Day was held for the fifth year running for the purpose of informing investors, market analysts and professional audiences on

Training was given in topics concerning strategy, trend and risk management, innovation and knowledge of the Group's different lines of business.

Grupo SURA's business performance, the challenges and opportunities being addressed, innovation strategies and their deployment among the companies belonging to the Business Group in Latin America.

Grupo SURA is looking at a major challenge going ahead, this consisting of incorporating the guidelines required by the new Financial Conglomerates Act in Colombia (Law 1870 of 2017), as a result of the requirements that the Colombian Government was working on early in 2018 in terms of capital structuring, risk management, the control environment and financial reporting. For this purpose, Grupo SURA must extend its Corporate Governance framework to other companies belonging to the Conglomerate so as to be able to faithfully comply with its obligations as a financial holding company.

102-17

Help Line

Grupo SURA's Ethics Line is a confidential and secure mechanism that has been made available to all our stakeholders so that they may re-

port any situation that goes against our Company's ethics and corporate principles (lineaetica@gruposura.com.co)

The cases reported through this channel are subsequently analyzed with the utmost confidentiality on the part of our Ethics Committee, which monitors how our Code of Ethical Conduct is being upheld thus ensuring that our actions are governed by a clearly defined ethical commitment. Similarly, the Board of Directors, through its Audit and Finance Committee, periodically monitors the main aspects of complying with our Code of Ethical Conduct, evaluating any inadequate conduct that may arise as well as the substance of any complaints or grievances that have been previously evaluated by the Ethics Committee.

No cases of corruption in Grupo SURA were reported in 2017, neither were any complaints of improper conduct made via the Company's Ethics Hot Line or received by its Ethics Committee.

Ethics Help Line:
lineaetica@gruposura.com.co

Challenge: Adopt the new Financial Conglomerates Act, in accordance with the guidelines issued by the Colombian Government.

THE COMPANY'S OWNERSHIP STRUCTURE

103-3

The Company's Capital and Ownership Structure:**Share Capital**

AUTHORIZED CAPITAL	SUBSCRIBED CAPITAL	PAID-IN CAPITAL
COP 112,500,000,000 divided up amongst 600,000,000 shares	COP 109,120,790,250 divided up amongst 581,977,548 shares	COP 109,120,790,250 divided up amongst 581,977,548 shares

Holders of significant stakes in the Company's share capital at year-end 2017:

SHAREHOLDERS	SHARES	% PART.
Grupo Argos S.A.	130,990,706	22.51
Grupo Nutresa S.A.	59,387,803	10.20
Mandatory pension fund moderate Porvenir	54,569,596	9.38
Mandatory pension fund moderate Protección	50,589,397	8.69
Cementos Argos S.A.	26,751,424	4.60
Harbor International Fund	24,751,142	4.25
Mandatory pension fund moderate Colfondos	17,419,468	2.99
Oppenheimer Developing Markets Fund	13,206,870	2.27
Fondo Bursátil Ishares Colcap	11,484,837	1.97
Grupo Argos Foundation	10,666,767	1.83
Colombiana de Comercio S.A. Corbeta y/o Alkosto S.A.	10,000,000	1.72
Mandatory pension fund moderate Old Mutual	7,534,891	1.30
Abu Dhabi Investment Authority J.P. Morgan	6,989,392	1.20
Other shareholders with a share of less than 1%	157,635,255	27.09
Total	581,977,548	100.00

102-25

Information regarding shares held by members of the Board of Directors and the voting rights these represent

The following shows the stakes held in Grupo SURA's share capital at year-end 2017, by some of the members of the Board of Directors.

BOARD MEMBER	COMMON SHARES	PREFERRED SHARES	TOTAL	% TOTAL COMPANY
Jorge Mario Velásquez Jaramillo	12,143	164	12,307	0.0021%
Carlos Ignacio Gallego Palacio	-	-	-	0.0000%
Alejandro Piedrahita Borrero	-	-	-	0.0000%
Jaime Bermúdez Merizalde	-	-	-	0.0000%
Carlos Antonio Espinosa Soto	-	-	-	0.0000%
Luis Fernando Alarcón Mantilla	1,061	1,617	2,678	0.0005%
Sergio Michelsen Jaramillo	-	-	-	0.0000%

Significant family, commercial, contractual or corporate relationships among the Company's significant shareholders or between the significant shareholders and the Company

The Company and its subsidiaries maintain business relationships with certain significant shareholders such as Grupo Nutresa, Grupo Argos and Cementos Argos. All transactions with the aforementioned Companies were carried out on an arm's length basis and according to objective criteria.

Trades conducted by members of the Board of Directors, Senior Management and other executives with regard to stocks and other securities issued by the Company:

No trades were conducted in 2017 with regard to the Company's shares either in or outside the stock exchange by the members of the Board of Directors or Senior Management.

Summary of shareholder agreements, as made known to the Company:

At year-end 2017, the Company had no knowledge of any agreements having been made between its shareholders.

The Company's own shares held in its possession.

The Company does not possess any treasury stock

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THE COMPANY'S MANAGEMENT STRUCTURE

The Board of Directors, its Board Committees and corresponding members:

The Board of Directors, as appointed for the period 2016 - 2018, is made up of seven (7) principal members, four (4) of whom enjoy an independent status and represent 57% of the total, thus surpassing the legal minimum that requires at least 25%. The others are non-executive members. Representing the shareholders, the Chairman and Vice Chairman of the Board of Directors, enjoy an independent status.

The following are members of Grupo SURA's Board of Directors:

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NAME	TYPE OF MEMBER	POSITION HELD
Luis Fernando Alarcón Mantilla	Independent and chairman of the board of directors	Consultor Independiente
Jaime Bermúdez Merizalde	Independent and Vice President of the Board	Presidente MBA - Lazard Colombia
Carlos Antonio Espinosa Soto	Independent	Presidente Racafé & Cía SCA
Sergio Michelsen Jaramillo	Independent	Socio Brigard & Urrutia
Jorge Mario Velásquez Jaramillo	Non-executive	Presidente Grupo Argos
Carlos Ignacio Gallego Palacio	Non-executive	Presidente Grupo Nutresa
Alejandro Piedrahita Borrero	Non-executive	Vicepresidente Finanzas Corporativas Grupo Argos

Policies updated in 2017:

- » Social Investment Policy Framework
- » Responsible Investment Policy
- » Rules and Regulations governing the Sustainability and Corporate Governance Committee
- » Rules and Regulations governing the Risk Management Committee

Board Member Resumés:

The professional profiles of the members of the Board of Directors have been made available on our website, www.gruposura.com, and are included at the beginning of this report.

Changes made to the Board of Directors during the year:

In 2017, there were no changes made to the Board by the General Assembly of Shareholders.

Members of Grupo SURA's Board of Directors who are also members of the Boards of Directors or the Senior Management teams of its subsidiaries.

At year-end 2017, none of the members of Grupo SURA's Board of Directors were members of the Boards of its subsidiaries nor held managerial positions in these same.

Policies approved by the Board of Directors

In order to continue to build and reinforce the Ethics and Corporate Governance System governing both Grupo SURA and its Business Group, in 2017 the Board of Directors approved and updated the following standards:

Approved:

- Regulatory Structure Policy

Updated:

- Grupo SURA's Pensioner Policy
- Reputation Management Policies: Stakeholder Engagement and Brand Management
- Social Investment Policy Framework
- Responsible Investment policy

- Rules and Regulations governing the Appointments and Remuneration Committee
- Exceptional Performance Recognition Manual
- Rules and Regulations governing the Sustainability and Corporate Governance Committee
- Rules and Regulations governing the Risk Management Committee.

102-24

Board Appointments.

Bearing in mind that no members were appointed to the Company's Board of Directors in 2017, the corresponding appointment procedure was not applied. New board member appointments are scheduled for 2018, for which the guidelines and requirements established in the Company's by-laws, as well as in the General Appointment, Remuneration and Succession Policy governing the Board of Directors shall be strictly adhered to.

102-35

Board of Directors' remuneration policy:

The General Assembly of Shareholders, at its Annual Ordinary Meeting held in March 2015, approved the General Appointment, Remuneration and Succession Policy for the Board of Directors, which established the parameters for ensuring that the persons serving in such a capacity are well-suited for such positions and adequately remunerated compared to other similar companies both at home and abroad.

This policy is currently in full force and effect as part of the Company's Ethics and Corporate Governance System, and therefore no updates

Bearing in mind that no members were appointed to the Company's Board of Directors in 2017, the corresponding appointment procedure was not applied.

were required. This policy has been made available on the Company's website, www.gruposura.com

Board of Director and Senior Management Remuneration:

Based on that stipulated in Article 23 Section E of the Company's by-laws, the General Assembly of Shareholders is responsible for setting the fees to be paid to the members of the Board of Directors, the Statutory Auditing firm and their respective alternates. Upon setting these fees, the Shareholders take into account the Board's structure, functions and responsibilities, as well as the personal and professional skills and expertise offered by its members and the amount of time dedicated to their activities.

In 2017, the General Assembly of Shareholders approved the monthly fees to be paid to each member of the Board in the amount of COP 6,900,000, as well as a general amount for the running of this governing body which came to COP 1,200 million. The aforementioned sums include the fees to be paid to members of the Board and the Board Committees, as well as traveling and accommodation, academic training and performance evaluation expense.

With regard to the remuneration paid to members of its Senior Management, Grupo SURA applies the Remuneration Policy as approved by the Board of Directors, which stipulates the minimum criteria for maintaining a fair and equitable remuneration system, along with other objective principles that ensure that employees are more aligned with

the Company's long-term strategy. Based on these parameters, the Appointments and Remuneration Committee measured Senior Management's performance indicators to ensure proper compliance with said policy. Also, pursuant to that stipulated in Article 446 of the Colombian Code of Commerce, Company's must disclose the remuneration paid to members of its Senior Management in the form of the attachments to the Company's Annual Financial Statements.

Board Meeting Quorum.

The Company's by-laws as well as the Rules and Regulations governing the Board of Directors stipulate that the Board may discuss and validly decide on matters brought before it with the presence and the votes of the majority of its members, except in the event of the Company choosing to guarantee the obligations of its related companies, in which case the unanimous vote of all its members is required.

103-3

In 2017, the Board of Directors met on 19 occasions, of which 12 were conducted in person and 7 where votes were cast in writing, thereby complying with that stipulated for this type of meeting both in current legislation and the Company's by-laws. The Board met on all 19 occasions with the quorum required in the aforementioned rules and regulations and therefore all decisions made were validly discussed and adopted.

Board and Committee Meeting Attendance.

The attendance rate for meetings of the Board and its Committees as held in 2017 averaged out at 98%, as shown below:

NAME	ATTENDANCE	ATTENDANCE RATE
Luis Fernando Alarcón Mantilla	18 out of 19 meetings	95%
Jaime Bermúdez Merizalde	19 out of 19 meetings	100%
Jorge Mario Velásquez Jaramillo	19 out of 19 meetings	100%
Carlos Ignacio Gallego Palacio	18 out of 19 meetings	95%
Carlos Antonio Espinosa Soto	19 out of 19 meetings	100%
Alejandro Piedrahita Borrero	19 out of 19 meetings	100%
Sergio Michelsen Jaramillo	18 out of 19 meetings	95%

The percentage of attendance to the Board Committees during 2017 was 100%: ¹⁰³⁻³

NAME	ATTENDANCE	ATTENDANCE RATE
AUDIT AND FINANCE COMMITTEE		
Jaime Bermúdez Merizalde	6 of 6 meetings	100%
Luis Fernando Alarcón Mantilla	6 of 6 meetings	100%
Carlos Antonio Espinosa Soto	6 of 6 meetings	100%
SUSTAINABILITY AND CORPORATE GOVERNANCE COMMITTEE		
Sergio Michelsen Jaramillo	2 of 2 meetings	100%
Jorge Mario Velásquez Jaramillo	2 of 2 meetings	100%
Carlos Ignacio Gallego Palacio	2 of 2 meetings	100%
RISK COMMITTEE		
Sergio Michelsen Jaramillo	2 of 2 meetings	100%
Alejandro Piedrahita Borrero	2 of 2 meetings	100%
Jaime Bermúdez Merizalde	2 of 2 meetings	100%
APPOINTMENTS AND REMUNERATION COMMITTEE		
Luis Fernando Alarcón Mantilla	2 of 2 meetings	100%
Jorge Mario Velásquez Jaramillo	2 of 2 meetings	100%
Carlos Ignacio Gallego Palacio	2 of 2 meetings	100%

¹⁰²⁻²⁶¹⁰²⁻³³

Functions and key aspects regarding the Chairman of the Board

In compliance with his legal and statutory duties, Mr. Luis Fernando Alarcón, as Independent Member and Chairman of the Board, was apprised of the most important events occurring within the Company. He also oversaw the Board's normal working

order and ensured that its members received accurate, complete and timely information. He also monitored the effective implementation of the Board's annual work plan and chaired the board meeting that was held without the presence of the members of Grupo SURA's Senior Management for the purpose of analyzing

in detail the performance self-assessments of the Board, its Committees as well as Senior Management.

¹⁰²⁻²⁶

Functions and key aspects regarding the Secretary to the Board

In accordance with the Company's by-laws and the Rules and Regulations governing the Board of Directors, the Secretary to the Board is responsible for calling for Board meetings in accordance with the established schedule; delivering the required information to the members of the Board in a timely manner and in due form; maintaining the Company's corporate documentation; ensuring that the respective minutes reflect what went on at board meetings; attesting to the decisions made by the Company's governing bodies; as well as ensuring the formal legality of the acts of the Board of Directors and guarantee that its procedures and rules of governance are abided by and regularly reviewed.

As of August 2017, these functions were performed by Juan Luis Múnera Gómez, who joined the Company on that date as Chief Legal Officer and in such capacity acts as Secretary General. Juan Luis holds a law degree from the Universidad Pontificia Bolivariana together with a specialist degree in Commercial Law from this same university. He also obtained a Master's degree in Comparative Legislation (LL.M) from the University of San Diego, California, United States.

Relationships between the Board and the Statutory Auditor, financial analysts, investment banks and rating agencies in 2017

A representative from the Statutory

Auditing firm attended meetings of the Company's Finance and Audit Committee, at the latter's invitation and the statutory auditing reports were submitted to the Board after being considered by this Committee. Also, the Board was informed at its respective meetings of the coverage given by international analysts regarding the Group's shares.

¹⁰²⁻²⁵

The Board received external consultancy services

In 2017, the firm AT Kearney carried out an external performance evaluation of the Board of Directors, the results of which have been made available on the Company's website -www.gruposura.com. The total value of this contract amounted to COP 69.5 million. As stipulated in the Company's Code of Good Governance and the Internal Operating Rules and Regulations of the Board of Directors, these external performance evaluations are carried out every two years.

Handling of the Board Information

The Chairman of the Board and the Company Secretary General are responsible for the Board of Directors receiving timely, adequate, accurate and reliable information so that everything they need for making the corresponding decisions is placed at their disposal. This information, which is of great strategic importance to both the Company and the Business Group, is managed based on strict privacy standards so that business secrets and projects are adequately protected.

In 2017, the Group made significant efforts in consolidating its financial information in a more effective and efficient manner, so that, to the extent this was possible, said information

would be made available to the members of the Board prior to when their meetings were due to be held.

Material information, which by law must be disclosed to the public securities market, is opportunely published in the form of relevant information, through the Colombian Superintendency of Finances website. This information is also simultaneously published on the Company's website: www.gruposura.com

102-26 Board Committee Activities

These Committees provide support to the Board of Directors in carrying out their specific functions and each have their own rules and regulations that define their functions and proper working order. The Board of Directors of Grupo SURA has four (4) Board Committees, each with its own rules and regulations addressing the matters that fall under their individual scope and ensuring their proper working order. More information regarding the Board and the structure of each Board Committee can be found at the end of this chapter together with the frequency at which meetings are held and the main activities carried out in 2017.

102-28 Board of Director and Senior Management Performance Evaluations:

The Board of Directors self-assesses its own performance and that of its Committees on an annual basis. The performance self-assessment, that was carried out in 2017, was based on certain formats which allowed for different aspects of the Board's performance to be rated, these including its structure, level of dynamics, intervention matters, roles, responsibilities and its relations with Senior Management. The results obtained were amply discussed by the members of the Board at a meeting that

was held in December without any members of the Senior Management attending. The most relevant comments and recommendations produced as a result are listed below:

- Continue with the strategic planning process and monitor its implementation.
- Provide more in-depth analysis of today's business environment in the case of all those countries where Grupo SURA is present.
- Continue reviewing the profitability of different lines of business, with a view to providing added value.
- Special mention was also made of the importance of studying new emerging trends.

The Board at this same meeting also evaluated Senior Management's performance, as a result of which the Company's Chief Executive Officer and his team were congratulated on the manner in which they have been able to steer the Company amid what have been very challenging circumstances, thus allowing it to fulfil the goals set while at the same time achieving excellent results

With regard to the Board's external performance evaluation that is carried out every two years, as previously mentioned the firm AT Kearney was selected to conduct this evaluation which focused on various dimensions concerning the Board, such as its structure, coordination, interaction and focus on strategy. This firm analyzed the Board of Directors' performance for the year 2016 along with the headway made against the findings of prior evaluations which were carried out by the firm Prospecta. The following are the main results and recommendations made by AT Kearney based on the aforementioned performance evaluation:

Challenges:

- » Continue with the strategic planning process and monitor its implementation.
- » Provide more in-depth analysis of today's business environment in all those countries where Grupo SURA is present.
- » Continue reviewing the profitability of different lines of business, with a view to providing added value.
- » Special mention was also made of studying new emerging trends.

- The need to consider incorporating more diversity in board member profiles.
- More opportunities are required for interacting with outside experts of a more global stature who could offer the Company more challenging viewpoints.
- The Board's extensive involvement in the Company's strategy can be used to reinforce the decision-making process.
- Relationships of respect and trust among the board members are amply evidenced, making for more open and constructive discussions.
- The Board has comprehensive risk management tools in place, in addition to periodically updating the Company's risk map.

RELATED PARTY TRANSACTIONS

Board of Director attributions with regard to third-party transactions and conflicts of interest:

Grupo SURA's Board of Directors is the highest governing body in charge of discussing and drawing up strategic and general-purpose guidelines with regard to handling transactions between related parties, ensuring that these are always carried out with the utmost transparency, fairness and impartiality while correctly

handling any possible conflicts of interest that could arise.

The Board is also responsible for unanimously authorizing the Company when it comes to issuing guarantees or endorsing obligations on the part of related companies as well as ascertaining and managing conflicts of interest that arise between the Company and its shareholders and members of its Board of Directors and Senior Management.

As part of the work plan scheduled for 2018, effective procedures shall be structured in order to allow for clearly identifying, authorizing and disclosing all those transactions carried out between related parties. This shall ensure that the Company's procedures become increasingly more transparent and aligned with the best possible practices as well as any new requirements that are due to be ushered in by the new Financial Conglomerate Act (Law 1870 of 2017).

Main transactions carried out with related parties
Through the Public Business Group's Special Report and its financial statements, the Company discloses the main contractual agreements and the more important transactions carried out with its affiliates and subsidiaries at year end

Results of the board of directors' performance evaluations:

- » Need to consider incorporating more diversity in board member profiles.
- » Provide opportunities for interacting with outside experts offering a more global profile.
- » The board of directors has comprehensive risk management tools at its disposal

102-25

Conflicts of interest and how they were dealt with by the members of the Board in 2017:

MEMBER OF THE BOARD	SUMMARY OF THE CASE
Jaime Bermúdez	Mr. Bermudez abstained from commenting on the review conducted on Bancolombia's results for November, specifically with regard to a matter concerning one of the Bank's debtors, for whom Mba-Lazard Investment Bank, on whose Board of Directors Mr. Bermudez serves as Chairman, acts as a consultancy firm.
Luis Fernando Alarcón M.	Mr. Alarcón abstained from giving his opinion on filling a position on the Company's Senior Management team, given the fact that the candidates for said position belonged to other companies on which Mr. Alarcon serves as a member of their Boards of Directors.
Jorge Mario Velásquez	Mr. Velásquez refrained from commenting and deciding on an amendment to be made to the Prospectus for the Issuance and Placement of Preferred Shares that was submitted for the consideration of the General Assembly of Shareholders at their Annual Meeting held in 2017, given the shares that this Director held at that time.

Mechanisms for resolving conflicts of interest between companies belonging to the SURA Business Group and how these were applied in 2017:

Transactions between the companies belonging to the SURA Business Group are carried out pursuant to the guidelines contained in the Related Party Transaction Policy Framework. Nevertheless, should a conflict of interest arise in the normal course of business between our different companies, the conflict resolution mechanism provided for in our Code of Good Governance shall be applied. This states that the parties involved must, in the first instance, try to resolve the situation directly and should this not be possible, present the case before the Audit Committee made up exclusively of independent members, who shall be empowered to resolve the situation. No conflicts of interest occurred in 2017 between our companies that would otherwise have required resorting to the aforementioned procedure.

102-11

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS**Explanation of the Company's or Conglomerate's Internal Control System (ICS).**

Our Internal Control System is made up of a series of activities that ensure that the Company obtains a reasonable degree of operating security, thus allowing it to attain its objectives in a lawful and transparent manner. For this purpose, Grupo SURA has a set of regulations and policies in place aimed at managing and mitigating risk, preventing fraud and adequately handling information.

Grupo SURA's Internal Control System is evaluated under the 2013 Coso Control standard, by the Company's own Internal Auditing staff and monitored every quarter by the Audit and Finance Committee, which subsequently offers a series of recommendations to the Board of Directors of the entire Business Group, based on which follow-up and control plans

are subsequently drawn up. Furthermore, the Board of Directors of each subsidiary monitors its own Internal Control System in much greater detail and depth and reports the most relevant findings to Grupo SURA's Audit and Finance Committee. A more detailed report on the Group's Internal Control System can be found in the Management Report presented by the Company's Chief Executive Officer and Board of Directors.

GENERAL ASSEMBLY SHAREHOLDERS**Differences between the minimum requirements defined by current legislation and those stipulated in the Company's by-laws governing the functioning of the Company's General Assembly of Shareholders:**

In 2017, Grupo SURA upheld the guarantees and rights of its shareholders as stipulated in the amendments made in 2015 to the Company's by-laws, the Rules and Regulations governing the General Assembly of Shareholders and the Company's Code of Good Governance, as relating to the exclusive and non-delegable powers granted to shareholders, the right to perform specialized audits and a longer term for giving prior notice of shareholder meetings.

Measures adopted during the year to encourage shareholder participation and shareholder communication channels

In 2017, the Company ensured that opportune, accurate and sufficient information was made available to its shareholders on its website, and the notice calling for the Annual Sharehol-

ders Meeting was given 30 calendar days in advance. Furthermore, a power of attorney form was provided to the shareholders thereby facilitating their representation at this meeting and telephone and webcast conferences were staged for shareholders, analysts and the general public for the purpose of presenting the Company's quarterly earnings reports.

Similarly, Grupo SURA provided all of its shareholders with fair and equal treatment, allowing and encouraging them to exercise their rights, providing them with free access to the General Secretary; participating in quarterly events at which the shareholders and the general public are informed of the progress made by the Organization; making recommendations with regard to the Company's corporate governance; and receiving clear, accurate and timely information regarding the Company's financial and non-financial results.

102-3

Shareholder information and communications.

Shareholders may lodge their concerns regarding the Company and receive information regarding their shares, dividend payment dates and share certificates, etc. by contacting the Secretary's Generals Office as well as Fiduciaria Bancolombia's Shareholder Office Also, an Investor Relations Office has been made available at the following address: Carrera 43A #5A - 113,, in Medellín, which can be contacted via the following email addresses: gruposura@gruposura.com.co; ir@gruposura.com.co, or via toll-free line 018000521555

A schedule of corporate events has been made available on Grupo SURA's website www.gruposura.com, this for the purpose of informing shareholders, investors and the market in general when The company shall be providing information regarding the Group's performance and its financial results. This schedule contains the more important dates with regard to:

- The General Assembly of Shareholders.
- Dividend payment periods.
- Results published on the website of Colombian Superintendency of Finance.
- Presentations and meetings held to inform the market of the Group's quarterly results.

Number of requests for information received by the Company from its shareholders

REQUESTS FOR INFORMATION 2017	QUANTITY
ATTENDED	
Visits to Shareholder Office	43
Telephone calls	387
Total shareholders attended	430
FORMAL REQUESTS RECEIVED	
Tax certificates	963
New data updates	4
Change of direct depositor	28
General-purpose certificates	26
Dividend payment information	207
Share transfers outside the stock market	7
Right of petition	3
Past share certificates	8
Total requests received	1,246

1,246

Formal requests from shareholders who required information regarding the Company.

Shareholders Meeting Attendance

The quorum recorded for the Annual Ordinary Meeting of the General Assembly of Shareholders, held on March 31, 2017, which included holders of ordinary and preferred, was as follows:

Ordinary shares Out of a total of 469,037,260 ordinary shares outstanding 432,847,362 were represented in the Annual Shareholders' Meeting, that is to say 92.28% of these shares.

Preferred shares Out of a total of 106,334,963 preferred shares outstanding 88,928,289 were represented in the Annual Shareholders' Meeting, that is to say 83.63% of these shares.

Main decisions taken by the Shareholders [102-36](#)

The proposals voted on by the General Assembly of Shareholders along with the most important decisions taken by these at their meetings are simultaneously published as relevant information on the website of the Colombian Superintendency of Finance as well as on the Company's website. The more important decisions made by the General Assembly of Shareholders in 2017 included the following:

- Approving the Management Report from the Board of Directors and Chief Executive Officer, the Statutory Auditors' Report and the Financial Statements at year-end 2016.
- Approving the updated version of the Share Issuance and Placement Rules and Regulations Corresponding to the Preferred Shares Issued in 2011.
- Approving the Distribution of Dividends corresponding to 2016.
- Approving fees for the members of the Board of Directors and the Statutory Auditor for the period beginning in April 2017 and ending in March 2018.

Shares represented at the Annual Meeting of the General Assembly of Shareholders corresponding to 2017

ORDINARY SHARES

92.28%
469,037,260 shares

PREFERRED SHARES

83.63%
106,334,963 shares

ANNEXES

BOARD COMMITTEE REPORTS

REPORT FROM THE AUDIT AND FINANCE COMMITTEE TO THE GENERAL ASSEMBLY OF SHAREHOLDERS

The Board of Directors of Grupo SURA hereby presents the shareholders with the following report from the Audit and Finance Committee which contains basic information regarding this Committee and the main activities carried out in 2017:

INFORMATION REGARDING THE FINANCE AND AUDIT COMMITTEE			
MEMBERS	INVITED	MEETINGS	ATTENDANCE
Jaime Bermúdez Merizalde Luis Fernando Alarcón Mantilla Carlos Antonio Espinosa Soto	David Bojanini - CEO Grupo SURA Juan Carlos Llanos - Internal Auditor Ricardo Jaramillo - Chief Corporate Finance Officer Statutory Auditor representant	6	100%

Overview of the performance and the more important matters discussed by the Committee which were then submitted for to the Board for their final decision:

MATTER	SUB-MATTER
Financial performance	Separate and consolidated quarterly financial statements Ethics Help Line report
Company reports	Findings of the Auditing and Internal Control Report for 2017 Approving the 2017 Audit Program Follow-ups on the Audit Plan Case concerning the DIAN (Colombian Tax Authorities)
Subsidiary reports	Subsidiary Internal Control reports Follow-up on the fraud committed with Suramericana´s Cash Management function Case concerning Colombia´s Central Bank
Special matters	Impairment tests Reporting Scale Update Risk Management System. Selecting candidates for internal auditor position Cybersecurity
Statutory Auditing Firm	Statutory Auditing Opinion on the Financial Statements corresponding to 2016 Progress made with the External Auditing Plan Reviewing range of services offered in 2017

Jaime Bermúdez Merizalde
COMMITTEE CHAIRMAN

Juan Luis Múnera Gómez
SECRETARY GENERAL

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REPORT FROM THE SUSTAINABILITY AND CORPORATE GOVERNANCE COMMITTEE TO THE GENERAL ASSEMBLY OF SHAREHOLDERS

The Board of Directors of Grupo SURA hereby presents the shareholders with the following report from the the Sustainability and Corporate Governance Committee which contains basic information regarding this Committee and the main activities carried out in 2017:

INFORMATION REGARDING THE SUSTAINABILITY AND CORPORATE GOVERNANCE COMMITTEE			
MEMBERS	INVITED	MEETINGS	ATTENDANCE
Sergio Michelsen Jaramillo Jorge Mario Velásquez Jaramillo Carlos Ignacio Gallego Palacio	David Bojanini - CEO Grupo SURA Tatyana Orozco - Chief Officer Juan Luis Múnera - Chief Legal Corporate Affairs Officer	2	100%

Overview of the performance and the more important matters discussed by the Committee which were then submitted to the Board for their final decision

MATTER	SUB-MATTER
Periodic reports	Annual Corporate Governance Report for 2016 as presented to the General Assembly of Shareholders Reports: Published relevant information, voting abstentions, Committee and Board meeting attendance, and cases brought before the Ethics Committee
Approving internal rules and regulations	Manual for Identifying and Publishing Relevant Information Grupo SURA's Regulatory Structure Policy
Special topics	Board and Committee Performance Evaluation Report Legal Opinions on Conflicts of Interest Reported Gaps with the Group´s Corporate Governance Corporate governance work plan Changing the Corporate Governance Committee´s name Studying the European Market Abuse Regulations Incompatibility studies

Sergio Michelsen Jaramillo
COMMITTEE CHAIRMAN

Juan Luis Múnera Gómez
SECRETARY GENERAL

REPORT FROM THE RISK COMMITTEE TO THE GENERAL ASSEMBLY OF SHAREHOLDERS

The Board of Directors of Grupo SURA presents the shareholders with the following report from the Risk Committee this containing basic information regarding this Committee and the main activities carried out in 2017:

INFORMATION REGARDING THE RISK COMMITTEE			
MEMBERS	INVITED	MEETINGS	ATTENDANCE
Sergio Michelsen Jaramillo Alejandro Piedrahita Borrero Jaime Bermúdez Merizalde	David Bojanini - CEO SURA Tatyana Orozco - Chief Corporate Affairs Officer	2	100%

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Overview of the performance and the more important matters discussed by the Committee which were then submitted for to the Board for their final decision:

MATTER	SUB-MATTER
Strategic Risk and Trend	Management System Progress made during the year with regard to Trend and Risk Management Defining risk appetites Business continuity Conglomerate Risk Convergence
Corporate responsibility	Adjustments made to the Social Investment Policy Progress made with non-financial indicators
Rules and regulations	Ratification of the Group´s Responsible Investment Policy Changes to the rules and regulations governing the Risk Committee

Sergio Michelsen Jaramillo
COMMITTEE CHAIRMAN

Juan Luis Múnera Gómez
SECRETARY GENERAL

REPORT FROM THE APPOINTMENTS AND REMUNERATION COMMITTEE TO THE GENERAL ASSEMBLY OF SHAREHOLDERS

The Board of Directors of Grupo SURA hereby presents the shareholders with the following report from the Appointments and Remunerations Committee which contains basic information regarding this Committee and the main activities carried out in 2017:

INFORMATION REGARDING THE APPOINTMENTS AND REMUNERATION COMMITTEE			
MEMBERS	INVITED	MEETINGS	ATTENDANCE
Luis Fernando Alarcón Mantilla Jorge Mario Velásquez Jaramillo Carlos Ignacio Gallego Palacio	David Bojanini - CEO SURA Tatyana Orozco - Chief Corporate Affairs Officer	2	100%

Overview of the performance and the more important matters discussed by the Committee which were then submitted for to the Board for their final decision:

MATTER	SUB-MATTER
Periodic reports	Performance Indicators for 2016 KPI scorecards
Action Plan	Performance remuneration for 2017 Adjustments to the Remunerations Rules and Regulations Proposed KPI scorecards for 2017
Special topics	Updating the Rules and Regulations Governing the Appointments and Remuneration Committee Baseline study for wage and salary structuring Studying fees for members of the Board of Directors Report on the candidates selected for the position of Chief Corporate Legal Affairs Officer.

Luis Fernando Alarcón Mantilla
COMMITTEE CHAIRMAN

Juan Luis Múnera Gómez
SECRETARY GENERAL

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**REPORT FROM THE BOARD OF DIRECTORS TO THE SHAREHOLDERS GENERAL ASSEMBLY
ON THE INTERNAL CONTROL SYSTEM OF GRUPO DE INVERSIONES SURAMERICANA S.A.**

- GRUPO SURA -

The Board of Directors of Grupo SURA submits for the consideration of the Shareholders General Assembly its own Internal Control report, which included all that carried out by the Audit and Finance Committee in 2017.

Grupo SURA has an adequate Control Architecture in place that reasonably guarantees the efficiency and effectiveness of its operations, the reliability of its information, regulatory compliance, and the safeguarding of its resources.

In accordance with that carried out so far and based on the information presented, the Board of Directors is able to conclude that:

- Grupo Sura's information systems are equipped with reliable controls that are independently examined by both our internal auditing staff and outside Statutory Auditing firm, that provide reasonable assurance with regard to the proper processing and reporting of all our financial information.
- The Company duly reported, in a timely and accurate manner, all relevant information to both the market and the oversight authorities.
- Senior Management drew up action plans for addressing the findings of the auditing work performed by both our internal auditing staff and outside Statutory Auditing firm, which are subject to periodic follow-ups on the part of Grupo SURA's Internal Auditing staff.
- The Company reviewed the periodic reports from the Ethics Hot Line, through which any wrongdoings or violations of the Company's Code of Conduct are reported. In 2017, no cases of corruption were reported, neither were any complaints of possible improper conduct made via the Company's Ethics Help Line or received by its Ethics Committee.

In September 2017, Grupo SURA proceeded to reach a settlement with the Colombian Tax Authorities (DIAN in Spanish) regarding the differences in interpretation that affected the Company's tax returns for the years 2010, 2011 and 2013, which resulted in a payment to this authority in the amount of COP 34,196 million, which was taken from a provision previously set up by the Company for said purpose. This mutually-agreed settlement allowed the Company to mitigate future legal risks associated with this process. Other than the above, there were no further fines or sanctions imposed on the Company.

As part of the evaluation conducted on the Company's Internal Control System, although room for improvement was found, no shortfalls or weaknesses were discovered that could materially affect the Company's Control Architecture.

Luis Fernando Alarcón Mantilla
COMMITTEE CHAIRMAN

Juan Luis Múnera Gómez
SECRETARY GENERAL

PREFERRED SHARES

When the Tero warns of imminent danger, the red around her eyes intensifies; she emits a dry, sharp cry when she perceives a threat, or she flies to the nearest abandoned nest, so to confuse the predator or assailant; other times, she flies as if she were wounded to mislead the watchful: she is a master artist at camouflage and deception, in fact some would say that she is a skillful and talented natural actress. The signals she gives serve as a compass and a warning to other birds and humans, amongst whom she has chosen to live. Being a guardian is indeed a badge of honor that she wears in the form of her elegant plumed headdress, "teru-teru" she sings, "teru-teru" she repeats her tune, and when all falls silent, when all are fast asleep her call becomes an echo, so as to avoid any confusion.

TERO

Scientific name:	<u>Vanellus chilensis lampronotus</u>
Class:	<u>Birds</u>
Family:	<u>Charadriidae</u>
Order:	<u>Charadriiformes</u>
Region:	<u>Uruguay</u>



10

SPECIAL REPORT ON THE BUSINESS GROUP

SPECIAL REPORT ON THE SURA BUSINESS GROUP – 2017

GRUPO DE INVERSIONES SURAMERICANA S.A. (GRUPO SURA)

PARENT COMPANY

102-45

Pursuant to that provided by Article 29 of Law 222 of 1995, with regard to the economic relations that exist between companies belonging to the same business group, we hereby present our Special Report on the SURA Business Group, which lists the most important transactions that were carried out in 2017, among the companies that make up the Business Group.

THE SURA BUSINESS GROUP

At year-end 2017, the SURA Business Group consisted of eighty-five (85) companies that from time to time carried out certain transactions amongst themselves, under market conditions and in the best interest of each of the companies involved. These transactions have not in any way been carried out as a result of any influence or special interest that the parent company may have had.

MORE SIGNIFICANT TRANSACTIONS

The operations referred to in this report include:

- Loans between related companies performed under contractually agreed terms and conditions.
- Financial, management, IT and payroll services
- Leases and subleases of office and retail premises, as well as re-invoicing the corresponding public utility bills to the tenants
- Insurance policies.

The following are the more important transactions that were completed in 2017 (figures stated in Colombian pesos):

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	REVENUES	EXPENSE
Administradora General de Fondos SURA S.A.	AFP Capital S.A.	-	-	-	21,763,053
Administradora General de Fondos SURA S.A.	Corredores de Bolsa SURA S.A.	-	1,178,832,184	125,555,168	13,300,014,552
Administradora General de Fondos SURA S.A.	SURA Asset Management S.A.	-	-	-	138,918,757
Administradora General de Fondos SURA S.A.	SURA Data Chile S.A.	-	-	-	760,493,871
Administradora General de Fondos SURA S.A.	SURA Servicios Profesionales S.A.	883,264	-	-	3,622,013,683
Administradora General de Fondos SURA S.A.	SURA Asset Management Chile S.A.	152,619,664	-	598,056,023	-
Administradora General de Fondos SURA S.A.	Seguros de Vida SURA S.A. (Chile)	179,389,128	3,164,502,160	2,731,404,850	29,487,851,103
AFAP SURA S.A.	SURA Asset Management S.A.	-	23,752,640	-	189,418,839
AFAP SURA S.A.	SURA Servicios Profesionales S.A.	-	85,948,152	-	184,835,435
AFAP SURA S.A.	AFISA SURA S.A.	-	-	-	265,586,575
Afore SURA S.A. de C.V.	Asesores SURA S.A. de C.V.	-	239,036,304	-	2,105,535,562
Afore SURA S.A. de C.V.	Pensiones SURA S.A. de C.V.	138,785,840	-	1,649,650,653	-
Afore SURA S.A. de C.V.	Promotora SURA AM S.A. de C.V.	-	663,928,064	-	5,911,803,269
Afore SURA S.A. de C.V.	SURA Art Corporation S.A. de C.V.	5,192,160	323,781,904	79,293,186	987,925,746
Afore SURA S.A. de C.V.	SURA Asset Management México S.A. de C.V.	6,940,784	25,038,744	84,549,491	22,028,672
Afore SURA S.A. de C.V.	SURA Asset Management S.A.	26,817,208	420,726,096	-	-
Afore SURA S.A. de C.V.	SURA Investment Management S.A. de C.V.	516,933,240	161,744,736	6,219,788,545	1,291,050,194
Afore SURA S.A. de C.V.	SURA Servicios Profesionales S.A.	-	2,167,028,544	-	5,000,868,677
Afore SURA S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	12,881,928	-	169,715,809	234,458,975
AFP Capital S.A.	Corredores de Bolsa SURA S.A.	-	568,073,032	63,668,884	5,730,137,554
AFP Capital S.A.	SURA Asset Management S.A.	-	-	-	629,130,500
AFP Capital S.A.	SURA Data Chile S.A.	-	-	-	8,428,945,045
AFP Capital S.A.	SURA Servicios Profesionales S.A.	-	479,734,696	52,843,432	15,349,784,872
AFP Capital S.A.	Seguros de Vida SURA S.A. (Chile)	-	305,230,376	435,928,064	5,904,531,210
AFP Integra S.A.	Fondos SURA SAF S.A.C.	-	-	248,474,806	-
AFP Integra S.A.	Sociedad Agente de Bolsa S.A.	-	-	-	7,154,006
AFP Integra S.A.	SURA Asset Management Perú S.A.	1,811,288	-	712,779,838	39,515,259

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	REVENUES	EXPENSE
AFP Integra S.A.	SURA Asset Management S.A.	24,731,392	-	14,915,985	655,220,192
AFP Integra S.A.	SURA Servicios Profesionales S.A.	-	710,347,168	-	1,779,438,019
Aseguradora Suiza Salvadoreña S.A. ASESUISA	Seguros Generales Suramericana S.A.	-	1,089,263,724	23,623,407	1,188,273,242
Aseguradora Suiza Salvadoreña S.A. ASESUISA	ASESUISA Vida S.A. Seguros de Personas	1,075,988,893	66,894,715	4,345,798,944	-
Asesores SURA S.A. de C.V.	Pensiones SURA S.A. de C.V.	288,818,376	-	2,796,652,691	-
Asesores SURA S.A. de C.V.	SURA Investment Management S.A. de C.V.	2,681,571,600	-	16,854,788,251	-
Asesores SURA S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	7,639,040	176,778,128	138,968,930	45,922,581
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Arus S.A.	-	394,416	-	217,861,960
Consultoría en Gestión de Riesgos Suramericana S.A.S.	EPS y Medicina Prepagada Suramericana S.A.	29,469,679	-	124,107,648	51,167
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Operaciones Generales Suramericana S.A.S.	-	-	306,250	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	6,985,989,063	30,498,192	78,874,783,718	37,471,067
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	-	26,270,179	3,252,000	640,318,461
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros Generales Suramericana S.A.	67,546,383	1,128,540	58,731,953	108,564,978
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	57,931,042	286,000	184,163,779	111,270,453
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Suramericana S.A.	144,940	-	-	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios Generales Suramericana S.A. (Colombia)	-	270,362,090	9,666,593	3,860,679
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	27,240,285	-	28,485,465	-
Corredores de Bolsa SURA S.A.	SURA Asset Management S.A.	-	-	-	141,371,307
Corredores de Bolsa SURA S.A.	SURA Data Chile S.A.	-	-	-	816,545,391
Corredores de Bolsa SURA S.A.	SURA Servicios Profesionales S.A.	-	358,202,344	-	7,158,560,013

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	REVENUES	EXPENSE
Corredores de Bolsa SURA S.A.	Seguros de Vida SURA S.A. (Chile)	428,204,000	246,890,192	5,147,912,426	2,580,362,059
Enlace Operativo S.A.	Arus S.A.	1,882,880,081	81,377,515	-	-
Enlace Operativo S.A.	EPS y Medicina Prepagada Suramericana S.A.	433,694,108	-	4,803,783,674	789,212
Enlace Operativo S.A.	Seguros de Riesgos Laborales Suramericana S.A.	939,815,826	-	10,036,346,337	-
Enlace Operativo S.A.	Seguros de Vida Suramericana S.A.	-	-	-	34,489,368
Enlace Operativo S.A.	Seguros Generales Suramericana S.A.	-	-	-	58,771,911
Enlace Operativo S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	3,597,400
EPS y Medicina Prepagada Suramericana S.A.	Arus S.A.	-	729,430,123	-	9,799,017,176
EPS y Medicina Prepagada Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	4,171,202	6,677,987	495,677,102	-
EPS y Medicina Prepagada Suramericana S.A.	Seguros de Vida Suramericana S.A.	781,750	179,356,534	-	1,451,512,998
EPS y Medicina Prepagada Suramericana S.A.	Seguros Generales Suramericana S.A.	-	139,214,188	524,600,517	1,975,082,408
EPS y Medicina Prepagada Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	910,520,557	20,642,534,493	1,038,411,470	307,270,003,947
EPS y Medicina Prepagada Suramericana S.A.	Suramericana S.A.	50,076,380	-	-	-
EPS y Medicina Prepagada Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	224,802,210	-	-
EPS y Medicina Prepagada Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	2,786,268	1,324,352,985	-	55,588,316,850
Fondos SURA SAF S.A.C.	Sociedad Agente de Bolsa S.A.	-	26,366,624	-	153,979,357
Fondos SURA SAF S.A.C.	SURA Asset Management Perú S.A.	-	-	-	54,466,660
Fondos SURA SAF S.A.C.	SURA Asset Management S.A.	-	-	-	87,072,872
Grupo de Inversiones Suramericana Holanda B.V.	Grupo SURA Chile Holdings I B.V.	1,204,172,312	-	-	-
Grupo de Inversiones Suramericana Panamá S.A.	Planeco Panamá S.A.	3,821,295,331	-	-	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	REVENUES	EXPENSE
Grupo de Inversiones Suramericana Panamá S.A.	Grupo SURA Finance S.A.	7,321,721	875,712,703,446	-	50,502,829,674
Grupo de Inversiones Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	36,235,447,491	-	2,023,659,816
Grupo de Inversiones Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	14,763,185
Grupo de Inversiones Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	221,315	-	-	-
Grupo de Inversiones Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	24,614,828	-	119,123,476
Grupo de Inversiones Suramericana S.A.	Seguros Generales Suramericana S.A.	-	1,206,950	-	348,161,721
Grupo de Inversiones Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	2,552,400
Grupo de Inversiones Suramericana S.A.	Suramericana S.A.	-	-	890,136,589	-
Grupo de Inversiones Suramericana S.A.	Grupo SURA Finance S.A.	59,680,000	1,626,842,042,368	-	89,228,552,670
Grupo de Inversiones Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	127,079,125	-	49,866,935
Inversiones y Construcciones Estratégicas S.A.S.	Seguros de Vida Suramericana S.A.	-	-	-	2,796,592
Inversiones y Construcciones Estratégicas S.A.S.	Seguros Generales Suramericana S.A.	-	-	83,253,372	-
Inversiones y Construcciones Estratégicas S.A.S.	Servicios Generales Suramericana S.A. (Colombia)	-	-	-	715,231
InverSURA Panamá Internacional S.A.	Planeco Panamá S.A.	1,268,791,817	-	-	-
Operaciones Generales Suramericana S.A.S.	Arus S.A.	-	7,137,315	-	337,584,934
Operaciones Generales Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	-	-	29,378,292	-
Operaciones Generales Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	489,139,116	26,623,625	4,043,647,121	195,694,859
Operaciones Generales Suramericana S.A.S.	Seguros Generales Suramericana S.A.	8,511,059,274	62,833,110	81,282,709,523	603,754,483
Operaciones Generales Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	2,280,598	-	29,211,732	32,582,228
Operaciones Generales Suramericana S.A.S.	SURA Asset Management S.A.	-	-	2,447,941	-
Operaciones Generales Suramericana S.A.S.	Suramericana S.A.	-	-	12,420,029	-
Operaciones Generales Suramericana S.A.S.	Servicios Generales Suramericana S.A. (Colombia)	-	60,387,071,124	-	4,625,377,762

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	REVENUES	EXPENSE
Operaciones Generales Suramericana S.A.S.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	294,166	-	1,497,286	739,035
Pensiones SURA S.A. de C.V.	SURA Investment Management S.A. de C.V.	-	102,724,200	-	1,277,459,353
Promotora SURA AM S.A. de C.V.	SURA Investment Management S.A. de C.V.	1,368,862,256	-	16,829,581,004	-
Promotora SURA AM S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	191,420,616	-	2,576,885,401	35,713,955
Seguros de Riesgos Laborales Suramericana S.A.	Arus S.A.	-	230,429,641	-	2,958,823,732
Seguros de Riesgos Laborales Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	136,359,401	-	1,113,774,379
Seguros de Riesgos Laborales Suramericana S.A.	Seguros Generales Suramericana S.A.	-	211,427,963	-	186,236,619
Seguros de Riesgos Laborales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	11,296,417	4,057,804,693	-	40,790,867,946
Seguros de Riesgos Laborales Suramericana S.A.	Suramericana S.A.	19,790,192	-	-	-
Seguros de Riesgos Laborales Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	367,654,522	-	-
Seguros de Riesgos Laborales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	-	123,842,889	30,370,283	1,739,629,463
Seguros de Vida Suramericana S.A.	Arus S.A.	-	31,589,748	17,675,808	1,149,250,566
Seguros de Vida Suramericana S.A.	Seguros Generales Suramericana S.A.	5,881,200	10,402,045,392	6,096,301,529	8,963,307,841
Seguros de Vida Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	229,154,251	4,424,015,536	4,213,821,851	47,322,571,181
Seguros de Vida Suramericana S.A.	SURA Asset Management S.A.	-	-	142,088,159	-
Seguros de Vida Suramericana S.A.	Suramericana S.A.	33,788,399	-	211,847,600	-
Seguros de Vida Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	23,560,614	23,935,752	470,317,694	105,022,737
Seguros de Vida Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	74,693,089	1,953,739,146	1,290,635,965	26,039,963,253
Seguros de Vida Suramericana S.A.	ASESUISA Vida S.A. Seguros de Personas	-	1,364,547,720	3,619,973,558	6,209,896,611
Seguros Generales Suramericana S.A.	Arus S.A.	-	662,277,022	175,095,724	8,396,425,411
Seguros Generales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	270,538,585	17,381,207	418,254,418	636,228,808
Seguros Generales Suramericana S.A.	SURA Asset Management S.A.	-	-	1,686,481,241	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	REVENUES	EXPENSE
Seguros Generales Suramericana S.A.	Suramericana S.A.	3,167,796	-	33,152,619	-
Seguros Generales Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	275,327	3,385,930	1,968,213,843	-
Seguros Generales Suramericana S.A.	Hábitat Adulto Mayor S.A.	-	-	37,640,055	-
Seguros Generales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	104,039,563	667,423	944,731,928	-
Seguros Generales Suramericana S.A.	Protección Garantizada LTDA.	-	-	737,717	3,055,991,854
Seguros Generales Suramericana S.A.	Seguros SURA S.A. (República Dominicana)	166,164,577	-	260,539,289	-
Seguros Generales Suramericana S.A.	Seguros Suramericana, S.A. (Panamá)	9,473,480,050	-	30,928,861,863	2,619,590,831
Servicios de Salud IPS Suramericana S.A.	Arus S.A.	-	173,848,320	67,429,336	1,755,900,994
Servicios de Salud IPS Suramericana S.A.	SURA Asset Management S.A.	-	-	18,139,812	-
Servicios de Salud IPS Suramericana S.A.	Suramericana S.A.	1,473,648	-	4,808,398	-
Servicios de Salud IPS Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	926,420	595,492,122	14,288,004	-
Servicios de Salud IPS Suramericana S.A.	Hábitat Adulto Mayor S.A.	-	-	13,041,500	-
Servicios de Salud IPS Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	3,119,280	2,230,070,599	886,929,922	37,943,685,987
Servicios Generales Suramericana S.A. (Panamá)	Seguros Suramericana, S.A. (Panamá)	306,581,054	185,518,980	427,177,806	-
Sociedad Agente de Bolsa S.A.	SURA Asset Management Perú S.A.	-	-	-	25,086,243
SURA Art Corporation S.A. de C.V.	SURA Investment Management S.A. de C.V.	17,041,624	-	51,996,403	-
SURA Asset Management México S.A. de C.V.	SURA Investment Management S.A. de C.V.	72,006,904	-	63,353,092	-
SURA Asset Management Perú S.A.	Activos Estratégicos SURA A.M. Colombia S.A.S.	-	26,856	-	-
SURA Asset Management S.A.	SURA Investment Management Colombia S.A.S.	-	-	222,346,746	-
SURA Asset Management S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	71,803,490	-	306,760,345
SURA Asset Management S.A.	Seguros Generales Suramericana S.A. (Chile)	84,361,139	-	262,628,733	-
SURA Asset Management S.A.	Seguros de Vida Suramericana S.A.	6,639,766	-	20,610,059	-
SURA Asset Management S.A.	Seguros SURA, S.A. de C.V.	64,968,324	-	486,057,032	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	REVENUES	EXPENSE
SURA Asset Management S.A.	Seguros SURA S.A.	379,061	28,708,501	35,749,700	-
SURA Asset Management S.A.	SURA Servicios Profesionales S.A.	2,954,160	1,044,966,960	115,461,645	2,616,681,035
SURA Asset Management S.A.	SURA Asset Management Uruguay Sociedad de Inversión S.A.	3,072,189,136	-	-	-
SURA Asset Management S.A.	Disgely S.A.	65,648	-	590,265	-
SURA Asset Management S.A.	Corredor de Bolsa SURA S.A.	862,376	-	2,948,371	-
SURA Asset Management S.A.	AFISA SURA S.A.	725,112	-	6,410,273	-
SURA Asset Management S.A.	SURA Asset Management Argentina S.A.	-	15,293,000	-	-
SURA Asset Management S.A.	SURA Asset Management Chile S.A.	-	-	23,392,183	-
SURA Asset Management S.A.	Seguros de Vida SURA S.A. (Chile)	-	-	450,200,661	-
SURA Asset Management S.A.	SURA Real Estate S.A.S.	-	-	78,941,978	467,215,036
SURA Data Chile S.A.	Seguros de Vida SURA S.A. (Chile)	-	-	4,307,502,640	14,600,193
SURA Investment Management S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	8,301,488	-	97,738,952	30,611,119
Suramericana S.A.	Arus S.A.	-	-	-	322,872,989
Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	153,955,171	-	-
Suramericana S.A.	Seguros SURA, S.A de C.V. (México)	534,482,736	-	534,482,736	-
Arus S.A.	Servicios Generales Suramericana S.A. (Colombia)	47,600,000	-	2,163,278	-
Arus S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	243,104,807	-	1,079,002,965	-
Seguros SURA S.A. (Argentina)	Aseguradora de Créditos y Garantías S.A.	140,803,150	-	603,713,409	270,107,735
Chilean Holding Suramericana SPA	Seguros Generales Suramericana S.A (Chile)	-	50,280,136,915	-	2,236,696,482
Servicios Generales Suramericana S.A. (Colombia)	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	201,093,486	-	-	-
Seguros Generales Suramericana S.A (antes RSA Seguros Chile S.A.) (Chile)	Seguros de Vida Suramericana S.A (antes RSA Seguros de Vida S.A.) (Chile)	536,548,344	-	1,828,781,877	-
Seguros Generales Suramericana S.A (Chile)	Inversiones Suramericana Chile Limitada	228,229,715	-	-	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	REVENUES	EXPENSE
SURA Servicios Profesionales S.A.	SURA Asset Management Chile S.A.	-	-	41,359,836	-
SURA Servicios Profesionales S.A.	Seguros de Vida SURA S.A. (Chile)	536,368,032	10,106,808	12,167,562,535	485,539,798
SURA Asset Management Argentina S.A.	Activos Estratégicos SURA A.M. Colombia S.A.S.	805,680	-	-	-

Note: The transactions shown in the aforementioned table are all posted alongside their respective reciprocal transactions on the part of the Recipient Company.

LEGAL COMPLIANCE:

The most relevant transactions between the companies belonging to the SURA Business Group have all been entered into pursuant to all applicable legal provisions, as well as the Company's "Framework Policy for Transactions between Related Parties" and are duly posted in the financial statements of the Companies involved.

More significant decisions

Suramericana S.A. and Sura Asset Management S.A. both subsidiaries of Grupo SURA, signed a purchase agreement through their respective subsidiaries whereby all those shares outstanding belonging to the insurance company Seguros de Vida SURA México S.A. de C.V. which is currently owned by SURA Asset Management S.A., shall become the property of Suramericana S.A.

Suramericana S.A. and Operaciones Generales Suramericana S.A.S., acted as buyers in this purchase agreement whereas SURA Asset Management S.A., SURA Asset Management México S.A. de C.V. and SURA Art Corporation S.A. de CV., acted as sellers. This transaction shall be

performed for a total value of USD 20,598,943.93 after due authorization is obtained from the Mexican National Insurance and Surety Commission (CNSF in Spanish) along with a favorable opinion from the Mexican Federal Economic Competition Commission (COFECE in Spanish).

With this, the Group's insurance concern in Mexico shall pass into the hands of its specialized insurance subsidiary (Suramericana S.A.), thus allowing SURA Asset Management to develop the full potential of its pension, savings and investment business.

There were no major decisions that the Group's affiliates or subsidiaries took or failed to take due to any influence or specific interest on the part of the controlling company, or decisions that the controlling company took or failed to take in the interest of the controlled companies.

Medellín, March 23, 2018

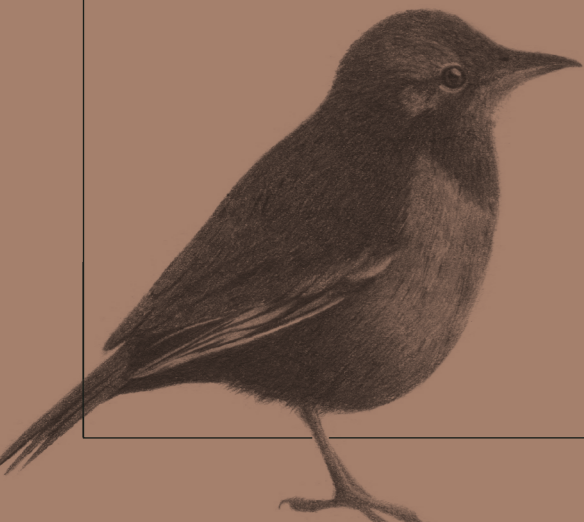
David Bojanini García
CHIEF EXECUTIVE OFFICER

AN "ALONSITO" IN EVERY HOME

It's never in a hurry, it's a bird that requires ease: its simple ways demand this. Nature has equipped the Hornero with an exceptional peak, able of molding its nest with clay and roots, even on unimaginable surfaces. The poet from Argentina Leopoldo Lugones said, "The small home of a Hornero has a bedroom and a livingroom"; a bedroom to care for its eggs and offsprings, and a living room to receive the heat of the day, and the moonlight. Every year is a beginning and a departure; the bird leaves its nest to build another one, and here's what you may miss if you are in a hurry: the Hornero or "Alonsito", gives its nest away; perhaps it's a gesture of generosity or a way to re-invent itself. And it leaves with its partner and its songs of clicking sounds and silences. Its melody is like a conversation that calms solitudes and brings hope to the days to come. Knowing up close the presence of its nest and music is a tradition of joy and good fortune.

HORNERO

Scientific Name:	Furnarius rufus
Class:	Bird
Family:	Furnariidae
Order:	Passeriforms
Region:	Argentina



FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

We, the undersigned Legal Representative and Chief Accountant, under whose responsibility these consolidated financial statements were presented hereby certify:

That the statements contained in the Company's Statement of Financial Position at December 31, 2017 as well as its Statements of Income and Other Comprehensive Income, Statement of Changes to Shareholders' Equity and Statement of Cash Flows for said year, as made available to our shareholders and third parties alike in accordance with applicable regulations, were duly verified

These statements, both explicit and implicit, are as follows:

- 1 **Existence:** all assets and liabilities belonging to Grupo de Inversiones Suramericana S.A. duly exist at the cut-off date of said consolidated financial statements and all transactions therein included were carried out during this same period ending on the aforementioned date
- 1 **Integrity:** all economic events on the part of the Company have been duly recognized.
- 1 **Rights and obligations:** assets represent future economic benefits and liabilities represent future economic obligations obtained by or for the account of Grupo de Inversiones Suramericana S.A. at the aforementioned cut-off date
- 1 **Valuation:** all items have been posted at their appropriate values
- 1 **Presentation and disclosure:** all economic events have been correctly classified, described and revealed in these financial statements.

Pursuant to Article 46 of Law 964 of 2005, in my capacity as legal representative of Grupo de Inversiones Suramericana S.A. the Financial Statements and other publicly-relevant reports related to the years ended December 31, 2017 and December 31, 2016 do not contain any flaws, inaccuracies or errors that could prevent the Company's true financial position or operations from being fully known.

ORIGINAL SIGNED*
David Bojanini García
CHIEF EXECUTIVE OFFICER

ORIGINAL SIGNED*
Luis Fernando Soto Salazar
CHIEF ACCOUNTANT - T.P. 16951-T

* Translation into English of the original version signed in Spanish.

STATUTORY AUDITOR'S REPORT



To the Shareholders of:
Grupo de Inversiones Suramericana S.A Consolidated

REPORT ON THE FINANCIAL STATEMENTS

I have audited the attached consolidated financial statements of Grupo de Inversiones Suramericana S.A. consisting of its Statement of Financial Position at December 31, 2017 together with the corresponding Statements of Income, Comprehensive Income, Changes to Shareholders Equity, and Cash Flows for the fiscal year ending on the aforementioned date as well as the summary of significant accounting policies and other explanatory notes.

SENIOR MANAGEMENT RESPONSIBILITIES WITH REGARD TO THE FINANCIAL STATEMENTS

The Company's Senior Management is responsible for the proper preparation and presentation of these consolidated financial statements according to Accepted Accounting and Financial Reporting Standards in Colombia (NCIF in Spanish) and for designing, implementing and maintaining the corresponding internal controls required for preparing and presenting these consolidated financial statements and ensuring that these remain free of any material misstatements due to either fraud or error, while selecting and applying the appropriate accounting policies as well as providing accounting estimates that are reasonable given the circumstances.

AUDITOR'S RESPONSIBILITY;

My responsibility is to express an opinion on these consolidated financial statements based on my audit work. I carried out my work in accordance with Accepted International Auditing Standards in Colombia, which oblige me to adhere to all ethical requirements and plan and perform my audit work in order to obtain reasonable assurance that the consolidated financial statements do not contain any material misstatements

An audit of financial statements includes carrying out procedures in order to obtain auditing evidence of the figures and disclosures included in the financial statements. The procedures thus selected depend on the auditor's professional judgment that includes an examination of the risk of material errors in the financial statements. Upon auditing this risk, the statutory auditor considers the corresponding internal controls implemented by the Company for preparing and presenting financial statements so as to design audit procedures that are appropriate under the circumstances. An audit also includes examining the accounting policies used and the more significant estimates made by Senior Management as well as the presentation of the financial statements as a whole.

I believe that the audit evidence thus obtained provide a reasonable basis for the opinion provided below.

OPINION

In my opinion the attached consolidated financial statements, reasonably reflect in all material aspects the Company's financial position at December 31, 2017, together with its operating results and cash flows for the year ended on the aforementioned date, this in accordance with Accepted Accounting and Financial Reporting Standards in Colombia.

OTHER MATTERS

The consolidated financial statements presented and prepared by Grupo de Inversiones Suramericana S.A. under Accepted Accounting and Financial Reporting Standards in Colombia for the fiscal year ended December 31, 2016, and which form part of the comparative information presented in conjunction with the attached consolidated financial statements, were also audited by myself, based on Accepted International Auditing Standards in Colombia, for which I issued an unqualified opinion on February 24, 2017.

Medellín, Colombia February 26, 2018

ORIGINAL SIGNED*

Mariana Milagros Rodríguez
STATUTORY AUDITOR - LIC. NO. 112752-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Please refer to my Statutory Auditor's Report, issued
February 26, 2018)

* Translation into English of the original version signed in Spanish.

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

At December 31, 2017

(With comparative figures at December 31, 2016).

(Stated in millions of Colombian pesos)

	NOTE	2017	2016
ASSETS			
Cash and cash equivalents	8	1,588,289	2,066,959
Investments	9	26,926,217	26,198,241
Trade and other accounts receivable	9	6,213,746	5,412,844
Current accounts receivable from related parties and associates	9	39,726	89,249
Technical insurance reserves - reinsurers	11	3,214,320	2,659,751
Inventories	12	14,347	13,835
Current tax assets	13	235,212	412,725
Non-current assets held for sale		36,711	679
Other financial assets	14	145,709	631,093
Other non-financial assets	9	112,461	208,824
Investment properties	15	1,031,538	1,033,526
Property and equipment	16	1,154,229	1,037,702
Intangible assets other than goodwill	17	4,899,823	4,913,377
Goodwill	17	4,768,779	4,506,162
Investments accounted for using the equity method	18	18,833,942	18,144,328
Deferred tax assets	13	161,246	188,070
Total assets		69,376,295	67,517,365
LIABILITIES			
Other financial liabilities	9	2,206,051	3,705,478
Trade and other accounts payable	9	2,881,223	2,607,370
Accounts payable to related entities	9	2,378	68,096
Technical reserves	11	26,195,224	25,989,614
Current tax liabilities	13	546,820	575,425
Provisions for employee benefits	20	515,751	405,816
Other non-financial liabilities	21	980,323	923,470
Other provisions	22	286,230	247,267
Issued securities	9, 23	7,836,685	6,038,924
Deferred tax liabilities	13	1,699,049	1,560,078
Total liabilities		43,149,734	42,121,538

	NOTE	2017	2016
EQUITY			
Issued capital	24	109,121	107,882
Share issue premium		3,290,767	3,307,663
Net income for the period		1,256,254	1,444,463
Accumulated earnings		12,951,016	12,302,406
Other equity interests	26	2,770,259	1,913,969
Reserves	24	3,452,104	3,584,845
Equity attributable to the owners of the parent company		23,829,521	22,661,228
Non-controlling interests	27	2,397,040	2,734,599
Total equity		26,226,561	25,395,827
Total equity and liabilities		69,376,295	67,517,365

The accompanying notes form an integral part of these financial statements.

ORIGINAL SIGNED*
David Bojanini García
LEGAL REPRESENTATIVE

ORIGINAL SIGNED*
Luis Fernando Soto Salazar
PUBLIC ACCOUNTANT - P.C. 16951-T
LIC. NO. 16951-T

ORIGINAL SIGNED*
Mariana Milagros Rodríguez
STATUTORY AUDITOR - LIC. NO. 112752-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Please refer to my Statutory Auditor's Report, issued
February 26, 2018)

* Translation into English of the original version signed in Spanish.

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED INCOME STATEMENTS

For year ended December 31, 2017

(With comparative figures for year ended December 31, 2016)

(Stated in millions of Colombian pesos, except for basic earnings per share)

	NOTES	2017	2016
Written premiums	11	14,336,937	12,374,715
Ceded premiums	11	(2,355,413)	(1,851,038)
Retained premiums (net)		11,981,524	10,523,677
Commission income	29	2,342,755	2,155,599
Services rendered	30	2,809,297	2,318,925
Dividends	31	27,125	75,472
Investment income	31	967,461	970,985
Revenues at fair value	31	744,111	542,094
Revenues via equity method	18	1,061,236	1,037,637
Earnings from sales of investments	31	139,852	130,955
Income on investment property	15	71,656	63,336
Exchange difference (net)	31	(71,725)	170,631
Other revenues	32	388,458	286,367
Total revenues		20,461,750	18,275,678
Total claims	11	(8,339,265)	(6,494,165)
Reimbursed claims	11	1,840,205	1,499,644
Retained claims		(6,499,060)	(4,994,521)
Reserves, net of insurance production	11	(1,875,202)	(2,592,522)
Costs of services rendered	30	(2,653,114)	(2,184,160)
Administrative expense	33	(1,664,440)	(1,530,571)
Employee benefits	20	(1,836,040)	(1,595,172)
Fees	34	(745,413)	(755,492)
Brokerage commissions	29	(1,896,799)	(1,414,198)
Amortizations	8	(289,220)	(240,210)
Depreciation	8	(79,596)	(68,812)
Other expense	32	(416,355)	(332,658)
Interest	31	(638,707)	(530,103)
Impairment		(16,872)	(12,273)
Total expense		(18,610,818)	(16,250,692)

	NOTES	YEAR-END 2017	YEAR-END 2016
Earnings before tax		1,850,932	2,024,986
Income tax	13	(477,160)	(431,607)
Net earnings from continuing operations		1,373,772	1,593,379
Net earnings from discontinued operations	18.1	80,846	78,279
Net earnings		1,454,618	1,671,658
Earnings - parent company		1,256,254	1,444,463
Earnings - non-controlling interest	27	198,364	227,195
Earnings per share			
Net earnings per share	35	2,678	3,080

The accompanying notes form an integral part of these financial statements.

ORIGINAL SIGNED*

David Bojanini García

LEGAL REPRESENTATIVE

ORIGINAL SIGNED*

Luis Fernando Soto Salazar

PUBLIC ACCOUNTANT - P.C. 16951-T
LIC. NO. 16951-T

ORIGINAL SIGNED*

Mariana Milagros Rodríguez

STATUTORY AUDITOR - LIC. NO. 112752-T
Appointed by Ernst & Young Audit S.A.S. TR-530
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February 26, 2018)

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GRUPO DE INVERSIONES SURAMERICANA S.A.
**CONSOLIDATED STATEMENT OF
 COMPREHENSIVE INCOME**

For year ended December 31, 2017
 (With comparative figures for year ended December 31, 2016)
 (Stated in millions of Colombian pesos)

	NOTES	2017	2016
Earnings for the period		1,454,618	1,671,658
Other comprehensive income, losses incurred with equity investments, net of tax	26	(92)	(2,767)
Other comprehensive income, revaluation gains, net of tax	26	137,402	4,404
Other comprehensive income, losses incurred with remeasurements of defined employee benefit plans, net of tax	26	(11,740)	(169)
Total other comprehensive income that shall not be reclassified to profit or loss, net of tax		125,570	1,468
Gains (losses) on translation differences, net of tax	26	701,171	(426,670)
Loss on cash flow hedges, net of tax	26	3,233	9,833
Gains on derivatives hedging net investments abroad, net of tax	26	-	17,081
Share of other comprehensive income from associates and joint ventures posted via the equity method and to be reclassified to profit or loss, net of tax	26	121,520	263,336
Total other comprehensive income to be classified to profit or loss		825,924	(136,420)
Total other comprehensive income		951,494	(134,952)
Total comprehensive income		2,406,112	1,536,706
Comprehensive income attributable to:			
Controlling interest		2,114,141	1,500,049
Non-controlling interests		291,971	36,657

The accompanying notes form an integral part of these financial statements.

ORIGINAL SIGNED*
David Bojanini García
 LEGAL REPRESENTATIVE

ORIGINAL SIGNED*
Luis Fernando Soto Salazar
 PUBLIC ACCOUNTANT - P.C. 16951-T
 LIC. NO. 16951-T

ORIGINAL SIGNED*
Mariana Milagros Rodríguez
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GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED STATEMENTS OF CHANGES TO SHAREHOLDERS EQUITY

For year ended December 31, 2017
 (With comparative figures for year ended December 31, 2016)
 (Stated in millions of Colombian pesos)

	ISSUED CAPITAL	SHARE ISSUE PREMIUM	ACCUMULATED EARNINGS	OTHER EQUITY INTERESTS	LEGAL RESERVE	OCCASIONAL RESERVE	EARNINGS FOR THE PERIOD	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
Balance held at January 01, 2016	107,882	3,307,663	12,255,428	1,858,384	138,795	4,069,085	1,104,091	22,841,327	3,221,272	26,062,599
Other equity interests	26			60,169				60,169	(190,538)	(130,369)
Property and equipment revaluation reserve				5,479				5,479	(1,075)	4,404
Adjustments on converting net investments abroad				(228,121)				(228,121)	(193,965)	(422,087)
Financial instruments with changes to other comprehensive income				(1,968)				(1,968)	(799)	(2,767)
Losses from re-measurements of defined employee benefit plans, net of tax				(388)				(388)	219	(169)
Revenues from associates via equity method recognized in equity				263,336				263,336	-	263,336
Cash flow hedges - derivatives				7,974				7,974	1,859	9,833
Hedges for net investments abroad				13,858				13,858	3,223	17,081
Earnings for the period							1,444,463	1,444,463	227,194	1,671,658
Total net comprehensive income for the period				60,169			1,444,463	1,504,633	36,656	1,541,289
Transferred to accumulated earnings			1,104,091				(1,104,091)			

	ISSUED CAPITAL	SHARE ISSUE PREMIUM	ACCUMULATED EARNINGS	OTHER EQUITY INTERESTS	LEGAL RESERVE	OCCASIONAL RESERVE	EARNINGS FOR THE PERIOD	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
Distribution of dividends corresponding to 2015 based on authorization contained in the minutes of Shareholders' Meeting No. 21 held on March 31, 2016:								-		-
Dividends recognized as distributions to owners (COP 456 per share)			(262,372)					(262,372)		(262,372)
Donations for social outreach projects			(5,000)					(5,000)		(5,000)
Reserves for the protection of investments	24		(456,617)			456,617		-		-
Surplus paid on acquiring non-controlling interests	27				(1,079,652)			(1,079,652)	(681,869)	(1,761,521)
Minimum preferred dividends	25		17,280					17,280		17,280
Increases (decreases) due to other changes in equity			(165,567)					(165,567)	203,028	37,461
Restated figures for SURA Subsidiary	24.3		(184,837)	(4,584)				(189,421)	(44,488)	(233,909)
Balance held at year - end 2016	107,882	3,307,663	12,302,406	1,913,969	138,795	3,446,050	1,444,463	22,661,229	2,734,599	25,395,827

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For year ended December 31, 2017

(With comparative figures for year ended December 31, 2016)

(Stated in millions of Colombian pesos)

	ISSUED CAPITAL	SHARE ISSUE PREMIUM	ACCUMULATED EARNINGS	OTHER EQUITY INTERESTS	OCCASIONAL RESERVE	LEGAL RESERVE	EARNINGS FOR THE PERIOD	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL SHAREHOLDERS' EQUITY
Balance held at January 1, 2017	107,882	3,307,663	12,302,406	1,913,969	3,446,050	138,795	1,444,463	22,661,228	2,734,599	25,395,827
Share issue	1,239	209,189	-	-	-	-	-	210,428	99	210,527
Other comprehensive income	26	-	-	856,290	-	-	-	856,290	95,204	951,494
Revaluation surplus on property and equipment	-	-	-	111,897	-	-	-	111,897	25,505	137,402
Adjustments on converting net investments abroad	-	-	-	632,467	-	-	-	632,467	68,704	701,171
Financial instruments with changes to other comprehensive income	-	-	-	(1,275)	-	-	-	(1,275)	1,183	(92)
Losses from re-measurements of defined employee benefit plans, net of tax	-	-	-	(9,735)	-	-	-	(9,735)	(2,005)	(11,740)
Revenues from associates via equity method recognized in equity	-	-	-	119,923	-	-	-	119,923	1,597	121,520
Revenues from subsidiaries via equity method recognized in equity	-	-	-	-	-	-	-	-	-	-
Cash flow hedges - derivatives	-	-	-	3,013	-	-	-	3,013	220	3,233
Hedges for net investments abroad	-	-	-	-	-	-	-	-	-	-
Earnings for the period	-	-	-	-	-	-	1,256,254	1,256,254	198,364	1,454,618

	ISSUED CAPITAL	SHARE ISSUE PREMIUM	ACCUMULATED EARNINGS	OTHER EQUITY INTERESTS	OCCASIONAL RESERVE	LEGAL RESERVE	EARNINGS FOR THE PERIOD	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL SHAREHOLDERS' EQUITY
Total net comprehensive income for the period	109,121	3,290,767	12,951,016	2,770,259	3,313,309	138,795	1,256,254	2,112,544	293,568	2,406,112
Transferred to accumulated earnings	-	-	1,444,463	-	-	-	(1,444,463)	-	-	-
Dividends recognized as distributions to owners (COP 488 per share)	-	-	(280,780)	-	-	-	-	(280,780)	(100,732)	(381,512)
Donations for social outreach projects	-	-	(5,000)	-	-	-	-	(5,000)	(821)	(5,821)
Reserves for the protection of investments	24	-	(549,701)	-	549,701	-	-	-	3	3
Surplus paid on acquiring non-controlling interests	27	-	-	-	(682,442)	-	-	(682,442)	(396,615)	(1,079,057)
Minimum preferred dividends	25	-	44,948	-	-	-	-	(181,137)	-	(181,137)
Increase (decrease) due to other changes in equity	-	(226,085)	(5,320)	-	-	-	-	(5,320)	(133,531)	(138,851)
Balance held at December 31, 2017	109,121	3,290,767	12,951,016	2,770,259	3,313,309	138,795	1,256,254	23,829,521	2,397,040	26,226,561

The accompanying notes form an integral part of these financial statements.

ORIGINAL SIGNED*
David Bojanini García
LEGAL REPRESENTATIVE

ORIGINAL SIGNED*
Luis Fernando Soto Salazar
PUBLIC ACCOUNTANT - P.C. 16951-T
LIC. NO. 16951-T

ORIGINAL SIGNED*
Mariana Milagros Rodríguez
STATUTORY AUDITOR - LIC. NO. 112752-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Please refer to my Statutory Auditor's Report, issued February 26, 2018)

* Translation into English of the original version signed in Spanish.

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For year ended December 31, 2017

(With comparative figures for year ended December 31, 2016)

(Stated in millions of Colombian pesos)

	NOTE	2017	2016
NET INCOME FOR THE PERIOD		1,454,618	1,671,658
Adjustments to reconcile earnings			
Adjustments for income tax expense	13	477,160	431,607
Adjustments for financial costs		398,907	361,120
Adjustments for decreases (increases) in inventories		(512)	(1,697)
Adjustments for decreases (increases) in accounts receivable corresponding to the insurance business		(610,021)	(2,457,137)
Adjustments for decreases in trade receivables		(194,879)	3,032
Adjustments for increases in other accounts receivable corresponding to operating activities		45,597	(57,210)
Adjustments for increase in trade payables		61,535	301,919
Adjustments for increase in accounts payable corresponding to the insurance business		212,318	993,186
Adjustments for increases (decreases) in other accounts payables corresponding to operating activities		(151)	158,675
Adjustments for depreciation and amortization expense	8	538,901	1,627,729
Adjustments for impairment losses recognized through profit or loss for the period.		16,872	12,273
Adjustments for provisions		136,651	238,480
Adjustments for unrealized foreign currency losses		(1,270,069)	498,647
Adjustments for gains at fair value	8	(819,242)	(566,398)
Adjustments for retained earnings via the equity method	18	(1,061,236)	(1,037,637)
Changes to non-financial assets and liabilities	19	84,728	403,767
Adjustments for losses (gains) on disposals of non-current assets		(435)	12,327
Investments measured at amortized cost	19	(1,095,819)	(1,108,710)
Changes to insurance reserves		(348,959)	5,045,008
Total adjustments to reconcile income		(3,428,654)	4,858,981
Net cash flows sourced from (used for) operating activities		(1,974,036)	6,530,639
Dividends received from associates	25	495,338	456,282
Income tax paid	13	(204,395)	(312,927)
Net cash flows sourced from operating activities		(1,683,093)	6,673,994
CASH FLOWS SOURCED FROM (USED FOR) INVESTING ACTIVITIES			
Cash flows from losing control over subsidiaries or other businesses	18.2.1	-	517,324
Cash flows used to obtain control over subsidiaries or other businesses	8	(1,082,705)	(1,763,569)

	NOTE	2017	2016
Other cash receipts on sales of equity or debt securities issued by other entities	8	12,390,342	4,230,763
Other payments for purchasing equity or debt securities from other entities	9.1.1.	(10,567,069)	(8,260,019)
Proceeds from sales of property, plant and equipment	16	78,318	36,477
Purchases of property and equipment	16	(126,013)	(162,324)
Proceeds from sales of intangible assets	17	135,423	60,433
Purchases of intangible assets	17	(298,233)	(3,322,942)
Proceeds from sales of other long-term assets	15	430,372	-
Purchases of other long-term assets	15	(324,109)	(239,364)
Payments on futures, forwards, options and swaps	14	(44,196)	(23,242)
Cash receipts from futures, forwards, options and swaps	14	86,158	58,310
Dividends received on financial instruments	9	607	4,841
Interest received	9	638,696	144,185
Net cash flows sourced from (used for) investing activities		1,317,591	(8,719,127)
NET CASH FLOWS SOURCED FROM FINANCING ACTIVITIES			
Proceeds from share issue	23	29,390	17,279
Proceeds from loans	23	4,680,171	6,415,497
Loan repayments	23	(3,774,474)	(3,281,201)
Payments of financial lease liabilities	23	(949)	-
Dividends paid	25	(447,079)	(388,462)
Interest paid	9	(560,919)	(180,703)
Donations		(5,821)	(5,000)
Net cash flows sourced from financing activities		(79,681)	2,577,410
Increase (decrease) in net cash and cash equivalents before effect of exchange rate fluctuations		(445,183)	532,277
Effects of exchange rate fluctuations on cash and cash equivalents		(33,487)	101,498
Net increase in cash and cash equivalents		(478,670)	633,775
Cash and cash equivalents at beginning of the period	8	2,066,959	1,433,184
Cash and cash equivalents at the end of period	8	1,588,289	2,066,959

The accompanying notes form an integral part of these financial statements.

ORIGINAL SIGNED*
David Bojanini García
LEGAL REPRESENTATIVE

ORIGINAL SIGNED*
Luis Fernando Soto Salazar
PUBLIC ACCOUNTANT - P.C. 16951-T
LIC. NO. 16951-T

ORIGINAL SIGNED*
Mariana Milagros Rodríguez
STATUTORY AUDITOR - LIC. NO. 112752-T
Appointed by Ernst & Young Audit S.A.S. TR-530
[Please refer to my Statutory Auditor's Report, issued February 26, 2018]

* Translation into English of the original version signed in Spanish.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31st 2017

(With comparative figures at year-end 2016)

(Stated in millions of Colombian pesos, except for basic earnings per share)

NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A. was incorporated as a result of being spun off from Compañía Suramericana de Seguros S.A., by means of Public Deed No. 2295 drawn up December 24, 1997 before the Notary Public No. 14 of the Circuit of Medellín, with all the corresponding accounting formalities duly completed by January 1, 1998. Its main registered place of business is in Medellín, at the following address: Cra. 43ª # 5ª - 113 Piso 15. The Company is entitled to set up branches, agencies, and offices in other parts of the country as well as abroad, should its Board of Directors so decide. The Company is legally authorized to carry on its business purpose until 2097.

Its business purpose is to invest in personal and real estate property, and may do so in the form of shares, stakes or holdings in companies, entities, organizations, funds and any other legally-permitted mechanism that allows for the investment of funds. Likewise, it may invest in securities or instruments yielding either a fixed or variable income, regardless of whether these are listed on a public stock exchange. In any case, the corresponding issuers and/or investees may belong to either the public or private sectors, both at home or abroad.

The Company's reporting period shall follow that of the normal calendar year, ending on December 31.

The Company comes under the exclusive oversight of the Colombian Superintendency of Finance ("Superintendencia Financiera de Colombia"), since it is listed as an issuer of securities with the Colombian National Registry of Securities (Registro Nacional de Valores y Emisores).

CORPORATE PROFILE:

Grupo de Inversiones Suramericana S.A. [hereinafter referred to in conjunction with its subsidiaries as "Grupo SURA"] is a multi-Latina listed on the Co-

Colombian Stock Exchange and registered with the ADR- Level 1 program in the United States. It is also the only Latin American company from the Diversified Financial Service Sector to be admitted to the Dow Jones Sustainability Index (DJSI), which tracks companies who have become global benchmarks thanks to the best practices they have adopted from the economic, environmental and social standpoints. In 2016, the DJSI awarded Grupo SURA its "Bronze Class" distinction as the company upholding the second highest sustainability standards, in its respective sector, on a worldwide level. Group Sura's investments are classified in two categories: its strategic or core investments – those pertaining to the financial, insurance, pension, savings and investment sectors; and its portfolio investments – those found mainly in the processed food, cement, energy, port services and real estate sectors.

Grupo SURA's investee companies (Suramericana S.A., Sura Asset Management S.A., Bancolombia S.A., Grupo Nutresa S.A. and Grupo Argos S.A.) have continued to strengthen their presence in different parts of Latin America, the United States and to a lesser degree in Asia.

The Group's interests in the Financial Services sector includes a 46.11% stake in the voting shares of Bancolombia (which is equal to 24.44% of its capital stock), where Grupo Sura is the largest shareholder. It also holds an 81.13% stake in Suramericana S.A., the Group's insurance holding company. The remaining 18.87% of Suramericana is owned by the German insurer Münchener Rückversicherungs-Gesellschaft Munich Re, commonly known as "Munich Re." Grupo SURA also directly holds a 76.47% stake in SURA Asset Management Colombia S.A.'s share capital as well as another 7.11% stake through its subsidiary, Grupo de Inversiones Suramericana Panamá S.A. Both companies are dedicated to the Latin American pension, savings and investment sectors. The remaining 16.42% stake in Sura Asset Management S.A.'s share capital belongs to other local and international shareholders.

The Group's investments in the processed food segment of the local industrial sector include a 35.17% stake in Grupo Nutresa S.A., the largest processed foods conglomerate in Colombia where Grupo Sura is also the largest shareholder.

Grupo Sura's interests in the cement, concrete, energy, port services, coal-mining and real estate sectors include a 35.56% stake in the voting shares of Grupo Argos S.A. (equal to 26.78% of its share capital) where again Grupo Sura is the majority shareholder. Grupo Argos is in turn the controlling shareholder of Cementos Argos, S.A., Celsia S.A. E.S.P. And Odinsa. S.A.

Grupo Sura's main business activities are described in further detail in Note 28 - Operating Segments

OUR STRENGTHS

1. Grupo Sura holds equity interests in several companies who in turn own leading companies in Colombia, Mexico, El Salvador, the Dominican Republic, Panama, Peru, Chile Guatemala, Uruguay, Brazil and Argentina. Grupo SURA has invested in well established companies mainly in the financial service, insurance, health care, occupational risk, pension fund and complementary service sectors, and to a lesser extent in several industrial sectors, including food processing, cement and ready-mix concrete, energy, port services, coal-mining and real estate.
2. Robust stream of sound cash flows diversified across different countries and sectors. Grupo Sura derives most of its cash flows from dividends received from a diversified group of companies operating across various industries and countries within Latin America. In recent years, these companies have consistently paid out dividends, which have been increasing by at least the rate of inflation as measured by the Consumer Price Index (CPI)
3. Sound Statement of Financial Position to support Grupo SURA's ongoing expansion. At year-end 2017, Grupo Sura's consolidated shareholders' equity came to COP 26,226,561 million with a total debt-to-asset ratio of just 38%. Grupo Sura has historically financed its expansion primarily with operating cash flows and the proceeds from sales of non-strategic assets. Here it is important to add that at the end of last year, the Company's indebtedness was substantially low given the size of its portfolio of investments.
4. Multi-product, multi-segment and multi-channel business model. Grupo Sura has increased its market share in the Latin American financial services sector by developing an integrated business model, allowing us to take full advantage of the synergies existing between our different banking, insurance and pension fund businesses, while accessing a wider customer base, creating greater customer loyalty and at the same time strictly complying with all applicable regulations in each country and abiding by all legal restrictions. Our integrated business model represents a true competitive advantage for our different companies while creating a significant entry barrier that protects us from the competition
5. Commitment to best practices, corporate governance and sustainable development. Our Corporate Governance Code was first introduced in 2002 and we have been publishing annual corporate governance reports since 2005. Our corporate governance is governed by principles of fairness, respect, responsibility and transparency together with a firm commit-

ment to both the region and its people. Our Corporate Governance Code is based on the highest international standards and contains the philosophy as well as the rules and regulations governing the Group's relationships with Senior Management, the Board of Directors, shareholders, investors and other stakeholders who are interested in the Company's performance. Also, and as part of our commitment to sustainability and in deploying our corporate responsibility model, Grupo Sura and its Subsidiaries participate in social development projects in the form of institutional donations and the work of its corporate volunteer corps, which are channeled through its foundation, the Fundación Suramericana. These initiatives help to improve the quality of life of the more vulnerable segments of the population by helping them to develop their skills.

6. Great human talent. The people who work for Grupo Sura are both knowledgeable and widely experienced and its Senior Management team has an excellent track record. The Company places a lot of importance on the human element with particular emphasis on integrity and the corporate values which form part of our organizational culture. With regard to the Company's Senior Management, the majority of its members have held senior positions in various industries both in Colombia as well as the rest of Latin America, and at the same time have worked for Grupo Sura or its related companies for all of their working lives.

OUR CORPORATE STRATEGY

Grupo SURA has just undergone a period of international expansion from which it has achieved a robust stream of cash flows, thus strengthening the financial position of its Companies and diversifying at the same time the sources of its revenues not only from a variety of industries but also from different countries. At the same time, the Company has and shall continue to ensure that its ongoing growth does not affect its good credit standing by maintaining a conservative policy for its long-term leverage.

2017 was a year that posed major challenges, leading Grupo SURA to embark on an in-depth review of the Organization's strategic planning, an initiative we call "Evolution 2030" whose scope includes the entire Business Group. We are fully aware that the world is changing at an exponential rate and that our portfolio investments must respond at this same pace so as to be able to remain relevant in the future

The Company has now begun a stage in which it is further consolidating its recently acquired operations so as to enhance their profitability and ensure their sustainability over time. For this reason it is essential that not only do we continue to work together as a group so as to achieve a sound financial position with regard to our different stakeholder groups but also that we maximize

the growth of our investments in the financial service sectors so as to be able to conquer new markets, reach out and better attend different segments of the population who now have greater purchasing power as well as to get to know our current and potential clients, using data from the latest analytics, artificial intelligence and other emerging technologies so as to enhance our value-added offering.

The main goals of this new stage of consolidation were:

- 1 To align and build shared purposes so as to achieve better results;
- 1 Refocus our work plan for consolidating, optimizing and furthering the profitability of our portfolio business;
- 1 Detect opportunities and risks beyond our current sphere of business so as to create new businesses; and,
- 1 Provide support for the transformation of our business going forward.

Among the new definitions drawn up, we have framed a new purpose for the entire business group: To create a greater level of well-being and sustainable development for people, organizations and society at large. This new purpose is supported by six pillars that shall define the prioritization of our future plans and projects.

STRATEGIC PILLARS:

- 1 Human Talent and Culture: human talent is a differentiating element in being able to develop our organizational capabilities that in turn form the bedrock for transforming Grupo SURA and thus furthering its competitiveness and sustainability.

Culture is a set of characteristics that ensure consistency with regard to the Organization's philosophy, principles, leadership and management style, forming our own way of doing things on an everyday basis.

- 1 Innovation and Entrepreneurship: innovation is the quality of transforming and creating new businesses and processes capable of creating added value, which in turn is supported by an organizational culture that encourages and enables the permanent development of skills and abilities, such as creativity and experimentation.

Entrepreneurship is being able to create new businesses and ventures that help to drive the sustainability of our portfolio. This entails speeding up the introduction of new companies within the Organization's investment portfolio.

- ¶ Internal and External Partnerships: internal and external alliances, synergies and articulation processes that make us more competitive and efficient with regard to our shared purpose of creating greater well-being and sustainable development, while creating added value for all the parties involved.
- ¶ Knowledge: this is defined as the holistic understanding of our industry, through a systematic analysis and overview of our environment and emerging trends, as well as the articulation of organizational information and learnings, so as to be able to improve our decision-making, anticipate changes and trends and keep us relevant over time, and in so doing help us fulfill our corporate vision and aspirations.
- ¶ Reputation and Trust: this is the result of fulfilling our value promise, based on good practices and our ethical principles, while being able to forge long-term relationships with our stakeholders.
- ¶ Financial Resource Management: this is the optimal coordination of the Group's financial resource cycle which consists of:
 - Obtaining the required funds and defining an adequate capital structure.
 - Allocating capital based on the established criteria and in accordance with the Business Group's strategy.
 - Pro-actively handling our investments, monitoring and measuring these so as to ensure our ability to provide added value.

All of this has led the Company to focus on identifying the specific capabilities it needs to develop or strengthen our human talent, financial resources, sustainability practices, technology, process design, corporate governance and reputation and brand management. All this forms part of a continuous search for added value that now provides a much broader scope to our newly defined corporate purpose, Creating Greater Well-being and Sustainable Development, so that Grupo SURA may become increasingly more useful for society in general.

SENIOR MANAGEMENT

Our Board of Directors, in keeping with our by-laws, consists of seven directors who are appointed at annual ordinary shareholders' meetings. The current members of the Board of Directors were appointed to serve for a two-year period by the shareholders at their annual shareholder's meeting held on March 31, 2016. The term of each of the current board members expires in March 2018. They may also be appointed to serve additional periods without any restriction whatsoever until they reach the age of 72

The following table sets forth certain information regarding the current members of our Board of Directors:

NAME	CARGO
Luis Fernando Alarcón Mantilla ⁽¹⁾	Chairman
Sergio Michelsen Jaramillo ⁽¹⁾	Principal member
Alejandro Piedrahita Borrero	Principal member
Carlos Ignacio Gallego Palacio	Principal member
Jorge Mario Velásquez Jaramillo	Principal member
Carlos Antonio Espinosa Soto ⁽¹⁾	Principal member
Jaime Bermúdez Merizalde ⁽¹⁾	Principal member

1) Independent Member, in accordance with Colombian law.

SENIOR MANAGEMENT

Our current executive officers are as follows:

NAME	POSITION
David Bojanini García	Chief Executive Officer
Juan Carlos Llanos	Chief Corporate Auditor
Ricardo Jaramillo Mejía	Chief Corporate Finance Officer
Tatiana María Orozco de la Cruz	Chief Corporate Affairs Officer
Juan Luis Múnera Gómez	Chief Corporate Legal Officer

BOARD COMMITTEES

Sustainability and Corporate Governance Committee:

Consisting of 3 members of the Board of Directors with the Company's Chief Executive Officer attending these meetings by invitation. This Committee meets at least twice (2) a year and reports directly to the Board of Directors and Senior Management on all those matters regarding Company's Sustainability Good Corporate Governance.

Appointments and Remuneration Committee:

Consisting of 3 members of the Board of Directors meeting at least twice (2) a year. This Committee is responsible for providing guidelines in terms of the Company's human talent as well as the corresponding development and retention strategies, drawing up succession plans, evaluating the performance of the Chief Executive Officer and Senior Management performance, setting guidelines for the fees paid to members of the Board of Directors as well as the remuneration corresponding to Senior Management which is based on their performance both individually as well as collectively.

Risk Management Committee

Consisting of 3 members of the Board of Directors meeting at least twice (2) a year. This Committee is responsible for the Company's risk management function, including analyzing and assessing the handling of the Company's normal risk exposure, in terms of limits, risk profile, profitability and capital map; submitting to the Board the Company's proposed risk management policy; providing the Board with proposals regarding delegation rules for approving various types of risk.

Also, this Committee is officially responsible for the sustainability issues affecting the Company, such as evaluating and monitoring social, environmental and political trends that could potentially affect the Company and its subsidiaries, and the results obtained by all; monitoring the performance of both the Company and its subsidiaries in the environmental, economic, social and reputational aspects; monitoring the handling and mitigation of risks of a financial nature; and reviewing non-financial information that the Company makes available to the market.

The Audit and Finance Committee:

Consisting of 3 independent members of the Board of Directors meeting at least four (4) times a year. It is responsible for creating and encouraging a supervisory culture throughout the Company. The responsibilities of this Committee are enshrined in Article 37, paragraph b. of the Company's Bylaws as well as in the Rules and Regulations governing this Committee, which can be found on the Company's website (www.gruposura.com).

PRINCIPAL SHAREHOLDERS

The following table contains a breakdown of the Company's shareholder structure at year-end 2017, based on the data duly recorded in the Stock Ledger:

SHAREHOLDER	NO. SHARES	VALUE (COP)	% STAKE
Grupo Argos S.A.	130,990,706	24,560,757,375	22.51%
Grupo Nutresa S.A.	59,387,803	11,135,213,063	10.20%
Fondo de Pensiones Obligatorias Colfondos Moderado	54,569,596	10,231,799,250	9.38%
Fondo de Pensiones Obligatorias Colfondos Moderado	50,589,397	9,485,511,938	8.69%
Cementos Argos S.A.	26,751,424	5,015,892,000	4.60%
Harbor International Fund	24,751,142	4,640,839,125	4.25%
Fondo de Pensiones Obligatorias Colfondos Moderado	17,419,468	3,266,150,250	2.99%
Oppenheimer Developing Markets Fund	13,206,870	2,476,288,125	2.27%
Fondo Bursatil Ishares Colcap	11,484,837	2,153,406,938	1.97%
Grupo Argos' Foundation	10,666,767	2,000,018,813	1.83%

SHAREHOLDER	NO. SHARES	VALUE (COP)	% STAKE
Colombiana de Comercio S.A. Corbeta y/o Alkosto S.A.	10,000,000	1,875,000,000	1.72%
Old Mutual Fondo de Pensiones Obligatorias – Moderado	7,534,891	1,412,792,063	1.29%
Abu Dhabi Investment Authority J.P. Morgan	6,989,392	1,310,511,000	1.20%
Minority shareholders ⁽¹⁾	157,635,255	29,556,610,313	27.09%
Total shares	581,977,548	109,120,790,251	100.00%

(1) Including shareholders, who individually hold less than 1.0% of Grupo SURA's ordinary and preferred stock

Our ordinary shares are traded on the Colombian Stock Exchange (BVC) under the ticker symbol "GRUPOSURA", and our Level 1 American Depositary Receipts ("ADRs") are traded on the Over-the-Counter-Market ("OTC Market") in the United States under the symbol "GIVSY." Our preferred shares, on the other hand, trade on both the Colombian Stock Exchange (BVC) under the ticker symbol "PFGRUPSURA" as well as on the OTC market in the United States in the form of ADRs Level 1 under the symbol "GIVPY".

NOTE 2. BASIS FOR PREPARING THE FINANCIAL STATEMENTS**2.1. COMPLIANCE STATEMENT**

These consolidated financial statements have been prepared in accordance with Financial Reporting and Accounting Standards (FRAS), as provided by Law 1314 of 2009, which in turn were regulated by the Unified Regulatory Decree 2420 of 2015 and subsequently amended by means of Decrees 496 of 2015 as well as 2131 of 2016. These FRAS are based on International Financial Reporting Standards (IFRS), together with their corresponding interpretations as issued by International Accounting Standards Board (IASB), these corresponding to their officially translated versions in Spanish which were approved by the aforementioned body on December 31, 2015.

The following guidelines that are applied by the Company are included in the decrees listed below and constitute exceptions to the IFRS as issued by the IASB:

- Article 4 of Decree 2131 of 2016 amended Part 2 of Book 2 of Decree 2420 of 2015, and was later supplemented by Decree 2496 of 2015, allowing as of December 31, 2016 for post-employment benefits in the form of future retirement or disability pensions to be determined pursuant to that stipulated in IAS 19. This nevertheless requires disclosing the calculation used for pension liabilities in accordance with that laid out in Decree 1625 of 2016, namely in Articles 1.2.1.18.46 et seq. and, in the case of partial pension swaps, in accordance with the provisions contained in paragraph

5 of article 2.2.8.8.31 of Decree 1833 of 2016, reporting the variables used and the differences resulting from the calculation made based on the technical framework under IFRS.

The Company also applies the following guidelines in accordance with applicable legislation and other regulations in Colombia:

- ¶ External Circular 036 of 2014 issued by the Colombian Superintendency of Finance, which provides instructions on how to post adjustments made to the opening balance sheets in the case of all those companies coming under the oversight of this Superintendency, or the parent companies of entities subject to such oversight. Besides containing recommendations relating to the adjustments to be made by entities subject to the oversight of the Colombian Superintendency of Finance, this same Circular also addresses how adjustments arising from the impairment of financial assets are to be posted in books. Likewise, it requires that IFRS preparers, in the case of entities coming under the oversight of said Superintendency, set up provisions for the assets received either in payment or in the form of restitution, regardless of how they are classified in books, this pursuant to instructions contained in Chapter III of the Basic Accounting and Financial Circular. Under IFRS, these assets are posted based on their specific classification in accordance with IAS 16 or IFRS 5, as applicable.

2.2. BASIS OF MEASUREMENT

These consolidated financial statements have been prepared on a historic cost basis, except for the following major items included in the Statement of Financial Position.

Financial instruments measured at fair value
Investment properties measured at fair value
Assets and liabilities measured at cost or amortized cost

Financial assets and liabilities measured at fair value correspond to those classified as assets and liabilities at fair value through profit or loss, together with equity investments measured at fair value through equity as well as all derivatives, assets and liabilities that are designated as hedged items as part of hedging arrangements measured at fair value. Here, the corresponding carrying values are adjusted based on changes to their fair value attributable to the hedged risk.

These consolidated financial statements have been reported in Colombian pesos with figures stated in millions of Colombian pesos rounded up or down to

the nearest integer, except for basic earnings per share and the Colombian representative market exchange rate quoted in Colombian pesos and other foreign currency (i.e. US dollars, euros, Chilean pesos, Dominican pesos Mexican pesos, New Sols, Argentinian pesos Brazilian reals and Uruguayan pesos).

2.3. ACCOUNTING POLICY UPDATES.

Grupo SURA's Board of Directors, upon a recommendation from the Audit and Finance Committee, approved an update to the accounting policies governing Financial Instruments and Intangible Assets, so as to extend their scope with regard to that required by IFRS 9 and IAS 38, respectively.

Fair value with changes in other comprehensive income

With regard to the Group's Financial Assets Policy, this update shall allow debt instruments to be carried on the "Other Comprehensive Income Statement" specifically in the equity accounts. This has no impact whatsoever on these financial statements since said update only applies to new debt instruments taken out.

We believe it important to implement this classification as part of our investment portfolios since we hold this type of instrument based on the approximate terms and rates of the corresponding liabilities for each of the corresponding tranches, and which also serve to capitalize on any changes in market conditions this for the purpose of increasing the profitability of our portfolio and meeting the cash flow needs of our insurance business.

This model shall provide the Company with a greater level of flexibility when managing its investments, since it has the two-fold objective of obtaining contractual cash flows, but also of eventually disposing of the financial assets in question so as to potentially benefit from changes in market conditions. The sales value and expected selling frequency of the financial assets covered by this model is greater than those of the amortized cost model.

Intangible assets

With regard to the Group's Intangible Assets Policy, this update shall allow for the capitalization of intangible assets for administrative (technological) use, which shall in turn produce an increase in the intangible assets held by all those Companies belonging to the SURA Business Group that are currently implementing SAP.

These updates shall take effect as of 2018.

2.4. PRESENTATION OF THE FINANCIAL STATEMENTS

Grupo Sura presents its Statement of Financial Position in order of liquidity.

As for its Statement of Income, income and expense are not offset, unless this is permitted or required by any accounting standard or interpretation thereof, as stipulated in Grupo SURA's policies.

2.5. CONSOLIDATION PRINCIPLES

Subsidiaries

The consolidated financial statements include the financial statements of both Grupo SURA and its Subsidiaries at December 31, 2017 at December 31, 2016 and for the years ending on said dates. Grupo SURA consolidates the assets, liabilities and financial results of all those entities over which it exerts control

A subsidiary is an entity that comes under the direct or indirect control of any of the companies that make up Grupo SURA. Control exists when any of the companies have the power to direct the subsidiary's activities, these being, generally speaking operating and financing activities, in order to obtain benefits from such activities and at the same time is exposed, or is entitled, to variable returns from said subsidiary.

Grupo SURA's consolidated financial statements are presented in Colombian pesos, which is the functional and reporting currency of the parent company, Grupo SURA. Each of Grupo SURA's subsidiaries determines its own functional currency and draws up its financial statements using said currency.

To facilitate subsequent consolidation, subsidiary financial statements are prepared according to Grupo SURA's accounting policies and are included in the consolidated financial statements as of the date said subsidiaries were acquired and until whenever Grupo SURA should no longer exert control over such.

All intra-group assets, liabilities, equity, income, costs, expense and cash flows are eliminated upon preparing these consolidated financial statements.

When Grupo SURA no longer exerts control over a subsidiary, any residual stake retained in such is measured at fair value, and any gains or losses produced are recognized through profit and loss for the period.

Investments in Associates

An associate is an entity over which Grupo Sura exerts significant influence in terms of its financial and operating policy decisions without actually achieving total or joint control.

When first acquired, any surplus obtained between the cost of acquiring the associate and the share obtained in terms of the net fair value of the identifiable assets, liabilities, and contingent liabilities assumed by the associate or joint venture is posted as goodwill. Goodwill includes the investment's carrying value.

The associate's income, assets and liabilities are recorded in the consolidated financial statements using the equity method. The equity method is applied as of the date the associate is first acquired and ends whenever significant influence is no longer exerted over the entity in question.

The share of the earnings or losses obtained or incurred by the associate is shown in the income statement net of tax and non-controlling interest in the associate's or joint venture's subsidiaries, whereas the share of any changes directly recognized in the associate's equity or other comprehensive income accounts are shown in the consolidated statements of changes to shareholders' equity and other comprehensive income.

Cash dividends received from the associate are recognized by reducing the carrying value of this investment.

Grupo Sura periodically analyzes whether there are any signs of impairment and, whenever necessary, impairment losses are recognized for the corresponding investment in the associate. Impairment losses are recognized in profit or loss for the period and are calculated as the difference between the recoverable amount of the associate or joint venture, this being the higher of its value in use or its fair value less selling costs, and its corresponding carrying amount.

When significant influence is no longer exerted over the associate, Grupo Sura measures and recognizes any residual investment that remains at fair value. The difference between the carrying amount of the associate (taking into account the relevant items of other comprehensive income) and the fair value of the retained residual investment, along with the value obtained from its sale, is recognized in profit or loss

Joint Ventures

A joint venture is recognized when the contractual arrangement is structured through a separate vehicle to which rights are conferred on the net assets of such arrangement and not on the assets and obligations relating to said arrangement.

In the case of a joint venture, the stake held in such must be recognized in the consolidated financial statements as an investment and accounted for using the equity method in accordance with the Investments in Associates and Joint Ventures accounting policy.

Non-controlling interest

Non-controlling interest in the net assets belonging to the consolidated subsidiaries are shown separately in Grupo SURA's equity accounts. The income and other comprehensive income obtained during the period is also allocated to both controlling and non-controlling interests.

Any other stakes in subsidiaries sold or purchased by non-controlling interests, which in no way imply a loss of control over the entity in question, are directly recognized in equity.

2.6. RECLASSIFICATIONS

Some of the figures and disclosures corresponding to the year ended December 31, 2016, as presented in these financial statements for comparison purposes, may vary from the information published at the aforementioned cut-off date, due to new accounting concepts being created as well as certain reclassifications and adjustments, that were made as a result of the internal audit and review carried out by Senior Management on the financial statements corresponding to year-end 2016, as were previously submitted for the consideration and approval of the shareholders at their Annual Ordinary Meeting held on March 31, 2017. Grupo Sura's Senior Management considers that these adjustments do not affect the reasonability of the previously published information.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied upon preparing the Opening Consolidated Statement of Financial Position as well as the other consolidated financial statements in accordance with the Financial Reporting and Accounting Standards accepted in Colombia (FRAS), unless otherwise indicated.

3.1. BUSINESS COMBINATIONS AND GOODWILL

A business combination is a transaction or other arrangement through which the acquiring party obtains control over one or more businesses.

Grupo SURA considers business combinations to be all those transactions involving the merger of two or more entities or economic units into one single entity or group of entities.

Business combinations are accounted for using the acquisition method. The identifiable assets acquired and the liabilities and contingent liabilities taken over from the acquired company are recognized at fair value on the date of their acquisition, and the corresponding acquisition costs are recognized through profit and loss for the period, with the respective goodwill recorded as an asset in the consolidated statement of financial position.

The consideration transferred for said business combination is measured as the added value at fair value, of the assets handed over, the liabilities incurred or taken over and the equity interests issued by Grupo SURA, including any contingent consideration in order to gain control over the acquired entity.

Goodwill is measured as the difference between the value of the consideration transferred, the fair value of any non-controlling interest, and wherever applicable, the fair value of any stake previously held in the acquired entity, on the one hand and the net identifiable assets acquired and the liabilities and contingent liabilities taken over on the date the entity is acquired. Any gains or losses resulting from measuring any previous stake held may be recognized through profit and loss for the period in question, or in the other comprehensive income statements, as required. It is possible that the acquiring party may have recognized changes in the value of the stake held in the acquired entity in the other comprehensive income accounts corresponding to prior reporting periods. Should this be the case, the value thus recorded in other comprehensive income must be recognized on the same basis that would have applied had the acquiring company directly divested the previous stake in the acquired entity's equity. Should the consideration thus transferred be lower than the fair value of the net assets belonging to the acquired entity, the difference is directly recognized in profit and loss as of the date acquired.

On the date when each business combination is acquired, Grupo SURA must decide whether to measure the non-controlling interest as a proportional share of the identifiable assets acquired, and the liabilities and contingent liabilities taken over from the acquired entity or at fair value.

Any contingent consideration for a business combination qualifies as a liability or an equity interest and is recognized at fair value on the date this is acquired. Subsequent changes to the fair value of a contingent consideration qualifying as a financial liability are recognized through profit or loss or other comprehensive income and when qualifying as an equity interest this is not remeasured but rather subsequently calculated and recognized in equity. If the consideration does not qualify as a financial liability, it is measured in accordance with applicable IFRS.

Goodwill acquired as part of a business combination is allocated, on the acquisition date, to the cash-generating units belonging to Grupo SURA which are expected to benefit from the business combination in question, irrespective of whether the other assets or liabilities of the acquired entity are assigned to those units.

In the event that this goodwill forms part of a cash-generating unit and subsequently part of said unit's operations are sold off, the goodwill associated with the operations thus disposed of, is included in the carrying amount of said operations when determining the gain or loss on their disposal. Goodwill that is consequently de-recognized is determined based on the percentage of the operation that is sold off, which is equal to the ratio between its carrying value and the carrying value of the cash-generating unit.

3.2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as appearing in the Statement of Financial Position and Statement of Cash Flows include cash in hand and banks, highly liquid investments and money market transactions that are readily convertible into cash and subject to an insignificant risk of changes to their value, with maturities of three months or less from the date of their acquisition.

3.3. FINANCIAL INSTRUMENTS

Financial assets

Grupo Sura initially recognizes its financial assets at fair value for subsequent measurement at amortized cost or fair value depending on the business model used to manage said financial assets and the specific characteristics of the contractual cash flows obtained from the instrument in question.

The effective interest rate method is used to measure financial assets at amortized cost if the asset is held as part of a business model for obtaining contractual cash flows and the contractual terms of such provide for cash flows, on specific dates, consisting solely of payments of principal and interest

on the amount of principal outstanding. Notwithstanding the foregoing, Grupo SURA has irrevocably determined that its financial assets are to be measured at fair value through profit or loss

Financial assets are recognized on the date the transaction is completed and are recorded in the same account where their valuation is posted, in the case of all those assets measured at fair value.

Accounts receivable from customers and the insurance business

For the purpose of measuring accounts receivable Grupo Sura opted for a business model based on their contractual cash flows, which is why these are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

Financial assets other than those measured at amortized cost

Financial assets, other than those measured at amortized cost, are measured at fair value, which includes investments in equity instruments that are not held for sale.

Cash dividends received from these investments are recognized in the income statement as profit or loss for the reporting period.

Financial assets measured at fair value are not subject to impairment tests, since their fair value reflects their corresponding valuation.

Impairment of financial assets at amortized cost

In the case of assets recognized at amortized cost, impairment is assessed using the incurred credit loss model at the end of the reporting period. Grupo Sura recognizes the value of changes to credit losses incurred as an impairment gain or loss.

A single financial asset or group of such shall be considered impaired and have sustained a loss to its value if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the asset's initial recognition (a "loss event") and when such loss event (or events) have an impact on the estimated future cash flows of the financial asset(s) in question and can be reliably estimated.

Grupo Sura's Business Model

Fair value

Grupo Sura's structural portfolio includes certain alternate investments which by their nature do not meet the requirements for classifying these at amortized cost and therefore must be classified at fair value and posted through profit and loss. These include, without being limited to, fixed income securities with prepayment options, private equity funds and structured products, among others. This type of investment may be acquired for the purpose of underpinning liabilities and maintaining these for an extended period of time, which is why they may form part of the Company's structural portfolio.

Fair value through Other Comprehensive Income (OCI)

Upon initially recognizing equity instruments in other companies that are not held for trading, Grupo Sura may irrevocably choose to record these at fair value through Other Comprehensive Income (OCI), which means that changes in their value as a result of subsequent measurements shall not affect the Company's statements of income but rather its statement of changes to shareholders' equity.

Financial liabilities

Upon initially recognizing its financial liabilities, Grupo SURA measures these at fair value less the transaction costs that are directly attributable to the acquisition or issue of the financial liability in question and then proceeds to classify these for subsequent measurement either at amortized cost or at fair value depending on the liability.

The de-recognition of a financial liability is recognized through profit and loss as well as when amortized using the effective interest rate method, which is recorded as a financial cost through profit and loss.

Financial instruments that contain both a liability and an equity component (compound financial instruments) are recognized and accounted for separately. The liability component is determined by the fair value of future cash flows and the residual value is assigned to the equity component.

De-recognition

A financial asset, or a portion thereof, is de-recognized from the Statement of Financial Position when it is sold, transferred or otherwise matures or when Grupo Sura loses control over the contractual rights or cash flows pertaining to said instrument. A financial liability, or a portion thereof, is de-recognized from the Statement of Financial Position when the contractual obligation is settled, paid or otherwise matures.

Offsetting financial instruments

Financial assets and financial liabilities are offset and their net amounts are recognized in the Consolidated Statement of Financial Position if, and only if (i) there is, at the present time, a legally enforceable right to offset such recognized values, and (ii) the holder of such intends to settle these at their net values or realize the assets and settle the liabilities simultaneously.

Derivatives

Changes to the fair value of derivative contracts held for trading purposes are included under "fair value gains" on the Consolidated Statement of Income. Certain derivatives that are incorporated in other financial instruments (embedded derivatives) are treated as separate derivatives when their risk and characteristics are not closely related to the host contract and they are not recorded at fair value.

When a derivative contract is first signed, Grupo Sura must classify this as a derivative instrument held for trading or hedging purposes.

Certain derivative transactions that are not eligible to be accounted for as hedging derivatives are treated and reported as derivatives held for trading purposes, even though they provide an effective hedge for managing risk positions.

Hedge accounting:**Hedged items:**

In the case of Grupo Sura, a hedged item may consist of a recognized asset or liability, an unrecognized firm commitment, a highly probable transaction or a net investment in a foreign operation.

Types of hedging arrangements:

Grupo Sura's hedging arrangements consist of the following:

- 1 Fair value hedges: these address the Company's exposure to changes to the fair value of a recognized asset or liability or an unrecognized, firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and that could affect profit or loss.
- 1 Cash flow hedges: these address the Company's exposure to changes in its cash flows due to a specific risk relating to the recognized asset or liability or a highly probable transaction that could affect profit or loss.

- ¶ Hedges of net investments in foreign currency: these address the exchange rate risk on the Company's net investments in foreign currency. The hedged item is the difference resulting from converting and integrating the amounts posted in the financial statements.

Measuring effectiveness

The decision to apply hedge accounting is based on considerations regarding expectations of future hedging effectiveness (prospective), the purpose of which is to ensure that there is sufficient evidence to support an expectation of a highly effective hedge, as well as an assessment of its actual effectiveness (retrospective).

A hedge is considered as being highly effective only if it meets both of the following conditions:

- a. At the start of the hedging arrangement, and during subsequent periods, the effectiveness of the hedging instrument is expected to fall within a range of between 80% and 125%.
- b. The actual results of the hedging instrument fall between a range of 80% to 125%.

Measurement

Grupo Sura initially measures its hedging instruments at fair value. One of the distinguishing features of derivatives are that their fair values are zero on the date of their initial recognition, except for some options. Any subsequent measurements of hedging instruments are at fair value. The best evidence of fair value is quoted prices in an active, orderly market.

Recognition:

Fair value hedges:

If, during the period, a fair value hedge fulfills the corresponding documentation requirements, it is recorded as follows:

- a. The gain or loss obtained from remeasuring the hedging instrument at fair value is recognized through profit and loss for the period.
- b. The gain or loss on the hedged item attributable to the hedged risk should be duly adjusted for the carrying amount of the hedged item and subsequently recognized through profit and loss for the period. This applies even if the hedged item is measured at cost.

Cash flow hedges

- a. The separate component of equity relating to the hedged item is adjusted so that it is equal (in absolute terms) to the lesser of:
 - a. The cumulative gain or loss on the hedging instrument from the inception of the hedging instrument.
 - b. The cumulative change in the fair value (present value) of the expected future cash flows from the hedged item from the inception of the hedging instrument.
- b. Any remaining gain or loss from the hedging instrument or the designated component of this same instrument (that is not an effective hedge) must be recognized through profit and loss for the period.
- c. If the Company's documentary risk management strategy, as governing a particular hedging relationship, excludes a specific component of the gain or loss or related cash flows on the hedging instrument from the corresponding assessment of the hedge's effectiveness, the component of the gain or loss thus excluded must be recognized through profit and loss for the period.

On the other hand, if, during the period, a cash flow hedge fulfills the corresponding documentation requirements, it is recorded as follows:

- The portion of the gain or loss obtained from a hedging instrument that is determined to be an effective hedge, must be recognized in other comprehensive income.
- The ineffective portion of the gain or loss obtained from a hedging instrument must be recognized through profit and loss for the period.

Hedges for net investments in foreign currency

Hedge accounting can be applied only to exchange differences arising between the functional currency of the foreign operation and the functional currency of the controlling entity.

The hedged item can be the value of net assets equal to or lower than, the carrying value of the net assets of the foreign operation as posted in the consolidated financial statements of the controlling entity.

Compound financial instruments

According to IAS 32, an issuer of a non-derivative financial instrument should assess the corresponding terms and conditions for classifying this as a com-

pound financial instrument, that is to say, whether it contains both a liability and an equity component, based on the following criteria:

- A financial liability: is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable.
- An equity instrument: is any contract or arrangement that evidences a residual interest in the assets of an entity after deducting all of its liabilities (net assets).

Grupo Sura 's preferred shares cannot be considered entirely as an equity instrument because the corresponding contractual clauses provide for the obligation of delivering cash or another financial asset to their holders. Similarly, they cannot be considered entirely as a liability, because they do not convey the obligation of providing the holder with the total amount of money received on the issue of shares. Consequently, they must be considered as compound financial instruments.

Initial measurement of a compound financial instrument

The liability and equity components of compound financial instruments must be measured separately. Therefore, for the initial measurement of a compound financial instrument, the equity component is determined as the residual amount after deducting the fair value of the instrument as a whole and the amount separately determined for the liability component. The sum of the carrying amounts allocated to said liability and equity components, at the time of their initial recognition, shall always be equal to the fair value of the instrument as a whole. No gains or losses may arise from the initial recognition separately performed on said components.

Incremental costs relating to the issue of preferred shares

Under IAS 32, a company incurs various types of costs and expense upon issuing its own equity instruments, which are posted as a lower value thereof (net of any applicable tax benefit), to the extent that these qualify as incremental costs directly attributable to the equity transaction itself that would otherwise not have been incurred had the instruments not been issued in the first place.

Transaction costs relating to an issue of compound financial instruments are allocated between their equity and liability components, bearing in mind that upon initial recognition IFRS 9 stipulates that a company shall measure a financial asset or a financial liability at fair value, adding or subtracting tran-

saction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability itself. These costs should be included in calculating the effective interest rate for appraising the value of such.

Subsequent measurement of a financial liability in the form of a compound financial instrument

Grupo de Inversiones Suramericana S.A. measures its financial liabilities at amortized cost subsequent to their initial recognition

3.4. INSURANCE ACTIVITIES

Under IFRS 4, an insurance company may continue using non-uniform accounting policies for all those insurance contracts belonging to its subsidiaries (as well as deferred acquisition costs and related intangible assets). Although IFRS 4 does not relieve the Group of certain implications inherent to the criteria set out in paragraphs 10 to 12 of IAS 8.

More specifically, the Company:

- ¶ Shall not recognize provisions for future claims as a liability when these arise as a result of nonexistent insurance contracts at the end of the corresponding reporting period (such as catastrophe or equalization reserves).
- ¶ Shall perform liability adequacy tests.
- ¶ Shall remove an insurance contract liability (or a portion thereof) from its statement of financial position when, and only when, the contract expires or when the obligation specified in the contract is discharged or canceled or expires.
- ¶ Shall not offset (i) reinsurance assets against the related insurance liabilities, or (ii) income or expense from reinsurance contracts against the income or expense corresponding to the related insurance contracts.
- ¶ Shall take into consideration whether any impairment has occurred with its reinsurance assets.

An insurance risk is significant only if an insured event may give rise to the insurance company having to pay out a significant value in added benefits, under any scenario. Additional benefits refer to amounts that exceed those that would have been paid if the event in question had not occurred. A significant risk analysis is performed on a contract-by-contract basis.

Based on the specific characteristics of our products, our portfolio was classified under insurance contracts. It is important to note that once a contract is classified as an insurance contract, it remains in this category for the rest of its term, even when the corresponding insured risk becomes significantly lower.

Permitted practices and policies include mandatory liability adequacy tests and impairment tests on reinsurance assets. Prohibited practices include setting up catastrophe reserves, maintaining or setting up contingent or equalization reserves and offsetting reinsurance assets and liabilities

Products classified under IFRS 4 - Insurance Contracts

Grupo Sura took into account the following criteria contained in IFRS 4 upon classifying its insurance portfolios:

Insurance Contracts: are all those contracts where the company (the insurer) has accepted significant insurance risk from the counter-party (the policy holder) by agreeing to pay compensation in the case of any uncertain future event adversely affecting the policy holder. A significant insurance risk is considered to exist when the benefits to be paid out, should the insured event occur, differ to a substantial extent from those that would otherwise be paid out in the absence of such. Insurance contracts include those that transfer the inherent financial risk, providing the insured risk component is more significant.

Investment contracts: are those contracts where the policy holder transfers significant financial risk as opposed to insurance risk. The definition of financial risk includes the risk of a future change in one or any combination of the following variables: interest rates, prices of financial instruments, commodity prices, foreign exchange rates, price indexes or rates, credit risk or credit risk indexes or any other non-financial variables, as long as the variable is not specific to one of the parties to the contract.

Reinsurance and coinsurance operations

Reinsurance operations

Grupo SURA considers reinsurance as a contractual relationship between an insurance and a reinsurance company, in which the former transfers all or a portion of the risks assumed with its policyholders to the latter.

Ceded reinsurance premiums are recorded based on the corresponding terms and conditions of the applicable reinsurance contracts and using the same criteria as for direct insurance contracts.

Ceded reinsurance contracts do not relieve Grupo SURA of any of its obligations with policyholders.

Grupo SURA does not offset reinsurance assets against liabilities arising from insurance contracts and these are recorded separately in the statement of financial position.

Coinsurance operations

Grupo SURA considers coinsurance as mutual arrangement agreed between two or more insurers for covering the same risk; with regard to co-insurance contracts the responsibility of each insurer with regard to the policy holders is limited to its percentage stake in the arrangement itself.

Grupo SURA recognizes in its Statement of Financial Position, the balance obtained from its coinsurance operations based on the percentage stake held in the agreed insurance arrangement.

Impairment of reinsurance and coinsurance assets

Grupo SURA shall only consider a reinsurance and coinsurance asset to be impaired, for which it shall reduce its carrying value and recognize the corresponding effects in the income for the period, if, and only if:

- ¶ As a result of an event that occurred after the initial recognition of the reinsurance asset in question, there is objective evidence that the cedant may not receive all the amounts that it is owed based on the terms and conditions of the contract; and
- ¶ That the event in question has an effect that can be reliably measured based on the amounts that the cedant shall receive from the reinsurance company.

Reinsurance assets are examined for impairment at least once a year so as to be able to opportunistically detect any event that could impair the value of such. Triggers may include legal disputes with third parties, changes to the Company's capital structure and surplus levels, changes to the counter-party's credit risk rating as well as past experience with collecting amounts due from the respective reinsurance companies. In the case of Grupo SURA's insurance companies no impairment has been found with regard to their reinsurance assets.

Insurance liabilities

Insurance liabilities in the case of Grupo SURA consist of its best estimates of future payments to be made on the risks assumed as part of its insurance obligations; which are measured and recognized through technical reserves: Grupo SURA's reserves include the following:

- a. Ongoing Risk Reserve: this is set up for fulfilling future obligations arising from commitments undertaken based on policies in full force and effect on the date the corresponding calculations are made. The ongoing risk reserve is composed of the unearned premium reserve as well as the insufficient premium reserve.

The unearned premium reserve represents the portion of premiums written on policies in full force and effect as well as premiums written on policies beginning on future dates.

The insufficient premium reserve supplements the unearned premium reserve, to the extent that premiums are not sufficient to cover the ongoing risk and non-accrued expense;

- b. Mathematical Reserve: providing for the payment of individual life insurance obligations and those with level premiums or paid out in the form of annuities.
- c. Insufficient Asset Reserve: set up to compensate for any shortfall with regard to covering expected flows of liabilities that make up the mathematical reserve consisting of the insurer's asset flows;
- d. Pending Claims Reserve: providing for the payment of claims incurred once reported or to ensure coverage of those that have not been reported on the date this reserve is calculated. The pending claims reserve consists of both the reported and the incurred but not reported claim reserves.

The reported claims contain the amount of funds that the insurer must allocate to meet payments of claims incurred once these have been reported, and the corresponding expense, on the date this reserve is calculated.

The incurred but not reported claims reserve represents the estimated amount of funds that the insurer must allocate to meet payments of future claims incurred but not reported, at the date this reserve is calculated, along with other claims for which the insurer does not have sufficient information;

- e. Embedded derivatives: embedded derivatives pertaining to insurance contracts are recorded separately if these are not considered as closely relating to the host insurance contract and that does not meet the definition of an insurance contract.

These embedded derivatives are recorded separately under financial instruments and are measured at fair value through profit or loss.

- f. Liability adequacy tests

The technical provisions recorded in the financial statements are tested at least once a year, in order to determine their adequacy based on projections of all future cash flows from existing contracts. If as a result of these tests they are found to be inadequate, these are adjusted against income.

Future contractual cash flows are used to perform these adequacy tests, which are measured based on the best estimates available. Cash flows include both assets and liabilities over time and are discounted based on the rate of return corresponding to the portfolio of investments underpinning the Company's provisions and reinvestment.

The methodology used to perform these reserve adequacy tests and obtain the corresponding assumptions include the following:

- Projecting contractual cash flows using assumptions based on the best estimates available at the time these are forecast. Assumptions are periodically reviewed and approved by the Models and Assumptions Committee as well as the Company's Risk Management Department.
- Drawing up return rate scenarios (based on the investment-divestiture intentions of each of the Company's Subsidiaries)
- Discounting flows from obligations (in order to obtain the current value of these same).
- Calculating the 50th percentile of the present values and comparing these to the carrying values of reserves. In the case of Mexico and Peru, where contracts have no optionality (they are symmetrical), cash flows are projected symmetrically. However, in the case of Chile, which has non-symmetrical contracts (for example: flexible contracts with guaranteed rates), stochastic projections are drawn up so as to proceed to calculate the 50th percentile.

The assumptions used to gauge the reserve adequacy tests that are performed include the following:

Operating Assumptions:

- Exit rates, partial surrenders, collection factors (non-applicable in the case of life annuities): an experience-based analysis is periodically performed so as to be able to include the most recent behavioral patterns within the corresponding assumption. Analyses are performed on families of similar products.
- Operating Expense: operating expense assumptions are reviewed every year taking into account the best estimated expense (based on portfolio volume and levels of expenditure). The Company's annual strategic road map forms an important tool for gauging these assumptions.
- Mortality tables: the Company draws up its own tables for its life annuity portfolio, while for the rest of its life insurance portfolio, since it does not have enough experience for building its own tables, the assumptions used are based on the mortality tables provided by the reinsurer.
- Financial assumptions: the reinvestment model provides scenarios for rates of return based on updated assumptions from the market and investment standpoints at the end of the reporting period. The assumptions obtained from the reinvestment model include:
 - Scenarios for Government Zero Coupon Rates; used in conjunction with the spread index to value the assets held for investment / reinvestment purposes.
 - Projected Spread Index: applicable to zero coupon rates
 - Multiplicative Spread Factor.
 - Depreciation Factor: applicable to real estate and equity securities
 - Projected Asset and Liability Flows
- g. Favorable Experience Dividend (FED): Grupo SURA accounts for future payments of favorable experience in terms of claims and continuity, as agreed at the start of the corresponding insurance contracts by recognizing a provision for such.

Deferred income liabilities (DIL)

These correspond to the deferral of income from fund members to cover maintenance expense and a level of profit, in the periods in which those members become non-contributors or pensioners who by law cannot be charged for the management of their funds and/or pension payments, while, from the tax standpoint, this income is recognized in full for the year in which it is obtained.

Deferred acquisition costs-DAC

These correspond to the deferral of costs incurred in acquiring new clients for insurance contracts and pensions funds. International standards provide for recognizing amortizable intangible assets that represent the right of the company to benefit from the handling of investments belonging to its fund members, and this is amortized to the extent that the company recognizes the income due for the period in which a client maintains his or her investment with the company

Deferred acquisition costs are directly related to the issuing of insurance contracts which provide contractual rights for obtain economic benefits while the corresponding service is being rendered.

3.5. INVENTORIES

Grupo Sura recognizes its inventories as of the date on which the risks and rewards inherent to the ownership of such begin to take effect.

These inventories are measured on two separate occasions: their initial measurement is first recognized at cost and then any subsequent measurements performed at the end of the reporting period are be recognized at the lower of their cost or net realizable value.

Initial inventory measurements

Grupo Sura initially measures its inventories as follows:

Purchase price plus import costs plus non-refundable taxes paid plus transport costs less discounts or rebates.

Subsequent inventory measurements

In the case of those products that are to be sold or marketed, Grupo Sura performs all subsequent measurements at the lower of their cost and net realizable value.

Grupo Sura recognizes its inventories when these are sold at their carrying values, along with the related expense incurred for the period in which the corresponding income is recognized, for which it applies the weighted average cost method.

Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or set of assets that are closely interrelated or interdependent in terms of their design, technology and function, or with regard to their ultimate purpose or use.

Revenues received on ordinary activities as part of construction contracts are measured as the fair value of the consideration received or pending receipt.

When the revenue and costs of a construction contract can be reliably estimated, these are recognized either as revenue or expense, in terms of the stage of completion reached in terms of the contractual activity at the end of the reporting period in question.

The company uses the percentage completion method to recognize construction contracts, based on which contractual revenues are recognized as such in profit and loss for the period and in the "services rendered" account throughout the various accounting periods in which the contract is carried out. Contractual costs are usually recognized as an expense in the income accounts during the period in which the corresponding construction work is carried out.

3.6. TAXATION

Each subsidiary is liable to pay the taxes, rates and contributions due on both a nationwide as well as local level, this based on the tax structures of each of the countries in which Grupo SURA's Subsidiaries operate, together with their respective rules and regulations governing the different types of business operations that each subsidiary carries out.

Income tax**Current**

Current income tax assets and liabilities for the current period are measured based on the amounts expected to be either recovered from or paid to the tax authorities. Income tax expense is recognized under current tax, based on comparing taxable income with book profits or losses subject to the income tax rate levied for the current year and in accordance with the provisions set out in Colombian tax legislation. The tax rates and regulations on which these values are based are those that are in full force and effect at the end of the reporting period in question.

Deferred Charges

Deferred income tax is calculated on temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences as well as for the future offsetting of unused tax credits and tax losses to the extent that there is sufficient future taxable income against which said tax can be offset. Deferred tax is not discounted.

Deferred tax assets and liabilities are not recognized if the temporary differences arising from the initial recognition of an asset or liability forming part of a transaction that does not constitute a business combination and at the time of the transaction said deferred tax items affect neither book profits nor the taxable gains or losses; and in the case of deferred tax liabilities when these arise as a result of the initial recognition of goodwill.

Deferred tax liabilities with regard to investments in subsidiaries, associates and interests in joint ventures are not recognized when the timing of the reversal of temporary differences can be controlled and it is probable that these differences shall not be reversed in the near future. On the other hand, deferred tax assets with regard to investments in subsidiaries, associates and interests in joint ventures are recognized only to the extent that it is probable that the temporary differences shall be reversed in the near future and there is likely to be sufficient future taxable income against which these deductible differences can be charged.

The carrying amount of deferred tax assets is reviewed at the close of each reporting period and are reduced to the extent that it is no longer probable that sufficient taxable income shall be available to offset all or part of the deferred tax asset. Unrecognized deferred tax assets are reassessed at the close of each reporting period and are recognized to the extent that it is probable that there shall be sufficient future taxable income to cover such.

Deferred tax assets and liabilities are measured based on the tax rates projected for the period in which the asset is realized or the liability is paid, based on the tax rates and regulations that were either approved or due to be approved on or near the respective filing date.

Deferred tax is recognized in profit or loss, except for those items that are recognized either as other comprehensive income or directly in the equity accounts.

Current income tax assets and liabilities also are offset if they relate to the same tax authority and the holder intends to settle these at their net values or realize the asset and simultaneously settle the corresponding liability.

Grupo Sura offsets deferred tax assets with deferred tax liabilities if, and only if:

- a. There is a legally-recognized right to offset the amounts recognized for these items, as granted by the corresponding tax authority; and
- b. The deferred tax assets and the deferred tax liabilities are related to the income tax due to the same tax authority on the part of:
 - 1. The same entity or taxpayer; or
 - 2. different entities or taxpayers that intend to either offset current tax assets and liabilities at their net amounts, by simultaneously realizing the assets and paying the corresponding liabilities, in each of the future periods in which significant amounts of deferred tax assets or liabilities are expected to be paid or recovered.

3.7. PRE-PAID EXPENSE

These represent disbursements for future expense and are recognized through profit and loss when the corresponding goods or services are received.

3.8. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets and groups of assets for subsequent disposal are classified as held for sale if their carrying amount shall be recovered through a sale transaction, rather than through their continued use; these assets or groups of assets are presented separately, as current assets and liabilities, in the statement of financial position for the lesser of their book value or fair value less selling costs and are not depreciated or amortized as of the date of their classification.

This condition is met if the asset or group of assets are available, in their current condition, for immediate sale, or when the sales transaction is highly probable and is expected to be completed within the year following the classification date.

Grupo Sura considers discontinued operations as being those that have been disposed of or classified as held for sale and may well: (i) consist of a line of business or a geographical area of separate major operations; (ii) form part

of a single coordinated plan to dispose of a line of business or a geographical area of separate operations; or (iii) be a subsidiary acquired for the exclusive purpose of reselling it later on.

Income, costs and expenses arising from a discontinued operation are presented separately from those relating to continuing operations, as a single line item after income tax, on the consolidated statement of comprehensive income for the current reporting period as well as the previous period for comparative purposes, even though Grupo SURA may well retain a non-controlling interest in the subsidiary in question after being sold off.

3.9. INVESTMENT PROPERTIES

Grupo SURA has defined its investment properties as land and buildings held for the purpose of earning income through operating leasing arrangements or obtaining capital gains

Grupo SURA initially measures its investment properties at cost, that is to say including all expense that directly relates to acquiring this type of asset.

For all subsequent measurements of such, Grupo Sura uses the fair value approach, based on the price that would be obtained if the Company were to sell the asset as part of a transaction that would otherwise have taken place between market participants on the date the measurement is carried out.

The fair value of these properties was determined based on observable market transactions, based on the nature of the property in question (land and buildings) that are similarly purchased and sold on their respective markets, in compliance with the valuation model set out in IFRS 13 - Fair Value Measurement. (Please refer to Note 15 - Investment Properties)

Any increases or decreases to the value of Grupo SURA's investment property produced by changes to its fair value must be recognized through profit and loss.

Consequently, Grupo Sura assesses whether there are any changes to the use of an asset classified as investment property, and should this be the case, these assets are reclassified or transferred to another group of assets on Grupo SURA's financial statements. Assessments must also be performed to decide whether an asset classified as an operating asset still continues to meet the conditions to be classified as an investment property.

De-recognitions or withdrawals

Grupo de Inversiones Suramericana S.A. de-recognizes an investment property when it is sold or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal or when the property is handed over as part of financial leasing arrangements.

Any gains or losses produced upon withdrawing or disposing of an investment property is recognized through profit or loss when the asset is withdrawn from books or disposed of.

3.10. PROPERTY AND EQUIPMENT

Grupo Sura has defined as its property and equipment (P & E) all those tangible assets that will be used in more than one accounting period and that are expected to be recovered through their use as opposed to their sale.

Grupo Sura includes in the initial cost of such property and equipment all those costs incurred in their acquisition or construction while these are made ready for use.

After initially recognizing real estate property (land and buildings) Grupo Sura proceeds to subsequently measure these using the revaluation approach, that is to say at fair value, which is the price that would be obtained were it to sell the asset as part of a transaction carried out between market participants on the date the measurement is carried out. The fair value of the Company's property and equipment was determined by independent expert appraisers with a well-known professional capacity and experience.

For all other types of property and equipment the cost model is used.

At least every four years Grupo Sura commissions property appraisals to be performed on said property so as to ensure that the carrying value of these assets does not differ materially from their fair value. Appraisal gains are usually recognized through profit and loss as other comprehensive income while the equity component is separately accounted for as a "revaluation surplus".

Declines in the prices of assets must be posted as a lower value of the balance of the other comprehensive income account, should this exist, if not directly through profit and loss.

Depreciation

Grupo Sura depreciates its property and equipment using the straight-line method for all types of assets, except for land. Land and buildings are separable assets and are accounted for separately, even when they are acquired together.

Depreciation begins when the assets are situated in their location and are ready to be operated; and ceases on the date the asset is classified as held for sale or as an investment property measured at fair value, in accordance with applicable accounting policies.

Grupo Sura de-recognizes its property and equipment when this is sold off or when no future economic benefits are expected to be obtained from their use or disposal. Any gains or losses arising from the de-recognition of any item belonging to the property and equipment account are charged to profit and loss for the period.

Useful lives

Grupo Sura defined the following useful lives for its property and equipment:

Buildings	between 20 and 100 years
IT equipment	between 3 and 10 years
Medical equipment	between 6 and 17 years
Furniture and fixtures	between 6 and 10 years
Vehicles	between 4 and 10 years
Improvements to third-party property	The lowest of the term of the contract or the useful life of such.

Grupo Sura reviews the useful lives of all assets, at least at the end of each accounting period.

3.11. INTANGIBLE ASSETS

An intangible asset is an identifiable, non-monetary asset with no physical appearance, which is expected to generate economic benefits over more than one accounting period. Intangible assets separately acquired are initially measured at cost. The cost of intangible assets acquired through business combinations is posted at fair value on their respective acquisition dates. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment.

The useful lives of intangible assets are defined as finite or indefinite. Intangible assets with finite useful lives are amortized linearly over their

useful economic life and periodically evaluated to determine whether there exists any impairment to such, whenever there are signs of such. The amortization period and method used for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful lives or the expected flows of future economic benefits of these intangible assets are accounted for by changing the amortization period or method, as appropriate, and treating these as changes to accounting estimates. The amortization expense of intangible assets with finite useful lives is recognized through profit and loss.

Intangible assets with indefinite useful lives are not amortized but are tested every year to determine whether they have suffered any impairment to their value, either individually or at the level of the cash-generating unit to which they were assigned. Assets classified as having indefinite useful lives are reviewed on a yearly basis in order to determine whether this is still appropriate, if not, the change in their useful lives from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognizing an intangible asset are measured as the difference between the value obtained from its sale or disposal and its carrying amount, and this is recognized through profit and loss when the asset in question is de-recognized.

3.12. INVESTMENTS

3.12.1. Subsidiaries

A subsidiary is an entity that comes under the direct or indirect control of any of the companies that make up Grupo Sura's portfolio. Control exists when any of the companies have the power to direct the subsidiary's activities, these being, generally speaking operating and financing activities, in order to obtain benefits from such activities and at the same time is exposed, or is entitled, to variable returns from said subsidiary.

3.12.2. Associates and joint ventures

An associate is an entity over which Grupo Sura exerts significant influence in terms of its financial and operating policy decisions without actually achieving total or joint control.

Grupo Sura exerts significant influence when it has the power to intervene in the financial or operating decisions of another company without achieving total or joint control. Grupo Sura is presumed to exert significant influence when:

- ¶ It directly or indirectly holds 20% or more of the voting power of the company in question, unless there is clear evidence that such influence does not exist through its governing bodies; or
- ¶ Although it may directly or indirectly hold less than 20% of the voting power of the company in question, there is clear evidence that such influence effectively exists through its governing bodies; or

Grupo Sura exerts significant influence through one or more of the following:

- ¶ By being a member of the governing body of either the Company or the associate;
- ¶ Participating in the policy-making and decisions taken in terms of dividends and other distributions;
- ¶ Carrying out material transactions with the associate;
- ¶ By exchanging Senior Management personnel; or
- ¶ By providing essential technical information.

Investments are initially recognized at cost and are subsequently measured using the equity method.

When an investment is first acquired, Grupo Sura must post the difference between the cost of investment and the portion corresponding to Grupo Sura as the net fair value of identifiable assets and liabilities of the associate, as follows:

- ¶ If the portion of the fair value of the associate's identified assets and liabilities is less than the value of their acquisition, this produces a higher value that forms part of the cost of the investment; or
- ¶ If the portion of the fair value of the associate's identified assets and liabilities is higher than the value of their acquisition, this is considered a purchase on favorable terms and the difference is recognized as income for the period.

Cash dividends received from the associate or joint venture are recognized as a lower value of the investment in question.

Grupo SURA periodically analyzes whether there are any signs of impairment and, whenever necessary, impairment losses are recognized for the corresponding investment in the associate or joint venture. Impairment losses are recognized in profit or loss for the period and are calculated as the difference between the recoverable amount of the associate or joint venture, this being the higher of its value in use or its fair value less selling costs, and its corresponding carrying amount.

When significant influence is no longer exerted over the associate or joint control over the joint venture, Grupo Sura measures and recognizes any residual investment that remains at fair value. The difference between the carrying amount of the associate or joint venture (taking into account the relevant items of other comprehensive income) and the fair value of the retained residual investment, including the value obtained from its sale, is recognized through profit and loss

3.13. IMPAIRMENT OF NON- FINANCIAL ASSETS

At each reporting date, Grupo SURA assesses whether there is any indication of an impairment to the value of a non-financial asset. Grupo SURA estimates the recoverable amount of the asset or cash-generating unit, when it detects any signs of impairment to such, or every year as part of its annual reviews of goodwill, intangible assets with indefinite useful lives and those that are not yet made ready for use.

The recoverable value of an asset corresponds to the higher of (i) its fair value less selling costs, whether or not this is an asset or a cash-generating unit, and (ii) its value in use. An asset's recoverable value is determined on an individual basis, except when the asset in question does not produce cash flows that are largely separate from those from other assets. When the carrying value of an asset or a cash-generating unit exceeds its recoverable value, the asset is considered as impaired and its carrying value is reduced to its recoverable value.

Upon calculating an asset's value in use, its estimated cash flows, whether from the asset or the cash-generating unit, are discounted at their present value by applying the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The valuation approach is used to determine the fair value less selling costs of this type of asset.

Impairment losses corresponding to continuing operations are posted through profit and loss, specifically in the expense accounts corresponding to the ac-

tual function of the impaired asset in question. Impairment losses attributable to a cash-generating unit are initially allocated to goodwill and once this is exhausted, they are recorded on a proportional basis, based on the carrying value of each asset, to other non-current assets belonging to the cash-generating unit.

Impairment to goodwill is determined by assessing the recoverable value of each cash-generating unit (or group of cash-generating units) to which the goodwill is linked. Impairment losses relating to goodwill cannot be reversed in future periods.

In the case of assets in general, excluding goodwill, at the end of each reporting period an assessment is carried out to determine whether there is any indication that any previously recorded impairment loss either no longer exists or has decreased. Should this be the case, the recoverable value of either the asset or the cash-generating unit in question shall be re-estimated. A previously recorded impairment loss can only be reversed when there are changes in the assumptions used to determine the recoverable value of an asset since the last time an impairment loss was recognized. Such reversals are limited to the carrying value of the asset or cash-generating unit in question and shall not exceed its recoverable value or the carrying value net of depreciation that would have been obtained if an impairment for such asset or cash-generating unit had not been recognized for prior periods. These reversals are recognized in the income statements.

3.14. FAIR VALUE

This is the price that would have been received or paid should the asset or liability have been sold or otherwise transferred by participants of an orderly market on the date the asset or liability is measured. The fair value of all financial assets and liabilities are determined at the date on which the financial statements are drawn up, for their subsequent recognition or disclosure on the notes accompanying said financial statements.

Fair value hierarchy is defined as follows:

- 1 Based on quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date (Level 1 inputs)
- 1 Based on the valuation approaches commonly used by market participants who use variables other than quoted prices that are observable for the asset or liability in question, either directly or indirectly (Level 2 inputs).

- ¶ Based on internal discounted cash flow or other valuation approaches, using non-observable variables estimated by Grupo SURA for the asset or liability in question in absence of observable market variables (Level 3 inputs)

This includes weighing the corresponding liquidity, credit and volatility risks. Changes in assumptions regarding these factors could affect the reported fair values of financial instruments.

In measuring fair value, Grupo Sura takes into account all the following items:

- a. The specific asset or liability to be measured (in keeping with its unit of account).
- b. For a non-financial asset, the corresponding valuation approach selected.
- c. The main (or most advantageous) market for the asset or liability in question.
- d. The valuation approaches used for their measurement, in the light of available data with which to calculate the variables that form the basis of the assumptions that market participants would use when pricing the assets and liabilities and the level of the fair value hierarchy in which the variables are classified.

Measuring assets or liabilities

When measuring the fair value of an asset or liability, Grupo Sura considers the following factors:

The characteristics of the specific asset or liability as would market participants when pricing said asset or liability including, for example, the following:

- ¶ The condition and location of the asset.
- ¶ Restrictions, if any, on the sale or use of the asset in question.
- ¶ How these characteristics would be borne in mind by market participants.

Measuring financial liabilities

A fair value measurement assumes that a non-financial liability is transferred to a market participant on the date the measurement is performed, and this

liability remains outstanding while the recipient is able to satisfy the obligation. When there is no observable market capable of providing pricing information, this data may be obtained from other parties who maintain these liabilities in the form of assets and the fair value of such shall be measured from the standpoint of a market participant.

Fair value at initial recognition

When Grupo Sura acquires an asset or a liability, the price paid (or the price of the transaction) is taken as the entry price. Since companies do not necessarily sell assets at the prices paid to acquire these and similarly, companies do not necessarily transfer liabilities at the price received for taking them on, from the conceptual viewpoint, entry and exit prices can be widely different. The purpose of a fair value measurement is to estimate the exit price.

Valuation approaches

The valuation approaches used by Grupo Sura as listed below:

- ¶ Market approach: this technique is mainly used to measure investment properties and fixed assets whose subsequent measurement is based on the re-measurement model as determined by Grupo Sura. It is also used to measure financial assets that have been determined at fair value according to the fair value business model and that are normally traded on active markets.
- ¶ Income approach: this valuation technique is used for financial assets and liabilities determined at fair value which are not traded on active markets.
- ¶ Cost approach: this technique is used to determine the amount that would otherwise be required to replace the asset or service provided by such (often referred to as the current replacement cost).

3.15. LEASE RENTALS

Whether an arrangement is or contains a lease is based on the essence of the agreement at its inception date, if fulfilling such agreement depends on using a specific asset or group of assets, or if the agreement grants a right to use the asset(s) in question.

Leases are classified as finance and operating leases. A lease is considered to be of a financial nature when substantially all of the risks and benefits inherent to ownership of the leased asset is transferred to the lessee, otherwise, it is classified as an operating lease.

Assets leased under financial leasing arrangements are shown as assets in the Statement of Financial Position at the beginning of the lease agreement and recognized at the fair value of the leased asset or the present value of the minimum lease payments, whichever is lower.

Assets leased under finance leasing arrangements are depreciated over the useful life of the asset in question using the straight-line method. However, should there be no reasonable certainty that Grupo SURA would retain ownership at the end of the term of the corresponding leasing arrangement, the asset is depreciated over its estimated useful life or during the term of the lease, whichever is the lesser. Lease payments are divided upon between interest and payments of principal. Finance charges are recognized in the income statement.

Operating lease payments, including incentives received are recognized linearly over the term of the lease as expense through profit and loss.

Leases classifying as financial leasing arrangements are recognized in the property and equipment account using the measurement criteria, as defined for that group of assets in the accounting policy governing property and equipment.

Grupo Sura considers that if a lease does not classify as a financial leasing arrangement it should be classified as an operating leasing arrangement and all rentals paid on said leased assets shall be recognized as an expense in the income accounts.

3.16. EMPLOYEE BENEFITS

Employee benefits include all amounts that Grupo Sura pays its workers in exchange for their services. Employee benefits are classified as short-term, post-employment, long-term and / or termination benefits.

Short-term benefits

These are benefits (other than termination benefits) that are expected to be completely settled within a 12-month period following the end of the annual reporting period in which the employees provide their corresponding services. These short-term benefits are recognized to the extent that employees provide their services for the amounts expected to be paid. Changes to the value of these short-term benefits are offset against profit and loss for the period

Long-term benefits

The long-term benefits include all types of remuneration owing to the employee, after a 12-month period following the end of the annual reporting period in which the employees provide their corresponding services. Here, Grupo Sura measures the surplus or deficit obtained from the long-term employee benefit plan using the post-employment benefit approach both for estimating the corresponding obligation as well as the assets pertaining to the plan; thereby arriving at the value of the net defined benefit by finding the deficit or surplus produced by the obligation.

Liabilities corresponding to long-term employee benefits are recognized as follows:

- a. The present value of the defined benefit obligation at the end of the reporting period;
- b. Less the fair value, at the end of the reporting period, of the assets assigned to the benefit plan (if any) with which the obligations are settled directly.

Changes to the value of these long-term benefits are recognized through profit and loss for the period

Post-employment benefits

Post-employment benefits are all those which are granted to employees after they leave the Company to enjoy their retirement. Grupo Sura's post-employment benefits consist of the following:

- 1 Defined contribution plans: under which Grupo Sura's obligation is limited to fixed contributions paid to an outside company or fund, and is recognized once the employee has provided his or her services for a set period of time and the expense incurred for the period is disclosed at its nominal value
- 1 Defined employee benefit plans, where Grupo Sura has a legal or implicit obligation to pay such benefits, and which require the use of actuarial calculations, in order to recognize the defined benefit obligation based on actuarial assumptions.

Actuarial gains and losses on defined employee benefit plans are recognized in the other comprehensive income accounts, other changes in the valuation of defined benefits are recognized in the income statement.

Benefits classified as long term and post-employment are discounted using the sovereign bond rates of each of the countries where Grupo Sura is present, bearing in mind the dates of the flows from which Grupo Sura expects to make such disbursements. These rates are used given the absence of benchmark rates corresponding to high quality corporate bonds.

Termination benefits

Termination benefits are payments for early retirement or redundancy payments, and therefore only accrue when the employment relationship is finalized. Grupo Sura recognizes termination benefits as a liability as well as an expense when the benefits thus offered cannot be withdrawn due to contractual issues or when recognizing restructuring costs.

3.17. PROVISIONS AND CONTINGENCIES

Provisions are recognized when Grupo Sura has a present legal or implicit obligation as a result of a past event and there is the likelihood of an outflow of resources embodying economic benefits being required in order to settle the obligation, the value of which can be reliably estimated. If these conditions are not met, a provision should be recognized.

Grupo Sura recognizes provisions in its Statement of Financial Position using its best estimates of the expenditure required, i.e. the value to be paid in order to settle the obligation for the reporting period in question, bearing in mind the risks and uncertainties affecting said estimates.

Grupo Sura considers that a provision must be set up when there is more than a 50% probability of incurring a loss.

Grupo Sura recognizes, measures and discloses the provisions arising in connection with contracts made for valuable consideration, restructurings, contractual and litigation proceedings, as long as there is high probability that the Company shall have incurred in an obligation and must settle such.

Grupo Sura defines a contingent liability as being an obligation arising from past events and whose existence is confirmed by the occurrence or non-occurrence of uncertain future events, or as a present obligation that arises from past events but is not recognized since a) it is unlikely that satisfying the corresponding obligation shall require an outflow of resources embodying economic benefits; or b) the value of the obligation cannot be reliably measured.

The Company classifies a contingent asset as arising from past events and whose existence is confirmed by the occurrence or non-occurrence of uncertain future events.

Since contingent assets and liabilities stem from unexpected events and there is no certainty of obtaining future economic benefits from such, they are not recognized in the Statement of Financial Position until they actually materialize.

3.18. OPERATING SEGMENTS

An operating segment is a unit belonging to Grupo SURA that engages in business activities from which it may earn revenues and/or incur costs and expense, for which financial information is made available and whose operating performance is regularly reviewed by Grupo SURA's maximum governing body in making operating decisions, deciding on how resources are to be allocated to the different segments as well as assessing their performance.

The financial information pertaining to these operating segments is drawn up using the same accounting policies as those used to prepare Grupo SURA's consolidated financial statements.

3.19. INCOME

Grupo SURA recognizes ordinary revenue when the corresponding risk or benefit is duly transferred; that is to say, when the corresponding service is rendered or when the respective goods are delivered, to the extent that it is probable that the economic benefits shall flow to Grupo SURA and that said revenue can be reliably measured. Revenue is measured based on the fair value of the consideration received or pending receipt, excluding taxes or other obligations. Discounts are recorded as a lesser value of the income received.

The following specific recognition criteria must also be met before proceeding to record income

Revenues relating to activities performed during the normal course of business are recognized based on the degree to which the transaction is completed during the respective reporting period. Revenues from a transaction can be reliably estimated providing all and every one of the following conditions are met:

- 1 The amount of revenue from ordinary business activities can be reliably measured;

- ¶ There is a probability that the entity shall receive economic benefits associated with the transaction in question;
- ¶ The extent to which the transaction in question at the end of the reporting period in question can be reliably measured, and
- ¶ The costs already incurred with the transaction can be reliably measured along with the remaining costs to be incurred until the transaction is completed.

Grupo SURA estimates the extent to which the service is provided as follows:

- ¶ The proportion of services performed compared to the total extent of the services agreed upon.
- ¶ The proportion of costs incurred and paid compared with the total amount of estimated costs. For this purpose, the costs incurred up to the present time include the costs incurred with the service provided up to said date; and with regard to the total estimated costs of the transaction itself, only the cost of the services that have been or shall be provided are included

Measuring income

Grupo Sura measures income by estimating the fair value of the consideration received or pending receipt.

The amount of income obtained from a transaction is usually decided between the Company and the buyer or the user of the asset in question.

For the Company, in almost all cases, this consideration is usually paid in the form of cash or cash equivalents and the amount of revenue corresponds to the amount of cash or cash equivalents received or pending receipt.

The following specific recognition criteria must also be met before income can be recognized as such.

3.19.1. Income from written premiums

Income from written premiums is recognized when the corresponding policies are issued, except for those whose terms have not yet begun or which exceed a 12-month period, in which case said income accrues on the date the corresponding term begins or the year following the beginning of the term.

Income from accepted reinsurance premiums accrue when the corresponding account statements from the reinsurance firms are received.

Unearned premiums are calculated separately for each individual policy in order to cover the remaining portions of written premiums.

3.19.2. Revenues from the Workers' Compensation Subsidiary

The Workers' Compensation subsidiary must estimate the value of all mandatory contributions bearing in mind the number of workers that were affiliated during all or part of the period (incoming and outgoing), the wages on which contributions are calculated and the type of risk addressed, as reported on the last payment settlement or affiliation form. Should the employer not report any incident, the estimated value of the corresponding contributions cannot be lower than that contained on the last payment settlement form.

3.19.3. Dividend income

Grupo Sura recognizes dividend income when it is entitled to receive such, which is usually when the dividends are first declared, except when the dividend represents a recovery of the cost of the investment. No dividend income is recognized when payment is made to all shareholders in the same proportion as the stakes held in the corresponding issuer.

3.19.4 Commission income

Commissions are generally recognized when the corresponding service is rendered. Those corresponding to negotiating or participating in the negotiations of transactions with a third party such as disposals of purchased shares or other securities acquired or purchases or sales of business enterprises, are recognized when the underlying transaction is completed.

Fees corresponding to portfolio management or management consultancy and other services are recognized based on the applicable service contract when the service is rendered.

Asset management fees relating to investment funds and contractual investment rates are recognized on a proportional basis over the period in which the service is provided. The same principle applies in the case of wealth management, financial planning and custodial services performed continuously for a prolonged period of time. The rates charged and paid between banks in payment of services, are classified as fee and/or commission income and expense.

3.19.5 Investment income

Interest accruing on financial assets measured at their amortized cost are recognized through profit and loss based on their projected flows, as contractually defined.

3.19.6 Income from the Health Care Subsidiaries

The health care companies belonging to Grupo Sura, who is a delegated member of the Colombian Solidarity and Guarantee Fund and therefore responsible for receiving contributions for the Mandatory Health Plan receive a set value per capita for providing health care services for each member. This is called Capitation Payment Unit - CPU, which is increased every year by the Colombian National Health and Social Security Board and the corresponding revenues are duly recognized. Consequently, the Company records as income the aforementioned Capitation Payment Unit - CPU for the health care services provided as recognized by the Colombian General Health Care and Social Security System based on each service settlement statement once this has passed the corresponding clearance process.

Income from prepaid health care contracts accrue as their contractual terms elapse.

3.20. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit or loss attributable to the holders of shares outstanding for the period in question by the weighted average number of ordinary shares outstanding during this same time frame, this bearing in mind that the dividends corresponding to the Company's preferred shares are posted as a liability.

3.21. CURRENCY**3.21.1. Functional currency**

The amounts reported in the financial statements of each of Grupo SURA entities are stated in the currency of the primary economic environment (the functional currency) of the country where each entity operates. The functional and reporting currency of the consolidated financial statements belonging to Grupo SURA is the Colombian pesos, which is the currency of the primary economic environment of the country where it operates, as well as being the currency with influences the Group's spending and revenue structure.

Grupo SURA's consolidated financial statements are presented in millions of Colombian pesos, rounded up or down to the nearest unit.

3.21.2. Foreign Currency

Foreign currency transactions are initially recorded using the exchange rate applicable to the functional currency on the date of the corresponding transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate of the functional currency prevailing at the close of the reporting period; non-monetary items that are measured at fair value are translated using the exchange rates applicable on the dates when their fair value is determined and non-monetary items measured at historic cost are translated using the exchange rates applicable on the dates of the original transactions.

All exchange differences are recognized in the income statement except for exchange differences arising from the translation of foreign operations and the application of hedge accounting recognized in the other income accounts; even the disposal of a foreign based business enterprise is recognized through profit and loss for the period.

Upon drawing up Grupo SURA's consolidated financial statements, assets and liabilities held abroad, including goodwill, and any adjustment made to the fair value of the assets and liabilities arising from said acquisition, are converted to Colombian pesos using the exchange rate applicable on the closing date of the corresponding reporting period. Income, costs, expense and cash flows are translated using average exchange rates for the reporting period in question, and equity is converted using history rates.

3.22 EVENTS AFTER THE REPORTING PERIOD

Grupo SURA has defined the following circumstances as events occurring after the reporting period

Events occurring after the reporting period that entail adjustments

Grupo SURA must adjust the figures recorded in its financial statements to show the effect that any event occurring after the end of the reporting period could have in terms of additional adjustments to be made, providing these occur prior to the date on which these financial statements are approved by Grupo SURA's Board of Directors.

Events occurring after the reporting period that do not entail adjustments

Grupo SURA does not have to amend the figures stated in its financial statements as a result of this type of event. However, if the event is materially important for Grupo SURA the nature of the event itself must be disclosed and its financial effects estimated or failing that a statement as to the impossibility of making such an estimate.

Ownership dividends or surpluses.

Grupo SURA must abstain from recognizing as a liability on its financial statements, any dividends or surpluses agreed upon subsequent to the reporting period.

Going concern assumption

Grupo Sura prepares its financial statements based on a going concern assumption, provided that, after the respective reporting period Senior Management does not decide or state its intention wind up or cease to perform its business activities or that there is no other alternative but to proceed with one of the aforementioned courses of action.

3.23. RELATED PARTIES

The following are considered related parties:

1. The companies that make up the SURA Business Group (hereinafter "the Companies").
2. The associated companies. This only applies to transactions that are considered unusual (that is to say, outside of the Company's normal course of business) as well as having a material importance.

In any event, all such recurring transactions must be carried out under normal market conditions and recognized in full on the financial statements. For the purposes of this document, the definition of associated companies, as contained in the Group's Accounting Policy for Investments in Associates, shall apply.

3. The members of the Boards of Directors (both principal and alternate members).
4. The Legal Representatives, excluding Judicial Representatives and Attorneys.
5. Members of Senior Management, specifically, the first two tiers of the Organization (including executive auditing directors and corporate secretaries).
6. Close relatives of the members of the Boards of Directors and Senior Management as well as Legal Representatives, that is to say, their respective spouses or permanent companions and relatives within the first degree of consanguinity, the first degree of affinity or by adoption.

This policy shall not apply to transactions that do not involve providing goods or services between the parties involved; that is to say, all collaborative activities, synergies or joint developments among the Companies, in the interest of the SURA Business Group's unity of purpose and direction

In keeping with International Accounting Standards, and since each of the Group's companies are individually responsible for identifying transactions between related parties as relating to their different lines of business, our present policy shall include at least all those transactions between related parties that concern.

- Purchases or sales of products
- Purchases or sales of real estate and other assets.
- Loans between companies that are in full force and effect at the cut-off date of the respective reporting period.
- Leases, for which contracts are formally drawn up.
- Services provided or received for which there exists a contractually-established remuneration and/or reciprocity.
- Transfers corresponding to when a company develops a service or product or carried out research exclusively for another entity and for which there exists a contractually-established remuneration and/or reciprocity.
- Transfers made in accordance with financing agreements (including loans and equity contributions made either in cash or in kind).
- The granting of collateral guarantees and sureties.
- Liabilities that are settled on behalf of the entity, or by the entity on behalf of a related party.
- Other commitments and contracts where there exists reciprocity and remuneration.
- Transactions (including remuneration and benefits) with members of the Boards of Directors and Legal Representatives as well as Senior Management executives, these corresponding to the first two tiers of the Organization, that is to say, staff at the Companies' highest hierarchical levels, who are responsible for the normal course of business of their companies, being in charge of devising, executing and controlling their corporate goals and strategies; these including auditors and company secretaries.

(When transactions are carried out with the company where the senior manager works).

- Transactions between the company for which one of the aforementioned senior managers works, together with their spouses or permanent companions, or their family members within the first degree of consanguinity, the first of affinity or by adoption
- Dividends declared

Transaction materiality

All transactions between related parties must be carried out on an arm's length basis based on principles of transparency, fairness and impartiality.

For the purposes of determining materiality, the following factors shall be taken into account:

- ¶ Compliance with all legal, accounting and tax rules and regulations in all those jurisdictions where we are present.
- ¶ The particular terms and conditions agreed on with minority shareholders.
- ¶ The value of the transaction in question, which shall be regulated by the Companies' own specific policies or procedures.
- ¶ Whether the transaction was not carried out under competitive market conditions, for whatever reason.
- ¶ The fact that the transaction was disclosed to the regulatory or oversight authorities.
- ¶ Whether it required being reported to Senior Management and / or the Board of Directors.

The transaction shall be considered as having a material importance should one of the aforementioned factors apply for at least one of the Companies involved in such.

NOTE 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND CAUSES OF UNCERTAINTY IN PREPARING THE FINANCIAL STATEMENTS

The preparation of the consolidated financial statements in accordance with FRAS requires Senior Management to make judgments, estimates and as-

sumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

These estimates and underlying assumptions are periodically reviewed. The corresponding adjustments made to the accounting estimates are recognized in the period in which the estimate is reviewed as well as in any future periods that may be affected

Said estimates and assumptions are determined subject to internal control procedures and approvals, which are in turn based on internal and external studies, industry statistics, environmental factors and trends as well as legal and regulatory requirements.

Accounting estimates and assumptions

The following are the key assumptions regarding the future performance of certain variables at the reporting date and which pose a significant risk of causing a material adjustment to the value of assets and liabilities to be stated in the next financial statement given the uncertainty prevailing with their performance.

- a. Revaluation of investment property and property for own use
Grupo SURA records its real estate property (land and buildings) at fair value and any changes thereto are recognized in the other comprehensive equity account and in the case of investment properties in the corresponding income accounts.

Revaluation increases with regard to fixed assets are directly recognized in other comprehensive income and are accumulated in the equity accounts as a revaluation surplus. These revaluations are calculated every four years.

When the carrying value of an asset as a result of a revaluation is reduced, the corresponding decrease is recognized in profit or loss. However, this decrease shall only be recognized in the Other Comprehensive Income accounts to the extent of any credit balance existing in the revaluation surplus account with regard to the asset in question. The decrease recognized in Other Comprehensive Income reduces the amount accruing as a revaluation surplus in the equity accounts.

The fair values of land and buildings are based on periodic appraisals carried out by qualified outside appraisal firms as well as internally by the Group's own professional staff.

b. Fair value of financial instruments

When the fair value of financial assets and liabilities recorded in the Statement of Financial Position is not obtained from active markets it is determined using valuation methods that include the cash flow discount model. The information that appears in these models is taken from observable markets where possible, but when it is not, a certain amount of judgment is required for determining the respective fair values. This includes weighing the corresponding liquidity, credit and volatility risks.

c. Taxes

There is a certain degree of uncertainty regarding the interpretation of complex tax regulations, the modifications made from time to time to such as well as the measurement and timing of future taxable income. Given the wide range of international trade relations and the complex long-term horizons contained in contractual agreements, differences may well arise between the results actually obtained and the estimates and assumptions used for calculating such, as well as future changes to the latter. This may require future adjustments to be made to the taxable income and expense already recorded. The Company establishes provisions, based on reasonable estimates, to cover the possible consequences of any audits performed by the tax authorities of the respective countries in which it operates. The scope of these provisions is based on several factors, including the Company's past experience with previous audits conducted by the tax authorities on the taxpayer entity.

Deferred tax assets are recognized for unused tax losses, to the extent that it is probable that taxable profits shall be available to offset such losses. Senior Management is also required to exercise its judgment in determining the value of the deferred tax asset to be recognized, based on the likely timing and level of future taxable profits as well as the Company's own strategies in terms of tax planning,

d. Impairment to goodwill

Determining whether goodwill is impaired requires estimating the value in use of the cash generating units to which goodwill has been allocated. This requires Senior Management to estimate the expected future cash flows from the cash-generating unit in question and an appropriate discount rate to calculate the present value of the aforementioned value in use. In the event of future real cash flows being lower than expected, an impairment loss could occur

e. The useful life and residual values of property and equipment as well as intangible assets.

Grupo SURA reviews the useful lives of all property and equipment as well as intangible assets, at least at the end of each accounting period. The effects of changes to the estimated useful life of an asset are recognized prospectively over its remaining life.

f. The probability of occurrence and the value of contingent or uncertain amounts of liabilities.

Grupo Sura recognizes a provision when the following conditions are met:

- It has a present obligation (legal or implicit) as a result of a past event
- There is a likelihood of an outflow of resources embodying economic benefits being required in order to settle the obligation, the value of which can be reliably estimated.

g. Employee benefits

The measurement of post-employment and defined benefit obligations includes determining key actuarial assumptions on which the value of these liabilities is based. Key assumptions include discount and inflation rates, salary and wage increases among others.

The rate corresponding to the Type B Sovereign Bonds issued by the Colombian Government is used to discount employee benefits at the end of the reporting period, since this rate reflects the currency in which the post-employment benefits are paid as well as other defined benefits, together with their estimated duration. This rate provides a better indication of market returns.

h. Technical reserves - insurance contracts

Reserves for insurance and annuity contracts are recognized on the basis of the best estimate assumptions. Also, like all insurance contracts, these are subject to annual liability adequacy tests, which reflects Senior Management's best estimates of future cash flows. In the event these reserves prove to be insufficient, the assumptions used are updated and remain locked-in until the next review or until these prove insufficient, whichever occurs the earliest.

As described in the section corresponding to Deferred Acquisition Costs, certain expenses are deferred and amortized over the lifetime of the contracts. In the event that the assumptions regarding future contractual re-

turns prove erroneous, the amortization of these costs is accelerated with the corresponding impact on the income statement for the period.

The main assumptions used in calculating these technical reserves include: mortality, morbidity and longevity rates, returns on investment, expenses, fund exit and collection as well as surrender and discount rates.

The assumptions corresponding to the mortality, morbidity and longevity rates are based on local industry standards for each subsidiary and are adjusted to reflect the Company's own risk exposure, where applicable, as well as whenever there is sufficient historic information to perform an experience-based analysis that would alter industry estimates. The longevity assumptions are introduced through future improvement factors for mortality rates

For assumptions regarding rates of return, the proceeds received from investments, that is to say the assets underpinning the technical reserves set up on insurance contracts, are taken into account these based on market conditions at the date the contract is entered into, while factoring in future expectations of changes to local economic and financial conditions in all those markets where the companies operate together with the Company's own investment strategy

Expense assumptions are based on expenditure levels prevailing when the contracts are signed which are then adjusted for expected inflation increases, where applicable

Exit, collection and surrender rates are based on an analysis of the subsidiary's own experience in terms of the product itself or the respective family of products.

Discount rates are based on current industry and market rates and adjusted for the subsidiary's own risk exposure.

In the case of insurance contracts with savings components based on unit-linked fund units, obligations are determined based on the value of the assets underlying the provisions as well as those arising from the value of each of the funds where the policies are deposited.

i. Impairment to financial assets
In order to calculate impairment to this type of asset the Company must estimate the future cash flows that are expected from the corresponding single or group of financial assets.

j. Stakes held in other entities
A subsidiary is an entity that comes under the control of any of the companies that make up Grupo SURA's portfolio. Control exists when any of the companies have the power to direct the subsidiary's activities, these being, generally speaking operating and financing activities, in order to obtain benefits from such activities and at the same time is exposed, or is entitled, to variable returns from said subsidiary.

An associate is an entity over which Grupo Sura exerts significant influence in terms of its financial and operating policy decisions without actually achieving total or joint control.

A joint venture is an arrangement over which two or more parties exercise joint control.

The investments that Grupo Sura classifies as subsidiaries, associates or joint ventures is based on the fact that it exerts significant control or influence or holds joint control, that is to say, it has the power to intervene in the financial or operational decisions of this other company. In cases where Grupo Sura does not have the percentage stake required to classify an investment in a specific category, it may still be classified in this category when the Company is duly represented as a member of the investment's governing body which in turn allows it to exercise control

Information regarding assumption and estimation uncertainties that pose a significant risk of producing a material adjustment at year-end 2017 and 2016 are included in the following notes:

- Nota 7. Business combinations: acquired subsidiaries, fair value provisionally measured
- Nota 11. Insurance Contracts: assumptions for calculating reserves.
- Nota 13. Taxes: availability of future taxable profits to be used to offset losses obtained in prior periods.
- Note 18 Investments in subsidiaries: assumptions used to determine the degree of control held over subsidiaries.
- Nota 19. Impairment to the value of assets: key assumptions for calculating an asset's recoverable value, including the recoverability of development costs.

- Note 22. Provisions and contingent liabilities: recognizing and measuring provisions and contingencies: key assumptions relating to the probability and magnitude of an outflow of economic resources; and
- Notes 20.2 Long-term benefits and Note 20.3 Defined benefits: key actuarial assumptions;

The following notes also include additional information regarding assumptions made for the purpose of measuring fair value:

- Nota 9. Financial instruments
- Nota 15. Investment properties

Discretionary judgments

Information concerning critical judgments made when applying accounting policies and which significantly affect the amounts recognized in the financial statements is shown as follows:

- Note 11. Insurance contracts: determining whether Grupo Sura acts as agent or principal with regard to insurance contracts.
- Note 15. Investment properties: classification of investment properties
- Note 18. Investments in Subsidiaries, Associates and Joint Ventures: determining whether control over subsidiaries duly exists, including a review of the pension funds managed by Grupo Sura.
- Note 10. Leases: determining whether an agreement contains a lease; classification of leasing arrangements.
- Note 29. Commission income and expense: determining whether the Group acts as an agent in a specific transaction as opposed to the principal.

NOTE 5. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended accounting standards and interpretations

The Group has applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2016.

The nature and impact of each new standard and/or amendment are described below:

AMENDMENTS TO IFRS 10, IFRS 12 AND IAS 27: INVESTMENT ENTITIES

These changes, to be applied retroactively (with certain exceptions during the transition period), provide for an exception to the requirement for consolidating all those entities that meet the definition of investment entities under IFRS 10 Consolidated Financial Statements. The above-mentioned exception requires that investment entities record their subsidiaries at fair value through profit or loss. These changes had no impact whatsoever on the Group, since none of the Group's entities are classified as an investment entity under IFRS 10.

AMENDMENTS TO IAS 32: OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

These amendments, to be applied retroactively, clarify the meaning of "currently has a legally enforceable right of set-off" as well as the criteria for determining the settlement process to be used when the realization of the financial asset and the settlement of a financial liability does not occur simultaneously. These changes had no impact on the Group, as none of the Group entities have any settlement arrangements.

AMENDMENTS TO IAS 39: NOVATION OF DERIVATIVES AND CONTINUATION OF HEDGE ACCOUNTING

These amendments, to be applied retroactively, provide exemptions that allow for hedge accounting to be continued when a derivative, designated as a hedging instrument, is novated, providing this meets certain criteria. These modifications have had no impact whatsoever on the Group, since no changes have been made to its derivatives during the current or prior years.

IFRIC 21 - LIENS

IFRIC 21 provides guidance for entities to recognize a liability as a lien when the activity, as defined in the corresponding legislation, is carried out entailing the payment of this same activity. In the case of liens that become due and payable when a certain amount is reached, the IFRIC interpretation clarifies that the liability should not be recorded until the aforementioned threshold is reached. IFRIC 21 is to be applied retroactively. This interpretation has had no impact on the Group whatsoever, since in previous years the recognition principles contained in IFRS 9 Financial Instruments are consistent with those stipulated in IFRIC 21, that is to say liabilities are recognized upon qualifying as a lien when all those assumptions provided by law are met.

IFRS ANNUAL IMPROVEMENTS CYCLE - 2010-2012

In its 2010-2012 annual improvements cycle, the IASB issued seven amendments to a total of six standards, which included an amendment to IFRS 13 - Fair Value Measurement. The amendment to IFRS 13 became immediately effective and therefore has to be applied to the years beginning on January 1, 2016. The accompanying "Basis for Conclusions" provides guidance in the case of accounts receivable and payable in the short term that do not carry an interest rate, which can now be recorded as the amounts contained in the respective invoices when the effect of any discount offered is immaterial. This amendment to IFRS 13 had no impact whatsoever on the Group.

IFRS ANNUAL IMPROVEMENTS CYCLE - 2011-2013

In its 2011-2013 annual improvements cycle, the IASB issued four amendments, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. This amendment to IFRS 1 became immediately effective and therefore has to be applied to the years beginning on January 1, 2016. The accompanying "Basis for Conclusions" provides guidance for when an entity may choose to apply a rule in force or a new standard that has not yet become mandatory, but may also be applied beforehand, provided that each such rule is consistently applied in the years when the company presents its first financial statements. This amendment to IFRS 1 had no impact whatsoever on the Group, since it did not implement IFRS for the first time in said year.

NOTE 6. STANDARDS ISSUED BUT NOT YET EFFECTIVE**ACCEPTED ACCOUNTING AND FINANCIAL REPORTING STANDARDS IN COLOMBIA WHICH HAVE BEEN ISSUED BUT ARE NOT YET IN FORCE**

All those standards and their interpretations, which have so far been issued but have not entered into full force and effect for consequent application, are listed below. The Group shall adopt these standards on their respective effective date, pursuant to the corresponding decrees issued by the Colombian authorities.

IFRS 9 - FINANCIAL INSTRUMENTS CLASSIFICATION AND MEASUREMENT

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaced IAS 39 "Financial Instruments: Recognition and Measurement" and all previous versions of IFRS 9. This standard formed part of the Annex corresponding to Decree 2496 of 2015, which was subsequently amended by Decree 2131 of 2016, and entered into full force and effect for periods beginning on or after 1 January 2018 with earlier application permitted.

IFRS 9 includes three aspects of accounting for financial instruments: classification and measurement, impairment and hedge accounting. Retrospective application is required, but the presentation of comparative information is not mandatory, except for hedge accounting, for which the requirements are applied prospectively, with some exceptions.

The Group plans to adopt this new Standard on the established effective date. A detailed assessment was carried out in 2017 on the impact of the three main aspects of IFRS 9. This was based on the information available at that time and consequently may be subject to changes in the light of any new supported and reasonable information that should become available during the year when IFRS 9 is applied.

a. Classification and measurement

The Group does not foresee any significant impact on its statement of financial position as a result of applying the classification and measurement requirements stipulated IFRS 9. We expect to continue measuring all financial assets at fair value, in the same way as they are measured today, that is to say, at fair value.

Shares of non-listed companies shall be held over the mid-term. No impairment losses, on account of these investments, have been recognized during previous reporting periods. The Group shall apply the option of presenting changes in fair value on its Other Comprehensive Income Statement, and therefore, the application of IFRS 9 shall not have any significant impact.

Loans and accounts receivable are held until the contractual cash inflows or outflows are produced, these corresponding to payments of principal and interest only. The Group analyzed the characteristics of the contractual cash flows pertaining to these instruments and concluded that they meet the criteria for measuring these at amortized cost under IFRS 9. Consequent, the reclassification of these instruments is not required.

b. Impairment

Due to IFRS 9 coming into full force and effect as of January 1, 2018, Grupo Sura and its Subsidiaries must adopt a new methodology for calculating impairment due to expected or prospective losses which shall replace that used for impairment relating to incurred losses as established in the previous standard IAS 39, which was effective until December 31, 2017.

Grupo Sura defines guidelines and methodologies for subsidiaries to calculate impairment to each financial instrument held, and consolidates the results thereby produced. As defined in IFRS 9, these methodologies

recognize impairment as the expected or prospective loss sustained with financial assets, on the basis of a 12-month or lifetime approach to the instrument in question. Both approaches shall be applied based on the type of instrument itself and the credit conditions offered by the counterparty.

With regard to accounts receivable due from clients, our subsidiaries use the general or 12-month approach considering the nature of the policies in place and the cancellations associated with these. An impairment percentage is calculated based on available historical information for each level of default rate, which is then applied prospectively right from the outset and then is updated over time.

In the case of accounts receivable corresponding to reinsurance contracts, Grupo Sura, as a general rule, reviews the individual financial strength of each reinsurer and then proceeds to estimate the impairment percentage associated with each of these. Each subsidiary, based on the characteristics of its own markets may consider the payment agreements already established. The percentages are generally updated for all subsidiaries on an annual basis.

Given the volume transacted through co-insurance agreements, impairment is not a significant item, and furthermore the corresponding accounts receivable represent a minor percentage of total accounts receivable; each subsidiary uses the criteria obtained from the client receivables model.

Finally, in the case of portfolio investments, the financial strength of each counterparty is analyzed using the Credit Risk Management procedures implemented by each subsidiary as well as the probabilities of default published by international risk rating agencies so as to maintain a prospective approach to this calculation.

Finally, the Company has estimated that, given the nature of its investments and accounts receivable, any adjustment to the provision or loss upon applying the expected methodology would be reflected as follows, considering the impacts associated with deferred tax.

Impact on Equity from Impairment to Accounts Receivable

COUNTRY	IMPAIRMENT			
	CLIENT RECEIVABLES	RE-INSURANCE RECEIVABLES	CO-INSURANCE RECEIVABLES	INVESTMENT PORTFOLIO
Argentina	2,213	(551)	-	-
Brazil	-	(115)	(315)	-
Chile	(550)	67	383	-
Colombia	(4,095)	(910)	(1,536)	390
El Salvador	436	(1,574)	5	127
Mexico	937	(21)	-	-
Panama	4,130	(595)	(68)	-
Dominican Republic	(1,332)	(612)	(76)	(162)
Uruguay	581	-	-	-
Total	2,321	(4,311)	(1,607)	355
Released provision, net	(3,242)			

c. Hedge Accounting

Bearing in mind that IFRS 9 does not change the general principles of how an entity must recognize its hedges, applying the hedging requirements stipulated in IFRS 9 shall not have any significant impact on the financial statements.

d. Other adjustments

In addition to the adjustments described above, upon adopting IFRS 9, other items pertaining to the financial statements such as deferred taxes, investments in associates and joint ventures, shall also be adjusted, as necessary. Exchange differences produced by converting transactions abroad shall also be adjusted.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 was first issued in May 2014 and subsequently amended in April 2016 by the IASB. This standard was included in Decree 2496 of 2015 and its amendment was later included in Decree 2131 of 2016, becoming effective as of January 1, 2018. This standard sets out a five-step model framework for recognizing revenue from contracts with customers. Under IFRS 15, revenue is recognized in an amount that reflects the consideration the entity expects to be entitled to receive in exchange for providing a service or transferring goods to a customer.

The new standard governing this type of revenue replaces all the requirements previously established for recognizing revenue under IFRS. A full retrospective or modified retrospective approach is required for annual reporting periods beginning on or after January 1, 2018. The Group plans to adopt this new standard on the aforementioned date using the modified retrospective application method. In 2017, the Company carried out an analysis of the impact that the application of this new standard would have.

Revenues from Grupo SURA's subsidiaries are sourced mainly from the insurance business (which is excluded from the scope of IFRS 15), as well as from their fund management activities. According to this analysis, the impact on the Group's insurance companies would only be felt on a filling level.

Approximately 1% of the Group's consolidated revenues correspond to the services segment, including outsourcing where we foresee an impact from the application of IFRS 15, since services are provided in the form of packages that include equipment and services.

a. Sales of goods

In the case of client contracts, in which the sale of a piece of equipment is the only performance obligation, there would be no impact on earnings after IFRS 15 is adopted. The recognition of income occurs when control of the asset is transferred to the client.

- Variable consideration
At the present time, the Group recognizes revenues from the sale of goods measured at fair value in the amount of the consideration received or the account receivable, including their refunds and discounts. Should it not be possible to measure these revenues reliably, the Group defers recognition until the uncertainty is resolved. Such provisions give rise to a variable consideration under IFRS 15, which must be estimated at the beginning of the contract and subsequently updated.

IFRS 15 requires that any estimate of the variable consideration be limited in order to prevent surplus revenues being recognized.

- Refund rights
Under IFRS 15, because the contracts allow the customer to return the products, the consideration received by the customer is variable. The Group has decided to use the expected value method to estimate the goods that shall be returned taking into account that this method better predicts the amount of variable consideration to which the Group shall be entitled. The Group applies the requirements of IFRS

15 in limiting the estimated amounts of variable consideration so as to determine the value of said consideration to be included in the price of the transaction. Under IFRS 15, the Group shall separately present a liability for refunds and an asset for the right to recover the products thus sold to a customer on its statement of financial position.

- Volume Rebates
Grupo Sura does not record revenues from this type of transaction.
- Obligations for Guarantees
The Group generally grants guarantees for general repairs but does not offer extended guarantees as part of contractual arrangements with clients. Therefore, the existing guarantees shall continue to be recorded based on IAS 37, in accordance with current practice.
- Loyalty Programs
Grupo Sura does not recognize revenues from this type of transaction.

b. Revenues on services rendered

Insurance Companies

Property and casualty insurance

The car, household and fire solutions includes a component of services that do not correspond to insurance risks such as: transport due to injury or illness, travel and accommodation expense for a family member, travel expense due to the death of a family member, transport in the event of death, a professional driver, urgent message transmission, tow trucks, accommodation and transport due to car damage, accommodation and transport due to car theft, mobile workshop and locksmith services, localization and dispatch of spare parts, an appointed driver, assistance with traffic authorities, telephone assistance for traffic procedures, plumbing and electrical repairs, locksmith services, replaced window glass, security services, traveling expense in the case of breakdowns, legal assistance via helpline all of which are additional performance obligations under the requirements of IFRS 15. This is why the Company must assign a portion of the cost of complementary insurance services to the value of the premium received.

Based on the analyzes carried out, Grupo Sura concluded the following:

- That the reporting period would be adjusted so that premium revenues would be reduced by the same value corresponding to the cost of the complementary insurance services provided. Furthermore, the value of the complementary insurance services provided does not ex-

ceed 5% of the total premiums received. The Company believes that the application of IFRS 15 shall only affect the presentation of the financial statements and the amounts therein disclosed, since revenues from complementary services shall be recognized during the policy's term of coverage.

- The revenues obtained and allocated to the insurance business shall not be impacted upon adopting IFRS 15.

The Group decided to use the practical solution put forward in IFRS 15, and shall not adjust the value of the consideration for the pledged service so as to be able to account for the effects of a significant financing component tied to its contracts, when and as expected, at the beginning of the contract, since the time frame between when the Company transfers the goods or services pledged to the client and when the client subsequently pays for said goods or services is one year or less. Therefore, in the case of short-term advance payments, the amount of these payments shall not be adjusted even when the effect of the financing component is significant.

- These filing requirements represent a significant change in current practice and significantly increase the amounts to be disclosed in the financial statements. Many of the disclosure requirements of IFRS 15 are new and the Company has concluded that the impacts of some disclosure notes shall require additional efforts to be made on a process level.
- The Company concluded that the application of IFRS 15 shall not have any significant effect on the criteria used for recognizing and measuring revenues. The Company shall continue, in 2018, to evaluate its internal controls, changes to its systems and the updating of its policies and procedures so as to be able to unbundle the complementary service component from its insurance activities and thus be able to disclose the required information.
- The Company does not expect any changes, as a result of adopting this standard, to be made to other items included in its financial statements such as current tax, deferred items, assets held for sale and their corresponding liabilities, after tax gains or losses from discontinued operations for the year, investments in associates and joint ventures, as well as its share in the earnings or losses of said investments. However, should these be affected they shall be adjusted as necessary.

Life Insurance

The Company's main corporate purpose is to provide individual life insurance and reinsurance policies, based on the types and branches of insurance expressly authorized by law.

The following are some of the aspects and impacts obtained as a result of an evaluation carried out by the Company:

- The group life health care, classic collective health care, the global collective health care and the individual group health care solutions include a service component that does not correspond to insurance risks these being the EMI paramedic service, the Assist card and odontological treatments which constitute additional performance obligations under the requirements of IFRS 15. This is why the Company must assign a portion of the costs of these complementary insurance services to value of the premium received.

Outsourcing companies

The services provided by outsourcing companies are sold through separate contracts with clients or bundled with the sale of items of equipment. The Group currently records equipment and services as separate deliverables and allocates an amount for each deliverable using the relative fair value approach.

The Group evaluated the implications of IFRS 15 so that upon being adopted, the current reporting period would be adjusted so that revenues from sales of assets would increase by COP 586 due to reassigning a portion of the contractual consideration, which under IAS 18 and IAS 11 was previously allocated to installation services. The effect on previous reporting periods would consist of an increase of COP 639 in the opening balance of retained earnings

The Group concluded that services are delivered over time, taking into account that the client simultaneously receives and consumes the benefits of such. At the present time, revenues and accounts receivable are recognized, even though the total amount of the consideration to be paid depends on the services being successfully delivered.

c. Equipment Received from Clients

Sometimes the Group receives assets from clients as part of the services it provides. This equipment is recognized as property and equipment at fair value under IFRIC 18 "Transfer of assets by customers", with a corresponding increase in deferred revenue.

IFRS 15 requires that the fair value of these in-kind payments, received or expected to be received from the client, be included in the price of the corresponding transaction. The Group has concluded that upon adopting IFRS 15 this would have no effect on the amounts recognized for equipment received from clients.

d. Advance Payments Received from Clients

Generally-speaking, the Group only receives short-term advance payments from its clients. These advance payments are recorded under accounts payable, however, sometimes, the Group may receive long-term advance payments. Under its current accounting policy, the Group records these advance payments as deferred revenues that form part of non-current liabilities on its statement of financial position. No interest is calculated on long-term advance payments under the current policy.

Under IFRS 15, the Group must determine whether its contracts contain a significant financial component. However, the Group decided to use the practical solution put forward in IFRS 15, and shall not adjust the value of the consideration for the pledged service so as to be able to account for the effects of a significant financing component tied to its contracts, when and as expected, at the beginning of the contract, since the time frame between when the Company transfers the goods or services pledged to the client and when the client subsequently pays for said goods or services is one year or less. Therefore, in the case of short-term advance payments, the amount of these payments shall not be adjusted even when the effect of the financing component is significant.

e. Considerations in the case of an agent or principal

An analysis was carried out on whether the fund management firms act in a capacity as agent or principal. In the corresponding contracts, the Group does not consider that the principal is responsible for satisfying the client's expectations. The Group does not assume any risk before or after the service is provided to the client, bearing in mind that the fund management service is only rendered when the client has approved the purchase and when the fund directly takes over its mandate.

IFRS 15 requires the Group to evaluate whether it controls the specific goods or services before these are transferred to the client. The Group has determined that it does not control these goods before they are transferred and, therefore, acts as an agent in these contracts.

f. Presentation and Disclosure Requirements

The requirements for presentation and disclosure of the new standard are more detailed than those contained in the previous standard. These

filing requirements represent a significant change in current practice and significantly increase the amounts to be disclosed in the financial statements. Many of the disclosure requirements of IFRS 15 are new and the Group has concluded that the impact of some of these requirements shall be significant. More specifically, the Group expects that the notes to the financial statements shall be expanded due to having to disclose significant judgments applied in determining the transaction price for contracts that include variable considerations, as well as the manner in which the transaction price is to be distributed between the corresponding performance obligations and the assumptions used to estimate the independent selling price for each performance obligation. In addition to the above, more detailed disclosures must be made as a result of significant judgments used to evaluate all those contracts where the Group has concluded that (i) it acts as an agent rather than a principal; (ii) there is a significant financing component; and (iii) service guarantees are granted. Furthermore, and as required by IFRS 15, the Group shall unbundle the revenues recognized from contracts with clients, classifying these in the form of the nature, amount and timing of the revenues thus received as well as the degree of uncertainty affecting these and whether cash flows are affected by economic factors. Information regarding the relationship between the disclosed amounts of unbundled revenues and the revenues received from each reporting segment shall also be disclosed. In 2018 the Group shall continue to test the systems, internal controls, policies and procedures so as to gather and disclose the required information.

AMENDMENTS TO IAS 7 - DISCLOSURES

This amendment was included in Annex 1.2 to Decree 2420 of 2015, by means of Decree 2131 of 2016, which came into full force and effect as of January 1, 2018. This forms part of the IASB's disclosure initiative and requires the Group to disclose information that allows the users of its financial statements to evaluate changes in liabilities arising from financing activities, including changes that may or may not have arisen due to inflows or outflows of cash. Upon initially applying this amendment, companies would not be obliged to include comparative information from previous periods. The application of this amendment shall result in additional disclosures being included in the Group's financial statements.

RECOGNITION OF DEFERRED TAX ASSETS FOR UNREALIZED LOSSES - AMENDMENTS TO IAS 12

This amendment was included in Annex 1.2 to Decree 2420 of 2015, by means of Decree 2131 of 2016, which came into full force and effect as of January 1, 2018. This amendment establishes the need for a company to consider whether the current tax laws restrict the sources of taxable profits against which deductible temporary differences can be offset. It also provides guidance on how a company should determine its future taxable profits and explain the cir-

cumstances in which taxable profits may include recovered assets in amounts greater than their corresponding book values.

Companies should apply these amendments retrospectively, however, at the time when amendments are initially applied, the change in the opening balance of shareholders' equity for the first comparative period could be recognized in the opening balance of the retained earnings account (or in another equity account, as appropriate) without distributing the change between the opening balance of retained earnings and other components of equity. Should the Group avail itself of this exemption, it must duly disclose this fact. We do not expect this amendment to have any impact on the Group.

IFRS 16: LEASE RENTALS

IFRS 16 was issued by the IASB in January 2016 and replaces IAS 17, IFRIC 4, SIC 15 and SIC 27. This standard establishes the principles for recognizing, measuring, presenting and disclosing leases and requires lessees to account for all their leases using the same model of balance sheet as used to recognize financial leases under IAS 17. The standard includes two recognition exemptions for lessees: the leasing of low-value assets (for example, personal computers) and short-term leases (that is to say, leases carrying terms of less than 12 months). At the beginning of the lease, the lessee shall recognize a liability for the payment of lease rentals (lease liability) and an asset that would represent the right to use the underlying asset during the term of the lease (the right-of-use asset). Lessees must recognize the interest expense accruing on the lease liability separately from the depreciation expense on the right-of-use asset.

Lessees must also remeasure the lease liability when certain events arise (for example, a change in the term of the lease, a change in future rentals as a result of a change in the index or rate used to determine such rentals). The lessee shall generally recognize the amount of the remeasured lease liability as an adjustment to the right-of-use asset.

Accounting by lessors under IFRS 16 is not subject to any substantial amendments with respect to that made under IAS 17. Lessors shall continue to classify all their leases using the same classification principles as stipulated in IAS 17 and applied to both financial and operating leases.

IFRS 16 also requires lessees and lessors to include more extensive disclosures than those included under IAS 17. This standard has not as yet been introduced in the Colombian accounting framework by means of any decree to date. The Group is currently evaluating the potential effect of this standard on its financial statements.

IFRS 17: INSURANCE CONTRACTS

In May 2017, the IASB issued IFRS 17, a new comprehensive accounting standard for measuring, recognizing presenting and disclosing insurance contracts. Once it becomes effective, IFRS 17 shall replace IFRS 4, as issued in 2005. IFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as certain guarantees and financial instruments with discretionary participation features. This standard includes few exceptions.

The general objective of this standard is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Contrary to the requirements of IFRS 4, which are primarily aimed at protecting previous local accounting policies, IFRS 17 provides a comprehensive model for these contracts, including all relevant issues. At the core of this standard is a general model, supplemented by:

- † A specific adaptation for insurance contracts with direct participation features (variable fee approach)
- † A simplified approach (the premium allocation approach) mainly for short-term contracts

IFRS 17 has not as yet been introduced in the Colombian accounting framework by means of any decree to date. The Group is currently evaluating the potential effect of this standard on its financial statements.

TRANSFERS OF INVESTMENT PROPERTY- AMENDMENTS TO IAS 40

These amendments provide guidance for when a company must transfer properties, including properties under construction or investment properties. These amendments establish that a change in use occurs when the property begins to meet or fails to meet the definition of investment property and there is evidence of such change. A simple change in the intended use of the property on the part of Senior Management does not constitute evidence of a change in the actual use of the property in question. Companies must apply these amendments prospectively on any changes to the use of such property occurring as of the reporting period in which these amendments come into full force and effect. Companies must reevaluate the classification of their property on the aforementioned date and, wherever applicable, reclassify this to reflect the conditions existing at that time. These amendments have not as yet been introduced in the Colombian accounting framework by means of any decree to date. The Group shall apply these amendments on their corresponding effective dates, however, bearing in mind that the Group maintains these classifications up to date, we do not expect this to have any effect on our financial statements.

CLASSIFICATION AND MEASUREMENT OF SHARE-BASED PAYMENT TRANSACTIONS - AMENDMENTS TO IFRS 2

These amendments were issued by the IASB in response to three main areas of concern: the effects of the conditions for the irrevocability of the concession in measuring share-based payment transactions agreed on in cash, the classification of share-based payment transactions with net settlement characteristics for tax withholding obligations and recognizing when a modification to the terms and conditions of share-based payment transactions changes its classification from cash-settled to equity-settled.

Upon adoption, companies are required to apply these amendments without restating prior periods, but retrospective application is allowed if the companies are eligible for all three amendments and meet other criteria.

Grupo SURA does not record this type of transaction therefore this amendment does not apply to any of the companies belonging to the Group.

IFRS ANNUAL IMPROVEMENTS CYCLE - 2014-2016 (ISSUED IN DECEMBER 2016)

These improvements include:

IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Elimination of Short Term Exemptions for First Time Adopters

The short-term exemptions included in paragraphs E3-E7 of IFRS 1 were eliminated because they have already served their purpose. This standard has not as yet been introduced in the Colombian accounting framework by means of any decree to date and therefore is not applicable to the Group.

IAS 28 "Investments in Associates and Joint Ventures" - Clarifications that the measurement of investments in an associate or a joint venture at fair value through profit or loss must be carried out on an investment-by-investment basis

These amendments clarify the following:

- ¶ When the entity is a venture capital organization, or other qualifying entity, it may elect when initially recognizing each of its investments, whether to measure said investments in associates or joint ventures at fair value through profit or loss.
- ¶ Should an entity, that is not an investment entity, have any interests in an associate or joint venture that constitutes an investment entity, then the former entity may, upon applying the equity method, choose to accumu-

late the corresponding measurements at fair value applied by the latter investment entity to its associates or joint ventures. This election is done separately for each investment, on the earliest of the date on which the investment entity is initially recognized; the date on which the associate or joint arrangement becomes an investment entity; and the date on which the investment entity is recognized which investment associate or joint venture becomes a parent.

These amendments, to be applied retrospectively, have not as yet been introduced into the Colombian accounting framework by any decree to date. These amendments are not applicable to the Company.

APPLICATION OF IFRS 9 "FINANCIAL INSTRUMENTS" WITH IFRS 4 "INSURANCE CONTRACTS" - AMENDMENTS TO IFRS 4

These amendments address the problems encountered in applying the new financial instrument standard, IFRS 9, prior to implementing the IFRS 17 Insurance Contracts, which replaces IFRS 4. Here two options are introduced for entities that issue insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. A company may choose the overlay approach when it adopts IFRS 9 and apply this approach retroactively apply that approach to the financial assets that it should designate upon transitioning to IFRS 9. The Group currently restates comparative information to reflect the overlay approach and elected to re-state comparative information when applying IFRS 9.

IFRIC 22 - TRANSACTIONS IN FOREIGN CURRENCY AND ADVANCED CONSIDERATION

This interpretation clarifies that, the exchange rate to be used when initially recognizing an asset, expense or revenue (or portion thereof) when de-recognizing a non-monetary asset or a non-monetary liability relating to an advanced consideration, shall be that applicable on the transaction date, this being the date on which the entity initially recognizes the non-financial asset or liability for which the advanced consideration was initially recognized. If there are multiple payments or pre-payments, the entity must determine the date of the transactions corresponding to each payment. Companies can apply these amendments either retrospectively or prospectively for all assets, income and expenses that come under the scope of this standard, providing these were recognized as of:

- i. The beginning of the reporting period in which the company applies the interpretation for the first time, or
- ii. The beginning of the previous reporting period, to be presented as comparative information in the financial statements for the period in which this interpretation is applied for the first time.

This standard has not as yet been introduced in the Colombian accounting framework by means of any decree to date. Bearing in mind that the Group's current practice is in keeping with this interpretation, the Group does not expect this standard to have any effect on its financial statements.

IFRIC 23 UNCERTAINTY OVER INCOME TAX TREATMENTS

This interpretation addresses the recording of income tax when there is uncertainty regarding tax treatments that in turn affects the application of IAS 12. This does not apply to taxes or charges outside the scope of IAS 12, nor does it specifically include the interest and sanction requirements relating to uncertain tax treatments. This interpretation deals with the following:

- ¶ When the entity considers uncertain tax treatments separately
- ¶ The assumptions made by the entity regarding the corresponding authorities examining these tax treatments.
- ¶ The manner in which the entity determines taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and losses and tax rates.
- ¶ The manner in which the entity considers changes in events and circumstances.

A company must determine whether to evaluate each uncertain treatment either independently or collectively and must use the approach that best predicts the manner in which these uncertainties are to be resolved.

This standard has not as yet been introduced in the Colombian accounting framework by means of any decree to date. Bearing in mind that the Group operates in a complex tax environment, the application of this interpretation may affect its financial statements and disclosures. Furthermore, the Group must deploy certain processes and procedures in order to obtain the information that is needed so as to apply this interpretation in a timely manner.

NOTE 7. BUSINESS COMBINATIONS

7.1. BUSINESS COMBINATIONS CARRIED OUT IN THE PRESENT REPORTING PERIOD (2017)

On May 23, 2017, the subsidiary Hábitat Adulto Mayor S.A., which provides assisted living facilities for the elderly, acquired the assets of the Inversiones el Ciruelo, a geriatric home dedicated to the care of the elderly.

The Purchase Price Allocation (PPA) for this transaction was calculated in keeping with IFRS, more specifically IFRS 3 - Business Combinations. For the purpose of this analysis, the Company adopted the definition of fair value as contained in IFRS 13 - Fair Value Measurement.

IFRS 13 stipulates that fair value measurements must be based on the highest and best use of the asset on the part of market participants must be used, considering its physically possible, legally permissible and financially feasible use on the date this is measured.

The methodology used for determining the PPA (Purchase Price Allocation) was based on FRAS guidelines, in particular those concerning:

- ¶ IFRS 3 - Business Combinations
- ¶ IFRS 13-Fair Value Measurement
- ¶ IFRS 9 - Financial Instruments
- ¶ IAS 39 - Financial Instruments: Recognition and Measurement

Accordingly, we proceeded to measure the fair value of the identifiable assets acquired, the liabilities assumed, and the shares issued in the acquired company. For this purpose, an analysis was performed on the items involved in the transaction itself, bearing in mind the following:

Thus, Senior Management identified the following intangible assets to be recognized separately from goodwill: The client list consisted of Ciruelo's data base which shall now form part of Hábitat. This client list was classified as an intangible asset with a finite useful life.

The following table summarizes the PPA corresponding to the Ciruelo acquisition:

DESCRIPTION	VALUE
Property and equipment	109
Advance payments	58
Inventories	18
Accounts receivable	157
Client list (See Note 17.2)	1,413
Improvements to property and equipment	1,213
Amortization - client list	(79)
Depreciation of property and equipment	(27)
Accounts payable	(10)
Withholding tax	(103)
	2,749
Value Paid.	4,036
Goodwill (see Note 17.1)	1,287

The amount of deferred tax corresponding to this transaction comes to COP 43 million at the cut-off date.

7.2. BUSINESS COMBINATIONS CARRIED OUT IN REPORTING PERIODS PRIOR TO 2016

On September 8, 2015, Suramericana S.A. signed an agreement for acquiring the Latin American operations of RSA Insurance Group plc, for approximately USD 614 million (1.9 billion Colombian pesos), these consisting of the following companies:

Suramericana on February 29, 2016 through Inversiones Sura Brasil S.A. acquired 99.9997% of the shares belonging to the insurance company, Royal & Sun Alliance Seguros (Brazil), (now known as Seguros Sura S.A.).

Royal & Sun Alliance Seguros Colombia - RSA: on March 31, 2016, Suramericana acquired a 98.8309% stake in the share capital of this insurance company. Also, through this same acquisition, a stake of 98.8875% was indirectly obtained in Financia Expreso RSA S.A. a company dedicated to investing in personal property and real estate as well as other activities along with a 50.4227% stake in Protección Garantizada Ltda., an insurance brokerage.

On August 1, 2016, upon obtaining prior authorization from the Colombian Superintendency of Finance in the form of Resolution No. 0889 dated July 14, 2016, the company Royal & Sun Alliance Seguros S.A. (RSA) was taken over by Seguros Generales Suramericana S.A., the Group's insurance and reinsurance subsidiary in Colombia.

Royal & Sun Alliance Seguros Argentina - RSA: on April 30, 2016 Suramericana acquired a stake of 99.35% in this insurance company along with a 100% stake in Atlantis Sociedad Inversora S.A. a company engaged in investing in personal property and real estate as well as other activities, another 100% stake in Santa María del Sol S.A., also dedicated to investing in personal property and real estate as well as other activities and indirectly acquired a 99.99% stake in the insurance company Aseguradora de Créditos y Garantías.

Royal & Sun Alliance Seguros Chile - RSA: on April 30, 2016 Suramericana acquired 99.96% of the share capital of this insurance company, as well as a 100% stake in RSA Chilean Holding SpA, (now known as Chilean Holding Suramericana SPA), a company engaged in investing in personal property and real estate as well as other activities, another 100% stake in Inversiones RSA Chile Limitada, (now known as Inversiones Suramericana Chile Limitada), a company engaged in investing in personal property and real estate as well as other activities, and indirectly obtained a 100% stake in the insurance company, RSA Seguros de Vida S.A. together with a 100% stake in Servicios y Ventas Compañía Limitada.

Royal & Sun Alliance Seguros Mexico - RSA (now known as Seguros Sura, S.A. de C.V.): on May 31, 2016 Suramericana acquired a 100% stake in the share capital of this insurance firm.

Royal & Sun Alliance Seguros Uruguay S.A., on June 30, 2016 Suramericana acquired a 100% stake in the share capital of this insurance firm.

In 2015 and 2016, Suramericana recorded administrative expense on the integration of these recently acquired companies, this consisting on consultancy fees on the paperwork required, the expense of changing to the new brand as well as traveling expense on the part of HQ staff to the various countries. The total amount of expense thus incurred is broken down as follows:

ACQUISITION EXPENSE	TOTAL VALUE:	PERIOD
Integration expense (with RSA)	48,225	2016
Integration expense (with Banistmo Panamá)	5,732	2015

IDENTIFYING AND RECORDING INTANGIBLE ASSETS AND GOODWILL

The Purchase Price Allocation (PPA) for the aforementioned transactions was carried out pursuant to IFRS, specifically IFRS 3 - Business Combinations. For the purpose of this analysis, the Company adopted the definition of fair value as contained in IFRS 13 - Fair Value Measurement.

IFRS 13 stipulates that fair value measurements must be based on the highest and best use of the asset on the part of market participants must be used, considering its physically possible, legally permissible and financially feasible use on the date this is measured.

The methodology used for determining the PPA (Purchase Price Allocation) was based on FRAS guidelines, in particular those concerning:

- ¶ IFRS 3 - Business Combinations
- ¶ IFRS 4 - Insurance Contracts
- ¶ IFRS 13 - Fair Value Measurement
- ¶ IFRS 9 - Financial Instruments
- ¶ IAS 39 - Financial Instruments: Recognition and Measurement

Accordingly, we proceeded to measure the fair value of the identifiable assets acquired, the liabilities assumed, and the shares issued in the acquired company. For this purpose, an analysis was performed on the items involved in the transaction itself, bearing in mind the following:

- i. Investment valuations.
- ii. Accounts receivable valuations.
- iii. Fixed asset valuations.
- iv. Reinsurance asset valuations.
- v. Appraisals of reserves at fair value and adequacy tests.
- vi. Accounts payable valuations.
- vii. Identifying, recognizing and estimating the market value of intangible assets on the date the acquisition was performed.
- viii. Calculating goodwill.
- ix. Calculating deferred tax.

Thus, Senior Management identified the following intangible assets to be recognized separately from goodwill:

- ¶ VOBA (Value of Business Acquired): is an intangible asset that particularly applies to the insurance industry. This intangible asset corresponds to customer/client lists in the case of non-insurers. This type of asset has been duly identified and recognized in the corresponding valuations since it is a separable intangible asset that generates future economic benefits, control is exerted and it can be reliably measured. The valuation method used was the excess income approach adjusted for the insurance sector (Multi-Period Earnings).
- ¶ Affinity contracts. An affinity contract is an exclusive contractual relationship between two companies, that is entered into for the purpose of expanding the reach of the products and services offered through a mutual partnership.

An Affinity agreement with these companies provides the acquired companies with the economic benefits relating to the indirect sale of their insurance products (e.g. group and individual life, personal accident, fire and car insurance). These benefits are recognizable, separable, and measurable and therefore should be measured. Because the expiry dates and renewal policies vary according to each individual contract, a finite life was considered for these benefits, this based on their respective contractual descriptions.

- ¶ Software: this intangible represents the Company's own information system that was developed in-house. Software is an information tool that has a recognizable, measurable and separable value.
- ¶ Trademarks: a trademark is defined as any word, name, symbol or device, or combination thereof, adapted and used by a company to identify and manage the business, goods or services offered and / or to distinguish it from its competitors. Trademarks were included in the PPA because they have a recognizable, measurable and separable value.
- ¶ Operating licenses: this intangible represents the right to operate a company in a certain market. RSA Mexico holds a single license to operate two companies (Vida y Generales). The Mexican regulatory authorities currently do not grant licenses to operate Vida and Generales under the same corporate name.

The following table provides a summary of the corresponding Purchase Price Allocation (PPA):

	MEXICO			ARGENTINA			BRAZIL		
	CARRYING VALUE OF THE ACQUIRED COMPANY	RECOGNIZED FAIR VALUE	FAIR VALUE OF THE ACQUIRED COMPANY	CARRYING VALUE OF THE ACQUIRED COMPANY	RECOGNIZED FAIR VALUE	FAIR VALUE OF THE ACQUIRED COMPANY	CARRYING VALUE OF THE ACQUIRED COMPANY	RECOGNIZED FAIR VALUE	FAIR VALUE OF THE ACQUIRED COMPANY
Amount allocated / cash consideration			293,575			162,256			211,022
ASSETS									
Cash and cash equivalents	15,933	-	15,933	208,264	-	208,264	1,660	-	1,660
Investments and derivatives	283,512	-	283,512	309,106	-	309,106	264,829	-	264,829
Inventories	-	-	-	-	-	-	-	-	-
Accounts receivable	315,845	-	315,845	625,869	(7,452)	618,417	397,094	-	397,094
Property and equipment	42,860	-	42,860	8,412	-	8,412	6,792	-	6,792
Intangible assets	12,209	(980)	11,229	15,782	(12,000)	3,782	66,525	(11,044)	55,481
Identified intangible assets	-	72,520	72,520	-	51,592	51,592	-	28,011	28,011
Other assets	113,484	(16,727)	96,757	23,389	(6,477)	16,912	72,456	4,927	77,383
Total assets	783,843	54,813	838,656	1,190,822	25,663	1,216,485	809,356	21,894	831,250
LIABILITIES									
Accounts payable	122,551	(24)	122,527	228,658	(1,449)	227,209	220,656	259	220,915
Technical reserves	369,917	-	369,917	715,367	-	715,367	409,726	1,455	411,181
Deferred tax on identified intangible assets	-	21,756	21,756	-	18,057	18,057	-	12,605	12,605
Other liabilities	67,657	36	67,693	54,670	-	54,670	-	-	-
Total liabilities	560,125	21,768	581,893	998,695	16,608	1,015,303	630,382	14,319	644,701
Non-controlling interest						1,022			1.
Net acquired assets	223,718	33,045	256,763	192,127	9,055	200,160	178,974	7,575	186,548
Cash flow hedges on purchase transaction			(5,498)			15,613			16,096
Residual value of goodwill			31,314			(22,291)			40,570

	CHILE			RSA COLOMBIA			URUGUAY		
	CARRYING VALUE OF THE ACQUIRED COMPANY	RECOGNIZED FAIR VALUE	FAIR VALUE OF THE ACQUIRED COMPANY	CARRYING VALUE OF THE ACQUIRED COMPANY	RECOGNIZED FAIR VALUE	FAIR VALUE OF THE ACQUIRED COMPANY	CARRYING VALUE OF THE ACQUIRED COMPANY	RECOGNIZED FAIR VALUE	FAIR VALUE OF THE ACQUIRED COMPANY
Amount allocated / cash consideration			733,905			200,125			250,700
ASSETS									
Cash and cash equivalents	35,240	-	35,240	9,640	-	9,640	42,341	-	42,341
Investments and derivatives	499,162	-	499,162	204,494	(10,627)	193,867	129,629	-	129,629
Inventories	-	-	-	-	-	-	-	-	-
Accounts receivable	1,874,289	(70,136)	1,804,153	848,011	(156)	847,855	118,096	-	118,096
Property and equipment	35,202	(954)	34,248	11,554	(385)	11,169	5,167	-	5,167
Intangible assets	19,570	-	19,570	8,735	5,277	14,012	1,488	-	1,488
Identified intangible assets	-	242,323	242,323	-	33,453	33,453	-	74,165	74,165
Other assets	282,078	(31,547)	250,531	36,560	629	37,189	41,978	(578)	41,400
Total assets	2,745,541	139,686	2,885,227	1,118,994	28,191	1,147,185	338,699	73,587	412,286
LIABILITIES									
Financial obligations	-	-	-	3,778	-	3,778	-	-	-
Accounts payable	420,046	-	420,046	97,309	-	97,309	52,355	-	52,355
Contingent liabilities	-	-	-	18,603	-	18,603	-	-	-
Technical reserves	1,513,849	-	1,513,849	899,891	(52,427)	847,464	187,965	225	188,190
Labor liabilities	-	-	-	1,910	-	1,910	-	-	-
Deferred tax on identified intangible assets	-	63,610	63,610	-	13,381	13,381	-	18,541	18,541
Other liabilities	287,248	(229)	287,019	14,003	31,460	45,463	(25,798)	10,032	(15,766)
Total liabilities	2,221,143	63,381	2,284,524	1,035,494	(7,586)	1,027,908	214,522	28,798	243,320
Non-controlling interest			2,872			1,662			-
Net acquired assets	524,398	76,305	597,831	83,500	35,777	117,615	124,177	44,789	168,966
Cash flow hedges on purchase transaction			7,095			11,141			19,088
Residual value of goodwill			143,169			93,651			100,822

Breakdown of the revenues provided by these recently acquired companies:

	MEXICO	ARGENTINA	BRAZIL	CHILE	RSA COLOMBIA	URUGUAY
	2016	2016	2016	2016	2016	2016
FROM THE DATE OF ACQUISITION TO THE END OF THE PRESENT REPORTING PERIOD						
Revenue from normal business activities	445,343	1,018,104	613,865	1,840,655	730,201	184,792
Gains (losses),	(13,556)	24,630	(7,184)	(8,942)	5,610	4,768
FROM THE BEGINNING OF THE ANNUAL REPORTING PERIOD UNTIL THE PRESENT REPORTING PERIOD						
Revenue from normal business activities	641,392	1,933,214	692,927	2,381,886	910,060	328,675
Gains (losses),	(11,390)	30,571	(37,989)	49,162	6,856	11,732

Negative goodwill, calculated through the measurement of business combinations was recognized as income for the period in which the transaction was carried out.

In 2016, Suramericana S.A. recognized the initial amounts associated with the business combinations carried out as a result of having acquired RSA's operations in Latin America, with regard to which it is worthwhile noting that at the end of that reporting period it had not been possible to definitely confirm the fair value of the insurance reserves held by these cash generating units (CGUs) and bearing in mind that IFRS 3 grants a maximum measurement period of one year for making the necessary adjustments to the initially recognized amounts. The aforementioned table show the final figures, which were duly adjusted in 2017,

NOTE 8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for Grupo SURA and Subsidiaries are broken down as follows:

	2017	2016
Cash and cash equivalents	8,064	2,868
Domestic banks	910,333	1,325,797
Foreign banks	310,103	449,869
Cash equivalents ^(*)	344,943	287,975
Cash and cash equivalents	1,573,443	2,066,509
Restricted cash	14,846	450
Cash and cash equivalents posted in the Statement of Cash Flows	1,588,289	2,066,959

(*) Including checks, special investment funds, fiduciary rights and other cash equivalents.

Restricted cash

Restricted cash at the end of the reporting period is broken down as follows:

RESTRICTION DETAILS	COUNTRY	TOTAL RESTRICTED CASH - 2017
Garnished securities	Dominican Republic	309
Commission-related hedge funds - Foreign Brokerage Firm	Peru	826
Institutional Pension Funds (See Note 20)	Colombia	13,711
Total		14,846

RESTRICTION DETAILS	COUNTRY	TOTAL RESTRICTED CASH - 2016
Garnished bank accounts	Colombia	321
Funds used to pay taxes to SUNAT	Peru	98
Commission-related hedge funds - Foreign Brokerage Firm	Peru	31
Total		450

Bank accounts bear interest at variable rates based on daily bank deposit rates. Short-term loans are issued for periods of between one day and three months depending on the immediate cash needs of Grupo Sura and its Subsidiaries, all of which bear interest at the applicable short-term lending rates.

EXPLANATORY CASH FLOW NOTES:

The following is a breakdown of some of the cash flow balances held:

Depreciation and Amortization

AMORTIZATIONS	2017	2016
Amortization expense (See income statement)	(289,220)	(240,210)
Amortization costs (Note 30.2)	(1,083)	(1,031)
Other items	(254)	(9,297)
Total amortizations (Note 17)	(290,557)	(250,538)
DEPRECIATION		
Depreciation expense (See income statement)	(79,596)	(68,812)
Depreciation costs (Note 30.2)	(557)	(176)
Other items	285	1.
Total depreciation (Note 16)	(79,868)	(68,987)
Movements to DAC	(168,476)	(1,308,204)
Balance held	(538,901)	(1,627,729)
Saldo Flujo de efectivo	(538,901)	(1,627,729)

Cash flows used to obtain control over subsidiaries or other businesses

	2017	2016
Acquired associates (Note 18.2.1.)	3,648	-
Acquired minority interests (see statement of changes to shareholders equity)	1,079,057	1,761,521
Other items	-	2,048
Total acquired subsidiaries and associates	1,082,705	1,763,569

Other cash receipts on sales of equity or debt securities belonging to other entities

	2017	2016
Sale of investments (Note 9.1.2.)	(12,250,490)	(3,883,419)
Gains on sale of investments (Note 31)	(139,852)	(130,955)
Other items	-	(216,389)
Total acquired subsidiaries and associates	(12,390,342)	(4,230,763)

NOTE 9. FINANCIAL INSTRUMENTS

The methodologies and assumptions used to determine the value of financial instruments not recorded at fair value in the financial statements (i.e., items at amortized cost as well as loans and accounts receivable) are as follows.

Assets whose fair value is approximated to their book value

For short-term financial assets (maturing in less than three months), demand deposits and savings accounts with no specific maturity, the carrying amounts in books are approximated to their fair value. In the case of fixed income securities carrying terms of more than three months, these are measured and their carrying values are adjusted to reflect the change in their initial measurements.

Financial instruments at agreed rates

The fair value of fixed income assets measured at amortized cost is calculated by comparing the market interest rates when they were first recognized with current market rates for similar financial instruments.

Financial liabilities whose fair value is approximated to their book value

In the case of short-term obligations, their carrying amounts approximate their fair value.

With regard to loans bearing variable interest rates, their carrying amounts correspond to approximations of their fair values. As for loans bearing fixed interest rates, the market interest rates for similar loans do not differ to a significant degree, therefore, their carrying amounts correspond to reasonable approximations of their fair value.

9.1. FINANCIAL ASSETS

The following table shows a breakdown of current and non-current financial assets:

Year-end 2016

CURRENT	FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS AT FAIR VALUE		CASH AND CASH EQUIVALENTS	TOTAL
		RESULTS	EQUITY		
Cash and cash equivalents (Note 8)	-	-	-	1,573,443	1,573,443
Investments	29,298	8,388,845	24,529	-	8,442,672
Accounts receivable	6,119,629	-	-	-	6,119,629
Accounts receivable due from related parties ⁽¹⁾	39,726	-	-	-	39,726
Derivatives	-	22,001	-	-	22,001
Total current financial assets	6,188,653	8,410,846	24,529	1,573,443	16,197,471
NON-CURRENT	FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS AT FAIR VALUE		CASH AND CASH EQUIVALENTS	TOTAL
		RESULTS	EQUITY		
Restricted cash (Note 8)	-	-	-	14,846	14,846
Investments	14,907,394	3,527,065	49,086	-	18,483,545
Accounts receivable	94,117	-	-	-	94,117
Derivatives	-	123,708	-	-	123,708
Total non-current financial assets	15,001,511	3,650,773	49,086	14,846	18,716,216
Total financial assets	21,190,164	12,061,619	73,615	1,588,289	34,913,687

Year-end 2016

CURRENT	FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS AT FAIR VALUE		CASH AND CASH EQUIVALENTS	TOTAL
		INCOME	EQUITY		
Cash and cash equivalents (Note 8)	-	-	-	2,066,509	2,066,509
Investments	107,174	2,933,046	3,156,252	-	6,196,472
Accounts receivable	5,084,758	-	-	-	5,084,758
Accounts receivable due from related parties ⁽¹⁾	89,249	-	-	-	89,249
Derivatives	-	56,562	-	-	56,562
Total current financial assets	5,281,181	2,989,608	3,156,252	2,066,509	13,493,550

NON-CURRENT	FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS AT FAIR VALUE		CASH AND CASH EQUIVALENTS	TOTAL
		INCOME	EQUITY		
Restricted cash (Note 8)	-	-	-	450	450
Investments	16,110,942	1,894,573	1,996,254	-	20,001,769
Accounts receivable	328,086	-	-	-	328,086
Derivatives	-	574,531	-	-	574,531
Total non-current financial assets	16,439,028	2,469,104	1,996,254	450	20,904,836
Total financial assets	21,720,209	5,458,712	5,152,506	2,066,959	34,398,386

(1) Accounts receivable due from related parties consist of outstanding dividends receivable from associates as shown below:

	2017	2016
Grupo Nutresa S.A.	21,601	20,145
Inversiones Argos S.A.	17,789	16,469
Others	336	574
Bancolombia S.A.	-	52,061
Total dividends receivable	39,726	89,249

The maturities of the financial obligations held at year-end are shown as follows:

2017	LESS THAN 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Cash and cash equivalents	1,573,443	12,987	-	1,859	1,588,289
Investments	8,442,672	239,281	3,310,342	14,933,922	26,926,267
Trade receivables	6,159,355	6,413	25,169	62,535	6,253,472
Other financial assets	22,001	60,266	122	63,320	145,710
Total	16,197,471	318,947	3,335,633	15,061,636	34,913,687
2016	LESS THAN 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Cash and cash equivalents	2,066,509	450	-	-	2,066,509
Investments	6,196,471	479,955	6,788,551	12,733,264	26,198,241
Trade receivables	5,172,450	13,673	32,013	283,957	5,502,093
Other financial assets	58,120	36,399	169,024	367,550	631,103
Total	13,493,550	530,477	6,989,588	13,384,771	34,398,386

The following shows these financial liabilities based on their fair value hierarchy:

2017	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments	9,356,911	2,567,380	65,234	11,989,525
Other financial assets	63,443	82,266	-	145,709
Total	9,420,354	2,649,646	65,234	12,135,234
2016	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments	7,724,183	2,080,984	174,958	9,980,125
Other financial assets	489,368	141,725	-	631,093
Total	8,213,551	2,222,709	174,958	10,611,218

Details of how fair value is determined:

Level 1 - Prices quoted on active markets

Inputs for Level 1 consist of unadjusted prices quoted on active markets for identical assets and liabilities. An active market is one in which transactions for the asset or liability in question occur frequently providing sufficient volume on which to provide pricing information

This level includes investments and derivatives, with stock exchange listed prices, that are classified as highly liquid securities.

Level 2 - Modeling with input data from observable markets

Level 2 inputs are those other than quoted prices belonging to Level 1 that are observable for the asset or liability in question, either directly or indirectly. Inputs for Level 2 include:

- Prices quoted for similar assets or liabilities on active markets;
- Prices quoted for identical or similar assets or liabilities, but on non-active markets; and input data other than quoted prices, e.g. interest rates and terms

Level 3 - Modeling with unobservable inputs

Inputs for Level 3 are unobservable for the asset and liability in question. These can be used to determine fair value when observable inputs are not available. These valuations reflect assumptions that the business unit makes based on other market participants i.e. earnings on non-listed shares.

The following table shows the valuation techniques used to determine the fair values corresponding to Level 3 of the fair value hierarchy, together with the non-observable variables used in the valuation models

DESCRIPTION	VALUATION APPROACHES	NON-OBSERVABLE VARIABLE
ASSETS		
Negotiable or designated		
Low-liquidity shares	Attributed cost	Market price
Fixed-Term Deposits	Internal rate of return	Market rate

Financial assets on an individual country basis is shown as follows:

YEAR-END 2017	ARGENTINA	BERMUDA	BRAZIL	CHILE	COLOMBIA	CU- RAÇAO	SPAIN	HO- LLAND	MEXICO	PANAMA	PERU	DOM. REP.	EL SAL- VADOR	URU- GUAY	TOTAL
Cash and cash equivalents	27,068	20,228	5,655	185,341	955,138	542	2,155	249	156,598	72,348	63,706	18,139	70,127	10,995	1,588,289
Investments	612,573	13,644	276,673	11,617,109	9,409,569	-	-	-	2,978,304	521,842	915,714	69,042	264,708	247,039	26,926,217
Other financial assets	-	-	-	63,443	82,266	-	-	-	-	-	-	-	-	-	145,709
Trade and other receivables due from related parties	587,788	5,271	397,301	1,802,639	2,567,617	-	-	-	292,997	163,534	42,257	120,360	91,393	182,315	6,253,472
	1,227,429	39,143	679,629	13,668,532	13,014,590	542	2,155	249	3,427,899	757,724	1,021,677	207,541	426,228	440,349	34,913,687
YEAR-END 2016	ARGENTINA	BERMUDA	BRAZIL	CHILE	COLOMBIA	CU- RAÇAO	SPAIN	HO- LLAND	MEXICO	PANAMA	PERU	DOM. REP.	EL SAL- VADOR	URU- GUAY	TOTAL
Cash and cash equivalents	23,398	15,875	5,759	171,137	1,507,146	324	3,163	552	106,164	112,380	59,594	19,770	29,565	12,132	2,066,959
Investments	549,238	-	312,936	9,412,007	8,189,545	-	-	-	2,368,616	452,582	4,339,795	65,336	281,498	226,688	26,198,241
Other financial assets	-	-	-	489,368	141,725	-	-	-	-	-	-	-	-	-	631,093
Trade and other receivables due from related parties	553,536	-	217,755	1,494,706	2,072,435	-	-	-	304,810	176,583	321,418	106,863	86,257	167,730	5,502,093
	1,126,172	15,875	536,450	11,567,218	11,910,851	324	3,163	552	2,779,590	741,545	4,720,807	191,969	397,320	406,550	34,398,386

9.1.1. Investments

Investments are broken down as follows

	2017	2016
Domestic issuers	15,949,742	14,228,565
TES government bonds	3,906,573	4,666,556
Foreign issuers	4,281,075	4,782,579
Legal reserve requirement (pension funds) - investments at fair value through profit and loss	2,323,177	1,943,249
Other securities issued by the Colombian Government	433,318	531,332
Others	32,938	48,149
Impairment of equity investments through Other Comprehensive Income (Note 9.2)	(276)	(567)
Impairment (Note 9.2)	(330)	(1,622)
	26,926,217	26,198,241

The movements recorded in the investment account are shown as follows:

Balance at December 31, 2015	21,723,891
Additions	8,260,019
De-recognitions	(3,883,419)
Interest	(144,185)
Valuations of financial assets (net)	725,048
Valuations of equity investments (Note 26.3)	(829)
Translation differences	(482,284)
Balance at December 31, 2016	26,198,241
Additions	10,567,068
De-recognitions	(12,250,490)
Interest	(638,696)
Impairment	(9,591)
Valuations of financial assets (net)	794,980
Valuations of equity investments (Note 26.3)	(91)
Dividends received	(607)
Valuation at amortized cost	955,968
Translation differences	1,309,435
Balance at December 31, 2017	26,926,217

9.1.2. Trade and other accounts receivable

The following is a breakdown of the accounts receivable account at year-end:

	2017	2016
Insurance business	4,649,207	4,049,496
Receivables	408,092	358,494
Client payments - consumer	327,326	280,319
Judicial deposits	276,110	63,203
Miscellaneous	250,801	174,603
Business checking accounts:	205,438	182,056
Commissions	139,498	124,820
Employees	58,569	39,648
Client payments - housing	54,334	51,014
Loan portfolio	38,441	304,233
Lease rentals	12,848	6,189
Advanced payments - contracts and suppliers	12,297	6,905
Stock Brokerage firm	5,108	-
Interest	1,050	63
Impairment on other items of loan portfolio	(221)	(23,159)
General impairment	(573)	(812)
Impairment accounts receivable - consumer	(1,836)	(1,505)
Impairment other accounts receivable	(23,483)	(16,867)
Impairment insurance accounts receivable	(69,961)	(76,307)
Impairment trade receivables	(129,299)	(109,557)
Sales of goods and services	-	8
	6,213,746	5,412,844

9.2. IMPAIRMENT TO FINANCIAL ASSETS

Impairment to financial assets is broken down as follows:

	2017	2016
Impairment to accounts receivable	225,373	228,207
Impairment to investments	606	2,189
	225,979	230,396

The following table shows a reconciliation of the impairment sustained to financial assets:

	ACCOUNTS RECEIVABLE	INVESTMENTS	TOTAL
Balance held at January 01, 2016	161,909	5,594	167,503
Impairment additions for the period	92,102	32	92,134
Valuations and other adjustments	3,497	-	3,497
Recovered amounts	(25,842)	(2,770)	(28,612)
Exchange differences	(3,459)	(667)	(4,126)
Closing balance at year-end 2016	228,207	2,189	230,396
Impairment additions for the period	65,071	1	65,072
Valuations and other adjustments	(19,100)	-	(19,100)
Recovered amounts	(49,135)	(1,493)	(50,628)
Exchange differences	330	(91)	239
Closing balance - December 31, 2017	225,373	606	225,979

The following is a breakdown of impairment to financial assets based on their maturity:

	LESS THAN 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Impairment to accounts receivable	81,187	68,118	33,743	42,325	225,373
Impairment to investments	606	-	-	-	606
Total	81,793	68,118	33,743	42,325	225,979

9.3. FINANCIAL LIABILITIES

The table below shows the financial liabilities held by Grupo SURA:

	NOTE	2017	2016
Other financial liabilities	9.3.1.	2,206,051	3,705,478
Trade and other account payables	9.3.2.	2,881,223	2,607,370
Accounts payable to related parties	25	2,378	68,096
Issued securities	23	7,836,685	6,038,924
		12,926,337	12,419,868

Current and non-current financial liabilities are broken down as follows:

Year-end 2017

CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASE RENTALS	TOTAL
Lease rentals (*)	-	-	36,479	36,479
Derivatives (*)	-	1,893	-	1,893
Accounts payable	2,881,191	-	-	2,881,191
Accounts payable to related parties	2,378	-	-	2,378
Other financial liabilities (*)	1,037,090	-	-	1,037,090
Total	3,920,659	1,893	36,479	3,959,031
NON-CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASE RENTALS	TOTAL
Lease rentals (*)	-	-	63,334	63,334
Derivatives (*)	-	168,794	-	168,794
Accounts payable	32	-	-	32
Other financial liabilities (*)	898,461	-	-	898,461
Issued securities	7,836,685	-	-	7,836,685
Total	8,735,178	168,794	63,334	8,967,306
Financial liabilities	12,655,837	170,687	99,813	12,926,337

Year-end 2016

CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASE RENTALS	TOTAL
Lease rentals (*)	-	-	31,707	31,707
Derivatives (*)	-	21,653	-	21,653
Accounts payable	2,600,487	-	-	2,600,487
Accounts payable to related parties	68,096	-	-	68,096
Financial obligations (*)	2,488,967	-	-	2,488,967
Total	5,157,550	21,653	31,707	5,210,910
NON-CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASE RENTALS	TOTAL
Lease rentals (*)	-	-	86,253	86,253
Derivatives (*)	-	587,933	-	587,933
Accounts payable	6,883	-	-	6,883
Financial obligations (*)	488,965	-	-	488,965
Issued securities	6,038,924	-	-	6,038,924
Total	6,534,772	587,933	86,253	7,208,958
Financial liabilities	11,692,322	609,586	117,960	12,419,868

The maturities of the financial obligations held at year-end are shown as follows:

2017	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Lease rentals ⁽¹⁾	36,479	52,553	10,781	99,813
Derivatives ⁽¹⁾	1,893	79,974	88,820	170,687
Other accounts payable	2,881,191	32	-	2,881,223
Accounts payable to related parties	2,378	-	-	2,378
Financial obligations (*)	1,037,090	890,107	8,354	1,935,551
Bonds and securities	-	546,889	7,289,796	7,836,685
Total	3,959,031	1,569,555	7,397,751	12,926,337

2016	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Lease rentals ⁽¹⁾	31,707	74,958	11,295	117,960
Derivatives ⁽¹⁾	21,653	126,796	461,137	609,586
Other accounts payable	2,600,487	6,883	-	2,607,370
Accounts payable to related parties	68,096	-	-	68,096
Financial obligations ⁽¹⁾	2,488,967	488,564	401	2,977,932
Bonds and securities	-	2,799,829	3,239,095	6,038,924
Total	5,210,910	3,497,030	3,711,928	12,419,868

These financial liabilities at fair value correspond to derivatives classified in Level 2 of the fair value hierarchy. The majority of these are valued by discounting their present value at market rates or using the Black-Scholes methodology.

Financial liabilities per individual country are shown as follows:

YEAR-END 2017	ARGENTINA	BERMUDA	BRAZIL	CHILE	COLOMBIA	CURAÇAO	SPAIN	HOLLAND	MEXICO	PANAMA	PERU	DOMINICAN REPUBLIC	EL SALVADOR	URUGUAY	TOTAL
Financial obligations ^(*)	-	-	-	42,236	1,787,166	-	-	-	-	47,331	46,834	11,942	42	-	1,935,551
Derivatives ^(*)	-	-	-	42	170,645	-	-	-	-	-	-	-	-	-	170,687
Lease rentals ^(*)	-	-	-	10,877	41,054	-	-	-	-	47,882	-	-	-	-	99,813
Trade and other account payables	217,723	23,486	120,351	1,035,528	1,038,386	9	-	-	146,751	66,974	55,231	77,388	46,564	52,832	2,881,223
Accounts payable to related parties	1	-	743	-	1,535	-	-	-	-	-	-	-	99	-	2,378
Issued securities	-	-	-	-	3,809,137	1,496,386	-	-	-	2,531,162	-	-	-	-	7,836,685
	217,724	23,486	121,094	1,088,683	6,847,923	1,496,395	-	-	146,751	2,693,349	102,065	89,330	46,705	52,832	12,926,337
2016	ARGENTINA	BERMUDA	BRAZIL	CHILE	COLOMBIA	CURAÇAO	SPAIN	HOLLAND	MEXICO	PANAMA	PERU	DOMINICAN REPUBLIC	EL SALVADOR	URUGUAY	TOTAL
Financial obligations ^(*)	-	-	-	-	2,938,648	-	-	-	-	-	27,235	12,003	46	-	2,977,932
Derivatives ^(*)	-	-	-	474,398	135,188	-	-	-	-	-	-	-	-	-	609,586
Lease rentals ^(*)	-	-	-	13,211	53,575	-	-	-	-	51,174	-	-	-	-	117,960
Trade and other accounts payable	196,395	140	125,206	935,004	849,498	16	108	94	189,006	69,107	83,304	73,481	39,894	46,117	2,607,370
Accounts payable to related parties	1	-	758	181	66,894	-	-	-	-	163	-	-	99	-	68,096
Issued securities	-	-	-	-	1,984,306	1,503,425	-	-	-	2,542,192	9,001	-	-	-	6,038,924
	196,396	140	125,964	1,422,794	6,028,109	1,503,441	108	94	189,006	2,662,636	119,540	85,484	40,039	46,117	12,419,868

(*) forming part of a group of other financial liabilities that includes leases, derivatives and financial obligations.

9.3.1. Other financial liabilities

The other financial liabilities account is broken down as follows

	NOTE	2017	2016
Financial leasing arrangements	10	99,813	117,960
Derivatives	14	170,687	609,586
Financial obligations	(1)	1,935,551	2,977,932
		2,206,051	3,705,478

The movements recorded in the other financial liabilities account are shown as follows:

Balance at December 31, 2015	2,627,940
Loans received	4,176,502
Interest paid	(180,703)
Accrued interest	142,827
Loans paid	(2,911,539)
Valuations	(175,375)
Exchange differences	26,143
Overdrafts	(317)
Balance held at year-end 2016	3,705,478
Loans received	2,689,365
Interest paid	(132,845)
Accrued interest	143,879
Loans paid	(4,281,512)
Leasing payments	(949)
Valuations of derivatives	63,449
Exchange differences	19,186
Balance held at December 31, 2017	2,206,051

Grupo SURA had not defaulted on any payments of principal, interest and other amount owing on its financial liabilities at year-end 2017 and 2016.

(1) The maturities and description of the financial obligations held at year-end 2017 and 2016 are as follows:

FINANCIAL INSTITUTION	INTEREST RATE	MATURITY	2017	2016
BBVA España	LIBOR + 1.25% /1.5%	2020	298,974	300,280
Banco de Bogotá S.A.	IBR + +2.40%	2019	287,705	289,664
Bancolombia S.A.	IBR + 2.24%	2020	227,396	-
Bancolombia S.A.	IBR + 2.18%	2020	200,343	-
Banco de Bogotá S.A.	CPI + 2.85%	2018	159,999	160,001
BBVA S.A.	7.70%	2020	104,491	138,288
Banco de Bogotá S.A.	DTF + 1.39%	2018	91,501	90,000
Overdrafts / Repos	0.00%	N/A	80,920	6,975
Banco de Bogotá S.A.	IBR + 1.78%	2018	61,999	-
Banco de Crédito del Perú	TEA 2,090%	2018	46,837	-
Banco Popular S.A	IBR + 2.0%	2018	36,068	36,025
Banco de Bogotá S.A.	IBR+1.78%	2018	34,999	35,000
Banco de Bogotá S.A.	N/A	2018	33,880	-
Bancolombia Panamá	LIBOR + 0.9%	2018	29,618	-
Banco de Bogotá S.A.	3 mth IBR + 3.21%	2018	25,133	25,102
Banco Popular S.A	CPI + 4%	2018	25,133	-
Banco de Bogotá S.A.	3 mth IBR + 2.80%	2018	20,106	20,081
Bancolombia S.A.	1 mth IBR + 2.0%	2018	15,080	-
Itaú Corpbanca Colombia S.A	CPI + 4%	2018	15,080	-
Bancolombia S.A.	1 mth IBR + 2.05%	2018	15,080	-
Itaú Corpbanca Colombia S.A	3.35%	2018	11,941	-
Banco Popular S.A	1 mth IBR + 3%	2018	11,361	15,328
Bancolombia S.A.	1 mth IBR + 2.0%	2018	11,057	-
Bancolombia S.A.	1 mth IBR + 2.14%	2018	10,053	-
Bancolombia S.A.	1 mth IBR + 2.85%	2018	10,053	-
Banco Popular S.A	1 mth IBR + 2.0%	2018	10,053	15,061
Bancolombia Panamá	LIBOR + 0.9%	2018	8,970	-
Bancolombia S.A.	IBR + +3.20%	2018	7,003	-
Banco de Bogotá S.A.	N/A	2018	5,225	16,390
Banco Popular S.A	CPI + 4%	2018	5,027	-
Banco Av Villas S.A.	1 mth IBR + 3.20%	2018	5,026	-
Bancolombia S.A.	8.58%	2022	4,522	-
Bancolombia S.A.	IBR + +3.30%	2018	4,519	-
Banco Popular S.A	CPI + 4%	2018	4,012	-
Bancolombia S.A.	IBR + +3.79%	2018	3,352	3,352
Bancolombia Panamá	LIBOR + 0.9%	2018	2,992	-
Bancolombia Panamá	LIBOR + 0.95%	2018	2,400	-
Bancolombia Panamá	LIBOR + 0.8%	2018	1,792	-
Bancolombia Panamá	LIBOR + 0.95%	2018	1,559	-

FINANCIAL INSTITUTION	INTEREST RATE	MATURITY	2017	2016
Bancolombia S.A.	7.01%	2018	1,506	-
Bancolombia S.A.	IBR + +4.40%	2020	1,336	1,850
Factoring Bancolombia	N/A	2018	902	-
Bancolombia S.A.	IBR + +4.30%	2022	511	601
Bancolombia S.A.	33.39%	2018	17	-
Bancolombia S.A.	30.91%	2018	12	-
Bancolombia S.A.	33.39%	2018	7	-
Bancolombia S.A.	33.39%	2018	1	-
Banco Av Villas S.A.	DTF qtly in adv.+ 3.46%	2017	-	15,061
Banco de Occidente S.A	DTF qtly in adv + 3.37%	2017	-	15,061
Helm Bank Panamá S.A	3.35%	2017	-	12,003
Banco Av Villas S.A.	DTF E.A.R. + 3.70%	2017	-	11,043
Banco de Bogotá S.A.	DTF qtly in adv + 3.35%	2017	-	10,041
Banco Popular S.A	DTF qtly in adv + 3.15%	2017	-	10,041
Banco Popular S.A	1-mth IBR + 3,25	2017	-	5,020
Banco Av Villas S.A.	DTF EAR 3.51	2017	-	5,019
Banco Popular S.A	1 mth IBR + 3%	2017	-	4,000
Helm Bank Panamá S.A	6-mth LIBOR + 1.77%	2017	-	1,511
Bancolombia Panamá	LIBOR + 1.47%	2017	-	246,433
Citigroup Global Market	LIBOR + 0.45%	2017	-	220,977
Davivienda S.A.	LIBOR+ 1.50%	2017	-	136,237
Citigroup Global Market	LIBOR + 0.45%	2017	-	54,122
Bancolombia Panamá	LIBOR+ 1.68%	2017	-	180,043
Bancolombia Panamá	6-mth LIBOR + 2.7%	2018	-	135,032
Davivienda Miami	LIBOR+ 1.75%	2017	-	30,007
Alimentos y Bebidas Gourmet SAC	0.00%	2020	-	48
Huawei del Perú S.A.C.	0.00%	2020	-	75
Kennedys Law Perú Soc. Civil de Resp Ltd.	0.00%	2020	-	33
Gallagher Jao Corredores de Reaseugros S.A.	0.00%	2020	-	72
Mapfre Perú	0.00%	2020	-	171
Banco de Bogotá S.A.	IBR + 3.17%	2017	-	87,000
Banco de Bogotá S.A.	IBR + 3.17%	2017	-	39,999
Banco de Bogotá S.A.	IBR + 3.26%	2017	-	124,601
BBVA S.A.	11%	2017	-	36,999
BBVA S.A.	CPI + 3.1%	2017	-	27,000
Davivienda S.A.	CPI + 2.1%	2017	-	103,467
Banco de Bogotá S.A.	DTF + 3.69%	2017	-	69,001
Davivienda S.A.	CPI + 2.7%	2017	-	12,201
Davivienda S.A.	CPI + 2.7%	2017	-	42,799
Itaú Corpbanca Colombia S.A	DTF + 3.59%	2017	-	14,001
Davivienda S.A.	CPI + 3.4%	2017	-	44,999
Davivienda S.A.	CPI + 3.4%	2017	-	44,999

FINANCIAL INSTITUTION	INTEREST RATE	MATURITY	2017	2016
Banco de Bogotá S.A.	CPI + 2.75%	2017	-	20,000
Banco de Bogotá S.A.	CPI + 2.98%	2017	-	27,000
Banco de Crédito del Perú	TEA 6,135%	2017	-	26,835
Bancolombia S.A.	11.02%	2017	-	1,004
Bancolombia S.A.	11.02%	2017	-	500
Bancolombia S.A.	11.02%	2017	-	2,008
Helm Bank	11.28%	2017	-	2,501
Helm Bank	10.80%	2017	-	2,002
Helm Bank	10.80%	2017	-	1,502
Factoring Bancolombia	N/A	2017	-	1,425
Bancolombia S.A.	28.92%	2017	-	34
Bancolombia S.A.	28.92%	2017	-	7
			1,935,551	2,977,932

9.3.2. Trade and other accounts payable

The following is a breakdown of the accounts payable account:

	2017	2016
Foreign reinsurers - current account	885,825	771,499
Commissions	400,811	343,083
Suppliers	277,097	234,524
Others*	273,931	310,839
Settled claims pending payment	160,278	146,475
Commissions	116,045	93,078
Installments on retirement pensions	108,804	87,897
Ceded co-insurance- current account	100,653	103,365
Services	93,877	92,561
Withholding tax	48,796	47,538
Deposits- policies	45,962	22,844
Obligations in favor of life insurance policy-holders	45,738	20,081
Ceded premiums payable	44,779	47,959
Fosyga	40,988	40,322
Uncollected drawn checks	25,590	19,721
On collected premiums	25,185	24,062
Fund members and beneficiaries	19,202	17,530
Services	17,627	21,332
Fees	16,783	41,838
Pension funds	16,245	14,660
Health care institutions	14,148	13,067
National Road Safety Fund	11,438	11,722
Advertising and publicity	10,575	4,613

	2017	2016
Withholdings and payroll contributions	10,401	9,041
Traffic accident settlements	9,735	8,469
Policy applications	8,355	5,059
Premiums receivable on ceded co-insurance	7,896	13,081
Health care entities	7,665	5,812
State or government creditors	5,758	4,851
Other deposits	5,367	1,790
Deposits retained from domestic reinsurers	5,133	29
Accepted co-insurance current account	4,406	12,679
Contributions to family welfare and apprentice institutes	4,390	3,832
Dividends due to life insurance policy-holders	4,321	4,112
Employee fund	1,192	996
Colpensiones	1,086	953
National Fire-fighter Fund	987	1,039
Lease rentals	861	427
Cooperatives	692	35
Worker´s compensation fund	607	533
Foreign ceding companies - current account	534	88
Sustainability rate for Ministry of Transport Registrations	365	341
Insurance	343	196
Accounts payable on joint operations	266	349
Legal	161	107
Labor unions	122	113
Maintenance and repairs	102	100
Collections on automatic disenrollments	68	68
Traveling expense	14	2
Other trade associations	10	-
On other transactions	8	55
Legal expense	1	5
Superintendencia Financiera de Colombia (Colombian Superintendency of Finance)	-	47
Worker´s compensation fund	-	1,016
Health care entities	-	1,535
	2,881,223	2,607,370

(*) Miscellaneous trade payables mainly include installments on retirement pensions, uncollected drawn checks, insurance, etc.

NOTE 10. LEASES

10.1. FINANCIAL LEASING ARRANGEMENTS

10.1.1. Financial obligations

The total value of financial leasing arrangements recorded as a liability at year-end is shown as follows:

	2017	2016
Current financial leasing arrangements	32,488	40,449
Non-current financial leasing arrangements	67,325	77,511
Total financial leasing arrangements (Notes 9.3.1)	99,813	117,960

Financial leasing arrangements are shown as follows:

FINANCIAL INSTITUTION	INTEREST RATE	MATURITY	2017	2016
Bancolombia Panamá	LIBOR + 3.25%	2019	47,882	51,174
Corficolombiana	7.89%	2031	14,771	15,286
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2018	7,198	11,690
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2018	5,170	8,433
Itaú	DTF + 2.9%	2019	3,837	2,824
Banco de Chile	2.93%	2020	2,754	4,321
Banco de Chile	1.80%	2020	2,557	3,823
Banco de Occidente S.A.	6.42%	2019	1,933	1,803
Banco de Chile	1.80%	2020	1,778	1,593
Bancolombia S.A.	0.064216	2021	1,665	3,941
Banco de Bogotá S.A.	2.93%	2020	1,459	702
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2018	1,315	2,127
HP Financial Services Colombia LL	-	2019	1,167	-
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2018	726	1,304
Banco de Chile	2.93%	2020	713	1,140
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2018	665	955
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2019	628	935
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2019	575	849
Banco de Chile	2.81%	2020	385	534

FINANCIAL INSTITUTION	INTEREST RATE	MATURITY	2017	2016
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2019	377	188
Banco de Chile	2.91%	2020	376	507
Banco de Bogotá S.A.	2.93%	2020	373	154
Banco de Bogotá S.A.	2.81%	2020	278	249
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2019	250	374
Banco de Bogotá S.A.	2.91%	2020	206	186
Leasing Bancolombia S.A.	1%	2019	144	801
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2019	115	572
Leasing Bancolombia S.A.	1%	2019	99	177
Leasing Bancolombia S.A.	1%	2019	77	178
Leasing Bancolombia S.A.	1%	2019	71	121
Leasing Bancolombia S.A.	1%	2019	50	90
Leasing Bancolombia S.A.	0%	2019	45	80
Leasing Bancolombia S.A.	1%	2019	42	66
Leasing Bancolombia S.A.	0%	2019	36	67
Renting Colombia S.A.S	6.42%	2018	28	46
Leasing Bancolombia S.A.	1%	2018	27	57
Bancolombia S.A.	DTF-2.56	2019	20	39
Leasing Bancolombia S.A.	3%	2018	11	35
Leasing Bancolombia S.A.	1%	2019	10	19
Leasing Bancolombia S.A.	1%	2017	-	170
Leasing Bancolombia S.A.	1%	2017	-	19
Leasing Bancolombia S.A.	0%	2017	-	11
Leasing Bancolombia S.A.	1%	2017	-	89
Leasing Bancolombia S.A.	1%	2017	-	23
Leasing Bancolombia S.A.	1%	2017	-	44
Leasing Bancolombia S.A.	1%	2017	-	96
Leasing Bancolombia S.A.	1%	2017	-	51
Leasing Bancolombia S.A.	1%	2017	-	17
			99,813	117,960

10.1.2. Property and equipment subject to financial leasing arrangements

The year-end carrying values of Grupo SURA's property and equipment subject to financial leasing arrangements, are as follows:

2017	BUILDINGS	TRANSPORT EQUIPMENT	OFFICE EQUIPMENT	FIXTURES AND ACCESSORIES	MEDICAL EQUIPMENT AND MACHINERY	TOTAL
COST						
Cost at January 1, 2017	59,681	61,755	13,291	20,406	8,140	163,273
Additions	-	-	1,939	-	-	1,939
Disposals (-)	(4,190)	-	(2,838)	-	(1,535)	(8,563)
Other changes	66	3,057	(148)	2,208	-	5,183
Book cost at year-end 2017	55,557	64,812	12,244	22,614	6,605	161,832
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
Accumulated depreciation and impairment at January 1, 2017	(2,493)	(26,605)	(8,933)	(6,977)	(2,738)	(47,746)
Depreciation for the period	(641)	(6,869)	(3,454)	-	-	(10,964)
Disposals (-)	799	-	-	(2,397)	188	(1,410)
Other changes	85	3,794	2,823	(1,069)	-	5,633
Accumulated depreciation and impairment at December 31, 2017	(2,250)	(29,680)	(9,564)	(10,443)	(2,550)	(54,487)
Property and equipment at year-end 2017	53,307	35,132	2,680	12,171	4,055	107,345

2016	BUILDINGS	TRANSPORT FLEET AND EQUIPMENT	IT EQUIPMENT	FIXTURES AND ACCESSORIES	MEDICAL EQUIPMENT AND MACHINERY	TOTAL
COST						
Cost at January 1, 2015	107,935	64,812	39,659	19,874	9,609	241,889
Additions	15,324	-	39	108	-	15,471
Disposals (-)	(63,578)	-	(6,031)	-	(1,469)	(71,078)
Other changes	-	(3,057)	(20,377)	424	-	(23,010)
Book cost at year-end 2016	59,681	61,755	13,290	20,406	8,140	163,272
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
Accumulated depreciation and impairment at January 1, 2015	(2,656)	(20,832)	(29,266)	(4,557)	(2,768)	(60,078)
Depreciation for the period	(85)	(6,869)	787	(2,346)	-	(8,512)
Disposals (-)	248	-	-	-	30	278
Other changes	-	1,095	19,546	(75)	-	20,566
Accumulated depreciation and impairment at year-end 2016	(2,493)	(26,606)	(8,933)	(6,978)	(2,738)	(47,745)
Property and equipment at year-end 2016	57,188	35,149	4,357	13,428	5,402	115,526

10.1.3. Breakdown of minimum lease payments

Grupo SURA's financial leasing terms are listed as follows:

	MINIMUM LEASE PAYMENTS - 2017	PRESENT VALUE OF MINIMUM LEASE PAYMENTS - 2017	INTEREST EXPENSE - 2017	PRESENT VALUE OF MINIMUM LEASE PAYMENTS - 2016
Up to one year	36,657	32,488	4,169	40,449
From one to five years	62,882	56,140	6,742	71,143
More than 5 years	13,022	11,185	1,838	6,368
Total lease payments	112,561	99,813	12,749	117,960

10.1.4. The more significant financial leasing arrangements

The most significant financial leasing arrangements entered into by Grupo de Inversiones Suramericana correspond to medical equipment as well as properties leased in Medellin, Bogota and Cali for the purpose of building clinics.

Other significant arrangements include an aircraft lease through its subsidiary Planeco, with Bancolombia Panama and leasing the One Plaza building where Grupo Sura has located its new HQ.

Grupo de Inversiones Suramericana also leases computer and communications equipment, through its subsidiaries Compuredes and Enlace Operativo order to cover service agreements with clients as well as for their own use. Software programs and licenses are also leased under financial leasing arrangements

The following is a breakdown of the most significant financial lease arrangements and their corresponding balances, as included in the income statement.

CONTRACT	DESCRIPTION	VALUE RECORDED IN THE INCOME ACCOUNTS (OTHER THAN CONTINGENT LEASE PAYMENTS)	CONTINGENT LEASE PAYMENTS INCLUDED IN THE INCOME ACCOUNTS
9887076	Lease obligation	4,555	380
9880667	Lease obligation	3,726	310
9892557	Lease obligation	3,074	256
9887136	Lease obligation	2,538	211
999633	Airplane lease	2,045	85
9886128	Lease obligation	1,778	148

CONTRACT	DESCRIPTION	VALUE RECORDED IN THE INCOME ACCOUNTS (OTHER THAN CONTINGENT LEASE PAYMENTS)	CONTINGENT LEASE PAYMENTS INCLUDED IN THE INCOME ACCOUNTS
9887135	Lease obligation	1,763	147
49539	Leased building in Medellin	1,740	915
50733	Leased offices in One Plaza	1,651	125
158315	Banco Agrario Juniper / expedited check point infrastructure	1201	---
49952	Leased building in Calle 100 in Bogota	1,055	726
9890393	Lease obligation	955	80
158878	Banco Agrario Juniper / expedited check point infrastructure	581	---
180110411	Rent-back arrangements Applus 18	377	---
49954	Leased building in Cali	265	193
118404-3	Lease obligation	227	19
126184-1	Lease obligation	221	18
COL168-09	Appendix - framework agreement with Public Prosecutor's Office	160	---
180110410	Internal rent-back arrangements 16, Internal Technology ARUS	145	---
167732	Equipment, servers, networking services for OTIS	128	---
92027	Leased AutoSura building in Medellin	123	79
9886271	Lease obligation	102	9
148832	Resonador and Tac Sao Paulo	47	23
145108	Lab equipment	19	12
		28,476	3,736

10.2. OPERATING LEASING ARRANGEMENTS

The more significant operating leasing arrangements include:

- ¶ The real estate property belonging to the Sura branch in el Poblado, Salud Sura Sao Paulo, IPS Sura Sandiego, IPS Sura los Molinos, the Autosura warehousing facilities in Medellín as well as the Metropolitan Business Center Building.
- ¶ Real estate leased for the operating and administrative headquarters of Enlace Operativo y Compuredes.

Minimum operating lease payments are shown as follows:

	MINIMUM LEASE PAYMENTS	
	2017	2016
Up to one year	44,010	4,822
From one to five years	65,391	2,946
More than 5 years	65,527	15
Total lease payments	174,928	7,783

The following is a breakdown of the operating lease expense recorded by the companies that make up Grupo Sura.

	2017	2016
Suramericana (Consolidated)	74,678	58,038
Sura Asset Management (Consolidated)	49,252	48,593
Arus (Consolidated)	7,057	5,568
Hábitat Adulto Mayor	369	-
Grupo de Inversiones Suramericana	316	61
Inversiones y Construcciones Estratégicas S.A.S	2	-
	131,674	112,260

Restrictions

To date there are no restrictions as to the operating and financial leasing arrangements held by Grupo SURA with regard to dividend distributions, additional debt or new leasing agreements.

NOTE 11. INSURANCE CONTRACTS

11.1. TECHNICAL INSURANCE RESERVES - REINSURERS

Reinsurance

Reinsurance assets represent the benefits obtained from insurance contracts at the closing date of the Statement of Financial Position.

	2017	2016
Reinsured reported claims	1,796,816	1,369,095
Reinsured ongoing risk	1,297,282	1,201,572
Reinsured unreported claims	119,113	78,889
Deposits - reinsurers	1,109	10,195
Technical insurance reserves - reinsurers	3,214,320	2,659,751

Grupo SURA has diversified its insurance risk by operating in different industries and having a broad presence on the international markets.

Grupo SURA applies a set of procedures and limits so as to be able to control the degree to which its insurance risk is concentrated. Reinsurance arrangements are commonly used to mitigate the risk arising from any concentration or accumulation of insurance guarantees that exceed the maximum accepted levels.

The insurance companies belonging to Grupo SURA have transferred part of the risk of their insurance contracts to reinsurance companies so as to be able to share out future claims.

11.2. PREMIUMS

The net premiums obtained at year-end by Grupo SURA and Subsidiaries are as follows:

	2017	2016
Life insurance contracts	6,896,139	6,599,089
Non-life insurance contracts	7,440,798	5,775,626
Written premiums	14,336,937	12,374,715
Life insurance contracts- reinsurance portion	(245,540)	(180,511)
Non-life insurance contracts- reinsurance portion	(2,109,873)	(1,670,527)
Ceded premiums	(2,355,413)	(1,851,038)
Total net premiums	11,981,524	10,523,677

Accrued premiums for each individual country are shown as follows:

YEAR-END 2017	LIFE INSURANCE CONTRACTS	NON-LIFE INSURANCE CONTRACTS	WRITTEN PREMIUMS	LIFE INSURANCE CONTRACTS-REINSURANCE PORTION	NON-LIFE INSURANCE CONTRACTS-REINSURANCE PORTION	CEDED PREMIUMS	TOTAL NET PREMIUMS
Argentina	-	1,212,273	1,212,273	-	(140,928)	(140,928)	1,071,345
Bermuda	-	25,760	25,760	-	(25,757)	(25,757)	3
Brazil	-	544,326	544,326	-	(70,597)	(70,597)	473,729
Chile	1,894,742	1,694,820	3,589,562	(31,670)	(731,313)	(762,983)	2,826,579
Colombia	4,517,276	2,229,280	6,746,556	(172,494)	(751,920)	(924,414)	5,822,142
Mexico	293,613	615,684	909,297	-	(136,611)	(136,611)	772,686

YEAR-END 2017	LIFE INSURANCE CONTRACTS	NON-LIFE INSURANCE CONTRACTS	WRITTEN PREMIUMS	LIFE INSURANCE CONTRACTS-REINSURANCE PORTION	NON-LIFE INSURANCE CONTRACTS-REINSURANCE PORTION	CEDED PREMIUMS	TOTAL NET PREMIUMS
Panama	-	424,554	424,554	-	(64,938)	(64,938)	359,616
Dominican Republic	-	250,214	250,214	-	(136,938)	(136,938)	113,276
El Salvador	190,508	140,788	331,296	(41,376)	(23,241)	(64,617)	266,679
Uruguay	-	303,099	303,099	-	(27,630)	(27,630)	275,469
	6,896,139	7,440,798	14,336,937	(245,540)	(2,109,873)	(2,355,413)	11,981,524

YEAR-END 2016	LIFE INSURANCE CONTRACTS	NON-LIFE INSURANCE CONTRACTS	WRITTEN PREMIUMS	LIFE INSURANCE CONTRACTS-REINSURANCE PORTION	NON-LIFE INSURANCE CONTRACTS-REINSURANCE PORTION	CEDED PREMIUMS	TOTAL NET PREMIUMS
Argentina	-	797,797	797,797	-	(103,473)	(103,473)	694,324
Brazil	-	481,475	481,475	-	(48,896)	(48,896)	432,579
Chile	2,191,850	1,233,628	3,425,478	(23,215)	(580,926)	(604,141)	2,821,337
Colombia	3,958,831	2,055,637	6,014,468	(125,825)	(619,411)	(745,236)	5,269,232
Mexico	268,432	312,659	581,091	-	(85,311)	(85,311)	495,780
Panama	-	387,272	387,272	-	(75,487)	(75,487)	311,785
Dominican Republic	-	233,989	233,989	-	(121,062)	(121,062)	112,927
El Salvador	179,976	129,743	309,719	(31,471)	(19,189)	(50,660)	259,059
Uruguay	-	143,426	143,426	-	(16,772)	(16,772)	126,654
	6,599,089	5,775,626	12,374,715	(180,511)	(1,670,527)	(1,851,038)	10,523,677

11.3. RETAINED CLAIMS

Retained claims incurred by Grupo SURA and Subsidiaries at year-end 2017 and 2016 are as follows:

YEAR-END 2017	LIFE INSURANCE	NON-LIFE INSURANCE	TOTAL CLAIMS	LIFE INSURANCE	NON-LIFE INSURANCE	REIMBURSED CLAIMS	TOTAL RETAINED CLAIMS
Argentina	-	549,882	549,882	-	(5,538)	(5,538)	544,344
Brazil	-	304,943	304,943	-	(87,664)	(87,664)	217,279
Chile	1,006,121	1,244,372	2,250,493	(529)	(843,534)	(844,063)	1,406,430
Colombia	2,767,686	1,493,540	4,261,226	(151,363)	(512,745)	(664,108)	3,597,118
Mexico	107,967	342,897	450,864	-	(101,339)	(101,339)	349,525
Panama	-	153,976	153,976	-	(35,638)	(35,638)	118,338
Dominican Republic	-	102,827	102,827	-	(41,841)	(41,841)	60,986
El Salvador	93,362	46,607	139,969	(37,391)	(1,696)	(39,087)	100,882
Uruguay	-	125,085	125,085	-	(20,927)	(20,927)	104,158
	3,975,136	4,364,129	8,339,265	(189,283)	(1,650,922)	(1,840,205)	6,499,060

YEAR-END 2016	LIFE INSURANCE	NON-LIFE INSURANCE	TOTAL CLAIMS	LIFE INSURANCE	NON-LIFE INSURANCE	REIMBURSED CLAIMS	TOTAL RETAINED CLAIMS
Argentina	-	320,180	320,180	-	(39,227)	(39,227)	280,953
Brazil	-	231,436	231,436	-	(44,056)	(44,056)	187,380
Chile	645,810	632,264	1,278,074	(171)	(398,360)	(398,531)	879,543
Colombia	2,373,017	1,585,068	3,958,085	(102,563)	(731,603)	(834,166)	3,123,919
Mexico	95,806	187,387	283,193	-	(81,624)	(81,624)	201,570
Panama	-	135,708	135,708	-	(21,537)	(21,537)	114,171
Dominican Republic	-	80,106	80,106	-	(18,909)	(18,909)	61,197
El Salvador	91,432	50,331	141,763	(40,427)	(3,448)	(43,875)	97,888
Uruguay	-	65,620	65,620	-	(17,719)	(17,719)	47,901
	3,206,065	3,288,100	6,494,165	(143,161)	(1,356,483)	(1,499,644)	4,994,521

The Group's insurance companies are shown in the following table:

	COLOMBIA	CHILE	MEXICO	PERU	ARGENTINA	BRAZIL	URUGUAY	PANAMA	DOM. REP.	EL SALVA- DOR
LIFE INSURANCE										
Seguros de Vida Suramericana S.A.	X									
Seguros de Riesgos Profesionales Suramericana S.A.	X									
Seguros de vida Sura S.A.		X								
Seguros de Vida Sura México S.A. de C.V.			X							
Pensiones Sura S.A. de C.V.			X							
Asesuisa Vida S.A.										X
Seguros Sura S.A.				X						
Seguros de Vida S.A.		X								
Non-life insurance										
Seguros Generales Suramericana S.A.	X									
Seguros Suramericana Panamá S.A.								X		
Seguros Sura S.A.									X	
Aseguradora Suiza Salvadoreña S.A.										X
Afore Sura S.A. De C.V.			X							
Seguros Sura S.A.					X					

	COLOMBIA	CHILE	MEXICO	PERU	ARGENTINA	BRAZIL	URUGUAY	PANAMA	DOM. REP.	EL SALVA- DOR
Atlantis Sociedad Inversora S.A.					X					
Seguros Sura S.A.						X				
Seguros Sura S.A.							X			

Grupo SURA and Subsidiaries hold the following reserves:

	2017	2016
Mathematical reserve	11,287,760	13,215,886
Reserve for unearned premiums	8,103,252	7,140,327
Reserve for non-reported claims (IBNR)	1,585,659	1,392,739
Reserve for reported claims	4,772,739	3,828,052
Special reserves	161,815	133,620
Other reserves	283,999	278,990
Total technical insurance reserves	26,195,224	25,989,614

Grupo SURA considers that adequate premiums are of crucial importance and therefore additional support is provided in the form specific IT applications.

The treatment of benefits, as well as the adequacy of provisions, are basic principles of insurance management. Technical provisions are estimated by the actuarial staff based in the different countries.

The movement and effects on measuring insurance and reinsurance liabilities are presented below:

	INSURANCE LIABILITIES	ASSETS - INSURANCE CONTRACTS	NET
At December 31, 2015	18,865,979	581,124	18,284,855
Changes to reserves	4,674,928	1,022,093	3,652,835
Additions - business combinations	3,147,521	1,058,922	2,088,599
Currency translation adjustments	(865,907)	(4,880)	(861,027)
Monetary correction adjustments	167,093	(503)	167,596
Reclassifications	-	2,995	(2,995)
At December 31, 2016	25,989,614	2,659,751	23,329,863
Changes to reserves	3,372,124	608,319	2,763,805
Currency translation adjustments	710,338	2,797	707,541

	INSURANCE LIABILITIES	ASSETS - INSURANCE CONTRACTS	NET
Monetary correction adjustments	131,478	-	131,478
De-recognized insurance operation Seguros SURA Perú	(4,008,330)	(56,547)	(3,951,783)
At December 31, 2017	26,195,224	3,214,320	22,980,904

Technical reserves held by each individual country are shown as follows:

	2017	2016
Chile	11,196,089	8,816,968
Colombia	9,756,956	8,721,983
Mexico	2,612,360	2,006,747
Argentina	988,860	885,551
Brazil	452,988	519,700
Panama	446,716	412,035
El Salvador	343,865	349,904
Uruguay	230,394	215,049
Dominican Republic	150,013	140,751
Bermuda	16,983	-
Peru	-	3,920,926
Total	26,195,224	25,989,614

NOTE 12. INVENTORIES

Inventories are broken down as follows

	2017	2016
Merchandise not produced by the Company	483	185
Materials, spare parts and accessories	8,556	9,166
Other inventories*	5,308	4,484
Total	14,347	13,835

The Company uses the weighted average method to determine the cost of its inventories.

(*) Including other contracts being performed, hospital inventories, etc.

Restrictions

The Company's inventories have not been pledged as collateral for its liabilities and there are no restrictions as to their eventual sale or disposal.

Construction contracts

Grupo Sura, through its subsidiary Arus Holding S.A.S., (formerly Integradora de Servicios Tercerizados) draws up construction contracts for providing its outsourced services. The assets held in inventory that are used to render these services come under the scope of IAS 11 Construction Contracts. The following is an overview of this Subsidiary's more significant construction contracts

Year-end 2017

PRODUCT	NETWORKS AND CABLING
Customer	Colombia Telecomunicaciones S.A. E.S.P.
Project	C-R006-12 - Access Control
Start date:	2016/07/06
Delivery date:	2019/08/21
Estimated contractual revenues	96
Incurring costs and expense	(39)
Cost of completing the contract	-
Estimated contractual costs and expense	(76)
Estimated earnings	20
Degree of completion	51%
Revenues based on degree of completion	51
Accrued revenues	4

Year-end 2016

PRODUCT	NETWORKS AND CABLING	NETWORKS AND CABLING
Customer	Colombia Telecomunicaciones S.A. E.S.P.	Colombia Telecomunicaciones S.A. E.S.P.
Project	C-R006-12 - Access Control	C-R079-10 Fiscalía Telefónica's HQ
Start date:	2016/07/06	2016/11/20
Delivery date:	2019/08/21	2017/12/31
Estimated contractual revenues	96	405
Incurring costs and expense	(37)	(48)
Cost of completing the contract	-	(274)
Estimated contractual costs and expense	(76)	(322)
Estimated earnings	20	84
Degree of completion	49%	15%
Revenues based on degree of completion	47	60
Accrued revenues	35	6

NOTE 13. TAXES

13.1. APPLICABLE RULES AND REGULATIONS

Current tax provisions as applicable to Grupo SURA, its domestic subsidiaries as well as its foreign-based subsidiaries in Chile, Peru, Argentina, Brazil, Uruguay, Mexico, Panama, Dominican Republic, El Salvador and Spain, stipulate the following nominal income tax rates for 2017 and 2016:

COUNTRY	2017	2016	PAÍS	2017	2016
Colombia	40%	40%	Mexico	30%	30%
Chile	25.5%	22.5%	Panama	25%	25%
Peru	29.5%	28%	Dominican Republic	27%	27%
Argentina	35%	35%	El Salvador	25%	25%
Brazil	45%	45%	Spain	25%	28%
Uruguay	25%	25%			

- I. Colombia: taxable income is subject to a 25% income tax rate as well as 10% occasional gains tax., except for all those taxpayers that have been granted special rates. A new income tax for equity (CREE) was created in 2013. This tax was levied until December 31, 2016, on the amount of gross income obtained less non-income receipts, costs, deductions, tax exempt income and occasional gains tax, at a rate of 9%.

Law 1739 of 2014 provided for a surtax to be charged on equality income tax, to be paid on a temporary and incremental basis beginning with 5% for 2015, and 6% for 2016, this applicable to taxable bases of COP 800 million or more.

Law 1819 of 2016 abolished the equality income tax and corresponding surtax for the years 2017 and 2018 and in turn increased the income tax rate to 34% for 2017 and 33% for subsequent years by creating an income and ancillary surtax of 6% and 4% for the tax years of 2017 and 2018, respectively, the latter surtax to be applied to tax bases of COP 800 million onwards.

- II. Chile: current tax legislation in this part of the world provides for two separate regimes the "capital income" regime on the one hand and the "employment income" regime on the other. The former consists of a First Category Tax which is mainly paid by businesses and legal persons. When Law No. 20,780 was passed in September 2014 and later Law No. 20,899 in February 2017 this gave rise to two new tax systems: the attributed income regime carrying a tax rate of 25% as of 2017, and the partially integrated income regime subject to a tax rate of 25.5% for 2017 and ano-

ther 27% for 2018 and subsequent years. The partially integrated income regime shall be that which shall apply on a general level, however, certain taxpayers may choose the attributed income regime. The tax rate for 2015 was 24% of the tax base, which is calculated by adding or reducing items as provided by law. The tax thus paid can be charged against Global Complementary Tax, which is levied on the total amount of income received by natural persons residing in the country; or Additional Tax, which is levied on income generated in Chile, by all natural and legal persons residing outside the country, as applicable.

- III. Peru: the income tax rate at year-end 2017 and 2016 came to 29.5% of taxable income after calculating employee profit sharing interests, which, in accordance with current regulations, are calculated, in the Company's specific case, by applying a rate of 5% on net taxable income.

- IV. Brazil: in Brazil there is a tax category applicable on gross income and net income.

a. Tax on gross income is levied at a rate of 4.65% after deducting claims paid, as stipulated by Law 9,718 of 1998.

b. Taxes on net income are levied at a rate of 15%, in the form of income tax, plus 10% on the portion that exceeds R \$ 240,000 of taxable income for each tax year.

Furthermore, there is a social contribution tax levied on net income at a rate of 20% tariff in effect until December 2018, this pursuant to Decree 3,000 of 1999. This rate shall be wound down to 15%, over the next couple of years, in accordance with Law 13,169 of 2015.

- V. Argentina: there are three taxation tiers in this part of the world: national, provincial and municipal taxes. Income tax is levied at the current rate of 35% on estimated taxable income. Law 27,430 passed on December 29, 2017 introduced amendments to the Argentinian Income Tax legislation, including a 30% tax rate for limited companies for tax years beginning on or after January 1st 2018 until December 31st, 2019 whereupon its shall be reduced to 25% for the following years. Dividends are also taxed at rates of 7% and 13% respectively for the aforementioned years.

Tax is also levied on gross income, for which the corresponding tax base consists of premiums net of cancellations, lease rentals, financial income and other taxable income. Deductions: claims paid net of recoveries, re-insurance and reserves for on-going risk and pending claims, are taxed at a rate of 5.5%.

- VI. Mexico: income tax is directly levied on the amount of income obtained, that is to say the difference between income and the deductions allowed

for the tax year in question. This tax must be paid on a monthly basis (as part of the annual amount of tax due) to the Mexican Tax Authorities, or the offices authorized by the Federal Entities. For the tax year 2017, Mexico's income tax rate came to 30%. Workers also pay a rate of 10% on their taxable income.

- VII.** Panama: in accordance with current tax regulations, retained earnings on the part of local insurance companies, that are duly registered according to Panamanian legislation, would be subject to a complementary tax of 4% as well as a dividend tax of 10%, once these retained earnings are distributed in the form of dividends, less the 4% complementary tax previously withheld and paid.

Law No. 8 passed on March 15, 2010, eliminated the so-called Alternate Income Tax Calculation (CAIR in Spanish) and replaced this with another form of presumptive income taxation that obliges any legal entity producing revenues in excess of B/.1,500,000, to determine the corresponding tax base the greater of the following amounts: (a) net taxable income calculated using the ordinary method as stipulated in the Panamanian Tax Code and net taxable income that results from applying a tax rate of 4.67% to the total amount of taxable income. This Law also amended the general income tax rates with the Panamanian insurance companies paying a rate of 25% in income tax.

Any legal entity that incurs a loss as a result of calculating the amount of tax due using the presumptive method or, upon applying said presumptive method, its effective tax rate exceeds the tax rates applicable for the tax year in question, may request the Panamanian Inland Revenue to authorize them to calculate the amount of tax due using the traditional method.

- VIII.** Dominican Republic: the Tax Code in this country, as amended, provides for an income tax either on the net taxable income base or 1% of the assets subject to tax, whichever is the greater. Income tax rates pursuant to that stipulated in Law 253-12 were 27% for 2017 and 27% from 2016 onwards. This law also introduced important changes for related party transactions as well as the obligation to include transactions carried out with domestic related entities in transfer pricing studies and the corresponding declarations for this type of transaction. It also included the concept of non-deductible expense, thin capitalization applicable also to debts with foreign entities, where the debt-equity ratio cannot exceed 3 to 1
- IX.** El Salvador: companies who are incorporated and duly existing in El Salvador pay income tax on income earned in that country, according to the Income Tax Law, contained in Legislative Decree No. 134 issued December 18, 1991 which has been in full force and effect since January 1992 Pursuant to this law, all legal persons, whether they are domiciled in El Salvador or not, must calculate the amount of income tax payable at a

rate of thirty per cent (30%), except for companies which have obtained taxable income less than or equal to one hundred fifty thousand dollars (US 150,000.00) in which case a tax rate of twenty-five per cent (25%) shall apply, excluding from this calculation all income subject to final withholding income tax based on the percentages prescribed by law.

- X.** Uruguay: the main taxes levied in this part of the world, pursuant to current tax regulations, that is to say, Updated Text first issued in 1996 (Headings 4, 6, 10, 14,7 and 8), are Income Tax, Wealth Tax, VAT as well as Personal and Non-Resident Income Tax. The corresponding tax rates are 25% for Income Tax, 1.5% for Wealth Tax, 22% VAT and between 7% and 12% in the case of Persona and Non-Resident Income Tax. On the other hand, insurance companies pay income tax at rates that vary between 5% and 7% depending on the portfolio (Heading 6 of Updated Text first issued in 1996) and the Uruguayan Blood Tax levied at a rate of 2% on written premiums.
- XI.** Bermuda: there are no taxes on profits, income, dividends or capital gains in this part of the world neither are there any tax withholdings. Profits may accrue but there is no obligation to pay dividends. Should any direct taxes be applied, there is the possibility of entering into legal stability arrangements with the local government thereby affording protection until the year 2035. Although there are no taxes levied on corporate income, investment income sourced from abroad may be subject to PAYG withholding tax. The interest accruing on deposits in foreign currency are tax exempt.
- XII.** Spain
With the enactment of Law 27 on 27 November, 2014 new changes were introduced to Spain's corporate tax regime, the more relevant being the following:

Corporate Tax Regime Applicable to Foreign Securities Holding Companies

This regime allows Foreign Securities Holding Companies ("FSHC") to apply the exemption method on income obtained from stakes held in non-resident entities that meet certain requirements.

One of the main changes introduced by this new tax reform was to increase the minimum investment held to 20 million euros (from the previous 6 million euros) in order to qualify for said tax regime in the case when said entities do not hold a minimum stake of 5%.

However, this new reform does not apply to those entities that were already applying the regime accorded to Foreign Securities Holding Companies ("FSHC") for the tax years prior to January 1, 2016 and had been complying with the previous limit of 6 million euros in the stake held in its investee companies.

Tax Rate

The standard 30% rate shall be gradually reduced over a period of two years to 25%

In 2016: 28%

In 2017: 25%

13.2. CURRENT TAX

The following is a breakdown of the current tax assets and liabilities held at year-end:

	2017	2016
CURRENT TAX ASSETS		
Income and complementary tax	39,627	135,085
Local tax	11,337	23,799
Withholding tax	5,386	26,845
Sales tax	74,956	49,660
Tax credits	64,801	64,252
Contributions	23,200	93,905
Equality income tax receivable	850	-
Others	15,055	19,179
	235,212	412,725

	2017	2016
CURRENT TAX LIABILITIES		
Income and complementary tax	202,528	258,902
Local tax	29,188	43,382
Equality income tax payable	-	2,592
Sales tax payable	278,145	247,177
Wealth tax	6	20
Others	36,965	23,352
	546,820	575,425
Current tax, net	311,608	162,700

The following is a breakdown of the tax balances held by each individual country:

YEAR- END 2017	ARGENTINA	BERMUDA	BRAZIL	CHILE	COLOMBIA	SPAIN	MEXICO	PANAMA	PERU	DOM. REPUBLIC	EL SALVADOR	URUGUAY	TOTAL
Current tax assets	4,095	-	4,090	83,745	98,209	-	19,255	9,471	1,767	-	930	13,650	235,212
Current tax liabilities	25,151	-	10,784	253,258	115,025	-	58,615	2,883	23,093	18,618	9,780	29,613	546,820
	21,056	-	6,694	169,513	16,816	-	39,360	(6,588)	21,326	18,618	8,850	15,964	311,608
YEAR- END 2016	ARGENTINA	BERMUDA	BRAZIL	CHILE	COLOMBIA	SPAIN	MEXICO	PANAMA	PERU	DOM. REPUBLIC	EL SALVADOR	URUGUAY	TOTAL
Current tax assets	7,793	-	7,216	112,603	115,806	-	102,069	12,381	38,501	-	5,452	10,904	412,725
Current tax liabilities	26,479	4	-	170,840	174,886	482	143,564	2,655	2,925	16,581	12,212	24,797	575,425
	18,686	4	(7,216)	58,237	59,080	482	41,495	(9,726)	(35,576)	16,581	6,760	13,893	162,700

13.3. TAX RECOGNIZED THROUGH PROFIT AND LOSS FOR THE PERIOD

Current tax and deferred tax expense

	2017	2016
Current tax expense	(408,625)	(415,312)
Deferred tax expense		
Sources / reversals of temporary differences	(68,535)	(16,295)
Changes in tax rates		
Tax expense	(477,160)	(431,607)

Grupo Sura considers that the accrued tax liabilities shown are adequate for all tax years still open for review, this based on its evaluation of many factors, including interpretations of applicable tax laws and prior experience.

13.4. EFFECTIVE TAX RATES

		2017	2016
Earnings before tax		1,850,932	2,024,986
Income tax based on local tax rates	33%	(617,675)	38% (769,079)
PLUS THE TAX EFFECT CORRESPONDING TO:			
Eliminations from consolidated income	22%	(400,307)	17% (345,950)
Non-deductible expense	11%	(197,147)	8% (162,432)
Tax revenues	14%	(258,344)	12% (238,132)
Tax losses	5%	(89,719)	1% (21,961)
Amortization of intangibles	0%	(4,017)	0% -
Rate change adjustments	1%	(18,764)	1% (23,636)
Inflation effect	3%	(53,835)	0% -
Others	2%	(43,738)	9% (179,796)
LESS THE TAX EFFECT CORRESPONDING TO:			
Tax exempt income	(24%)	451,045	(22%) 451,544
Tax-exempt dividends	(19%)	346,032	(12%) 248,009
Tax losses	(1%)	17,073	0% 3,039
Amortization of intangibles	(1%)	23,208	(1%) 12,724
Tax deductions	0%	2,521	(1%) 25,188
Rate change adjustments	0%	3,457	0% 1,511
Tax exempt income	(11%)	209,855	(12%) 251,573
Eliminations from consolidated income	(2%)	42,301	0% -
Others	(6%)	110,893	(16%) 315,788
Income tax	26%	(477,161)	21% (431,609)

13.5. DEFERRED TAX

The balance of deferred tax assets and liabilities at year-end is shown below:

	2017			2016		
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET
Financial assets	(11,811)	50,593	(62,404)	9,038	52,127	(43,089)
Employee benefits	4,641	-	4,641	7,397	-	7,397
Investments	316	226,980	(226,664)	599	174,092	(173,493)
Intangibles	(2,822)	1,138,743	(1,141,565)	(9,292)	1,027,876	(1,037,168)
Other non-financial assets	(423)	(401)	(22)	-	1,825	(1,825)
Other liabilities	37,312	(218,411)	255,723	57,066	(53,028)	110,094
Financial liabilities	32	431,635	(431,603)	1,387	297,943	(296,556)
Tax losses	130,981	16,138	114,843	121,905	42,124	79,781
Property and equipment	(4,608)	64,038	(68,646)	(8,310)	10,214	(18,524)
Technical insurance reserves:	7,628	(10,266)	17,894	8,280	6,905	1,375
	161,246	1,699,049	(1,537,803)	188,070	1,560,078	(1,372,008)

The following is a breakdown of the tax balances held by each individual country:

DEFERRED TAX - 2017	COLOMBIA	CHILE	MEXICO	PERU	ARGENTINA	BRAZIL	URUGUAY	PANAMA	DOM. REPUBLIC	EL SALVADOR	TOTAL
Intangibles	(10,861)	(377,452)	(417,024)	-	(52,456)	(6,679)	(12,215)	(6,042)	2,797	(16,617)	(896,549)
Investments	(247,397)	-	-	(224,937)	(850)	-	(32,915)	-	(3)	-	(506,102)
Other liabilities	7,581	(440,167)	112,553	(15,646)	9,040	33,968	(5,842)	-	1,306	41	(297,166)
Property and equipment	(64,683)	(3,981)	(18,547)	(1,422)	(2,305)	-	2,288	(1,475)	(4,195)	(226)	(94,546)
Technical insurance reserves:	(81,271)	40,969	(31,381)	-	46,948	-	(3,070)	(255)	3,420	11,581	(13,059)
Financial Liabilities	951	14,223	15,208	-	-	-	-	-	-	279	30,661
Employee benefits	29,957	8,035	1,748	-	498	-	212	-	-	-	40,450
Financial assets	60,258	(9,336)	18,222	(33,555)	2,323	4,081	1,728	-	1,103	135	44,959
Tax losses	24,327	64,348	13,813	8,627	-	42,434	-	-	-	-	153,549
Deferred tax assets (liabilities), net	(281,138)	(703,361)	(305,408)	(266,933)	3,198	73,804	(49,814)	(7,772)	4,428	(4,807)	(1,537,803)

DEFERRED TAX - 2016	COLOMBIA	CHILE	MEXICO	PERU	ARGENTINA	BRAZIL	URUGUAY	PANAMA	DOM. REPUBLIC	EL SALVADOR	TOTAL
Intangibles	(50,621)	(341,851)	(320,728)	-	(50,652)	(7,783)	(14,705)	(7,743)	2,586	(16,427)	(807,924)
Investments	(171,534)	-	-	(256,942)	(3,098)	-	(34,264)	-	-	-	(465,838)
Other liabilities	45,579	(404,727)	9,198	(16,373)	9,232	53,854	(6,102)	(6,972)	1,276	194	(314,841)
Property and equipment	(44,212)	34,258	(10,446)	(1,381)	(1,255)	-	1,672	(1,333)	(3,100)	(254)	(26,051)
Financial liabilities	(42,776)	12,586	11,761	-	-	-	-	-	-	-	(18,429)
Technical insurance reserves:	(51,459)	26,348	(25,850)	-	42,441	-	(2,443)	6,806	2,504	11,400	9,747
Employee benefits	28,986	1,268	2,794	-	188	1,927	241	-	-	-	35,404
Financial assets	79,085	(5,846)	28,668	(22,388)	2,832	3,175	3,351	-	1,310	560	90,747
Tax losses	8,075	77,210	4,936	7,461	-	22,870	-	-	-	4,625	125,177
Deferred tax assets (liabilities), net	(198,877)	(600,754)	(299,667)	(289,623)	(312)	74,043	(52,250)	(9,242)	4,576	98	(1,372,008)

Deferred tax on unused tax credits and losses:

The balance of deferred tax on tax losses was incurred by our companies in Colombia, Chile, Mexico, Peru and Brazil, with the Brazilian subsidiary showing a balance of COP 42,435. These tax credits have no statute of limitations, that is to say that they do not expire according to Brazil's tax regulations. According to a study carried out by the Company, this tax credit shall be recovered as of 2019.

Tax credits in the case of Mexico mainly accrued between 2008 and 2011 and have a 10-year term of validity.

Tax credits in Chile corresponded to the Companies Seguros de Vida, Holding Spa and Inversiones Chile Ltda. These accrued between 2013 and 2016 and have no expiry term according to applicable tax regulations in Chile.

In the case of Colombia, the deferred tax asset produced by a tax loss sustained by Seguros Generales Suramericana S.A. was due to the possibility of offsetting tax losses with tax surpluses that the Company was entitled to do at the end of 2017.

Unrecognized Deferred Tax Assets

The Group recorded tax losses of \$ 65 thousand million, mainly with its subsidiaries in Mexico and Peru. Furthermore, Colombia, recorded \$ 48 thousand million in tax credits, as relating to tax discounts.

The aforementioned items do not present a credit balance for deferred taxes, with Senior Management having concluded that there is a low probability of recovering these amounts in Mexico and Peru, and in the case of Colombia, current tax regulations restrict the use of tax credits.

At year-end 2017, no deferred tax assets were recorded as relating to tax losses since Grupo SURA does not pay tax on net income and therefore no tax asset was recognized.

13.6. MOVEMENTS IN THE DEFERRED TAX ACCOUNT

	2017	2016
Opening balance - net liabilities	1,372,008	1,282,936
Deferred tax expense recognized in the income accounts for the period	68,536	14,938
Income tax relating to components of Other Comprehensive Income	34,278	7,732
Increases (decreases) due to business combinations	404	16,356
Effect of changes in foreign exchange rates	62,577	50,046
Closing balance - net liabilities	1,537,803	1,372,008

	ACCRUED			MOVEMENT	
	2017	2016	2015	2017	2016
Cash flow hedges	(2,970)	(1,711)	(1,712)	(1,259)	1
Post-employment benefits	860	341	227	519	114
Financial instruments at fair value with changes in OCI	(1,751)	(1,751)	-	(0)	(1,751)
Revaluations of property and equipment	(40,168)	(6,629)	(318)	(33,539)	(6,311)
Total deferred tax, charged to Other Comprehensive Income	(44,029)	(9,751)	(1,803)	(34,278)	(7,948)

NOTE 14. DERIVATIVES

14.1. HEDGING ASSETS

Grupo SURA uses derivatives such as swaps, forwards and options to hedge its exposure to foreign exchange and interest rates, cash flows and its net investments abroad. These derivatives are initially recognized (on the date the corresponding contract is entered into) and later (when their value is updated) at their fair values.

Any gain or loss arising from changes to the fair value of derivatives are directly charged to income, except for the effective portion that may be generated from hedges of cash flows and net investments abroad, which are posted in other comprehensive income and subsequently reclassified to income when the hedged item affects other comprehensive income.

At year-end 2017 and 2016, Grupo SURA held derivatives that were recorded in books as financial assets and financial liabilities, based on their respective positive or negative fair values

The balance of the derivative financial assets held by Grupo SURA and Subsidiaries is as follows:

	2017	2016	2017	2016	2017	2016	2017	2016
	SWAP		FORWARD		OPTION		TOTAL	
ASSETS								
HEDGING AGREEMENTS								
Interest rate	5,458	1,015	-	-	-	-	5,458	1,015
Exchange Rate	29,071	12,497	5,612	18,202	42,145	99,850	76,827	130,549
	34,529	13,512	5,612	18,202	42,145	99,850	82,285	131,564
HEDGING AGREEMENTS								
Exchange Rate	63,424	489,365	-	10,164	-	-	63,424	499,529
Total assets	97,953	502,877	5,612	28,366	42,145	99,850	145,709	631,093
LIABILITIES								
HEDGING AGREEMENTS								
Interest rate	-	2,388	-	-	-	-	-	2,388
Exchange Rate	105,002	27,562	1,206	489	13,828	18,740	120,036	46,791
	105,002	29,950	1,206	489	13,828	18,740	120,036	49,179
HEDGING AGREEMENTS								
Exchange Rate	50,652	560,405	-	-	-	-	50,651	560,407
Total derivative liabilities	155,654	590,355	1,206	489	13,828	18,740	170,687	609,586
Net position	(57,701)	(87,478)	4,406	27,877	28,317	81,110	(24,978)	21,507

The derivatives held by Grupo SURA and its Subsidiaries are normally traded on the domestic financial markets as well as on the international Over The Counter (OTC) markets. Derivatives carry net favorable or unfavorable terms and conditions (assets or liabilities, respectively) as a result of fluctuations with foreign exchange rates or market interest rates as well as other variables relating to their respective terms and conditions. Total fair values corresponding to the assets and liabilities that these derivatives represent may vary significantly from time to time.

The following are the movements recorded with the derivative account:

	LONG POSITION	SHORT POSITION	NET POSITION
Balance held at year-end 2015	262,178	253,924	8,254
Additions	422,919	399,677	23,242
Valuations (*)	(54,004)	(48,694)	(5,310)
Exchange differences	-	4,679	(4,679)
Balance held at year-end 2016	631,093	609,586	21,507
Additions	56,088	11,892	44,196
Payments	(602,148)	(515,990)	(86,158)
Valuations (*)	57,874	63,449	(5,575)
Exchange differences	2,802	1,750	1,052
Balance held at December 31, 2017	145,709	170,687	(24,978)

(*) Balance includes the following items:

	2017	2016
Realized gains paid (**)	41,024	(2,459)
Valuations - Comprehensive Income accounts (Notes 14.2.1, 14.2.2 and 26)	4,270	29,088
Valuations - Income accounts (Note 31)	(50,869)	(31,939)
	(5,575)	(5,310)

(**) Payments made on derivative gains.

14.2 HEDGE ACCOUNTING

In drawing up its own risk management policies, some of the subsidiaries belonging to Grupo SURA have used hedge accounting in preparing their financial statements in accordance with the following:

14.2.1 Cash flow hedges

Grupo Sura took out the following cash flow hedge:

Seguros de Vida Sura S.A. a subsidiary of SURA Asset Management has been taking out swaps since 2015 as part of a strategy designed to protect its international fixed income investments (bonds issued in USD earning a fixed rate of interest) against prevailing market volatility.

These investments were made to hedge liabilities with regard to life annuities, individual life (excluding unit-linked insurance) and group credit life insurance, with life annuities representing the larger flows.

These agreements stipulate paying a fixed exchange rate in dollars (USD) and receiving a fixed value in UF (Unidades de Fomento - which is an inflation-indexed monetary unit in Chile), in order to protect against the exchange rate risk to fixed income securities held in foreign currency as well as the inflation risk to UF-indexed liabilities.

14.2.2. Net foreign investments

In 2017, Grupo Sura did not enter into any hedging arrangements regarding its net investments abroad. Grupo SURA's subsidiary Suramericana S.A. holds investments abroad which are exposed to the exchange rate risk with regard to the functional currency of these operations stated in US dollars against the Grupo SURA's own functional currency in Colombia which is the Colombian peso.

On August 24 and 26, 2015 Suramericana received from Helm Bank Panama and Davivienda Panama two loans for USD 35 million each, these payable over a term of 10 years, according to their respective amortization schedule. These loans were taken out in order to hedge its business abroad (this being Inversura Panama Internacional, plus a direct stake in Seguros Suramericana Panama) for their nominal values only, that is to say excluding debt service.

Recognition of the hedging instrument

As part of its intention to hedge its business abroad, on October 1, 2015, and based on the documentation required by IAS 39, the Company formally designated the loans granted by Helm Bank Panama and Davivienda Panama, as hedging instruments covering its direct stake in its business abroad, specifically its business in Panama, solely in the amount of their principal, excluding debt service.

Recognition of the hedged item

Based on that stipulated in IFRIC 16 Hedges of a Net Investment in a Foreign Operation, a hedged item can be an amount of net assets equal to or lower than the carrying value of the net assets of the foreign business, as reported in the consolidated financial statement.

Therefore, Suramericana S.A. considered that on the effective date of this hedge the aforementioned value was that corresponding to the net investment in the foreign business, taken as a partially hedged item, with the nominal value assigned to such as the hedged item.

Hedged items:

BUSINESS ABROAD	NET ASSETS	% STAKE	NET HEDGED ASSETS
Direct stakes held in foreign subsidiaries	199.851	100%	70
BREAKDOWN OF NET INVESTMENT - SURAMERICANA S.A.'S DIRECT STAKE			
BUSINESS ABROAD	NET ASSETS	% STAKE	NET HEDGED ASSETS
Inversura Panamá Internacional	128.048	100%	70
Seguros Suramericana S.A.	776	0.79%	
Seguros Suramericana de Panamá S.A. (Banistmo)	71.028	100%	
Total	199.852	100%	

On October 1, 2015, the Company consolidated a 100% stake held in Seguros Suramericana S.A. through the 99.21% stake held then in its Subsidiary Inversura Panama, which in turn was and is wholly owned (100%) by Suramericana. On December 31, 2015 Suramericana held a 23% direct stake in Seguros Suramericana S.A., consolidating the remaining 77% stake through Panama Inversura.

Identifying the nature of the hedged risk

The Company hedges the exchange rate risk on its foreign business operations.

Hedge effectiveness

The Company shall measure the effectiveness of hedging instruments as follows:

$$\% \text{ effectiveness} = \frac{\text{change in the exchange difference on principal owing}}{\text{Translation effect of foreign business operations on the period in question.}}$$

Where:

- ¶ The exchange difference on the principal corresponds to the exchange difference brought about by updating hedging instruments based on fluctuations with the exchange rate; and
- ¶ The translation effect on foreign business operations corresponds to the exchange difference obtained by translating the profit and loss as well as

financial position pertaining to the foreign business operation by continuously applying the rules contained in paragraph 23 of IAS 21.

The subsidiary, Suramericana, has decided to measure the effectiveness of these hedges based on the exchange rate risk corresponding to the net investment abroad, as assessed on a quarterly basis. The following table shows the results obtained on the hedge effectiveness test performed on December 31, 2015:

PERIOD	RATE	PERCENTAGE HEDGED. (ASSET)	EFFECTIVENESS. TRANSLATING HEDGED VALUE (ASSET)	EFFECTIVENESS. TRANSLATING HEDGING INSTRUMENT	HEDGE EFFECTIVENESS	COMPENS. (EFFECTIVE HEDGE VALUE)
October	2,897.83	35.03%	(13,172)	(13,224)	100.40%	(13,224)
November	3,142.11	34.96%	16,962	17,100	100.81%	17,100
December	3,149.47	33.99%	1,093	515	100.15%	515
			4,883	4,391	89.91%	4,391

NOTE 15. INVESTMENT PROPERTIES

Grupo SURA's investment properties are recorded at fair value and are broken down as follows:

	2017	2016
Land	102,125	298,429
Buildings	929,413	735,097
	1,031,538	1,033,526

The movements recorded in the investment property account are shown as follows:

	LAND	BUILDINGS	TOTAL
Investment properties at December 31, 2015	214,733	590,455	805,188
Acquisitions	107,045	127,201	234,246
Business combination acquisitions	1,883	3,235	5,118
Impairment losses on investment properties through profit or loss	-	-	-
(Losses) gains on adjustments to the fair values of investment properties	(2,509)	63,324	60,815

	LAND	BUILDINGS	TOTAL
Transfers of investment properties from (to) inventories and real estate occupied by the owner	(13,132)	454	(12,678)
De-recognitions	(6,952)	(66,573)	(73,525)
Translation effect	(2,639)	17,001	14,362
Investment properties at December 31, 2016	298,429	735,097	1,033,526
Acquisitions	21,080	302,746	323,826
Business combination acquisitions	-	-	-
Impairment losses on investment properties through profit or loss	-	(36)	(36)
Gains on adjustments to the fair values of investment properties	4,564	29,883	34,447
Transfers of investment properties from (to) inventories and real estate occupied by the owner	(1,895)	(3,034)	(4,929)
De-recognitions	(224,526)	(205,846)	(430,372)
Translation effect	4,473	70,603	75,076
Investment properties at December 31, 2017	102,125	929,413	1,031,538

APPRAISERS

Grupo SURA's investment properties are appraised by the following experts:

- ¶ J Elkin Ruiz Propiedad Raíz, holding degrees in Civil Engineering from the Universidad Nacional, Plant Design from Lehigh University, Pennsylvania and Chemical Engineering from the Universidad de Antioquia; he is also a member of the Medellín Real Estate Exchange (Lonja de Propiedad Raíz de Medellín)
- ¶ Banco Ciudad in Argentina.
- ¶ Tribunal Fiscal de la Nación, Argentina (Argentinian Tax Court)
- ¶ Property appraisals and inspections carried out by the firm, Istmo, S.A (Avaistmo), Panama City, Panama. A firm with a 10-year track record in the property appraisal market
- ¶ Real Source an independent appraisal firm registered with the Chilean Superintendency of Securities and Insurance (SVC in Spanish) and Guillermo Rosselot Iriarte, Taxpayer's Reg. No. 6.874.683-3, architect and independent appraiser also registered with the Chilean Superintendency of Securities and Insurance.
- ¶ Jesús José Gómez Cabrera, an engineer with the firm Regner Basurco Jimenez – Consultant Engineers, registered with the Peruvian Engineers Association (Reg # 49108), Technical Inspection Center RD No 082-2014-Housing /VMCS-DNC, as well as the Peruvian Superintendency of Banking and Insurance (Resolution No 6293-2013).

INCOME ON INVESTMENT PROPERTY

Lease income obtained from the Company's investment property at year-end 2017 and 2016 is broken down as follows:

	2017	2016
Lease income	36,842	2,242
Gains or losses on sales of investment properties	367	279
Valuations	34,447	60,815
Income from investment property	71,656	63,336

The movements recorded in the investment property account are shown as follows:

ASSET (*)	2017	2016	RESTRICTIONS (YES/NO)	LEASED
Nueva las Condes	212,951	-	No	Yes
Torre Santa Maria	124,395	-	No	Yes
Alsacia	120,048	106,371	No	Yes
Torre Apoquindo	85,807	68,646	No	Yes
Suecia 211	82,207	73,564	No	Yes
Millenium	66,264	55,548	No	Yes
Isidora Magdalena	53,069	47,032	No	Yes
Isidora Foster	35,746	31,431	No	Yes
Diez	34,591	30,121	No	Yes
Everfit Indulana land	34,176	33,753	No	Yes
Small Service	34,059	29,563	No	Yes
Seis	33,025	29,066	No	Yes
Pionero	32,463	28,747	No	Yes
WTC	23,059	20,506	No	Yes
Paseo Las Palmas	19,905	16,620	No	Yes
Las Bellotas	9,606	7,665	No	Yes
Santa Lucia -Rionegro land	8,440	4,760	No	Yes
Nueva Los Leones	4,605	4,444	No	Yes
Building and parking space - Sura Tower	3,796	-	No	Yes
Pionero 2 (Office Nos. 402+404)	2,473	2,190	No	Yes
Coyancura	1,527	1,358	No	Yes
Land (aliquot) Sura Tower	1,408	-	No	Yes
Plots Nos. 1, 3, 2 A, 2B	1,333	1,487	No	Yes
San Martin 876	1,298	-	No	Yes
Bank branch premises	1,086	861	No	Yes
San Lorenzo 876	1,067	69	No	Yes
Office No. 101 C	611	484	No	Yes

ASSET (*)	2017	2016	RESTRICTIONS (YES/NO)	LEASED
P.H. World Trade Center, Hotel Sercotel Princess H-501	504	-	No	Yes
Premises and garages- Grupo Colombia Building, Pereira, Colombia	353	379	No	Yes
P.H. Suite, Hotel Coronado Edif. E H-205	328	445	No	Yes
Plot of land - Cerro Azul Hacienda Country Club	303	-	No	Yes
Parking facilities	180	310	No	Yes
Office - Camacol Building, Medellín, Colombia	159	254	No	Yes
Mar Del Plata	153	-	No	Yes
Local food center # 1	101	90	No	Yes
Local food center # 2	94	79	No	Yes
Local food center # 4	91	80	No	Yes
Local food center # 3	89	79	No	Yes
Agüero	80	-	No	Yes
Velez Sarsfield 30Cba	46	-	No	Yes
Deposit 26	28	30	No	Yes
Av.V.Fertil/Medusas Uf -6- Pinama	12	-	No	Yes
Pampayastasud.	2	-	No	Yes
Luterana Buildings	-	98,828	No	Yes
Orquideas land	-	65,023	No	Yes
Orquideas Building	-	64,082	No	Yes
Metropolitana Arequipa land	-	32,436	No	Yes
Rivera Navarrete (Lutheran Church) land	-	27,042	No	Yes
Rivera Navarrete land (Costamar)	-	25,741	No	Yes
San Juan de Lurigancho UTP land	-	24,499	No	Yes
Real 8 Building	-	15,253	No	Yes
Huancayo Maestro land	-	15,067	No	Yes
Huancayo Maestro	-	12,934	No	Yes
Mapfre Cercado Land	-	10,495	No	Yes
Tottus Callao Land	-	8,533	No	Yes
Real 8 land	-	7,164	No	Yes
Unimarc Mexico land	-	5,695	No	Yes
Office 407, Torre Concasa, Bogotá, Colombia	-	3,664	No	Yes
Plaza Independencia Building (a)	-	3,637	No	Yes
Unimarc Mexico Project	-	3,535	No	Yes
Costamar Project	-	3,105	No	Yes
Unimar Barranca land	-	3,020	No	Yes
Unimar Barranca	-	2,893	No	Yes
Mapfre Cercado Buildings	-	2,520	No	Yes
Office - Seguros Fenix Building, Cartagena, Colombia	-	1,270	No	Yes
De Las Medusas, Pinamar, Buenos Aires, Argentina	-	14	No	Yes
Office No. 21	-	1,043	No	Yes
Total investment properties	1,031,538	1,033,525		

FAIR VALUE HIERARCHY

All investment properties are classified as belonging to Level 2 in terms of fair value hierarchy. The accounting method used for both years was the market approach.

The fair values arrived at, as a result of the appraisals performed, are supported by market evidence and represent the values for which the asset could be purchased and sold between knowledgeable informed buyers and sellers on an arm's length basis on the date on which such property is appraised, this in accordance with that stipulated by the International Valuation Standards Council (IVSC) as well as IFRS 13 - Fair Value Measurement. Properties are appraised every year and the corresponding gains or losses at fair value are recorded through profit and loss.

RESTRICTIONS

Grupo SURA and Subsidiaries are not in any way restricted with regard to disposing of or selling their investment properties, neither do they have any contractual obligations to purchase, construct or develop investment property or carry out repairs or maintenance work and / or build property extensions.

NOTE 16. PROPERTY AND EQUIPMENT

The property and equipment belonging to Grupo de Inversiones Suramericana in each individual country are broken down as follows

	2017	2016
Land	334,369	274,135
Buildings	525,482	467,728
Vehicles	50,517	54,127
Office equipment	34,836	23,515
IT equipment	92,791	83,525
Fixtures and accessories	17,724	20,789
Other property and equipment	32,937	30,729
Construction in progress	30,114	43,564
Improved leasing rights	35,459	39,590
	1,154,229	1,037,702

Movements in Grupo SURA's property and equipment account are as follows:

	LAND	BUILDINGS	VEHICLES	OFFICE EQUIPMENT	IT EQUIPMENT	FIXTURES AND ACCESSORIES	OTHER PROPERTY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	IMPROVED LEASING RIGHTS	TOTAL
COST										
Cost at January 1, 2017	273,368	535,706	91,229	66,629	222,159	62,557	48,094	34,761	47,995	1,382,498
Additions	1,214	30,234	8,833	8,765	47,378	525	6,922	14,958	8,589	127,418
Disposals (-)	(6,378)	(53,589)	(6,301)	(3,555)	(22,482)	(21,828)	(387)	(779)	(673)	(115,972)
Revaluations (Note 26.1)	80,613	97,855	-	-	-	-	-	-	-	178,468
Exchange differences	1,988	1,368	(351)	325	917	-	(34)	8	(464)	3,757
Other changes	(8,089)	(13,912)	172	321	5,193	4,786	-	(18,834)	8,373	(21,990)
Book cost at year-end 2017	342,716	597,662	93,582	72,485	253,165	46,040	54,595	30,114	63,820	1,554,179
Accumulated depreciation and impairment										
Accumulated depreciation and impairment at January 1, 2017	-	(62,316)	(36,608)	(37,945)	(138,617)	(34,019)	(17,365)	-	(17,926)	(344,796)
Depreciation for the period (Note 8)	-	(12,495)	(9,930)	(5,349)	(29,422)	(5,016)	(7,882)	-	(9,784)	(79,878)
Disposals (-)	-	5,493	3,354	2,985	14,640	13,043	366	-	-	39,881
Impairment for the period	(1,654)	(1,129)	-	(10)	(130)	-	(218)	-	-	(3,141)
Exchange differences	-	(401)	106	(474)	(758)	-	32	-	397	(1,098)
Other changes	(6,693)	(1,332)	13	3,144	(6,087)	(2,324)	3,409	-	(1,048)	(10,918)
Accumulated depreciation and impairment at year-end 2017	(8,347)	(72,180)	(43,065)	(37,649)	(160,374)	(28,316)	(21,658)	-	(28,361)	(399,950)
Property and equipment at year-end 2017	334,369	525,482	50,517	34,836	92,791	17,724	32,937	30,114	35,459	1,154,229
Cost at January 1, 2016	227,143	458,076	82,340	32,593	193,924	69,719	15,473	66,346	34,037	1,179,651
Additions	22,398	28,517	8,958	13,915	39,907	4,774	9,280	16,231	18,344	162,324
Disposals (-)	(27)	(17,100)	(5,873)	(6,661)	(38,315)	(273)	(683)	(63)	(10,465)	(79,460)

	LAND	BUILDINGS	VEHICLES	OFFICE EQUIPMENT	IT EQUIPMENT	FIXTURES AND ACCESSORIES	OTHER PROPERTY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	IMPROVED LEASING RIGHTS	TOTAL
Revaluations (Note 26.1)	-	11,709	-	-	-	-	-	-	-	11,709
Other changes	24,621	48,843	8,860	21,436	26,643	(15,022)	25,001	(33,756)	1,648	108,274
Book cost at year-end 2016	274,135	530,045	94,285	61,283	222,159	59,198	49,071	48,758	43,564	1,382,498
ACCUMULATED DEPRECIATION AND IMPAIRMENT										
Accumulated depreciation and impairment at January 01, 2016	(3)	(49,694)	(26,047)	(21,296)	(119,188)	(32,255)	(10,517)	(6,583)	-	(265,583)
Depreciation for the period (Note 8)	-	(9,285)	(11,417)	(3,477)	(23,949)	(4,731)	(7,554)	(8,574)	-	(68,987)
Disposals (-)	-	858	2,355	1,036	29,105	96	475	47	-	33,972
Other changes	3	(4,196)	(5,049)	(14,031)	(24,602)	(1,519)	(746)	5,942	-	(44,198)
Accumulated depreciation and impairment at year-end 2016	-	(62,317)	(40,158)	(37,768)	(138,634)	(38,409)	(18,342)	(9,168)	-	(344,796)
Property and equipment at year-end 2016	274,135	467,728	54,127	23,515	83,525	20,789	30,729	39,590	43,564	1,037,702

After analyzing all impairment indicators, no evidence was found of any such impairment being sustained by the Company's property and equipment on the date of this report.

There are no restrictions relating to property and equipment.

- ¶ At the end of the period, an analysis was performed to determine whether there was any signs of impairment to the value of Grupo Sura's property and equipment, and it was confirmed that: during the period in question, the market value of these same assets had not decreased more than expected with the passage of time or through the normal use of such.
- ¶ No significant changes in their value are expected due to situations that could have an adverse effect on the Company.
- ¶ There is no evidence of these assets having become obsolete or suffering any physical deterioration.
- ¶ No changes are expected in the near future with regard to how assets are used and that could have an adverse effect on the Company.

NOTE 17. INTANGIBLE ASSETS

Intangible assets held by Grupo SURA at year-end 2017 and 2016 are broken down as follows:

	NOTE	2017	2016
Goodwill	17.1	4,768,779	4,506,162
Cerro Azul Hacienda Country Club Plot of Land No. B-26	17.2	3,149,755	3,274,773
Deferred acquisition costs (DAC):	17.3	1,750,068	1,638,604
Total intangible assets other than goodwill		4,899,823	4,913,377
Total intangible assets including goodwill		9,668,602	9,419,539

17.1 GOODWILL

Goodwill is broken down as follows

NAME OF COMPANY	2017			2016		
	COST	IMPAIRMENT	NET	COST	IMPAIRMENT	NET
Acquisition of the ING operations (*)	3,909,070	-	3,909,070	3,671,348	-	3,671,348
AFP Horizonte	250,951	-	250,951	243,747	-	243,747
Seguros de Vida Sura México, S.A. de C.V. (formerly Primero Seguros de Vida S.A. de C.V.)	14,419	-	14,419	13,734	-	13,734
Arus S.A.	25,429	-	25,429	25,429	-	25,429
Aseguradora Suiza Salvadoreña S.A. (Asesuiza)	83,367	(22,973)	60,394	83,834	(23,100)	60,734
Seguros Sura S.A. (Dominican Republic)	13,720	-	13,720	13,797	-	13,797
Seguro Suramericana Panamá (formerly Banistmo)	50,094	-	50,094	50,374	-	50,374
Seguros Generales Suramericana S.A. (formerly RSA Chile S.A.)	168,462	-	168,462	153,562	-	153,562
Seguros Colombia S.A.	93,650	-	93,650	93,650	-	93,650
Seguros Sura S.A. (formerly RSA Seguros (Brasil) S.A.)	44,636	-	44,636	45,325	-	45,325
Seguros Sura (formerly RSA Seguros México)	28,763	-	28,763	28,375	-	28,375
Seguros Sura S.A. de C.V. Uruguay	107,904	-	107,904	106,087	-	106,087
El Ciruelo	1,287	-	1,287	-	-	-
	4,791,752	(22,973)	4,768,779	4,529,262	(23,100)	4,506,162

(*) Including goodwill paid upon acquiring the following companies:

- ¶ AFP Capital S.A. (Chile)
- ¶ Afore SURA S.A. de C.V. (Mexico)
- ¶ AFP Integra S.A. (Peru)
- ¶ AFAP SURA S.A. (Uruguay)
- ¶ SURA Investment Management Mexico S.A. de C.V. (Mexico)
- ¶ Fondos SURA SAF S.A.C. (Peru)

11 Corredora de Bolsa SURA S.A.(Chile) and Administradora General de Fondos S.A. (Chile)

In addition to including the business combinations carried out during the period, goodwill is adjusted on each closing date, this in accordance with that provided in paragraph 47 of IAS 21, namely that goodwill must be stated in the same functional currency of foreign country where the company is based, and then converted into the reporting currency using the exchange rate applicable on the closing date of the respective reporting period.

The following shows a breakdown of goodwill by each individual country:

	2017	2016
Chile	2,032,227	1,852,482
Peru	1,293,946	1,256,797
Mexico	894,774	853,308
Uruguay	258,622	254,266
Colombia	120,365	119,080
Panama	63,814	64,171
El Salvador	60,395	60,733
Brazil	44,636	45,325
Total	4,768,779	4,506,162

Movements in the Goodwill account are broken down as follows

CONSOLIDATED	
Cost at January 1, 2016	4,305,020
Additions	410,375
Withdrawals	-
Exchange differences	(186,133)
Cost at December 31, 2016	4,529,262
Impairment at January 1, 2016	(24,245)
Additions	-
Withdrawals	-
Exchange differences	1,145
Impairment at December 31, 2016	(23,100)
Net goodwill - 2016	4,506,162
Cost at January 1, 2017	4,529,262
Additions	1,287
Withdrawals	-

CONSOLIDATED	
Exchange differences	261,203
Cost at December 31, 2017	4,791,752
Impairment at January 1, 2017	(23,100)
Additions	-
Withdrawals	-
Exchange differences	127
Impairment at December 31, 2017	(22,973)
Net goodwill - 2017	4,768,779

17.2 INTANGIBLE ASSETS OTHER THAN GOODWILL

Movements in Grupo Sura's intangible asset account are as follows:

	ACQUIRED TRADE-MARKS	CUSTOMER-RELATED INTANGIBLE ASSETS	SOFTWARE AND APPLICATIONS	RIGHTS	LICENSES AND FRANCHISES	OTHER INTANGIBLE ASSETS	TOTAL
COST							
Cost at January 1, 2016	129,421	3,413,973	94,013	32,704	17,738	221	3,688,070
Business combinations	9,236	457,898	142,167	-	19,886	1,236	630,423
Additions	-	62,972	48,908	-	-	6,765	118,645
Disposals (-)	(2,215)	(3,790)	(641)	-	(535)	(771)	(7,952)
Exchange differences	(5,543)	(225,868)	(20,068)	(752)	(10,986)	550	(262,667)
Other changes	-	5	-	(206)	-	-	(201)
Book cost at year-end 2016	130,899	3,705,190	264,379	31,746	26,103	8,001	4,166,318
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
Accumulated depreciation and impairment at January 1, 2016	(7,321)	(648,038)	(15,026)	(3,213)	(15,387)	(150)	(689,135)
Amortizations for the period (Note 8)	(246)	(194,831)	(31,846)	(7,286)	(15,893)	(436)	(250,538)
Additions	77	26,318	188	-	-	83	26,666
Disposals (-)	2,215	-	(59,980)	-	4,223	1,061	(52,481)
Exchange differences	4,123	78,503	(22,914)	(1,739)	17,901	(1,931)	73,943
Accumulated depreciation and impairment at year-end 2016	(1,152)	(738,048)	(129,578)	(12,238)	(9,156)	(1,373)	(891,545)

	ACQUIRED TRADE-MARKS	CUSTOMER-RELATED INTANGIBLE ASSETS	SOFTWARE AND APPLICATIONS	RIGHTS	LICENSES AND FRANCHISES	OTHER INTANGIBLE ASSETS	TOTAL
Intangible assets other than goodwill at year-end 2016	129,747	2,967,142	134,801	19,508	16,947	6,628	3,274,773
COST							
Cost at January 1, 2017	130,899	3,705,190	264,379	31,746	26,103	8,001	4,166,318
Business combinations	-	1,413	-	-	-	-	1,413
Additions	-	11,573	113,681	-	427	-	125,681
Disposals (-)	-	(138,676)	(41,430)	-	-	(1,279)	(181,385)
Exchange differences	14,966	197,267	24,879	(5,653)	(6,724)	1,084	225,819
Other changes	-	779	1	-	-	-	780
Book cost at year-end 2016	145,865	3,777,546	361,510	26,093	19,806	7,806	4,338,626
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
Accumulated depreciation and impairment at January 1, 2017	(1,152)	(738,048)	(129,578)	(12,238)	(9,156)	(1,373)	(891,545)
Amortizations for the period (Note 8)	-	(228,526)	(55,361)	(5,167)	(1,245)	(278)	(290,577)
Additions	-	-	-	-	-	-	-
Disposals (-)	-	36,536	17,504	-	-	-	54,040
Exchange differences	(7,110)	(44,146)	(19,694)	5,492	4,249	420	(60,789)
Accumulated depreciation and impairment at year-end 2017	(8,262)	(974,184)	(187,129)	(11,913)	(6,152)	(1,231)	(1,188,871)
Intangible assets other than goodwill at year-end 2017	137,603	2,803,362	174,381	14,180	13,654	6,575	3,149,755

The following are the useful lives corresponding to the more representative intangible assets

	CLIENT RELATIONS	TOTAL USEFUL LIFE (YEARS)	REMAINING USEFUL LIFE (YEARS)
AFP Capital S.A. (Chile)		27	22
Corredora de Bolsa Sura S.A. and Administradora General de Fondos S.A. (Chile)		10	5
Seguros de Vida SURA S.A. (Chile)		14	9
AFP Integra (Peru)		30	25
Wealth Management SURA S.A. (Peru)		4	-
AFAP Sura S.A. (Uruguay)		23	18
Afore Sura S.A. De C.V. (Mexico)		27	22
Seguros Sura S.A. (Peru)		15	10
AFP Integra (Peru) AFP Horizonte		17	12
Sociedad Agente de Bolsa Sura S.A. (Peru)		4	2
Seguros Suramericana S.A de (formerly Banistmo Panamá)		9	6.7
Aseguradora Suiza Salvadoreña S.A. Asesuisa (El Salvador)		14	8
Arus S.A. (Colombia)		5.5	1
Seguros Sura S.A. Brasil		5	3.2
Seguros Sura S.A. (Peru)		7	5.3
Seguros Sura S.A. (Peru)		5	3.3
Seguros Sura S.A. (Peru)		11	8.9
Seguros SURA in México		4	2.4
AFAP Sura S.A. (Uruguay)		16	14.5
Client List - El Ciruelo		3	2.5
AFFINITY CONTRACTS			
Seguros Sura S.A. Brasil		3	1.3
Seguros Sura S.A.		2.3	0.7
Seguros Sura S.A. Colombia		1.8	0.2
Seguros Sura S.A. Argentina		1.9	0.4
Seguros SURA in México		1.7	0.3
Seguros Sura S.A. Uruguay		1.9	0.5
NON-COMPETITION RIGHTS			
Seguros Suramericana S.A de Panamá		5	3.7
TRADEMARKS *			
AFP Capital S.A. (Chile)		Indefinite	Indefinite
AFP Integra (Peru)		Indefinite	Indefinite
AFAP SURA S.A. (Uruguay)		1	-
AFP Integra (Peru) AFP Horizonte		3	-
Seguros Sura S.A. Argentina		Indefinite	Indefinite
Seguros Sura S.A. México		Indefinite	Indefinite

(*) These assets have an indefinite useful life since, once the Purchase Price Allocation (PPA) was drawn up, it was not possible to determine a foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Each year Grupo Sura evaluates whether these intangible assets continue to have indefinite useful lives, or whether there is evidence of impairment. (See Note 19. Impairment of non-financial assets)

The following is a breakdown of trademarks at fair value with indefinite useful lives:

TRADEMARKS	COUNTRY	VALUATION CURRENCY	VALUE IN LOCAL CURRENCY	TOTAL
ACG	Argentina	Argentinian pesos	18	2,898
Answer	Argentina	Argentinian pesos	22	3,542
Seguros Argentina			40	6,440
Hogar Master	Mexico	Mexican pesos	8	1,177
Top driver	Mexico	Mexican pesos	2	321
Seguros México			10	1,498
AFP Capital	Chile	USD	29	86,872
AFP Integra	Perú	USD	14	42,849

17.3 DEFERRED ACQUISITION COSTS (DAC)

The following shows the movements recorded with Deferred Acquisition Costs (DAC):

	ASSET MANAGEMENT	INSURANCE	TOTAL
At December 31, 2015	581,492	304,004	885,496
Business combinations	-	1,406,488	1,406,488
Additions	168,298	562,047	730,345
Exchange differences	(63,857)	(2,366)	(66,223)
Amortizations (Note 29.2)	(146,164)	(1,171,338)	(1,317,502)
At year-end 2016	539,769	1,098,835	1,638,604
Additions	164,868	1,664,115	1,828,984
De-recognitions	(8,778)	-	(8,778)
Exchange differences	35,571	29,073	64,644
Amortizations (Note 29.2)	(171,441)	(1,601,944)	(1,773,385)
At December 31, 2017	559,989	1,190,079	1,750,068

Deferred Acquisition Costs (DAC) for each individual country are as follows:

	2017	2016
Mexico	697,135	392,325
Chile	491,772	215,700
Colombia	219,662	752,774
Argentina	117,953	97,144
Brazil	57,567	78,132

	2017	2016
Uruguay	40,333	27,450
Peru	36,124	-
El Salvador	35,282	30,584
Panama	33,937	27,799
Dominican Republic	18,414	16,696
Bermuda	1,889	-
Total	1,750,068	1,638,604

RESTRICCIONES

To date no restrictions have been placed on Grupo SURA's intangible assets

NOTE 18. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

18.1. SUBSIDIARIES

Grupo SURA's subsidiaries, at the end of the reporting period, are listed as follows:

CORPORATE				
SURAMERICANA S.A.				
			Year-end 2017	Year-end 2016
Activity:	Investing	Assets	5,692,263	5,282,383
Registered place of business:	Medellin	Liabilities	1,201,762	1,256,988
Country:	Colombia	Equity	4,490,501	4,025,395
Date of incorporation:	May 25, 1999	Net income	504,888	396,151
		% stake	81.13%	81.13%
INVERSURA PANAMÁ INTERNACIONAL S.A.				
			Year-end 2017	Year-end 2016
Activity:	Investing	Assets	374,310	407,788
Registered place of business:	Panama City	Liabilities	5	-
Country:	Panama	Equity	374,305	407,788
Date of incorporation:	December 23, 2002	Net income	(2,192)	(206)
		% stake	81.13%	81.13%

CORPORATE

INVERSIONES SURA BRASIL S.A.S.

			Year-end 2017	Year-end 2016
Activity:	Investing	Assets	238,882	238,865
Registered place of business:	Medellin	Liabilities	1	10
Country:	Colombia	Equity	238,881	238,855
Date of incorporation:	December 4, 2015	Net income	(874)	(26)
		% stake	81.13%	81.13%

ARUS HOLDING S.A.S.

			Year-end 2017	Year-end 2016
Activity:	Investing in personal and real estate property,	Assets	69,369	59,606
Registered place of business:	Medellin	Liabilities	3	9
Country:	Colombia	Equity	69,366	59,597
Date of incorporation:	July 11, 2012	Net income	7,768	5,277
		% stake	100.00%	100.00%

INVERSIONES Y CONSTRUCCIONES ESTRATÉGICAS S.A.S

			Year-end 2017	Year-end 2016
Activity:	Investing	Assets	155,106	140,480
Registered place of business:	Medellin	Liabilities	5,484	4,473
Country:	Colombia	Equity	149,622	136,007
Date of incorporation:	August 30, 2007	Net income	10,226	12,994
		% stake	100.00%	100.00%

GRUPO DE INVERSIONES SURAMERICANA PANAMÁ S.A.

			Year-end 2017	Year-end 2016
Activity:	Investing in negotiable securities	Assets	972,795	940,996
Registered place of business:	Panama City	Liabilities	923,068	890,453
Country:	Panama	Equity	49,727	50,543
Date of incorporation:	29/04/1998	Net income	(25,762)	(48,645)
		% stake	100.00%	100.00%

PLANECO PANAMÁ S.A.

			Year-end 2017	Year-end 2016
Activity:	Buying and selling personal property and real estate	Assets	29,298	35,120
Registered place of business:	Panama City	Liabilities	55,807	54,126
Country:	Panama	Equity	(26,509)	(19,006)
Date of incorporation:	December 12, 2012	Net income	(7,525)	(9,281)
		% stake	95.28%	95.28%

CORPORATE

GRUPO SURA FINANCE S.A.

			Year-end 2017	Year-end 2016
Activity:	Any lawful activity in the Cayman Islands	Assets	2,502,571	2,516,711
Registered place of business:	Cayman Islands	Liabilities	2,531,229	2,542,259
Country:	Cayman Islands	Equity	(28,658)	(25,548)
Date of incorporation:	March 18, 2011	Net income	(3,217)	(5,411)
		% stake	100.00%	100.00%

FINANCIA EXPRESO RSA S.A.

			Year-end 2017	Year-end 2016
Activity:	Investing and entering into loan agreements	Assets	3,319	5,569
Registered place of business:	Bogotá	Liabilities	18	136
Country:	Colombia	Equity	3,301	5,433
Date of incorporation:	July 15, 1970	Net income	(3,429)	(4,221)
		% stake	81.12%	81.11%

SANTA MARÍA DEL SOL S.A.

			Year-end 2017	Year-end 2016
Activity:	Investments	Assets	7,449	8,820
Registered place of business:	Buenos Aires	Liabilities	19	151
Country:	Argentina	Equity	7,430	8,669
Date of incorporation:	April 11, 1991	Net income	77	(235)
		% stake	81.13%	81.13%

ATLANTIS SOCIEDAD INVERSORA S.A.

			Year-end 2017	Year-end 2016
Activity:	Investments	Assets	4,028	4,787
Registered place of business:	Buenos Aires	Liabilities	15	86
Country:	Argentina	Equity	4,013	4,701
Date of incorporation:	June 26, 1992	Net income	24	(124)
		% stake	81.13%	81.13%

CHILEAN HOLDING SURAMERICANA SPA (FORMERLY RSA CHILEAN HOLDING SPA)

			Year-end 2017	Year-end 2016
Activity:	Investments	Assets	44,926	40,387
Registered place of business:	Santiago de Chile	Liabilities	50,280	43,520
Country:	Chile	Equity	(5,354)	(3,133)
Date of incorporation:	October 16, 2012	Net income	(1,774)	(1,161)
		% stake	81.13%	81.13%

CORPORATE

INVERSIONES SURAMERICANA CHILE LIMITADA (FORMERLY INVERSIONES RSA CHILE LIMITADA)

			Year-end 2017	Year-end 2016
Activity:	Investments	Assets	41,465	37,747
Registered place of business:	Santiago de Chile	Liabilities	228	-
Country:	Chile	Equity	41,237	37,747
Date of incorporation:	October 25, 2012	Net income	(160)	(77)
		% stake	81.13%	81.13%

SURA ASSET MANAGEMENT S.A.

			Year-end 2017	Year-end 2016
Activity:	Investing in personal and real estate property,	Assets	7,180,525	7,340,374
Registered place of business:	Medellin	Liabilities	1,599,686	1,626,766
Country:	Colombia	Equity	5,580,839	5,713,608
Date of incorporation:	15/09/2011	Net income	221,154	329,215
		% stake	83.58%	78.71%

ACTIVOS ESTRATÉGICOS SURA A.M. COLOMBIA S.A.S.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	131	126
Registered place of business:	Medellin	Liabilities	2	2
Country:	Colombia	Equity	129	124
Date of incorporation:	April 25, 2013	Net income	5	4
		% stake	83.58%	78.71%

SURA INVESTMENT MANAGEMENT COLOMBIA S.A.S

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	6,685	5,636
Registered place of business:	Medellin	Liabilities	407	83
Country:	Colombia	Equity	6,278	5,553
Date of incorporation:	June 23, 2015	Net income	1,180	2,165
		% stake	83.58%	78.71%

SURA ASSET MANAGEMENT ESPAÑA, S.L.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	5,331,043	4,673,470
Registered place of business:	Madrid	Liabilities	619	590
Country:	Spain	Equity	5,330,424	4,672,880
Date of incorporation:	September 28, 2011	Net income	(967)	(1,280)
		% stake	83.58%	78.71%

CORPORATE

GRUPO DE INVERSIONES SURAMERICANA HOLANDA B.V.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	5,120,196	4,487,674
Registered place of business:	Amsterdam	Liabilities	43	26
Country:	Holland	Equity	5,120,153	4,487,648
Date of incorporation:	October 12, 2011	Net income	(306)	(229)
		% stake	83.58%	78.71%

GRUPO SURA CHILE HOLDINGS I B.V.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	2,592,886	1,921,166
Registered place of business:	Amsterdam	Liabilities	1,384	1,155
Country:	Holland	Equity	2,591,502	1,920,011
Date of incorporation:	July 7, 1993	Net income	(505)	(152)
		% stake	83.58%	78.71%

SURA ASSET MANAGEMENT CHILE S.A.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	3,208,846	2,832,127
Registered place of business:	Santiago de Chile	Liabilities	21,228	15,282
Country:	Chile	Equity	3,187,618	2,816,845
Date of incorporation:	August 1, 2002	Net income	90,209	132,621
		% stake	83.58%	78.71%

SURA DATA CHILE S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing data processing services and leasing computer equipment.	Assets	10,256	9,440
Registered place of business:	Santiago de Chile	Liabilities	3,537	3,703
Country:	Chile	Equity	6,719	5,737
Date of incorporation:	August 1, 2002	Net income	394	834
		% stake	83.58%	78.71%

SURA SERVICIOS PROFESIONALES S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing business consultancy and advisory services.	Assets	34,989	28,513
Registered place of business:	Santiago de Chile	Liabilities	18,002	15,344
Country:	Chile	Equity	16,987	13,169
Date of incorporation:	August 1, 2002	Net income	2,351	3,089
		% stake	83.58%	78.71%

CORPORATE

SANTA MARÍA INTERNACIONAL S.A.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	-	6,786
Registered place of business:	Santiago de Chile	Liabilities	-	7
Country:	Chile	Equity	-	6,779
Date of incorporation:	October 17, 1994	Net income	-	(316)
		% stake	0.00%	78.71%

GRUPO SURA LATIN AMERICAN HOLDINGS B.V.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	-	351,601
Registered place of business:	Netherlands	Liabilities	-	(9)
Country:	Holland	Equity	-	351,610
Date of incorporation:	September 28, 1983	Net income	-	(2,317)
		% stake	0.00%	78.71%

SUAM FINANCE B.V

			Year-end 2017	Year-end 2016
Activity:	Holding company for 144A/Reg S bonds issued in April 2014	Assets	1,432,862	1,440,665
Registered place of business:	Curaçao	Liabilities	1,496,394	1,503,441
Country:	Curaçao	Equity	(63,532)	(62,776)
Date of incorporation:	December 1, 2014	Net income	(73,364)	(78,002)
		% stake	83.58%	78.71%

SURA ASSET MANAGEMENT MÉXICO S.A. DE C.V.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	1,002,420	934,894
Registered place of business:	Mexico D.F.	Liabilities	177	3,745
Country:	Mexico	Equity	1,002,243	931,149
Date of incorporation:	April 17, 2013	Net income	229,637	195,081
		% stake	83.58%	78.71%

SURA ART CORPORATION S.A. DE C.V.

			Year-end 2017	Year-end 2016
Activity:	Collecting Mexican works of art.	Assets	38,902	41,101
Registered place of business:	Mexico D.F.	Liabilities	81	76
Country:	Mexico	Equity	38,821	41,025
Date of incorporation:	December 20, 2011	Net income	171	8
		% stake	83.58%	78.71%

CORPORATE

SURA ASSET MANAGEMENT PERÚ S.A.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	286,011	194,783
Registered place of business:	Lima	Liabilities	64,388	53,120
Country:	Peru	Equity	221,623	141,663
Date of incorporation:	July 4, 2013	Net income	133,147	62,985
		% stake	83.58%	78.71%

SURA ASSET MANAGEMENT URUGUAY SOCIEDAD DE INVERSIÓN S.A. (FORMERLY TUBLYR S.A.)

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	218,779	207,274
Registered place of business:	Uruguay	Liabilities	4,025	743
Country:	Uruguay	Equity	214,754	206,531
Date of incorporation:	July 2, 2013	Net income	25,559	22,310
		% stake	83.58%	78.71%

MANDATORY / VOLUNTARY

AFAP SURA S.A.

			Year-end 2017	Year-end 2016
Activity:	Managing retirement savings funds.	Assets	102,116	89,833
Registered place of business:	Montevideo	Liabilities	21,382	18,659
Country:	Uruguay	Equity	80,734	71,174
Date of incorporation:	March 27, 1995	Net income	44,989	38,818
		% stake	83.58%	78.71%

AFP CAPITAL S.A.

			Year-end 2017	Year-end 2016
Activity:	Managing pension funds.	Assets	3,334,661	2,794,219
Registered place of business:	Santiago de Chile	Liabilities	582,530	440,129
Country:	Chile	Equity	2,752,131	2,354,090
Date of incorporation:	January 16, 1981	Net income	292,234	328,266
		% stake	83.33%	78.48%

AFORE SURA S.A. DE C.V.

			Year-end 2017	Year-end 2016
Activity:	Managing investment firms specializing in retirement savings funds	Assets	1,512,587	1,481,453
Registered place of business:	Mexico D.F.	Liabilities	216,568	272,381
Country:	Mexico	Equity	1,296,019	1,209,072
Date of incorporation:	December 17, 1996	Net income	257,279	245,589
		% stake	83.58%	78.71%

MANDATORY / VOLUNTARY

AFP INTEGRA S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing its pension fund management services	Assets	1,402,909	1,327,484
Registered place of business:	Lima	Liabilities	249,423	232,958
Country:	Peru	Equity	1,153,486	1,094,526
Date of incorporation:	May 19, 1993	Net income	181,830	166,430
		% stake	83.58%	78.70%

VOLUNTARY

CORREDORES DE BOLSA SURA S.A.

			Year-end 2017	Year-end 2016
Activity:	Purchasing and selling securities and providing brokerage services	Assets	138,860	91,121
Registered place of business:	Santiago de Chile	Liabilities	77,695	47,855
Country:	Chile	Equity	61,165	43,266
Date of incorporation:	February 4, 2008	Net income	(2,595)	(13,722)
		% stake	83.58%	78.71%

ADMINISTRADORA GENERAL DE FONDOS SURA S.A.

			Year-end 2017	Year-end 2016
Activity:	Managing investment and mutual funds.	Assets	82,698	46,946
Registered place of business:	Santiago de Chile	Liabilities	49,829	24,631
Country:	Chile	Equity	32,869	22,315
Date of incorporation:	July 9, 2008	Net income	7,764	3,002
		% stake	83.58%	78.71%

SURA INVESTMENT MANAGEMENT S.A. DE C.V.

			Year-end 2017	Year-end 2016
Activity:	Managing investment fund management firms.	Assets	63,350	51,738
Registered place of business:	Mexico D.F.	Liabilities	15,881	16,678
Country:	Mexico	Equity	47,469	35,060
Date of incorporation:	February 13, 1998	Net income	(14,586)	(15,353)
		% stake	83.58%	78.71%

VOLUNTARY

FONDOS SURA SAF S.A.C.

			Year-end 2017	Year-end 2016
Activity:	Managing investment and mutual funds.	Assets	13,663	17,077
Registered place of business:	Lima	Liabilities	4,751	13,113
Country:	Peru	Equity	8,912	3,964
Date of incorporation:	December 7, 2004	Net income	(6,111)	(8,742)
		% stake	83.58%	78.71%

SOCIEDAD AGENTE DE BOLSA S.A.

			Year-end 2017	Year-end 2016
Activity:	Stock brokerage firm	Assets	12,011	9,858
Registered place of business:	Peru	Liabilities	941	966
Country:	Peru	Equity	11,070	8,892
Date of incorporation:	September 25, 2015	Net income	(3,458)	(4,980)
		% stake	83.58%	78.71%

CORREDOR DE BOLSA SURA S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing brokerage services	Assets	8,272	3,196
Registered place of business:	Montevideo	Liabilities	3,122	644
Country:	Uruguay	Equity	5,150	2,552
Date of incorporation:	December 1, 2014	Net income	(6,038)	(1,324)
		% stake	83.58%	78.71%

AFISA SURA S.A.

			Year-end 2017	Year-end 2016
Activity:	Managing investments funds.	Assets	7,155	5,922
Registered place of business:	Montevideo	Liabilities	2,241	2,162
Country:	Uruguay	Equity	4,914	3,760
Date of incorporation:	January 19, 2011	Net income	(4,621)	(7,084)
		% stake	83.58%	78.71%

SURA ASSET MANAGEMENT ARGENTINA S.A.

			Year-end 2017	Year-end 2016
Activity:	Managing investments funds.	Assets	26	-
Registered place of business:	Buenos Aires	Liabilities	26	-
Country:	Argentina	Equity	-	-
Date of incorporation:	October 11, 2017	Net income	(18)	-
		% stake	83.58%	0.00%

LIFE INSURANCE				
SEGUROS DE VIDA SURAMERICANA S.A.				
			Year-end 2017	Year-end 2016
Activity:	Personal Insurance	Assets	7,253,468	6,572,896
Registered place of business:	Medellin	Liabilities	5,839,942	5,359,707
Country:	Colombia	Equity	1,413,526	1,213,189
Date of incorporation:	August 4, 1947	Net income	351,110	314,064
		% stake	81.13%	81.13%
SEGUROS DE RIESGOS LABORALES SURAMERICANA S.A.				
			Year-end 2017	Year-end 2016
Activity:	Occupational Risk Management firm	Assets	2,634,197	2,151,408
Registered place of business:	Medellin	Liabilities	2,095,313	1,721,474
Country:	Colombia	Equity	538,884	429,934
Date of incorporation:	November 9, 1995	Net income	186,316	179,125
		% stake	81.13%	81.13%
ASEUISA VIDA, S.A. SEGUROS DE PERSONAS				
			Year-end 2017	Year-end 2016
Activity:	Personal Insurance	Assets	369,422	372,181
Registered place of business:	San Salvador	Liabilities	287,273	299,339
Country:	El Salvador	Equity	82,149	72,842
Date of incorporation:	December 5, 2001	Net income	18,923	27,889
		% stake	81.13%	81.13%
SEGUROS DE VIDA SURAMERICANA S.A (FORMERLY RSA SEGUROS DE VIDA S.A.)				
			Year-end 2017	Year-end 2016
Activity:	Life insurance	Assets	76,949	56,818
Registered place of business:	Santiago de Chile	Liabilities	34,662	18,303
Country:	Chile	Equity	42,287	38,515
Date of incorporation:	November 21, 2012	Net income	33	196
		% stake	81.13%	81.13%
SEGUROS DE VIDA SURA S.A.				
			Year-end 2017	Year-end 2016
Activity:	Providing its insurance services, specifically life insurance and annuities.	Assets	10,323,517	8,661,920
Registered place of business:	Santiago de Chile	Liabilities	9,203,966	7,787,570
Country:	Chile	Equity	1,119,551	874,350
Date of incorporation:	January 12, 1989	Net income	53,961	45,942
		% stake	83.58%	78.71%

LIFE INSURANCE				
PENSIONES SURA S.A. DE C.V.				
			Year-end 2017	Year-end 2016
Activity:	Pension insurance	Assets	2,030,137	1,607,754
Registered place of business:	Mexico D.F.	Liabilities	1,895,032	1,502,049
Country:	Mexico	Equity	135,105	105,705
Date of incorporation:	May 12, 1997	Net income	24,633	29,637
		% stake	83.58%	78.71%
SEGUROS DE VIDA SURA MÉXICO, S.A. DE C.V. (FORMERLY PRIMERO SEGUROS DE VIDA S.A. DE C.V.)				
			Year-end 2017	Year-end 2016
Activity:	Life insurance	Assets	270,155	181,876
Registered place of business:	Mexico D.F.	Liabilities	230,058	142,014
Country:	Mexico	Equity	40,097	39,862
Date of incorporation:	December 1, 2014	Net income	(1,808)	4,644
		% stake	83.58%	78.71%
SEGUROS SURA S.A. (FORMERLY INVITA)				
			Year-end 2017	Year-end 2016
Activity:	Providing life insurance and reinsurance	Assets	-	4,527,778
Registered place of business:	Lima	Liabilities	-	4,022,722
Country:	Peru	Equity	-	505,056
Date of incorporation:	March 1, 2000	Net income	-	88,036
		% stake	0.00%	54.54%
SUAM CORREDORA DE SEGUROS S.A. DE C.V.				
			Year-end 2017	Year-end 2016
Activity:	Providing its insurance and reinsurance brokerage services	Assets	733	585
Registered place of business:	San Salvador	Liabilities	87	102
Country:	El Salvador	Equity	646	483
Date of incorporation:	May 7, 2013	Net income	164	184
		% stake	83.58%	78.71%
DISGELY S.A.				
			Year-end 2017	Year-end 2016
Activity:	Selling merchandise and leasing goods, properties and services.	Assets	2,148	1,573
Registered place of business:	Montevideo	Liabilities	168	497
Country:	Uruguay	Equity	1,980	1,076
Date of incorporation:	December 1, 2014	Net income	(617)	(2,049)
		% stake	83.58%	78.71%

NON-LIFE

SEGUROS GENERALES SURAMERICANA S.A.

			Year-end 2017	Year-end 2016
Activity:	Property and Casualty Insurance	Assets	3,750,880	3,478,392
Registered place of business:	Medellin	Liabilities	2,870,049	2,694,227
Country:	Colombia	Equity	880,831	784,165
Date of incorporation:	December 12, 1944	Net income	77,079	34,079
		% stake	81.12%	81.11%

SEGUROS SURA S.A.

			Year-end 2017	Year-end 2016
Activity:	Seguros	Assets	313,228	295,929
Registered place of business:	Santo Domingo	Liabilities	272,548	258,142
Country:	Dominican Republic	Equity	40,680	37,787
Date of incorporation:	July 17, 1986	Net income	676	(977)
		% stake	81.13%	81.13%

SEGUROS SURAMERICANA PANAMÁ S.A.

			Year-end 2017	Year-end 2016
Activity:	Seguros	Assets	1,169,686	1,152,792
Registered place of business:	Panama City	Liabilities	547,873	520,922
Country:	Panama	Equity	621,813	631,870
Date of incorporation:	July 11, 1972	Net income	48,104	35,941
		% stake	81.13%	81.13%

ASEGURADORA SUIZA SALVADOREÑA S.A. ASESUISA

			Year-end 2017	Year-end 2016
Activity:	Property and Casualty Insurance	Assets	304,142	295,607
Registered place of business:	San Salvador	Liabilities	123,856	123,801
Country:	El Salvador	Equity	180,286	171,806
Date of incorporation:	November 14, 1969	Net income	361	(3,009)
		% stake	81.13%	81.13%

SURA RE LTD.

			Year-end 2017	Year-end 2016
Activity:	Insurance and re-insurance	Assets	57,468	15,891
Registered place of business:	Hamilton	Liabilities	42,276	145
Country:	Bermuda	Equity	15,192	15,746
Date of incorporation:	December 8, 2015	Net income	(462)	(770)
		% stake	81.13%	81.13%

NON-LIFE

SURA SAC LTD.

			Year-end 2017	Year-end 2016
Activity:	Insurance and re-insurance	Assets	1,904	-
Registered place of business:	Hamilton	Liabilities	933	-
Country:	Bermuda	Equity	971	-
Date of incorporation:	July 26, 2017	Net income	(13)	-
		% stake	81.13%	0.00%

SEGUROS SURA S.A (FORMERLY ROYAL & SUN ALLIANCE SEGUROS (BRAZIL) S.A.)

			Year-end 2017	Year-end 2016
Activity:	Personal and casualty insurance	Assets	1,050,691	1,037,458
Registered place of business:	Sao Pablo	Liabilities	804,552	786,060
Country:	Brazil	Equity	246,139	251,398
Date of incorporation:	August 31, 1973	Net income	(155)	(7,184)
		% stake	81.13%	81.13%

SEGUROS SURA S.A (FORMERLY ROYAL & SUN ALLIANCE SEGUROS (ARGENTINA) S.A.)

			Year-end 2017	Year-end 2016
Activity:	General insurance	Assets	1,446,021	1,413,475
Registered place of business:	Buenos Aires	Liabilities	1,250,744	1,235,661
Country:	Argentina	Equity	195,277	177,814
Date of incorporation:	July 13, 1912	Net income	29,155	20,851
		% stake	80.67%	80.63%

ASEGURADORA DE CRÉDITOS Y GARANTÍAS S.A.

			Year-end 2017	Year-end 2016
Activity:	Insurance, co-insurance and re-insurance in general for all types of risk	Assets	87,275	89,113
Registered place of business:	Buenos Aires	Liabilities	73,930	70,096
Country:	Argentina	Equity	13,345	19,017
Date of incorporation:	March 20, 1959	Net income	(3,270)	4,267
		% stake	81.12%	81.12%

SEGUROS GENERALES SURAMERICANA S.A (FORMERLY RSA SEGUROS CHILE S.A.)

			Year-end 2017	Year-end 2016
Activity:	General insurance	Assets	4,196,792	3,558,386
Registered place of business:	Santiago de Chile	Liabilities	3,325,728	2,764,570
Country:	Chile	Equity	871,064	793,816
Date of incorporation:	April 15, 1905	Net income	(3,595)	(7,942)
		% stake	80.71%	80.71%

NON-LIFE

SEGUROS SURA, S.A DE C.V. (FORMERLY ROYAL & SUN ALLIANCE SEGUROS (MEXICO) S.A. DE C.V.)

			Year-end 2017	Year-end 2016
Activity:	General insurance	Assets	1,432,476	887,823
Registered place of business:	Mexico D.F.	Liabilities	1,119,239	639,383
Country:	Mexico	Equity	313,237	248,440
Date of incorporation:	October 1, 1941	Net income	(7,082)	(13,556)
		% stake	81.13%	81.13%

SEGUROS SURA S.A (FORMERLY ROYAL & SUN ALLIANCE SEGUROS (ARGENTINA) S.A.)

			Year-end 2017	Year-end 2016
Activity:	Property and Casualty Insurance	Assets	602,676	595,153
Registered place of business:	Montevideo	Liabilities	331,371	307,134
Country:	Uruguay	Equity	271,305	288,019
Date of incorporation:	November 7, 1994	Net income	13,545	4,768
		% stake	81.13%	81.13%

HEALTH CARE SERVICES

EPS Y MEDICINA PREPAGADA SURAMERICANA S.A.

			Year-end 2017	Year-end 2016
Activity:	Organizing, guaranteeing and providing health care services	Assets	721,194	612,715
Registered place of business:	Medellin	Liabilities	524,958	456,992
Country:	Colombia	Equity	196,236	155,723
Date of incorporation:	January 31, 1990	Net income	31,823	22,162
		% stake	81.13%	81.13%

SERVICIOS DE SALUD IPS SURAMERICANA S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing medical, paramedical and dental services	Assets	89,141	71,681
Registered place of business:	Medellin	Liabilities	75,537	62,863
Country:	Colombia	Equity	13,604	8,818
Date of incorporation:	December 19, 1996	Net income	1,660	1,148
		% stake	81.13%	81.13%

HEALTH CARE SERVICES

DIAGNÓSTICO Y ASISTENCIA MÉDICA S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing health care services through diagnostic aids	Assets	82,334	79,390
Registered place of business:	Medellin	Liabilities	50,348	54,859
Country:	Colombia	Equity	31,986	24,531
Date of incorporation:	February 24, 1994	Net income	5,986	5,252
		% stake	81.13%	81.13%

HABITAT ADULTO MAYOR S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing health care services for the elderly	Assets	50,075	30,181
Registered place of business:	La Estrella	Liabilities	21,884	8,704
Country:	Colombia	Equity	28,191	21,477
Date of incorporation:	July 24, 2007	Net income	1,187	1,171
		% stake	82.66%	82.66%

OUTSOURCING

ARUS S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing and marketing its telecommunication services, products and solutions	Assets	84,104	73,263
Registered place of business:	Medellin	Liabilities	53,073	47,436
Country:	Colombia	Equity	31,031	25,827
Date of incorporation:	August 16, 1988	Net income	5,204	3,818
		% stake	100.00%	100.00%

ENLACE OPERATIVO S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing data processing services in the form of outsourcing	Assets	20,293	16,656
Registered place of business:	Medellin	Liabilities	4,968	4,612
Country:	Colombia	Equity	15,325	12,044
Date of incorporation:	May 31, 2006	Net income	3,281	2,861
		% stake	100.00%	100.00%

OTHERS				
OPERACIONES GENERALES SURAMERICANA S.A.S.				
			Year-end 2017	Year-end 2016
Activity:	Investing in personal and real estate property,	Assets	127,864	131,972
Registered place of business:	Medellin	Liabilities	74,119	84,045
Country:	Colombia	Equity	53,745	47,927
Date of incorporation:	July 24, 1964	Net income	(8,278)	(11,224)
		% stake	81.13%	81.13%
SERVICIOS GENERALES SURAMERICANA S.A.				
			Year-end 2017	Year-end 2016
Activity:	Investing in personal property especially shares, quotas or holdings	Assets	506,017	464,883
Registered place of business:	Medellin	Liabilities	240,956	208,373
Country:	Colombia	Equity	265,061	256,510
Date of incorporation:	December 6, 2002	Net income	11,045	3,519
		% stake	81.13%	81.13%
CONSULTORÍA EN GESTIÓN DE RIESGOS SURAMERICANA S.A.S.				
			Year-end 2017	Year-end 2016
Activity:	Providing its advisory services with regard to comprehensive risk management	Assets	14,995	13,360
Registered place of business:	Medellin	Liabilities	12,676	11,834
Country:	Colombia	Equity	2,319	1,526
Date of incorporation:	April 15, 1996	Net income	293	386
		% stake	81.13%	81.13%
SERVICIOS GENERALES SURAMERICANA S.A. (PANAMÁ)				
			Year-end 2017	Year-end 2016
Activity:	Inspecting, repairing, purchasing and selling all types of vehicles and their corresponding spare parts	Assets	419	588
Registered place of business:	Panama City	Liabilities	263	442
Country:	Panama	Equity	156	146
Date of incorporation:	August 2, 2012	Net income	11	121
		% stake	81.13%	81.13%

OTHERS				
PROTECCIÓN GARANTIZADA LTDA				
			Year-end 2017	Year-end 2016
Activity:	Insurance brokerage	Assets	2,479	5,920
Registered place of business:	Bogotá	Liabilities	889	2,794
Country:	Colombia	Equity	1,590	3,126
Date of incorporation:	November 10, 2005	Net income	1,555	2,344
		% stake	49.73%	41.36%
SERVICIOS Y VENTAS COMPAÑÍA LIMITADA				
			Year-end 2017	Year-end 2016
Activity:	Service provider	Assets	-	62
Registered place of business:	Santiago de Chile	Liabilities	-	75
Country:	Chile	Equity	-	(13)
Date of incorporation:	January 28, 1997	Net income	-	-
		% stake	0.00%	80.92%
SURA REAL ESTATE S.A.S.				
			Year-end 2017	Year-end 2016
Activity:	Management consultancy services, real estate activities with properties either leased or for own use.	Assets	3,426	-
Registered place of business:	Bogotá	Liabilities	2,383	-
Country:	Colombia	Equity	1,043	-
Date of incorporation:	February 9, 2016	Net income	588	-
		% stake	58.50%	55.09%
ASESORES SURA S.A. DE C.V.				
			Year-end 2017	Year-end 2016
Activity:	Providing financial services and products	Assets	11,175	9,202
Registered place of business:	Mexico D.F.	Liabilities	8,516	7,120
Country:	Mexico	Equity	2,659	2,082
Date of incorporation:	October 17, 2000	Net income	660	1,170
		% stake	83.58%	78.71%
PROMOTORA SURA AM S.A. DE C.V.				
			Year-end 2017	Year-end 2016
Activity:	Providing advertising and marketing services for any type of product	Assets	6,734	5,589
Registered place of business:	Mexico D.F.	Liabilities	3,851	3,870
Country:	Mexico	Equity	2,883	1,719
Date of incorporation:	October 23, 2013	Net income	1,086	587
		% stake	83.58%	78.71%

OTHERS

HIPOTECARIA SURA EMPRESA ADMINISTRADORA HIPOTECARIA S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing mortgage loans and other financial services	Assets	-	15,370
Registered place of business:	Lima	Liabilities	-	2,395
Country:	Peru	Equity	-	12,975
Date of incorporation:	May 14, 2008	Net income	-	(3,060)
		% stake	0.00%	55.09%

The figures shown for each subsidiary were taken from their separate financial statements.

CHANGES TO SUBSIDIARY STAKES**2017**

- ¶ On April 4, 2017, a total of 127,464 shares held by IFC in Sura Asset Management S.A. were purchased for a value of \$ 1,079,056 million, thereby extending the Group's overall stake by 4.8717%.
- ¶ On July 26, 2017 the company SURA SAC Ltda was formed. Suramericana holds a 100% direct stake in the share capital of this segregated accounts company, domiciled in Bermuda. The initial value of this investment came to USD 200,000.
- ¶ The firm Servicios y Ventas Compañía Ltda was wound up and therefore as of 2017 a 100% impairment was recorded against its value.
- ¶ The company Inversiones Sura Brasil SAS was wound up in December 2017. This Company had been previously dissolved and in the process of being wound up as evidenced in Minutes No. 05 of an Extraordinary Shareholders' Meeting held on November 29, 2017, with its current status being reported to the Brazilian Chamber of Commerce on December 21, 2017.

HIGHLIGHTS AT SUBSIDIARY LEVEL - 2017**Divestiture of Seguros de Vida Sura México**

On November 15, Suramericana S.A. entered into a share purchase agreement for the purpose of acquiring, both directly and indirectly, all those outstanding shares belonging to the Mexican Insurance firm, Seguros de Vida SURA SA,

which is currently owned by the Group's pension, savings and investment management subsidiary, SURA Asset Management S.A. in Mexico. These shares shall be transferred for a total of USD 20,598,943.93, that is to say, \$61.467 million Colombian pesos, once due authorization is obtained from the Mexican National Insurance and Bonding Commission.

Divestiture of Seguros Sura Perú and Hipotecaria SURA

In May 2017, a sales agreement was signed with Intercorp for 100% of the share capital belonging to both Seguros Sura Perú and Hipotecaria Sura. Here, Sura Asset Management sold to Intercorp a 69.3% stake in Seguros Sura Perú and its subsidiary Sura Asset Management Peru sold a 100% stake held in Hipotecaria SURA.

This decision came after analyzing the new regulatory situation in Peru and how this affects the Company's business in this country. Consequently, the Company preferred to concentrate its efforts on AFP Integra, the pension management subsidiary which is at an important capital accumulation stage with regard to its fund members as well as driving the savings, investment and asset management business in this part of the world.

Seguros Sura Perú and Hipotecaria Sura was effectively sold off on October 1, 2017, whereupon Intercorp took over.

The following table shows how gains from the sale of discontinued operations were calculated:

	COMPONENT
Selling price (revenue from sale)	562,619
Book value (cost of sale)	(416,162)
Exchange difference expense	(75,439)
Revenues via equity method from Seguros SURA Perú	9,828
Gains from sale of discontinued operations	80,846
Current tax	(23,092)
Net gain	57,753

It is important to note that this company was excluded from the Business Group's scope of consolidation for this past reporting period, and that during the last consolidation period the following items were included in the Statement of Financial Position under revenues from discontinued operations:

	VALUE
Non-current assets held for sale	4,761,321
Investments (Portfolio)	4,143,402
Investment properties	272,051
Accounts receivable	345,868
Liabilities relating to assets held for sale	4,124,248
Technical insurance reserves:	4,031,988
Others	92,260
Discontinued Operations, Net	637,072

Cash flows relating to this transaction are shown as follows

	2017	2016
OPERATING ACTIVITIES		
Earnings from sales of subsidiaries	(148,081)	-
Reclassified to other equity interests due to sale of subsidiary	(76,274)	-
Net cash flows used for operating activities	(224,355)	(16,354)
INVESTMENT ACTIVITIES		
Decrease in investments in subsidiaries	(420,768)	-
Proceeds from sale of subsidiaries	568,849	-
Net cash flows used for investing activities	148,081	(147,962)
Net cash flows used for financing activities	-	24,015
Net cash inflow	148,081	(140,301)

Año 2016

- ¶ Dinámica IPS Zonas Francas S.A.S. was wound up at year-end 2016
- ¶ By June, the Royal & Sun Alliance companies had been included in the consolidation after receiving due authorization from the local regulatory authorities. (See Note 7 - Business Combinations):
- ¶ On March 31, 2016, Suramericana acquired ownership control over Royal & Sun Alliance Seguros Colombia.
- ¶ On February 29, 2016, Suramericana acquired control over Royal & Sun Alliance Seguros (Brazil).
- ¶ On April 30, 2016, Suramericana acquired control over Royal & Sun Alliance Seguros Argentina.

- ¶ On May 31, 2016, Suramericana acquired control over Royal & Sun Alliance Seguros México - RSA.
- ¶ On April 30, 2016, Suramericana acquired control over Royal & Sun Alliance Seguros Chile - RSA.
- ¶ On July 01, 2016, Suramericana acquired control over Royal & Sun Alliance Seguros Uruguay - RSA.
- ¶ On June 1, 2016 Grupo Sura acquired 191,198 shares belonging to Sura Asset Management S.A. from General Atlantic for a total of COP 1,758,647, thereby increasing Grupo Sura's stake from 71.4% to 78.7%.
- ¶ In April and June 2016, Inversiones y Construcciones Estratégicas acquired 2,908,153 and 6,519,063 shares in Habitat Adulto Mayor S.A. For COP 507 and COP 1,153 million respectively, which is equal to stakes of 2.45% and 5.49% in this entity.
- ¶ On March 17, 2016, Inversiones y Construcciones Estratégicas acquired 484,258 shares in Habitat Adulto Mayor S.A. for COP 68, which is equal to a 0.41% stake in said entity.
- ¶ On March 16, 2016, Sura Re was incorporated in the Bermudas. This Company is licensed to carry out insurance and reinsurance operations and whose shareholder is Suramericana S.A. The corporate purpose of this newly created company is to drive reinsurance efficiencies for all operations and leveraging new product development based on the Group's Trend and Risk Management Model.
- ¶ On February 9, 2016, the Group's subsidiary, Sura Investment Management set up a new company called Sura Real Estate S.A.S. with Grupo Sura holding a 55.09% stake. The main business activity of this newly-created company is to provide its management consultancy services and carry out real estate activities on properties either leased or for own use.

18.2 Investments accounted for using the equity method

The balance of investments held in associates and joint ventures is broken down as follows:

	2017	2016
Investments in Associates	18,829,782	18,139,274
Joint Ventures	4,160	5,054
Total investments accounted for using the equity method	18,833,942	18,144,328

	2017	2016
Revenues via equity method	1,060,919	1,033,897
Income from the equity method applied to joint ventures	317	3,740
Total income posted via the equity method from investments accounted for via the equity method	1,061,236	1,037,637

18.2.1 Investments in associates

Grupo Sura's associates at the end of the reporting period are listed as follows:

NAME	MAIN BUSINESS ACTIVITY	COUNTRY	2017			2016		
			% STAKE	% VOTING RIGHTS	# SHARES	% STAKE	% VOTING RIGHTS	# SHARES
ASSOCIATES:								
Grupo Bancolombia S.A. (*)	Universal banking	Colombia	24.44%	46.11%	235,039,870	24.44%	46.11%	235,039,870
Grupo Argos S.A. (*)	Cement, energy, real estate and ports	Colombia	26.78%	35.56%	229,534,810	26.78%	35.56%	229,534,810
Grupo Nutresa S.A.	Processed food	Colombia	35.17%	35.17%	161,807,155	35.17%	35.17%	161,807,155
Administradora de Fondo de Pensiones y Cesantías Protección S.A.	Pension and severance fund	Colombia	49.36%	49.36%	12,541,088	49.36%	49.36%	12,541,088
Sodexo Soluciones de Motivación S.A.	Services	Colombia	49.00%	49.00%	310,342	49.00%	49.00%	310,342
Sodexo Colombia S.A.	Services	Colombia	35.00%	35.00%	1,604,015	35.00%	35.00%	1,604,015
Promotora de proyectos ¹	Logistic services	Colombia	16.77%	16.77%	5,769,024	16.77%	16.77%	5,769,024
Inversiones DCV S.A.	Shareholder register management services	Chile	34.82%	34.82%	3,431	34.82%	34.82%	3,431
Fondos de Cesantías Chile II	Pension and severance fund	Chile	29.40%	29.40%	570,000	29.40%	29.40%	570,000
Servicios de Administración Previsional S.A.	Voluntary funds	Chile	22.64%	22.64%	168,806	22.64%	22.64%	168,806
ARS Palic Salud S.A.	Managing and selling health care plans	Dominican Republic	30.00%	30.00%	247,665	30.00%	30.00%	247,665

NAME	MAIN BUSINESS ACTIVITY	COUNTRY	2017			2016		
			% STAKE	% VOTING RIGHTS	# SHARES	% STAKE	% VOTING RIGHTS	# SHARES
Subocol S.A.	Selling spare parts for vehicle repairs	Colombia	50.00%	50.00%	40,700	50.00%	50.00%	40,700
Brinks de Colombia S.A.1	Transport	Colombia	18.62%	18.62%	3,377,445	18.62%	18.62%	3,377,445
Acendo S.A.S.2	Investments	Colombia	25.8%	18.62%	63,570	-	-	-
JOINT VENTURES:								
Interejecutiva de Aviación S.A.S.	Air transport management services	Colombia	33.00%	33.00%	1,500,000	33.00%	33.00%	1,500,000
Unión Para La Infraestructura S.A.S.	Fund	Colombia	50.00%	50.00%	150	50.00%	50.00%	150

¹ Voting rights: the percentage stake carrying voting rights held in Grupo Bancolombia S.A. at December 31, 2017 and December 31, 2016 came to 46,11% and 35,56% respectively given the issue of non-voting preferred shares which these associates placed on the market. In the case of the other investments held by Grupo SURA in the aforementioned associates, the percentage stake held is equal to the voting rights accorded.

¹ In spite having just a 20% stake in Brinks de Colombia S.A., this investment is classified as one held in an associate, since Grupo Sura sits on its Board of Directors and has a say in the decisions made by the latter governing body.

² Investment firm acquired in 2017.

Balance of investments held in associates

The balance of investments held in associates is broken down as follows:

INVESTMENTS IN ASSOCIATES	2017	2016
Bancolombia S.A.	7,788,286	7,337,334
Grupo Argos S.A.	4,917,510	4,952,061
Grupo Nutresa S.A.	4,913,993	4,716,733
Administradora de Fondos de Pensiones y Cesantías Protección S.A.	1,120,041	1,045,581
Others	89,954	87,565
Total	18,829,783	18,139,274

Financial information regarding Grupo SURA's associates (Issuers of Securities)

The assets, liabilities, shareholders' equity and income for each of the associated companies included in Grupo Sura's consolidated financial statements at year-end 2017 and 2016 are shown as follows:

2017

ASSOCIATES	COUNTRY	CURRENT ASSETS	NON-CURRENT ASSETS	CURRENT LIABILITIES	NON-CURRENT LIABILITIES	EQUITY	INCOME	EAR-NINGS	OTHER COMPRE-HENSIVE INCOME	COMPRE-HENSIVE INCOME
Bancolombia S.A.*	Colombia	203,908,211		179,478,661		24,429,550	11,220,216	2,475,827	470,110	2,945,937
Grupo Argos S.A.*	Colombia	6,750,119	40,816,318	7,107,746	16,153,054	24,305,637	14,572,084	905,088	330,935	1,236,023
Grupo Nutresa S.A.*	Colombia	2,685,577	11,623,900	1,954,961	3,404,335	8,950,181	8,695,604	424,340	396,661	821,001
Administradora de Fondo de Pensiones y Cesantías Protección S.A.*	Colombia	2,086,574	-	624,348	-	1,462,226	-	343,319	-	343,319
Sodexo Servicios de Beneficios e Incentivos Colombia S.A.	Colombia	142,540	-	135,790	-	6,750	-	161	-	161
Sodexo Colombia S.A.	Colombia	112,227	-	95,730	-	16,496	-	14,141	-	14,141
Inversiones DCV S.A.	Chile	19,787	-	579	-	19,208	-	3,630	-	3,630
Servicios de Administración Previsional S.A.	Chile	108,239	-	44,829	-	63,410	-	51,135	-	51,135
ARS Palic Salud S.A.	Dominican Republic	271,459	-	178,564	-	92,895	-	26,118	-	26,118
Subocol S.A.	Colombia	3,720	-	2,416	-	1,304	-	(30)	-	(30)
Brinks de Colombia S.A.	Colombia	150,453	-	60,808	-	89,645	-	16,032	-	16,032
Ascendo S.A.S	Colombia	11,881	758	3,348	89	9,201	5,698	(8,302)	-	(8,302)

JOINT VENTURES	COUNTRY	CURRENT ASSETS	NON-CURRENT ASSETS	CURRENT LIABILITIES	NON-CURRENT LIABILITIES	EQUITY	INCOME	EAR-NINGS	OTHER COMPRE-HENSIVE INCOME	COMPRE-HENSIVE INCOME
Interejecutiva de Aviación S.A.S.	Colombia	118,168	-	109,159	-	9,009	-	(2,439)	-	(2,439)
Unión para la Infraestructura S.A.S.	Colombia	4,888		2,572		2,316		2,211		2,211

2016

	UBICACIÓN	ACTIVO CORRIENTE	ACTIVO NO CORRIENTE	PASIVO CORRIENTE	PASIVO NO CORRIENTE	PATRIMONIO	INGRESO	UTILIDAD	OTRO RESULTADO INTEGRAL	RESULTADO INTEGRAL
Bancolombia S.A.*	Colombia	196,793,694		174,316,713		22,476,981	11,208,757	2,954,947	(136,965)	2,817,982
Grupo Argos S.A.*	Colombia	6,311,642	38,644,950	7,287,461	13,827,517	23,841,614	14,552,884	1,132,002	(104,865)	1,027,136
Grupo Nutresa S.A.*	Colombia	2,559,775	11,139,779	2,113,963	3,198,716	8,386,875	8,676,640	399,691	177,017	576,708

Administradora de Fondo de Pensiones y Cesantías Protección S.A.*	Colombia	1,823,563	-	522,260	-	1,301,303	-	240,610	-	240,610
Sodexo Soluciones de Motivación S.A.	Colombia	137,928	3,361	138,581	-	2,709	24,461	305	-	305
Sodexo Colombia S.A.	Colombia	98,220	8,002	94,974	-	11,248	463,951	8,797	-	8,797
Interejecutiva de Aviación S.A.S.	Colombia	78,370	-	66,922	-	11,448	48,551	7,551	-	7,551
Inversiones DCV S.A.	Chile	14,397	-	19	-	14,378	-	3,030	-	3,030
Servicios de Administración Previsional S.A.	Chile	92,681	-	33,309	-	59,372	-	48,310	-	48,310
ARS Palic Salud S.A.	Rep. Dom	253,269	-	167,631	-	85,638	-	23,478	-	23,478
Subocol S.A.	Colombia	3,174	-	1,752	-	1,422	-	(30)	-	(30)
Brinks de Colombia S.A.	Colombia	152,873	-	55,216	-	97,657	-	18,503	-	18,503

* Figures taken from the Consolidated Financial Statements

Investments in Grupo Sura's associates, as listed on the Colombian Stock Exchange (BVC) produced year-end closing prices that were higher for 2017 compared to the previous year, thus showing a better performance as shown below:

ASSOCIATE	2017	2016	CHANGE
Bancolombia S.A.	29,980	25,220	18.87%
Inversiones Argos S.A.	20,880	19,280	8.30%
Grupo Nutresa S.A.	27,820	24,900	11.73%
Fondo de Pensiones y Cesantías Protección S.A. (*)	87,349	75,017	16.44%

The fundamentals of these issuers performed much better given their interesting growth prospects thanks to the plans and investments carried out in recent years.

Furthermore, the shares of these associates are traded above the carrying values that appear on the Company's consolidated books.

(*) In spite of the fact that the Protección share is listed on the Colombian stock market, it classifies as having low liquidity which means that its actual price is not a faithful indication of the issuer's economic value.

Movements with investments in associates

	BANCOLOMBIA S.A.	GRUPO AR- GOS S.A.	GRUPO NU- TRESA S.A.	ADMINISTRADORA DE FONDOS DE PEN- SIONES Y CESANTÍAS PROTECCIÓN S.A.	OTHERS	TOTAL
At January 1, 2016	7,246,354	4,779,890	4,611,737	1,023,590	98,094	17,759,665
De-recognitions	(476,756)	(9,424)	(17,962)		(13,183)	(517,324)
Equity method revenues	700,195	62,998	139,164	101,803	29,737	1,033,897
Change in equity	82,318	119,504	64,374	2,144	(4,079)	264,261
(-) Dividends	(214,777)	(908)	(80,580)	(81,956)	(21,091)	(399,312)
Others	-	-	-	-	(1,913)	(1,913)
Balance held at year-end 2016	7,337,334	4,952,061	4,716,733	1,045,581	87,565	18,139,274
Additions	-	-	-	-	3,648	3,648
Equity method revenues	639,023	87,174	147,770	151,843	35,109	1,060,919
Change in equity	35,311	(58,727)	135,894	10,955	(2,227)	121,206
(-) Dividends	(223,382)	(62,998)	(86,405)	(88,338)	(29,215)	(490,338)
Others	-	-	-	-	(4,926)	(4,926)
Balance held at December 31, 2017	7,788,286	4,917,510	4,913,993	1,120,041	89,954	18,829,783

Restrictions and Commitments:

At the end of the reporting period, there were no restrictions or commitments encumbering Grupo SURA's investments in its associates.

18.2.2 Joint Ventures**Cost of joint venture investments**

The following is a breakdown of the cost of these investments at year-end 2017 and 2016:

	INTEREJECUTIVA	UNIÓN PARA LA INFRAESTRUCTURA S.A.S.	TOTAL
At January 1, 2016	-	-	-
Reclassifications	552	-	552
Additions	1,496	-	1,496
Revenues obtained via the equity method	2,517	1,238	3,756
Change in equity	(749)	-	(750)
At January 1, 2017	3,816	1,238	5,054

	INTEREJECUTIVA	UNIÓN PARA LA INFRAESTRUCTURA S.A.S.	TOTAL
Reclassifications		(137)	(137)
Revenues obtained via the equity method	(813)	1,130	317
(-) Dividends	-	(1,074)	(1,074)
Balance held at December 31, 2017	3,003	1,157	4,160

¹ In 2017, these joint ventures were updated with regard to the equity method applied. On December 31, 2016, a reclassification to joint ventures in the amount of COP 552 was made. Grupo Sura also provided in this same year a capitalization through its subsidiary Inversiones y Construcciones Estratégicas consisting of 200,000 shares worth COP 1,496 million pesos in Internacional Ejecutiva de Aviación S.A.S.

At the end of this reporting period there were no restrictions encumbering the Group's investments in joint ventures.

NOTE 19. IMPAIRMENT OF NON-FINANCIAL ASSETS**19.1. IMPAIRMENT OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES**

Identifying signs of impairment is a key step when assessing investments, since this defines the need to conduct an impairment test.

According to that set out in IAS 36- Paragraph 9: an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

According to that set out in IAS 36, "Impairment of Assets". The subsidiaries belonging to Grupo de Inversiones Suramericana, have to consider the following facts and circumstances to determine whether there are signs of impairment, or not.

1. Operating losses or negative cash flows for the current period compared to those budgeted.
2. Increased interest rates on investments and debt for the reporting period in question. Information: investments in inflation-indexed securities, agreed rates on bank loans.
3. Significant changes to the IT environment, defined as the risk relating to losses caused by technology (hardware or software) or the use of the same. Information: important declines in production due to technology risks or substantial exposure to hackers.

4. Significant changes to the legal environment that give rise to losses in the form of sanctions, fines or lawsuits due to a failure to comply with regulations or contractual obligations.
5. Significant changes in the regulatory environment. These refer to the negative implications that changes to the local regulatory framework may have on a company. These may be: mortality tables or taxes such as Equality Income Tax.
6. Changes in the competitive environment. Information: the amount of market share lost (based on growth and loss rates), new or more aggressive competition or cut-throat sales quotas.
7. Significant changes in the manner or to the extent that the cash generating unit (CGU) is used or is expected to be used.
8. Significant reduction in the use of installed capacity
9. Additional indebtedness.
10. Absence or significant reduction, as opposed to a mere fluctuation, in the demand or need for the services provided by the asset.

Annual assessments are performed to see whether an impairment exists with the Group's investments to rule out the aforementioned signs of such. If this is the case then the recoverable amount of the asset in question must be estimated.

In 2015, the following impairment occurred with Grupo de Inversiones Suramericana's investments in subsidiaries, namely with Dinámica IPS Zona Franca S.A.S., that affected 100% of its carrying value, thereby providing grounds for this company to be wound up. In December 2016, this Company was effectively wound up.

At year-end 2017 and 2016, investments in the subsidiaries Sura Finance B.V. Grupo de Inversiones Suramericana Panama and Grupo Sura Finance showed shortfalls in terms of revenues which shall be covered by Grupo de Inversiones Suramericana with the possible winding up of these subsidiaries.

19.2 IMPAIRMENT TO GOODWILL

Goodwill acquired through the purchase of the ING Latin American assets.

Goodwill acquired through business combinations as well as trademarks with

indefinite useful lives have been allocated to the following cash generating units (CGUs) for the purpose of performing individual impairment tests:

- 1 AFP Capital S.A. (Chile)
- 1 Afore Sura S.A. De C.V. (Mexico)
- 1 AFP Integra S.A. (Peru)
- 1 AFAP Sura S.A. (Uruguay)
- 1 Sura Investment Management México S.A. de C.V. (Mexico)
- 1 Fondos Sura SAF S.A.C. (Peru)
- 1 Corredora de Bolsa Sura S.A.(Chile) and Administradora General de Fondos S.A. (Chile)

The above-mentioned entities represent the more relevant operating companies when the business combination was first carried out, through which Sura Asset Management manages, controls and projects its business throughout the region.

Sura Asset Management S.A. and Subsidiaries performed impairment tests during the year, the results of which showed no indication of any impairment either to goodwill or to trademarks with indefinite useful lives.

For the purposes of allocating the consolidated goodwill to each of the CGUs, the fair value equity method was applied. This allocation was based on reasonable values stipulated at the end of the opening balance sheet (as relating to the PPA) during the 12-month period following the acquisition.

Also, certain trademarks have been associated to the business of the two CGUs, namely the AFP Capital trademark belonging to AFP Capital S.A. as well as the AFP trademark belonging to AFP Integra S.A.

Methodology for Estimating Value in Use: the value in use for the Group's CGUs was estimated using the income approach.

General assumptions used in applying the income approach: the calculation of the value in use for all CGUs is sensitive to the following assumptions:

- ¶ Time horizon: the time horizon of the projection corresponding to the estimated duration of the CGUs analyzed. For more information see below:
- ¶ Forecasting horizon: based on the current macroeconomic conditions and the general characteristics and maturity of the different CGUs in question as well as all available information, we have considered the following specific forecasting horizons:
 - Corredora de Bolsa Sura S.A. and Administradora General de Fondos Sura S.A.: 5 years
 - AFP Capital S.A.: 5 years
 - Afore Sura S.A. de C.V.: 5 years
 - Sura Investment Management México S.A. de C.V.: 5 years
 - AFP Integra S.A.: 5 years
 - Fondos Sura SAF S.A.C.: 5 years
 - AFAP Sura S.A.: 5 years

Generally speaking, it is understood that the CGUs in question shall achieve a degree of business maturity with the consequent stabilization of their cash flows.

- ¶ Residual value: since the CGUs in question are expected to continue operating and generating positive cash flows beyond the forecasting horizon, as mentioned above, the perpetual performance of said CGUs was estimated. This value is known as the residual or terminal value

In order to estimate the residual value, standardized cash flows were projected in perpetuity, duly adjusted according to the same growth expectations defined in the guidelines suggested in the applicable standard.

- ¶ Year-end cut-off date: the cut-off date corresponding to the fiscal year on which the CGU's financial projections were estimated on the date the

analysis was performed, that is to say December 31, which coincides with the closing date of the financial statements of the legal entities pertaining to said CGUs.

- ¶ Currency Unit: Sura Asset Management S.A. and Subsidiaries have estimated their cash flows in the functional currency of each of their markets, in keeping with that stated in the applicable standards.
- ¶ Discount rate: projected cash flows at current values are discounted at nominal discount rates in the local currency of each CGU, considering inflation variables and own risk premiums for each CGU according to its country.

The discount rates applied as part of these projected cash flows include consider the cost of equity (Ke) for each CGU, including 10-year US Treasury yields, the risk premium for the equity markets (Equity Risk Premium), the country risk, the beta of the sector, and the difference between long-term local inflation and that expected for the US economy. In the light of the above, the discount rates used range between 8.3% and 13.0% depending on the corresponding country and sector.

- ¶ Income tax rates: projected cash flows are estimated after tax. Here, the tax rates that were applied to current earnings in each market at December 31, 2017 were 25% in the case of Chile, 30% in Mexico, 29.5% in Peru and 25% in Uruguay (See Note 13).
- ¶ Macroeconomic Assumptions: financial projections for the CGUs in question, have been prepared based on macroeconomic variables projected by external sources of information.

The following assumptions were used for the impairment tests performed on trademarks:

- ¶ Projection Horizon: to estimate the value in use corresponding to trademarks their indefinite useful life was used, based on the brand positioning and track records, as well as the market focus of each CGU. Therefore, a specific projection was drawn up over a 5-year time frame for the AFP Capital and AFP Integra trademarks respectively, and then the present value of a perpetual stream of net royalties based on nominal increases in U.S. dollars of 3.1% for AFP Capital and 3.6% for AFP Integra was projected over the long term on stabilized cash flows.
- ¶ Projected Income: to estimate the value in use of the AFP Capital and AFP Integra trademarks, operating income from both companies was used. This corresponds to commission income and returns from their legal reserves for both their mandatory and voluntary pension business.

¶ Market royalties and trademark attributes: The market royalty rate was estimated for the purposes of applying the Relief from Royalty methodology. Also, in order to define the royalties corresponding to these trademarks, an estimated range of market royalties was taken as a basis, bearing in mind the trademark's relative strength and positioning based on the following attributes:

- Momentum: the current status and potential for future growth of both trademarks were taken into account.
- Brand recognition: the degree of brand awareness or "top of the mind" of both trademarks was evaluated based on market research.
- Brand loyalty: the degree of client loyalty towards the trademarks was evaluated according to market research.
- Market share the brands' market shares were evaluated on the Chilean and Peruvian markets, this based on market research.
- Longevity: brand seniority on the Chilean and Peruvian markets were evaluated, based on market research.

Based on the above procedures, royalties of 1.05% were estimated for the trademarks AFP Capital and AFP Integra respectively.

Taxes

For the purpose of calculating after-tax streams of royalties, the tax rates current in each country were used. In the case of Chile, after a recent tax reform was introduced, the tax rate shall rise to 27.0% between 2017 and 2018. Peru's tax rate shall go from 28% in 2016 to 29.5% in 2017 onwards this being the proportional rate applicable to the subsidiaries in Chile and Peru, respectively.

Goodwill corresponding to Arus (formerly Compuredes) and Enlace Operativo

Upon preparing its consolidated financial statements, the Company conducted an impairment test of the goodwill acquired through business combinations of cash-generating units (CGU), in this case Enlace Operativo and Arus, so as to verify whether any impairment had been sustained.

General assumptions for estimating fair value

The calculation of the value in use for all CGUs is sensitive to the following assumptions:

- ¶ The Company's valuation using the Discounted Free Cash Flow method.
- ¶ For this purpose, the Company's historical financial statements in accordance with International Financial Reporting Standards (IFRS) were used as the basis.
- ¶ Forecasting horizon: based on the current macroeconomic conditions and the general characteristics and maturity of the different cash-generating units in question as well as all available information, we have set the specific forecasting horizon over a period of five years:

Generally speaking, it is understood that at the end of said period, the cash-generating units in question shall achieve a degree of business maturity with the consequent stabilization of their cash flows.
- ¶ The year-end figures for 2017 and 2018 are based on the budget drawn up by the Company's Senior Management and subsequently submitted for the approval of its Board of Directors. The budget for 2018 is expected to be finally approved in January 2018.
- ¶ The economic projections were taken from the "Projected Macroeconomics Table", as published by Bancolombia's Economic Research Department in October 2017.
- ¶ Residual value: since the cash-generating units Enlace Operativo and Arus are expected to continue operating and generating positive cash flows beyond the forecasting horizon, the Group has estimated a growth to perpetuity of 3%. This value is known as the residual or terminal value.
- ¶ Year-end cut-off date: the cut-off date corresponding to the fiscal year on which the financial projections were estimated for the cash-generating units, Enlace Operativo and Compuredes for the purpose of this analysis, that is to say December 31, coincides with the closing date of the financial statements of the legal entities pertaining to said cash-generating units.
- ¶ Revenues: as of 2019, the company's revenues shall rise at the same pace as that of the Colombian economy (Real GDP) plus the projected inflation rate (CPI). The compound growth rate for projected revenues between 2019 and 2022 comes to 9.9%.
- ¶ Costs and expense: selling costs, excluding Depreciation and Amortization (D & A), were projected as a proportion of revenues in accordance with Senior Management's budget for 2017, this based on a constant proportion of 76.9%.
- ¶ Administrative and selling expense: excluding depreciation and amortiza-

tion were projected as a proportion of revenues in accordance with Senior Management's budget for 2018, this based on a constant proportion of 3.4%.

Employee Benefits shall rise at the same rate as the expected CPI plus 2%. There shall be a significant increase in this account for 2018, due to the amount of new staff required in order to meet current growth expectations as well as certain managerial positions that remained vacant in 2017.

¶ Working capital Working capital is modeled in keeping with historical trends, that is to say, using the number of turnover days for each account these calculated as the average number of turnover days between 2016 and 2017.

- Receivables: 110 days
- Inventories 13days
- Suppliers: 46 days

¶ Capex and non-cash charges: the Company must invest in fixed and intangible assets to meet the needs of its clients. Consequently, CAPEX and intangible assets were projected as a proportion of sales, based on the figures for 2017.

- An investment in property and equipment corresponding to 6.7% of sales was assumed.
- An investment in intangible assets corresponding to 1.3% of sales was assumed.

Depreciation was projected as a proportion of property and equipment based on the budgeted figures drawn up by Senior Management for 2018.

Amortizations were projected as a proportion of the balance of the Company's intangible asset account based on the budgeted figures drawn up by Senior Management for 2018.

¶ Discount and perpetuity rates: for valuation purposes, a moving WACC was used, duly adjusted to the Company's capital structure:

- The average Cost of Equity for the valuation period was 13.5%.
- The Average Cost of Debt before Taxes came to 12%.

- The Average WACC for the valuation period totaled 12.4%. Perpetuity was discounted at a rate of 12.4%.
- A nominal growth in perpetuity of 6% is assumed.

¶ Income Tax Rates: taxes are modeled independently and in the case of this business plan, ordinary income tax payments are always made.

The rates used were based on the recent tax reform.

CONCLUSION

¶ Based on a review of the data presented at year-end 2017, no changes were observed to the indicators that could imply an impairment to the Company's recoverable value.

¶ Based on the cash flows analyzed, the Company's recoverable value of the company is higher than the value carried in books by both Arus and Grupo SURA.

¶ Upon comparing this cash flow analysis with comparable multiples of company value for the sector, the valuation arrived at is clearly within a prudent range and therefore confirms the absence of any impairment as previously concluded.

¶ Given the sensitivity analysis performed on the projected cash flows, we can safely say that there is enough room with regard to our valuation assumptions to state that there is no evidence of impairment to the Company's recoverable value.

Goodwill corresponding to Aseguradora Suiza Salvadoreña S.A. Ase-suiza

In 2012, Suramericana S.A. acquired Seguros Sura S.A. in the Dominican Republic and Aseguradora Suiza Salvadoreña S.A. in El Salvador. These acquisitions were carried out through a business combination that resulted in goodwill being recorded by Suramericana S.A. Annual reviews are carried out to check for impairment to these intangible assets

Methodology used for calculating impairment.

- Amount allocated: The Company's Value in Use
- Acquired net assets at their carrying values
- Surplus allocated: the amount allocated less acquired net assets at their carrying values
- Total intangible assets: the value of the Company's intangible assets

CONCLUSION:

After testing for impairment in 2013, a loss of COP 9.392 was recorded (COP 22,973 ate year-end 2017), which has been increasing gradually every year given exchange rate fluctuations, since this intangible was recorded in the foreign company's functional currency, and subsequently translated into the reporting currency using the exchange rate applicable at the end of the reporting period. See Note 17.1 - Intangible Assets, Goodwill

Goodwill acquired through the purchase of the RSA Latin American assets.

The goodwill acquired through business combinations for the acquisitions and mergers carried out in 2016, were allocated in accordance with the Purchase Price Allocations (PPAs) performed for each of the following countries:

- ¶ Argentina
- ¶ Brazil
- ¶ Chile
- ¶ Colombia
- ¶ Mexico
- ¶ Uruguay

Methodology used for calculating impairment.

Calculating Value in Use (the Company's value): a valuation was performed on each of the companies at September 30, 2017, according to the methodology defined by the Company which consisted of the following assumptions:

- ¶ The present value of estimated future dividend flows that the Company expects to obtain were discounted at September 30, 2017.

- ¶ Projected future flows were based on the short-term planning approved by the Board of Directors and on the medium and long-term assumptions made by Senior Management.

- ¶ The capital costs defined by Suramericana S.A. were used for each company, including the discount rate on future flows.

Finally, a new increase in value was calculated for each company, by means of the following formula:

Increase in value = Company value – book value (tangibles and intangibles)

All the companies which were analyzed produced a recoverable value which was higher than the value goodwill carried when the business combinations were performed. Consequently, no impairment was posted in 2017 for any of the operations of Suramericana S.A.

Estimates used to measure the recoverable amount of CGUs:

In keeping with that stipulated in IAS 36 - Impairment of Assets, the following are the reporting disclosures we are required to make regarding the estimates used to measure the recoverable amount of the cash-generating units in terms of their value in use.

¶ **KEY ASSUMPTIONS ON WHICH SENIOR MANAGEMENT HAS BASED ITS CASH FLOW PROJECTIONS:**

Impairment to goodwill is tested using a discounted dividend model. This model, which complies with industry-standardized financial and valuation methodologies, consists of future estimated dividends for each of the companies in question, discounting these dividend flows at their present value using a rate that reflects the estimated risk to these same.

These projections were based on the detailed budgets prepared by each country's Senior Management for 2017. Indicators such as growth in premiums, claims, commissions, administrative expense, financial income, taxes, among others, are projected for each of the following 8 years, with the exception of Compañía de Seguros Generales in Colombia where a 4-year projection period was applied. The main balance sheet accounts as well as the capital requirements of each company were also projected so as to arrive at the amount of dividend flows used for the valuation.

11 DESCRIPTION OF THE APPROACH USED BY SENIOR MANAGEMENT TO DETERMINE THE VALUE ASSIGNED TO EACH KEY ASSUMPTION:

The projection assumptions used for each company take into account historical averages, the latest figures reported by each subsidiary, assumptions based on the Company's strategic planning, as approved by the Board of Directors for 2018, as well as Senior Management's best estimates of future performance for the main financial and operating variables of business.

For the newly acquired subsidiaries, their historical financial statements audited under the local accounting standards and reported to the corresponding oversight authorities are used, since these reflect the financial performance of the acquired operations.

11 PROJECTED CASH FLOW PERIOD USED BY SENIOR MANAGEMENT:

These projections were made based on the Operating Budget for 2018 and subsequently the statements of income, the balance sheet and the free cash flows for the years 2019-2026 were also projected; with the exception of Seguros Generales in Colombia for which a projection period of four years was used, that is to say 2019 to 2022. In addition to the budget corresponding to the present year and estimates made at year-end 2017, a projection period of eight years was used since this was considered a reasonable period of time for the acquired operations to reach a greater level of maturity while adopting Suramericana's strategic planning initiative on a regional level. In the case of Seguros Generales in Colombia, beginning in 2022, a terminal value was calculated based on the present value of future flows rising at a constant rate which was in turn based on the nominal economic growth of each country as well as the financial growth potential of each subsidiary, this understood as being its terminal ROE multiplied by the rate of reinvested earnings for the last projected year for each operation.

11 THE GROWTH RATE USED TO EXTRAPOLATE PROJECTED DIVIDENDS BEYOND THE PERIOD COVERED, IS EXPLAINED BELOW:

The growth rates in premiums written during the specific projection period reflect factors such as the historical growth of each subsidiary, the historical growth of the insurance industry in each country, as well as the projected nominal economic growth estimated for each of the individual countries. During this period, compound annual growth rates in the case of income were various points higher than the respective economic growth rates, considering the insurance industry's low penetration levels in all those markets where Suramericana is present. The terminal growth rate used for calculating perpetuity assumes that the insurance industry shall grow in keeping with the GDP growth of each country and that each Suramericana subsidiary manages to maintain its respective market share.

11 THE DISCOUNT RATE APPLIED TO CASH FLOW PROJECTIONS:

The discount rates used were arrived at using the Capital Asset Pricing Model (CAPM), which takes into account variables such as the risk-free rate, the equity market risk premium, and the specific risk exposure pertaining to the insurance segments in which each subsidiary participates. Furthermore, country risk premiums were taken into account for each of the countries in question as well as the corresponding risk of devaluation, as measured by long-term inflation differentials, bearing in mind that the discount rates obtained are stated nominally in local currency.

Assumptions used for testing goodwill for impairment.

The following is a breakdown of the assumptions used to calculate value in use:

SUBSIDIARY	YEAR-END	CURRENCY UNIT	FORECASTING HORIZON	DISCOUNT RATE	MACROECONOMIC ASSUMPTIONS ⁽¹⁾	FLOW GROWTH RATES ⁽²⁾
Argentina	Valuation at 9/30/2017	ARS	10 years	24.03%	GDP Growth: 3.0% / Inflation: 9.8%	9.7%
Brazil	Valuation at 9/30/2017	BRL	10 years	13.87%	GDP Growth: 2.3% / Inflation: 4.1%	6.9%
Chile	Valuation at 9/30/2017	CLP	10 years	9.27%	GDP Growth: 2.8% / Inflation: 3.0%	6.1%
Mexico	Valuation at 9/30/2017	MXN	10 years	11.32%	GDP Growth: 2.5% / Inflation: 3.7%	6.1%
Uruguay	Valuation at 9/30/2017	UYU	10 years	14.35%	GDP Growth: 3.2% / Inflation: 6.5%	7.5%
Colombia	Valuation at 9/30/2017	COP	6	11.16%	GDP Growth: 2.8% / Inflation: 3.9%	6.8%
Panama	Valuation at 9/30/2017	USD	10 years	10.56%	GDP Growth: 5.0% / Inflation: 2.3%	6.5%
Dominican Republic	Valuation at 9/30/2017	DOP	10 years	13.42%	GDP Growth: 4.5% / Inflation: 4.0%	8.2%
El Salvador	Valuation at 9/30/2017	USD	10 years	12.21%	GDP Growth: 2.0% / Inflation: 1.9%	5.5%

(1) Average figures during the forecasting horizon.

(2) Terminal growth rate.

GOODWILL CORRESPONDING TO EL CIRUELO

According to the qualitative and quantitative analyzes used to identify signs of impairment to the goodwill of Habitat Adulto Mayor S.A. given the recent purchase of the El Ciruelo living facilities for the elderly, we can conclude that there are no signs of impairment nor was any evidence found on which this could be argued.

NOTE 20. EMPLOYEE BENEFITS

Grupo SURA 's employee benefits are broken down as follows:

	NOTE	2017	2016
Short term	20.1	372,895	293,762
Long term	20.2	51,881	33,393
Post-employment	20.3	90,975	78,661
		515,751	405,816

20.1 SHORT-TERM BENEFITS

Grupo de Inversiones Suramericana's short-term benefits include:

- a. Mandatory social security and employment benefits: accruing on a monthly basis according to the legal regulations of each country. Payments are made in accordance with applicable legislation.
- b. Short-term Performance Incentives: accruing on a monthly basis using estimated percentages of performance compliance. These are paid every year in March to all those employees entitled to such incentives, after being evaluated in terms of their achieving the predefined targets and to the extent that corporate objectives have been attained
- c. Other employee benefits: including vacation and Christmas bonuses, as well as extra-legal seniority bonuses that are recognized as expense as the service or benefit is provided.

Short-term benefits are broken down as follows:

	2017	2016
Payroll due	3,940	2,365
Severance	42,269	32,838
Interest on severance payments	5,111	4,613
Vacation bonus	61,201	66,137
Legal bonuses	709	68
Extra-legal bonuses	368	287
(Current) bonuses and others	259,297	187,454
Total short-term benefits	372,895	293,762

20.2 LONG TERM BENEFITS

The following table contains the long-term benefits provided by Grupo de Inversiones Suramericana:

- 1 Seniority bonus This benefit is paid to the employee every five years and ranges between 18 and 44 days of his or her salary or wage, this based on the number of years of service provided. These payments are based on the following seniority benefit scale

YEARS OF SERVICE	DAYS SALARY
5	18
10	29
15	34
20, 25, 30 and 35	44

- 1 Performance bonus: the Group's performance incentive system recognizes the efforts of all employees in achieving the Company's goals and continuing to provide added value. This system is based on a range of measurable, clear and reachable performance indicators These indicators are decided at the beginning of each year in keeping with the Company's strategic planning, along with the various activities and skills required to achieve the Company's goals. This includes the corresponding measurement period, performance assessments and monitoring as well as any adjustments required to the indicators thus defined.

Payment system: this is conditional on fulfilling the performance indicators set and obtaining the approval of the Appointment and Remuneration Committee. The remuneration framework is defined according to each level.

- 1 Productivity bonus for sales personnel: this bonus is given every five years if and when the member of the sales staff fulfills the minimum average commissions that appear on the following table:

PERIOD OF SERVICE (YEARS)	COMMISSIONS	
	% BONUS	AVERAGE MINIMUM (BASIC MONTHLY WAGES)
5	45%	9
10	45%	12
15	45%	14

COMMISSIONS		
20	45%	16
25	45%	18
30	45%	21
35 and every additional five-year period	45%	24

¶ Severance payments and corresponding interest payable on the part of the Company: in accordance with Colombian labor legislation, employees who were hired before Law 50 of 1990 came into full force and effect, are entitled to receive, at the end of their employment contract, one month's salary for each year of service as well as a proportional amount per fraction of a year in the form of severance, for whatever reason for which their employment contract was terminated, including: retirement, disability, death, etc. This benefit is paid when the employee leaves their employment and is based on the amount of wages or salary earned. This severance payment can be distributed prior to whenever the employee leaves their employment should the employee so request, without this being an obligation on the part of the employee.

When the aforementioned legislation, Law 50 of 1990, came into full force and effect the Colombian government allowed companies to transfer their severance obligations to private pension funds, providing the employee agreed to this arrangement.

The following are the long-term benefits offered by Grupo SURA:

	2017	2016
Seniority bonus	25,344	8,724
Retroactive severance payments	10,358	5,011
Productivity bonus	811	456
Bonus bank	15,368	19,202
Total short-term benefits	51,881	33,393

The movements recorded in Grupo SURA's long-term employee benefit account are shown as follows:

	BONUS BANK	RETROACTIVE SEVERANCE PAYMENTS	SENIORITY BONUS	PRODUCTIVITY BONUS	TOTAL
Present value of obligations at January 1, 2016	17,749	5,874	8,353	769	32,745
Re-measurements	6,995	(712)	2,652	(54)	8,881
Seniority costs	-	-	104	-	104
Interest expense	(60)	(151)	(203)	(11)	(425)
Plan-based payments	(5,482)	-	(2,138)	(248)	(7,868)
Effect recognized through profit or loss	-	-	38	-	38
Exchange differences	-	-	(82)	-	(82)
Present value of obligations at year-end 2016	19,202	5,011	8,724	456	33,393
Re-measurements	-	5,982	13,463	360	19,805
Seniority expense	1,530	867	4,702	155	7,254
Interest expense	198	-	38	-	236
Plan-based payments	(6,202)	(1,502)	(1,948)	(160)	(9,812)
Effect recognized through profit or loss	640	-	113	-	753
Exchange differences	-	-	252	-	252
Present value of obligations at year-end 2017	15,368	10,358	25,344	811	51,881

The movements recorded in Grupo SURA's long-term employee benefit account are shown as follows:

The main actuarial assumptions used to determine liabilities corresponding to defined long-term benefit plans are as follows:

	BONUS BANK		SENIORITY BONUS		RETROACTIVE SEVERANCE PAYMENTS		PRODUCTIVITY BONUS	
	2017	2016	2017	2016	2017	2016	2017	2016
Discount rate (%)	3.06%	10-year ZCC rate in pesos	3.06%	10-year ZCC rate in pesos / 6.69% - 9.00%	3.06%	10-year ZCC rate in pesos	3.06%	10-year ZCC rate in pesos
Annual salary increase (%)	N/A	---	2018: 5.5% 2019 to 2021: 5.0% 2022 onwards: 4.50%	---	4.5%	CPI + 1.5%	4.50%	8%
Annual inflation rate (%) long term	2017: 4.0% 2018 to 2020: 3.50% 2021 onwards: 3.0%	3%	2017: 3.5% - 4.0% 2018 to 2020: 3.50% 2021 onwards: 3.0%	3%	4.0%	Own turnover table	4.00%	Own turnover table
Survival tables	Own turnover table / Annuities - 08	Own turnover table	---	Own turnover table	AM - 08	Internal turnover table	AM - 08	Internal turnover table

The following table shows the sensitivity of a 0.5% change to the discount rate as well as a 0.5% increase in the salary / wages paid on the seniority bonuses and retroactive severance due:

	BONUS BANK		SENIORITY BONUS		RETROACTIVE SEVERANCE PAYMENTS		PRODUCTIVITY BONUS	
	DISCOUNT RATE	DISCOUNT RATE	SALARY INCREASE	DISCOUNT RATE	SALARY INCREASE	DISCOUNT RATE	SALARY INCREASE	
	Increase of +0.50%	Discount of -0.5%	Increase of +0.5%	Discount of -0.5%	Increase of +0.5%	Discount of -0.5%	Increase of +0.5%	Discount of -0.5%
Present value of the obligation	15,288	15,449	24,205	26,670	26,797	23,977	10,100	10,628
Change due to the sensitivity of the variables	(5.33)	5.39	369	(281)	(122)	123	258	(270)
							794	831
							766	766
							(50)	(50)
							46	46

20.3 POST-EMPLOYMENT BENEFITS

The following table contains the post-employment benefits provided by Grupo de Inversiones Suramericana:

- † Retirement bonus: corresponding to a lump sum which the Company provides members of its senior management when these retire
- † Retirement pensions: this payment is awarded to all those employees who reach retirement age and is directly paid by the Company.

Article 4 of Decree 2131 of 2016 amended Part 2 of Book 2 of Decree 2420 of 2015, and was later supplemented by Decree 2496 of 2015, allowing as of December 31, 2016 for post-employment benefits in the form of future retirement or disability pensions to be determined pursuant to that stipulated in IAS 19. This required disclosing in the notes to the financial statements the calculation used for pension liabilities in accordance with that laid out in Decree 1625 of 2016, and, in the case of partial pension commutations in accordance with the provisions contained in Decree 1833 of 2016, reporting the variables used and the differences resulting from the calculation made based on the technical framework introduced by Decree 2420 of 2015, which was later amended by Decree 2496 of 2015 as well as any other amendments thereto. The variables used in calculating retirement pensions based on these latest legislative provisions, are shown as follows.

The following are the post-employment benefits offered by Grupo SURA:

	2017	2016
Retirement bonus	70,330	62,989
Retirement Pensions	20,645	15,672
	90,975	78,661

20.3.1 Defined employee benefit plans

The following table shows the movements corresponding to Grupo Sura's post-employment benefits:

	RETIREMENT BONUS	RETIREMENT PENSIONS	TOTAL
Present value of obligations at January 1, 2016	42,820	15,774	58,594
Re-measurements	11,564	-	11,564
Interest	3,203	1,068	4,271
Present seniority cost	12,344	-	12,344
Benefits paid	(5,241)	(2,054)	(7,295)
Actuarial gains	2,223	884	3,107
Exchange differences	36	-	36
Other changes	(3,960)	-	(3,960)
Present value of obligations at year-end 2016	62,989	15,672	78,661
Re-measurements	3,059	4,456	7,515
Interest	4,109	832	4,941
Current seniority cost	2,371	-	2,371
Benefits paid	(6,102)	(2,023)	(8,125)
Other costs	1,873	(8,454)	(6,581)
Actuarial gains (Note 17)	2,016	10,232	12,248
Exchange differences	15	(70)	(55)
Present value of obligations at year-end 2017	70,330	20,645	90,975
Plan assets at fair value (Note 8)	(13,711)	-	(13,711)
Present value of obligations at year-end 2017	56,619	20,645	77,264

The main actuarial assumptions used to determine liabilities corresponding to defined benefit plans are as follows:

	EMPLOYEE RETIREMENT BONUS		RETIREMENT PENSION	
	2017	2016	2017	2016
Discount rate (%)	3.06% -5.51%	10-Year ZCC (*) rate in pesos: 6.94%	3.27%	9.97%
Annual salary increase (%)	4.0%- 5.09%	7,9%		----
Future annual pension increase (%)	---	---	4.00%	4.93%
Annual inflation rate (%) long term	3.50%-4.0%	3% - 3.50%	4.00%	4.93%
Survival tables	Own turnover table	Own turnover table	AM - 08	AM08(**)

(*) ZCC: Zero Coupon Curve in pesos (Sovereign Rate)

(**) Annuitant Mortality tables:

The maturity profile of the defined benefits based on the corresponding payment schedule is shown as follows:

YEAR	NUMBER OF EMPLOYEES ENTITLED TO BENEFITS DURING THE YEAR	VALUE OF THE EXPECTED BENEFIT ACCRUING FOR THE YEAR (IN CURRENT COLOMBIAN PESOS)	PRESENT VALUE OF THE EXPECTED BENEFIT FOR THE YEAR
2018	1	4,883	4,603
2019	2	26,521	23,781
2021	1	17,495	13,811
2022	1	4,960	3,691
2025	1	5,471	3,409
2031	1	9,322	3,988
2034	1	8,952	3,277
2035	3	37,021	12,824
2036	1	11,602	3,390
2037	1	11,128	3,411

Sensitivity Analysis

The following table shows the effect of 0.5% change in the inflation rate, a 0.5% change in the discount rate and a 0.5% increase in the future pension rate.

Retirement bonus

DISCOUNT RATE	CURRENT VALUE	CHANGE
Current study	70,329	
Increase in the discount rate	69,810	520
Decrease in the discount rate	70,758	(429)
INFLATION RATE	CURRENT VALUE	CHANGE
Current study	70,329	
Increase in the CPI	61,678	8,651
Decrease in the CPI	61,366	8,963

Retirement pensions

	RETIREMENT PENSIONS			
	DISCOUNT RATE		SALARY INCREASE	
	Increase of +0.5%	Discount of -0.5%	Increase of +0.5%	Discount of -0.5%
Present value of the obligation	20,031	21,302	21,345	19,985
Change due to the sensitivity of the variables (*)	615	(656)	(700)	660

(*) The effect of this change corresponds to a greater or lesser value of the obligation in question with its respective balancing entry in other comprehensive income before taxes should the sensitivity analysis be performed on the actuarial variables or in the case of all the other variables, on earnings before tax.

20.3.2 Defined contribution plans

Grupo Sura's defined contribution plans were recognized in the income accounts for 2017 as an expense amounting to COP 89,722 million (2016: COP 59,799 million)

20.4 EMPLOYEE BENEFIT EXPENSE

The following is a breakdown of employee benefit expense at year-end 2017 and 2016:

	2017	2016
Salaries and wages	(662,273)	(580,471)
Commissions	(210,706)	(201,468)
Bonuses	(199,594)	(172,660)
Integrated salary	(128,624)	(107,258)
Pension contributions	(89,722)	(59,799)
Other employee benefits (*)	(83,978)	(109,470)
Legal bonuses	(76,128)	(60,270)
Vacation bonus	(49,014)	(40,325)
Health care contributions	(45,282)	(38,896)
Extra-legal bonus	(43,694)	(26,391)
Indemnities	(38,191)	(33,867)
Contributions to family welfare and apprentice institutes	(37,005)	(30,189)
Severance	(28,806)	(20,334)
Vacation bonuses	(28,728)	(24,171)
Meal subsidies	(20,328)	(15,806)
Employee profit-sharing plans	(18,600)	(17,819)
Personnel training	(15,765)	(15,856)
Severance payments - agents	(9,441)	(7,966)
Seniority bonus	(8,253)	(4,996)
Employee supplies and equipment	(7,851)	(1,937)
Retirement Pensions	(7,702)	(4,144)
Insurance	(7,017)	(7,941)
Transport subsidy	(5,178)	(4,253)
Overtime	(2,940)	(2,187)
Retirement bonus	(2,896)	-
Interest on severance payments	(2,031)	(1,535)
Collective bargaining subsidy	(1,737)	(1,437)
Sick and disability leave	(1,562)	(873)
Interest on severance payments	(1,200)	(1,239)
Traveling expense	(1,050)	(1,081)
Sport and recreation expense	(465)	(394)
Representation expense	(201)	(74)
Trade union contributions	(44)	(63)
Operating risk	(34)	(2)
	(1,836,040)	(1,595,172)

(*) Including employee welfare and assistance expense

NOTE 21. OTHER NON-FINANCIAL ASSETS AND LIABILITIES**21.1 OTHER NON-FINANCIAL ASSETS**

Other non-financial assets are broken down as follows:

	2017	2016
Pre-paid expense ¹	39,379	37,962
Non-proportional reinsurance expense ²	28,044	16,031
Works of art	35,491	38,419
Others	9,547	116,412
Total	112,461	208,824

1 Mainly insurance

2 Non-proportional reinsurance limits claim expense as well as retained exposure to catastrophes

21.2 OTHER NON-FINANCIAL LIABILITIES

Other non-financial liabilities are shown as follows:

	2017	2016
Deferred reinsurance commissions ⁽¹⁾	649,505	612,903
Obligations due to insurance brokers	217,070	204,546
Others ⁽²⁾	35,340	43,495
Surpluses from premiums	27,026	22,338
Advance payments received	26,367	8,459
Prepaid income received	24,896	31,655
Consortiums and temporary unions	119	74
	980,323	923,470

(1) Including reinsurance commissions as well as deferred commission income corresponding to fund management firms.

Reinsurance commissions correspond to commission expense or payments to insurance brokers for securing new business, this called client acquisition expense

Deferred Commission Income Liabilities (DIL)

Since Mandatory Pension Savings entail certain administrative costs, even when no fund management commissions are received, it is important to establish the rationale behind income recognition so as to be able to ensure the financing of these costs over time. For this reason, a Provision for Deferred Income Liabilities (DIL) is set up.

The purpose of DIL is to be able to defer income over all those periods in which fund members become non-contributors or pensioners who by law cannot be charged for the management of their funds and/or pension payments.

This is because when fund members become non-contributors they do not generate any income to meet the costs. Consequently, this provision remains in place while the company collects the corresponding amounts and is released as future costs are incurred.

Methodology for Calculating DIL

This provision is calculated at least every quarter, in the currency in which the Company's collections and obligations are denominated. In the case of all those subsidiaries where this provision is calculated on an inflation-indexed unit of account, said provision is re-stated in the country's local currency using the applicable exchange rate between the currency in question and the inflation-index unit rate on the closing date of the balance sheet or at the end of each month.

This provision is calculated on the basis of the estimated cost of non-contributing fund members as well as members who have already been pensioned off and who cannot be charged for the management of their funds and/or the pension payment, discounted using the AAA rated corporate bond rate with no prepayment option.

The following table contains the movements recorded in the DIL account:

	REINSURANCE COMMISSIONS	DEFERRED COMMISSION INCOME LIABILITIES (DIL)	TOTAL
Cost at January 1, 2016	116,556	56,501	173,057
Business combinations	398,090	-	398,090
Provision set up	305,074	407	305,481
Exchange differences	(1,376)	(262)	(1,638)
Amortizations	(260,918)	(1,169)	(262,087)
Deferred reinsurance commission expense at year-end 2016	557,426	55,477	612,903
Provision set up	375,337	735	376,072
Exchange differences	15,784	3,324	19,108
Amortizations	(358,206)	(372)	(358,578)
Deferred reinsurance commission expense at year-end 2017	590,341	59,164	649,505

(2) Including commissions received, client payments, cash surpluses, consortiums and temporary unions, as well as income received for third parties.

NOTE 22. PROVISIONS AND CONTINGENT LIABILITIES

22.1 PROVISIONS

The following shows the current and non-current provisions set up by Grupo SURA:

CURRENT	2017	2016
Other provisions	44,496	89,851
Provisions for litigation and lawsuit expense	10,217	-
	54,713	89,851
NON-CURRENT		
Provisions for litigation and lawsuit expense	230,783	156,436
Other provisions	734	980
	231,517	157,416
Total provisions	286,230	247,267

The following is a reconciliation of the provisions set up on lawsuits and litigations brought or defended by Grupo Sura on the reporting date:

	LAWSUITS AND LITIGATIONS (*)	OTHER PROVISIONS (**)	TOTAL
Closing balance at December 31, 2015	23,271	55,121	78,392
Provisions and additions	12,830	2,454	15,284
New provisions for business combinations	124,830	47,192	172,022
Amounts used	-	(14,322)	(14,322)
Translation differences	(4,495)	386	(4,109)
Closing balance at December 31, 2016	156,436	90,831	247,267
Provisions and additions	114,757	3,547	118,304
Amounts used	(63,923)	(49,356)	(113,279)
Reclassified non-current assets held for sale	(83)	-	(83)
Translation differences	33,813	208	34,021
Closing balance at year-end 2017	241,000	45,230	286,230

(*) Including:

- 1 A contingency provision set up by Afore Sura S.A. de C.V. in Mexico for a fine relating to a lawsuit filed by the Mexican Federal Commission of Economic Competition ("COFECE"), this as part of an administrative procedure against "absolute monopolistic practices relating to the workers' pension fund management market". This provision amounted to an approximate total of COP 20.888 million and was recognized in 2017.

- ¶ Grupo de Inversiones Suramericana S.A. recently received rulings corresponding to the appeals for reversals filed by the Company. These rulings effectively confirmed the amounts proposed by said tax authorities in its revised official assessment. These appeals for reversal filed by the Company were based on differences in interpretation with the Colombian Tax Authorities, with regard to the Company's tax returns for the years 2009, 2010, 2011 and 2013, a situation that was opportunely announced to the market in the form of Relevant Information published on March 23, 2016.

Based on that provided by Law 1819 of 2016 (the latest tax reform), the Company is currently analyzing whether to proceed with a reconciliation proceeding with the Colombian Tax Authorities, with regard to the value stipulated in said rulings, that is to say, COP 37.666 million, for which a provision was included in Company's financial statements having paid a total of COP 34.196 million. This reconciliation proceeding shall be subject to the rules and regulations issued by the Colombian Government with regard to this latest tax reform. The aforementioned procedure would allow for a solution to be worked out with regard to the differences held with the Colombian Tax Authorities without this in any way implying that the Company would have to accept any responsibility whatsoever, since it continues to uphold its position with regard to the interpretation of the tax rule giving rise to the difference. The current provision comes to COP 3.470.

(**) Including decommissioning provisions for COP 733, as well as disability, billing claims, and maternity leave expense for COP 44,497.

The following is a breakdown of the provisions recorded per individual country:

	2017	2016
Brazil	196,574	119,355
Colombia	51,447	54,634
Mexico	31,962	9,463
Chile	2,244	58,541
Uruguay	2,074	102
Argentina	1,894	5,160
El Salvador	27	12
Panama	8	-
Total	286,230	247,267

22.2 CONTINGENT LIABILITIES

- ¶ Contingencies corresponding to eventual or remote litigations are those that are considered as having a medium or low likelihood of obtaining an unfavorable ruling, this based on a legal analysis of the probabilities of success.

At year-end 2017, the following litigations were considered as the most significant in terms of unfavorable rulings being issued

- ¶ Seguros Sura S.A. de C.V. in Mexico City, Mexico, is involved in a lawsuit with Zapatería Super S.A. of C.V. of Mexico, for an estimated COP 7,891, this for a fire that broke out at a Soriana de Torreón store. Zapaterías Super acts as a third party requiring payment for damages. The probable payment date has not as yet been set.
- ¶ Labor lawsuits pursuing redundancy payments filed against Seguros Sura S.A. in Argentina for an estimated value of \$ 2,155 as well as EPS and Medicina Prepagada Suramericana S.A for an estimated value of \$ 1,054 .

Collateral

AFP Integra must set up a guarantee in favor of the Peruvian Banking, Insurance and Pension Fund Superintendency by means of a joint, unconditional, irrevocable and automatically enforceable letter of guarantee from any reputable local or foreign bank at the beginning of each calendar quarter for an amount no less than 0.5 per cent of the value of each Fund, less the value of the legal reserve as calculated on the last day of the previous quarter and for a term of at least 95 calendar days. At year-end 2017 and 2016, these bank guarantee letters totaled USD 277,512 million and USD 256,624 million respectively.

NOTE 23. ISSUES OF SECURITIES

Below is a breakdown of the securities issued by Grupo SURA:

	YEAR-END 2017	YEAR-END 2016
Bonds outstanding (1)	7,385,933	5,830,111
Preferred shares (2)	450,752	208,813
	7,836,685	6,038,924

(1) Bonds outstanding:

- ¶ On June 22, 2016, Suramericana placed an issue of ordinary bonds on the local markets worth one billion Colombian pesos (COP 1,000,000). This issue was divided up into 4 series (for terms of 4, 7, 10 and 15 years) and carried CPI indexed rates with quarterly payments of interest. The proceeds obtained from this issue of Ordinary Bonds shall be entirely (100%) used to replace Suramericana's financial liabilities.
- ¶ On March 31, 2016, Grupo de Inversiones Suramericana S.A placed an issue of ordinary bonds on the local markets worth COP 100.000, pertaining to the C6 Series and carrying an interest rate equal to the CPI + 3.55% and maturing in 2020.
- ¶ In April 2014, SURA Asset Management, through its subsidiary, Sura Asset Management Finance B.V., placed an issue of bonds worth USD 500 million at a fixed, 10-year rate of 4.875% (T+230 bp) for which a bid-to-cover of 8.6 was obtained.
- ¶ On May 7, 2014, Grupo de Inversiones Suramericana S.A. placed a total of COP 650,000 in ordinary bonds on the local markets this divided up into four tranches, the first three earning CPI-indexed coupon rates payable every quarter and the fourth earning an IBR-indexed coupon rate payable on a monthly basis.
- A 5-year tranche totaling COP 103,278 bearing an interest rate equal to the CPI + +3.24%;
 - A 9-year tranche totaling COP 223,361 bearing an interest rate equal to the CPI + +3.08%;
 - A 16-year tranche for a total value of COP 100.000 bearing an interest rate equal to the CPI+ 4.15%; and;
 - a 2-year tranche for a total value of COP 223.361 bearing an IBR-indexed interest rate + 1.20%. This latter tranche matured in May of 2016.
- ¶ On May 11, 2011, our subsidiary, Grupo SURA Finance placed on the international capital markets an issue of ordinary bonds worth USD 300 million, or COP 578,049 million for a term of ten (10) years. This issue was guaranteed in its entirety by Grupo de Inversiones Suramericana S.A, in its capacity as Parent Company.
- ¶ On November 25, 2009, Grupo de Inversiones Suramericana S.A. issued on the local markets a total of COP 250,000 in ordinary bonds divided up

into three tranches all earning CPI-indexed coupon rates payable on a quarterly basis:

- A 10-year tranche for a total value of COP 54,500 bearing an interest rate equal to the CPI+ +4.40%;
- A 20-year tranche totaling COP 98.000 bearing an interest rate equal to the CPI + +5.90%; and
- A 40-year tranche in the amount of COP 97.500 bearing an interest rate equal to the CPI + +6.98%.

Below is a breakdown of the securities issued by Grupo Sura:

TERM	DATE OF ISSUE	EXPIRATION DATE	AMORTIZED COST		FAIR VALUE	
			YEAR-END 2017	YEAR-END 2016	YEAR-END 2017	YEAR-END 2016
4 years	May 7, 2016	May 7, 2020	100,651	101,003	102,881	101,417
5 years	May 7, 2014	May 7, 2019	104,346	104,216	105,475	105,936
9 years	May 7, 2014	May 7, 2023	225,327	225,075	234,022	228,157
10 years	May 7, 2014	May 7, 2024	54,431	54,480	56,508	57,145
16 years	May 7, 2014	May 7, 2030	100,809	100,727	106,678	101,017
20 years	November 25, 2009	November 25, 2029	96,281	96,678	117,657	111,211
40 years	November 25, 2009	November 25, 2049	95,289	95,788	135,781	122,732
5 years	February 23, 2017	February 23, 2022	194,515	-	199,402	-
7 years	February 23, 2017	February 23, 2024	165,936	-	167,735	-
12 years	February 23, 2017	February 23, 2029	191,456	-	194,972	-
10 years	May 18, 2011	May 18, 2021	897,169	901,121	963,381	964,818
10 years	April 29, 2016	April 29, 2026	1,634,001	1,641,071	1,794,022	1,735,957
4 years	June 22, 2016	June 22, 2020	147,376	147,642	150,336	148,531
7 years	June 22, 2016	June 22, 2023	255,780	256,510	267,953	259,961
10 years	June 22, 2016	June 22, 2026	303,892	304,860	322,245	312,630
15 years	June 22, 2016	June 22, 2031	287,517	288,513	308,437	289,484
6 years	April 17, 2014	April 17, 2024	1,496,387	1,512,427	1,592,778	1,529,885
10 years	April 11, 2017	April 14, 2027	1,034,770	-	1,056,018	-
			7,385,933	5,830,111	7,876,281	6,068,881

Below is a breakdown of the securities issued by Grupo Sura:

[2] Preferred shares

On 29 November 2011, Grupo SURA placed an issue of 106,334,963 preferred shares each worth COP 32,500; as of the corresponding date of issue and for a period of 3 years thereafter, a quarterly dividend of 3% E.A.R was paid on the value of said issue. As of 2015 a quarterly dividend of 0.5% E.A.R. was paid on the issue's total value.

On March 31, 2017, the Company's General Assembly of Shareholders granted their approval to amending the rules and regulations governing the preferred shares issued and placed in 2011 whereby the minimum preferred dividend to be paid was set 1% of the Subscription Price of said Preferred Shares (as stipulated below), providing this exceeds the dividend declared for the Company's ordinary shares. Should this not be the case, the preferred dividend shall be set at the same value as the ordinary dividend.

For this purpose, the Subscription Price shall be understood to mean the Subscription Price corresponding to any placement of preferred shares on the part of the Company corresponding to the most recent primary market transaction carried out, as approved by the General Assembly of Shareholders, including, but not limited to, issues and public offerings, private issues, credit capitalizations, payments of scrip dividends, among other items. In no event shall this be understood to mean the Subscription Price corresponding to the prices of preferred shares traded on the secondary market. The General Assembly of Shareholders at their Annual Meetings are responsible for deciding on the manner in which these preferred dividends are to be paid and the corresponding payment dates, based on the same terms and conditions applicable to the dividends corresponding to ordinary shares

Payment of preferred dividends shall take precedence over those of ordinary shares.

Consequently, on March 31, 2017, the Company's Board of Directors, set the subscription price for said preferred shares at thirty-five thousand nine hundred and seventy-three Colombian pesos [COP 35,973] which shall be provided to their shareholders as dividend payments in the form of shares

Movements with the Company's debt securities at year-end 2017 and 2016 are as follows:

	BONDS	PREFERRED SHARES	TOTAL
At Year-End 2015	3,428,724	208,780	3,637,504
Additions	2,665,652	-	2,665,652
Installment payments	(146,102)	(17,280)	(163,382)
Accrued interest	154,758	17,313	172,071
Withdrawals	(223,361)	-	(223,361)
Exchange differences	(49,560)	-	(49,560)
At year-end 2016	5,830,111	208,813	6,038,924
Additions ^(*)	1,574,469	214,125	1,788,594
Accrued interest	437,008	32,134	469,142
Interest payments	(423,754)	(4,320)	(428,074)
Payments	(8,952)	-	(8,952)
Exchange differences	(22,949)	-	(22,949)
At December 31, 2017	7,385,933	450,752	7,836,685

(*) Additions to preferred shares included the value recorded in both the equity and liability accounts due to this transaction

NOTE 24 SHAREHOLDERS' EQUITY**24.1. ISSUED CAPITAL**

The Company's authorized capital consists of 600,000,000 shares each with a nominal value of COP 187.50. Its subscribed and paid-capital at December 31, 2017 and December 31, 2016 consisted of 575,372,223 shares.

	2017	2016
Authorized share capital	600,000,000	600,000,000
Subscribed and paid-in capital		
Ordinary shares at a nominal value of COP 187.50.	469,037,260	469,037,260
Non-voting, preferred shares at a nominal value of COP 187.50.	112,940,288	106,334,963
Total shares	581,977,548	575,372,223
Subscribed and paid-in capital (nominal value)	109,121	107,882

See list of shareholders contained in Note 1 Reporting Entity

24.2. RESERVES

The reserves held by Grupo Sura are shown as follows:

	2017	2016
Legal ⁽¹⁾	138,795	138,795
Occasional ⁽²⁾	5,469,982	4,920,282
Catastrophic risk reserve ⁽³⁾	(2,156,673)	(1,474,232)
Total reserves	3,452,104	3,584,845

1 Statutory Reserve:

According to that provided by law, the Company must set up a legal reserve, appropriating 10% of each year's net profits until 50% of the value of the Company's subscribed capital is reached. This reserve may be reduced to less than 50% of the total value of its subscribed capital, providing it is used to wipe out losses that exceed the amount of undistributed profits. This reserve may not be used to either pay dividends or cover expense or losses incurred during the entire time the Company remains in possession of undistributed profits.

2 Occasional reserve:

Should the Company's Shareholders so decide at their Annual General Meeting, this reserve may be increased beyond fifty per cent (50%) of the Company's subscribed capital, in which case this may be used for any purpose that the Company's shareholders should so determine.

3 Catastrophic risk reserve:

Although this reserve is recognized as a liability on the separate financial statements of the insurance companies that come under the oversight of the Colombian Superintendency of Finance, it is not permitted under the Financial Reporting and Accounting Standards (FRAS) accepted in Colombia for the preparation and presentation of consolidated financial statements and therefore this reserve has been eliminated from the liability account

NOTE 25. DIVIDENDS, DECLARED AND PAID

The following table contains the dividends paid and declared at the cut-off date of the separate financial statements.

Dividends payable at year-end 2015	62,509
Ordinary dividends declared	213,883
Preferred dividends declared	48,489
Subtotal - dividends declared	262,372
Payments of ordinary dividends	(209,203)
Payments of preferred dividends	(47,581)
Subtotal - dividends paid	(256,784)
Dividends payable at year-end 2016 (See Note 9.3.)	68,096
Ordinary dividends declared	329,621
Preferred dividends declared	51,891
Subtotal - dividends declared	381,512
Payments of ordinary dividends	(383,223)
Payments of preferred dividends	(64,007)
Subtotal - dividends paid	(447,230)
Dividends payable at year-end 2017 (See Note 9.3.)	2,378

NOTE 26. OTHER COMPREHENSIVE INCOME

The following is a breakdown of other comprehensive income:

	NOTE	YEAR-END 2017			YEAR-END 2016		
		TOTAL	OTHER COM- PREHENSIVE INCOME	NON-CON- TROLLING INTEREST - OCI	TOTAL	OTHER COM- PREHENSIVE INCOME	NON-CON- TROLLING INTEREST - OCI
Opening balance - other comprehensive income		2,157,599	1,913,969	243,630	2,295,257	1,858,384	436,873
Asset revaluations	26.1	137,402	111,897	25,505	4,404	5,479	(1,075)
Losses (gains) on actuarial plans (post-employment)	26.2	(11,740)	(9,735)	(2,005)	(169)	(388)	219
Financial assets at fair value with changes in OCI	26.3	(92)	(1,275)	1,183	(2,767)	(1,968)	(799)
Exchange differences on investments in associates and subsidiaries	26.4	701,171	632,467	68,704	(429,376)	(232,706)	(196,670)
Cash flow hedges	26.5	3,233	3,013	220	9,833	7,974	1,859
Hedges for net investments abroad	26.6	-	-	-	17,081	13,858	3,223
Surplus via equity method from Associates	26.7	121,520	119,923	1,597	263,336	263,336	-
Other comprehensive income		951,494	856,290	95,204	(137,658)	55,585	(193,243)
Closing balance of other comprehensive income - equity		3,109,093	2,770,259	338,834	2,157,599	1,913,969	243,630

26.1. OCI COMPONENT: PROPERTY USING THE REVALUATION APPROACH

The component of other comprehensive income corresponding to property measured using the revaluation approach represents the cumulative value of gains or losses at fair value less the amounts transferred to accumulated net income and those used in applying impairment tests or recording losses in value. Changes to their fair values are not reclassified to profit or loss for the period. (See Note 15 - Property and Equipment)

	COMPONENT	NON-CONTROLLING	TOTAL
Interest	Total	10,612	45,069
Carrying value at December 31, 2015	34,457	10,612	45,069
Net property revaluation gains or losses	12,107	(398)	11,709
Deferred tax	(6,628)	(677)	(7,305)
OCI for previous period	5,479	(1,075)	4,404
Other adjustments	-	40	40
Carrying value at December 31, 2016	39,936	9,577	49,513
Net property revaluation gains	145,436	33,032	178,468
Deferred tax	(33,539)	(7,527)	(41,066)
OCI for the period	111,897	25,505	137,402
Carrying value at December 31, 2017	151,833	35,082	186,915

26.2. OCI COMPONENT: REMEASUREMENTS OF DEFINED EMPLOYEE BENEFIT PLANS

The component corresponding to remeasurements of defined employee benefit plans represents the cumulative value of actuarial gains or losses. The net value of these re-measurements is transferred to accrued earnings and not reclassified to the income accounts for the period. (See Note 20.3.1 Defined employment benefit plans).

	COMPONENT	NON-CONTROLLING INTERESTS	TOTAL
Carrying value at December 31, 2015	961	107	1,068
Post-employment benefits	(730)	229	(501)
Deferred tax	342	(10)	332
OCI for previous period	(388)	219	(169)
Carrying value at December 31, 2016	573	326	899
Post-employment benefits	(10,254)	(1,993)	(12,247)
Deferred tax	519	(12)	507
OCI for the period	(9,735)	(2,005)	(11,740)
Carrying value at December 31, 2017	(9,162)	(1,679)	(10,841)

26.3. OCI COMPONENT: EQUITY INVESTMENTS MEASURED AT FAIR VALUE THROUGH EQUITY

The component of other comprehensive income corresponding to equity investments measured at fair value through profit or loss represents the cumulative value of gains or losses at fair value less the amounts transferred to the accumulated earnings when these investments are finally sold. Changes to the fair value of equity investments are not reclassified to profit or loss for the period. This also includes the portion corresponding to Grupo SURA with regard to the investments made in its subsidiaries. (See Note 9.1.1. Investment Breakdown

	COMPONENT	NON-CONTROLLING INTEREST	TOTAL
Carrying value at December 31, 2015	(197)	593	396
Net gains or losses resulting from changes to the fair value of equity investments (1)	(216)	(614)	(830)
Deferred tax	(1,752)	(185)	(1,937)
OCI for the period	(1,968)	(799)	(2,767)
Carrying value at December 31, 2016	(2,165)	(206)	(2,371)
Net gains or losses resulting from changes to the fair value of equity investments (1)	(1,275)	1,183	(92)
Carrying value at December 31, 2017	(3,440)	977	(2,463)

26.4. OCI COMPONENT: TRANSLATION GAINS OR LOSSES ON FOREIGN OPERATIONS

The component corresponding to translation differences represents the cumulative value of exchange differences obtained from converting the earnings and net assets from foreign operations as well as any gains or losses obtained from hedging arrangements on net investments abroad into Grupo SURA's reporting currency. The cumulative translation differences are reclassified to profit and loss for the period, either partially or totally, when obtained by the foreign operation and include the portion corresponding to Grupo Sura with regard to the investments made in its associates and joint ventures.

	COMPONENT	NON-CONTROLLING INTEREST	TOTAL
Carrying value at December 31, 2015	1,041,143	428,655	1,469,798
Gains or losses on translation differences	(232,706)	(196,670)	(429,376)
Carrying value at December 31, 2016	808,437	231,985	1,040,422
Gains on translation differences	632,467	68,704	701,171
Carrying value at December 31, 2017	1,440,904	300,689	1,741,593

26.5. OCI COMPONENT: CASH FLOW HEDGES

The component of other comprehensive income corresponding cash flow hedges represents the cumulative value of the effective portion of gains or losses from changes to the fair value of the hedged items, as part of a cash flow hedging arrangement. The cumulative value of these gains or losses are reclassified to profit and loss for the period, if and when the hedged transaction affects the income accounts for the period, or when the highly probable transaction is no longer expected to occur, or when this is included, as a portion of its carrying value, in a non-financial hedged item. (See Note 14.2.1 for more information regarding hedging arrangements)

	COMPONENT	NON-CONTROLLING INTEREST	TOTAL
Carrying value at December 31, 2015	(2,980)	(508)	(3,488)
Cash flow hedges	9,685	2,322	12,007
Deferred tax	(1,711)	(463)	(2,174)
OCI for previous period	7,974	1,859	9,833
Carrying value at December 31, 2016	4,994	1,351	6,345
Cash flow hedges	4,270	342	4,612
Deferred tax	(1,257)	(122)	(1,379)
OCI for the period	3,013	220	3,233
Carrying value at December 31, 2017	8,007	1,571	9,578
Carrying value at December 31, 2017	8,007	1,571	9,578

26.6. OCI COMPONENT: HEDGES OF NET INVESTMENTS ABROAD

This component of other comprehensive income includes the portion of the gain or loss of the hedging instrument that is determined as being the hedge. (See Note 14.2.2 for more information regarding hedging arrangements)

	COMPONENT	NON-CONTROLLING INTEREST	TOTAL
Carrying value at December 31, 2015	(11,114)	(2,585)	(13,699)
Hedges for net investments abroad	13,858	3,223	17,081
Carrying value at December 31, 2016	2,744	638	3,382
Hedges for net investments abroad	-	-	-
Carrying value at December 31, 2017	2,744	638	3,382
Carrying value at December 31, 2017	2,744	638	3,382

26.7. OCI COMPONENT: EQUITY MOVEMENTS WITH INVESTMENTS IN ASSOCIATES

This component consists of changes to equity regarding investments in associates upon applying the equity method. (For more information, see Note 18.2.1. Movements with Investments in Associates)

	COMPONENT	NON-CONTROLLING INTEREST	TOTAL
Carrying value at December 31, 2015	796,114	-	796,114
Equity method - Associates	263,336	-	263,336
Carrying value at December 31, 2016	1,059,450	-	1,059,450
Equity method - Associates	119,923	1,597	121,520
Carrying value at December 31, 2017	1,179,373	1,597	1,180,970

NOTE 27. NON-CONTROLLING INTEREST

Non-controlling interest corresponds to minority interest on the part of third parties in the following subsidiaries:

	YEAR-END 2017	% NON-CONTROLLING STAKE	MINORITY EQUITY	MINORITY NET INCOME
Sura Asset Management S.A.		16,423%	1,524,876	100,894
Suramericana S.A.		18,870%	847,003	95,345
AFP Capital S.A.		0,292%	9,861	779
Aseguradora Suiza Salvadoreña S.A. Asesuisa		2,889%	5,979	557
Habitat Adulto Mayor S.A.		17,338%	4,888	206
Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.)		0,518%	4,512	(19)
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)		0,567%	1,107	165
Protección Garantizada LTDA		38,701%	615	602
Seguros Generales Suramericana S.A. (Colombia)		0,016%	136	13
AFP Integra S.A.		0,000%	11	1
Asesuisa Vida, S.A. Seguros de Personas		0,004%	4	1
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Brazil) S.A.)		0,000%	1	-
Financia Expreso RSA S.A.		0,047%	1	(1)
Aseguradora de Créditos y Garantías S.A.		0,007%	1	-
Seguros Sura S.A. (Dominican Republic)		0,002%	1	-
Sura Real Estate S.A.S		30,000%	(705)	176
Planeco Panamá S.A.		4,718%	(1,251)	(355)
			2,397,040	198,364

	YEAR-END 2016	% NON-CONTROLLING STAKE	MINORITY EQUITY	MINORITY NET INCOME
Sura Asset Management S.A.		21.29%	1,745,620	126,369
Suramericana S.A.		18.87%	760,802	75,423
Seguros Sura Peru S.A.		30.71%	202,317	24,591
AFP Capital S.A.		0.29%	9,382	882
Aseguradora Suiza Salvadoreña S.A. Asesuisa		2.89%	5,453	718
Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.)		0.52%	4,112	(41)
Habitat Adulto Mayor S.A.		17.34%	3,724	203
Hipotecaria Sura Empresa Administradora Hipotecaria EAH S.A.		30.00%	2,975	(918)
Protección Garantizada LTDA		49.02%	1,533	1,149

YEAR-END 2016	% NON-CONTROLLING STAKE	MINORITY EQUITY	MINORITY NET INCOME
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)	0.62%	1,105	130
Seguros Generales Suramericana S.A.	0.03%	218	10
AFP Integra S.A.	0.00%	11	1
Asesuisa Vida, S.A. Seguros de Personas	0.00%	3	1
Seguros Sura S.A. (Dominican Republic)	0.00%	2	-
Financia Expreso RSA S.A.	0.03%	2	(1)
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Brazil) S.A.)	0.00%	1	-
Aseguradora de Créditos y Garantías S.A.	0.01%	1	-
Planeco Panamá S.A.	4.72%	(897)	(438)
Sura Real Estate S.A.S	30.00%	(1,765)	(884)
		2,734,599	227,195

The following shows non-controlling interest in relation to shareholders' equity

	YEAR-END 2017	YEAR-END 2016
Share Capital	4,399	4,002
Reserves	346,548	247,038
Other comprehensive income	338,834	243,630
Net income for the period	198,364	227,195
Accumulated gains (losses)	1,508,895	2,012,734
	2,397,040	2,734,599

NOTE 28. OPERATING SEGMENTS

28.1. SEGMENT REPORTING

For management purposes, Grupo SURA is organized into business units based on the services they provide. These are divided up into the following reporting segments:

1. Insurance: including all those companies that insure against risk and that are responsible for guaranteeing or paying out indemnities for all or part of the damages sustained when certain adverse situations arise.
 - 1.1. Life: including all those companies that insure against personal risk
 - 1.2. Non-life: these are insurance companies that ensure against all types of risk, other than personal risk

2. Fund management

2.1. Mandatory pensions: the main business activity of this segment is to collect and manage the amounts employees pay into their individual mandatory retirement savings accounts as well as managing and paying all those benefits required by the local pension systems

2.2. Voluntary savings: the main business activity of this sub-segment is to provide voluntary pensions, life annuities and other savings products:

3. Corporate This segment contains holding companies whose main business purpose is to acquire different investment vehicles. Other services are reported that are not directly related to Grupo SURA's core business but nevertheless complement the range of services provided.

4. Services

4.1. Outsourcing: this segment includes all those companies that provide their services and sell products and services in the areas of telecommunications and information processing.

4.2. Health care: including all those companies dedicated to providing mandatory health care services as well as pre-paid health care and medical plans.

4.3. Others: other services are reported that are not directly related to Grupo SURA's core business but nevertheless complement the range of services provided.

The highest decision-making authority with regard to these operating segments are the chief finance officers of both Grupo SURA and its subsidiaries, who are in charge of separately overseeing their operating results for the purpose of deciding on how to allocate resources and gauge overall segment performance.

Segment performance is evaluated based on the corresponding operating earnings or losses before tax and these are measured in a consistent fashion with the operating earnings and losses recorded on the consolidated financial statements.

The following table shows how these operating segments are divided up within the Organization

ENTITY	CORPO- RATE	FUND MANAGEMENT		INSURANCE			SERVICES	
		MANDA- TORY PEN- SIONS	VOLUN- TARY PEN- SIONS	LIFE	NON-LI- FE	HEALTH CARE	OUT- SOUR- CING	OTHERS
Grupo de Inversiones Suramericana S.A.	X							
Suramericana S.A.	X							
Inversura Panamá Internacional S.A.	X							
Inversiones Sura Brasil S.A.S.	X							
Arus Holding S.A.S.	X							
Inversiones y Construcciones Estratégicas S.A.S.	X							
Grupo de Inversiones Suramericana Panamá S.A.	X							
Planeco Panamá S.A.	X							
Grupo SURA Finance S.A.	X							
Financia Expreso RSA S.A.	X							
Santa Maria del Sol S.A. (Argentina)	X							
Atlantis Sociedad Inversora S.A.	X							
Chilean Holding Suramericana SPA (formerly RSA Chilean Holding SpA)	X							
Inversiones Suramericana Chile Limitada (formerly Inversiones RSA Chile Limitada)	X							
Sura Asset Management S.A.	X							
Activos Estratégicos Sura A.M. Colombia S.A.S.	X							
Sura Investment Management Colombia S.A.S	X							
Sura Asset Management España, S.L.	X							
Grupo de Inversiones Suramericana Holanda B.V.	X							
Grupo Sura Chile Holdings I B.V.	X							
SURA Asset Management Chile S.A.	X							
Sura Data Chile S.A.	X							
SURA Servicios Profesionales S.A.	X							
Santa Maria Internacional S.A. (Chile)	X							
Grupo Sura Latin American Holdings B.V.	X							
SUAM Finance B.V	X							
Sura Asset Management México S.A. de C.V.	X							

ENTITY	CORPO- RATE	FUND MANAGEMENT		INSURANCE			SERVICES	
		MANDA- TORY PEN- SIONS	VOLUN- TARY PEN- SIONS	LIFE	NON-LI- FE	HEALTH CARE	OUT- SOUR- CING	OTHERS
Sura Art Corporation S.A. de C.V.	X							
SURA Asset Management Perú S.A.	X							
Sura Asset Management Uruguay Sociedad de Inversión S.A. (formerly Tublyr S.A.)	X							
AFAP Sura S.A.		X	X					
AFP Capital S.A.		X	X					
Afore Sura S.A. de C.V.		X	X					
AFP Integra S.A.		X	X					
Corredores de Bolsa Sura S.A.			X					
Administradora General de Fondos Sura S.A.			X					
Sura Investment Management S.A. de C.V.			X					
Fondos Sura SAF S.A.C.			X					
Sociedad Agente de Bolsa S.A.			X					
Corredor de Bolsa SURA S.A.			X					
AFISA SURA S.A.			X					
Sura Asset Management Argentina S.A.			X					
Seguros de Vida Suramericana S.A. (Colombia)						X		
Seguros de Riesgos Laborales Suramericana S.A.						X		
Asesuisa Vida, S.A. Seguros de Personas						X		
Seguros de Vida Suramericana S.A (formerly RSA Seguros de Vida S.A.) (Chile)						X		
Seguros de Vida Sura S.A. (Chile)						X		
Pensiones Sura S.A. de C.V.						X		
Seguros de Vida Sura México, S.A. de C.V. (formerly Primero Seguros de Vida S.A. de C.V.)						X		
Seguros Sura S.A. (formerly Invita) (Peru)						X		
SUAM Corredora de Seguros S.A. de C.V.						X		
Disgely S.A.						X		
Seguros Generales Suramericana S.A. (Colombia)						X		
Seguros Sura S.A. (Dominican Republic)						X		
Seguros Suramericana Panamá S.A.						X		

ENTITY	CORPORATE		FUND MANAGEMENT		INSURANCE			SERVICES	
	MANDATORY PENSIONS	VOLUNTARY PENSIONS	LIFE	NON-LIFE	HEALTH CARE	OUTSOURCING	OTHERS		
Aseguradora Suiza Salvadoreña S.A. Asesuisa				X					
Sura RE				X					
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Brasil) S.A.) (Brazil)				X					
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.) (Argentina)				X					
Aseguradora de Créditos y Garantías S.A.				X					
Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.) (Chile)				X					
Seguros Sura, S.A de C.V. (formerly Royal & Sun Alliance Seguros (Mexico) S.A. de C.V.) (Mexico)			X						
Seguros Sura S.A.(formerly Royal and Sun Alliance Seguros S.A.) (Uruguay)				X					
EPS y Medicina Prepagada Suramericana S.A.					X				
Servicios de Salud IPS Suramericana S.A.					X				
Diagnóstico y Asistencia Médica S.A.					X				
Habitat Adulto Mayor S.A.					X				
Arus S.A.						X			
Enlace Operativo S.A.						X			
Operaciones Generales Suramericana S.A.S.							X		
Servicios Generales Suramericana S.A. (Colombia)							X		
Consultoría en Gestión de Riesgos Suramericana S.A.S.							X		
Servicios Generales Suramericana S.A. (Panamá)							X		
Protección Garantizada LTDA							X		
Servicios y Ventas Compañía Limitada							X		
SURA Real Estate S.A.S.							X		
Asesores Sura S.A. de C.V.							X		
Promotora Sura AM S.A. de C.V.							X		
Hipotecaria Sura Empresa Administradora Hipotecaria S.A.							X		

28.2. INFORMATION REGARDING OPERATING SEGMENTS

The following is a breakdown by segment of Grupo SURA's Consolidated Income Statement at December 31, 2017:

YEAR-END 2017	CORPORATE		FUND MANAGEMENT		INSURANCE			SERVICES		ELIMINATIONS		TOTAL
	FUND MANAGEMENT	INSURANCE	SERVICES	ELIMINATIONS	TOTAL	OUTSOURCING	OTROS	ELIMINATIONS	TOTAL			
Written premiums	-	900,849	6,015,834	7,478,175	-	-	-	(57,921)	14,336,937			
Ceded premiums	-	(1,359)	(247,836)	(2,142,175)	-	-	-	35,957	(2,355,413)			
Retained premiums (net)	-	899,490	5,767,998	5,336,000	-	-	-	(21,964)	11,981,524			
Commission income	982	1,761,286	17,288	352,518	118	456	9,038	(5,980)	2,342,755			
Revenues on services rendered	-	-	904	9	3,132,343	222,882	175,836	(722,677)	2,809,297			
Dividends	19,199	2,034	670	304	-	-	4,918	-	27,125			
Investment income	21,432	11,346	827,065	96,847	1	846	-	(2,024)	967,461			
Revenues at fair value	(91,571)	202,206	286,442	243,519	14,513	-	-	25	744,111			
Revenues via equity method from Associates	2,657,265	161,966	7,184	41,703	3,470	-	34,185	(1,854,754)	1,061,236			
Gains on sale of investments	26,898	8,023	12,205	7,837	30	-	(2)	-	139,852			
Income on investment property	7,159	221	51,627	13,275	1,510	-	1,959	(11,067)	71,656			
Exchange difference (net)	(76,739)	(6,806)	(844)	12,249	(37)	(41)	(32)	-	(71,725)			
Other revenues	152,210	4,006	122,607	183,592	18,782	763	65,651	(158,603)	388,458			
Total revenues	2,716,835	2,142,248	7,093,146	6,287,853	3,170,730	224,906	291,553	(2,777,044)	20,461,750			
Total claims	-	(688,844)	(3,387,093)	(4,375,912)	-	-	-	112,584	(8,339,265)			
Reimbursed claims	-	-	195,502	1,653,600	-	-	-	(8,897)	1,840,205			
Retained claims	-	(688,844)	(3,191,591)	(2,722,312)	-	-	-	103,687	(6,499,060)			

YEAR-END 2017	CORPORATE			FUND MANAGEMENT			INSURANCE			SERVICES			ELIMINATIONS			TOTAL
	FUND MANAGEMENT	INSURANCE	SERVICES	ELIMINATIONS	TOTAL	OUTSOURCING	OTROS	ELIMINATIONS	TOTAL							
Reserves, net of insurance production	-	(331,475)	(1,354,688)	(189,039)	-	-	-	-	-	-	-	-	-	-	(1,875,202)	
Costs of services rendered	-	-	-	-	(2,743,648)	(172,740)	(136,261)	399,535	-	-	-	-	-	-	(2,653,114)	
Administrative expense	(194,790)	(201,976)	(422,319)	(614,332)	(204,175)	(8,019)	(42,455)	82,023	-	-	-	-	-	-	(1,664,440)	
Employee benefits	(120,606)	(420,398)	(353,039)	(556,282)	(136,777)	(20,455)	(24,912)	2,354	-	-	-	-	-	-	(1,836,040)	
Fees	(46,587)	(37,975)	(397,359)	(320,056)	(15,012)	(804)	(13,892)	98,359	-	-	-	-	-	-	(745,413)	
Brokerage commissions	(85)	(159,997)	(408,370)	(1,294,803)	(5,169)	-	-	3,629	-	-	-	-	-	-	(1,896,799)	
Amortizations	(105,895)	(42,406)	(6,874)	(127,524)	(206)	(123)	(1)	-	-	-	-	-	-	-	(289,220)	
Depreciation	(11,029)	(19,686)	(6,861)	(21,287)	(9,224)	(6,398)	(1,157)	-	-	-	-	-	-	-	(79,596)	
Other expense	(1)	-	(285,070)	(211,289)	(1,359)	(746)	(65)	82,175	-	-	-	-	-	-	(416,355)	
Interest	(749,872)	(3,561)	(696)	(5,223)	(5,774)	(1,162)	(21,400)	150,707	-	-	-	-	-	-	(638,707)	
Impairment	(12,641)	(74)	3,674	(6,247)	760	(159)	(1,806)	-	-	-	-	-	-	-	(16,872)	
Total expense	(1,241,506)	(886,073)	(6,422,510)	(6,068,394)	(3,120,584)	(210,606)	(241,949)	922,469	(18,610,818)	(210,606)	(241,949)	922,469	(18,610,818)	(18,610,818)		
Earnings before tax	1,475,329	1,256,175	670,636	219,459	50,146	14,300	49,604	(1,854,575)	1,850,932	14,300	49,604	(1,854,575)	1,850,932	1,850,932		
Income tax	(103,001)	(296,451)	(30,386)	(23,401)	(6,021)	(5,815)	(10,804)	-	-	-	-	-	-	-	(477,160)	
Net income from continuing operations	1,372,328	959,724	640,250	196,058	44,125	8,485	38,800	(1,854,575)	1,373,772	8,485	38,800	(1,854,575)	1,373,772	1,373,772		
Net income from discontinued operations	80,846	-	-	-	-	-	-	-	80,846	-	-	-	-	-	80,846	
Net income	1,453,174	959,724	640,250	196,058	44,125	8,485	38,800	(1,854,575)	1,454,618	8,485	38,800	(1,854,575)	1,454,618	1,454,618		
Earnings - parent company	1,439,100	965,076	643,030	196,058	44,126	8,485	38,797	(2,052,631)	1,256,254	8,485	38,797	(2,052,631)	1,256,254	1,256,254		
Earnings - non-controlling interest	14,074	(5,352)	(2,780)	-	(1)	-	3	198,056	198,364	-	3	198,056	198,364	198,364		

The following is a breakdown by segment of Grupo SURA's Consolidated Income Statement at year-end 2016:

YEAR-END 2016	CORPORATE			FUND MANAGEMENT			INSURANCE			SERVICES			ELIMINATIONS			TOTAL
	MANDATORY PENSIONS	VOLUNTARY SAVINGS	LIFE	NON-LIFE	HEALTH CARE	OTHERS	OUTSOURCING	OTHERS	ELIMINATIONS	TOTAL						
Written premiums	-	965,572	5,650,265	5,790,084	-	-	-	-	(31,206)	12,374,715						
Ceded premiums	-	(1,410)	(185,649)	(1,680,635)	-	-	-	-	16,656	(1,851,038)						
Retained premiums (net)	-	964,162	5,464,616	4,109,449	-	-	-	-	(14,550)	10,523,677						
Commission income	119	1,722,388	164,754	253,610	72	286	7,569	(6,947)	-	2,155,599						
Revenues on services rendered	7	-	11	742	6	206,843	155,921	(608,341)	-	2,318,925						
Dividends	64,353	-	1,496	637	-	-	4,588	-	-	75,472						
Investment income	14,909	13,179	5,345	72,349	25	340	51,608	(4,404)	-	970,985						
Revenues at fair value	(68,038)	92,269	63,565	168,300	16,530	-	-	(77)	-	542,094						
Revenues via equity method	2,371,315	104,487	14,148	51,771	2,967	-	28,334	(1,538,321)	-	1,037,637						
Gains on sale of investments	67,635	3,105	39,550	1,363	26	-	1	-	-	130,955						
Income on investment property	2,932	338	6,772	14,470	1,573	-	1,529	(10,465)	-	63,336						
Exchange difference (net)	163,296	3,693	(334)	8,122	(89)	524	(73)	-	-	170,631						
Other revenues	131,793	2,656	949	178,955	18,218	1,447	4,924	(128,353)	-	286,367						
Total revenues	2,748,321	1,942,115	1,260,418	4,859,032	2,603,058	209,440	254,401	(2,311,458)	18,275,678							
Total claims	-	-	(406,249)	(2,880,724)	(3,297,617)	-	-	90,425	(6,494,165)							
Reimbursed claims	-	-	-	149,964	1,357,362	-	-	(7,682)	1,499,644							
Retained claims	-	-	(406,249)	(2,730,760)	(1,940,255)	-	-	82,743	(4,994,521)							
Reserves, net of insurance production	-	-	(604,824)	(1,605,084)	(382,614)	-	-	-	(2,592,522)							

Cost of services rendered	-	-	(1)	-	(2,233,078)	(161,342)	(121,391)	331,652	(2,184,160)
Administrative expense	(198,144)	(158,599)	(42,090)	(403,132)	(563,249)	(8,105)	(39,858)	68,224	(1,530,571)
Employee benefits	(114,493)	(411,522)	(191,416)	(325,249)	(399,130)	(18,076)	(22,043)	588	(1,595,172)
Fees	(77,238)	(35,164)	(8,851)	(382,554)	(316,335)	(858)	(12,477)	92,733	(755,492)
Brokerage commissions	(50)	(140,410)	(35,688)	(350,080)	(887,767)	-	-	4,122	(1,414,198)
Amortizations	(98,956)	(41,960)	(4,548)	(2,851)	(206)	(81)	(1)	-	(240,210)
Depreciation	(10,355)	(18,155)	(4,227)	(5,515)	(7,758)	(5,813)	(814)	-	(68,812)
Other expense	(1)	-	-	(258,119)	(140,600)	(237)	(27)	67,056	(332,658)
Interest	(614,977)	(3,114)	(801)	(835)	(7,637)	(2,065)	(20,672)	125,924	(530,103)
Impairment	(6,887)	(131)	(275)	(7,762)	2,826	353	(1,266)	-	(12,273)
Total expense	(1,121,101)	(809,055)	(1,298,969)	(6,071,942)	(4,742,543)	(196,224)	(218,549)	773,042	(16,250,692)
Earnings before tax	1,627,220	1,133,060	(38,551)	638,409	116,489	13,216	35,852	(1,538,416)	2,024,986
Income tax	(156,720)	(208,804)	(14,643)	(29,275)	1,750	(6,535)	(12,374)	-	(431,607)
Net income from continuing operations	1,470,500	924,256	(53,194)	609,134	118,239	6,681	23,478	(1,538,416)	1,593,379
Net income from discontinued operations	-	-	915	90,324	-	-	(12,960)	-	78,279
Net income	1,470,500	924,256	(52,279)	699,458	118,239	6,681	10,518	(1,538,416)	1,671,658
Earnings - parent company	1,466,655	926,279	(44,798)	669,484	118,240	6,679	11,437	(1,742,215)	1,444,463
Earnings - non-controlling interest	3,845	(2,023)	(7,481)	29,974	(1)	2	(919)	203,799	227,195

Inter-segment revenues are eliminated in the consolidation and are shown in the "eliminations" column. All other adjustments and eliminations form part of the reconciliations described above.

28.3. GEOGRAPHICAL INFORMATION:

Grupo SURA reports on its investments in the following countries: Colombia, Chile, Argentina, Brazil, Curaçao, El Salvador, Spain, Holland, the Cayman Islands, Luxembourg, Mexico, Panama, Peru, the Dominican Republic and Uruguay.

The following table shows revenues obtained on an individual country basis:

	2017	2016
Colombia	10,820,548	10,039,842
Chile	4,258,923	3,969,495
Mexico	1,833,484	1,453,188
Argentina	1,287,875	839,839
Brazil	517,168	499,633
Peru	471,415	453,845
Panama	431,501	368,394
Uruguay	400,433	220,428
El Salvador	296,479	287,065
Dominican Republic	142,257	143,945
The Bermudas	1,668	52
Holland	(1)	(2)
Spain	-	(46)
	20,461,750	18,275,678

The following table shows the distribution of assets on an individual country basis:

	2017	2016
Colombia	34,091,714	32,156,457
Chile	20,108,317	16,965,491
Mexico	6,328,809	5,521,812
Peru	3,160,007	7,454,058
Argentina	1,533,673	1,405,440
Panama	1,103,016	1,085,848
Brazil	1,050,691	1,032,936
Uruguay	1,004,164	979,712
El Salvador	616,350	597,974
Dominican Republic	313,228	292,713
The Bermudas	59,372	15,891

	2017	2016
Spain	6,163	8,156
Curaçao	542	324
Holland	249	553
	69,376,295	67,517,365

The following table shows net income on an individual country basis:

	2017	2016
Colombia	672,771	949,803
Chile	308,128	306,424
Mexico	245,094	254,251
Peru	208,138	203,086
Uruguay	40,748	26,662
Argentina	25,969	24,759
El Salvador	19,447	25,064
Panama	9,419	(27,482)
Dominican Republic	676	(976)
Brazil	(155)	(7,184)
The Bermudas	(475)	(770)
Holland	(811)	(2,697)
Spain	(967)	(1,280)
Curaçao	(73,364)	(78,002)
	1,454,618	1,671,658

28.4. INCOME STATEMENT ON AN INDIVIDUAL COMPANY BASIS

The following table shows the income obtained by Grupo de Inversiones Suramericana on an individual company basis:

YEAR-END 2017	GRUPO SURA	SURAMERICANA AND SUBSIDIARIES	SURA ASSET MANAGEMENT AND SUBSIDIARIES	ARUS AND SUBSIDIARIES	OTHERS	ELIMINATIONS AND ADJUSTMENTS	TOTAL
Written premiums	-	12,019,807	2,319,515	-	-	(2,385)	14,336,937
Ceded premiums	-	(2,251,741)	(103,672)	-	-	-	(2,355,413)
Retained premiums (net)	-	9,768,066	2,215,843	-	-	(2,385)	11,981,524
Commission income	-	373,272	1,969,690	456	13	(676)	2,342,755
Revenues on services rendered	-	2,614,119	-	222,882	13,278	(40,982)	2,809,297
Dividends	6,015	879	15,765	-	4,466	-	27,125
Investment income	10,434	549,884	406,084	856	204	(1)	967,461
Revenues at fair value	(141,676)	489,561	387,368	-	8,834	24	744,111
Revenues via equity method	877,324	11,076	172,836	-	-	-	1,061,236
Gains on sale of investments	1,214	7,536	106,215	-	24,886	1	139,852
Income on investment property	-	6,984	57,553	-	7,120	(1)	71,656
Exchange difference (net)	(12,835)	4,807	(63,824)	(41)	169	(1)	(71,725)
Other revenues	2,827	375,345	10,117	763	129	(723)	388,458
Total revenues	743,303	14,201,529	5,277,647	224,916	59,099	(44,744)	20,461,750
Total claims	-	(7,191,533)	(1,151,987)	-	-	4,255	(8,339,265)
Reimbursed claims	-	1,840,205	-	-	-	-	1,840,205
Retained claims	-	(5,351,328)	(1,151,987)	-	-	4,255	(6,499,060)
Reserves, net of insurance production	-	(446,799)	(1,428,403)	-	-	-	(1,875,202)
Costs of services rendered	-	(2,472,113)	-	(172,740)	(8,488)	227	(2,653,114)
Administrative expense	(83,039)	(1,235,433)	(375,193)	(8,234)	(2,405)	39,864	(1,664,440)
Employee benefits	(25,569)	(1,033,138)	(755,885)	(20,455)	(1,176)	183	(1,836,040)
Fees	(8,240)	(657,194)	(79,343)	(842)	(370)	576	(745,413)
Brokerage commissions	-	(1,692,517)	(204,293)	-	-	11	(1,896,799)

YEAR-END 2017	GRUPO SURA	SURAMERICANA AND SUBSIDIARIES	SURA ASSET MANAGEMENT AND SUBSIDIARIES	ARUS AND SUBSIDIARIES	OTHERS	ELIMINATIONS AND ADJUSTMENTS	TOTAL
Amortizations	-	(130,799)	(158,298)	(123)	-	-	(289,220)
Depreciation	(1,178)	(36,130)	(30,322)	(6,398)	(5,569)	1	(79,596)
Other expense	-	(415,622)	-	(746)	-	13	(416,355)
Interest	(202,034)	(109,716)	(180,074)	(1,162)	(145,720)	(1)	(638,707)
Impairment	-	(5,178)	(453)	(159)	(11,083)	1	(16,872)
Total expense	(320,060)	(13,585,967)	(4,364,251)	(210,859)	(174,811)	45,130	(18,610,818)
Earnings before tax	423,243	615,562	913,396	14,057	(115,712)	386	1,850,932
Income tax	18,494	(108,974)	(378,936)	(5,817)	(1,926)	(1)	(477,160)
Net income from continuing operations	441,737	506,588	534,460	8,240	(117,638)	385	1,373,772
Net income from discontinued operations	-	-	80,846	-	-	-	80,846
Net income	441,737	506,588	615,306	8,240	(117,638)	385	1,454,618
Earnings - parent company	442,208	505,271	614,350	7,769	(117,489)	(195,855)	1,256,254
Earnings - non-controlling interest	(471)	1,317	956	471	(149)	196,240	198,364

YEAR-END 2016	GRUPO SURA	SURAMERICANA AND SUBSIDIARIES	SURA ASSET MANAGEMENT AND SUBSIDIARIES	ARUS AND SUBSIDIARIES	OTHERS	ELIMINATIONS AND ADJUSTMENTS	TOTAL
Written premiums	-	9,767,107	2,609,702	-	-	(2,094)	12,374,715
Ceded premiums	-	(1,785,334)	(65,704)	-	-	-	(1,851,038)
Retained premiums (net)	-	7,981,773	2,543,998	-	-	(2,094)	10,523,677
Commission income	-	267,938	1,887,666	286	24	(315)	2,155,599
Revenues on services rendered	-	2,138,383	17	206,843	8,653	(34,971)	2,318,925
Dividends	62,567	5,342	3,355	-	4,209	(1)	75,472
Investment income	(7,115)	611,439	364,758	347	1,557	(1)	970,985
Revenues at fair value	(125,931)	422,612	233,810	-	11,602	1	542,094
Revenues via equity method	909,036	9,540	119,060	-	-	1	1,037,637
Gains on sale of investments	65,940	1,770	63,245	-	-	-	130,955
Income on investment property	-	9,388	51,053	-	2,898	(3)	63,336
Exchange difference (net)	143,648	25,384	2,015	524	(940)	-	170,631
Other revenues	177	273,165	11,414	1,447	441	(277)	286,367
Total revenues	1,048,322	11,746,734	5,280,391	209,447	28,444	(37,660)	18,275,678
Total claims	-	(5,695,781)	(802,452)	-	-	4,068	(6,494,165)
Reimbursed claims	-	1,499,644	-	-	-	-	1,499,644
Retained claims	-	(4,196,137)	(802,452)	-	-	4,068	(4,994,521)
Reserves, net of insurance production	-	(626,054)	(1,966,468)	-	-	-	(2,592,522)
Costs of services rendered	-	(2,017,794)	-	(161,342)	(5,087)	63	(2,184,160)
Administrative expense	(41,133)	(1,152,919)	(349,637)	(8,120)	(10,742)	31,980	(1,530,571)
Employee benefits	(20,932)	(830,485)	(725,152)	(18,076)	(631)	104	(1,595,172)
Fees	(19,354)	(660,423)	(72,593)	(895)	(3,241)	1,014	(755,492)
Brokerage commissions	-	(1,233,808)	(180,390)	-	-	-	(1,414,198)
Amortizations	(72)	(92,144)	(146,945)	(1,049)	-	-	(240,210)
Depreciation	(407)	(28,377)	(27,353)	(5,813)	(6,862)	-	(68,812)
Other expense	-	(332,420)	-	(237)	-	(1)	(332,658)

YEAR-END 2016	GRUPO SURA	SURAMERICANA AND SUBSIDIARIES	SURA ASSET MANAGEMENT AND SUBSIDIARIES	ARUS AND SUBSIDIARIES	OTHERS	ELIMINATIONS AND ADJUSTMENTS	TOTAL
Interest	(140,878)	(100,599)	(163,123)	(2,065)	(123,438)	-	(530,103)
Impairment	-	(12,220)	(406)	353	-	-	(12,273)
Total expense	(222,776)	(111,283,380)	(4,434,519)	(197,244)	(150,001)	37,228	(16,250,692)
Earnings before tax	825,546	463,354	845,872	12,203	(121,557)	(432)	2,024,986
Income tax	(61,538)	(61,697)	(307,043)	(6,552)	5,223	-	(431,607)
Net income from continuing operations	764,008	401,657	538,829	5,651	(116,334)	(432)	1,593,379
Net income from discontinued operations	-	-	78,279	-	-	-	78,279
Net income	764,008	401,657	617,108	5,651	(116,334)	(432)	1,671,658
Earnings - parent company	764,380	399,692	593,436	5,279	(116,099)	(202,225)	1,444,463
Earnings - non-controlling interest	(372)	1,965	23,672	372	(235)	201,793	227,195

NOTE 29. COMMISSION INCOME AND EXPENSE

29.1. COMMISSION INCOME

Grupo SURA's commission income is broken down as follows:

	2017	2016
Mandatory pension fund management commissions	1,775,103	1,733,823
Revenues from disposals	367,924	264,019
Others (*)	121,411	87,912
Voluntary pension fund management commissions	76,821	66,934
Share of reinsurers' net income	8,394	8,192
Cancellations and/or eliminations of other reinsurance expense	61	343
Acceptance expense	(6,959)	(5,624)
Total	2,342,755	2,155,599

(*) Mainly includes income from managing client portfolios.

Commission income for each individual country is shown as follows:

	2017	2016
Chile	801,714	692,542
Mexico	770,436	753,069
Peru	399,699	406,286
Colombia	201,097	151,893
Uruguay	93,341	78,694
Dominican Republic	21,353	21,090
Argentina	21,320	26,261
Panama	21,146	16,935
Brazil	9,547	5,849
El Salvador	1,659	2,980
Bermuda	1,443	-
Total	2,342,755	2,155,599

29.2. COMMISSION EXPENSE

Brokerage commission expense is broken down as follows

	2017	2016
Amortizations of Deferred Acquisition Costs (DAC)	(1,773,385)	(1,317,502)
Social security insurance	(66,109)	(56,699)
Property, casualty and personal insurance	(46,038)	(27,622)
Mandatory insurance	(8,477)	(10,303)
Accepted co-insurance	(2,790)	(2,072)
	(1,896,799)	(1,414,198)

Brokerage commission expense for each individual country is broken down as follows:

	2017	2016
Colombia	(500,387)	(475,205)
Chile	(461,605)	(249,166)
Argentina	(303,192)	(189,692)
Brazil	(207,884)	(146,110)
Mexico	(175,856)	(151,305)
Panama	(70,265)	(67,860)
El Salvador	(66,795)	(64,760)
Uruguay	(62,766)	(27,167)
Dominican Rep	(31,903)	(30,222)
Peru	(15,149)	(12,711)
Bermuda	(997)	-
Total	(1,896,799)	(1,414,198)

NOTE 30. SERVICES RENDERED

Income and expenses for services rendered corresponds mainly to the health care subsidiary, EPS Sura and the outsourcing firms belonging to the Arus Holding Company.

30.1. REVENUES FROM SERVICES RENDERED

Grupo SURA's revenues from services rendered are broken down as follows:

	2017	2016
Income from health care providers (EPS)	2,432,125	1,967,352
Lab services	97,197	95,570
Maintenance and repairs	88,897	78,860
Income from health care institutes (IPS)	84,028	70,023
Data processing	44,434	45,842
Sales of machinery, office equipment and computer programs	25,017	25,347
Wiring unit - related activities	19,893	19,312
Machinery and equipment leases	9,765	8,132
Sales of spare parts, components and accessories	2,973	3,891
Corporate consultancy activities	1,673	1,424
Telecommunications services	1,782	2,017
Others	1,378	1,079
Other community, social and personal activities	135	76
	2,809,297	2,318,925

Revenues from services rendered on an individual country basis are shown as follows:

	2017	2016
Colombia	2,808,062	2,317,566
El Salvador	913	748
Panama	322	593
Mexico	-	7
Peru	-	11
Total	2,809,297	2,318,925

30.2. COST OF SERVICES RENDERED

Grupo SURA's cost of services rendered is broken down as follows:

	2017	2016
Selling costs for health care provider services (EPS)	(1,894,892)	(1,527,644)
Selling costs for health care institute services (IPS)	(448,890)	(373,670)
Data processing	(102,532)	(95,001)
Sales of spare parts, components and accessories	(61,797)	(59,919)

	2017	2016
Corporate consultancy activities	(59,604)	(48,815)
IT equipment and software consultancy services	(57,863)	(46,605)
Maintenance and repairs	(11,769)	(10,398)
Sales of machinery, office equipment and computer programs	(14,021)	(20,796)
Depreciation	(557)	(176)
Amortizations	(1,083)	(1,031)
Other community, social and personal activities	(106)	(105)
	(2,653,114)	(2,184,160)

Cost of services rendered for each individual country is shown as follows:

	2017	2016
Colombia	(2,652,580)	(2,183,708)
Panama	(534)	(452)
Total	(2,653,114)	(2,184,160)

NOTE 31. FINANCIAL INCOME AND EXPENSE

Financial income and expense for Grupo SURA and Subsidiaries at year-end 2017 and 2016 are broken down as follows:

	2017			2016		
	INCOME	EXPENSE	NET	INCOME	EXPENSE	NET
Investment income (1)	1,221,898	(254,437)	967,461	1,301,009	(330,024)	970,985
Exchange differences (2)	256,805	(328,530)	(71,725)	453,696	(283,065)	170,631
Revenues at fair value (3)	1,553,614	(809,503)	744,111	1,773,611	(1,231,517)	542,094
Dividends (4)	27,125	-	27,125	75,472	-	75,472
Gains on sales of investments (5)	159,681	(19,829)	139,852	166,441	(35,486)	130,955
Interest (6)	-	(638,707)	(638,707)	-	(530,103)	(530,103)
	3,219,123	(2,051,006)	1,168,117	3,770,229	(2,410,195)	1,360,034

(1) Investment income includes interest income and returns from cash and banks, collective portfolios, fiduciary charges, and loans to directors. It also includes net income from valuations based on the effective interest rate. The following is a breakdown of the financial income and expense account.

	2017	2016
Investment Income	955,968	977,755
Income from cash and banks	11,493	(6,770)
	967,461	970,985

(2) Exchange difference includes income and expense obtained from restating assets and liabilities in foreign currency.

(3) Gains and losses recorded at fair value were as follows:

	2017	2016
Increase in fair value of debt securities	794,980	574,033
Forwards and futures	90,807	93,991
Currency swaps	(141,676)	(125,930)
	744,111	542,094

(4) The balance of this account is shown as follows

	2017	2016
Revenues from Argos (a)	6,015	62,567
Revenues for real estate funds	15,765	3,355
Dividends from financial instruments	5,345	9,550
	27,125	75,472

(a) Corresponding to dividend income from the investment held in the associate Grupo Argos, which was the surplus left over from the equity method applied in 2017 and 2016 respectively

(b) Dividend income from investments in financial instruments issued by real estate funds recorded on the sub-consolidated statement of the Group's subsidiary Sura Asset Management.

(5) Gains and losses obtained from the sale of investments are shown as follows:

	2017	2016
Valuation gains on debt securities	129,471	97,163
Proceeds from sales of investments	28,440	67,576
Expense on sales of investments	(2,466)	(12,804)
Valuation expense on debt securities	(15,593)	(20,980)
	139,852	130,955

(6) The following table shows a breakdown of interest expense:

	2017	2016
Bank loans	(297,145)	(338,770)
Interest on issued securities	(333,671)	(180,154)
Other interest	(6,819)	(8,701)
Amortized premium on debt portfolio	(58)	(1,525)
Other loans	(894)	(951)
Interest on late pension payments	(120)	(2)
	(638,707)	(530,103)

Financial income and expense on an individual country basis is shown as follows:

YEAR-END 2017	ARGEN- TINA	BERMU- DA	BRAZIL	CHILE	COLOM- BIA	CU- RAÇAO	HO- LLAND	MEXICO	PANAMA	PERU	DOMINI- CAN RE- PUBLIC	EL SAL- VADOR	URUGUAY	TOTAL
Investment income	1	-	-	194,507	501,960	-	-	221,713	2,454	5,493	7,272	15,065	18,996	967,461
Exchange differences	4,410	-	2,277	(16,805)	(52,626)	-	(1)	(6,202)	113	(2,133)	249	-	(1,007)	(71,725)
Revenues at fair value	127,878	214	29,835	254,521	195,406	-	-	47,094	16,284	62,060	-	1,214	9,605	744,111
Dividends	-	-	-	2,198	14,506	-	-	-	6,509	3,912	-	-	-	27,125
Gains on sale of investments	1,556	-	-	105,276	10,804	-	-	(3,085)	24,997	327	-	-	(23)	139,852
Interest	(1)	-	-	(1,810)	(413,200)	(73,266)	-	-	(145,213)	(3,799)	(506)	-	(912)	(638,707)
	133,844	214	32,112	537,887	256,850	(73,266)	(1)	259,520	(94,856)	65,860	7,015	16,279	26,659	1,168,117

YEAR-END 2016	ARGEN- TINA	BRAZIL	CHILE	COLOM- BIA	CU- RAÇAO	SPAIN	HO- LLAND	MEXICO	PANAMA	PERU	DOMINI- CAN RE- PUBLIC	EL SAL- VADOR	URUGUAY	TOTAL
Investment income	-	-	209,650	581,258	-	-	-	152,016	2,605	7,648	7,620	28	10,160	970,985
Exchange differences	(1,610)	(3,946)	(14,545)	187,614	-	(46)	(2)	7,346	(936)	(1,613)	47	-	(1,678)	170,631
Revenues at fair value	61,485	29,076	139,203	240,500	-	-	-	7,879	19,913	41,323	-	-	2,715	542,094
Dividends	-	-	1,591	66,366	-	-	-	1,761	5,751	-	-	-	3	75,472
Gains on sale of investments	1,702	-	44,655	66,512	-	-	-	6,802	11,201	81	-	-	2	130,955
Interest	-	-	(1,803)	(324,019)	(77,919)	(12)	(10)	-	(122,912)	(2,912)	(408)	(9)	(99)	(530,103)
	61,577	25,130	378,751	818,231	(77,919)	(58)	(12)	175,804	(84,378)	44,527	7,259	19	11,103	1,360,034

NOTE 32. OTHER INCOME AND EXPENSE

32.1. OTHER INCOME

Below is a breakdown of Grupo SURA's other income account:

	2017	2016
Default interest on late contribution payments	99,788	68,836
Recovered amounts of paid tax	89,208	-
Policy revenues	68,506	41,213
Others	46,867	57,381
Reimbursements and recoveries	16,125	61,654
Compensation	15,274	7,856
Paperwork expense	8,235	8,623
Reimbursed expense	7,600	6,213
Cancellations and/or eliminations of other reinsurance income	7,314	7,484
Fraud	4,987	-
Joint venture activities	3,340	104
Recovered amounts, other than from operating risk policies	3,237	784
Reimbursements and recoveries	3,169	12,691
Demand deposits	3,086	3,079
Conditional trade discounts	2,855	2,833
Buildings	2,805	-
Fronting commissions	2,486	-
From co-insurance management services	1,238	1,117
Earnings from property and equipment	620	486
Expense recognized by reinsurers	423	97
Reimbursed occupational disease expense	386	-
Discounts	362	-
Insurance indemnities	195	12
Equipment, furniture and office fixtures	187	-
Recognized interest	89	45
Vehicles	59	-
Computer equipment	17	-
From third parties	-	4
Freeing up of special reserves	-	1,001
Provision reversals	-	4,854
Total	388,458	286,367

Other income on an individual country basis is shown as follows:

	2017	2016
Colombia	265,242	121,175
Argentina	58,609	57,674
Mexico	30,842	28,528
Chile	13,760	9,832
El Salvador	10,948	24,250
Uruguay	3,831	3,544
Peru	2,052	110
Brazil	1,781	36,074
Panama	1,279	2,867
Dominican Republic	107	2,261
Bermuda	7	52
	388,458	286,367

32.2 OTHER EXPENSE

Below is a breakdown of Grupo SURA's other expense account:

	2017	2016
Non-proportional reinsurance costs (1)	(288,666)	(222,024)
Occupational risk prevention / awareness services	(119,714)	(110,151)
Expense incurred on joint venture and operations	(5,771)	-
Losses incurred on claims	(1,652)	(906)
Others	(745)	(486)
Real Estate	(9)	(10)
Bonuses	(5)	(9)
Non-proportional reinsurance revenues	207	928
	(416,355)	(332,658)

(1) Corresponding to the cost of reinsurance contracts in extending the agreed coverage.

Other expense on an individual country basis is shown as follows:

	2017	2016
Colombia	(223,097)	(230,044)
Chile	(91,727)	(69,296)

	2017	2016
Mexico	(32,746)	(2,289)
Argentina	(19,629)	-
Brazil	(14,079)	-
Uruguay	(10,814)	(96)
El Salvador	(9,713)	(11,110)
Dominican Republic	(7,377)	(11,118)
Panama	(7,173)	(8,705)
	(416,355)	(332,658)
	(416,355)	(332,658)

NOTE 33. ADMINISTRATIVE EXPENSE

Grupo SURA's administrative expense on an individual country basis at year-end 2017 and 2016 is shown as follows:

	2017	2016
Taxes	(363,046)	(366,922)
Contributions	(139,464)	(142,938)
Advertising	(131,905)	(126,051)
Lease rentals	(124,894)	(106,226)
Commissions	(119,285)	(137,253)
Temporary services	(108,243)	(85,443)
Maintenance and repairs	(107,349)	(90,582)
Public utilities	(104,771)	(94,431)
Traveling and entertainment expense	(92,636)	(81,209)
Legal expense	(53,926)	(23,535)
Electronic data processing	(40,510)	(53,011)
Office supplies and stationery	(39,306)	(45,513)
Selling expense	(30,725)	(31,321)
Worker's compensation fund	(11,516)	(9,787)
Insurance	(10,690)	(13,109)
Others	(186,174)	(123,240)
	(1,664,440)	(1,530,571)

Grupo SURA's administrative expense at year-end 2017 and 2016 on an individual country basis is shown as follows:

	2017	2016
Colombia	(940,516)	(921,660)
Mexico	(186,276)	(113,130)
Argentina	(159,419)	(144,236)
Chile	(134,441)	(127,262)
Brazil	(61,227)	(55,723)
Uruguay	(54,641)	(33,646)
Peru	(54,547)	(58,983)
Panama	(35,412)	(39,788)
El Salvador	(26,098)	(24,211)
Dominican Republic	(10,780)	(11,176)
The Bermudas	(829)	(483)
Spain	(182)	(208)
Curaçao	(66)	(65)
Holland	(6)	-
	(1,664,440)	(1,530,571)

NOTE 34. FEES

Grupo SURA's fee expense is broken down as follows:

	2017	2016
Insurance management services	(334,876)	(313,488)
Insurance sales promoters	(71,476)	(65,574)
Attendance fees	(37,151)	(38,692)
Statutory auditing fees	(29,734)	(18,896)
Commissions	(22,420)	(22,425)
Legal advisors	(11,976)	(13,209)
Financial consultancy services	(9,154)	(13,889)
Board of Directors	(5,632)	(5,831)
Property appraisals	(259)	(109)
Others (*)	(222,735)	(263,379)
	(745,413)	(755,492)

(*) Mainly technical inspection and evaluation expense prior to policies being issued

Fee income for each individual country is shown as follows:

	2017	2016
Colombia	(601,389)	(601,640)
Chile	(53,276)	(53,741)
Mexico	(28,408)	(24,163)
Panama	(17,466)	(19,827)
Uruguay	(13,004)	(8,776)
Peru	(9,167)	(8,160)
Argentina	(8,532)	(22,405)
Brazil	(8,230)	(10,681)
El Salvador	(2,091)	(1,989)
Dominican Republic	(1,916)	(2,144)
Holland	(803)	(593)
Spain	(785)	(1,015)
The Bermudas	(314)	(340)
Curaçao	(32)	(18)
	(745,413)	(755,492)

NOTE 35. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the period, as attributable to the shareholders, by the weighted average number of shares outstanding for the year.

The following table shows the income and share information used to calculate basic earnings per share.

	2017	2016
Parent company's net profits	1,256,254	1,444,463
Ordinary shares outstanding for basic earnings per share	469,037,260	469,037,260
Earnings per share (in Colombian pesos)	2,678	3,080

NOTE 36. TRANSLATING CURRENCIES AND RESULTS OF FOREIGN OPERATIONS

The rates used to translate the different foreign currencies in Grupo SURA's consolidated financial statements are shown as follows:

	AVERAGE RATE		CLOSING RATE	
	2017	2016	2017	2016
Colombian peso (COP/USD)	2,951.32	3,050.98	2,984.00	3,000.71
Chilean peso (CLP/USD)	648.77	676.45	607.15	669.79
Dominican peso (DOP/USD)	47.57	46.09	48.33	46.72
Euro (EUR/USD)	0.89	0.90	0.83	0.96
Mexican peso (MXN/USD)	18.91	18.69	19.52	20.60
Peruvian new sol (PEN/USD)	3.26	3.38	3.24	3.36
Uruguayan peso (UYU/USD)	28.64	30.14	28.69	29.35
Argentinian peso (ARP/USD)	16.56	14.77	18.54	15.83
Brazilian Real (BRS/USD)	3.19	3.49	3.31	3.26

NOTE 37. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The following information describes the main characteristics of the Governance Framework corresponding to the Group's Risk Management function as well as the more significant risks to which its Companies have been exposed, taking into account the characteristics, complexity and size of their individual businesses as well as the particularities of the countries where they are present.

1. Risk Management System - Governance Framework

The Sura Business Group considers risk management to be a dynamic and interactive process, which forms an essential part of its internal control system, the purpose of which is to provide support to the Companies' strategic objectives and ongoing sustainability. The Group's Risk Management System allows for strategic, administrative and operating decisions to be made in order to create added value not just by maximizing revenues within low levels of tolerable risk, but also understanding global trends and the internal dynamics of the different subsidiaries, creating appropriate control mechanisms and ensuring the sustainability and continuity of the different lines of business over the long term.

Grupo SURA, as parent company, is exposed both to its own risks as well as those relating to its investments. This is why there are risk management guidelines firmly in place that allow the Companies to create added value as well as address the new challenges and opportunities of an ever-changing business environment.

The Board of Directors, its Committees and the Senior Management of each of the Companies are responsible for ensuring an adequate Risk Management System and making decisions based on an understanding of the opportunities and risks involved in each strategic issue. These responsibilities are supplemented by an organizational structure, policies and manuals which ensure that an organizational strategy is consistently applied throughout the region and that feedback is obtained on its implementation.

Grupo SURA ensures that adequate communication and interaction is maintained so as to monitor the Group's risk profile and risk management function. This includes serving as members of the Companies' Boards of Directors and the different Board Committees as well as holding meetings and similar events to encourage risk management reporting, project implementation and the sharing of best practices.

With respect to risk management at subsidiary level, in 2017 we began to implement risk management standards and structure the different risk management areas at the recently acquired insurance companies.

2. Risk Categories

The main risks addressed by the Company's risk management function, fall into the following three categories: (i) financial risk; (ii) business risk; and (iii) operating risk;

2.1 Financial Risk Management

Being able to depend on optimum capital structures and adequate solvency levels as well as having sufficient resources to guarantee a sound financial position with which to respond to the obligations thus acquired while at the same time complying with the targeted expansion plans, requires comprehensive risk management systems with which to monitor subsidiary exposure to the different financial risks (credit, market and liquidity); this covering the cash and investment management functions as well as handling third-party portfolios

The global economy performed well in 2017, having secured a continued growth amid the strongest expansion seen over the last decade. It was a year characterized by expansive monetary policies and low inflation rates in most countries. Unemployment declined in all those countries that had previously been immersed in a recession, while investors showed a distinct increase in their risk appetite as they searched for higher and better returns

After a slowdown that has lasted for two years, the Latin American economy began to show signs of recovery at the end of 2017, this in response to a greater amount of market confidence, less volatile financial conditions, higher commodity prices and the growth in global trade which in turn is driving external demand. The recovery seen with Brazil and Argentina is particularly noteworthy on a regional level, this as a result of increased market confidence in turn due to an increase in domestic consumption and investment, thanks to low levels of inflation and interest rates, in the case of Brazil, and enhanced political capital in Argentina.

Conversely, the Mexican economy was adversely affected by natural disasters and high levels of inflation. Also, higher commodity prices drove up export revenues for Chile and to a lesser extent Colombia. Finally, the overall performance for the Latin American economy going forward shall depend on the much-needed tax reforms being introduced in most Latin American countries, as well as the outcomes of presidential elections that began with Argentina and Chile last year and which shall continue this year with Mexico, Brazil and Colombia.

The main financial risks are listed as follows. This analysis takes into account credit, market (including currency, interest and inflation rates as well as asset prices) and liquidity risk.

2.1.1 Credit Risk Management

The Group's credit risk management function is aimed at reducing the probability of incurring losses in failing to meet the Company's financial obligations with third parties. For this purpose, policies and procedures have been issued to facilitate the analysis and monitoring of issuers and counterparties, from the funds handled by the cash management departments to insurance company portfolios and third-party funds, so as to mitigate risk exposure at subsidiary level.

More detailed information regarding credit risk concentration and exposure can be found in Note 9.1.1. Investments

Note 9.1.2 Trade and other receivables

Nota 9.2. Impairment to financial assets

9.1 Financial assets and Note 9.3. Financial liabilities Assets and liabilities at maturity

2.1.1.1 Credit Risk Management - Cash Management Function

The cash management functions of Grupo SURA and its subsidiaries Suramericana and Sura Asset Management, are governed by risk mitigation policies and guidelines to ensure that investments are aligned with the funds allocated to such and that these are always backed by issuers and / or fund management firms with adequate creditworthiness. At year-end 2017, the investments made by the Companies' cash management departments were mostly concentrated in liquid collective portfolios managed by asset management firms meeting the highest standards, as well as savings and checking accounts with local and international banks, and issuers of fixed income securities with substantial creditworthiness.

The following is a list of counterparties and their international credit ratings with regard to the derivative positions held by the Companies:

Grupo SURA:

BANK	RATING
Merrill Lynch International	A+
Citibank N.A, London Branch	A+
JP Morgan Chase Bank, N.A.	A+
Morgan Stanley & Co International PLC	A+
BBVA S.A.	BBB+

SURA Asset Management:

BANK	RATING
BBVA Colombia S.A.	BBB+
JP Morgan Chase Bank	A+

Suramericana

No cash positions are held in terms of derivative transactions

For a more detailed breakdown of the Company's financial assets, see Note 9.1.

2.1.1.2 Financial Assets Credit Risk Management - Insurers' Portfolios

On the other hand, the insurance companies manage their credit risk through the handling of their portfolios of profitable, liquid assets that underpin their technical reserves; based on policies governing the allocation of quotas, limits and controls, as well as methodologies and procedures used for the different assets making up the portfolio which allow for evolving risk to be quantified and monitored. These methodologies provide for detailed analyses to be carried out on the financial strength and conditions as well as other qualitative aspects regarding the different issuers.

The portfolios belonging to these insurance companies largely consist of fixed income securities.

So as to be able to arrive at a standardized basis in order to compare the different countries, this section contains the credit ratings of the financial assets held along with their counterparties, which were re-stated on an international level, using the maximum rating of the sovereign rates for each country: Argentina B-, Brazil BB, Chile AA-, Colombia BBB, El Salvador B-, Mexico BBB+, Peru BBB+, Panama BBB, Dominican Republic BB-, Uruguay BBB. The choice between the international credit ratings in local or foreign currency is based on the Subsidiary's specific type of portfolio and their own risk management criteria.

The following table shows a breakdown of fixed income financial assets at subsidiary level, based on their corresponding international credit ratings

SOVEREIGN RATING*	FIXED INCOME ASSETS CLASSIFIED ACCORDING TO THEIR INTERNATIONAL CREDIT RATINGS FOR 2017											
	SURAMERICANA								SURA AM			
	AR-GEN-TINA	BRA-ZIL	CHILE	CO-LOM-BIA	EL-SAL-VADOR	MEXI-CO	PANA-MA	DOMI-NICAN-REPU-BLIC	URU-GUAY	BER-MUDA	CHILE	MEXI-CO
	B	BB	AA-	BBB	B	BBB+	BBB	BB-	BBB	A	AA-	BBB+
Sovereign	65.6%	100.0%	33.1%	21.9%	26.4%	77.9%	17.1%	51.1%	77.9%	0.0%	7.8%	91.7%
AAA	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA-	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A+	0.0%	0.0%	0.0%	0.1%	1.4%	0.0%	0.2%	0.0%	0.0%	0.0%	17.9%	0.0%
A	0.0%	0.0%	24.6%	2.4%	0.6%	0.0%	1.3%	0.0%	0.0%	0.0%	12.7%	0.9%

FIXED INCOME ASSETS CLASSIFIED ACCORDING TO THEIR INTERNATIONAL CREDIT RATINGS FOR 2017

	SURAMERICANA										SURA AM	
A-	0.0%	0.0%	6.4%	0.6%	1.6%	0.0%	0.0%	0.0%	0.0%	21.9%	27.9%	1.1%
BBB+	0.0%	0.0%	22.1%	1.6%	2.2%	19.6%	2.1%	0.0%	0.0%	0.0%	22.8%	2.5%
BBB	0.0%	0.0%	9.5%	51.5%	2.4%	1.6%	7.1%	0.0%	0.0%	0.0%	9.1%	0.8%
BBB-	0.0%	0.0%	4.2%	19.3%	1.4%	0.7%	15.6%	0.0%	10.9%	78.1%	1.6%	0.7%
BB+	0.0%	0.0%	0.0%	1.5%	1.6%	0.1%	25.7%	0.0%	0.0%	0.0%	0.1%	0.0%
BB	0.0%	0.0%	0.0%	0.2%	0.2%	0.0%	9.4%	0.0%	11.2%	0.0%	0.0%	0.0%
BB-	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	16.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Others	34.4%	0.0%	0.0%	0.0%	62.3%	0.0%	3.5%	48.9%	0.0%	0.0%	0.0%	2.3%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

FIXED INCOME ASSETS CLASSIFIED ACCORDING TO THEIR INTERNATIONAL CREDIT RATINGS FOR 2016

	SURAMERICANA										SURA AM:	
	AR-GEN-TINA	BRA-ZIL	CHILE	CO-LOM-BIA	EL SAL-VADOR	MEXI-CO	PANA-MA	DOMI-NICAN REPU-BLIC	URU-GUAY	CHILE	MEXI-CO	PERU:
SOVE-REIGN RATING*	B	BB	AA-	BBB	B	BBB+	BBB	BB-	BBB	AA-	BBB+	BBB+
Sovereign	48.2%	95.5%	70.3%	26.2%	33.1%	80.6%	22.2%	55.8%	85.5%	7.9%	93.8%	22.2%
AAA	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
AA+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
AA-	0.0%	0.0%	16.1%	0.3%	0.0%	0.0%	1.0%	0.0%	0.0%	17.3%	0.0%	0.0%
A+	0.0%	0.0%	6.5%	0.0%	0.0%	0.0%	3.8%	0.0%	0.0%	10.9%	0.0%	0.5%
A	0.0%	0.0%	2.5%	3.5%	0.0%	0.0%	0.9%	0.0%	0.0%	31.2%	0.0%	0.4%
A-	0.0%	0.0%	3.4%	0.8%	0.6%	0.0%	0.0%	0.0%	0.0%	17.1%	1.7%	4.1%
BBB+	0.0%	0.0%	1.2%	0.2%	0.5%	19.4%	3.3%	0.0%	0.0%	4.7%	2.8%	28.1%
BBB	0.0%	0.0%	0.0%	50.1%	4.5%	0.0%	8.6%	0.0%	0.0%	4.7%	0.9%	13.6%
BBB-	0.0%	0.0%	0.0%	16.5%	1.1%	0.0%	18.8%	0.0%	0.0%	0.1%	0.7%	16.9%
BB+	0.0%	0.0%	0.0%	1.4%	1.5%	0.0%	13.7%	0.0%	0.0%	0.0%	0.2%	2.2%
BB	0.0%	0.0%	0.0%	0.2%	2.0%	0.0%	6.5%	0.0%	14.5%	5.9%	0.0%	1.9%
BB-	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	19.8%	0.0%	0.0%	0.0%	0.0%	0.1%
Others	51.8%	4.5%	0.0%	0.0%	56.7%	0.0%	1.5%	44.2%	0.0%	0.2%	0.0%	8.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The insurance company Seguros SURA Perú was sold off in 2017.

Another credit risk to which the Insurance Companies are exposed with regard to their portfolios has to do with derivatives held with local and international counter-parties

The Suramericana subsidiaries held both an asset as well as liability exposure to derivatives at December 31, 2017 (and December 31, 2016) as well as an exposure to international counterparty credit ratings. Nevertheless, it is to be noted that at the present time only the Colombian companies are performing derivative transactions.

DERIVATIVES - SURAMERICANA SEGUROS COLOMBIA 2017

BANK	INTERNATIONAL	ASSET EXPOSURE	LIABILITY EXPOSURE	NET POSITION
CREDIT RATING				
Banco de Bogotá	BBB	21,642	(21,357)	284
Bancoldex	BBB	307,294	(305,557)	1,737
JPM Corporación Financiera	BBB	214,207	(211,577)	2,630
Banco Davivienda S.A.	BBB	67,581	(67,845)	-264
Total		610,724	(606,336)	4,388

DERIVATIVES - SURAMERICANA SEGUROS COLOMBIA 2016

BANK	INTERNATIONAL	ASSET EXPOSURE	LIABILITY EXPOSURE	NET POSITION
CREDIT RATING				
Banco de Bogotá	BBB	326,241	(317,411)	8,830
Bancoldex	BBB	185,402	(179,959)	5,443
BBVA Colombia	BBB	29,504	(29,110)	394
CitiBank Colombia	BBB	27,792	(26,045)	1,747
Banco Davivienda S.A.	BBB	49,287	(47,989)	1,298
Total		618,226	(600,514)	17,712

The following is a breakdown of the exposure inherent to the derivatives held by Sura Asset Management's insurance companies

DERIVATIVES - SURA ASSET MANAGEMENT SEGUROS CHILE 2017

BANK	INTERNATIONAL	ASSET EXPOSURE	LIABILITY EXPOSURE	NET POSITION
CREDIT RATING				
Banco BBVA	A	92,569	(81,563)	11,006
Banco de Crédito e Inversiones	BBB	185,651	(158,854)	26,797
Banco Santander	BBB	240,815	(215,211)	25,604
Total		519,035	(455,628)	63,407

DERIVATIVES - SURA ASSET MANAGEMENT SEGUROS CHILE 2016

BANK	INTERNATIONAL	ASSET EXPOSURE	LIABILITY EXPOSURE	NET POSITION
CREDIT RATING				
Banco BBVA	A-	84,661	(82,521)	2,140
Banco de Crédito e Inversiones	Also	181,578	(172,828)	8,751
Banco Santander	A+	223,125	(219,049)	4,076
Total		489,364	(474,398)	14,966

Based on an analysis performed upon adopting IFRS 9, we concluded that this standard does not modify the general principles that the Company uses to record its hedges, and consequently its application is not expected to have any significant effect.

2.1.1.3 Credit risk management - Third Party Funds

With regard to the credit risk exposure inherent to handling third-party funds, in keeping with its fiduciary duty, the Company's fund management function includes due diligence performed on all investees, including issuers, counterparties and fund management firms.

Independent risk teams, on both a functional as well as organizational level, are responsible for controlling and monitoring the different investment operations. These teams are in charge of conducting permanent follow-ups on the different investment portfolios, monitoring the levels of market, credit, liquidity and other risks that may have a negative impact on the rates of return earned by the different portfolios. It is the responsibility of the risk team to sound an alert with regard to any possible failure to comply with both internal and external rules and regulations as well as to remit such alerts to the Risk Committee so that the respective corrective measures may be taken.

2.1.1.4 Impairment of Assets and Accounts Receivable (See Note 9.2. Impairment to financial assets)

The Companies periodically analyze whether there are any signs of impairment and, whenever necessary, impairment losses are recognized for the corresponding investment in the associate.

Due to IFRS 9 coming into full force and effect as of January 1, 2018, Grupo SURA and its Subsidiaries must adopt a new methodology for calculating impairment due to expected or

prospective losses which shall replace that used for impairment relating to incurred losses as established in the previous standard IAS 39, which was effective until December 31, 2017.

So as to prepare the Organization for adopting this new IFRS, the following activities were carried out in 2017:

Grupo SURA and its subsidiaries are defining standardized principles for calculating impairment to each specific type of asset, based on the risk methodologies that have been approved for each Company:

- In the case of financial instruments measured at amortized cost, the financial strength of each counterparty is analyzed using the Credit Risk Management procedures implemented by each subsidiary as well as the probabilities of default published by international risk rating agencies so as to maintain a prospective approach to this calculation.
- With regard to accounts receivable due from clients, our subsidiaries use the general or 12-month approach considering the nature of the policies in place and the cancellations associated with these. An impairment percentage is calculated based on available historical information for each level of default rate, which is then applied prospectively right from the outset and then is updated over time.
- In the case of accounts receivable corresponding to reinsurance contracts, the individual financial strength of each reinsurer is reviewed so as to proceed to estimate the impairment percentage associated with each of these.

¶ A detailed analysis of the impact that different aspects of this would have, this based on the information made available to date.

¶ Approval from the Company's highest governing body for Impairment Policies used for Financial Instruments Measured at Amortized Cost.

It is important to note that with regard to the Company's policy for recognizing fund management transactions corresponding to third party funds as well as stock and insurance brokerage services, based on the Company's current policy for recognizing income and measuring financial instruments, the new IFRS 9

that recently came into full force and effect, shall not have any impact on the financial statements or on the financial position of the aforementioned firms.

More detailed information regarding impairment methods and tests performed on financial and non-financial assets, accounts receivable as well as reinsurance and co-insurance assets can be found in Note 9.3 Impairment to financial assets as well as Note 19 Impairment to non- financial assets

2.1.2 Market Risk Management

This type of risk management is aimed at mitigating the effect of fluctuating market prices on the value of the portfolios that are managed by the Companies as well as their revenues. For this reason, the Group's insurance companies and fund management firms deploy Market Risk Management Systems to identify, measure and monitor the corresponding exposure. These systems are composed of a set of policies, procedures, monitoring mechanisms and internal controls.

The Companies periodically monitor variables such as interest and exchange rates as well as asset prices so as to ascertain their impact on their overall performance. Furthermore, in order to mitigate volatility, the possibility of hedging such risk is determined, and this is constantly monitored by the area responsible for such.

2.1.2.1 Market Risk Management - Cash Management Function

The Cash Management Departments of Grupo SURA, SURA Asset Management and Suramericana handle market risk exposure from the standpoint of currency and interest rate risk exposure to the amount of debt held.

For a more detailed breakdown of the Company's debt and derivatives, please refer to Note 9.1 Financial Assets and Note 3.2 Financial Liabilities.

Grupo Sura's exposure to market risk consists of the following factors and activities:

- As for managing liquidity through the exposure inherent to collective portfolios and issuers of fixed income instruments, there is no significant market risk since by their very nature these are low volatility assets.
- Financial liabilities denominated in foreign currency and those tied to a variable rate, which result in an exposure to the corresponding exchange and interest rate risk.

Grupo Sura analyzes the impact that variables such as interest and exchange rates have on its results, this for the purpose of assessing the convenience of hedging strategies in order to mitigate the corresponding levels of volatility. The derivatives that were taken out in 2017 in order to hedge exposure to fluctuating exchange rates on the Company's dollar-denominated financial liabilities produced a certain level of volatility on the Company's financial results due to movements with COP and USD denominated interest rates that are used to measure said liabilities.

On the other hand, SURA Asset Management's cash management function has to deal with the following market risk exposure:

- Sura Asset Management's business units have their own free capital set up with their retained earnings. Investments made with free capital (especially in the case of fixed-income securities, mutual funds and cash and banks) are in keeping with the different uses allocated to such, these including upcoming dividend payments or amounts to be reinvested in the same business unit in keeping with its strategic planning.

Currency Risk: Sura Asset Management has decided to maintain its free capital invested in local currency, in keeping with the planned use of such.

- Sura Asset Management's capital structure includes a debt component consisting of a bond issued on the international market as well as a bank loan. Since most of this debt is denominated in USD, this entails a risk with the exchange rate, since Sura Asset Management's subsidiaries report their financial results in local currency which poses an exchange risk upon transferring these to the parent company.

Suramericana S.A., for its part has the following exposure to market risk:

- Suramericana holds certain liquidity positions that it handles in keeping with the obligations it has with different stakeholders. In this way and based on the dividend and capitalization schedules and in keeping with the commitments acquired on the capital markets, funds are managed both in Colombian pesos and in US dollars, so as to optimize the exchange risk while taking advantage of short-term returns. Furthermore, since Suramericana S.A.'s subsidiaries operate in different countries with different functional currencies, a foreign exchange risk exists when exchanging flows between the subsidiaries and Suramericana S.A., either in the form of capitalizations, decapitalizations or dividend distributions.
- On the other hand, and as a result of Suramericana having placed an issue of ordinary bonds on the Colombian securities market for a total of COP 1 billion pesos, this being entirely indexed to the Colombian CPI, there is an inflation risk in Colombian pesos. This risk is mitigated to a large extent with the revenues received from the Colombian insurance subsidiaries which are denominated in Colombian pesos.

2.1.2.2 Market Risk Management - Insurance Company Portfolios

As for how this risk is handled with regard to the portfolios held by the Insurance companies, certain methodologies, limits and / or alerts have been put firmly into place, based on internal policies and rules and regulations governing each of the countries where the companies are present. Some of the measures that are taken into account include: Value at Risk, Sensitivities and Simulations. Here, the inherent risk is examined from the standpoint of both the asset and liability positions held by the Companies.

On the other hand, SURA Asset Management handles its market risk through its ALM (Assets and Liabilities Management) function which is a dynamic and continuous process. This begins with analyzing Sura Asset Management S.A.'s liability profile and depending on the corresponding risk appetite / return, a strategic asset allocation plan is drawn up, taking into account the feasibility of going ahead with such given prevailing market conditions (liquidity and depth) and the distribution of the existing portfolio of investments (especially with regard to terms and accrual rates).

2.1.2.2.1 Currency exposure - insurance company portfolios

The following table shows the currency exposure to the portfolios of the insurance companies.

ASSETS PER TYPE OF CURRENCY FOR EACH INDIVIDUAL COUNTRY - 2017					
COUNTRY	LOCAL CURRENCY*	REAL LOCAL CURRENCY**	USD	OTHERS	TOTAL
SURAMERICANA					
Argentina	96%	0.0%	4%	0.0%	100%
Brazil	100%	0.0%	0.0%	0.0%	100%
Chile	15%	85%	0.0%	0.0%	100%
Colombia	73%	18%	9%	0.0%	100%
El Salvador	0.0%	0.0%	100%	0.0%	100%
Mexico	90%	4%	6%	0.0%	100%
Panama	0.0%	0.0%	100%	0.0%	100%
Dominican Republic	85%	0.0%	15%	0.0%	100%
Uruguay	71%	7%	22%	0.0%	100%
SURA ASSET MANAGEMENT					
Chile	0.0%	99.8%	0.2%	0.0%	100.0%
Mexico	4.9%	95.0%	0.2%	0.0%	100.0%

ASSETS PER TYPE OF CURRENCY FOR EACH COUNTRY - 2016					
COUNTRY	LOCAL CURRENCY*	REAL LOCAL CURRENCY**	USD	OTHERS	TOTAL
SURAMERICANA					
Argentina	94.8%	0.0%	5.2%	0.0%	100.0%
Brazil	100.0%	0.0%	0.0%	0.0%	100.0%
Chile	11.0%	89.0%	0.0%	0.0%	100.0%
Colombia	67.0%	23.1%	8.6%	1.3%	100.0%
El Salvador	0.0%	0.0%	100.0%	0.0%	100.0%
Mexico	78.2%	8.8%	13.0%	0.0%	100.0%
Panama	0.0%	0.0%	100.0%	0.0%	100.0%
Dominican Republic	87.3%	0.0%	12.7%	0.0%	100.0%
Uruguay	76.2%	9.3%	14.5%	0.0%	100.0%
SURA ASSET MANAGEMENT					
Chile	0.0%	99.8%	0.2%	0.0%	100.0%
Mexico	3.0%	96.8%	0.2%	0.0%	100.0%
Peru***	35.8%	24.2%	40.0%	0.0%	100.0%

This table includes Unit Linked funds (a product carrying both an insurance and a savings component offered by the insurance companies belonging to Sura Asset Management) since these are included in their financial statements, even though the investment risk is borne by the policy-holder.

*Local currency: Colombia - COP, Panama - PAB, Dominican Republic- DOP, El Salvador - SVC, Chile - CLP, Mexico - MXN, Peru - PEN, Uruguay - UYU, Brazil BRL.

** Real Local Currency: Colombia - UVR, Chile - UF, Mexico - UDI, Peru- Soles VAC, Uruguay - UI ***The insurance company, Seguros SURA Perú was sold off in 2017.

Analysis of exchange rate risk sensitivities - insurance company portfolios

The following is a sensitivity analysis that measures the impact of exchange rate fluctuations on the Companies' pre-tax earnings.

The methodology used for analyzing this corresponding exchange rate sensitivity analysis took into account the Company's foreign exchange exposure for both the asset and liability accounts of the respective company's balance sheet, examining the impact that a variation of -10% with the corresponding exchange rate would have on its pre-tax earnings.

Inventories are broken down as follows

EXCHANGE RATE SENSITIVITY		
(-10%) WITH THE EXCHANGE RATE	IMPACT ON PRE-TAX EARNINGS - 2017	IMPACT ON PRE-TAX EARNINGS- 2016
SURAMERICANA		
Argentina	(2,925)	(2,583)
Brazil	2	931
Chile	(29)	5,114
Colombia	(20,050)	(6,342)
El Salvador	-	-
Mexico	(1,286)	(3,580)
Panama	-	-
Dominican Republic	(2,276)	(1,097)
Uruguay	(243)	(190)
Bermuda	-	ND
Total	(26,807)	(7,747)
SURA ASSET MANAGEMENT		
Chile	(987)	(1,110)
Mexico	(90)	(91)
Peru:	ND	3,772
Total	(1,077)	2,571

Figures stated in COP millions

*The insurance company, Seguros SURA Perú was sold off in 2017

When managing their exposure to the exchange rate risk, the Companies perform hedging transactions, in keeping with the guidelines issued by the Board of Directors and / or their business strategies.

2.1.2.2.2 Interest rate exposure - insurance company portfolios

The following shows a breakdown of the exposure for the Fixed Income and Equity Assets that form part of the portfolios of our insurance companies.

EXPOSURE FOR FIXED INCOME AND EQUITY ASSETS 2017							
Country	FIXED INCOME SECURITIES			EQUITY SECURITIES		OTHERS	TOTAL
	Fixed rate	Variable rate	Subtotal	Local	Foreign		
SURAMERICANA							
Argentina	43.4%	47.9%	91.2%	8.8%	0.0%	8.8%	100.0%
Brazil	44.4%	4.7%	49.0%	51.0%	0.0%	51.0%	100.0%
Chile	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Colombia	34.0%	55.1%	89.1%	9.1%	1.8%	10.9%	100.0%
El Salvador	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Mexico	90.4%	9.6%	100.0%	0.0%	0.0%	0.0%	100.0%
Panama	86.9%	0.0%	86.9%	13.1%	0.0%	13.1%	100.0%
Dominican Republic	97.2%	1.8%	99.0%	1.0%	0.0%	1.0%	100.0%
Uruguay	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
SURA ASSET MANAGEMENT							
Chile	58.3%	0.0%	58.3%	0.03%	0.0%	0.03%	100.0%
Mexico	99.0%	0.0%	99.0%	0.0%	0.0%	0.0%	100.0%

EXPOSURE FOR FIXED INCOME AND EQUITY ASSETS 2016							
Country	FIXED INCOME SECURITIES			EQUITY SECURITIES		OTHERS	TOTAL
	Fixed rate	Variable rate	Subtotal	Local	Foreign		
SURAMERICANA							
Argentina	25.8%	39.1%	64.9%	35.1%	0.0%	35.1%	100.0%
Brazil	49.1%	49.1%	98.2%	1.8%	0.0%	1.8%	100.0%
Chile	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Colombia	33.6%	57.2%	90.9%	5.1%	4.0%	9.1%	100.0%
El Salvador	98.4%	1.6%	100.0%	0.0%	0.0%	0.0%	100.0%
Mexico	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Panama	86.6%	0.0%	86.6%	13.4%	0.0%	13.4%	100.0%
Dominican Republic	97.0%	2.0%	98.9%	1.1%	0.0%	1.1%	100.0%
Uruguay	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
SURA ASSET MANAGEMENT							
Chile	60.4%	0.0%	60.4%	0.0%	0.0%	0.0%	100.0%
Mexico	99.7%	0.0%	99.7%	0.0%	0.0%	0.0%	100.0%
Peru*	82.9%	0.0%	82.9%	0.0%	0.3%	0.4%	100.0%

*The insurance company, Seguros SURA Perú was sold off in 2017.

Unit Linked funds are included in the case of Sura Asset Management, since they are included in the financial statements of its insurance companies, even though the investment risk is borne by the policy-holder.

Analysis of interest rate risk sensitivities - insurance company portfolios

The following is a sensitivity analysis that measures the impact that unfavorable changes in interest rates would have on the pre-tax earnings of the insurance companies. The tool used by each Company takes into account the systems and tools that each one has implemented.

Suramericana: only the investments measured at market prices (at fair value) and their individual reverse positions were taken into account for this interest rate sensitivity analysis, since liabilities and the other remaining investments are classified based on maturity. For each asset that was considered as part of this analysis, the modified duration was calculated and weighted based on its market value. This shows the impact on their price given the change in their implicit rates. For this purpose, a change of 10 bp was subsequently evaluated and the corresponding result was applied to the Company's position. The net result obtained at year-end 2017 and 2016 is shown below:

INTEREST RATE SENSITIVITIES - MODIFIED DURATION METHOD		
(+10PB) IN INTEREST RATES	IMPACT ON PRE-TAX EARNINGS - 2017	IMPACT ON PRE-TAX EARNINGS- 2016
SURAMERICANA		
Argentina	(852)	(470)
Brazil	(209)	(173)
Chile	(131)	(7)
Colombia	(5,908)	(5,271)
El Salvador	(79)	(1)
Mexico	(692)	(8)
Panama	(138)	(434)
Dominican Republic	-	(1)
Uruguay	(79)	(86)
Bermuda	(1)	ND
Total	(8,090)	(6,451)

Figures stated in COP millions

SURA Asset Management: the risk to interest rates is analyzed from the following standpoints:

a. Accounting: since IFRS 9 was partially adopted in 2014, fixed-income investments, and assets held for sale were reclassified at amortized cost. Consequently, the accounting mismatches in the equity accounts compared to movements with interest rates have been eliminated. As a result, neither the income nor the equity accounts are sensitive to fluctuating interest rates.

b. Reinvestments or asset/liability adequacy tests: to estimate the sustainability of the investment margin (asset accruals on the recognition of interest on liabilities) a Liability Adequacy Test is performed. This test verifies that flows of assets (including the proposed reinvestment) in conjunction with premiums pending collection on

existing commitments are sufficient to meet the legal reserves. Should any inadequacy be detected, the reserve must be increased along with the volume of assets. The following table shows the levels of adequacy identified in this test.

INTEREST RATE SENSITIVITY - PROSPECTIVE INTEREST RATE ON REINVESTING		
BUSINESS UNIT	LIABILITY RESERVES - 2017	RESERVE ADEQUACY - 2016
SURA ASSET MANAGEMENT		
Chile	8,859,272	5.06%
México	1,964,036	5.06%

2.1.2.2.3 Risk of Price Changes: Equities and Real Estate

The portfolios of the insurance companies are subject to risks relating to the prices of the assets therein held. Positions taken with equities are distinguished from those taken with real estate assets.

The following table shows the impact on pre-tax earnings of a 10% drop in the prices of equities and / or real estate assets held by the insurance companies

Suramericana

SENSITIVITY TO STOCK AND REAL ESTATE PRICES				
Business Unit	IMPACT ON PRE-TAX EARNINGS - 2017		IMPACT ON PRE-TAX EARNINGS- 2016	
	(-10%) in Stock Prices	(-10%) in Real Estate Prices	(-10%) in Stock Prices	(-10%) in Real Estate Prices
SURAMERICANA				
Argentina	(469)	-	(856)	-
Brazil	(160)	-	(49)	-
Chile	(15)	-	(13)	-
Colombia	(25,848)	(38,133)	(41,456)	(31,631)
El Salvador	-	-	-	-
Mexico	(12)	-	(11)	-
Panama	(214)	-	(228)	-
Dominican Republic	-	-	(71)	-
Uruguay	-	-	-	-
Bermuda	-	-	ND	ND
Total	(26,718)	(38,133)	(42,684)	(31,631)

Figures stated in COP millions

It must be noted that the sensitivity analyzes previously carried out did not consider the interdependent nature of the risks thus assessed, therefore the impact of these risks could be considerably smaller.

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SENSITIVITY TO STOCK AND REAL ESTATE PRICES				
IMPACT ON PRE-TAX EARNINGS - 2017		IMPACT ON PRE-TAX EARNINGS - 2016		
Business Unit	(-10%) in Stock Prices	(-10%) in Real Estate Prices	(-10%) in Stock Prices	(-10%) in Real Estate Prices
SURA ASSET MANAGEMENT				
Chile	(288)	(99,779)	(214)	(57,651)
Peru*	NA	NA	(1,667)	(39,551)
Total	(288)	(99,779)	(1,881)	(97,202)

Figures stated in COP millions

*The insurance company, Seguros SURA Perú was sold off in 2017.

The analyzes carried out do not consider the interdependent nature of the risks thus assessed, therefore the impact of these risks could be considerably smaller.

2.1.2.2.4 Volatility Risk Affecting the Legal Reserves for the Pension Business

The rules and regulations governing the pension business requires each Company to maintain its own equity invested in a legal reserve should the Company fail to fulfill its obligations.

The following table shows client funds as managed by Sura Asset Management S.A. as part of its pension business. These funds do not include AUM belonging to AFP Crecer or AFP Protección, nor those managed by SURA AM's insurance companies. Total Assets Under Management for the Mandatory Pension business at year-end 2017 came to COP 254,438,053 million, with another COP 5,096,258 million corresponding to its Voluntary Pension Savings business.

BUSINESS PROFILE - PENSION MANAGEMENT FIRMS (IN COP) - 2017				
Country	Assets Under Management - Mandatory	Assets Under Management - Voluntary	Assets Under Management - Mandatory	Assets Under Management - Voluntary
Chile	119,458,938	3,442,280	109,861,911	2,972,327
Mexico	70,308,002	1,099,052	62,784,870	742,837
Peru	56,066,003	554,926	50,135,508	298,567
Uruguay	8,605,110	-	6,827,274	-
Total	254,438,053	5,096,258	229,609,563	4,013,731

Figures stated in COP millions

The rules and regulations governing the pension business requires each Company to maintain its own equity invested in a legal reserve should the Company fail to fulfill its obligations.

It is important to note that the underlying assets must maintain the same ratio as the underlying assets in the managed funds (that is to say, the Company must buy units in its own managed funds) The following table shows the different percentages of legal reserve requirements per business unit, as a percentage of the funds managed:

% LEGAL RESERVE FOR MANAGED FUNDS	
Business unit	% Legal reserve
Chile	1.0%
Mexico	0.7%
Peru	1.0%
Uruguay	0.5%

In view of these investments, the Companies are exposed to market risk, which could affect the value of said reserves and the Companies themselves. The following is an analysis of the impacts that market variables could have on pre-tax earnings, over a horizon of one year

In the case of Mexico and Peru, where the remuneration obtained depends on the amount of managed funds, this exercise also includes the impact that a reduction in the values of the funds thus managed could have, as a result of market volatility.

VOLATILITY RISK AFFECTING THE LEGAL RESERVES FOR THE PENSION BUSINESS		
DEVIATION	IMPACT ON PRE-TAX EARNINGS - 2017	IMPACT ON PRE-TAX EARNINGS - 2016
- 10% IN VARIABLE VALUATION		
Chile	(50,021)	(34,673)
Mexico	(27,013)	(24,723)
Peru	(27,906)	(22,708)
Uruguay	(221)	(245)
Total	(105,161)	(82,349)
+ 100 BP IN INTEREST RATES		
Chile	(54,384)	(56,516)
Mexico	(57,826)	(48,277)
Peru	(18,281)	(15,445)
Uruguay	(2,061)	(1,370)
Total	(132,552)	(121,608)
- 10% DEPRECIATION IN FOREIGN CURRENCY		
Chile	(50,021)	(37,435)
Mexico	(25,358)	(12,849)
Peru	(32,334)	(27,307)
Uruguay	(459)	(954)
Total	(108,172)	(78,545)

Figures stated in COP millions

The analyzes carried out do not consider the interdependent nature of the risks thus assessed, therefore the impact of these risks could be considerably smaller.

2.1.2.2.5 Exposure to Sura Asset Management's Seed Capital

In order to drive the growth of some of its investment products, Sura Asset Management, through its own lines of business, has provided seed capital for certain projects as mentioned below:

FPacific Alliance Fund - Variable Income: in conjunction with King Irving, a fund was set up (domiciled in Australia) for the purpose of investing in a diversified portfolio of capitalization instruments issued by companies that are domiciled in or whose assets or operations are mainly located in the emerging Latin American markets specifically member countries of the Pacific Alliance. It is intended for Australian investors in the mid to long term and with a tolerance to volatility in the Latin American capital markets.

Given the nature of these investments, the invested capital is exposed to financial volatility risk in the form of currencies and equities.

Pacific Alliance Fund - Fixed Income: this Fund, which is domiciled and managed in Chile, invests in a portfolio of fixed income instruments, issued by companies that are located in the member countries of the Pacific Alliance. This fund caters to clients with a long-term investment horizon.

Given the nature of these investments, the invested capital is exposed to financial volatility risk in the form of fluctuating currency and fixed income rates.

Infrastructure Fund. This private equity fund was set up as part of an alliance with Credicorp Capital for the purpose of investing in infrastructure projects throughout the region. This regional initiative shall initially allow for private funding to be channeled to highway infrastructure projects through the "4G Private Equity Fund" in Colombia, this to be replicated in other countries within the region going forward. The balance of this fund comes to COP 1.39 billion (approximately USD 470 million)

After two years of operations, the fund has committed a total of COP 492,000 million (USD 165 million) for financing two projects (Pacífico 3 and Neiva-Girardot).

Given the nature of these investments, this capital shall be exposed to the inherent financial volatility risks given changes in project appraisals.

Real Estate Fund. This Fund is managed by the subsidiary SURA Real Estate, the purpose of which is to invest in real estate. At the end of its first year of operations, this Fund totaled COP 184,000 million with the capital committed by Sura Asset Management totaling COP 3,700 million (USD 1.23 million).

In November 2017, after its second year of operations, this fund recorded a total of COP 294,338 million (USD 98.64 million) including COP 5,886 million (USD 1.97 million) in capital committed by Sura Asset Management.

Given the type of investment committed capital represents, it is exposed to changes to the values of real estate projects as well as exchange rates, since these projects may well be located in different countries.

Infrastructure Liquidity Fund In 2017, the Unión Para Infraestructure set up a second sub-fund of the 4G fund the purpose of which is to provide liquidity facilities for structuring the credit required for infrastructure projects. The capital committed to this fund by SURA Asset Management through its subsidiary SURA Investment Management S.A.S. comes to COP 10,000 million (USD 3.35 million). At year-end 2017, COP 15 million (USD 5 thousand) of this figure had been called in.

Real Estate Investment Income Fund This fund, as managed by SURA Asset Management through its subsidiary Fondos SURA SAF, conducted 3 reopenings by year-end 2017.

The committed capital for this fund shall be exposed to financial volatility risks due to changes with the appraised values of real estate projects and the flows obtained as a result of leasing these properties. Since leases for prime office property are denominated in US dollars in Peru, this mitigates the associated currency exposure.

Private Investment Fund. The purpose of this fund, which is managed by Fondos SURA SAF S.A.C. Is to acquire vacant offices at an attractive price, with the expectation of obtaining appraisal gains.

The committed capital for this fund is exposed to financial volatility risks due to changes with the appraised values of real estate projects and the flows obtained as a result of leasing these properties. Since leases for prime office property are denominated in US dollars in Peru, this mitigates the associated currency exposure.

Guarantee Trust Fund in Uruguay. The purpose of this Trust Fund is to guarantee repayment of the debt securities issued by Casa de Galicia, one of the main mutual associations in Uruguay. This trust, consisting of monthly credits, counts on a stream of income from the Uruguayan National Health Fund (FONASA) which it uses as a source of payment.

Due to the nature of the investment itself, (credit securities issued by Casa de Galicia), this capital shall be exposed to the Uruguayan National Health Fund's credit risk, with regard to the possible volatility exposure offered by the members of this mutual association. This risk is mitigated by having set up this guarantee trust fund.

2.1.3 Liquidity Risk Management

Liquidity risk refers to the Company's ability to produce sufficient funds to meet its obligations and run its business.

Subsidiary efforts in managing this risk are in keeping with its short and long-term liquidity management strategy so as to ensure compliance with their obligations under the initially agreed terms and conditions without incurring in any extra expense.

Follow-ups are also carried out on short-term cash flows in order to cover short-term receivables and payables and mid-term cash flow projections are conducted to determine the Subsidiary's liquidity positions and anticipate the measures required for their proper management.

Also, and in order to address certain specific situations, the Subsidiaries maintain at their disposal lines of credit from various financial institutions as well as short-term, highly liquid investments that can be readily sold off, as well as other sources of additional liquidity.

In 2017, the Companies carried out important transactions that required an active handling of their liquidity. Grupo SURA carried out important transactions that required an active level of liquidity management within the Company. These included an additional stake in SURA Asset Management in the amount of COP 1,105,667 million (USD 383 million) as well as refinancing the maturities of certain loans. These transactions required the Company to carry out debt operations, such as placing an issue of ordinary bonds worth COP 550,000 million pesos on the Colombian securities market as well as refinancing certain loans with local banks for COP 423,000 million.

2.1.3.1 Liquidity Risk Management - Insurance Company Portfolios

The table below shows the maturities of financial assets at year-end 2017.

ASSETS CLASSIFIED ON A # MONTHS TO MATURITY BASIS - 2017 *

SURAMERICANA										
Term (months)	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panamá	Dom Rep.	Uruguay	Bermuda
0 a 1	242,133	226,418	317,313	2,049,690	84,831	172,598	70,650	15,882	93,507	33,538
1 a 3	285,601	40,110	420,727	918,950	114,807	67,703	17,297	22,179	67,908	-
3 a 12	422,123	32,712	562,580	1,174,989	84,703	146,042	61,867	85,381	156,855	-
0 a 12	949,857	299,240	1,300,619	4,143,629	284,341	386,343	149,814	123,443	318,270	33,538

* In millions of pesos at year-end 2017.

* In the case of the Suramericana insurance companies, this includes the maturities of their fixed income financial assets held as part of their investment portfolios plus cash and cash equivalents

ASSETS CLASSIFIED ON A # MONTHS TO MATURITY BASIS - 2016 *

SURAMERICANA									
Term (months)	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Rep. Dom	Uruguay
0 a 1	22,823	151,910	41,715	969,510	47,140	27,914	100,907	25,236	25,414
1 a 3	141,937	3,871	46,866	202,273	41,204	-	2,704	6,398	17,205
3 a 12	24,382	63,431	119,379	884,520	88,225	6,439	35,689	17,220	111,314
0 a 12	189,142	219,213	207,961	2,056,302	176,569	34,353	139,300	48,854	153,933

* In millions of pesos at year-end 2016.

* In the case of the Suramericana insurance companies, this includes the maturities of the fixed income financial assets held as part of their investment portfolios plus cash and cash equivalents

ASSETS CLASSIFIED ON A # MONTHS TO MATURITY BASIS - 2017

SURA ASSET MANAGEMENT		
Term (months)	Chile	Mexico
0 a 1	141,790	49,931
1 a 3	68,284	2,220
3 a 12	375,034	90,698
0 a 12	585,108	142,849

* In millions of pesos at year-end 2017.

ASSETS CLASSIFIED ON A # MONTHS TO MATURITY BASIS - 2016 *

SURA ASSET MANAGEMENT			
Term (months)	Chile	Peru*	Mexico
0 a 1	85,413	71,352	55,308
1 a 3	50,315	63,780	2,668
3 a 12	296,891	292,007	79,991
0 a 12	432,619	427,139	137,967

* In millions of pesos at year-end 2016.

*The insurance company, Seguros SURA Perú was sold off in 2017.

The following table shows the maturities of the insurance liabilities posted by the Companies at year-end 2017. These amounts correspond to liabilities for reported claims, incurred but not reported losses (IBNR) as well as estimated losses for the profile of flows corresponding to the mathematical reserves, as applicable.

LIABILITIES CLASSIFIED ON A # MONTHS TO MATURITY BASIS - 2017 *

SURAMERICANA										
Term (months)	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Rep. Dom	Uruguay	Bermuda
0 a 1	29,549	69,394	122,252	405,970	15,525	24,205	19,148	12,477	40,498	-
1 a 3	59,098	138,787	199,265	759,016	25,426	44,084	29,851	22,795	66,170	-
3 a 12	195,129	162,652	415,177	1,764,137	64,026	142,469	56,365	54,102	96,181	-
0 a 12	283,776	370,833	736,694	2,929,123	104,978	210,759	105,364	89,375	202,849	-

* In millions of pesos at year-end 2016.

LIABILITIES CLASSIFIED ON A # MONTHS TO MATURITY BASIS - 2016 *

SURAMERICANA										
Term (months)	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Rep. Dom	Uruguay	
0 a 1	31,047	43,622	36,938	96,766	6,207	9,470	18,093	2,338	27,907	
1 a 3	60,516	86,147	51,501	253,219	12,290	14,175	16,328	4,627	6,796	
3 a 12	93,186	21,102	74,320	656,187	39,323	12,227	38,737	17,033	410	
0 a 12	184,749	150,870	162,759	1,006,172	57,820	35,871	73,158	23,998	35,114	

* In millions of pesos at year-end 2016.

LIABILITIES CLASSIFIED ON A # MONTHS TO MATURITY BASIS - 2017

SURA ASSET MANAGEMENT			
Term (months)	Chile		Mexico
0 a 1	77,217		59,872
1 a 3	67,515		(18,330)
3 a 12	311,521		95,887
0 a 12	456,253		174,088

* In millions of pesos at year-end 2017.

LIABILITIES CLASSIFIED ON A # MONTHS TO MATURITY BASIS - 2016

SURA ASSET MANAGEMENT			
Term (months)	Chile	Peru*	Mexico
0 a 1	68,298	16,423	71,318
1 a 3	50,709	39,206	14,403
3 a 12	245,698	200,609	69,642
0 a 12	364,706	256,237	155,364

* In millions of pesos at year-end 2016.

*The insurance company, Seguros SURA Perú was sold off in 2017.

2.2 Business Risk Management

These consist of all those risks arising from the subsidiaries' business model and performance. In the case of Suramericana and SURA Asset Management, these risks are directly related to insurance and third-party fund management, these being their main business activities.

The following is a breakdown of business risks to which both subsidiaries are exposed:

2.2.1 Technical Risk Management - Insurance Companies

The main non-financial risks that may affect these companies are related to changes to the mortality, longevity and morbidity rates of the target population, as well as adverse deviations to the Companies' claims rates, the adequacy of their technical reserves and their operating efficiency in general.

2.2.1.1 Mortality, Longevity and Morbidity Risk

The following sensitivity analyzes were performed on the sociodemographic trends that could affect the target population. The mortality rate represents the percentage of deaths in a given population, the morbidity rate refers to the number of sick people, and the longevity rate depict how long people live.

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Life Insurance: evaluations are performed on the Suramericana subsidiaries' exposure to changes in longevity, mortality and morbidity rates. The methodology used consists of calculating changes to each of the variables so as to gauge the impact of the magnitude of the change on subsidiary earnings. The following impacts are shown for each type of risk exposure:

COUNTRY	RISK	2017	2016
Colombia	Mortality	\$ (20,801)	\$ (25,620)
	Morbidity	\$ (37,768)	\$ (36,765)
	Longevity	\$ (39,334)	\$ (39,366)

* In millions of pesos at year-end 2016 and 2017. The corresponding impact was analyzed based on pretax earnings.

* In 2017 the methodology used for better estimating liabilities was updated, and consequently the calculations made for the previous year (2016) were adjusted for comparability purposes.

It is to be noted that the sensitivity analysis carried out analyzed the effects on the annual financial statements as a result of a change to the most important parameters used in assessing the value of long-term commitments to policyholders. That is to say, the impact of structural changes in the mortality, morbidity and longevity rates was quantified for the different portfolios, which poses implications for the expectations held for future years (as opposed to just the first year as well as the inherent volatility risk), thus affecting the value of long-term policy reserves.

Occupational Risk Insurance The current occupational health and safety trends and patterns were analyzed, as well as the longevity trend on pension obligations. These sensitivity analyses produced the following results:

COUNTRY	RISK	2017	2016
Colombia	Morbidity	\$ (24,505)	\$ (13,354)
	Longevity	\$ (15,943)	\$ (14,100)

* In millions of pesos at year-end 2017 and 2016. The corresponding impact was analyzed based on pretax earnings.

* In 2017 the methodology used for better estimating liabilities was updated, and consequently the calculations made for the previous year (2016) were adjusted for comparability purposes.

This sensitivity analysis shows how earnings for the period could have been affected due to changes with the relevant risk variable, as could have reasonably occurred at the end of the reporting period. The risks analyzed and the methods and assumptions used for drawing up the sensitivity analysis are described below

The company carries out a sensitivity analysis with regard to the risks affecting premiums and reserves, these being stipulated in Solvency II's QIS 5 Technical Specifications. This analysis identifies the changes in these risks by adjusting the probability distributions, locating these in a high severity event using the Value at Risk approach. For this purpose, the distributions constructed for the company's risks were used and an event with a higher probability of occurrence was chosen.

This model allows the Organization to understand the risks assumed and their possible deviations in a connected fashion, taking into account their correlations and the Company's own internal processes. Given this approach, this sensitivity analysis is not performed on each individual solution, but rather the impact of these is measured on a company-wide basis, which would be the case should such an event as that modelled occur.

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In the case of Sura Asset Management, morbidity risk is mainly linked to its exposure with Group Health Insurance in Chile. This risk is not modeled in Mexico, given its insignificance in terms of the portfolios held.

The mortality risk increased with the portfolio corresponding to Mexico, given a higher volume of individual life insurance, whereas this exposure has declined in Chile, given a greater focus on life insurance incorporating savings plans, which carry a low exposure to mortality risk.

With respect to longevity risk, the impact shown is due to the increase with the Company's Annuity portfolio.

The following analysis was performed on the structural changes, for the purpose of gauging how these affect the Company's long-term commitments to policy-holders.

SENSITIVITIES			
SURA ASSET MANAGEMENT			
Business Unit	Deviation	Impact on Pretax Earnings - 2017	Impact on Pretax Earnings - 2016
Chile	+10% in the Mortality Rate	(13,233)	(12,613)
Mexico	+10% in the Mortality Rate	(1,069)	(1,017)
Peru	+10% in the Mortality Rate		(5,969)
Total		(14,302)	(19,599)
Chile	+10% in the Morbidity Rate	(5,587)	(5,025)
Mexico	+10% in the Morbidity Rate	-	-
Peru	+10% in the Morbidity Rate		
Total		(5,587)	(5,025)
Chile	+ 10% increase in the Longevity Rate	(101,988)	(74,700)
Mexico	+ 10% increase in the Longevity Rate	(46,646)	(31,776)
Peru	+ 10% increase in the Longevity Rate		(71,020)
Total		(148,634)	(177,496)

Figures stated in COP millions

2.2.1.2 Risks relating to underwriting, setting tariffs and inadequate reserves

The risk of inadequate reserves has to do with the probability of incurring losses as a result of underestimating or overestimating technical reserves and other contractual obligations (profit sharing, payment of guaranteed benefits, etc.).

The risk of inadequate reserves is mainly due to changes to the mortality, longevity and morbidity rate of the targeted population, as well as any adverse deviations from the claims rate and reserve adequacy levels due to increases with the frequency or severity of claims thus driving up their corresponding values.

The Companies have designed and deployed actuarial methodologies and processes that have been amply tried and tested both on a technical as well as practical level, using complete and well-founded information so as to be able to make reasonable estimates of the obligations held with policy-holders. Tools are also used for the periodic monitoring of whether reserves are sufficient to meet the corresponding obligations, thus allowing Companies to take prompt action in maintaining adequate liability levels.

Underwriting risk, on the other hand, refers to the possibility of incurring losses

as a result of inadequate policies and practices in designing or placing products and/or services, as well as the probability of incurring losses as a result of charging less than that required to cover the expenses of the business unit.

The aim of this analysis is to understand whether the retained earned premium is sufficient to cover the amount of expense incurred by the insurance company, in terms of claims rates, technical and administrative expense, financial income and the minimum returns expected by the shareholders given the risks taken on.

SURA Asset Management's underwriting strategy is designed to avoid the risk of not being able to choose a specific exposure and ensure that prices cover the real risk. For this purpose, we have health certificates and medical checkups as well as regular reviews of our claims experience and product pricing. There are also underwriting limits to ensure proper selection criteria.

Sensitivity analysis for the Property and Casualty Insurance Companies

Suramericana's Property and Casualty Insurance Company in Colombia performs a sensitivity analysis on the risk relating to premiums and reserves.

A company-wide impact was found with risks to both premium and reserves. In performing the corresponding sensitivity analysis, a correlated sum was drawn up on the impact on each branch of insurance. This impact represents the magnitude of such change on the Company's earnings after assessing the sensitivity of both risks.

COUNTRY	RISK					
	PREMIUMS		RESERVES		TOTAL	
	2016	2017	2016	2017	2016	2017
Argentina	(\$ 9,941)	(\$ 14,553)	(\$ 4,676)	(\$ 8,221)	(\$ 14,617)	(\$ 22,774)
Brazil	(\$ 30,339)	(\$ 35,333)	(\$ 10,604)	(\$ 25,750)	(\$ 40,943)	(\$ 61,083)
Chile	(\$ 20,361)	(\$ 27,857)	(\$ 3,951)	(\$ 6,166)	(\$ 24,312)	(\$ 34,023)
Colombia	(\$ 22,004)	(\$ 35,333)	(\$ 11,944)	(\$ 25,750)	(\$ 33,948)	(\$ 61,083)
El Salvador	(\$ 4,295)	(\$ 4,004)	(\$ 1,541)	(\$ 1,052)	(\$ 5,836)	(\$ 5,057)
Mexico	(\$ 10,407)	(\$ 9,794)	(\$ 1,027)	(\$ 2,137)	(\$ 11,434)	(\$ 11,931)
Panama	(\$ 4,272)	(\$ 4,588)	(\$ 1,030)	(\$ 790)	(\$ 5,302)	(\$ 5,378)
Dominican Republic	(\$ 1,950)	(\$ 2,166)	(\$ 713)	(\$ 794)	(\$ 2,664)	(\$ 2,960)
Uruguay	(\$ 4,135)	(\$ 4,858)	(\$ 1,082)	(\$ 860)	(\$ 5,217)	(\$ 5,718)
Suramericana	(\$ 107,704)	(\$ 138,486)	(\$ 36,568)	(\$ 71,520)	(\$ 144,273)	(\$ 210,007)

* In millions of pesos at year-end 2016 and 2017. The corresponding impact was analyzed based on pretax earnings.

Actual claims vs. Previous Estimates for the Property and Casualty Insurance Companies

The following tables show how claims incurred have performed (including paid, reported and occurred and non-reported) in the case of each of Suramericana's subsidiaries for the years 2015, 2016 and 2017.

The initial estimates of incidents incurred are compared with the current estimates so as to arrive at both positive and negative deviations. The deviations presented below are mainly due to claims subject to legal proceedings (civil liability, cars and transport, among others) between the time the claim occurred and the time it was reported to the Company (social security, occupational risk) as well as coverages of more than one year (mainly performance bonds).

It is important to note that this analysis covered only the solutions that take more than a year for the claims rate to be adequately gauged. For greater clarity, the following shows the solutions analyzed for each individual country:

Argentina: here civil liability and injuries were analyzed in the case of car insurance as well as civil liability, personal accidents, fire and combined in the case of non-car insurance.

- † Property and Casualty Colombia: here the corporate and affinity lines of business were analyzed.
- † Life insurance Colombia: here the life insurance products were evaluated in conjunction with the Affinity line of business.
- † El Salvador: here pension insurance was taken into account.
- † México: here the Engineering, fire, civil, liability as well as Money and Securities branched of insurance were analyzed.
- † All branches of insurance were taken into account in the case of Brazil, Chile, Colombia's Workers' Compensation firm, Panama and the Dominican Republic.

Companies whose lines of business recorded claims payments of less than one year: Uruguay and EPS Colombia

ESTIMATED ACCUMULATED RESERVES		
YEAR	2016	2017
During this same year	119,992	165,807
A year afterwards	114,008	
Currently incurred	114,008	165,807
ACCUMULATED CLAIMS PAYOUTS		
YEAR	2016	2017
During this same year	(17,924)	(20,395)
A year afterwards	(37,021)	
Current accumulated payouts	(37,021)	(20,395)

Table 1. Argentina, Previous versus Actual Estimates
(Figures stated in COP millions)

ESTIMATED ACCUMULATED RESERVES		
YEAR	2016	2017
During this same year	264,101	272,486
A year afterwards	252,004	
Currently incurred	252,004	272,486
ACCUMULATED CLAIMS PAYOUTS		
YEAR	2016	2017
During this same year	(148,114)	(147,532)
A year afterwards	(206,973)	
Current accumulated payouts	(206,973)	(147,532)

Table2. Brazil, Previous versus Actual Estimates
(Figures stated in COP millions)

ESTIMATED ACCUMULATED RESERVES		
YEAR	2016	2017
During this same year	988,483	1,498,705
A year afterwards	922,242	
Currently incurred	922,242	1,498,705
ACCUMULATED CLAIMS PAYOUTS		
YEAR	2016	2017
During this same year	(497,002)	(591,949)
A year afterwards	(845,716)	
Current accumulated payouts	(845,716)	(591,949)

Table3. Chile, Previous versus Actual Estimates
(Figures stated in COP millions)

ESTIMATED ACCUMULATED RESERVES		
YEAR	2016	2017
During this same year	1,553,466	1,280,815
A year afterwards	1,590,373	
Currently incurred	1,590,373	1,280,815
ACCUMULATED CLAIMS PAYOUTS		
YEAR	2016	2017
During this same year	(1,169,258)	(814,546)
A year afterwards	(1,472,525)	
Current accumulated payouts	(1,472,525)	(814,546)

Table4. Colombia Property and Casualty Insurance - Previous versus Actual Estimates
(Figures stated in COP millions)

ESTIMATED ACCUMULATED RESERVES		
YEAR	2016	2017
During this same year	865,051	988,421
A year afterwards	967,016	
Currently incurred	967,016	988,421
ACCUMULATED CLAIMS PAYOUTS		
YEAR	2016	2017
During this same year	(300,442)	(345,358)
A year afterwards	(671,892)	
Current accumulated payouts	(671,892)	(345,358)

Table5. Colombia Life Insurance - Previous versus Actual Estimates
(Figures stated in COP millions)

ESTIMATED ACCUMULATED RESERVES		
YEAR	2016	2017
During this same year	345,163	425,000
A year afterwards	361,306	
Currently incurred	361,306	425,000
ACCUMULATED CLAIMS PAYOUTS		
YEAR	2016	2017
During this same year	(156,441)	(211,270)
A year afterwards	(269,046)	
Current accumulated payouts	(269,046)	(211,270)

Table6. Colombia Workers' Compensation - Previous versus Actual Estimates
(Figures stated in COP millions)

ESTIMATED ACCUMULATED RESERVES		
YEAR	2016	2017
During this same year	20,705	35,560
A year afterwards	24,715	
Currently incurred	24,715	35,560
ACCUMULATED CLAIMS PAYOUTS		
YEAR	2016	2017
During this same year	(14,884)	(21,167)
A year afterwards	(23,209)	
Current accumulated payouts	(23,209)	(21,167)

Table7. Mexico, Previous versus Actual Estimates
(Figures stated in COP millions)

ESTIMATED ACCUMULATED RESERVES		
YEAR	2016	2017
During this same year	164,009	136,239
A year afterwards	167,801	
Currently incurred	167,801	136,239
ACCUMULATED CLAIMS PAYOUTS		
YEAR	2016	2017
During this same year	(101,731)	(80,691)
A year afterwards	(161,707)	
Current accumulated payouts	(161,707)	(80,691)

Table 8. Panama, Previous versus Actual Estimates
(Figures stated in COP millions)

ESTIMATED ACCUMULATED RESERVES		
YEAR	2016	2017
During this same year	56,471	52,064
A year afterwards	54,869	
Currently incurred	54,869	52,064
ACCUMULATED CLAIMS PAYOUTS		
YEAR	2016	2017
During this same year	(32,431)	(32,092)
A year afterwards	(45,552)	
Current accumulated payouts	(45,552)	(32,092)

Table 9. Dominican Republic, Previous versus Actual Estimates
(Figures stated in COP millions)

ESTIMATED ACCUMULATED RESERVES		
YEAR	2016	2017
During this same year	4,377,440	4,855,096
A year afterwards	4,454,334	
Currently incurred	4,454,334	4,855,096
ACCUMULATED CLAIMS PAYOUTS		
YEAR	2016	2017
During this same year	(2,438,228)	(2,265,001)
A year afterwards	(3,733,642)	
Current accumulated payouts	(3,733,642)	(2,265,001)

Table 10. Suramericana, Previous versus Actual Estimates
(Figures stated in COP millions)

In the case of the Suramericana's life insurance operations, more detailed information regarding technical reserves and their annual variations can be found in Note 11 Insurance Contracts and Note 11.4 Technical Reserves - Insurance Contracts.

2.2.1.3 Liability Adequacy Tests

The technical reserves held by each of Suramericana's insurance subsidiaries are periodically analyzed so as to determine their adequacy. Should these analyses show that said reserves are indeed insufficient, adjustments are made in accordance with that provided by the methodologies used as well as the plans put into place by the Organization.

Liability Adequacy Tests were also performed on Sura Asset Management's insurance subsidiaries. This ensures that the reserves, as periodically recorded, are sufficient in all their dimensions (technical assumptions, expense and discount rates). For this purpose, flows of assets are verified (including the proposed reinvestment and ensuring that this remains consistent with the Company's reinvestment strategy) together with premiums pending collection on existing commitments so as to guarantee that the corresponding reserves are sufficient to meet the Company's commitments.

2.2.1.4 Reinsurance Risk

This type of risk consists of the possibility of incurring losses as a result of inadequate reinsurance management, including the actual design of the reinsurance program, reinsurance placements and differences between the conditions originally accepted by policyholders and those accepted by the reinsurers of the insurance company in question.

In order to manage this risk, part of the obligations with the policy-holders are transferred through proportional and non-proportional reinsurance arrangements as well as schemes and facultative contracts for special risks with previously approved reinsurers. Proportional reinsurance arrangements reduce the value that is exposed to the risk in question whereas non-proportional reinsurance reduces the claims rate and the amount of catastrophe exposure retained.

In spite of having a well-defined reinsurance program, the Organization is directly responsible for the obligations contracted with its clients, which is why there exists a credit risk with respect to amount of insurance ceded, which in turn is mitigated by diversifying counterparties and quantifying the respective credit risk.

With respect to reinsurance contracts, the Companies analyze the financial capacity and strength of its reinsurers in meeting their obligations. In order to manage this risk, financial strength is analyzed through quantitative and qualitative variables (financial strength, market position, etc.) in order to support decision making and comply with internal control procedures.

The most representative reinsurers in terms of the amount of ceded risk exposure are listed as follows:

SURAMERICANA	SURA ASSET MANAGEMENT
Munich Re	American Bankers Life
Lloyd's	Generali
Mapfre Re	BMI
RSA	GEN Re
Swiss Re	Hannover Re
Hannover Re	RGA
	Scotia Insurance (Barbados)

Also, in accordance with asset impairment practices, Accounts Receivable from Reinsurers and Co-insurers are tested for impairment using the principles and methodologies defined by the Companies (See Section 2.1.1.4 of the Risk Management Chapter).

Given their respective business models, this particular risk is relevant to Suramericana's insurance operations, but not for Sura Asset Management whose operations are mainly concentrated in the life insurance segment.

2.2.2 Risk Management - Pension Fund Management firms.

2.2.2.1 Business volatility risk

Business volatility risk for the Pension Fund Management firms consists of changes to business variables that affect their financial results. From the standpoint of this type of volatility risk, the financial effects are analyzed over a horizon of one year, taking into account the following variables:

- Commission income performance: where the effects of a 10% reduction are analyzed.
- Client factors: where the effects of a 10% increase in clients transferring out are analyzed

The following table shows the effects of Business Volatility Risk on Sura Asset Management S.A.'s pension business.

SENSITIVITY			
SURA ASSET MANAGEMENT			
Business Unit	Deviation	Impact on Pre-tax Earnings - 2017	Impact on Pre-tax Earnings - 2016
Chile	-10% in Management Commissions	(65,604)	(54,947)
Mexico	-10% in Management Commissions	(74,306)	(75,112)
Peru	-10% in Management Commissions	(39,528)	(40,448)
Uruguay	-10% in Management Commissions	(8,282)	(6,827)
Total		(187,720)	(177,334)
Chile	+10% in Transfers	(3,481)	(2,689)
Mexico	+10% in Transfers	(1,827)	(1,933)
Peru	+10% in Transfers	(3,222)	(778)
Uruguay	+10% in Transfers	(7)	(5)
Total		(8,537)	(5,405)

Figures stated in COP millions

These results do not consider the interdependent nature of the risks thus assessed.

The greatest effect comes from risk to commission income, since this could be affected by the following factors:

(1) a reduction in commission rates (given market competition, etc.);

(2) a drop in the number of fund members (unemployment, informal job markets, etc.);

(3) a decline in the wage base for reasons other than those previously mentioned (falling real wages, deflation, etc.) or

(4) regulatory changes.

In the case of Mexico (commission charged on assets under management), the third factor mentioned in Section (3) relates to declining funds.

The sensitivity shown with regard to commission income consists of any combination of the aforementioned risks which could bring about a 10% decrease in the amount of commissions collected.

Regarding the risk of an increase in the number of fund members transferring out, the magnitude of such relates to the business activities of each market in which Sura Asset Management S.A. operates. We note the greatest amount of pension fund activity in the case of Chile and Mexico, which is consistent with the social and regulatory circumstances prevailing in both countries.

2.2.2.2 Risks Regarding Guaranteed Minimum Returns

Rules and regulations governing the pension business (with the exception of Mexico) requires that each company maintains adequate levels or returns compared to the rest of the industry. Here, the gap existing between fund returns provided by SURA Asset Management S.A.'s Business Units and those provided by the rest of the industry is examined.

Should the difference in returns exceed the regulatory thresholds, the Pension Fund Management firm must reimburse each fund in order to maintain the stipulated rate floors.

The following table shows the effects of a 1 bp change in the Guaranteed Minimum Return gap.

It is worth noting that, since measurements of average returns are made over a period of 36 months and given the substantial similarity with strategic asset allocation on the part of the pension fund industry, significant deviations in the short and medium term are very unlikely.

SENSITIVITY			
SURA ASSET MANAGEMENT			
Business Unit	Deviation	Impact on Pre-tax Earnings - 2017	Impact on Pre-tax Earnings - 2016
Chile			
Fund A	Change of 1 bp in the minimum guaranteed return	(5,361)	(3,850)
Fund B	Change of 1 bp in the minimum guaranteed return	(5,553)	(4,294)
Fund C	Change of 1 bp in the minimum guaranteed return	(12,039)	(10,050)
Fund D	Change of 1 bp in the minimum guaranteed return	(6,489)	(5,806)
Fondo E	Desviación 1pbs frente a rentabilidad mínima	(5,275)	(6,091)
Perú			
Fondo 1	Change of 1 bp in the minimum guaranteed return	(1,933)	(1,792)
Fondo 2	Change of 1 bp in the minimum guaranteed return	(12,454)	(10,231)
Fondo 3	Change of 1 bp in the minimum guaranteed return	(2,396)	(2,116)
Uruguay			
Acumulación	Change of 1 bp in the minimum guaranteed return	(2,159)	(1,687)
Retiro	Change of 1 bp in the minimum guaranteed return	(417)	(302)

Figures stated in COP millions

2.2.2.3 Volatility Risk on Provision for Deferred Income

All those pension fund management firms that charge a wage-based management fee, must set up a provision for deferred income, in order to cover the costs of managing said funds, when the fund member becomes a non-contributor but maintains his or her savings with said firm, and consequently the firm no longer receives fees or commissions for managing these funds.

This provision is determined as the present value of the estimated costs, which are calculated based on the historical variables inherent to client factors. This present value is calculated using the local AAA rated corporate bond rates with no prepayment option as a discount rate, over a similar forecast horizon (20 years). For this reason, given the volatility inherent to the discount rate, changes in the valuation of this provision could well have an impact on the results of Sura Asset Management Subsidiaries.

The following table shows the effects of volatility risk on assessing the value of the provision for deferred income, as set up by Sura Asset Management, this caused by fluctuating discount rates.

SENSITIVITY			
SURA ASSET MANAGEMENT			
Business Unit	Deviation	Impact on Pre-tax Earnings - 2017	Impact on Pre-tax Earnings - 2016
Chile	-100 bp in Interest Rates	(2,137)	(2,045)
Peru	-100 bp in Interest Rates	(1,772)	(1,869)
Uruguay	-100 bp in Interest Rates	(230)	(154)
Total		(4,139)	(4,068)

Figures stated in COP millions

These results do not consider the interdependent nature of the risks thus assessed.

2.2.3 Risk Management - Fund Management and Brokerage Firms

Business Risk corresponding to Fund Management and Brokerage Firms relates to changes in variables that could affect the Company's financial results, including commission income performance.

The following table shows the effects of a decline in commission income of 10% over a horizon of 1 year.

SENSITIVITY					
SURA ASSET MANAGEMENT					
Business Unit	Deviation	IMPACT ON PRE-TAX EARNINGS - 2017		IMPACT ON PRE-TAX EARNINGS - 2016	
		Retail	Institutional	Retail	Institutional
Chile	-10% en Comisión de Administración	(6,814)	(418)	(5,014)	(275)
Mexico	-10% en Comisión de Administración	(1,265)	(3,958)	(1,176)	(3,063)
Peru	-10% en Comisión de Administración	(850)	(522)	(449)	(394)
Uruguay	-10% en Comisión de Administración	(291)	-	-	-
Total		(9,220)	(4,898)	(6,639)	(3,732)

Figures stated in COP millions

These results do not consider the interdependent nature of the risks thus assessed.

2.3 Risk Management - Business Group

In order to further the Group's ability to anticipate events that could become a risk, in 2017 the Strategic Risk Management System for the entire Business group was updated, prioritizing risks to which it is exposed, these including:

Systemic and contagion risk: risk events affecting one of the Group's companies could well affect the others. Here we have concentrated our efforts on maintaining an adequate crisis, risk and reputation management function, enhancing the support provided to as well as our communication channels with our Subsidiaries should these critical risks materialize. This also includes adequate management and monitoring of the Subsidiaries' financial position and reinforcing their internal control systems.

Concentration Risk: identifying the major exposures involving our Subsidiaries, which could entail jeopardizing the sustainability of the Business Group as a whole. The Companies have been working on adequately diversifying their clients, suppliers, services/products, channels, geographic location, reinsurers, co-insurers, business partners, among others.

The fact that Suramericana S.A. is now present in nine different countries within the region offering a varied range of life, personal, property and casualty insurance solutions that are marketed through different channels, has allowed the Organization diversify its exposure to technical risks.

Grupo SURA's Subsidiaries periodically monitor this risk based on the degree of concentration. This includes the concentration amongst policy-holders in the form of economic groups, the concentration amongst distribution channels, the concentration amongst solutions, etc.

Looking ahead, the Companies shall continue to be vigilant in preparing themselves for possible changes that the new financial conglomerate act could introduce in terms of exposure limits and concentration of risks.

Risks associated with other portfolio investments: Grupo SURA holds significant stakes in Grupo Bancolombia, Grupo Nutresa and Grupo Argos, which entail an indirect exposure to the risks arising from the business sectors to which these belong as well as their performance.

The risks to which Grupo Bancolombia is exposed are mainly financial risks associated with its banking business, that is to say: i) impairment to its loan portfolio, ii) liquidity risk and iii) market risk due to adverse fluctuations with interest and exchange rates as well as asset prices. There are also other relevant risks such as changes in bank regulations, higher capital requirements, and others that could affect the Company.

With regard to Grupo Argos, the main risks to which this conglomerate is exposed are associated with the production and distribution of cement as well as the energy and infrastructure sectors. Furthermore, given the Group's interests in these industries, there is a consequent exposure to environmental, social and regulatory restrictions.

As for the food industry to which Grupo Nutresa belongs, the main risks here have to do with price volatility for raw materials, regulations regarding health and nutrition in all those countries where it is present as well as the highly competed food industry itself.

Risks associated with other companies belonging to the Business Group: ARUS and Hábitat Adulto Mayor form part of growing portfolio of investments that make up the SURA Business Group.

In the case of Habitat, which specializes in the care of the elderly, the Company is exposed to risks from behavioral and demographic changes that could potentially affect their current and potential clients; and thus, the Company's own performance. Similarly, conditions that affect the services it provides as well as its business operations, together with any new rules and regulations governing the sector, could well have an effect on this old age people's home.

ARUS, which provides integrated information and technological services and knowledge solutions is primarily exposed to the risks associated with its technological platform (operating performance, availability, capacity and the obsolescence inherent to this type of company), as well as the risk of start-up competitors exerting pressure on the margins of some of its business lines and possible regulatory changes in social security payments that could affect its Social Security Collection System.

New legislation regulating financial conglomerates in Colombia: Law 1870 of 2017 was enacted in Colombia in September 2017, introducing new regulations for reinforcing the control and oversight of all those financial conglomerates existing in this part of the world, this with the aim of ensuring the stability of the country's financial system.

Consequently, Grupo SURA as a financial holding company shall be subject to the inspection and oversight of the Colombian Superintendency of Finance as well as all those applicable provisions of this new legislation, without prejudice to all those that apply in the Group's capacity as an issuer of securities.

The aspects of this new legislation for which additional rules and regulations are expected to be passed in 2018 are:

- ¶ Risk management;
- ¶ Capital levels as a conglomerate;
- ¶ Corporate governance; and
- ¶ Internal controls.

Grupo SURA and the Companies that form part of the Financial Conglomerate, shall continue to work on implementing and adjusting the regulations governing the risks associated with the nature of the Group's different lines of business.

As part of the Business Group's overall risk management function, the Companies shall continue to enhance their coordination with all those countries where they are currently present, so as to make the most of being able to work together in providing comprehensive services and creating new efficiencies.

2.4 Operating Risk Management including other risks.

This type of risk has to do with events that prevent the Company's normal operations as relating to people, technology and processes. When controls fail, these risks can cause reputational, legal or regulatory implications that could well lead to financial losses as well as the migration of clients.

In the case of all those insurance companies that were recently acquired, a diagnosis was performed in 2017 on all these subsidiaries so as to be able to fully understand the degree of maturity of their own risk management functions and set up the required action plans to be deployed the following year.

This type of risk is handled from the following standpoints:

- ¶ Business Continuity Risk: in order to ensure appropriate strategies and operating procedures when people, processes, infrastructure and technology are affected, the Companies have drawn up their own Business Continuity plans, which include procedures, strategies and response teams of trained staff in order to address these adverse events.

The Companies have a response plan firmly in place as well as a financial and reputational crisis management function, which form an integral part of the Group's business continuity management function. Here, some subsidiaries had to deal with significant events (as was the case of the earthquake in Mexico), which fortunately did not adversely affect the Companies and these unfortunate circumstances were taken care of and handled according to a well-defined framework of guidelines and processes.

- ¶ Reputational risk: the SURA Business Group firmly believes that the perception that different stakeholders have of the Companies with which they engage constitute a fundamental asset for being able to attain the Group's strategic objectives.

Any circumstance which entails for the Companies and their business practices a loss of prestige, a bad image, negative publicity, etc., whether true or not, could affect our relationships with our different stakeholders.

The Companies have put performance guidelines firmly in place for handling events that could lead to a reputational risk and escalate into a full-blown crisis. As part of a strategy to strengthen subsidiary capabilities in dealing with this type of risk, training programs have been introduced for all internal staff involved in handling this risk and formal channels have been set up for reporting any event that should arise in this respect.

- ¶ Risk of Asset Laundering and the Financing of Terrorism: the Companies have appropriate risk management systems in place to address this type of exposure which are used to handle funds relating to illegal activities. These systems include performing due diligence on suppliers, investors, clients, among other stakeholders, in addition to regular monitoring and follow-up activities.
- ¶ Risk of Fraud and Corruption: the Companies have rules and guidelines in place for managing events that could trigger this type of risk thereby minimizing the probability of these occurring and materializing as well their consequent impact. The Group's Compliance Department shall be reinforced in 2018 so as to be able to actively work on consolidating the Business Group's guidelines for preventing and mitigating the risk of fraud and corruption.

- ¶ Legal-Compliance Risk: the Companies belong to highly regulated sectors and could be exposed to administrative processes and sanctions for failing to comply with the guidelines provided by the oversight authorities in each of the countries where present.

In order to manage compliance with legal requirements, the Companies have their own Legal and Compliance Departments that monitor compliance with the commitments thus acquired.

In 2017, there were changes to the rules and regulations governing the pension business in Peru and Uruguay, which have been analyzed by the corresponding staff in each country.

- ¶ Process Risks: given the importance that some processes have with regard to the financial reporting and the results obtained at subsidiary level, we worked on identifying and managing the risks inherent to these processes, as well as the drawing up strategies that allow us to reinforce the internal controls governing these processes.
- ¶ Technology and information risk: understanding the role that technology plays in our Organization, we carried out a comprehensive assessment of the extent of this risk and the effect it could have on our operations, projects and strategic objectives.

Similarly, in terms of information, the Companies are constantly deploying initiatives and / or information security programs with the aim of ensuring the confidentiality, integrity and availability of the information handled. In this way, corporate guidelines have been issued to all subsidiaries for these to draw up tactical plans to protect against information security threats and mitigate the associated risks, this based on local needs.

The ongoing handling of operating risks as well as strategic risks, shall allow us to enhance our understanding of the different risks at stake and provide greater support for better decision making, and in doing so we shall be driving the competitiveness and sustainability of our Organization.

NOTE 38. CAPITAL MANAGEMENT

Grupo Sura 's policy is to maintain a robust capital base so as to preserve the confidence of investors, creditors and the market in general, as well as to sustain future development. The Company monitors shareholders' return on equity and the level of dividends paid out.

The main purpose of Grupo de Inversiones Suramericana's Capital Management function is to ensure a financial structure that optimizes the cost of capital for the company, maximizing shareholder returns and allowing access to financial markets at a competitive cost so as to be able to cover the Company's financing needs.

Grupo Sura monitors its capital using the adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total financial liabilities, including interest-bearing loans plus proposed non-accrued dividends less cash and cash equivalents.

In order to comply with the financial debt indicators used by the credit rating agencies to measure the degree of investment in its subsidiaries. Grupo SURA's adjusted debt to equity ratio at year-end was as follows:

	2017	2016
Financial liabilities (Note 9.3)	10,042,735	9,744,402
Cash and cash equivalents (Note 8)	(1,588,289)	(2,066,959)
Net debt	8,454,446	7,677,443
Financial liabilities (Note 9.3)	26,220,992	25,395,827
Adjusted net debt to equity ratio	32.24%	30.23%

(1) Net debt to equity

NOTE 39. RELATED PARTY DISCLOSURES

39.1. RELATED PARTIES

Grupo SURA's related parties consist of its subsidiaries, key management personnel and entities over which key management personnel may exercise control or joint control as well as employee post-employment benefits.

The following is a breakdown of Grupo SURA 's related parties at year-end 2017:

- Companies under the direct or indirect control of Grupo SURA are listed in Note 18.1 - Investments in Subsidiaries.
- Investments in associates and joint ventures
Grupo SURA's associates and joint ventures are listed in Note 18.2.1 - Investments in associates and Note 18.2.1. Joint Ventures
- Grupo de Inversiones Suramericana's Shareholders:
See list of shareholders contained in Note 1 Reporting Entity

39.2. TRANSACTIONS WITH RELATED PARTIES

Transactions between related parties include:

- ¶ Loans between related companies: with contractually stipulated terms and conditions and at interest rates that are in keeping with the prevailing market rates. All are paid back in the short-term
- ¶ Financial, management, IT and payroll services

- † Leases and subleases of office and retail space, as well as re-invoiced public utility bills corresponding to such.
- † Cash reimbursements.

It is worthwhile noting that all these are considered to be short-term transactions

Balances are reconciled at the end of each year, in order to eliminate all applicable inter-company transactions. The exchange difference with market rates are charged to income on the Consolidated Financial Statements

The following is a summary of the transactions carried out with related parties at year-end, which were subsequently eliminated in the consolidated financial statements:

2017

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Administradora General de Fondos Sura S.A.	AFP Capital S.A.	-	-	-	22
Administradora General de Fondos Sura S.A.	Corredores de Bolsa SURA S.A.	-	(1,179)	(126)	13,300
Administradora General de Fondos SURA S.A.	SURA Asset Management S.A.	-	-	-	139
Administradora General de Fondos SURA S.A.	SURA Data Chile S.A.	-	-	-	760
Administradora General de Fondos SURA S.A.	SURA Servicios Profesionales S.A.	1	-	-	3,622
Administradora General de Fondos SURA S.A.	SURA Asset Management Chile S.A.	153	-	(598)	-
Administradora General de Fondos SURA S.A.	Seguros de Vida SURA S.A. (Chile)	179	(3,165)	(2,731)	29,488
AFAP SURA S.A.	SURA Asset Management S.A.	-	(24)	-	189
AFAP SURA S.A.	SURA Servicios Profesionales S.A.	-	(86)	-	185
AFAP SURA S.A.	AFISA SURA S.A.	-	-	-	266
Afore SURA S.A. de C.V.	Asesores SURA S.A. de C.V.	-	(239)	-	2,106
Afore SURA S.A. de C.V.	Pensiones SURA S.A. de C.V.	139	-	(1,650)	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Afore SURA S.A. de C.V.	Promotora SURA AM S.A. de C.V.	-	(664)	-	5,912
Afore SURA S.A. de C.V.	SURA Art Corporation S.A. de C.V.	5	(324)	(79)	988
Afore SURA S.A. de C.V.	SURA Asset Management México S.A. de C.V.	7	(25)	(85)	22
Afore SURA S.A. de C.V.	SURA Asset Management S.A.	27	(421)	-	-
Afore SURA S.A. de C.V.	SURA Investment Management S.A. de C.V.	517	(162)	(6,220)	1,291
Afore SURA S.A. de C.V.	SURA Servicios Profesionales S.A.	-	(2,167)	-	5,001
Afore SURA S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	13	-	(170)	234
AFP Capital S.A.	Administradora General de Fondos SURA S.A.	-	-	(22)	-
AFP Capital S.A.	Corredores de Bolsa SURA S.A.	-	(568)	(64)	5,730
AFP Capital S.A.	SURA Asset Management S.A.	-	-	-	629
AFP Capital S.A.	SURA Data Chile S.A.	-	-	-	8,429
AFP Capital S.A.	SURA Servicios Profesionales S.A.	-	(480)	(53)	15,350
AFP Capital S.A.	Seguros de Vida SURA S.A. (Chile)	-	(305)	(436)	5,905
AFP Integra S.A.	Fondos SURA SAF S.A.C.	-	-	(248)	-
AFP Integra S.A.	Sociedad Agente de Bolsa S.A.	-	-	-	7
AFP Integra S.A.	SURA Asset Management Perú S.A.	2	-	(713)	40
AFP Integra S.A.	SURA Asset Management S.A.	25	-	(15)	655
AFP Integra S.A.	SURA Servicios Profesionales S.A.	-	(710)	-	1,779
Aseguradora Suiza Salvadoreña S.A. Asesuisa	Seguros Generales Suramericana S.A.	-	(1,089)	(24)	1,188
Aseguradora Suiza Salvadoreña S.A. Asesuisa	Asesuisa Vida S.A. Seguros de Personas	1,076	(67)	(4,346)	-
Asesores SURA S.A. de C.V.	Afore SURA S.A. de C.V.	239	-	(2,106)	-
Asesores SURA S.A. de C.V.	Pensiones SURA S.A. de C.V.	289	-	(2,797)	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Asesores SURA S.A. de C.V.	SURA Investment Management S.A. de C.V.	2,682	-	(16,855)	-
Asesores SURA S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	8	(177)	(139)	46
Consultoría en Gestión de Riesgos Suramericana S.A.S.	ARUS S.A.	-	-	-	218
Consultoría en Gestión de Riesgos Suramericana S.A.S.	EPS y Medicina Prepagada Suramericana S.A.	29	-	(124)	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	6,986	(30)	(78,875)	37
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	-	(26)	(3)	640
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros Generales Suramericana S.A.	68	(1)	(59)	109
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	58	-	(184)	111
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios Generales Suramericana S.A. (Colombia)	-	(270)	(10)	4
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	27	-	(28)	-
Corredores de Bolsa SURA S.A.	Administradora General de Fondos SURA S.A.	1,179	-	(13,300)	126
Corredores de Bolsa SURA S.A.	AFP Capital S.A.	568	-	(5,730)	64
Corredores de Bolsa SURA S.A.	SURA Asset Management S.A.	-	-	-	141
Corredores de Bolsa SURA S.A.	SURA Data Chile S.A.	-	-	-	817
Corredores de Bolsa SURA S.A.	SURA Servicios Profesionales S.A.	-	(358)	-	7,159
Corredores de Bolsa SURA S.A.	Seguros de Vida SURA S.A. (Chile)	428	(247)	(5,148)	2,580
Enlace Operativo S.A.	ARUS S.A.	1,883	(81)	-	-
Enlace Operativo S.A.	EPS y Medicina Prepagada Suramericana S.A.	434	-	(4,804)	1
Enlace Operativo S.A.	Seguros de Riesgos Laborales Suramericana S.A.	940	-	(10,036)	-
Enlace Operativo S.A.	Seguros de Vida Suramericana S.A.	-	-	-	34

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Enlace Operativo S.A.	Seguros Generales Suramericana S.A.	-	-	-	59
Enlace Operativo S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	4
EPS y Medicina Prepagada Suramericana S.A.	ARUS S.A.	-	(729)	-	9,799
EPS y Medicina Prepagada Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(29)	-	124
EPS y Medicina Prepagada Suramericana S.A.	Enlace Operativo S.A.	-	(434)	(1)	4,804
EPS y Medicina Prepagada Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	4	(7)	(496)	-
EPS y Medicina Prepagada Suramericana S.A.	Seguros de Vida Suramericana S.A.	1	(179)	-	1,452
EPS y Medicina Prepagada Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(139)	(525)	1,975
EPS y Medicina Prepagada Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	911	(20,643)	(1,038)	307,270
EPS y Medicina Prepagada Suramericana S.A.	Suramericana S.A.	50	-	-	-
EPS y Medicina Prepagada Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	(225)	-	-
EPS y Medicina Prepagada Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	3	(1,324)	-	55,588
Fondos SURA SAF S.A.C.	AFP Integra S.A.	-	-	-	248
Fondos SURA SAF S.A.C.	Sociedad Agente de Bolsa S.A.	-	(26)	-	154
Fondos SURA SAF S.A.C.	SURA Asset Management Perú S.A.	-	-	-	54
Fondos SURA SAF S.A.C.	SURA Asset Management S.A.	-	-	-	87
Grupo de Inversiones Suramericana Holanda B.V.	Grupo SURA Chile Holdings I B.V.	1,204	-	-	-
Grupo de Inversiones Suramericana Panamá S.A.	Planeco Panamá S.A.	3,821	-	-	-
Grupo de Inversiones Suramericana Panamá S.A.	Grupo SURA Finance S.A.	7	(875,713)	-	50,503

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Grupo de Inversiones Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	(36,235)	-	2,024
Grupo de Inversiones Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	15
Grupo de Inversiones Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	(25)	-	119
Grupo de Inversiones Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(1)	-	348
Grupo de Inversiones Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	3
Grupo de Inversiones Suramericana S.A.	Suramericana S.A.	-	-	(890)	-
Grupo de Inversiones Suramericana S.A.	Grupo SURA Finance S.A.	60	(1,626,844)	-	89,229
Grupo de Inversiones Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	(127)	-	50
Grupo SURA Chile Holdings I B.V.	Grupo de Inversiones Suramericana Holanda B.V.	-	(1,204)	-	-
Inversiones y Construcciones Estratégicas S.A.S.	Grupo de Inversiones Suramericana S.A.	36,235	-	(2,024)	-
Inversiones y Construcciones Estratégicas S.A.S.	Seguros de Vida Suramericana S.A.	-	-	-	3
Inversiones y Construcciones Estratégicas S.A.S.	Seguros Generales Suramericana S.A.	-	-	(83)	-
Inversiones y Construcciones Estratégicas S.A.S.	Servicios Generales Suramericana S.A. (Colombia)	-	-	-	1
InverSURA Panamá Internacional S.A.	Planeco Panamá S.A.	1,269	-	-	-
Operaciones Generales Suramericana S.A.S.	ARUS S.A.	-	(7)	-	338
Operaciones Generales Suramericana S.A.S.	Grupo de Inversiones Suramericana S.A.	-	-	(15)	-
Operaciones Generales Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	-	-	(29)	-
Operaciones Generales Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	489	(27)	(4,044)	196
Operaciones Generales Suramericana S.A.S.	Seguros Generales Suramericana S.A.	8,511	(63)	(81,283)	604
Operaciones Generales Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	2	-	(29)	33
Operaciones Generales Suramericana S.A.S.	SURA Asset Management S.A.	-	-	(2)	-
Operaciones Generales Suramericana S.A.S.	Suramericana S.A.	-	-	(12)	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Operaciones Generales Suramericana S.A.S.	Servicios Generales Suramericana S.A. (Colombia)	-	(60,387)	-	4,625
Operaciones Generales Suramericana S.A.S.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	-	-	(1)	1
Pensiones SURA S.A. de C.V.	Afore SURA S.A. de C.V.	-	(139)	-	1,650
Pensiones SURA S.A. de C.V.	Asesores SURA S.A. de C.V.	-	(289)	-	2,797
Pensiones SURA S.A. de C.V.	SURA Investment Management S.A. de C.V.	-	(103)	-	1,277
Planeco Panamá S.A.	Grupo de Inversiones Suramericana Panamá S.A.	-	(3,821)	-	-
Planeco Panamá S.A.	InverSURA Panamá Internacional S.A.	-	(1,269)	-	-
Promotora SURA AM S.A. de C.V.	Afore SURA S.A. de C.V.	664	-	(5,912)	-
Promotora SURA AM S.A. de C.V.	SURA Investment Management S.A. de C.V.	1,369	-	(16,830)	-
Promotora SURA AM S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	191	-	(2,577)	36
Seguros de Riesgos Laborales Suramericana S.A.	ARUS S.A.	-	(230)	-	2,959
Seguros de Riesgos Laborales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(6,955)	-	78,837
Seguros de Riesgos Laborales Suramericana S.A.	Enlace Operativo S.A.	-	(940)	-	10,036
Seguros de Riesgos Laborales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	7	(4)	(13)	508
Seguros de Riesgos Laborales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	29
Seguros de Riesgos Laborales Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	(136)	-	1,114
Seguros de Riesgos Laborales Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(211)	-	186
Seguros de Riesgos Laborales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	11	(4,058)	-	40,791

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Seguros de Riesgos Laborales Suramericana S.A.	Suramericana S.A.	20	-	-	-
Seguros de Riesgos Laborales Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	(368)	-	-
Seguros de Riesgos Laborales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	-	(124)	(30)	1,740
Seguros de Vida Suramericana S.A.	ARUS S.A.	-	(32)	(18)	1,149
Seguros de Vida Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	26	-	(640)	3
Seguros de Vida Suramericana S.A.	Enlace Operativo S.A.	-	-	(34)	-
Seguros de Vida Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	179	(1)	(3,611)	2,159
Seguros de Vida Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	25	-	(119)	-
Seguros de Vida Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	-	(3)	-
Seguros de Vida Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	27	(489)	(196)	4,044
Seguros de Vida Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	137	(1)	(1,114)	-
Seguros de Vida Suramericana S.A.	Seguros Generales Suramericana S.A.	6	(10,402)	(6,096)	8,963
Seguros de Vida Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	229	(4,424)	(4,214)	47,323
Seguros de Vida Suramericana S.A.	SURA Asset Management S.A.	-	-	(142)	-
Seguros de Vida Suramericana S.A.	Suramericana S.A.	34	-	(212)	-
Seguros de Vida Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	24	(24)	(470)	105
Seguros de Vida Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	75	(1,954)	(1,291)	26,040
Seguros de Vida Suramericana S.A.	Asesuisa Vida S.A. Seguros de Personas	-	(1,365)	(3,620)	6,210
Seguros Generales Suramericana S.A.	ARUS S.A.	-	(662)	(175)	8,396
Seguros Generales Suramericana S.A.	Aseguradora Suiza Salvadoreña S.A. Asesuisa	1,089	-	(1,188)	24

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Seguros Generales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	1	(68)	(109)	59
Seguros Generales Suramericana S.A.	Enlace Operativo S.A.	-	-	(59)	-
Seguros Generales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	139	-	(1,975)	525
Seguros Generales Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	1	-	(348)	-
Seguros Generales Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	-	-	83
Seguros Generales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	63	(8,511)	(604)	81,283
Seguros Generales Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	211	-	(186)	-
Seguros Generales Suramericana S.A.	Seguros de Vida Suramericana S.A.	10,397	(1)	(8,963)	6,096
Seguros Generales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	271	(17)	(418)	636
Seguros Generales Suramericana S.A.	SURA Asset Management S.A.	-	-	(1,686)	-
Seguros Generales Suramericana S.A.	Suramericana S.A.	3	-	(33)	-
Seguros Generales Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	(3)	(1,968)	-
Seguros Generales Suramericana S.A.	Hábitat Adulto Mayor S.A.	-	-	(38)	-
Seguros Generales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	104	(1)	(945)	-
Seguros Generales Suramericana S.A.	Protección Garantizada LTDA.	-	-	(1)	3,056
Seguros Generales Suramericana S.A.	Seguros SURA S.A. (República Dominicana)	166	-	(261)	-
Seguros Generales Suramericana S.A.	Seguros Suramericana, S.A. (Panamá)	9,473	-	(30,929)	2,620
Servicios de Salud IPS Suramericana S.A.	ARUS S.A.	-	(174)	(67)	1,756
Servicios de Salud IPS Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(58)	(111)	184
Servicios de Salud IPS Suramericana S.A.	Enlace Operativo S.A.	-	-	(4)	-
Servicios de Salud IPS Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	20,643	(911)	(307,270)	1,038

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Servicios de Salud IPS Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	(3)	-
Servicios de Salud IPS Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	(2)	(31)	27
Servicios de Salud IPS Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	4,058	(11)	(40,791)	-
Servicios de Salud IPS Suramericana S.A.	Seguros de Vida Suramericana S.A.	4,424	(229)	(47,323)	4,214
Servicios de Salud IPS Suramericana S.A.	Seguros Generales Suramericana S.A.	18	(271)	(636)	418
Servicios de Salud IPS Suramericana S.A.	SURA Asset Management S.A.	-	-	(18)	-
Servicios de Salud IPS Suramericana S.A.	Suramericana S.A.	1	-	(5)	-
Servicios de Salud IPS Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	1	(595)	(14)	-
Servicios de Salud IPS Suramericana S.A.	Hábitat Adulto Mayor S.A.	-	-	(13)	-
Servicios de Salud IPS Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	3	(2,230)	(887)	37,944
Servicios Generales Suramericana S.A. (Panamá)	Seguros Suramericana, S.A. (Panamá)	307	(186)	(427)	-
Sociedad Agente de Bolsa S.A.	AFP Integra S.A.	-	-	(7)	-
Sociedad Agente de Bolsa S.A.	Fondos SURA SAF S.A.C.	26	-	(154)	-
Sociedad Agente de Bolsa S.A.	SURA Asset Management Perú S.A.	-	-	-	25
SURA Art Corporation S.A. de C.V.	Afore SURA S.A. de C.V.	324	(5)	(988)	79
SURA Art Corporation S.A. de C.V.	SURA Investment Management S.A. de C.V.	17	-	(52)	-
SURA Asset Management México S.A. de C.V.	Afore SURA S.A. de C.V.	25	(7)	(22)	85
SURA Asset Management México S.A. de C.V.	SURA Investment Management S.A. de C.V.	72	-	(63)	-
SURA Asset Management Perú S.A.	AFP Integra S.A.	-	(2)	(40)	713
SURA Asset Management Perú S.A.	Fondos SURA SAF S.A.C.	-	-	(54)	-
SURA Asset Management Perú S.A.	Sociedad Agente de Bolsa S.A.	-	-	(25)	-
SURA Asset Management S.A.	Administradora General de Fondos SURA S.A.	-	-	(139)	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
SURA Asset Management S.A.	AFAP SURA S.A.	24	-	(189)	-
SURA Asset Management S.A.	Afore SURA S.A. de C.V.	394	-	-	-
SURA Asset Management S.A.	AFP Capital S.A.	-	-	(629)	-
SURA Asset Management S.A.	AFP Integra S.A.	29	(54)	(683)	43
SURA Asset Management S.A.	Corredores de Bolsa SURA S.A.	-	-	(141)	-
SURA Asset Management S.A.	Fondos SURA SAF S.A.C.	4	(4)	(87)	-
SURA Asset Management S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	2
SURA Asset Management S.A.	Seguros de Vida Suramericana S.A.	-	-	-	142
SURA Asset Management S.A.	Seguros Generales Suramericana S.A.	-	-	-	1,686
SURA Asset Management S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	18
SURA Asset Management S.A.	SURA Investment Management Colombia S.A.S	-	-	(222)	-
SURA Asset Management S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	(72)	-	307
SURA Asset Management S.A.	Seguros Generales Suramericana S.A (antes RSA Seguros Chile S.A.) (Chile)	84	-	(263)	-
SURA Asset Management S.A.	Seguros de Vida Suramericana S.A (antes RSA Seguros de Vida S.A.) (Chile)	7	-	(21)	-
SURA Asset Management S.A.	Seguros SURA, S.A de C.V. (antes Royal & Sun Alliance Seguros (México) S.A. de C.V.) (México)	65	-	(486)	-
SURA Asset Management S.A.	Seguros SURA S.A.(antes Royal & Sun Alliance Seguros S.A.) (Uruguay)	-	(29)	(36)	-
SURA Asset Management S.A.	SURA Servicios Profesionales S.A.	3	(1,045)	(115)	2,617
SURA Asset Management S.A.	SURA Asset Management Uruguay Sociedad de Inversión S.A. (antes Tublyr S.A.)	3,072	-	-	-
SURA Asset Management S.A.	Disgely S.A.	-	-	(1)	-
SURA Asset Management S.A.	Corredor de Bolsa SURA S.A.	1	-	(3)	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
SURA Asset Management S.A.	AFISA SURA S.A.	1	-	(6)	-
SURA Asset Management S.A.	SURA Asset Management Argentina S.A.	-	(15)	-	-
SURA Asset Management S.A.	SURA Asset Management Chile S.A.	-	-	(23)	-
SURA Asset Management S.A.	Seguros de Vida SURA S.A. (Chile)	-	-	(450)	-
SURA Asset Management S.A.	SURA Real Estate S.A.S.	-	-	(79)	467
SURA Asset Management Uruguay Sociedad de Inversión S.A. (antes Tublyr S.A.)	SURA Asset Management S.A.	-	(3,072)	-	-
SURA Data Chile S.A.	Administradora General de Fondos SURA S.A.	-	-	(760)	-
SURA Data Chile S.A.	AFP Capital S.A.	-	-	(8,429)	-
SURA Data Chile S.A.	Corredores de Bolsa SURA S.A.	-	-	(817)	-
SURA Data Chile S.A.	Seguros de Vida SURA S.A. (Chile)	-	-	(4,308)	15
SURA Investment Management Colombia S.A.S	SURA Asset Management S.A.	-	-	-	222
SURA Investment Management S.A. de C.V.	Afore SURA S.A. de C.V.	162	(517)	(1,291)	6,220
SURA Investment Management S.A. de C.V.	Asesores SURA S.A. de C.V.	-	(2,682)	-	16,855
SURA Investment Management S.A. de C.V.	Pensiones SURA S.A. de C.V.	103	-	(1,277)	-
SURA Investment Management S.A. de C.V.	Promotora SURA AM S.A. de C.V.	-	(1,369)	-	16,830
SURA Investment Management S.A. de C.V.	SURA Art Corporation S.A. de C.V.	-	(17)	-	52
SURA Investment Management S.A. de C.V.	SURA Asset Management México S.A. de C.V.	-	(72)	-	63
SURA Investment Management S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	8	-	(98)	31
Suramericana S.A.	ARUS S.A.	-	-	-	323

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	-	(50)	-	-
Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	-	890
Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	12
Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	-	(20)	-	-
Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	(34)	-	212
Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(3)	-	33
Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	(1)	-	5
Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	(154)	-	-
Suramericana S.A.	Seguros SURA, S.A de C.V. (antes Royal & Sun Alliance Seguros (México) S.A. de C.V.) (México)	534	-	(534)	-
ARUS S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	-	(218)	-
ARUS S.A.	Enlace Operativo S.A.	81	(1,883)	-	-
ARUS S.A.	EPS y Medicina Prepagada Suramericana S.A.	729	-	(9,799)	-
ARUS S.A.	Operaciones Generales Suramericana S.A.S.	7	-	(338)	-
ARUS S.A.	Seguros de Riesgos Laborales Suramericana S.A.	230	-	(2,959)	-
ARUS S.A.	Seguros de Vida Suramericana S.A.	32	-	(1,149)	18
ARUS S.A.	Seguros Generales Suramericana S.A.	662	-	(8,396)	175
ARUS S.A.	Servicios de Salud IPS Suramericana S.A.	174	-	(1,756)	67
ARUS S.A.	Suramericana S.A.	-	-	(323)	-
ARUS S.A.	Servicios Generales Suramericana S.A. (Colombia)	48	-	(2)	-
ARUS S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	243	-	(1,079)	-
Seguros SURA S.A (Antes Royal & Sun Alliance Seguros (Argentina) S.A.)	Aseguradora de Créditos y Garantías S.A.	141	-	(604)	270

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Aseguradora de Créditos y Garantías S.A.	Seguros SURA S.A (Antes Royal & Sun Alliance Seguros (Argentina) S.A.)	-	(141)	(270)	604
Chilean Holding Suramericana SPA (Antes RSA Chilean Holding SpA)	Seguros Generales Suramericana S.A (antes RSA Seguros Chile S.A.) (Chile)	-	(50,280)	-	2,237
Grupo SURA Finance S.A.	Grupo de Inversiones Suramericana Panamá S.A.	875,713	(7)	(50,503)	-
Grupo SURA Finance S.A.	Grupo de Inversiones Suramericana S.A.	1,626,840	(60)	(89,229)	-
Servicios Generales Suramericana S.A. (Colombia)	ARUS S.A.	-	(48)	-	2
Servicios Generales Suramericana S.A. (Colombia)	Consultoría en Gestión de Riesgos Suramericana S.A.S.	270	-	(4)	10
Servicios Generales Suramericana S.A. (Colombia)	EPS y Medicina Prepagada Suramericana S.A.	225	-	-	-
Servicios Generales Suramericana S.A. (Colombia)	Grupo de Inversiones Suramericana S.A.	127	-	(50)	-
Servicios Generales Suramericana S.A. (Colombia)	Inversiones y Construcciones Estratégicas S.A.S.	-	-	(1)	-
Servicios Generales Suramericana S.A. (Colombia)	Operaciones Generales Suramericana S.A.S.	60,387	-	(4,625)	-
Servicios Generales Suramericana S.A. (Colombia)	Seguros de Riesgos Laborales Suramericana S.A.	368	-	-	-
Servicios Generales Suramericana S.A. (Colombia)	Seguros de Vida Suramericana S.A.	24	(24)	(105)	470
Servicios Generales Suramericana S.A. (Colombia)	Seguros Generales Suramericana S.A.	3	-	-	1,968
Servicios Generales Suramericana S.A. (Colombia)	Servicios de Salud IPS Suramericana S.A.	595	(1)	-	14
Servicios Generales Suramericana S.A. (Colombia)	SURA Asset Management S.A.	72	-	(307)	-
Servicios Generales Suramericana S.A. (Colombia)	Suramericana S.A.	154	-	-	-
Servicios Generales Suramericana S.A. (Colombia)	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	201	-	-	-
Hábitat Adulto Mayor S.A.	Seguros Generales Suramericana S.A.	-	-	-	38

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Hábitat Adulto Mayor S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	13
Seguros Generales Suramericana S.A (antes RSA Seguros Chile S.A.) (Chile)	Chilean Holding Suramericana SPA (Antes RSA Chilean Holding SpA)	50,280	-	(2,237)	-
Seguros Generales Suramericana S.A (antes RSA Seguros Chile S.A.) (Chile)	SURA Asset Management S.A.	-	(84)	-	263
Seguros Generales Suramericana S.A (antes RSA Seguros Chile S.A.) (Chile)	Seguros de Vida Suramericana S.A (antes RSA Seguros de Vida S.A.) (Chile)	537	-	(1,829)	-
Seguros Generales Suramericana S.A (antes RSA Seguros Chile S.A.) (Chile)	Inversiones Suramericana Chile Limitada (antes Inversiones RSA Chile Limitada)	228	-	-	-
Seguros de Vida Suramericana S.A (antes RSA Seguros de Vida S.A.) (Chile)	SURA Asset Management S.A.	-	(7)	-	21
Seguros de Vida Suramericana S.A (antes RSA Seguros de Vida S.A.) (Chile)	Seguros Generales Suramericana S.A (antes RSA Seguros Chile S.A.) (Chile)	-	(537)	-	1,829
Seguros SURA, S.A de C.V. (antes Royal & Sun Alliance Seguros (México) S.A. de C.V.) (México)	SURA Asset Management S.A.	-	(65)	-	486
Seguros SURA, S.A de C.V. (antes Royal & Sun Alliance Seguros (México) S.A. de C.V.) (México)	Suramericana S.A.	-	(534)	-	534
Seguros SURA S.A. (antes Royal & Sun Alliance Seguros S.A.) (Uruguay)	SURA Asset Management S.A.	29	-	-	36
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	ARUS S.A.	-	(243)	-	1,079
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(27)	-	28
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	EPS y Medicina Prepagada Suramericana S.A.	1,322	-	(56,640)	1,052
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Operaciones Generales Suramericana S.A.S.	-	-	-	1
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Seguros de Riesgos Laborales Suramericana S.A.	124	-	(1,740)	30

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Seguros de Vida Suramericana S.A.	1,954	(74)	(26,309)	1,559
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Seguros Generales Suramericana S.A.	-	(103)	-	945
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Servicios de Salud IPS Suramericana S.A.	2,230	(3)	(37,944)	888
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Servicios Generales Suramericana S.A. (Colombia)	-	(201)	-	-
Protección Garantizada LTDA.	Seguros Generales Suramericana S.A.	-	-	(3,056)	1
Seguros SURA S.A. (República Dominicana)	Seguros Generales Suramericana S.A.	-	(166)	-	261
Seguros Suramericana, S.A. (Panamá)	Seguros Generales Suramericana S.A.	-	(9,473)	(2,620)	30,929
Seguros Suramericana, S.A. (Panamá)	Servicios Generales Suramericana S.A. (Panamá)	186	(307)	-	427
Asesuisa Vida S.A. Seguros de Personas	Aseguradora Suiza Salvadoreña S.A. Asesuisa	67	(1,076)	-	4,346
Asesuisa Vida S.A. Seguros de Personas	Seguros de Vida Suramericana S.A.	1,365	-	(6,210)	3,620
Inversiones Suramericana Chile Limitada (antes Inversiones RSA Chile Limitada)	Seguros Generales Suramericana S.A (antes RSA Seguros Chile S.A.) (Chile)	-	(228)	-	-
SURA Servicios Profesionales S.A.	Administradora General de Fondos SURA S.A.	-	(1)	(3,622)	-
SURA Servicios Profesionales S.A.	AFAP SURA S.A.	86	-	(185)	-
SURA Servicios Profesionales S.A.	Afore SURA S.A. de C.V.	2,167	-	(5,087)	86
SURA Servicios Profesionales S.A.	AFP Capital S.A.	480	-	(15,350)	53
SURA Servicios Profesionales S.A.	AFP Integra S.A.	710	-	(1,779)	-
SURA Servicios Profesionales S.A.	Corredores de Bolsa SURA S.A.	358	-	(7,159)	-
SURA Servicios Profesionales S.A.	SURA Asset Management S.A.	1,042	-	(2,585)	84
SURA Servicios Profesionales S.A.	SURA Asset Management Chile S.A.	-	-	(41)	-
SURA Servicios Profesionales S.A.	Seguros de Vida SURA S.A. (Chile)	536	(10)	(12,168)	486

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Disgely S.A.	SURA Asset Management S.A.	-	-	-	1
Corredor de Bolsa SURA S.A.	SURA Asset Management S.A.	-	(1)	-	3
AFISA SURA S.A.	AFAP SURA S.A.	-	-	(266)	-
AFISA SURA S.A.	SURA Asset Management S.A.	-	(1)	-	6
SURA Asset Management Argentina S.A.	Activos Estratégicos SURA A.M. Colombia S.A.S.	1	-	-	-
SURA Asset Management Argentina S.A.	SURA Asset Management S.A.	15	-	-	-
Activos Estratégicos SURA A.M. Colombia S.A.S.	SURA Asset Management Argentina S.A.	-	(1)	-	-
SURA Asset Management Chile S.A.	Administradora General de Fondos SURA S.A.	-	(153)	-	598
SURA Asset Management Chile S.A.	SURA Asset Management S.A.	-	-	-	23
SURA Asset Management Chile S.A.	SURA Servicios Profesionales S.A.	-	-	-	41
Seguros de Vida SURA S.A. (Chile)	Administradora General de Fondos SURA S.A.	3,165	(179)	(29,488)	2,731
Seguros de Vida SURA S.A. (Chile)	AFP Capital S.A.	305	-	(5,860)	392
Seguros de Vida SURA S.A. (Chile)	Corredores de Bolsa SURA S.A.	247	(428)	(2,580)	5,148
Seguros de Vida SURA S.A. (Chile)	SURA Asset Management S.A.	-	-	-	450
Seguros de Vida SURA S.A. (Chile)	SURA Data Chile S.A.	-	-	(15)	4,308
Seguros de Vida SURA S.A. (Chile)	SURA Servicios Profesionales S.A.	10	(536)	(486)	12,168
Seguros de Vida SURA México S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	Afore SURA S.A. de C.V.	-	(13)	(234)	170
Seguros de Vida SURA México S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	Asesores SURA S.A. de C.V.	177	(8)	(46)	139
Seguros de Vida SURA México S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	Promotora SURA AM S.A. de C.V.	-	(191)	(36)	2,577

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Seguros de Vida SURA México S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	SURA Investment Management S.A. de C.V.	-	(8)	(31)	98
SURA Real Estate S.A.S.	SURA Asset Management S.A.	-	-	(393)	4
		2,764,828	(2,764,828)	(1,163,083)	1,163,083

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FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Administradora General de Fondos SURA S.A.	AFP Capital S.A.	-	-	-	10
Administradora General de Fondos SURA S.A.	Corredores de Bolsa SURA S.A.	-	(893)	(62)	6,480
Administradora General de Fondos SURA S.A.	Seguros de Vida SURA S.A.	270	(2,026)	4,595	7,061
Administradora General de Fondos SURA S.A.	SURA Chile S.A.	-	(260)	-	1,841
Administradora General de Fondos SURA S.A.	SURA Data Chile S.A.	-	-	-	339
AFAP SURA S.A.	Ahorro Inversión SURA Administradora de Fondos de Inversión S.A.	-	-	-	130
AFAP SURA S.A.	SURA Chile S.A.	-	(234)	(18)	365
Afore SURA S.A. de C.V.	Asesores SURA S.A. de C.V.	-	(948)	-	2,078
Afore SURA S.A. de C.V.	Pensiones SURA S.A. de C.V.	147	-	(862)	-
Afore SURA S.A. de C.V.	Promotora SURA AM S.A. de C.V.	-	-	-	2,325
Afore SURA S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	15	-	(87)	-
Afore SURA S.A. de C.V.	SURA Art Corporation S.A. de C.V.	7	-	(43)	-
Afore SURA S.A. de C.V.	SURA Asset Management México S.A. de C.V.	7	-	(44)	-
Afore SURA S.A. de C.V.	SURA Chile S.A.	-	(3,371)	(273)	5,178

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Afore SURA S.A. de C.V.	SURA Investment Management S.A. de C.V.	905	(284)	(4,062)	1,141
AFP Capital S.A.	Administradora General de Fondos SURA S.A.	-	-	(7)	(3)
AFP Capital S.A.	Corredores de Bolsa SURA S.A.	-	(341)	(21)	2,388
AFP Capital S.A.	Seguros de Vida SURA S.A.	-	(216)	(225)	3,718
AFP Capital S.A.	SURA Chile S.A.	-	-	(18)	9,167
AFP Capital S.A.	SURA Data Chile S.A.	-	-	-	3,681
AFP Capital S.A.	SURA S.A.	-	(75)	-	-
AFP Integra S.A.	Fondos SURA SAF S.A.C.	24	-	(125)	-
AFP Integra S.A.	Hipotecaria SURA Empresa Administradora Hipotecaria S.A.	-	-	(24)	-
AFP Integra S.A.	Seguros SURA S.A. (Antes Invita)	-	(40)	(35)	278
AFP Integra S.A.	SURA Asset Management Perú S.A.	-	-	(69)	-
AFP Integra S.A.	SURA Asset Management S.A.	-	(30)	-	329
AFP Integra S.A.	SURA Chile S.A.	-	(1,335)	(40)	2,042
Ahorro Inversión SURA Administradora de Fondos de Inversión S.A.	AFAP SURA S.A.	-	-	(130)	-
Aseguradora Suiza Salvadoreña S.A. Asesuisa	Asesuisa Vida, S.A. Seguros de Personas	771	(805)	(3,159)	-
Aseguradora Suiza Salvadoreña S.A. Asesuisa	Seguros Generales Suramericana S.A.	-	(100)	-	1,457
Asesores SURA S.A. de C.V.	Afore SURA S.A. de C.V.	948	-	(2,078)	-
Asesores SURA S.A. de C.V.	Pensiones SURA S.A. de C.V.	210	-	(1,123)	-
Asesores SURA S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	29	-	(131)	-
Asesores SURA S.A. de C.V.	SURA Investment Management S.A. de C.V.	1,477	-	(5,928)	-
Asesuisa Vida, S.A. Seguros de Personas	Aseguradora Suiza Salvadoreña S.A. Asesuisa	805	(771)	-	3,159
Asesuisa Vida, S.A. Seguros de Personas	Seguros de Vida Suramericana S.A.	-	(147)	(6,804)	6,548

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Consultoría en Gestión de Riesgos Suramericana S.A.S.	ARUS S.A.	-	(29)	(25)	234
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Diagnóstico y Asistencia Médica S.A.	13	-	(99)	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Enlace Operativo S.A.	-	-	(1)	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	EPS y Medicina Prepagada Suramericana S.A.	15	(10)	(156)	3
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	6,547	-	(64,645)	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	2	-	(20)	488
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros Generales Suramericana S.A.	33	-	(1,354)	64
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	-	(2)	(121)	75
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios Generales Suramericana S.A.	-	(224)	-	27
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Suramericana S.A.	-	-	(10)	-
Corredores de Bolsa SURA S.A.	Administradora General de Fondos SURA S.A.	893	-	(6,480)	62
Corredores de Bolsa SURA S.A.	AFP Capital S.A.	341	-	(2,397)	30
Corredores de Bolsa SURA S.A.	Seguros de Vida SURA S.A.	390	(130)	(2,769)	1,140
Corredores de Bolsa SURA S.A.	SURA Chile S.A.	-	-	-	3,071
Corredores de Bolsa SURA S.A.	SURA Data Chile S.A.	-	-	-	363
Diagnóstico y Asistencia Médica S.A.	ARUS S.A.	-	(77)	-	646
Diagnóstico y Asistencia Médica S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(13)	-	99
Diagnóstico y Asistencia Médica S.A.	EPS y Medicina Prepagada Suramericana S.A.	956	(48)	(46,988)	927
Diagnóstico y Asistencia Médica S.A.	Seguros de Riesgos Laborales Suramericana S.A.	209	(13)	(1,427)	21

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Diagnóstico y Asistencia Médica S.A.	Seguros de Vida Suramericana S.A.	1,882	-	(20,257)	1,327
Diagnóstico y Asistencia Médica S.A.	Seguros Generales Suramericana S.A.	-	(5)	(114)	853
Diagnóstico y Asistencia Médica S.A.	Servicios de Salud IPS Suramericana S.A.	2,688	(3)	(33,099)	737
Diagnóstico y Asistencia Médica S.A.	Servicios Generales Suramericana S.A.	-	(16)	-	-
Enlace Operativo S.A.	ARUS S.A.	-	(2)	-	-
Enlace Operativo S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	-	-	1
Enlace Operativo S.A.	EPS y Medicina Prepagada Suramericana S.A.	359	-	(4,021)	2
Enlace Operativo S.A.	Seguros de Riesgos Laborales Suramericana S.A.	1,426	-	(7,690)	-
Enlace Operativo S.A.	Seguros de Vida Suramericana S.A.	-	-	-	10
Enlace Operativo S.A.	Seguros Generales Suramericana S.A.	-	-	-	9
Enlace Operativo S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	5
EPS y Medicina Prepagada Suramericana S.A.	ARUS S.A.	-	(878)	-	8,592
EPS y Medicina Prepagada Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	10	(15)	(3)	156
EPS y Medicina Prepagada Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	1,770	(2,677)	(52)	46,113
EPS y Medicina Prepagada Suramericana S.A.	Enlace Operativo S.A.	-	(359)	(2)	4,021
EPS y Medicina Prepagada Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	43	-	(70)	(324)
EPS y Medicina Prepagada Suramericana S.A.	Seguros de Vida Suramericana S.A.	4	(11)	(112)	1,223
EPS y Medicina Prepagada Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(703)	(110)	1,118
EPS y Medicina Prepagada Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	1,146	(12,920)	(1,040)	253,142
EPS y Medicina Prepagada Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(41)	-	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Fondos SURA SAF S.A.C.	AFP Integra S.A.	-	(24)	-	125
Fondos SURA SAF S.A.C.	Seguros SURA S.A. (Antes Invita)	-	-	-	80
Fondos SURA SAF S.A.C.	SURA Asset Management S.A.	-	(4)	-	48
Grupo de Inversiones Suramericana Holanda B.V.	Grupo SURA Chile Holdings I B.V.	1,134	-	-	-
Grupo de Inversiones Suramericana Holanda B.V.	Grupo SURA Latin American Holdings B.V.	(46)	-	-	-
Grupo de Inversiones Suramericana Holanda B.V.	SURA Asset Management España S.L.	-	49	-	-
Grupo de Inversiones Suramericana Panamá S.A.	Grupo de Inversiones Suramericana S.A.	-	(11,073)	-	-
Grupo de Inversiones Suramericana Panamá S.A.	GrupoSURA Finance S.A.	7	(879,380)	-	52,226
Grupo de Inversiones Suramericana Panamá S.A.	Planeco Panamá S.A.	15	-	-	-
Grupo de Inversiones Suramericana S.A.	Grupo de Inversiones Suramericana Panamá S.A.	11,073	-	-	-
Grupo de Inversiones Suramericana S.A.	GrupoSURA Finance S.A.	60	(1,636,002)	-	65,967
Grupo de Inversiones Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	(24,113)	-	-
Grupo de Inversiones Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	18
Grupo de Inversiones Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	-	(2)	58
Grupo de Inversiones Suramericana S.A.	Seguros Generales Suramericana S.A.	-	-	-	345
Grupo de Inversiones Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	2
Grupo de Inversiones Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(23)	-	45
Grupo de Inversiones Suramericana S.A.	Suramericana S.A.	90	-	-	-
Grupo SURA Chile Holdings I B.V.	Grupo de Inversiones Suramericana Holanda B.V.	-	(1,134)	-	-
Grupo SURA Chile Holdings I B.V.	Grupo SURA Latin American Holdings B.V.	-	(6)	-	-
Grupo SURA Latin American Holdings B.V.	Grupo de Inversiones Suramericana Holanda B.V.	-	46	-	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Grupo SURA Latin American Holdings B.V.	Grupo SURA Chile Holdings I B.V.	6	-	-	-
GrupoSURA Finance S.A.	Grupo de Inversiones Suramericana Panamá S.A.	879,380	(7)	(52,226)	-
GrupoSURA Finance S.A.	Grupo de Inversiones Suramericana S.A.	1,636,002	(60)	(65,967)	-
Habitat Adulto Mayor S.A.	Seguros Generales Suramericana S.A.	-	-	-	35
Habitat Adulto Mayor S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	8
Hipotecaria SURA Empresa Administradora Hipotecaria S.A.	AFP Integra S.A.	-	-	-	24
Hipotecaria SURA Empresa Administradora Hipotecaria S.A.	Seguros SURA S.A. (Antes Invita)	-	(409)	(1,107)	51
Inversiones y Construcciones Estratégicas S.A.S.	Grupo de Inversiones Suramericana S.A.	24,113	-	-	-
Inversiones y Construcciones Estratégicas S.A.S.	Seguros Generales Suramericana S.A.	-	-	(78)	-
Inversiones y Construcciones Estratégicas S.A.S.	Servicios Generales Suramericana S.A.	-	-	-	4
Operaciones Generales Suramericana S.A.S.	ARUS S.A.	-	(7)	-	35
Operaciones Generales Suramericana S.A.S.	Grupo de Inversiones Suramericana S.A.	3	-	(18)	-
Operaciones Generales Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	1	-	(21)	-
Operaciones Generales Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	479	(7)	(1,722)	147
Operaciones Generales Suramericana S.A.S.	Seguros Generales Suramericana S.A.	7,690	(151)	(76,601)	669
Operaciones Generales Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	3	(2)	(32)	22
Operaciones Generales Suramericana S.A.S.	Servicios Generales Suramericana S.A.	-	(64,710)	-	3,717
Operaciones Generales Suramericana S.A.S.	SURA Asset Management S.A.	-	-	(3)	-
Operaciones Generales Suramericana S.A.S.	Suramericana S.A.	-	-	(9)	-
Pensiones SURA S.A. de C.V.	Afore SURA S.A. de C.V.	-	(147)	-	862
Pensiones SURA S.A. de C.V.	Asesores SURA S.A. de C.V.	-	(210)	-	1,123

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Pensiones SURA S.A. de C.V.	Promotora SURA AM S.A. de C.V.	-	(21)	-	95
Pensiones SURA S.A. de C.V.	SURA Investment Management S.A. de C.V.	-	(77)	-	430
Planeco Panamá S.A.	Grupo de Inversiones Suramericana Panamá S.A.	-	(15)	-	-
Promotora SURA AM S.A. de C.V.	Afore SURA S.A. de C.V.	-	-	(2,325)	-
Promotora SURA AM S.A. de C.V.	Pensiones SURA S.A. de C.V.	21	-	(95)	-
Promotora SURA AM S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	101	-	(644)	-
Promotora SURA AM S.A. de C.V.	SURA Investment Management S.A. de C.V.	2,164	-	(9,654)	-
Seguros de Riesgos Laborales Suramericana S.A.	ARUS S.A.	-	(292)	-	2,412
Seguros de Riesgos Laborales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(6,547)	-	64,645
Seguros de Riesgos Laborales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	13	(209)	(21)	1,427
Seguros de Riesgos Laborales Suramericana S.A.	Enlace Operativo S.A.	-	(1,426)	-	7,690
Seguros de Riesgos Laborales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	-	(43)	-	394
Seguros de Riesgos Laborales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	(1)	-	21
Seguros de Riesgos Laborales Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	(19)	-	970
Seguros de Riesgos Laborales Suramericana S.A.	Seguros Generales Suramericana S.A.	-	-	-	195
Seguros de Riesgos Laborales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	(3,016)	-	34,785
Seguros de Riesgos Laborales Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(338)	-	228
Seguros de Vida SURA México S.A. de C.V.	Afore SURA S.A. de C.V.	-	(15)	-	87
Seguros de Vida SURA México S.A. de C.V.	Asesores SURA S.A. de C.V.	-	(29)	-	131
Seguros de Vida SURA México S.A. de C.V.	Promotora SURA AM S.A. de C.V.	-	(101)	-	644

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Seguros de Vida SURA México S.A. de C.V.	SURA Asset Management México S.A. de C.V.	-	(7,436)	-	-
Seguros de Vida SURA México S.A. de C.V.	SURA Investment Management S.A. de C.V.	-	(7)	-	37
Seguros de Vida SURA S.A.	Administradora General de Fondos SURA S.A.	2,026	(270)	(12,559)	903
Seguros de Vida SURA S.A.	AFP Capital S.A.	216	-	(2,348)	(1,145)
Seguros de Vida SURA S.A.	Corredores de Bolsa SURA S.A.	130	(390)	(1,101)	2,730
Seguros de Vida SURA S.A.	SURA Chile S.A.	9	-	(195)	5,546
Seguros de Vida SURA S.A.	SURA Data Chile S.A.	-	-	(4)	1,877
Seguros de Vida Suramericana S.A.	ARUS S.A.	-	(174)	-	771
Seguros de Vida Suramericana S.A.	Asesuisa Vida, S.A. Seguros de Personas	147	-	(6,673)	6,928
Seguros de Vida Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(2)	(488)	20
Seguros de Vida Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	-	(1,882)	(938)	19,869
Seguros de Vida Suramericana S.A.	Enlace Operativo S.A.	-	-	(10)	-
Seguros de Vida Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	11	(4)	(1,223)	112
Seguros de Vida Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	(58)	2
Seguros de Vida Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	7	(479)	(147)	1,722
Seguros de Vida Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	19	-	(970)	-
Seguros de Vida Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(23,533)	(3,334)	8,362
Seguros de Vida Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	8	(3,461)	(3,344)	39,957
Seguros de Vida Suramericana S.A.	Servicios Generales Suramericana S.A.	28	-	(386)	149
Seguros de Vida Suramericana S.A.	SURA Asset Management S.A.	-	-	(81)	-
Seguros de Vida Suramericana S.A.	Suramericana S.A.	31	(1,616)	(242)	-
Seguros Generales Suramericana S.A.	ARUS S.A.	-	(621)	(56)	8,867

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Seguros Generales Suramericana S.A.	Aseguradora Suiza Salvadoreña S.A. Aseuisa	100	-	(1,457)	-
Seguros Generales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(33)	(64)	1,354
Seguros Generales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	5	-	(853)	114
Seguros Generales Suramericana S.A.	Enlace Operativo S.A.	-	-	(9)	-
Seguros Generales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	703	-	(1,118)	110
Seguros Generales Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	(345)	-
Seguros Generales Suramericana S.A.	Habitat Adulto Mayor S.A.	-	-	(35)	-
Seguros Generales Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	-	-	78
Seguros Generales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	151	(7,690)	(669)	76,601
Seguros Generales Suramericana S.A.	Protección Garantizada LTDA	-	-	-	4,557
Seguros Generales Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	-	-	(195)	-
Seguros Generales Suramericana S.A.	Seguros de Vida Suramericana S.A.	23,533	-	(8,362)	3,334
Seguros Generales Suramericana S.A.	Seguros SURA S.A.	299	-	(394)	-
Seguros Generales Suramericana S.A.	Seguros Suramericana Panamá S.A.	9,389	-	(8,235)	879
Seguros Generales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	8	(12)	(508)	678
Seguros Generales Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(4)	(1,989)	-
Seguros Generales Suramericana S.A.	SURA Asset Management S.A.	-	(1,033)	(1,778)	-
Seguros Generales Suramericana S.A.	Suramericana S.A.	100	(9,648)	(71)	-
Seguros SURA S.A.	Seguros Generales Suramericana S.A.	-	(299)	-	394
Seguros SURA S.A. (Antes Invita)	AFP Integra S.A.	40	-	(278)	35
Seguros SURA S.A. (Antes Invita)	Fondos SURA SAF S.A.C.	-	-	(80)	-
Seguros SURA S.A. (Antes Invita)	Hipotecaria SURA Empresa Administradora Hipotecaria S.A.	409	-	(51)	1,107

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Seguros SURA S.A. (Antes Invita)	Sociedad Agente de Bolsa S.A.	-	-	(62)	-
Seguros SURA S.A. (Antes Invita)	SURA Asset Management S.A.	-	(23)	-	205
Seguros SURA S.A. (Antes Invita)	SURA Chile S.A.	-	(548)	(13)	833
Seguros Suramericana Panamá S.A.	Seguros Generales Suramericana S.A.	-	(9,389)	(879)	8,235
Seguros Suramericana Panamá S.A.	Servicios Generales Suramericana S.A. (Panamá)	183	(7)	-	-
Servicios de Salud IPS Suramericana S.A.	ARUS S.A.	-	(76)	(41)	979
Servicios de Salud IPS Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	2	-	(75)	121
Servicios de Salud IPS Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	3	(2,688)	(733)	33,119
Servicios de Salud IPS Suramericana S.A.	Enlace Operativo S.A.	-	-	(5)	-
Servicios de Salud IPS Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	12,896	(1,146)	(253,142)	1,040
Servicios de Salud IPS Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	(2)	-
Servicios de Salud IPS Suramericana S.A.	Habitat Adulto Mayor S.A.	-	-	(8)	-
Servicios de Salud IPS Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	2	(3)	(22)	32
Servicios de Salud IPS Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	3,016	-	(34,785)	-
Servicios de Salud IPS Suramericana S.A.	Seguros de Vida Suramericana S.A.	3,461	(8)	(39,957)	3,344
Servicios de Salud IPS Suramericana S.A.	Seguros Generales Suramericana S.A.	12	(8)	(678)	508
Servicios de Salud IPS Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(53)	(22)	2
Servicios de Salud IPS Suramericana S.A.	SURA Asset Management S.A.	-	-	(14)	-
Servicios de Salud IPS Suramericana S.A.	Suramericana S.A.	2	-	(3)	-
Servicios Generales Suramericana S.A.	ARUS S.A.	-	-	-	11
Servicios Generales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	224	-	(27)	-
Servicios Generales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	16	-	-	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Servicios Generales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	41	-	-	-
Servicios Generales Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	20	-	(45)	-
Servicios Generales Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	-	(4)	-
Servicios Generales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	64,710	-	(3,717)	-
Servicios Generales Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	338	-	(228)	-
Servicios Generales Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	(28)	(149)	386
Servicios Generales Suramericana S.A.	Seguros Generales Suramericana S.A.	4	-	-	1,989
Servicios Generales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	53	-	(2)	22
Servicios Generales Suramericana S.A.	SURA Asset Management S.A.	69	-	(270)	-
Servicios Generales Suramericana S.A.	Suramericana S.A.	27	-	(700)	-
Servicios Generales Suramericana S.A. (Panamá)	Seguros Suramericana Panamá S.A.	7	(183)	-	-
Servicios y Ventas Compañía Limitada	Seguros Generales Suramericana S.A (Antes RSA Seguros Chile S.A.)	-	(15)	-	-
Sociedad Agente de Bolsa S.A.	Seguros SURA S.A. (Antes Invita)	-	-	-	62
SURA Art Corporation S.A. de C.V.	Afore SURA S.A. de C.V.	-	(7)	-	43
SURA Asset Management España S.L.	Grupo de Inversiones Suramericana Holanda B.V.	-	(49)	-	-
SURA Asset Management México S.A. de C.V.	Afore SURA S.A. de C.V.	-	(7)	-	44
SURA Asset Management México S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	7,436	-	-	-
SURA Asset Management Perú S.A.	AFP Integra S.A.	-	-	-	69
SURA Asset Management S.A.	AFP Integra S.A.	31	-	(21)	(309)
SURA Asset Management S.A.	Fondos SURA SAF S.A.C.	5	-	(3)	(45)
SURA Asset Management S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	3

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
SURA Asset Management S.A.	Seguros de Vida Suramericana S.A.	-	-	-	81
SURA Asset Management S.A.	Seguros Generales Suramericana S.A.	1,033	-	-	1,778
SURA Asset Management S.A.	Seguros SURA S.A. (Antes Invita)	23	-	(19)	(186)
SURA Asset Management S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	14
SURA Asset Management S.A.	Servicios Generales Suramericana S.A.	-	(69)	-	270
SURA Asset Management S.A.	SURA Chile S.A.	-	(1,889)	-	3,157
SURA Asset Management S.A.	SURA Investment Management Colombia S.A.S	71	-	(3)	-
SURA Asset Management Uruguay Sociedad de Inversión S.A.	Ahorro Inversión SURA Administradora de Fondos de Inversión S.A.	-	-	(8,920)	8,920
SURA Chile S.A.	Administradora General de Fondos SURA S.A.	260	-	(1,841)	-
SURA Chile S.A.	AFAP SURA S.A.	236	-	(348)	-
SURA Chile S.A.	Afore SURA S.A. de C.V.	3,338	-	(4,872)	-
SURA Chile S.A.	AFP Capital S.A.	-	-	(9,184)	35
SURA Chile S.A.	AFP Integra S.A.	1,338	-	(2,004)	-
SURA Chile S.A.	Corredores de Bolsa SURA S.A.	-	-	(3,071)	-
SURA Chile S.A.	Seguros de Vida SURA S.A.	-	(9)	(5,546)	195
SURA Chile S.A.	Seguros SURA S.A. (Antes Invita)	546	-	(819)	-
SURA Chile S.A.	SURA Asset Management S.A.	2,126	(185)	(3,229)	20
SURA Data Chile S.A.	Administradora General de Fondos SURA S.A.	-	-	(339)	-
SURA Data Chile S.A.	AFP Capital S.A.	-	-	(3,681)	-
SURA Data Chile S.A.	Corredores de Bolsa SURA S.A.	-	-	(363)	-
SURA Data Chile S.A.	Seguros de Vida SURA S.A.	-	-	(1,877)	4
SURA Investment Management Colombia S.A.S	SURA Asset Management S.A.	-	(71)	-	3
SURA Investment Management S.A. de C.V.	Afore SURA S.A. de C.V.	284	(905)	(1,141)	4,062

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
SURA Investment Management S.A. de C.V.	Asesores SURA S.A. de C.V.	-	(1,477)	-	5,928
SURA Investment Management S.A. de C.V.	Pensiones SURA S.A. de C.V.	77	-	(430)	-
SURA Investment Management S.A. de C.V.	Promotora SURA AM S.A. de C.V.	-	(2,164)	-	9,654
SURA Investment Management S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	7	-	(37)	-
SURA S.A.	AFP Capital S.A.	75	-	-	-
Suramericana S.A.	ARUS S.A.	-	(2)	-	594
Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	-	-	10
Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	(90)	-	-
Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	9
Suramericana S.A.	Seguros de Vida Suramericana S.A.	1,616	(31)	-	242
Suramericana S.A.	Seguros Generales Suramericana S.A.	9,648	(100)	-	71
Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	(2)	-	3
Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(27)	-	700
ARUS S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	29	-	(234)	25
ARUS S.A.	Diagnóstico y Asistencia Médica S.A.	77	-	(646)	-
ARUS S.A.	Enlace Operativo S.A.	2	-	-	-
ARUS S.A.	EPS y Medicina Prepagada Suramericana S.A.	878	-	(8,592)	-
ARUS S.A.	Operaciones Generales Suramericana S.A.S.	7	-	(35)	-
ARUS S.A.	Seguros de Riesgos Laborales Suramericana S.A.	292	-	(2,412)	-
ARUS S.A.	Seguros de Vida Suramericana S.A.	174	-	(771)	-
ARUS S.A.	Seguros Generales Suramericana S.A.	621	-	(8,867)	56
ARUS S.A.	Servicios de Salud IPS Suramericana S.A.	76	-	(979)	41
ARUS S.A.	Servicios Generales Suramericana S.A.	-	-	(11)	-

FROM	TO	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
ARUS S.A.	Suramericana S.A.	2	-	(594)	-
Seguros SURA S.A (Royal & Sun Alliance Seguros (Argentina) S.A.)	Aseguradora de Créditos y Garantías S.A.	146	-	(103)	(487)
Seguros SURA S.A (Royal & Sun Alliance Seguros (Argentina) S.A.)	Atlantis Sociedad Inversora S.A.	-	-	(30)	-
Seguros SURA S.A (Royal & Sun Alliance Seguros (Argentina) S.A.)	Santa Maria del Sol S.A.	-	-	(46)	-
Aseguradora de Créditos y Garantías S.A.	Atlantis Sociedad Inversora S.A.	-	-	-	(1)
Aseguradora de Créditos y Garantías S.A.	Seguros SURA S.A (Royal & Sun Alliance Seguros (Argentina) S.A.)	-	(146)	-	589
Seguros Generales Suramericana S.A (RSA Seguros Chile S.A.)	Chilean Holding Suramericana SPA (RSA Chilean Holding SpA)	43,519	-	(1,350)	-
Seguros Generales Suramericana S.A (RSA Seguros Chile S.A.)	Seguros de Vida Suramericana S.A (RSA Seguros de Vida S.A.)	240	-	(883)	-
Seguros Generales Suramericana S.A (RSA Seguros Chile S.A.)	Servicios y Ventas Compañía Limitada	15	-	-	-
Chilean Holding Suramericana SPA (RSA Chilean Holding SpA)	Seguros Generales Suramericana S.A (RSA Seguros Chile S.A.)	-	(43,520)	-	1,349
Seguros de Vida Suramericana S.A (RSA Seguros de Vida S.A.)	Seguros Generales Suramericana S.A (RSA Seguros Chile S.A.)	-	(240)	-	883
Protección Garantizada LTDA	Seguros Generales Suramericana S.A.	-	-	(4,557)	-
Santa Maria del Sol S.A.	Seguros SURA S.A (Royal & Sun Alliance Seguros (Argentina) S.A.)	-	-	-	46
Atlantis Sociedad Inversora S.A.	Aseguradora de Créditos y Garantías S.A.	-	-	-	1
Atlantis Sociedad Inversora S.A.	Seguros SURA S.A (Royal & Sun Alliance Seguros (Argentina) S.A.)	-	-	-	30
		2,783,334	(2,783,334)	(898,449)	898,449

REMUNERATION OF KEY MANAGEMENT PERSONNEL**Senior management benefits**

	2017	2016
Short-term employee benefits	82,760	87,888
Long-term employee benefits	1,093	158
Post-employment benefits	55,252	39,179
Termination benefits	-	-
Total	139,105	127,225

Transactions with members of the Board of Directors

	2017	2016
Accounts receivable due from members of the Board (1)	4,412	3,652

(1) Corresponding to loans granted to members of the Board at an agreed rate of 0.56%

(2) Corresponding to long-term and post-employment employee benefits

Fees paid to Members of the Board of Directors

Board of Director fees are shown as follows:

	2017	2016
Fees paid to Members of the Board of Directors	5,632	5,831

For the years ended December 31, 2017 and December 31, 2016, members of the Board of Directors received fees for attending meetings of the Board of Directors and Board Committees, pursuant to that laid out in the Company's by-laws as well as the authorizations granted by the General Assembly of Shareholders, which established the following:

The members of the Board of Directors of Grupo de Inversiones Suramericana and Subsidiaries are responsible for formulating the Organization's main business guidelines and making key decisions.

NOTE 40. EVENTS AFTER THE REPORTING PERIOD

These separate annual financial statements at the cut-off date of December 31, 2017 were prepared for oversight purposes and issued as authorized by Grupo SURA's Board of Directors on February 26, 2018, as of that time and until these were duly published, the following events occurred which in no way implied making any adjustments to the figures therein contained:

- ¶ On January 26, Grupo de Inversiones Suramericana S.A. (Grupo SURA) announced that approval was given to a proposal to be included in the agenda corresponding to the upcoming ordinary annual meeting of the General Assembly of Shareholders, this consisting of presenting and requesting shareholder approval for a commitment to merge on the part of Grupo SURA (the absorbing company) and its foreign-based subsidiaries Gruposura Finance and Grupo de Inversiones Suramericana Panama S.A. (the companies to be absorbed).

With regard to this proposal, it is important to note that, in accordance with the philosophy underpinning the Financial Conglomerate Act (Law 1870 of 2017), corporate structures must tend towards being simple and straightforward, thereby facilitating the oversight and control functions of the regulatory authorities in the different jurisdictions. Furthermore, this corporate simplification would entail economic and administrative benefits for Grupo SURA as well as its shareholders and stakeholders alike.

This operation would not entail any amendments to be made to Grupo SURA's Articles of Incorporation nor would it change the value of Grupo SURA's stock or share capital, since this merger would involve taking over companies which are wholly owned (100%) by Grupo SURA. Consequently, there would be no exchange of shares and Grupo SURA's shareholders shall not see their stakes in the acquiring company be altered in any way whatsoever.

- ¶ • As part of a Corporate Simplification Initiative being deployed by the Company, in February 2018, the Brazilian firm INVERSIONES SURA BRASIL PARTICIPAÇÕES LTDA. was set up as a vehicle through which Suramericana shall hold an indirect stake in the Brazilian insurance firm, Seguros Sura S.A.

Once this corporate simplification initiative is completed, this new Brazilian company shall replace the simplified joint stock company Inversiones Sura Brasil S.A.S. which was incorporated in Colombia for the single purpose of serving as a vehicle for acquiring the Brazilian insurance firm in 2016.

NOTE 41. BOARD APPROVAL FOR THE COMPANY'S FINANCIAL STATEMENTS

Grupo Sura's financial statements for the year ended 31 December 2017 were duly approved by the Board of Directors, as recorded in Minutes No. 274 of a Board meeting held on February 26, 2018, for their subsequent presentation to the Shareholders at their upcoming Annual Meeting, pursuant to that stipulated in the Colombian Code of Commerce.

FINANCIAL PERFORMANCE ANALYSES (NON-AUDITED)

The following are the analyses of the financial results obtained for the year ended December 31, 2017, with comparative figures for year ended December 31, 2016. These analyses are drawn up by Senior Management and do not form part of the financial statements.

RATIO		YEAR-END 2017	YEAR-END 2016	INTERPRETATION	FORMULAS
LIQUIDEZ	Financial strength	43,149,734	42,121,538	Creditors held 62.2% at year-end 2017 versus 62.39% at year-end 2016 with the shareholders owning the remaining 37.8% at year-end 2017 versus 37.61% at year-end 2016	Total liabilities
		= 62.20%	= 62.39%		Total Assets
DEBT	Total	43,149,734	42,121,538	For each peso that the Company has invested in assets 62.2% at year-end 2017 and 62.39% at year-end 2016 had been financed by creditors	Total liabilities
	= 62.20%	= 62.39%	Total Assets		
	Interest coverage	2,093,325	2,201,761	The Company's net income came to 327.74% at year-end 2017 and 415.35% at year-end 2016 of the total amount of interest paid.	Net income + interest
	= 327.74%	= 415.35%	Financial expense		
Leverage	638,707	530,103	For each peso (\$ 1.00) belonging to the Company's shareholders 164.53% had been committed at year-end 2017 and 165.86% at year-end 2016	Total liabilities with third parties	
Total	43,149,734	42,121,538		Equity	
= 164.53%	= 165.86%	Total obligations with fin. institutions			
PROFITABILITY	Total fin. obligations	26,226,561	25,395,827	For each peso (\$ 1.00) of Shareholders' Equity 38.29% had been committed in the form of financial obligations at year-end 2017 and 165.86% at year-end 2016	Equity
	= 38.29%	= 38.37%	Equity		
	Net profit margin	1,454,618	1,671,658	Net income represented 7.11% of net revenues at year-end 2017 and 9.15% of these same at year-end 2016.	Net income
	= 7.11%	= 9.15%	Net revenues		
	Return on Equity	20,461,750	18,275,678	Net returns accounted for 5.87% of shareholders' equity at year-end 2017 compared to 7.05% at year-end 2016	Net revenues
= 5.87%	= 7.05%	Equity - profits			
Return on total assets	1,454,618	1,671,658	Net earnings		
		69,376,295	67,517,365	Net returns on total assets came to 2.1% at year-end 2017 and 2.48% at year-end 2016	Total Assets

SEPARATE FINANCIAL STATEMENTS

RESPONSIBILITIES OF THE DIRECTORS OVER THE ACCOUNTS

The Directors are required to prepare Financial Statements, for each financial period, that reasonably present the Company's Financial Position, results, and cash flows, at December 31, 2017, with comparative figures, at December 31, 2016. For preparation of those Financial Statements, the Directors are required to:

- 1 Select appropriate accounting policies and then apply them consistently.
- 1 Present information, including accounting policies, that is relevant, reliable, comparable, and understandable.
- 1 Make judgments and reasonable and prudent estimates.
- 1 State whether the applicable accounting standards have been followed, subject to any significant deviation, revealed and explained in the accounts.
- 1 Prepare the accounts based on the ongoing business, unless it is inappropriate to presume that the Company will continue in business.

The Managers confirm that the accounts meet the above requirements.

In addition, the Directors consider that they are responsible for maintaining appropriate accounting records, that reveal with reasonable accuracy, at any time, the financial situation of the Company. They are also responsible for safeguarding the assets of the Company and, therefore, for taking reasonable steps to prevent and detect fraud, and other irregularities.

ORIGINAL SIGNED*
David Bojanini García
CHIEF EXECUTIVE OFFICER

ORIGINAL SIGNED*
Luis Fernando Soto Salazar
CHIEF ACCOUNTANT - T.P. 16951-T

* Translation into English of the original version signed in Spanish.

CERTIFICATION OF THE SEPARATE FINANCIAL STATEMENTS

The undersigned Legal Representative and Public Accountant, under whose responsibility the Separate Financial Statements were prepared, certify:

That for the issuance of the Statement of Financial Position, at December 31, 2017, and of the Income Statement for the year, Other Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows, for the year ended on that date, and compliance of the regulations, are made available to the Shareholders and third parties, as the statements and the figures contained in them, have been faithfully taken from the books and have been previously verified.

These affirmations, explicit and implicit, are the following:

- ¶ **Existence:** The assets and liabilities of Grupo de Inversiones Suramericana S.A. exist on the cut-off date, and the transactions recorded have been realized, during the year.
- ¶ **Integrity:** All economic facts have been recognized.
- ¶ **Rights and obligations:** The assets represent probable future economic benefits and the liabilities represent probable future economic sacrifices, obtained or under the charge of Grupo de Inversiones Suramericana S.A., on the cutoff date.
- ¶ **Valuation:** All elements have been recognized by appropriate amounts.
- ¶ **Presentation and disclosure:** Economic facts have been correctly classified, described, and disclosed

In accordance with Article 46 of Law 964 of 2005, in my capacity, as Legal Representative of Grupo de Inversiones Suramericana S.A., the Financial Statements and other reports, relevant to the public, related to the year, as of December 31, 2017 and December 31, 2016, do not contain any defects, inaccuracies, or errors that prevent us from knowing the true financial situation, or the operations of the Company.

ORIGINAL SIGNED*
David Bojanini García
CHIEF EXECUTIVE OFFICER

ORIGINAL SIGNED*
Luis Fernando Soto Salazar
CHIEF ACCOUNTANT - T.P. 16951-T

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STATUTORY AUDITORS' REPORT



To the Shareholders of:
Grupo de Inversiones Suramericana S.A.

REPORT ON THE FINANCIAL STATEMENTS

I have audited the attached separate financial statements of Grupo de Inversiones Suramericana S.A. consisting of its Statement of Financial Position at December 31, 2017 together with the corresponding Statements of Income, Comprehensive Income, Changes to Shareholders Equity, and Cash Flows for the fiscal year ending on the aforementioned date as well as the summary of significant accounting policies and other explanatory notes.

SENIOR MANAGEMENT RESPONSIBILITIES WITH REGARD TO THE FINANCIAL STATEMENTS

The Company's Senior Management is responsible for the proper preparation and presentation of these separate financial statements according to Accepted Accounting and Financial Reporting Standards in Colombia (NCIF in Spanish) and for designing, implementing and maintaining the corresponding internal controls required for preparing and presenting these separate financial statements and ensuring that these remain free of any material misstatements due to either fraud or error, while selecting and applying the appropriate accounting policies as well as providing accounting estimates that are reasonable given the circumstances.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these separate financial statements based on my audit work. I carried out my work in accordance with Accepted International Auditing Standards in Colombia, which oblige me to adhere to all ethical requirements and plan and perform my audit work in order to obtain reasonable assurance that the separate financial statements do not contain any material misstatements

An audit of financial statements includes carrying out procedures in order to obtain auditing evidence of the figures and disclosures included in the financial statements. The procedures thus selected depend on the auditor's professional judgment that includes an examination of the risk of material errors in the financial statements. Upon auditing this risk, the statutory auditor considers the corresponding internal controls implemented by the Company for preparing and presenting financial statements so as to design audit procedures that are appropriate under the circumstances. An audit also includes examining the accounting policies used and the more significant estimates made by Senior Management as well as the presentation of the financial statements as a whole.

I believe that the audit evidence thus obtained provides a reasonable basis for the opinion issued below.

OPINIÓN

In my opinion the attached separate financial statements, that were faithfully taken from the Company's books, reasonably reflect in all material aspects the Company's financial position at December 31, 2017, together with its operating results and cash flows for the year ended on the aforementioned date, this in accordance with Accepted Accounting and Financial Reporting Standards in Colombia.

OTHER MATTERS

The separate financial statements presented and prepared by Grupo de Inversiones Suramericana S.A. under Accepted Accounting and Financial Reporting Standards in Colombia for the fiscal year ended December 31, 2016, and which form part of the comparative information presented in conjunction with the attached separate financial statements, were also audited by myself, based on Accepted International Auditing Standards in Colombia, for which I issued an unqualified opinion on February 24, 2017

OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on the scope of my audit, I did not learn of any situation in which the Company failed to comply with or observe the following obligations: 1) keeping minute books, the shareholder register and accounting records based on legal requirements and accounting techniques; 2) carrying out operations in accordance with the Company's by-laws and the decisions made by the Company's shareholders and its Board of Directors as well as rules and regulations governing the Colombian social security system; and 3) preserving the Company's correspondence and accounting vouchers. Furthermore, the attached separate financial statements tallied with the accounting information included in the Company's Management Report as drawn up by its Senior Management, which included a statement on the part of Senior Management regarding the free movement of endorsed invoices as issued by vendors or suppliers. This report, which I issued separately on February 26, 2018, corresponds to that required by Article 1.2.1.2 of Decree 2420 of 2015.

Medellín, Colombia February 26, 2018

ORIGINAL SIGNED*

Mariana Milagros Rodríguez

STATUTORY AUDITOR - LIC. NO. 112752-T

Appointed by Ernst & Young Audit S.A.S. TR-530

[Please refer to my Statutory Auditor's Report, issued

[February 26, 2018]

* Translation into English of the original version signed in Spanish.

ATTACHMENT TO THE BALANCE SHEET AT DECEMBER 31, 2017

SECTION 446 OF THE CODE OF COMMERCE

(Stated in thousands of Colombian pesos)

1	AMOUNTS PAID OUT TO SENIOR MANAGEMENT AND THE BOARD OF DIRECTORS	
	Fees paid to Members of the Board of Directors	816,878
	Senior Management salaries and social benefits	14,012,716
	Traveling and business expense, bonuses, transport and other remunerations paid to Senior Management and the Board of Directors	
	No payments involving these items are made directly to the incumbents since the Company defrays the expense incurred in performing their duties.	
	Notes	
	1. In the case of trips made by executives to different offices in the performance of their duties, the Company pays the corresponding accommodation, transport and any other necessary expense.	
	2. When attending visitors from both within the country and abroad, the Company recognizes this expense in the respective accounts	
2	PROFESSIONAL AND TECHNICAL CONSULTANCY FEES	7,355,011
3	STATUTORY AUDITOR AND EXTERNAL AUDITING STAFF	317,144
4	ASSETS AND LIABILITIES ABROAD	
	Cash and banks USD 67	198,845
	Investments in other local or foreign companies	
	For more information, please refer to the notes to the Separate Statement of Financial Position	27,532,329,449
5	TRANSFERS OF FUNDS AND OTHER ASSETS FREE OF CHARGE	5,000,000
6	ADVERTISING EXPENSE	1,649,889
7	BUSINESS EXPENSE	1,060,099

PROPOSED DISTRIBUTION OF PROFITS

I. THE ALLOCATION OF PROFITS CORRESPONDING TO THE FISCAL YEAR OF 2017

Based on the balance of the net income account as shown on the Company's Statement of Financial Position for the fiscal year of 2017, the following profit distribution is proposed:

Profits for the period		\$ 755,085,468,385
Occasional reserve	\$ 755,085,468,385	

II. AMOUNT TO BE APPROPRIATED FROM THE COMPANY'S OCCASIONAL RESERVE

1. Proposal:

Appropriate an amount from the occasional reserve set up using the profit produced until December 31, 2016 to be distributed as follows:		\$ 306,964,369,864
1.1. In the form of dividends.	\$ 301,464,369,864	
1.2. Setting up a reserve for social outreach projects.	\$ 5,500,000,000	

2. Form of payment:

Dividends are to be paid entirely in cash to all shareholders

The Company has both a taxed occasional reserve as well as a non-taxed occasional reserve. Dividend payments shall be made in cash, which in turn shall be taken from the non-taxed occasional reserve.

The dividends to be distributed shall amount to five hundred and eighteen Colombian pesos (COP 518) per share on a total of 581.977.548 ordinary and preferred shares, accruing as soon as this is duly declared by the General Assembly of Shareholders. These dividends shall be 100% tax exempt for the shareholder, with regard to both income tax as well as occasional gains tax, as stipulated in Articles 48, 49 and 36-3 of the Colombia Tax Code.

Since the Company acts as a withholding agent in the Municipality of Medellín for Industry and Commerce Tax (known as "ICA" in Spanish), shareholders who are subject to this specific tax being withheld, shall have the amount of Industry and Commerce tax due withheld from their total cash dividend payment.

3. Payment date:

Dividends shall be paid in cash as follows:

One hundred and twenty-nine Colombian pesos with fifty cents (COP \$ 129.50) per share on the following dates: April 2, 2018, July 3, 2018, October 1, 2018 and January 2, 2019.

4. Ex-Dividend Period

The ex-dividend period shall be comprised between the first trading day of the dividend payment period and the 4 trading days immediately preceding that date, except for the ex-dividend period corresponding to the first dividend payment which shall go back three trading days immediately preceding the payment date. Consequently, any shares that are traded during the ex-dividend period shall not entitle the buyer to the corresponding dividends.

BEGINNING OF THE EX-DIVIDEND PERIOD	END OF THE EX-DIVIDEND PERIOD
March 23, 2018	April 2, 2018 (inclusive)
June 26, 2018	July 3, 2018 (inclusive)
September 25, 2018	October 1, 2018 (inclusive)
December 26, 2018	January 2, 2019 (inclusive)

Medellín, March 7, 2018

GRUPO DE INVERSIONES SURAMERICANA S.A.

SEPARATE STATEMENT OF FINANCIAL POSITION

At December 31, 2017

(With comparative figures at December 31, 2016).

(Expressed as millions of Colombian Pesos).

	NOTE	DECEMBER 2017	DECEMBER 2016
ASSETS			
Cash and cash equivalents	7	69,298	451,443
Investments	8.1.3	17,664	23,091
Trade and other receivables	8.1	19,824	767
Accounts receivable related parties and associates	8.1.1	39,450	99,899
Other financial assets	8.1.2	76,674	123,526
Other non-financial assets		244	244
Property and equipment	10	25,984	40,176
Investments in associates	11.1	14,395,418	14,395,418
Investments in subsidiaries	11.2	13,119,248	10,891,236
Total assets		27,763,804	26,025,801
LIABILITIES			
Other financial liabilities	8.2	1,216,979	1,311,689
Provisions for employee benefits	12	34,871	32,132
Other provisions	13	205,035	266,258
Trade and other payables	8.2.3	14,687	36,642
Accounts payable to related parties	8.2.2	1,664,427	1,727,010
Current tax liabilities	9	33,338	62,103
Securities issued	14	1,779,793	986,781
Deferred tax liabilities	9	39,554	66,281
Total liabilities		4,988,684	4,488,896
EQUITY			
Share capital issued	15	109,121	107,882
Paid-in capital	15	3,290,767	3,307,663
Retained earnings		11,799,493	11,754,545
Other comprehensive income		1,211,878	472,258
Reserves	15	5,608,777	5,059,076
Profit for the period		755,085	835,481
Total equity		22,775,121	21,536,905
Total equity and liabilities		27,763,804	26,025,801

The Notes are an integral part of these Financial Statements.

ORIGINAL SIGNED*
David Bojanini García
LEGAL REPRESENTATIVE

ORIGINAL SIGNED*
Luis Fernando Soto Salazar
PUBLIC ACCOUNTANT - P.C. 16951-T
LIC. NO. 16951-T

ORIGINAL SIGNED*
Mariana Milagros Rodríguez
STATUTORY AUDITOR - LIC. NO. 112752-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Please refer to my Statutory Auditor's Report, issued
February 26, 2018)

* Translation into English of the original version signed in Spanish.

GRUPO DE INVERSIONES SURAMERICANA S.A.

SEPARATE INCOME STATEMENT

Year ended December 31, 2017

(With comparative figures for the year ended at December 31, 2016).

(Values expressed in millions of Colombian Pesos, except net profit per share).

	NOTE	DECEMBER 2017	DECEMBER 2016
Dividends	11.1, 18	380,648	360,742
Income from investments, net	18	10,434	(7,115)
Loss at fair value, net	18	(141,676)	(125,931)
Profit from the Equity Method of subsidiaries, net	11.2, 18	906,936	748,767
Income from investments sales, net	18	1,214	65,940
Other income		3,717	179
Total income		1,161,273	1,042,582
Administrative expenses	20	(83,222)	(41,263)
Employee benefits	4, 12.4	(25,671)	(20,990)
Fees	21	(8,489)	(19,634)
Amortizations		-	(72)
Depreciation	10	(1,178)	(407)
Interest	22	(293,287)	(206,845)
Exchange differences (Net)	19	(12,835)	143,648
Total expenses		(424,682)	(145,563)
Profit before tax		736,591	897,019
Income tax	9	18,494	(61,538)
Net profit from continuing operations		755,085	835,481
Net profit from discontinued operations		-	-
Profit, net		755,085	835,481
Earnings per share	23	1,610	1,781

The Notes are an integral part of these Financial Statements.

ORIGINAL SIGNED*
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LIC. NO. 16951-T

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February 26, 2018)

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GRUPO DE INVERSIONES SURAMERICANA S.A.

SEPARATE STATEMENT OF COMPREHENSIVE
INCOME

Year ended December 31, 2017

(With comparative figures for the year ended at December 31, 2016).

(Expressed in millions of Colombian Pesos).

	NOTE	DECEMBER 2017	DECEMBER 2016
Profit for the period		755,085	835,481
Other comprehensive income, net of tax, gains (losses) from investments of equity instruments	17	(5,427)	1,579
Other comprehensive income, net of tax, losses from new measurements of defined employee benefits	17	(1,209)	(1,041)
Total other comprehensive income not reclassified to profit or loss, net of tax		(6,636)	538
Share of other comprehensive income of subsidiaries accounted for using the Equity Method, that are reclassified to profit or loss, net of taxes	17	746,256	(558,957)
Total other comprehensive income reclassified to profit and loss		746,256	(558,957)
Total other comprehensive income		739,620	(558,419)
Total comprehensive income		1,494,705	277,062

The Notes are an integral part of these Financial Statements.

ORIGINAL SIGNED*
David Bojanini García
LEGAL REPRESENTATIVEORIGINAL SIGNED*
Luis Fernando Soto Salazar
PUBLIC ACCOUNTANT - P.C. 16951-T
LIC. NO. 16951-TORIGINAL SIGNED*
Mariana Milagros Rodríguez
STATUTORY AUDITOR - LIC. NO. 112752-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Please refer to my Statutory Auditor's Report, issued February 26, 2018)

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GRUPO DE INVERSIONES SURAMERICANA S.A.

SEPARATE CHANGE IN EQUITY STATEMENT

Year ended December 31, 2017

(With comparative figures for the year ended at December 31, 2016).

(Expressed in millions of Colombian Pesos)

	NOTE	SHARE CAPITAL ISSUED	PAID-IN CAPITAL	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME	LEGAL RESERVES	OCCASIONAL RESERVES	PROFIT FOR THE PERIOD	TOTAL EQUITY
At 1 January 2016		107,882	3,307,663	11,737,265	1,030,676	138,795	4,463,664	723,988	21,509,934
Other comprehensive income		-	-	-	(558,419)	-	-	-	(558,419)
Shares in subsidiaries accounted for under the Equity Method	17	-	-	-	(558,956)	-	-	-	(558,956)
Gains from equity instruments	17	-	-	-	1,579	-	-	-	1,579
Gains from new measurements of defined employee benefits	17	-	-	-	(1,041)	-	-	-	(1,041)
Profit for the period		-	-	-	-	-	-	835,481	835,481
Net comprehensive income for the period		-	-	-	(558,418)	-	-	835,481	277,063
Transferred to accumulated earnings		-	-	723,988	-	-	-	(723,988)	-
2015 Profit distribution in accordance with the Meeting Minutes No. 21, of the Shareholder's Meeting of March 31, 2016:		-	-	-	-	-	-	-	-
Shareholder dividends (456 Pesos per share)	16	-	-	(262,371)	-	-	-	-	(262,371)
Donations to social projects	16	-	-	(5,000)	-	-	-	-	(5,000)
Reserves for the protection of investments	15	-	-	(456,617)	-	-	456,617	-	-
Minimum dividends, preference shares	14	-	-	17,280	-	-	-	-	17,280
At December 31, 2016		107,882	3,307,663	11,754,545	472,258	138,795	4,920,281	835,481	21,536,905

GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE CHANGE IN EQUITY STATEMENT

Year ended December 31, 2017

(With comparative figures for the year ended at December 31, 2016). (Expressed in millions of Colombian Pesos)

	NOTE	SHARE CAPITAL ISSUED	PAID-IN CAPITAL	RETAINED EARNINGS	OTHER COM- PREHENSIVE INCOME	LEGAL RESERVES	OCCASIONAL RESERVES	PROFIT FOR THE PERIOD	TOTAL EQUITY
At 1 January 2017		107,882	3,307,663	11,754,545	472,258	138,795	4,920,281	835,481	21,536,905
Shares issued		1,238	209,189	-	-	-	-	-	210,427
Other comprehensive income	26	-	-	-	739,620	-	-	-	739,620
Financial instruments with changes to OCI		-	-	-	(5,427)	-	-	-	(5,427)
Losses from new measurements of defined employee benefits, net of taxes		-	-	-	(1,209)	-	-	-	(1,209)
Shares in subsidiaries accounted for by the Equity Method		-	-	-	746,256	-	-	-	746,256
Profit		-	-	-	-	-	-	755,085	755,085
Net, comprehensive income for the period		-	-	-	739,620	-	-	755,085	1,494,706
Transferred to retained earnings		-	-	835,481	-	-	-	(835,481)	-
Distribution of 2016 profit, according to the minutes No. 22 from the Shareholders Meeting of March 31, 2017:		-	-	-	-	-	-	-	-
Dividends recognized as distributions to owners (488 Pesos per share)		-	-	(280,780)	-	-	-	-	(280,780)
Donation for social projects		-	-	(5,000)	-	-	-	-	(5,000)
Reserves for the protection of investments	24	-	-	(549,701)	-	-	549,701	-	-
Minimum dividends, preference shares	25	-	(226,085)	44,948	-	-	-	-	(181,137)
At December 31, 2017		109,121	3,290,767	11,799,493	1,211,878	138,795	5,469,982	755,085	22,775,121

The Notes are an integral part of these Financial Statements.

ORIGINAL SIGNED*
David Bojani Garcia
LEGAL REPRESENTATIVE

ORIGINAL SIGNED*
Luis Fernando Soto Salazar
PUBLIC ACCOUNTANT - P.C. 16951-T
LIC. NO. 16951-T

ORIGINAL SIGNED*
Mariana Milagros Rodriguez
STATUTORY AUDITOR - LIC. NO. 112752-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Please refer to my Statutory Auditor's Report, issued February 26, 2018)

* Translation into English of the original version signed in Spanish.

GRUPO DE INVERSIONES SURAMERICANA S.A.

SEPARATE STATEMENT OF CASH FLOWS

Year ended December 31, 2017

(With comparative figures for the year ended at December 31, 2016).

(Expressed in millions of Pesos).

	NOTE	DECEMBER 2017	DECEMBER 2017
Profit		755,085	835,481
ADJUSTMENTS TO RECONCILE PROFIT			
Adjustments for income tax expenses	9	(18,494)	61,538
Adjustments for financial costs	22	53,856	206,845
Adjustments for decreases in accounts receivables from commercial activities		(19,057)	(591)
Adjustments for the increases in other accounts receivable from operating activities		(368,361)	(401,981)
Adjustments for increases in other accounts payable from commercial activities		(62,637)	(278,994)
Adjustments for depreciation and amortization expenses		1,178	478
Adjustments for provisions		4,404	196,231
Adjustments for unrealized foreign currency losses		3,993	(160,028)
Adjustments for fair value gains	18	141,676	125,931
Adjustments for undistributed profits from the application of the Equity Method	11	(906,936)	(748,767)
Other adjustments for losses other than cash		-	(2)
Valuation of investments	18	(1,214)	(65,940)
Total adjustments to reconcile gains		(1,171,591)	(1,065,281)
Net cash flows from operations		(416,506)	(229,800)
Dividends received, associates		895,794	822,296
Taxes on profits paid		(36,403)	(37,313)
Net cash flows from operating activities		442,885	555,182
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Cash flows from losing control of subsidiaries or other businesses	11.1	-	504,375
Cash flows used to obtain control of subsidiaries or other businesses	11.1, 11.2	(1,106,496)	(2,865,604)
Other expenses for the sale of equity or debt instruments of other entities	18	1,214	65,940
Proceeds from the sale of property, plant and equipment	10	15,950	13
Purchases of property, plant and equipment	10	(2,936)	(23,145)
Payments derived from future contracts, forward contracts, options, and swap agreements (swaps)		(24,684)	-
Collection of forward, futures, options, and swap contracts (swaps)		40,682	58,310
Net cash flows from (used in) investment activities		(1,076,270)	(2,260,111)

	NOTE	DECEMBER 2017	DECEMBER 2017
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		29,291	17,279
Proceeds from loans		2,448,932	2,645,186
Loan repayments		(1,593,534)	(454,509)
Payments of liabilities from financial leasing		(949)	(404)
Dividends paid	16	(346,326)	(257,456)
Interest paid		(250,023)	(26,283)
Other cash inflows (outflows) of cash		(5,000)	(5,000)
Net cash flows from (used in) financing activities		282,391	1,918,813
Increase (decrease) net of cash and cash equivalents, before the effect of changes in the exchange rate		(350,994)	213,885
IMPACT OF VARIATIONS IN THE EXCHANGE RATE ON CASH AND CASH EQUIVALENTS			
Impact of variations in the exchange rate on cash and cash equivalents		(31,150)	16,330
Increase (decrease), net, in cash and cash equivalents		(382,144)	230,215
Cash and cash equivalents at the beginning of period	5.1	451,443	221,228
Cash and cash equivalents, at the end of period	5.1	69,298	451,443

The Notes are an integral part of these Financial Statements.

ORIGINAL SIGNED*
David Bojanini García
LEGAL REPRESENTATIVE

ORIGINAL SIGNED*
Luis Fernando Soto Salazar
PUBLIC ACCOUNTANT - P.C. 16951-T
LIC. NO. 16951-T

ORIGINAL SIGNED*
Mariana Milagros Rodríguez
STATUTORY AUDITOR - LIC. NO. 112752-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Please refer to my Statutory Auditor's Report, issued
February 26, 2018)

* Translation into English of the original version signed in Spanish.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

At December 31, 2017

(With comparative figures at December 31, 2016).

(Expressed in millions of Colombian Pesos, except for exchange rates, and number of shares).

NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A., was established in connection with the spin-off of Compañía Suramericana de Seguros S.A., according to Public Deed No. 2295 of 24 December 1997 of the 14th Notary in Medellín, formalized accounting on 1 January 1998; the principal domicile located on Carrera 43A # 5A - 113 Floor 13, Edificio One Plaza, in the city of Medellín, and may have branches, agencies, offices, and representations in other places in the country and abroad, when determined by the Board of Directors. The duration of the Company is until 2097.

Its corporate purpose is investment in movable and immovable property. Related to investment in personal property, plus any kind of movable property, may be done in shares, quotas, or shares in companies, entities, organizations, funds, or any other legal figure that allows investment of resources. It also may invest in securities or fixed income instruments, variable, whether or not listed on a public market. In any case, issuers and/or investees may be, public or private, national, or foreign.

The accounting period shall be adjusted, to the calendar year, annually, effective thirty-first (31st) of December. The Company is subject to sole control by the Financial Superintendence of Colombia (Superintendencia Financiera de Colombia), being registered in the National Registry of Securities and Issuers (RNVE) as issuer of securities.

CORPORATE PROFILE:

Grupo de Inversiones Suramericana S.A. (Hereinafter "Grupo SURA") is a Latin American company listed on the Colombia Stock Exchange (BVC) and is registered in the ADR program - Level I in the United States. It is also the only

Latin American company in the sector Diversified Financial Services, which is part of the Dow Jones Sustainability Index, with which companies that stand out worldwide for its best practices in economic, environmental, and social issues, are recognized. This entity was awarded the 2016 bronze recognition, which represents the Second Company in The World, in this sector, with the highest standards in this area. Grupo SURA classifies its investments in two ways: strategies focused in the sectors of finance services, insurance, pensions, savings, and investment, and investments in portfolio that are, primarily, in the sectors of processed foods, cement, energy, ports, real estate sector and infrastructure.

The companies in which Grupo SURA invests (Suramericana S.A., SURA Asset Management S.A., Bancolombia S.A., Nutresa S.A., and Grupo Argos S.A.) continue to strengthen its presence in different Latin American countries, the United States, and to a lesser extent, Asia.

The investments in the financial services sector includes a 46.01% stake with voting rights (equivalent to a stake of 24.38% share capital) of Bancolombia, where Grupo SURA is the largest shareholder, with a stake of 81.13% of the capital of Suramericana S.A., the company that groups together insurance companies. The remaining 18.87% of the share capital of Suramericana belongs to German insurance company Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft Munich, known as "Munich Re." In addition, Grupo SURA directly holds a 76.47% equity of SURA Asset Management S.A., and 7.11% through Grupo de Inversiones Suramericana Panamá S.A., a company that groups together investments in the sector of pensions, savings, and investment in the region.

The remaining 16.42% of the share capital of SURA Asset Management S.A., is held by other local and international stakeholders.

The investments in the segment of processed foods of the industry sector, includes a stake of 35.17% of the share capital of Grupo Nutresa S.A., the largest processed foods conglomerate in Colombia, where Grupo SURA is also the majority shareholder.

The investments in segment cement, concrete, energy, ports, coal mines and the real estate sector, includes a stake of 35.56% of shares with voting rights (equivalent to a stake of 26.78% of equity interest) of Grupo Argos S.A., where Grupo SURA is also the majority shareholder. Grupo Argos is both the controlling shareholder of Cementos Argos S.A. and Odinsa S.A.

STRENGTHS OF THE ENTITY

1. Grupo SURA is a shareholder of several companies that have investments in leading companies in Colombia, Mexico, El Salvador, the Dominican Republic, Panama, Peru, Chile, Guatemala, Uruguay, Brazil, and Argentina. Grupo SURA has invested in well-established companies that belong primarily to the financial services sector, insurance, health, labor risks, pension funds and complementary services, and to a lesser extent, industrial sectors of the economy, including food processing, cement production and ready-mix concrete, power generation, ports, exploitation of coal mines and development of real estate projects.
2. Solid level of cash flows diversified by country and sector. Grupo SURA obtains most of its cash flow from dividends paid by a diversified group of companies, from several industries and countries in the Region. In recent years, these companies have paid dividends on a constant basis, which have registered increases of at least the inflation rate, measured by the Consumer Price Index (CPI).
3. Solid Statement of Financial Position that supports the expansion of the business. At December 31, 2017, Grupo SURA had a net worth of COP 22,775,121 million, and its financial indebtedness ratio over total assets was 10.8%. Traditionally, Grupo SURA has financed its expansion mainly with its cash flows from operating activities and the sale of non-strategic assets, and it is noteworthy, that the company closes the year with financial indebtedness levels that are significantly lower for the size of its portfolio.
4. Multi-product, multi-segment, and multi-channel business model. Grupo SURA has increased its market share in the financial services sector, in the region, by developing an integrated business model that allows it to take advantage of the synergies between the different banking, insurance, and pension businesses, while gaining access to a larger base of clients and promoting greater loyalty among them, always being very rigorous with compliance of the norms, in each country and respecting legal restrictions. The integrated business model, used to find different companies, is a real competitive advantage, and is also a barrier to entry, that makes it difficult for competitors to enter the market.
5. Commitment to best practices, good corporate governance, and sustainable development. The Good Governance Code was implemented in 2002 and annual reports on this matter have been published since 2005. Our Corporate Governance System is based on the corporate principles of equity, respect, responsibility, and transparency, together with a firm commitment to the region and their people. The Code of Good Governance complies with high international standards and embodies the philosophy and norms that govern the management of relations, between the Administration, the Board of Directors, shareholders, investors, and other

groups of people interested in the development of the Company. In addition, as part of the commitment to sustainability and the development of the corporate responsibility model, Grupo SURA and its subsidiaries participate in social development projects, with institutional contributions and corporate volunteering, through the Fundación Suramericana. These initiatives promote the development of people's capacities and help improve the quality of life of vulnerable communities.

6. Good human talent. Grupo SURA has people with great experience and knowledge, and an Administrative Team with extensive experience. In the Company, the employee is very important and the integrity and corporate values, that are part of the organizational culture, are emphasized. With regards to the Management Team, most of its members have held Senior Management Positions, in several industries, both in Colombia and in the rest of Latin America and, at the same time, they have been linked to Grupo SURA or related companies, during their work history.

BUSINESS STRATEGY

Grupo SURA is coming from a period of international expansion, in which it has reached a positive solidity of its cash flows, thereby strengthening the financial situation of the companies and diversifying, at the same time, the origin of the Organization's income, from a flow that comes from not only from different industries, but also from different countries. At the same time, the company has sought, and will continue to do so, to ensure that growth does not affect good credit standing, by continuing with a conservative policy of long-term leverage.

2017 was a year of great challenges, as Grupo SURA undertook the task of carrying out a thorough review of the strategic direction of the Organization, called Evolution 2030, with the reach of the Business Group. The organization is aware that the world is changing, at an exponential rate, and the investments of its portfolio must respond at that rate to remain valid in the future.

Currently, the Company has entered into a consolidation phase of the acquired businesses, where the goal is to achieve greater profitability and make them sustainable over time, and for this, it is essential not only to guarantee joint work, as a group, that allows having a solid position, in front of the different interest groups, but also to leverage the growth of investments in financial services, reaching new markets, better serving the different segments of the population that have greater economic capacity, and knowing more about our current and potential clients, using the data through analytics, artificial intelligence, and new technologies, to improve the value proposition.

The main objectives of this exercise were:

- 1 Align and build common purposes, to achieve better results.
- 1 Reorient the work plan for the consolidation, optimization, and generation of profitability, in the portfolio business.
- 1 Detect opportunities and risks beyond current businesses, creating new businesses, and
- 1 Support the transformation of business in the future.

Among the new definitions, we have built together, a business group purpose: To foster well-being and sustainable development for its people, organizations, and Company. A new purpose supported by six pillars that will define the prioritization of future plans and projects.

STRATEGIC PILLARS:

- 1 **Human Talent and Culture:** Human talent is a differentiating element in which the organizational capacities are developed. These capacities, which are the principles and source of transformation for the competitiveness and sustainability of Grupo SURA.

A culture is a set of characteristics, that guarantee consistency in philosophy, principles, management style, and leadership of the Organization and is the way of doing day to day business.

- 1 **Innovation and Entrepreneurship:** Innovation is the transformation and creation of businesses and processes, that generate value, based on a culture that encourages and enables the permanent development of skills and abilities, such as creativity and experimentation.

Entrepreneurship is the creation of companies and investments, in ventures, that contribute to the sustainability of our portfolio. It is the acceleration of new companies in the portfolio.

- 1 **Internal and External Partnerships:** Internal and external alliances, synergies, and articulations, that make us both, more competitive and efficient, in our purpose of creating well-being and sustainable development. They must generate value for all the parties involved.

- 1 **Knowledge:** This is the holistic understanding of our industry, through the analysis and systematic visualization, of the environment and trends, as well as, the articulation of information and learning of organizations, to generate capacities, that allow for better decision making, and to antic-

ipate and stay current over time, enabling the fulfillment of our visions/ aspirations.

- ¶ **Reputation and Trust:** This is the result of fulfilling the promise of value, based on good practices, ethical principles, and the development of long-term relationships with Shareholders.
- ¶ **Financial Resources Management:** This is the coordination of the cycle of financial resources of the Group:
 - Achievement of resources and definition of an adequate capital structure.
 - Allocation of capital, based on agreed criteria, aligned with the strategy of the Business Group.
 - Active investment management, by monitoring and measuring, to guarantee the generation of value.

The foregoing, obliges the company to work on the identification of the capabilities, that it needs to develop or strengthen, in terms of human talent, financial resources, sustainability practices, technology, process design, corporate governance, construction, reputation, and brand management. All this, as part of the process of continuous search for the generation of value, that now has a broader scope, aiming to generate well-being and sustainable development, all with the purpose that Grupo SURA may grow more useful, as a Company.

SENIOR MANAGEMENT

The Board of Directors, which is composed according to the corporate bylaws, has seven members appointed at the Annual Meetings of the Shareholders Assembly.

The Members, of the current Board of Directors, were appointed by the General Assembly of Shareholders, in an ordinary meeting that took place on March 31, 2016, for a period of two years. The mandate of each board member, expires in March 2018. Directors may be appointed for further periods without restrictions, until a maximum age of 72 years.

The following table contains some information about the current members of the Board of Directors:

FIRST NAME	TITLE
Luis Fernando Alarcón Mantilla ⁽¹⁾	President
Sergio Michelsen Jaramillo ⁽¹⁾	Principal
Alejandro Piedrahita Borrero	Principal
Carlos Ignacio Gallego Palacio	Principal
Jorge Mario Velásquez Jaramillo	Principal
Carlos Antonio Espinosa Soto ⁽¹⁾	Principal
Jaime Bermúdez Merizalde ⁽¹⁾	Principal

1) Independent member, in accordance with Colombian law.

EXECUTIVE TEAM

The current Executive Directors are:

FIRST NAME	TITLE
David Bojanini García	President (CEO)
Juan Carlos Llanos	Corporate Auditor
Ricardo Jaramillo Mejía	Vice President of Corporate Finance (CFO)
Tatiana María Orozco de la Cruz	Vice President Corporate Affairs (CAO)
Juan Luis Múnera Gómez	Vice President of Corporate Legal Affairs (CLO)

COMMITTEES OF THE BOARD OF DIRECTORS

Sustainability and Corporate Governance Committee

Composed of 3 members of the Board of Directors; the CEO attends, as a guest. It meets at least twice a year and has responsibilities to the Directors, the Board of Directors, the Administration, and the sustainability, and good governance of the Company.

Appointments and Remuneration Committee

Composed of 3 members of the Board of Directors and meets at least twice a year. Their duties are framed within the following areas: guidelines in matter of human talent, retention strategies and development of human talent, succession planning, performance evaluations of Senior Management and CEO of the Company, guidelines for the remuneration of Directors, as well as, Administrators, according to their individual performance and to the Company.

Risk Committee

Composed of 3 members of the Board of Directors, they meet, at least, twice a year. Responsibilities are attributed to the Company's risk management, including: analyzing and assessing the ordinary management of risk in the

Company, in terms of limits, risk profile, profitability, and capital map, present the Risk Policy of the Company to the Board of Directors, submit to the Board of Directors, proposals for delegation norms, for the approval of the different types of risk.

Likewise, this committee is formally responsible for aspects related to sustainability in the Company, such as: evaluation and monitoring of social, environmental, and political trends, that could affect the Company and its subsidiaries, and their results, monitoring the performance of the Company and its subsidiaries in the environmental, economic, social, and reputational aspects, monitoring the management and mitigation of non-financial risks, and review of information of a non-financial nature that the Company makes available to the market.

Audit and Finance Committee

Composed of 3 independent members of the Board of Directors, they meet, at least, 4 times a year. This Committee has the responsibility to generate and promote a culture of supervision in the Company. The responsibilities of the Committee are enshrined in Article 37, Literal B, of the Articles of Association and the regulations of the aforementioned Committee, documents are available to the public on the Company's website (www.gruposura.com).

PRINCIPAL SHAREHOLDERS

The following table contains information related to the stock composition of the Company at December 31, 2017, in accordance with the Shareholders Registry Book:

SHAREHOLDER	NUMBER OF SHARES	VALUE IN PESOS	% PARTICIPATION
Grupo Argos S.A.	130,990,706	24,560,757,375	22.51%
Grupo Nutresa S.A.	59,387,803	11,135,213,063	10.20%
Fondo de Pensiones Obligatorias Porvenir Moderado	54,569,596	10,231,799,250	9.38%
Fondo de Pensiones Obligatorias Protección Moderado	50,589,397	9,485,511,938	8.69%
Cementos Argos S.A.	26,751,424	5,015,892,000	4.60%
Harbor International Fund	24,751,142	4,640,839,125	4.25%
Fondo de Pensiones Obligatorias Colfondos Moderado	17,419,468	3,266,150,250	2.99%
Oppenheimer Developing Markets Fund	13,206,870	2,476,288,125	2.27%
Fondo Bursátil Ishares Colcap	11,484,837	2,153,406,938	1.97%
Fundación Grupo Argos	10,666,767	2,000,018,813	1.83%
Colombiana de Comercio S.A. Corbeta and/or Alkosto S.A.	10,000,000	1,875,000,000	1.72%

SHAREHOLDER	NUMBER OF SHARES	VALUE IN PESOS	% PARTICIPATION
Old Mutual Fondo de Pensiones Obligatorias - Moderado	7,534,891	1,412,792,063	1.29%
Abu Dhabi Investment Authority J.P. Morgan	6,989,392	1,310,511,000	1.20%
Minority Shareholders ⁽¹⁾	157,635,255	29,556,610,311	27.09%
Total Actions	581,977,548	109,120,790,251	100.00%

(1) Includes shareholders, who individually, hold less than 1.0% of the common and preference shares.

Common shares are traded on the Colombian Stock Exchange, under the symbol of "GRUPOSURA", the Level I ADRs are traded on the US counterpart market, under the symbol "GIVSY." As for preference shares, they are traded on the Stock Exchange of Colombia, under the symbol of "PFGRUPSURA", and the Level I ADRs of this type, are traded in the United States under the symbol of "GIVPY".

NOTE 2. BASIS OF PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS

2.1. COMPLIANCE STATEMENT

The Separate Financial Statements have been prepared in accordance with Accounting Standards and Financial Reporting accepted in Colombia (NCIF), established by Law 1314 of 2009, regulated by the Unified Regulatory Decree 2420 of 2015, amended by Decree 2496 of 2015, 2131 of 2016 and 2170 of 2017. NCIF are based on the International Financial Reporting Standards (IFRS), along with the interpretations issued by the International Accounting Standards Board – IASB (its acronym in English). The base norms correspond to those translated into Spanish and issued as of December 31, 2015. These accounting and financial reporting standards correspond to the International Financial Reporting Standards (IFRS), contained in the "Red Book version 2015", published by the International Accounting Standards Board (IASB).

The application of these international standards in Colombia, is subject to certain exceptions, established by the regulator, and contained in Decree 2420 of 2015, and as amended. These exceptions vary depending on the type of company and are the following:

- ¶ Title 4, Chapter 1 of Decree 2420 of 2015, contains exceptions for entities of the financial sector, proposed by the Financial Superintendency of Colombia (SFC,) for prudential reasons, for the Financial Statements.

These exceptions refer to the accounting treatment of the loan portfolio and its impairment, the classification and valuation of the investments, which will continue to be applied in accordance with the requirements of the Basic Accounting and Financial Circular of the SFC, instead of the application of IAS 39 or IFRS 9; as well as, to the treatment of catastrophic technical reserves and reserves for deviation of claims, and the reserve of insufficient assets, which will continue to be calculated and accumulated in the liability and recognized in a deferred manner (in the case of the reserve of asset insufficiency), in accordance with the provisions of Decree 2973 of 2013, instead of the application of IFRS 4 that prohibits the accumulation of catastrophic reserves and deviation of claims for expired validity, and requires the immediate constitution of reserves for insufficient assets. On the other hand, the decrees establish, that for purposes of the application of IFRS 4, regarding the value of the adjustment that may be presented as a result of the proof of the adequacy, of the liabilities, referred to in paragraph 15, of said standard, the transition periods, established in Decree 2973 of 2013, will continue to be applied, or the regulations that modify or replace it, as well as, the gradual adjustments of the reserves created before October 1, 2010, for the calculation of the pension products of General Pension System (including pension commutations), the General System of Occupational Risks, and other insurance products that use the rentier mortality tables in their calculation, established by the Financial Superintendence of Colombia. The foregoing is without prejudice to the entities, which could meet in advance of the deadlines and set in the transition regimes, referred to above. In any case, the insurance companies must include in their Financial Statements, a Note on the subject.

- ¶ Article 2.2.1, of Decree 2420, of 2015, added by Decree 2496, of the same year, and amended by Decree 2131 of 2016, establishes that the determination of post-employment benefits for future retirement or disability pensions will be made, in accordance with the requirements of IAS 19. However, it requires the disclosure of the calculation of pension liabilities, in accordance with the parameters, established in Decree 1625 of 2016, Articles 1.2.1.18.46 et seq. and, in the case of partial pension commutations, in accordance with the provisions of Paragraph 5 of Article 2.2.8.8.31 of Decree 1833 of 2016, reporting the variables used, as well as, the differences to the calculation realized, in the terms of the technical framework under NCIF.

2.2. BASIS OF MEASUREMENT

The presentation of the Financial Statements, in accordance with IFRS, requires that estimates and assumptions be made, which impact the reported amounts and disclosures of the Financial Statements, but do not impair the reliability of the financial information. The actual results may differ from those

estimates. Estimates and assumptions are constantly reviewed. The review of the accounting estimates is recognized in the period, in which, the estimates are revised, in the case where the revision impacts that period, or in the period of the revision and future periods, if it the revisions impact both the current period, as well as, future periods.

The financial assets and liabilities measured at fair value, correspond to those classified in the category of assets and liabilities at fair value, through profit or loss, and those equity investments that are measured at fair value through equity, all financial derivatives, and assets and liabilities that are recognized and that are designated as hedged items in a fair value hedge, as well as, those whose book value is adjusted with changes in fair value, attributable to the hedged risk.

2.3. ACCOUNTING POLICY UPDATE

The Board of Directors of Grupo SURA, on the recommendation of the Audit and Finance Committee, approved an update of the accounting policies on Financial Instruments and Intangible Assets, with the purpose of standardizing the reach, in IFRS 9 and IAS 38, respectively.

Fair Value with changes in other comprehensive income

With regard to the Financial Assets Policy, this update will allow the "Other Comprehensive Result" -OCI- (equity), debt instruments, which has no impact on the presented Financial Statements, because the update will only apply to the new instruments that are acquired.

Within the investment portfolios, we consider that it is important to have this classification, since within our management, there are investments, that in principle will seek durations and rates, that approximate the requirements that the liability presents for each of the branch of business that is managed, but for which there is also the intention to benefit from the movements of market conditions, with the goal of increasing the profitability of the portfolio, and meeting the cash flow needs, of the insurance business.

This model will provide flexibility to the Company in the management of its investments, since it will have a dual objective of obtaining contractual cash flows, but also of eventually disposing of financial assets, in order to, potentially benefit from the variations in market conditions. The value and expected frequency of sales, of financial assets, of this model, is greater than those of the amortized cost model.

Intangible assets

With regard to the Intangible Assets Policy, this update will allow the capitalization of intangible assets, for administrative (technological) use, which will be reflected as an increase, in the intangible assets of the companies of the SURA Business Group, and that are implementing SAP.

These updates will take effect as of 2018.

2.4. PRESENTATION OF FINANCIAL STATEMENTS

Grupo SURA presents the statement of financial position by liquidity order.

In the Statement of Comprehensive Income, income, and expenses are not offset, unless such compensation is permitted or required by any accounting standard or interpretation and is described in Grupo SURA's policies.

2.5. RECLASSIFICATIONS

Some of the figures and disclosures in relation to December 31, 2016, presented in these Financial Statements, for comparison purposes, may vary from the information published to this court, due to the creation of new concepts, reclassifications in their lines and adjustments, which were made as a result of the audit and internal review realized by the Administration for the closing of the Financial Statements completed at December 31, 2016, presented and approved by the Shareholders' Meeting on March 31, 2017. Grupo SURA Management considers that these adjustments do not affect the reasonableness of previously published information.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied in the preparation of the opening of the Separate Statement of Financial Position and Separate Financial Statements prepared in accordance with Accounting Standards and Financial Reporting accepted in Colombia (NCIF), unless otherwise indicated.

The following significant accounting policies that the Grupo SURA applied in the preparation of its Separate Financial Statements:

3.1. CASH AND CASH EQUIVALENTS

Cash and cash equivalents, in the Statement of Financial Position, and in the Cash Flows Statement, include cash and banks, highly liquid investments, and money market operations, readily convertible into a determined amount of

cash and subject to an insignificant risk of changes in value, with a maturity of three months or less, from the date of its acquisition.

3.2. FINANCIAL INSTRUMENTS**Financial assets**

Grupo SURA recognized initially at their fair value financial assets for subsequent measurement at amortized cost or at fair value depending on the business model of Grupo SURA to manage financial assets and the characteristics of contractual cash flows of the instrument.

In the initial recognition of an investment, Grupo SURA a financial asset measured at fair value. In the case of recorded assets at fair value, decreased transaction costs, since they are charged to an account spending. While for recorded assets at amortized cost transaction costs add up, since they become an integral part of the cost of the financial instrument, and as such, may be amortized over a lifetime title through the method of the Effective Interest Rate.

The financial assets are recognized at the closing date of the operation. Likewise, interest income is recognized in the same item where the valuation is recognized.

Accounts receivable

Grupo SURA defined that the business model for accounts receivable is to receive the contractual cash flows, that are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate.

Financial assets different to those measured at amortized cost

Financial assets different from those measured at amortized cost are measured at fair value, which includes investments in equity instruments that are not held for trading purposes.

Dividends received in cash from these investments are recognized as income in the Income Statement for the period.

Impairment tests are not performed on the financial assets that are measured at fair value.

Impairment of financial assets at amortized cost

For assets amortized cost, impairment is assessed using the model of credit losses incurred at the reporting date of the period. Grupo SURA recognized in profit or the value of the variation in credit losses incurred as income or loss for impairment. Credit losses incurred for financial assets, at amortized cost, are measured at an amount equal to the loans incurred for the following 12 months, unless the risk of the financial instrument has increased significantly, since its initial recognition.

A financial asset or a group of them is impaired and will have a loss due to impairment if, and only if, there is objective evidence of impairment, as a result of one or more events that occurred after the initial recognition of the asset (an "event causing the loss") and this event or events causing the loss, have an impact on the estimated cash flows of the financial asset or group of them that can be reliably estimated future cash.

Impairment of financial assets, measured at amortized cost, is recorded in a separate account, and is not allocated directly to the instrument.

Financial liabilities

Grupo SURA on initial recognition, measures its financial liabilities at fair value less the transaction costs that are directly attributable to the acquisition or issue of the financial liability and classifies at initial recognition, financial liabilities for subsequent measurement at cost amortized cost or fair value depending on the liability.

The liabilities at amortized cost are measured using the effective interest rate.

Gains and losses are recognized in the Statement of Comprehensive Income, when the liabilities are derecognized as well as through the amortization process under the Method of the Effective Interest Rate, which is included in finance costs in the Statement of Comprehensive Income.

Financial instruments that contain both a liability, as well as an equity component, (compound financial instruments) should be recognized and accounted for separately. The liability component is determined by the fair value of future cash flows, and the residual value is allocated to the equity component.

Derecognition

A financial asset or part of it, is derecognized from the Statement of Financial Position when it is sold, transferred, or expire Grupo SURA loses control over the contractual rights or cash flows of the instrument. A financial liability or part of it is derecognized from the Statement of Financial Position when the contractual obligation has been derecognized or has expired.

Offsetting of financial instruments

The financial assets and financial liabilities are offset so that the net amount is reported in the Statement of Financial Position only if (i) there is, at that time, a legally enforceable right to offset the recognized values, and (ii) there is an intention to settle them at net value, or realize assets and cancel liabilities, simultaneously.

Derivative financial instruments

Changes in the fair value of derivative contracts held for trading are included in the profit (loss) from financial operations in the Statement of Comprehensive Income. Certain derivatives embedded in other financial instruments (embedded derivatives) are treated as separate derivatives when their risk and characteristics are not closely related to the principal contract and are not recorded at fair value with unrealized gains and losses included in income.

Upon signing of a derivative contract, it must be designated by Grupo SURA, as a derivative instrument for trading or hedging purposes.

Certain derivative transactions that do not qualify to be accounted for as derivatives for hedging are treated and reported as trading derivatives, even though they provide an effective hedge for managing risk positions.

Compound financial instruments

According to IAS 32, an issuer of a financial instrument derivative should evaluate the conditions to determine if this could be considered as a financial instrument compounds, i.e., if it contains a component of liability and equity, wherein:

- ¶ The financial liability: is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable.
- ¶ An equity instrument: is any contract that evidences assets of residual interest in an entity, after deducting all of its liabilities (net assets).

Grupo SURA, has preference shares, which cannot be considered in full as an equity instrument because the contractual clauses incorporated an obligation to deliver cash or another financial asset. Similarly, it cannot be considered in its entirety as a passive instrument, because it has the obligation to give the holder the total money received on the issue of shares, for which they must be considered as a compound financial instrument.

Initial measurement of a compound financial instrument

Compound financial instruments must be separated from the liability and equity component. Therefore, for the initial measurement of a compound financial instrument, the equity component is determined as the residual amount after deducting the fair value of the instrument, as a whole, and the amount to be determined separately for the liability component. The sum of the carrying amounts assigned at the time of initial recognition, the liability components and equity, will always be equal to the fair value to be ascribed to the instrument, as a whole. No losses or may arise from initial recognition of gains, separately from the instrument components.

Incremental costs related to the issuance of preference shares

Under IAS 32, a company incurs various costs in issuing own equity instruments, which are accounted for as a deduction, i.e. a lower value thereof (net of any related tax benefit), to the extent that they are cost incremental directly attributable to the equity transaction that would have been avoided if the company had not realized such issuance.

Transaction costs related to the issuance of a compound financial instrument are allocated between the components of assets and liabilities, in the latter considering that IFRS 9 on initial recognition provides that a company shall measure a financial asset or financial liability at fair value, more or less of the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. These costs should be included in calculating the effective interest rate calculated for valuation.

Transaction costs will be distributed between the liability and equity component, using a basis of allocation that is rational and consistent.

Subsequent measurement of a financial liability caused by a compound financial instrument

Grupo de Inversiones Suramericana S.A. must measure posteriorly to initial recognition financial liabilities at amortized cost.

3.3. TAX ASSETS AND LIABILITIES

It understands the value of taxes mandatory general in favor of the State and by the company, by way of private payments that are determined on the tax bases of the fiscal period, according to the tax rules of national and national governing territorial.

3.3.1. Current

The current assets and liabilities from income tax during that period are measured by the values expected to be recovered or paid to the tax authority. The expense for income tax is recognized in the current tax according to the purification realized between taxable income and accounting profit or loss affected by the rate of income tax for the current year and in accordance with the provisions of the tax rules in Colombia. Taxes and tax laws used to compute these values are those that are approved at the end of the reporting period is reported.

3.3.2. Deferred

The deferred income tax is recognized using the Liability Method calculated on temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and future compensation of tax credits and unused tax losses to the extent that there is probability of availability of future taxable income against which, they can be imputed.

Deferred taxes assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting gains or tax gains or losses; and in the case of deferred tax liabilities when it arises from the initial recognition of goodwill.

The liabilities for deferred taxes related to subsidiaries investments in, associates and interests in joint ventures are not recognized when the timing of the reversal of temporary differences can be controlled and it is probable that these differences will not reverse in the near future and that the deferred tax assets related to subsidiaries investments in, associates and interests in joint ventures are recognized only to the extent that it is probable that the temporary differences will be reversed in the near future and the likelihood of availability of future tax credits, against which these deductible differences shall be charged.

The book value of deferred tax assets is reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient tax gains to use all or part of the deferred tax asset. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is probable that future taxable income allow their recovery.

Deferred tax assets and liabilities are measured at the tax rates expected to be applicable in the period when the asset is realized, or the liability is settled, based on tax rates and rules were approved at the filing date, or whose approval be nearing completion by that date.

The deferred tax assets and liabilities are offset if there is a legally enforceable right to do so and are under the same taxation authority.

Deferred tax is recognized in profit or loss, except those relating to items recognized outside profit or loss, in which case, will be presented in other comprehensive income, or directly in equity.

The current taxable assets and liabilities, will be offset if they relate to the same taxation authority and intends to settle for the net value or realize the asset and settle the liability, simultaneously.

3.4. PROPERTY AND EQUIPMENT

Grupo SURA defines as property and equipment (P&E), those tangible assets, that will be used in more than one accounting period, and that are expected to be recovered, through their use, and not through their sale.

Grupo SURA will determine, as initial cost of the property and equipment, the costs incurred in the acquisition or construction of these assets, until they are ready to be used.

Grupo SURA will recognize, as an element of property and equipment, those assets, that have a cost of acquisition higher than USD 700, except for assets classified as technology, which must have an acquisition cost higher than USD 400. The acquisition cost will be measured, according to the exchange rate of the transaction, and after discounting any discount or reduction, obtained in the purchase of the asset.

When Grupo SURA decides to realize massive purchases of homogeneous assets, that is to say, acquired on the same date, and that meet the same conditions, the activation of this bulk purchase can be made, provided that it

exceeds the value of USD \$ 100,000, which will be measured, according to the exchange rate of the transaction, and after discounting any discount or reduction obtained in the purchase of the asset.

Grupo SURA will measure real estate (land and buildings) after recognition under a revaluation model, that is at its fair value, which would be the price that would have been received for selling the asset, in an orderly transaction, between market participants, at certain measurement date.

For the other property and equipment classes, the cost model will be used.

Grupo SURA must realize maximum technical appraisals, every four years, to ensure that the book value of the asset does not differ significantly from its fair value. Revaluation increases will usually be credited to other comprehensive income, in the Statement of Comprehensive Income, and will be accumulated as a separate component of the equity called "revaluation surplus".

Decreases in assets must be taken as the lower value of the balance of other comprehensive income, if it exists, but not directly to profit or loss.

Depreciation

Grupo SURA will depreciate its property and equipment elements, thru the straight-line method, for all asset classes, except for land. Land and buildings are separate assets, and will be accounted for separately, even if they have been acquired jointly.

Depreciation will begin when the assets are in the location and conditions necessary for them to operate; and it will cease on the date on which the asset is classified as held for sale or as investment property measured at fair value, in accordance with the applicable accounting policies.

Grupo SURA will derecognize an item of property and equipment, if it will be sold, or when it is not expected to obtain future economic benefits for its use or disposal. The loss or gain arising from the derecognition of an item of property and equipment will be included in the result of the period.

Residual value

Grupo SURA will allocate residual values for classified vehicles, for administrative use, which will be equivalent to 30% of the cost of acquisition of the asset. For all other asset classes, a residual value of zero will be assumed.

Useful lives

Grupo SURA defined the following periods of useful lives for property and equipment:

Buildings	20 to 100 years
Technology team	3 to 10 years
Furniture and fixtures	6 to 10 years
Vehicles	4 to 10 years
Property improvements	Until the expiration of the contract or useful life, whichever is less

Grupo SURA must review the useful lives of all assets, at least at the end of each accounting period.

3.5 FAIR VALUE

To measure fair value, Grupo SURA must determine, all of the following:

- a. Assets or specific liability, object of measurement (consistently with your unit of account).
- b. For a non-financial asset, the valuation premise is adequate for the measurement.
- c. The main (or most advantageous) market for the asset or liability.
- d. The appropriate valuation technique(s) for the measurement, considering the availability of data with which to develop the variables that represent the assumptions that market participants will use when setting the price of the asset and liability, and the level of the hierarchy of the fair value, at which the variables are classified.

¶ Measurement of assets or liabilities

When measuring the fair value of an asset, or liability, Grupo SURA must take into account, the following:

The characteristics of the asset or liability in the same way that market participants, will consider, to fix the price of such asset or liability, for example, the following:

- The condition and location of the asset
- Restrictions, if any, on the sale or use of the asset

The way in which these characteristics would be taken into account, by market participants.

¶ Measurement of non-financial liabilities

A measurement, at fair value, assumes that a non-financial liability is transferred to a market participant at the measurement date, that this liability will remain in circulation, and that the participant who received the liability would require satisfying the obligation.

When there is no observable market to provide pricing information, information may be received for these items if they are held by other parties, as assets, and the fair value of the liability will be measured from the perspective of a market participant.

¶ Fair value at initial recognition

When Grupo SURA acquires an asset, or assumes a liability, the price paid (or the transaction price) is an entry price. Because companies do not necessarily sell assets at the prices paid to purchase them, and similarly, companies do not necessarily transfer liabilities to the prices received for assuming them. Conceptually the entry and exit prices are different. The objective of fair value measurement is to estimate the exit price.

¶ Valuation Techniques

Grupo SURA uses the following valuation techniques:

- Market approach: This technique is mainly used in the valuation of investment properties and fixed assets, whose subsequent measurement has been defined by Grupo SURA, as a re-evaluated model. It is also used in financial assets that have been defined, according to the business model, at fair value and that present an active market.
- Income approach: this valuation technique is used for financial assets and liabilities determined at fair value and that do not present an active market.
- Cost approach: A valuation technique that reflects the amount that would be required at present to replace the service capacity of an asset (often referred to as current replacement cost).

3.6 INVESTMENTS

3.6.1. Subsidiaries

A subsidiary is directly or indirectly by any of the companies that make up the portfolio of Grupo SURA controlled entity. Control exists when any of the companies have the power to direct the relevant activities of the subsidiary, which are generally operating activities and financing, in order to, obtain benefits from its activities and is exposed, or has rights, to variable returns thereof.

The amendment to IAS 27 Method of Participation, in Separate Financial Statements, allows entities to use the Equity Method to account for subsidiaries of joint ventures and associates, in Their Separate Financial Statements. Entities that have already applied IFRSs, and choose the change to the Equity Method, will have to apply this change retroactively.

3.6.2. Associates

An associate is an entity over which Grupo SURA has significant influence over the decisions of financial and operating policy without achieving control or joint control.

Grupo SURA has significant influence when it has the power to intervene in financial or operational decisions of another company without achieving control or joint control. It must be presumed that Grupo SURA has significant influence when:

- It possesses, directly or indirectly, 20% or more of the voting power in the company, unless it can be demonstrated that such influence does not exist through the management bodies; or
- Although, directly or indirectly, less than 20% of the voting power in the company, can clearly demonstrate that there is significant influence over the management bodies.

Grupo SURA evidence significant influence through one or more of the following:

- Representation in the management body of the Company or associated;

- Participation in determining policies and decisions on dividends and other distributions;
- Material transactions with associated;
- Interchange of managerial personnel; or
- Provision of essential technical information

Investments are initially recognized at the cost of the transaction and are subsequently measured to the equity method.

At the time of acquisition of the investment, Grupo SURA must account for the difference between the cost of the investment and the portion that corresponds to Grupo SURA, in the net fair value of the identifiable assets and liabilities of the associate, as follows:

If the fair value portion of the associated assets and liabilities identified, of the associate, is less than the acquisition value, a higher value that forms part of the cost of the investment arises; or if the fair value portion identified, of assets and liabilities, of the associate is greater than the value of the acquisition, it is considered a purchase on an advantageous basis, and this difference is recognized as income for the period.

Cash dividends received from the associate or joint venture are recognized in the Income Statement.

Grupo SURA periodically analyzes the existence of indicators of impairment and, if necessary, impairment losses recognized on investment in associate or joint venture. Impairment losses are recognized in the Income Statement and are calculated as the difference between the recoverable amount of the associate or joint venture, being the higher of value in use and its fair value less costs to sell, and their book value.

When the significant influence over the associate, Grupo SURA measures and recognizes any residual investment keep it at fair value. The difference between the book value of the associate (taking into account, the relevant items of other comprehensive income) and the fair value of the retained residual investment, with the value from its sale is recognized in profit or loss.

3.7 IMPAIRMENT OF ASSETS

Grupo SURA is lost must ensure that its operating assets, i.e. property and equipment and intangible assets and investments in which they are accounted for a value that is not higher than their recoverable value, i.e. their book value does not exceed the value that can be recovered through their continuous use or sale. If this is the case, Grupo SURA must recognize a loss for impairment of the asset.

Grupo SURA must assess, at each date of the Financial Statements or with the same periodicity of the interim financial information, the existence of signs of impairment. If such an indication exists, Grupo SURA must estimate the recoverable value.

3.8 EMPLOYEE BENEFITS

Employee benefits include all the compensation that Grupo SURA provides to workers, in exchange for the services provided. Employee benefits are classified as: short-term, post-employment, other long-term benefits and/or termination benefits.

Short-term benefit

These are benefits (other than termination benefits), that are expected to be fully settled before the twelve months following the end of the annual reporting period, in which the employees have rendered the related services. The short-term benefits are recognized to the extent that the employees provide the service, for the expected value to be paid.

Long-term benefits

The long-term benefits refer to all types of remuneration, owed to the employee, after the twelve months following the close of the accounting year, or during the provision of the service. For this benefit, Grupo SURA must measure the surplus, or deficit, in a long-term employee benefits plan, using the technique, in its entirety, applied to the post-employment benefits, for both the estimation of the obligation, and the assets of the plan; and must determine the value of the net defined benefit, by finding the deficit or surplus of the obligation.

Post-employment benefits

Post-employment benefits are all those remunerations granted to the employee, but that are after the period of employment, and that will be granted once this stage is completed. Similarly, depending on the economic substance of the remuneration granted, the benefit could be a defined contribution plan, under which the obligation is limited to the fixed contributions paid to an external company, or fund, once it is recognized that employee has rendered

its services, for a period and the period's expense is disclosed at its nominal value; or it could be a defined benefit plan, where Grupo SURA has a legal or implicit obligation to respond for the payments of the benefits, that were left to it, and will require the use of an actuarial calculation, in order to effect the recognition of the obligation for defined benefits based on actuarial assumptions.

Those benefits, classified as long-term and post-employment benefits, are discounted with the rates of government bonds, issued by each of the countries, with consideration of the dates of the flows in which Grupo SURA expects to make the disbursements.

Termination benefits, which are payments for early retirement or severance payments, and will therefore only arise upon termination of the employment relationship. Grupo SURA must recognize termination benefits as a liability and an expense, when the offer of benefits can no longer be withdrawn, due to contractual issues or that recognizes the costs of a restructuring.

3.9 PROVISIONS AND CONTINGENCIES

Provisions are recorded when Grupo SURA has a present legal or implicit obligation, as a result of a past event, it is probable that Grupo SURA will have to divest itself of resources, that incorporate economic benefits to cancel the obligation, and a reliable estimate of the value can be realized of the obligation. If these conditions are not met, a provision should not be recognized.

Grupo SURA recognizes provisions in the Statement of Financial Position, as the best estimate of the required disbursement, that is, the value for which Grupo SURA must settle the obligation, in the reporting period, considering the risks and uncertainties surrounding this estimate.

Grupo SURA, considers that the recognition of a provision, when it has a probability of a greater than 50% loss.

Grupo SURA recognizes, measures, and discloses provisions arising in connection with onerous contracts, restructurings, contractual processes, and litigations, provided there is a high probability that the Company has incurred an obligation, and must cancel it.

Grupo SURA defines a contingent liability as an obligation that arises from past events and whose existence will be confirmed by the occurrence, or non-occurrence, of uncertain future events, or as a present obligation arising from past events, but is not recognized; and catalogs, as a contingent asset, that asset that arises from past events, the existence of which will be confirmed by the occurrence or non-occurrence of uncertain future events.

For contingent assets and liabilities, that may arise from unexpected events, and where there is no certainty that their future economic benefits, this will not be recognized in the Statement of Financial Position until its occurrence.

3.10. CURRENCY

3.10.1. Functional and presentation

Separate Financial Statements are presented in millions of Colombian Pesos and have been rounded to the nearest unit, which is also the functional and presentation currency of Grupo SURA S.A.

3.10.2. Foreign currency

Transactions in foreign currencies are initially recorded at the exchange rate of the functional currency prevailing at the date of the transaction. Subsequently, monetary assets and liabilities in foreign currencies are translated at the exchange rate of the functional currency prevailing at the closing date of the period; non-monetary items that are measured at fair value are translated using the exchange rates at the date when the fair value and non-monetary items that are measured at historical cost are translated using the exchange rates prevailing determined to date of the original transaction.

3.11. ORDINARY INCOME

Dividend income

Grupo SURA recognizes dividend income when has the right to receive payment, which is usually when dividends are declared, except when the dividend represents a recovery of investment cost. No dividend income is recognized when payment is made to all Shareholders in the same proportion as shares of the issuer.

Measurement of income

Grupo SURA measures revenue at the fair value of the consideration received or receivable. The amount of revenue arising from a transaction is usually determined by agreement between the Company and the buyer or user of the asset.

For the Company, in almost all cases, the consideration is given in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable.

3.12. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing profit or loss attributable, to holders of ordinary shares, by the weighted average number of shares outstanding, during the period.

3.13. EVENTS AFTER THE REPORTING PERIOD

Grupo SURA defines the following aspects, for the events that occurred after the date of the report:

Events after the reporting period that involve adjustments

Grupo SURA must adjust the figures recorded in the Financial Statements, to reflect the effects of subsequent events, that imply adjustments, as long as they occur, before the date on which the Financial Statements are approved by the Board of Directors.

Events after the reporting period that do not involve adjustments

Grupo SURA should not modify the figures in the Financial Statements, as a result of this type of events. However, if the event is material, Grupo SURA must disclose the nature of the event and an estimate of the financial effects or a manifestation of the impossibility of making such an estimate.

Dividend or surplus to the owner

Grupo SURA must refrain from recognizing as a liability in the Financial Statements, the dividends or surpluses agreed, after the reporting period.

On-going business hypotheses

Grupo SURA must prepare the Financial Statements on through hypotheses, provided that, after the reporting period, the administration does not determine that it intends to liquidate or cease its activities, or that it has no other alternative than proceed in one of these ways.

3.14. RELATED PARTIES

The following are considered related parties:

1. The companies that make up the Grupo Empresarial SURA ("The Companies").
2. The associated companies.

This will only apply for transactions that are considered unusual (outside of the ordinary course of business of the company) and materials.

In any case, it must be ensured, that the recurring transactions are realized under competitive market conditions, and are recognized in totality, in the Financial Statements. For purposes of this document, the definition of associated companies contained in the Accounting Policy for Investments in associates, will apply.

3. The members of the Board of Directors (Principals and Alternates).
4. The Legal Representatives, excluding Judicial and Representative Representatives.
5. The personnel of the Top Management, specifically, the first two levels of the organization (including Executive Directors, Executive Auditor and Corporate or General Secretaries).
6. The close relatives of the members of the Boards of Directors, the Legal Representatives and the personnel, of the Senior Management, that is, their spouse or permanent companion, and the persons within the first degree of consanguinity, first of kinship, or only civilian.

This policy will not apply to operations that do not involve the provision of a service, or the disposition of goods, between the parties. That is, collaborative activities, synergies, or joint developments, among the Companies, in the interest of unity of purpose and direction, of Grupo Empresarial SURA.

Aligned with the Accounting and Financial Information Standards accepted in Colombia, and aware that each Company of Grupo Empresarial, will be responsible for identifying transactions between related parties, associated with their businesses, the operations that will at least be considered, within the present policy are:

- ¶ Purchases or sales of products
- ¶ Purchases or sales of real estate and other assets

- ¶ Loans between companies, in effect at the close of the accounting period
- ¶ Leases, where there is a formalization through a contract
- ¶ Provision or receipt of services, where there is remuneration, reciprocity, and formalization through a contract
- ¶ Transfers in which a company generates a development or research exclusively, for another entity and there is remuneration, reciprocity, and formalization through a contract
- ¶ Transfers realized, in accordance with financing agreements (including loans and equity contributions, in cash or in kind)
- ¶ Grants of collateral guarantees and guarantees
- ¶ Settlement of liabilities, on behalf of the entity, or by the entity, on behalf of that related party
- ¶ Other commitments and contracts, where there is reciprocity and remuneration
- ¶ Transactions (including compensation and benefits) with members of the Boards of Directors, Legal Representatives, and Senior Management Personnel, which correspond to the first two levels of the organization, that is, to people of the highest hierarchical level of the companies, responsible for the ordinary day to day business and responsible for devising, executing, and controlling the objectives and strategies of the companies; Auditors and Corporate or General secretaries are included. (It must be transactions with the company in which the Senior Manager works).
- ¶ Transactions between the company in which one of the Senior Managers, described above, and their spouse or permanent companion, or their relatives within the first degree of consanguinity, first of kinship or sole civil
- ¶ Dividends declared

MATERIALITY OF TRANSACTIONS

All transactions, between related parties, must be realized, under conditions of full competition and framed in the principles of transparency, fairness, and impartiality.

For the purposes of determining materiality, the following factors shall be taken into account:

- ¶ Legal, accounting, and tax compliance, in all jurisdictions
- ¶ Special conditions agreed upon with minority Shareholders
- ¶ Value of the operation, which will be defined, within the specific policies or procedures, of the Companies
- ¶ Realizations, in conditions different from those of market, due to a particular event
- ¶ Disclosure to regulatory or supervisory authorities
- ¶ Reporting requirement to the Senior Management and/or Board of Directors

If one of these factors, applies to at least one of the Companies involved in the transaction, it will be considered material.

NOTE 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND CAUSES OF UNCERTAINTY IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of the Separate Financial Statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods impacted.

The determination of these estimates and assumptions is subject to internal control procedures and approvals, for which internal and external studies, industry statistics, environmental factors and trends, and norms and regulatory requirements, are considered.

ACCOUNTING ESTIMATES AND ASSUMPTIONS

Herewith, are the key assumptions that estimate the future behavior of the variables to the reporting date and that have a significant risk of causing a material adjustment, to the value of the assets and liabilities, during the next Financial Statement, product of the uncertainty surrounding such behavior.

- a. Revaluation of property for own use
Grupo SURA records property (land and buildings) at fair value, and changes therein, are recognized in other comprehensive income of equity.

The revaluation increase is recognized in other comprehensive income and accumulated, in equity, as revaluation surplus. The revaluation is calculated every four years.

When the book value of an asset, as a result of a revaluation, is reduced, the decrease shall be recognized in profit or loss. However, the decrease is recognized in other comprehensive income, to the extent that any credit balance exists, in the revaluation surplus of that asset. The decrease recognized in other comprehensive income, reduces the amount accumulated in equity, called revaluation surplus value.

The fair value of land and buildings are based on periodic assessments, by qualified external appraisers, as well as, internal.

- b. Fair value of financial instruments
When the fair value of the financial assets and financial liabilities recorded in the Statement of Financial Position is not obtained from active markets it is determined using valuation techniques that include discount model cash flows. The information in these models is taken from observable markets where possible, but when it is not, some judgment is required to establish fair values. The trials include data such as liquidity risk, credit risk, and volatility.

- c. Taxes
There is some uncertainty regarding the interpretation of complex tax regulations, changes to tax legislation and measurement and timing of future taxable income. Given the wide range of international trade relations and the complexity and long-term profile of contractual agreements, differences between actual results and the estimates and assumptions made, as well as future changes to the latter arise. This may require future adjustments to taxable income and expenses, already recorded. The Company establishes provisions, based on reasonable estimates, for possible findings of audits performed by tax authorities in all countries where it operates. The scope of these provisions is based on several factors,

including historical experience from previous tax audits, conducted by the tax authorities, on the taxable entity.

The deferred tax asset is recognized for unused tax losses, to the extent that it is probable that there are taxable profits to offset such losses. An important judgment by Management, is required, in order to determine the value of the deferred tax asset, to be recognized, based on the likely timing and level of future taxable profits, together with future strategies of the Company.

- d. The useful life and residual values of property, equipment, and intangibles Grupo SURA shall review the useful lives of all property and equipment and intangible assets at least at the end of each accounting period. The effects of changes in the estimated life are recognized prospectively over the remaining life of the asset.
- e. The probability of occurrence and the value of the liabilities of uncertain value or contingent Grupo SURA, shall recognize a provision, when the following conditions are met:
 - a. It has a present obligation (legal or implicit), as a result of a past event.
 - b. Grupo SURA is likely to be an outflow of resources, that incorporate economic benefits to settle that obligation.
 - c. A reliable estimate of the obligation can be made
- f. Employee Benefits
The measurement of post-employment benefits obligations, and defined benefit, includes determining actuarial assumptions keys, that allows for the calculation of the value of liabilities.

The information on assumptions and estimation uncertainties, that have a significant risk, resulting in a material adjustment, in the year ended December 31, 2017, are included in the following Notes:

Notes 12.2. and 12.3. Long-term benefits and Post-employment benefits: key actuarial assumptions

Note 9. Taxes: Recognition of deferred tax assets, availability of future taxable profits, against those that can be used to offset losses, obtained in previous periods

NOTE 5. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

NEW AND MODIFIED RULES AND INTERPRETATIONS

The Group has applied, for the first time some, standards, and modifications, which are effective for the annual exercises that have begun on January 1, 2016 or later.

The nature and impact of each new standard and modification are described below:

AMENDMENTS TO IFRS 10, IFRS 12 AND IAS 27: INVESTMENT ENTITIES

These amendments, which are applied retroactively (with certain exceptions in the transition), establish an exception to the requirement to consolidate entities, that meet the definition of investment entities, in accordance with IFRS 10 Consolidated Financial Statements. The exception to consolidate, requires investment entities to register their subsidiaries, at fair value with changes in results. These modifications have not had an impact on the Group, since none of the Group's entities are classified as investment entity, in accordance with IFRS 10.

MODIFICATIONS TO IAS 32: COMPENSATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

These modifications, which are applied retroactively, clarify the meaning of "when an applicable legal right to compensate is possessed", and the criterion to determine which mechanisms of the clearing houses, that do not arise simultaneously, could qualify for compensation. These modifications have not had an impact on the Group, since none of the Group's entities has compensation agreements.

AMENDMENTS TO IAS 39: NOVATION OF DERIVATIVES AND CONTINUATION OF HEDGE ACCOUNTING

These amendments, which are applied retroactively, provide exemptions that allow continuation of hedge accounting, when the novation of a derivative, designated as a hedging instrument, meets certain criteria. These modifications have no impact on the Group, as no novations of its derivatives have been made during the current year or prior years.

IFRIC 21 LEVIES

IFRIC 21 clarifies that an entity must recognize a liability, for a levy, when the activity is realized, as defined in the corresponding legislation, which entails the payment thereof. For the charges that are required when a certain amount is reached, the interpretation clarifies that the liability should not be regis-

tered, until the fixed limit is reached. IFRIC 21 is applied retroactively. This interpretation has no impact on the Group, since, in previous years, the recognition principles of IFRS 9 Financial Instruments, have been applied, which are consistent with the requirements of IFRIC 21; the liability is recognized, when all the budgets established by law for the birth of the levies, are fulfilled.

ANNUAL IMPROVEMENTS OF IFRS - CYCLE 2010-2012

In the 2010-2012 annual improvement cycle, the IASB issued seven amendments to six standards, which include an amendment to IFRS 13 Fair Value Measurement. The amendment, to IFRS 13, is immediately effective and must be applied to the periods, beginning on January 1, 2016, and in the "Bases of Conclusions" there is a clarification, that the accounts receivable and payable, in the short-term no interest rate, can be valued, by the amounts of the invoices, when the effect of the discount is immaterial. This amendment to IFRS 13 has no impact on the Group.

ANNUAL IMPROVEMENTS TO IFRS - CYCLE 2011-2013

In the annual improvement cycle 2011-2013, the IASB issued four amendments to four standards, which include an amendment to IFRS 1 First Time Adoption of International Financial Reporting Standards. This amendment to IFRS 1 is immediately effective, so it has to be applied to the periods beginning on January 1, 2016, and the "Basis of Conclusions" clarifies that an entity can choose between applying a current standard or a new standard that is not yet mandatory, but that can be applied in advance, provided that each standard is applied consistently in the years presented in the first Financial Statements of the company. This amendment to IFRS 1 has no impact on the Group, since the Group does not adopt IFRS for the first time this year.

NOTE 6. STANDARDS ISSUED, PENDING APPLICATION

ACCOUNTING AND FINANCIAL INFORMATION STANDARDS ACCEPTED IN COLOMBIA, ISSUED, NOT YET EFFECTIVE

The standards and interpretations that have been published, but are not applicable at the date of these Financial Statements, are disclosed below. The Group will adopt these standards on the date that they become effective, in accordance with the decrees, issued by the local authorities.

IFRS 9 FINANCIAL INSTRUMENTS: CLASSIFICATION AND VALUATION

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 "Financial Instruments: Recognition and Measurement", and all previous versions of IFRS 9. This standard is part of the Annex to Decree 2496 of 2015, modified by Decree 2131 of 2016, with applicability for periods beginning on or after January 1, 2018, allowing early application.

IFRS 9 includes three aspects of accounting for financial instruments: classification and measurement, impairment, and hedge accounting. Retrospective application is required, but the presentation of comparative information is not mandatory, except for hedge accounting, for which the requirements are applied prospectively, with some exceptions.

The Group plans to adopt the new standard on the effective date established. During 2017, a detailed evaluation has been realized on the impact of the three aspects included in IFRS 9. This evaluation is based on the information currently available and may be subject to changes, as a result of new supported and reasonable information, available during the year of application of IFRS 9. Grupo SURA, in its separate Financial Statements, presents no impact, on the application of this standard, however, in the application of the method of participation, of its subsidiaries, there is no significant impact expected, in its Statement of Financial Position, except for the impact, of the application, of the requirements of impairment, under IFRS 9. The Group expects an increase in the value correction for losses, resulting from the negative impact on equity that will be detailed below.

a. Classification and Measurement

The Group does not foresee a significant impact on its Statement of Financial Position, due to the application of the classification and measurement requirements of IFRS 9. Continuation, is expected, with the measurement at fair value of all financial assets, that to date are measured at fair value.

Shares of unlisted companies will be maintained in the medium-term. No impairment losses have been recognized in the results of the previous periods, on account of these investments. The Group will apply the option of presenting changes in fair value, in the OCI and therefore, the application of IFRS 9 will not have a significant impact.

Loans and accounts receivable are held until the entry or exit of the contractual cash flows, corresponding only to payments of principal and interest. The Group analyzed the characteristics of the contractual cash flows of these instruments and concluded that they meet the criteria for measurement, at amortized cost, under IFRS 9. Therefore, the reclassification of these instruments is not required.

b. Impairment

Due to the effective date of IFRS 9, as of January 1, 2018 Grupo SURA, and its subsidiaries, must adopt a methodology for impairment, due to expected or prospective losses, replacing the impairment methodology for losses incurred, and established by the previous NIC 39 standard, valid until December 31, 2017.

Grupo SURA defines guidelines and methodologies, for calculating the impairment of each of the financial instrument and consolidates the results of the application in its subsidiaries. As defined in IFRS 9, these methodologies recognize impairment, as the expected or prospective loss of their financial assets, considering a 12-month, or whole-life approach to the instrument. Both approaches will be applied according to the type of instrument and the credit conditions of the counterparty.

Specifically, for accounts receivable, associated with the client portfolio, subsidiaries use the general or 12-month approach, taking in account, the nature of the policies and the cancellations associated with them. An impairment percentage is calculated, based on available historical information, and for each default level, a percentage is applied prospectively, from the initial moment of the portfolio and is updated over time.

For accounts receivable derived from reinsurance contracts, Suramericana generally for the entire region, reviews the individual financial strength of each reinsurer and estimates the percentage of impairment associated with each. Each subsidiary according to its market characteristics can consider the payment agreements already established. The percentages are updated in a general manner for all subsidiaries annually.

On the other hand, given that the volume of trading of the company, through coinsurance contracts, is not a relevant item, and that additionally, the accounts receivable associated with this are not representative of the total accounts receivable, each subsidiary uses the criteria obtained in the accounts receivable model of customer portfolio.

Lastly, for portfolio investments, the financial strength of each counterparty is analyzed, through the Credit Risk Process, of each subsidiary, and "default" probabilities, published by international risk rating agencies, are used, in order to maintain a prospective approach in the calculation.

Finally, the company has estimated that, given the nature of its investments and accounts receivable, the adjustment to the provision, or loss for the application of the expected methodology, would be reflected as follows, considering the associated impacts, in deferred tax.

Impact on equity due to portfolio impairment

COUNTRY	IMPAIRMENT			
	CUSTOMER PORTFOLIO	ACCOUNT RECEIVABLE REINSURANCE	ACCOUNT RECEIVABLE COINSURANCE	INVESTMENT PORTFOLIO
Argentina	2,213	(551)	-	-
Brazil	-	(115)	(315)	-
Chile	(550)	67	383	-
Colombia	(4,095)	(910)	(1,536)	390
The Savior	436	(1,574)	5	127
Mexico	937	(21)	-	-
Panama	4,130	(595)	(68)	-
Dominican Republic	(1,332)	(612)	(76)	(162)
Uruguay	581	-	-	-
Total	2,321	(4,311)	(1,607)	355
Provision release, net	(3,243)			

c. Hedge accounting

Taking into account that IFRS 9 does not change the general principles of how an entity accounts for its effective hedges, applying the hedging requirements of IFRS 9, will not have a significant impact on the Group's Financial Statements.

d. Other settings

In addition to the adjustments described above, with the adoption of IFRS 9, other items in the Financial Statements, such as deferred taxes, assets held for sale and liabilities related to them, investments in associates and joint ventures, will be adjusted as necessary. The exchange differences in the conversion of operations from abroad will also be adjusted.

IFRS 15 REVENUE FROM CONTRACTS SIGNED WITH CUSTOMERS

IFRS 15 was issued in May 2014 and amended in April 2016, by the IASB. This norm was included in Decree 2496 of 2015 and its amendment was included in Decree 2131 of 2016, effective as of January 1, 2018. The norm establishes a model that consists of five steps, to account for income generated from of contracts, signed with clients. Under IFRS 15, income is recognized, in an amount that reflects the consideration to which the entity expects to be entitled, in exchange for the provision of services or the transfer of goods to a customer. The new revenue standard replaces all the requirements currently established for the recognition of income, under IFRS. A full retrospective application or modified retrospective application is required for annual periods, beginning on or after January 1, 2018. The Group plans to adopt the new standard on the

established date, using the modified retrospective application method. During 2017, the Company realized a diagnosis of the impacts that the application of this new standard would entail.

Grupo SURA's separate income comes primarily from the dividends of its investments in associates, and IFRS 15 eliminates this type of income from its scope. Due to the above, it is considered that Grupo SURA presents no impact on the application of this norm.

Revenues, of the subsidiaries of Grupo SURA, come mainly from the Insurance Segments (which are excluded from the scope of IFRS 15), and from the Administration of Funds. According to the analysis made, the impact on inSURAnce companies is given at the presentation level.

About 1% of consolidated revenues correspond to the services segment, among which there is outsourcing, and where impacts are expected to occur in the application of IFRS 15, since services are provided in packages that include equipment and services.

a. Sale of goods

For contracts with customers, where the sale of the equipment is the only performance obligation, there will be no impact on the results, after the adoption of IFRS 15. The recognition of income occurs when control of the asset is transferred to the customer.

i. Variable Consideration

Currently, the Group recognizes the income from the sale of the measured goods at fair value, for the consideration received or for the account receivable, including their returns and discounts. If the income cannot be measured reliably, the Group defers recognition of this income, until the uncertainty is resolved. Such provisions give rise to variable consideration, under IFRS 15, which will need to be estimated at the beginning of the contract and subsequently updated.

IFRS 15 requires that the estimate of the variable consideration be limited, in order to prevent over-recognition of income.

- **Rights to Refund**

Under IFRS 15, because the contracts allow the customer to return the products, the consideration received, by the customer is variable. The Group has decided to use the expected value

method, to estimate the goods that will be returned, taking into account that this method best predicts the amount of variable consideration, to which the Group will be entitled. The Group applies the requirements of IFRS 15 in the limitation of the estimates of the variable consideration, in order to determine the amount of such consideration, that may be included in the price of the transaction. Under IFRS 15, the Group presents a liability for reimbursements and an asset, for the right to recover the products sold to a customer, separately in the Statement of Financial Position.

- **Volume Returns**

Grupo SURA does not present this type of transactions in its revenues.

- **Obligations for Guarantees**

The Group generally grants guarantees for general repairs, but does not offer extended guarantees, in contracts with its customers. Therefore, most of the existing guarantees are guarantees of a safe nature, under IFRS 15, which will continue to be recorded, based on IAS 37, in accordance with current practice.

- **Loyalty Programs**

Grupo SURA does not present this type of transaction in the recognition of its income.

b. Provision of Services

Insurance companies

General

The solution of automobiles, home, and fire, includes a component of services that do not correspond to insurance risks such as: Transportation due to injuries or illness, displacement and lodging of a relative, displacement due to the death of a family member, transportation in case of death, professional driver, transmission of urgent messages, towing, lodging and transportation due to damage of the car, lodging and transportation due to theft of the car, mobile workshop and locksmith, location and shipment of spare parts, designated driver, support before the transit department, telephone orientation due to transit procedures, plumbing damages, electricity, locksmith, replacement due to glass damages, security services, travel expenses due to interruption of travel, legal telephone assistance. These components constitute additional performance obligations, under the requirements of IFRS 15, which is why the Company must assign, to the value of the premium received, a portion for services complementary to the inSURAnce activity.

According to the analyzes realized, Grupo SURA concludes the following:

- The reporting period would be adjusted, so that the premium income would be decreased by the same value that would be assigned to the complementary services, of the insurance activity. It has been quantified that complementary services will not represent more than 5%, of the total of received premiums. The Company believes that the application of IFRS 15 will only generate an impact on the presentation and disclosure of the Financial Statements, since the income, generated by the complementary services, will be recognized during the period of coverage of the policy.
- The income generated and assigned to the insurance activity will not have impacts due to the adoption of IFRS 15.

Grupo SURA decided to use the practical solution of IFRS 15, and will not adjust the value that has been committed, in consideration to account for the effects of a significant financing component, when it is expected, at the beginning of the contract, that the period between at which time the Company transfers committed service to the customer, and the time the customer pays for that good or service, is one year or less. Therefore, for short-term advances, the amount of such advances will not be adjusted even if the effect of the financing component is significant.

- The filing requirements represent a significant change in current practice and significantly increase the amount of disclosures, in the Financial Statements. Many of the disclosure requirements of IFRS 15 are new and the Company has concluded that the impacts of some disclosure Notes generate additional effort at the process level.
- The Company concluded that the application of IFRS 15 will not have significant effects on the criteria for recognition and measurement of revenues. In 2018, the Company will continue with the evaluation of internal controls, changes of the systems, and updating of policies and procedures, necessary to carry out the unbundling of complementary services to the insurance activities and to effectuate the required disclosure.
- The Company does not expect changes in other items of the Financial Statements, such as current and deferred taxes, assets held for sale and liabilities associated with them, profits or losses after tax for the year for operations, as a result of adopting

this standard, discontinued investments in associates and joint ventures, as well as the participation in the profit or loss, of said investments, will be affected and adjusted as necessary

Life

The main Corporate Purpose, of the Company, is to realize operations of individual inSURAnce and reinsurance on life policies, under the modalities and branches expressly authorized by law.

The aspects and impacts obtained, as a result of the evaluation realized by the Company are described below:

- The solution of group life health, classic group health, global group health, and individual group health, includes components of services that do not correspond to insurance risks such as: EMI, Asistcard, and dental. These components constitute additional performance obligations, under the requirements of the IFRS 15, and which is the reason, why the Company must assign to the value of the premium received, a portion for services complementary to the insurance activity.

Outsourcing companies

The services, provided by outsourcing companies, are sold through separate contracts with customers or bundled with the sale of equipment. The Group currently registers equipment and services, as separate deliverables, and allocates an amount for each deliverable, using the relative fair value approach.

The Group assessed, that once IFRS 15 is adopted, the current reporting period would be adjusted, so the income from the sale of assets would increase by \$586, due to the reallocation of the portion of the contract consideration. Under IAS 18 and IAS 11 was assigned to installation services. The impact, in prior periods, would be an increase in the retained earnings of \$639.

The Group concluded that the services are delivered over time, taking into account that the client receives and consumes the benefits, simultaneously. At present, income and accounts receivable are recognized, even though the collection of the total consideration depends on the successful completion of the services.

c. Equipment Received from Clients

On occasion, the Group receives assets through the process of providing services, on behalf of customers. These equipment is recognized at fair value, as property, plant and equipment, under IFRIC 18 "Transfer of assets by customers", with a corresponding increase in deferred income.

IFRS 15 requires that the fair value of these in-kind payments, received or expected to be received from the customer, be included in the transaction price. The Group has concluded that the adoption of IFRS 15 would have no effect on the registration of equipment, received by customers.

d. Advances Received from Customers

In general, the Group receives only short-term advances from its customers. These advances are presented as part of the accounts payable, however, sometimes, the Group may receive long-term advances. Under the current accounting policy, the Group presents these advances as deferred income, the non-current liabilities of the Statement of Financial Position. No interest is calculated on long-term advances under the current policy.

Under IFRS 15, the Group must determine whether there is a significant financial component in its contracts, however, the Group decided to use the practical solution mentioned in IFRS 15, and will not adjust the amount that it has committed to as consideration, to account for the effects of a significant financing component of its contracts, when it waits, at the beginning of the contract, for the period between the moment in which the Group transfers a good or service committed to the client and the moment in which the client pays for that good or service, is one year or less. Therefore, for short-term advances, the amount of such advances will not be adjusted even if the effect of the financing component is significant.

e. Considerations Agent/Principal

In the fund management companies, there was an analysis of whether the group officiated as principal or agent. In these contracts, the Group does not consider itself the one primarily responsible for satisfying the expectations, of said team. The Group does not assume a risk before or after the service is transferred to the customer, taking into account that it only proceeds to provide the administration service, once the client has approved said purchase, and the fund operates directly to the client.

IFRS 15 requires the Group to evaluate whether it controls the specific goods or services, before they are transferred to the customer. The Group has determined that it does not control the assets before said transfer and, therefore, acts as an agent in these contracts.

f. Presentation and Disclosure Requirements

The requirements for presentation and disclosure of the new standards are more detailed than those contained in the previous standard. The filing requirements represent a significant change in current practice and significantly increase the amount of disclosures in the Financial Statements. Many of the disclosure requirements, of IFRS 15, are new and the Group has concluded that the impact of some of these requirements will be significant. Specifically, the Group expects that the Notes to the Financial Statements will expand, due to the disclosure of the significant judgments, applied in the determination of the transaction price for those contracts that include variable considerations, the manner in which that transaction price is distributed, between the performance obligations and the assumptions used to estimate the independent selling price for each performance obligation. In addition, detailed disclosures are expected, and as a result of significant judgments, used in the evaluation of contracts, which the Group has concluded that it acts as an agent rather than a principal, there is also a significant financing component, and those which grant these service-type guarantees. In addition, as required by IFRS 15, the Group will disaggregate the income recognized by contracts with clients, in the categories that represent the nature, amount, opportunity and uncertainty of income, and the cash flows are affected by economic factors. Information, about the relationship between disclosure of disaggregated income and income information, for each of the reporting segments, will also be disclosed. In 2017, the Group continues to test the appropriate systems, internal controls, and policies and procedures, necessary to gather and disclose the required information.

AMENDMENTS TO IAS 7 - DISCLOSURES

This amendment is included in Annex 1.2 to Decree 2420 of 2015, through Decree 2131 of 2016, effective as of January 1, 2018. It is part of the IASB disclosures initiative and requires that the Group disclose information that allow users, of Financial Statements to evaluate changes in liabilities, arising from financing activities, including changes that arise or not from cash inflows or outflows. In the initial application of the modification, companies would not be required to include comparative information from previous periods. The application of this amendment will result in additional disclosures in the Group's Financial Statements.

RECOGNITION OF DEFERRED TAX ASSETS FOR UNREALIZED LOSSES - AMENDMENTS TO IAS 12

This amendment is included in Annex 1.2 to Decree 2420 of 2015, through Decree 2131 of 2016, effective as of January 1, 2018. This amendment establishes the need for a company to consider whether tax laws restrict sources of taxable profits, against which deductible temporary differences may be charged, in addition to providing guidance on how a company should determine its fu-

ture taxable income and for explaining the circumstances under which taxable profit may include the recovery of certain assets, for a greater than the book value.

Companies should apply these amendments retrospectively, however, at the time of initial application of this amendment, the Change in Equity, in the opening of the first comparative period, could be recognized in the retained earnings (or in another component of the equity, as appropriate), without distributing the change between retained earnings and other components of equity. If the Group applies this exemption, it must disclose this fact. It is expected that this amendment will not have any impact on the Group.

IFRS 16: LEASES

IFRS 16 was issued by the IASB, in January 2016, and replaces IAS 17, IFRIC 4, SIC 15 and SIC 27. This standard establishes the principles of recognition, measurement, presentation, and disclosure of leases and requires lessees to account for all their leases, under the same balance sheet model, similar to the accounting under IAS 17 of financial leases. The standard includes two recognition exemptions for tenants: leasing of low-value assets (for example, personal computers), and short-term leases (that is, leases with a term of less than 12 months). At the beginning of the lease, the lessee will recognize a liability for the payment of royalties (liability for lease), and an asset that would represent the right to use the underlying asset, during the term of the lease (right to use the asset). Tenants must separately recognize the interest expense of the lease liability and the depreciation expense of the right to use.

Tenants must also remediate the lease liability, from the occurrence of certain events (for example, a change in the term of the lease, a change in future fees as a result of a change in the rate, or rate used to determine such fees). The lessee will generally recognize the amount of the remeasurement of the lease liability, as an adjustment in the right-of-use asset.

The accounting of the lessor, under IFRS 16, has no substantial modifications with respect to that realized under IAS 17. The lessors will continue to classify all their leases using the same classification principles of IAS 17, between financial and operating leases.

IFRS 16 also requires lessees and lessors to include more extensive disclosures than those included under IAS 17. This standard has not been introduced in the Colombian accounting framework, by any decree, to date. The Group is evaluating the potential effect of this standard in its Financial Statements.

IFRS 17: INSURANCE CONTRACTS

In May 2017, the IASB issued IFRS 17, a new comprehensive accounting standard for insurance contracts, covering measurement and recognition, presentation, and disclosure. Once in effect, IFRS 17 will replace IFRS 4, issued in 2005. IFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as certain guarantees and financial instruments, with characteristics of discretionary participation. This standard includes few exceptions.

The general objective of the standard is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Contrary to the requirements of IFRS 4, which primarily seeks to protect previous local accounting policies, IFRS 17 provides a comprehensive model for these contracts, including all relevant issues. The essence of this standard is a general model, supplemented by:

- † A specific adaptation for contracts with characteristics of direct participation (variable rate approach)
- † A simplified approach (the allocation premium approach), mainly for short-term contracts

IFRS 17 has not been introduced into the Colombian accounting framework, by any decree, to date. The Group is evaluating the potential effect of this standard in its Financial Statements.

INVESTMENT PROPERTY TRANSFER - AMENDMENTS TO IAS 40

These amendments make some clarifications, for cases in which a company must transfer properties, including, properties under construction or investment properties. These amendments establish that a change in use occurs, when the property begins to meet or fails to meet the definition of investment property, and there is evidence of such change. A simple change in the intention to use the property, by the Administration, does not constitute evidence of a change in use. Companies must apply the amendments, prospectively, on changes in use that occur from the period in which these amendments begin, to be applied. Companies must reevaluate the Classification of the property maintained, at that date, and if applicable, reclassify it to reflect the conditions existing at that time. These amendments have not been introduced into the Colombian accounting framework, by any decree, to date. The Group will apply the amendments when they are effective, however, taking into account that the Group is currently in line with these clarifications, they are not expected to have an effect on its Financial Statements.

CLASSIFICATION AND MEASUREMENT OF TRANSACTIONS WITH SHARE-BASED PAYMENTS - AMENDMENTS TO IFRS 2

These amendments were issued by the IASB, in order to respond to three main areas: the effects of the conditions for the irrevocability of the concession in the measurement of payment transactions based on agreed cash shares, the classification of payment transactions based on in shares with net settlement characteristics for tax withholding obligations, and accounting, when a modification to the terms and conditions of share-based payment transactions changes its classification, from liquidated in cash to liquidated in equity.

In adoption, companies are required to apply the amendments without re-expressing prior periods, but retrospective application is allowed, if they are eligible for the three amendments, and meet other criteria.

Group does not present this type of transactions therefore this amendment does not apply.

ANNUAL IMPROVEMENTS 2014 - 2016 (ISSUED IN DECEMBER 2016)

These improvements include:

IFRS 1 "Adoption for the first time of International Financial Reporting Standards" - Elimination of Short -Term Exemptions for First Time Adopters

The short-term exemptions, included in paragraphs E3-E7 of IFRS 1, were eliminated, because they have already served their purpose. This amendment has not been introduced in the Colombian accounting framework by means of any decree, to date, and is not applicable to the Group.

IAS 28 "Investments in Associates and Joint Ventures" - Clarifications of the measurement of Participation at Fair Value, with Changes in Income, must be made for each of the Investments

These amendments clarify the following:

- ¶ A company that is a venture capital organization, or other qualified entity, can choose, in the initial recognition of each of the investments, to measure its investments in associates and joint ventures, at fair value, through profit or loss.
- ¶ If an entity, which is not an investment entity, has an interest in an associate and joint venture, if it is an investment entity, the entity may, in applying the equity method, choose to accumulate the measurement, at fair value, applied by this investment entity, to its associates or joint ventures.

This choice is made separately for each investment, on the date closest between, when the investment entity is recognized, the date on which the investment entity is initially recognized, the date on which the associate or joint ventures becomes an investment entity, and the date on which the associated investment entity or joint ventures, becomes a Parent.

These amendments must be applied retrospectively and have not been introduced into the Colombian accounting framework, by any decree, to date. These amendments are not applicable to the company.

APPLICATION OF IFRS 9 "FINANCIAL INSTRUMENTS" WITH IFRS 4 "INSURANCE CONTRACTS" - AMENDMENTS TO IFRS 4

The amendments are intended to resolve issues that arise, as a result of the implementation of the new financial instruments standard, IFRS 9, prior to the implementation of IFRS 17 "InSURance contracts", which replaces IFRS 4. These amendments introduce two options for entities that issue insurance contracts: a temporary exemption from the application of IFRS 9 and an overlay approach. A company may opt for the overlay approach, when it adopts IFRS 9 and applies this retrospective approach, to the financial assets designated in the transition to IFRS 9. The Group restates comparative information, reflecting the overlap approach, and chose to restate comparative information, in the application of IFRS 9.

IFRIC 22 TRANSACTIONS IN FOREIGN CURRENCY AND ADVANCE CONSIDERATIONS

This interpretation clarifies that the determination of the exchange rate to be used in the initial recognition of an asset, income or expense (or part of them), in the derecognition of non-monetary assets or liabilities, related to the advance consideration, the date of the transaction on the date on which an entity initially recognizes the aforementioned non-financial asset or liability from an advance payment. If there are multiple payments, in advance, whether they are received or delivered, the companies must determine the transaction date for each of those payments. Companies can apply these amendments retrospectively or can apply it prospectively for all assets, income, and expenses, in its reach, which were recognized from:

- i. The beginning of the period, in which the company applies the interpretation for the first time, or
- ii. The beginning of the previous period, presented as comparative information, in the Financial Statements of the period, in which this interpretation is applied for the first time

This interpretation has not been introduced into the Colombian accounting framework, by any decree, to date. Taking into account that, the Group's current practice is in line with this interpretation, the Group does not expect any effect of this in its Financial Statements.

IFRIC 23 UNCERTAINTY FACED WITH INCOME TAX TREATMENTS

The interpretation addresses the income tax accounting in cases where the tax treatment includes uncertainties that affect the application of IAS 12 and does not apply to taxes that are outside the scope of this IAS, nor does it include specific requirements related to interest, and penalties associated with uncertain tax treatments. The interpretation deals with the following:

- ¶ When the entity considers uncertain tax treatments separately
- ¶ The assumptions made by the entity, about the examination of tax treatments, by the corresponding authorities
- ¶ The way in which the entity determines the fiscal profit (or fiscal loss), fiscal bases, in-used fiscal losses or credits, and fiscal rates
- ¶ The manner, in which, the entity considers changes in events and circumstances

A company must determine if it evaluates each uncertain treatment separately or in groups, using the approach that best predicts the resolution of uncertainties.

This interpretation has not been introduced into the Colombian accounting framework, by any decree, to date. Taking into account that, the Group operates in a complex tax environment, the application of this interpretation may impact its Financial Statements and disclosures. In addition, the Group must establish processes and procedures, to obtain the information necessary, to apply this interpretation in a timely manner.

NOTE 7. CASH

Cash and cash equivalents correspond to:

	2017	2016
National currency	69,099	269,900
Bank	1	1
Checking bank accounts	297	335
Savings bank accounts	57,931	241,452
Restricted cash (See Note 12.3.1.)	1,502	-
Fiduciary rights	9,368	28,112
Foreign currency	199	45,355
Bank	16	6
Checking bank accounts	183	45,349
Short-term investments	-	136,188
CDT	-	96,047
Repurchase investment rights	-	40,141
Total cash and cash equivalents	69,298	451,443

Bank balances accrue interest at variable rates, based on daily bank deposit rates. Short-term placements are realized for periods varying from one day to three months, depending on the immediate cash needs of Grupo SURA and accrue interest at the applicable short-term placements rates.

Restricted cash corresponds to a supplementary pension plan, administered by Protección S.A, created with the purpose of compensating the liability that is held as a retirement bonus for Directors.

NOTE 8. FINANCIAL INSTRUMENTS

The methodologies and assumptions used to determine the value of financial instruments that are not recorded at fair value in the Financial Statements (i.e. at amortized cost) and loans and accounts receivable, are described below:

ASSETS WHOSE FAIR VALUES APPROXIMATED TO THE BOOK VALUE

For the financial assets that have a short-term maturity (less than three months), demand deposits and savings accounts without specific maturity, the book value is approximated at fair value. In the case of other equity instruments, an adjustment is also made to reflect the change in the differential required credit, since the instrument was initially recognized.

As for the instruments for short-term receivables, which are measured at amortized cost, the book value is equivalent, to a reasonable approximation of the fair value.

FINANCIAL INSTRUMENTS AT AN AGREED RATE

The value of fixed income assets, valued at amortized cost, is calculated by comparing market interest rates when it was first recognized, with current market rates for similar financial instruments. The estimated fair value, of time deposits, is based on discounted cash flows, using current interest rates, in the money market, debt, with a similar credit risk and maturity.

FAIR VALUE HIERARCHY

In order to increase the consistency and comparability of fair value measurements and related disclosures, IFRS 13 establishes a fair value hierarchy that classifies, at three levels, the input data of valuation techniques used, to measure it. The fair value hierarchy gives the highest priority to quoted prices (unadjusted), in markets for identical assets and liabilities (Level 1 input data), and the lowest priority to unobservable input data (input data from Level 3).

Thus, some of the accounting policies and disclosures of Grupo SURA S.A. require the measurement of the fair values of both financial and non-financial assets and liabilities. The following are the definitions used to determine the fair value of the financial assets, in the investment portfolio of Grupo SURA S.A.:

Level 1 - Prices Listed In Active Markets

These are assets, whose prices are quoted (unadjusted) in active markets, for assets or liabilities identical to those that the entity may have access to, at the measurement date. A quoted price, in an active market, provides the most reliable evidence of fair value, and will be used without adjustment, to measure fair value, whenever it is available. The valuation of securities, at fair value, is performed with the prices delivered by price suppliers or official sources, such as Central Banks, Stock Exchanges, and Valuation Committees. Among the assets, belonging to Hierarchy 1, are securities of the local fixed income portfolio that report a price.

Level 2 - Modeled With Observable Market Entry Data

These are assets, whose valuations are realized, with data different from the quoted prices included in Level 1, and which are observable for the asset or liability, either directly or indirectly. The valuation of securities, at fair value, is realized by means of the prices delivered by the custodians of securities, of the portfolio and the price suppliers. For the classification in the hierarchy of fair value, market liquidity is used as a frame of reference. Thus, securities traded

in less liquid positions, than those of Hierarchy 1, are classified as Hierarchy 2. Among them are some local and international fixed income securities that value by margin, structured notes, private equity funds, and some securitizations.

Level 3 - Modeled With Non-Observable Entry Data

These are assets, whose valuations are based on non-observable data, important for the asset or liability. For Level 3, it will be Grupo SURA S.A. who will be responsible for defining the variables and applying the methodology.

- † Internal Rate of Return (IRR): is an exponential valuation methodology that allows discounting future cash flows through the rate, negotiated at the time of purchase.
- † Attributed cost: is a value that reflects the net, between the costs and the provisions, of the shares of low marketability that are held in the subsidiaries. It is used because, for stocks that do not have any liquidity, this reflects the value of the initial balance with the best information known up to that moment.

FINANCIAL LIABILITIES WHOSE FAIR VALUE APPROXIMATES THE BOOK VALUE

In the case of those obligations, maturing in the short-term, their book value is approximated at its fair value.

Long-term accounts payable, typically have maturities of between one and two years. This causes the respective book values to be reasonable approximations of their fair values.

For loans with variable interest rates, the book value corresponds to an approximation of its fair value. As for loans with fixed interest rates, the market interest rate for similar loans does not differ significantly; therefore, the book amount corresponds to a reasonable approximation of fair value.

The follow is a breakdown of financial assets and liabilities that Grupo SURA possesses at December 31, 2017 and December 2016.

8.1. FINANCIAL ASSETS

The balance of financial assets of Grupo SURA, is as follows:

December 2017

CURRENT		FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS AT FAIR VALUE		CASH AND CASH EQUIVALENTS	TOTAL
	NOTE		INCOME	EQUITY		
Cash and cash equivalents	7	-	-	-	69,298	69,298
Accounts receivable		19,824	-	-	-	19,824
Accounts receivable from related parties	8.1.1	39,450	-	-	-	39,450
Other financial assets	8.1.2	-	16,409	-	-	16,409
Total current financial assets		59,274	16,409	-	69,298	144,981
NON-CURRENT		FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS AT FAIR VALUE		CASH AND CASH EQUIVALENTS	TOTAL
	NOTE		INCOME	EQUITY		
Investments	8.1.3	-	-	17,664	-	17,664
Other financial assets	8.1.2	-	60,265	-	-	60,265
Total non-current financial assets		-	60,265	17,664	-	77,929
Total financial assets		59,274	76,674	17,664	69,298	222,910

December 2016

CURRENT		FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS AT FAIR VALUE		CASH AND CASH EQUIVALENTS	TOTAL
	NOTE		INCOME	EQUITY		
Cash and cash equivalents	7	-	-	-	451,443	451,443
Accounts receivable		767	-	-	-	767
Accounts receivable from related parties	8.1.1	99,899	-	-	-	99,899
Other financial assets	8.1.2	-	38,363	-	-	38,363
Total current financial assets		100,666	38,363	-	451,443	590,472
NON-CURRENT		FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS AT FAIR VALUE		CASH AND CASH EQUIVALENTS	TOTAL
	NOTE		INCOME	EQUITY		
Investments	8.1.3	-	-	23,091	-	23,091
Other financial assets	8.1.2	-	85,163	-	-	85,163
Total non-current financial assets		-	85,163	23,091	-	108,254
Total financial assets		100,666	123,526	23,091	451,443	698,726

MATURITY OF FINANCIAL ASSETS

The maturities of the financial assets are detailed below:

DECEMBER 2017	LESS THAN 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Cash	69,298	-	-	-	69,298
Accounts receivable	19,824	-	-	-	19,824
Accounts receivable related parties	39,450	-	-	-	39,450
Investments	-	-	-	17,664	17,664
Other financial assets	16,409	60,265	-	-	76,674
Total	144,981	60,265	-	17,664	222,910
DECEMBER 2016	LESS THAN 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Cash	451,443	-	-	-	451,443
Accounts receivable	767	-	-	-	767
Accounts receivable related parties	99,899	-	-	-	99,899
Investments	-	-	-	23,091	23,091
Other financial assets	38,363	37,956	46,726	481	123,526
Total	590,472	37,956	46,726	23,572	698,726

FAIR VALUE HIERARCHY

The classification of financial assets, according to the fair value hierarchy, is as follows:

	LEVEL 1	LEVEL 2	TOTAL
Financial assets at fair value with changes in equity	17,664	-	17,664
Other financial assets	-	76,674	76,674
Total financial assets December 2017	17,664	76,674	94,338
	LEVEL 1	LEVEL 2	TOTAL
Financial assets at fair value, with changes in equity	23,091	-	23,091
Other financial assets	-	123,526	123,526
Total financial assets December 2016	23,091	123,526	146,617

MOVEMENT OF FINANCIAL ASSETS

	FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS AT FAIR VALUE WITH CHANGES IN PROFIT AND LOSS	FINANCIAL ASSETS AT FAIR VALUE WITH CHANGES IN EQUITY	CASH AND CASH EQUIVALENTS	TOTAL
At December 31, 2015	87,117	185,302	21,512	221,228	515,159
Additions	1,567,085	-	-	964,399	2,531,484
Valuation of financial assets	-	(3,466)	1,579	-	(1,887)
Maturity of financial assets	-	(58,310)	-	-	(58,310)
Derecognitions	(1,553,536)	-	-	(734,184)	(2,287,720)
At December 31, 2016	100,666	123,526	23,091	451,443	698,726
Additions	886,908	-	-	1,176,784	2,063,692
Valuation of financial assets	(49)	1,731	(5,427)	-	(3,745)
Maturity of financial assets	-	(48,583)	-	-	(48,583)
Derecognitions	(928,251)	-	-	(1,558,929)	(2,487,180)
At December 31, 2017	59,274	76,674	17,664	69,298	222,910

8.1.1. Accounts receivable related parties

Accounts receivable corresponds to unpaid dividends to associated companies and current accounts between subsidiary companies, which are detailed below:

	DECEMBER 2017	DECEMBER 2016
Bancolombia S.A.	-	52,063
Inversiones Argos S.A.	17,789	16,469
Grupo Nutresa S.A.	21,601	20,145
Total dividends receivable, associates	39,390	88,677
Suramericana S.A.	-	90
Grupo de Inversiones SURAmericana Panama ¹	-	11,073
Grupo SURA Finance ¹	60	59
Total dividends receivable, subsidiaries	60	11,222
Total accounts receivable from related parties and current associates	39,450	99,899

¹ These amounts correspond to an account receivable from Grupo SURA Finance and Grupo de Inversiones SURAmericana Panamá, for the acquisition of shares.

8.1.2. Other Financial assets

A breakdown of other financial assets is listed below:

OTHER FINANCIAL ASSETS	DECEMBER 2017	DECEMBER 2016
Swaps	29,071	13,512
Swaps from interest rates	5,458	-
Options from exchange rates	42,145	99,850
Futures from exchange rates	-	10,164
Total assets from derivatives operations	76,674	123,526

8.1.3. Investments

A breakdown of financial assets at fair value, with changes in equity, is as follows:

	DECEMBER 2017			DECEMBER 2016		
	# SHARES	% PART.	FAIR VALUE	# SHARES	% PART.	FAIR VALUE
Fogansa S.A.	176,000	0.29%	-	176,000	0.29%	-
Enka S.A.	1,973,612,701	16.76%	17,664	1,973,612,701	16.76%	23,091
Totals			17,664			23,091

8.2. Financial liabilities

The following is related to the financial liabilities included in accounts payable of Grupo SURA:

	NOTE	DECEMBER 2017	DECEMBER 2016
Accounts payable for related parties	8.2.2	1,664,427	1,727,010
Other financial liabilities	8.2.1	1,098,149	1,262,999
Derivatives	8.2.1	118,830	48,690
Securities issued	14	1,779,793	986,781
Trade and other accounts payable	8.2.3	14,687	36,642
		4,675,886	4,062,122

The breakdown of current and non-current financial liabilities, as well as by type of financial liability, is as follows:

December 2017

CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASES	TOTAL
Leases (*)	-	-	3,990	3,990
Derivatives (*)	-	687	-	687
Accounts payable	14,687	-	-	14,687
Accounts payable, related parties	1,664,427	-	-	1,664,427
Other financial liabilities (*)	298,974	-	-	298,974
Total current liabilities	1,978,088	687	3,990	1,982,765
NON-CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASES	TOTAL
Leases (*)	-	-	10,780	10,780
Derivatives (*)	-	118,143	-	118,143
Securities issued	1,779,793	-	-	1,779,793
Other financial liabilities (*)	715,444	68,961	-	784,405
Total non-current liabilities	2,495,237	187,104	10,780	2,693,121
Total financial liabilities	4,473,325	187,791	14,770	4,675,886

December 2016

CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASES	TOTAL
Leases (*)	-	-	3,990	3,990
Derivatives (*)	-	21,163	-	21,163
Accounts payable	36,644	-	-	36,644
Accounts payable, related parties	1,727,010	-	-	1,727,010
Other financial liabilities (*)	1,247,713	-	-	1,247,713
Total current liabilities	3,011,367	21,163	3,990	3,036,520
NON-CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASES	TOTAL
Leases (*)	-	-	11,295	11,295
Derivatives (*)	-	27,527	-	27,527
Securities issued	986,781	-	-	986,781
Total non-current liabilities	986,781	27,527	11,295	1,025,603
Total financial liabilities	3,998,148	48,690	15,285	4,062,123

Maturity of financial liabilities

The maturities of the financial liabilities, are as follows:

2017	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Leases ^(*)	3,990	-	10,7080	14,770
Derivatives ^(*)	687	21,298	96,845	118,830
Other accounts payable	1,679,114	-	-	1,679,114
Financial obligations ^(*)	367,934	715,444	-	1,083,378
Bonds and securities	-	399,512	1,380,281	1,779,793
Total	2,051,725	1,136,254	1,487,906	4,675,886
2016	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Leases ^(*)	3,990	-	11,296	15,286
Derivatives ^(*)	21,163	9,681	17,846	48,690
Other accounts payable	1,763,652	-	-	1,763,652
Financial obligations ^(*)	1,247,713	-	-	1,247,713
Bonds and securities	-	101,003	885,778	986,781
Total	3,036,518	110,684	914,920	4,062,122

(*) Is part of the grouping of other financial liabilities: leases, derivatives, and financial obligations

Fair Value Hierarchy

The hierarchy for the liabilities, measured at fair value, is as follows:

	LEVEL 2
Financial derivatives	118,830
Total financial liability December 2017	118,830
	LEVEL 2
Financial derivatives	48,690
Total financial liability December 2016	48,690

Movement of financial liabilities

	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE WITH CHANGES IN RESULT	LEASES	TOTAL
At December 31, 2015	4,103,354	11,345	-	4,114,699
Additions	3,336,512	-	15,314	3,351,826
Valuation of financial liabilities	(121,804)	37,345	376	(84,083)
Payments	(3,319,916)	-	(404)	(3,320,320)
At December 31, 2016	3,998,146	48,690	15,286	4,062,122
Additions	2,638,351	11,892	-	2,436,129
Valuation of financial liabilities	239,867	50,347	946	517,267
Payments	(2,334,079)	7,901	(1,461)	(2,339,632)
At December 31, 2017	4,542,285	118,830	14,771	4,675,886

8.2.1. Other financial liabilities

Short and long-term financial obligations, options, and swaps, which are detailed below, for the period ended December 31, 2017 and December 31, 2016:

ENTITY	CURRENCY	RATE	TERM (DAYS)	2017	2016
BBVA España	USD	Libor + 1.25% /1.5%	1,006	298,974	300,280
Bancolombia Panamá	USD	Libor + 1.47%	641	-	246,433
Citigroup Global Market	USD	Libor + 0.45%	386	-	220,977
Banco Davivienda S.A.	USD	Libor + 1.50%	641	-	136,237
Banco de Bogotá	COP	CPI+2.40%	730	287,705	289,664
Citigroup Global Market	USD	Libor + 0.45%	385	-	54,122
Bancolombia S.A.	COP	IBR + 2.18%	1,080	200,343	-
Bancolombia S.A.	COP	IBR + 2.24%	1,080	227,396	-
Subtotal of financial obligations				1,014,418	1,247,713
Repo operations				68,960	-
Financial Leasing (leasing)	COP	7.89%	5,478	14,770	15,286
Subtotal financial liabilities				1,098,149	1,262,999
Derivatives ⁽¹⁾				118,830	48,690
Total financial liabilities				1,216,979	1,311,689

(1) The following is a breakdown of the derivatives:

OTHER FINANCIAL ASSETS	DECEMBER 2017	DECEMBER 2016
Swaps from exchange rates	105,002	27,562
Swaps from interest rates	-	2,388
Options from exchange rates	13,828	18,740
Total assets from derivatives operations	118,830	48,690

8.2.2. Accounts payable to related entities

Corresponds to the payment of short-term dividends for shares declared at the Shareholders' Meeting, held on March 31, 2017, and accounts payable to subsidiaries:

	DECEMBER 2017	DECEMBER 2016
Ordinary shares	1,343	54,773
Preference shares	6	12,122
Sub-total	1,349	66,895
Accounts payable to current subsidiaries (See Note 26)	1,663,077	1,660,115
Total accounts payable to related parties	1,664,427	1,727,010

8.2.3. Trade and other accounts payable

The breakdown of current trade accounts payable is as follows:

	DECEMBER 2017	DECEMBER 2016
Suppliers	1,778	643
Accounts payable from sales of investments	10,296	33,634
Others	2,613	2,365
Total Accounts payable, trade	14,687	36,642

NOTE 9. TAXES

The following are the taxes recognized in the Statement of Financial Position:

	NOTE	DECEMBER 2017	DECEMBER 2016
Current tax asset	9.1	-	-
Deferred tax asset	9.2	-	-
Current tax liability	9.1	33,338	62,103
Deferred tax liability	9.2	39,554	66,281

9.1. Current income tax

a. Current tax recognized in the Statement of Financial Position

	DECEMBER 2017	DECEMBER 2016
CURRENT TAX LIABILITIES		
Income Tax and complementaries ^f	31,353	55,992
Local taxes	1,947	6,040
Sales tax, payable	38	71
	33,338	62,103

b. Tax recognized in the Income Statement

	DECEMBER 2017	DECEMBER 2016
Current tax expense	(7,638)	(77,844)
Deferred tax expense		
Constitution/reversal of temporary differences	26,132	16,304
Impact of exchange rates		
Income (Expenses) for income tax	18,494	(61,538)

c. Reconciliation of the effective tax rate

The reconciliation of the effective tax rate, of the Group, applicable for the years ended, December 31, 2017 and 2016, respectively, is as follows

	DECEMBER 2017		DECEMBER 2016	
	RATE	BALANCE	RATE	BALANCE
Income tax		736,591		897,019
Income tax by applying the local tax rate	40%	(294,637)	40%	(358,808)
TAX EFFECT OF:				
Non-deductible expenses	(13%)	(98,836)	(6%)	(53,906)
Taxable dividends	(6%)	(44,033)	(8%)	(70,247)
Adjustments in exchange rate	(1%)	(4,596)	0%	(1,826)
Tax losses	(12%)	(86,314)	(5%)	(44,566)
Untaxed income	40%	291,485	30%	267,470
Untaxed dividends	29%	210,672	24%	219,463
Reimbursement of previous periods	6%	44,752	0%	-
Others	0%	-	(2%)	(19,118)
Income tax (income/expense)	(3%)	18,494	7%	(61,538)

The effective tax rate for the Company was (3%) for the year 2017, and 7% in 2016. This variation corresponds mainly to the reimbursement of income tax provisions from previous years.

d. Reconciliation between profit and taxable income

The following is the reconciliation, between profit and the estimated taxable income, for the years ended, December 31st:

A) INCOME AND TAXABLE INCOME:	2017	2016	CREE
	TAXABLE INCOME	TAXABLE INCOME	CREE
Profit, before taxes	736,591	897,019	897,019
Accounting differences - Fiscal	(282,301)	(258,272)	(258,272)
Equity Method - dividends	(370,271)	(362,046)	(362,046)
Valuation of derivatives	50,165	(121,503)	(121,503)
Interest	38,635	19,457	19,457
Profit on sale of Investments	-	204,151	204,151
Others	(829)	1,669	1,669
Taxable income, before taxes	454,291	638,747	638,747
Plus:	382,759	211,781	211,781
Non-deductible provisions that constitute temporary difference	3,470	8,619	8,619
Other tax revenue	1,184	-	-
Non-deductible vehicle taxes	1,361	28	28
Dividends of permanent investments of controlling companies	110,083	-	-
Levy financial movements	514	1,238	1,238
Other non-deductible expenses	212,641	118,914	118,914
Loss in participation method	-	-	-
Miscellaneous expense	53,507	82,983	82,983
Minus:	921,911	767,335	767,335
Payment industry and commerce tax	4,598	4,167	4,167
Utility for sale of investments	-	85,901	85,901
Other non-tax revenues\	-	86,588	86,588
Dividends and participation, untaxed	917,313	590,679	590,679
Taxable liquid income	(84,862)	83,194	83,194
Presumptive income	134,049	194,609	194,609
TAX:			
Taxable liquid income	134,049	194,609	
Tax at nominal rate 40%	53,619	48,652	
Occasional Gains	21	-	
Tax discount	(1,250)	-	
CREE:			
Taxable liquid income	-	194,609	
Tax at the nominal rate	-	29,191	
Total income tax - occasional gains and CREE	52,390	77,844	
(-) Adjustment of previous years	44,752	-	
Total Net Income Tax	7,638	77,844	

e. Tax losses

The following is a breakdown of fiscal losses and excesses of presumptive income, over ordinary income, readjusted fiscally:

TAX LOSS		2017	2016
GENERATED IN			
2008		-	519
2009		-	364
2010		2	73,302
2011		120,131	582,730
2015		82,832	82,832
Total		202,965	739,747
TAX SURPLUSES			
2011		-	31,923
2012		-	56,764
2013		-	52,688
2014		27	35
2015		11,921	-
2016		91,290	-
Total		103,238	141,410
Total losses and excesses		306,203	881,157

At December 31, 2017, there are no recognized deferred tax assets, related to tax losses, due to that the Company does not pay taxable income, for which an asset is not recognized.

f. Current tax movement

The following is the movement, that generated the balances of income and complementaries, at December 31, 2017 and December 2016:

Balance of income tax at December 31, 2015	38,580
Income tax and CREE, for the year 2015	(4,402)
Provisions	77,844
Withholdings and advances	(56,030)
Balance of income tax at December 31, 2016	55,992
Provisions	24,811
Payment income tax, for the year 2016	(49,450)
Balance of income tax at December 31, 2017	31,353

The tax returns, for 2016 and 2015, will be finalized, according to the general rule of 2 years.

As of 2017, the general term of firmness of the tax returns, will be 3 years, from the date of its expiration or from the date of its presentation, when these have been submitted extemporaneously. Regarding the transfer pricing declarations, the term of its finality, will be 6 years.

With respect to those statements, in which balances are presented in favor, the term of finality, will be 3 years, from the date of submission of the request, for refund or compensation.

The tax on wealth, paid by the company in 2017, was \$ 1,334, and in 2016, the value of the wealth tax paid was \$3,345.

9.2 DEFERRED TAXES**g. Movement of balances of deferred taxes**

The net asset/liability from deferred income tax, is as follows:

	DEC 2017	RECOGNIZED RESULTS	OTHER PARTICIPATION IN EQUITY	DEC 2016	RECOGNIZED RESULTS	OTHER PARTICIPATION IN EQUITY	DEC 2015
Derivatives, forwards, swaps, and options	(21,943)	(38,421)	-	16,478	(28,813)	-	(45,291)
Dividend investments in subsidiaries	66,928	8,515	-	58,413	(16,753)	-	(75,166)
Employee benefits- retirement bonus and Bonus bank	(10,946)	1,699	(596)	(12,049)	2,313	(434)	13,928
Financial liabilities	467	2,901	-	(2,434)	(6,591)	-	(4,157)
Fiscal losses/excess	-	-	-	-	27,528	-	27,528
Property and equipment	5,048	(825)	-	5,873	6,011	-	138
	39,554	(26,131)	(596)	66,281	(16,305)	(434)	(83,020)

9.3. TAX AFFAIRS IN COLOMBIA

The provisions in effect, applicable to the Company, stipulate that

Wealth tax

The Law provides for this temporary tax, for taxable years 2015, 2016, and 2017 (for natural persons until 2018). The tax will be incurred on an annual basis in the Income Statement.

The tax must be paid by:

- ¶ Legal persons, de facto companies, and natural persons and illiquid estates, taxpayers, and supplementary income tax
- ¶ Foreign companies and entities, with respect to their wealth possessed in the country, regardless of whether or not they are taxpayers of income tax and complementaries
- ¶ Portfolios of foreign capital portfolio

The tax will only take place, if on January 1, 2015, the taxable person has a net worth of COP \$1,000 or more.

The taxable base is calculated by taking the gross equity held on January 1, 2015, January 1, 2016, and January 1, 2017 (January 1, 2018 for natural persons) debts are subtracted, so that the taxpayer has these same dates.

It is important to consider the following aspects to determine the taxable base:

For all taxable persons:

The equity value of shares or shares of interest in national companies owned directly or through commercial trust or collective investment funds, voluntary pension funds, voluntary pension inSURAnce or individual life inSURAnce is excluded (among others).

The Law establishes a lower and higher limit, for the taxable base of the tax as follows:

UPPER LIMIT (CAP)	LOWER LIMIT (BOTTOM)
If the liquid assets subject to taxation, in 2016 and 2017, (2018 for natural persons) is higher than in 2015: The taxable base for any of said years will be the lower of: (i) the base of the year increased by 25% of inflation for the year immediately preceding that declared and (ii) the taxable base determined in the year in which it is declared.	If the liquid assets subject to taxation for the years 2016, 2017 (2018 for natural persons), is lower than that of 2015: The taxable base for any such year shall be the greater of: (i) the taxable base of 2015 decreased by 25% of inflation for the year immediately preceding that declared and (ii) the taxable base determined in the year in which it is declared.

Tax rates, for legal entities and non-resident entities, are:

LOWER LIMIT	UPPER	TARIFA 2015	TARIFA 2016	TARIFA 2017
Limit	Rate 2015	Rate 2016	Rate 2017	(Base gravable)*0,05%
>0	<2.000	(Tax Base) * 0.20%	(Tax Base) * 0.15%	(Tax Base) *0.05%
>=2.000	<3.000	(Tax Base - 2.000) *0.35% + 4	(Tax Base -2.000) *0.25% + 3	(Tax Base - 2.000) *0.10% + 1
>=3.000	<5.000	(Tax Base - 3.000) *0.75% + 7.5	(Tax Base - 3.000) *0.50% + 5.5	(Tax Base - 3.000) *0.20% + 2
>=5.000	forward	(Tax Base - 5.000) *1.15% + 22.5	(Tax Base - 5.000) *1.00% + 15.5	(Tax Base - 5.000) *0.40% + 6

The tax on wealth is not deductible from income tax and complementaries, or CREE, and its value cannot be offset with balances in favor of other taxes.

Changes in Income Tax Rates

As of 2013, the income tax for equity (CREE) was created. This tax was calculated until December 31, 2016, based on the gross income obtained, minus income not constituting income, costs, deductions, exempt income, and occasional gains at a rate of 9%.

Law 1739 of 2014, established a surcharge on the progressive and temporary CREE income tax, from 2015, starting with 5%, and for 2016 a 6%, applicable to taxable bases of \$ 800 million and above.

Law 1819 of 2016, eliminated the CREE tax, and the surcharge on the CREE tax for 2017 and 2018, and in turn increased the general rate of income tax to 34% for 2017 and 33% for the following years, creating an over-tax on income tax and complementary taxes of 6% and 4%, for taxable years 2017 and 2018, respectively; the latter applicable to taxable bases of \$ 800 million and above.

Tax on Dividends

Regarding the profits generated from the year 2017, the new tax on dividends will be applied to foreign companies and entities.

The tax rate will be 5%. On the other hand, the taxable dividend, with the income tax, will have a rate of 35%. In this scenario, the dividend tax of 5% will apply to the amount of the taxable distribution, once it has been reduced, with the income tax at the rate of 35%.

For natural persons, who are tax residents in Colombia, the dividend tax will have a maximum rate of 10% on untaxed dividends, and 35% with on the table distributed dividends.

Presumptive income

The taxpayer's net income cannot be less than 3% of its net equity, on the last day of the immediately preceding taxable year. As of 2017, it will be 3.5%.

The excesses of the presumptive income over ordinary income incurred, may be compensated with the ordinary income, obtained within five years following its occurrence.

Transfer Prices

Income tax payers, who enter into transactions with economic related parties, or related parties from abroad, are obliged to determine, for income tax purposes, their ordinary and extraordinary income, their costs and deductions, their assets and liabilities, considering for these operations, the prices and profit margins that would have been used in comparable operations, with or between those not economically linked.

Independent advisors advance the update of the transfer pricing study, required by tax provisions, tending to demonstrate that operations, with economic related parties from abroad, were realized at market values, during 2017. For this purpose, the Company will present an informative return and will have available the referred study, by the end of July 2018. Failure to comply with the transfer pricing regime may result in financial penalties and a higher income tax; however, Management and its advisors are of the opinion that the study will be concluded in a timely manner and will not produce significant changes to the basis used to determine the 2017 income tax provision.

Sales tax

As of the taxable year 2017, the general rate of sales tax is nineteen percent (19%) and a differential rate of 5%, for some goods and services, in accordance with Article 184 and 185, of Law 1819 of 2016.

As of the taxable year 2017, the event generating the VAT was extended to the sale of goods in general, the sale or concession of intangibles, related to industrial property and, to the rendering of services in Colombia, or from abroad, except for exclusions express of the norm, in accordance with Article 173 of Law 1819 of 2016.

From the taxable year 2017, the periods of declarations and VAT payments will be bi-monthly and quarterly, in accordance with Article 600 of Law 1819 of 2016.

Law 1819, in Article 194, indicated that the periods to request deductibles, will be of three bi-monthly periods, immediately following the period of its causation.

NOTE 10. PROPERTIES AND EQUIPMENT

The following is a breakdown of properties and equipment, at December 31st:

	2017	2016
Land	-	2,683
Constructions in progress	7,672	5,796
Constructions and buildings	15,390	28,862
Office team	2,368	2,272
Computer and communication equipment	395	476
Cars trucks and campers	1,849	1,618
Accumulated depreciation	(1,690)	(1,531)
Total properties and equipment	25,984	40,176

A breakdown of the movements of ownership and equipment of Grupo SURA, is as follows

2017	LAND	OFFICES AND PARKING	BUILDINGS	VEHICLES	OFFICE EQUIPMENT	INFORMATIC TEAM	CONSTRUCTIONS IN PROGRESS	TOTAL PROPERTY AND EQUIPMENT
Cost at January 1, 2017	2,683	13,472	15,390	1,618	2,272	475	5,796	41,706
Additions	-	-	-	425	468	167	1,876	2,937
Provisions (-)	(2,683)	(13,472)	-	(193)	(372)	(247)	-	(16,968)
Cost in books at December 31, 2017	-	-	15,390	1,850	2,368	395	7,672	27,675
ACCUMULATED DEPRECIATION AND IMPAIRMENT OF VALUE								
Accumulated depreciation and impairment at January 1, 2017	-	(538)	-	(494)	(241)	(258)	-	(1,531)
Depreciation of the period	-	(34)	(641)	(115)	(311)	(76)	-	(1,177)
Sale of property and equipment	-	572	-	46	195	199	-	1,012
Other changes	-	-	-	-	-	6	-	6
Accumulated depreciation and impairment at December 31, 2017	-	-	(641)	(563)	(357)	(129)	-	(1,690)
Property and equipment at December 31, 2017	-	-	14,749	1,287	2,011	266	7,672	25,984
2016	LAND	BUILDINGS	VEHICLES	OFFICE EQUIPMENT	INFORMATIC TEAM	CONSTRUCTIONS IN PROGRESS	TOTAL PROPERTY AND EQUIPMENT	
Cost at January 1, 2016	2,696	13,538	1,381	585	377	-	18,578	
Additions	-	15,324	237	1,687	98	5,796	23,142	
Provisions (-)	(13)	-	-	-	-	-	(13)	
Cost on books at December 31, 2016	2,683	28,862	1,618	2,272	475	5,796	41,707	
ACCUMULATED DEPRECIATION AND IMPAIRMENT OF VALUE								
Accumulated depreciation and impairment at January 1, 2016	-	(405)	(382)	(159)	(180)	-	(1,126)	
Depreciation of the period	-	(135)	(112)	(82)	(78)	-	(407)	
Other changes	-	2	-	-	-	-	2	
Accumulated depreciation and impairment at December 31, 2016	-	(538)	(494)	(241)	(258)	-	(1,531)	
Property and equipment at December 31, 2016	2,683	28,324	1,124	2,031	217	5,796	40,176	

There are no restrictions related to property and equipment.

- At the end of the period, an analysis was realized, to determine if there is any indication that the properties and equipment of Grupo SURA may be impaired in value, evidencing that: During the period, the market value of the assets has not decreased more than what could be expected, as a result of the passage of time or its normal use.
- No significant changes, in its value, are expected, due to situations, that are averse to the Company.
- No evidence is available of the obsolescence or physical impairment of the assets.
- Changes in the use of assets, that may adversely affect the Company, are not expected in the immediate future.
- No evidence is available, that indicates that the economic performance of the asset is, or will be, worse than expected.

After analyzing the signs of impairment, it was determined that there is no evidence of impairment for all elements of the property and equipment, at the date of presentation of this report.

NOTE 11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

11.1 INVESTMENTS IN ASSOCIATES

General information on investments in associates

Herewith, is a breakdown of associates of Grupo SURA, to date of the reporting period:

INVESTMENT	ECONOMIC ACTIVITY	DEC 2017			DEC 2016		
		% PARTICIPATION	% VOTING RIGHTS	# SHARES	% PARTICIPATION	% VOTING RIGHTS	# SHARES
Bancolombia S.A. ^(*)	Global bank	24.38%	46.01%	234,486,286	24.38%	46.01%	234,486,286
Grupo Argos S.A. ^(*)	Cement, energy, real-estate, and ports	26.78%	35.56%	229,534,810	26.78%	35.56%	229,534,810
Grupo Nutresa S.A.	Foods and processed	35.17%	35.17%	161,807,155	35.17%	35.17%	161,807,155

(*) Right to vote: The percentage with voting rights to December 2017 and December 2016, of Bancolombia S.A. and Grupo Argos S.A., is 46.11% and 35.56%, respectively; the foregoing, taking into account the issuance of preferred shares without voting rights issued by this associate.

Balance of investments

The following is a breakdown of the investments at December 31, 2017 and December 31, 2016:

INVESTMENT	DECEMBER 2017	DECEMBER 2016
Bancolombia S.A.	5,592,906	5,592,906
Grupo Argos S.A.	4,515,121	4,515,121
Grupo Nutresa S.A.	4,287,391	4,287,391
Total	14,395,418	14,395,418

Dividends received

Dividends received from the following issuers (See Note 12):

	DECEMBER 2017	DECEMBER 2016
Bancolombia	222,856	214,286
Grupo Argos S.A.	71,156	65,876
Grupo Nutresa S.A.	86,405	80,580
Others	231	-
Total	380,648	360,742

Financial information of associates

Herewith, is an overview of assets, liabilities, equity, and income from operations of each of the associated companies included in the Financial Statements, for the period to December 31, 2017 and December 2016, is as follows:

DECEMBER 2017	LOCATION	CURRENT ASSETS	NON-CURRENT ASSETS	CURRENT LIABILITIES	NON-CURRENT LIABILITIES	EQUITY	INCOME	PROFIT	OTHER COMPREHENSIVE INCOME	COMPREHENSIVE INCOME
Bancolombia S.A.	Colombia	203,908,211	-	179,478,661	-	24,429,550	11,220,216	2,475,827	470,110	2,945,937
Grupo Argos S.A.	Colombia	6,750,119	40,817,829	7,107,746	16,153,054	24,307,148	14,573,579	906,583	330,935	1,237,518
Grupo Nutresa S.A.	Colombia	2,685,577	11,623,900	1,954,961	3,404,335	8,950,181	8,695,604	424,340	396,661	821,001
DECEMBER 2016	LOCATION	CURRENT ASSETS	NON-CURRENT ASSETS	CURRENT LIABILITIES	NON-CURRENT LIABILITIES	EQUITY	INCOME	PROFIT	OTHER COMPREHENSIVE INCOME	COMPREHENSIVE INCOME
Bancolombia S.A.	Colombia	196,261,044	-	173,784,064	-	22,476,980	10,947,332	2,775,709	(136,965)	2,638,744
Grupo Argos S.A.	Colombia	6,251,592	38,497,982	7,211,119	13,903,859	23,634,596	14,552,884	1,132,002	(104,865)	1,027,137
Grupo Nutresa S.A.	Colombia	2,559,775	11,139,779	2,113,963	3,200,631	8,384,960	8,676,640	399,691	177,017	576,708

The investments in associates of Grupo SURA, listed on the Colombia Stock Exchange and with high liquidity; the market price of the shares as of December 31, 2017 and December 2016, in the stock market is as is listed below:

ASSOCIATE	DECEMBER 2017	DECEMBER 2016
Bancolombia S.A.	7,029,899	5,913,744
Inversiones Argos S.A.	4,792,687	4,425,431
Grupo Nutresa S.A.	4,501,475	4,028,998

Movement of investments in associates:

	BANCOLOMBIA S.A.	GRUPO ARGOS S.A.	GRUPO NUTRESA S.A.	TOTAL
At December 31, 2015	6,069,661	4,524,545	4,305,353	14,899,559
Additions	234	-	-	234
Derecognition	(476,989)	(9,424)	(17,962)	(504,375)
At December 31, 2016	5,592,906	4,515,121	4,287,391	14,395,418
Additions	-	-	-	-
Derecognition	-	-	-	-
At December 31, 2017	5,592,906	4,515,121	4,287,391	14,395,418

Restrictions

Grupo SURA has no restrictions on its investments in associates, and impairment analyzes were performed without identifying issues involving adjustments.

11.2. INVESTMENTS IN SUBSIDIARIES

General information on investments in subsidiaries

The following is a breakdown of the entities over which Grupo SURA possesses direct control, at December 31, 2017 and December 2016:

PERCENTAGE OF PROPERTY					
COMPANY	COUNTRY	ECONOMIC ACTIVITY	DECEMBER 2017	DECEMBER 2016	DATE
SURA Asset Management S.A.	Colombia	Investor	83.58%	78.71%	15/09/2011
ARUS Holding S.A.S.	Colombia	Investments	100%	100%	11/07/2012
ARUS S.A.	Colombia	Technology	100%	100%	16/08/1988
Enlace Operativo S.A.	Colombia	Services	100%	100%	31/05/2006
Inversiones y Construcciones Estratégicas	Colombia	Investment	100%	100%	30/08/2007
Grupo de Inversiones Suramericana Panamá S.A.	Panamá	Investment	100%	100%	29/04/1998
Grupo SURA Finance S.A.	Islas Caimán	Any lawful activities in the Cayman Islands	100%	100%	18/03/2011
Suramericana S.A.	Colombia	Investment	81.13%	81.13%	25/05/1999

Balance of investments

The following is the balance of investments, in subsidiaries by the Equity Method, as of December 31, 2017 and December 2016 is as follows:

COMPANY	DECEMBER 2017	DECEMBER 2016
SURA Asset Management S.A.	9,256,905	7,422,995
SURamericana S.A.	3,641,569	3,270,962
Inversiones y Construcciones Estratégicas S.A.S.	149,622	136,007
Arus Holding S.A.	66,822	57,412
Arus S.A.	3,451	3,169
Enlace Operativo S.A.	879	691
Total	13,119,248	10,891,236

Assets, liabilities, equity, and results of the subsidiaries

Assets, liabilities, equity, and income of each of the Company's subsidiaries, included in the Financial Statements for the period of December 31, 2017 and December 2016, are as follows:

DECEMBER 2017	ASSET	LIABILITY	EQUITY	INCOME	OTHER COMPREHENSIVE INCOME
SURA Asset Management S.A.	25,550,403	16,256,072	9,294,331	614,352	675,335
ARUS Holding S.A.S.	69,369	4	69,366	7,768	-
ARUS S.A.	84,104	53,073	31,031	5,204	-
Enlace Operativo S.A.	20,293	4,967	15,325	3,281	-
Inversiones y construcciones Estratégicas	155,106	5,484	149,622	10,226	3,388

DECEMBER 2017	ASSET	LIABILITY	EQUITY	INCOME	OTHER COM- PREHENSIVE INCOME
Grupo de Inversiones Suramericana Panamá S.A.	972,795	923,067	49,727	(25,762)	(567)
Grupo SURA Finance S.A.	2,502,571	2,531,229	(28,658)	(3,217)	107
Suramericana S.A.	25,561,806	21,060,848	4,500,958	505,269	169,515

*Figures taken from the Consolidated Financial Statements

DECEMBER 2016	ASSET	LIABILITY	EQUITY	INCOME	OTHER COM- PREHENSIVE INCOME
SURA Asset Management S.A. ⁽¹⁾	26,686,473	18,188,530	8,497,942	593,436	(407,463)
ARUS Holding S.A.S.	59,606	8	59,597	5,277	-
ARUS S.A.	64,910	39,083	25,827	3,818	-
Enlace Operativo S.A.	15,841	3,797	12,044	2,861	-
Inversiones y construcciones Estratégicas	139,985	3,977	136,008	12,994	(654)
Grupo de Inversiones Suramericana Panamá S.A.	940,996	890,453	50,543	(48,645)	(2,826)
Grupo SURA Finance S.A.	2,516,711	2,542,259	(25,548)	(5,411)	1,092
Suramericana S.A. ⁽¹⁾	22,337,853	18,293,629	4,044,224	399,694	(17,265)

*Figures taken from the Consolidated Financial Statements

The Equity Method of subsidiaries

The following is a breakdown of profit or loss, from the Equity Method, at December 31, 2017 and 2016:

SUBSIDIARY	DECEMBER 2017	DECEMBER 2016
SURA Asset Management S.A.	469,786	424,882
SURamericana S.A.	409,920	324,268
Grupo de Inversiones SURamericana Panamá S.A.	12,267	(13,421)
Inversiones y Construcciones Estratégicas S.A.S.	10,227	12,994
Arus Holding S.A.S.	7,483	5,084
ARUS S.A.	282	207
Enlace Operativo S.A.	188	163
Grupo SURA Finance S.A.	(3,217)	(5,410)
Total	906,936	748,767

Movement of investments in subsidiaries

The movement of investments in subsidiaries, is as follows:

	ASSET	LIABILITY	EQUITY	OTHER COMPREHENSIVE INCOME
Balance at January 1, 2016	8,445,212	(247,996)	573,993	1,033,059
Purchases ¹	2,840,205	25,167	-	-
Refund of premiums	(161,091)	-	-	-
Dividends	(433,271)	-	-	-
Equity variation	(567,418)	8,460	-	(558,956)
Income/expenses from the Equity Method	767,599	(18,832)	748,767	-
Usufructo Panamá	-	(33,057)	-	-
Balance at December 31, 2016	10,891,236	(266,258)		474,103
Purchases ¹	1,080,983	25,514	-	-
Refund of premiums	-	-	-	-
Dividends	(437,225)	(29,759)	-	-
Equity variation	686,368	59,888	-	746,256
Income/expenses from the Equity Method	897,886	9,050	906,936	-
Usufructo Panamá	-	-	-	-
Closing balance at December 31, 2017	13,119,248	(201,565)	906,936	1,220,359

¹ On March 1, 2016, the acquisition of shares was formalized, that General Atlantic Cooperative U.A. possessed in SURA Asset Management S.A. in the amount of \$1,758,647 million, leaving Grupo SURA with a total stake of 78.71 % in this Company.

On December 12, 2016, a subscription of 25,428 shares of SURamericana S.A. for a value of \$1,081,558 million remaining with the same participation in this company.

² On April 04, 2017, the purchase of 127,464 shares of IFC SURA Asset Management S.A. was realized for a value of \$ 1,079,056 million, increasing its stake in this company to 4.8717%.

On May 31, 2017, Grupo de Inversiones SURamericana S.A. (Grupo SURA) reported that its subsidiary SURA Asset Management S.A. and its subsidiary SURA Asset Management Perú S.A. (Jointly "SURA AM") have entered into a purchase and sale agreement, for the sale of 100% of the shares directly and indirectly held in Peruvian companies Seguros SURA S.A. (Seguros SURA Perú) - whose business is mainly, annuities - and Hipotecaria SURA Empresa Administradora Hipotecaria S.A. (Hipotecaria SURA). The agreement, signed with InterCorp Financial Services Inc. and Interseguro Compañía de Seguros S.A, also includes the sale of the shares that Grupo Wiese holds in both companies.

On December 22, 2017, a capitalization was realized, for ARUS holding S.A.S., in the amount of \$ 1,927 million from 4,377 shares.

On December 28, 2017, an advance of \$ 25,513 million was authorized, for the purchase of 2,850,000 shares of Grupo de Inversiones Suramericana Panamá S.A. Each one at 3 USD, registered at an exchange rate of 2,984.

Impairment of Investments in Subsidiaries

Identifying signs of deterioration is a key step in the assessment process, as it will mark the need to perform a deterioration test or not.

Pursuant to IAS 36- Paragraph 9: At the end of each reporting period, the entity shall evaluate whether there is any indication of impairment of an asset. If this indicator exists, the entity estimates the recoverable amount of the asset.

In accordance with IAS 36, "Impairment of Assets", the subsidiaries of Grupo de Inversiones Suramericana S.A., have to consider the following facts and circumstances to establish whether or not there are signs of deterioration.

1. Loss on operation or negative cash flows in the current period, compared to budgeted.
2. Increases during the year in the interest rates associated with investments and debt. Information: Investments in securities with indexed rates, agreed rates of debt acquired with banks.
3. Significant changes in the technological environment, defined as the risk associated with losses arising from the technology (hardware or software) or the use of the same. Information: Significant decrease in the production associated to the technology or high exposure to the risk of hackers.
4. Significant changes in the legal environment, established as losses by sanctions or claims due to non-compliance with contractual rules or obligations.
5. Significant changes in the regulatory environment. Referring to the negative implications on a company derived from changes in the regulatory framework where it operates. They can be: Mortality tables or taxes, such as CREE.
6. Changes in the competitive environment. Information: How much market share is lost (measure growth and loss ratio), new competitors or aggressiveness of current and compliance in sales part commercial.
7. Significant changes in the form or extent to which the cash-generating unit (CGU) is used or expected to be used.
8. Significant reduction in the use of installed capacity
9. Generation of new debt

10. Significant reduction or cessation, other than a mere fluctuation, of the demand or necessity of the services rendered with the asset.

Annually the existence of deterioration in the investments is evaluated if any of the mentioned indicators were presented; therefore, it is necessary to estimate the recoverable amount of the asset.

For December 31, 2017 and December 2016, the investments in subsidiaries of SURA Finance B.V., Grupo de Inversiones Suramericana Panamá, and Grupo SURA Finance have a deficit, in the results of the companies. Said deficit, will be covered by Grupo de Inversiones SuraWmericana S.A., in an eventual liquidation of the companies, therefore, a provision is recognized for said deficit (Note 13).

Restrictions

Grupo SURA does not have any restrictions to access assets, nor liabilities to settle.

NOTE 12. EMPLOYEE BENEFITS

The following is a breakdown of the benefits of Grupo SURA employees:

	DECEMBER 2017	DECEMBER 2016
Short-term	7,595	4,187
Long-term	3,061	3,528
Post-employment	24,215	24,417
	34,871	32,132

12.1. SHORT-TERM BENEFITS

Among the short-term benefits, of Grupo SURA, are the following:

- a. Social security and compulsory benefits: is accrued monthly, according to the legal regulations of each country. Payments are made in accordance with the requirements of the law.
- b. Short-term Incentive Performance Bonus (IPB): is accrued monthly, based on an estimate of compliance percentages, paid in the month of March of each year, and are entitled, within other considerations, all those

who have met the objectives previously determined, and to the extent that the communicated corporate objectives, are timely met.

- c. Other benefits: correspond to benefits such as holiday bonuses, extra-legal service premiums, and Christmas bonuses, which are charged, as expenses to the extent that the service or benefit is provided.

A summary, of the short-term benefits, is as follows:

	DECEMBER 2017	DECEMBER 2016
Severance	124	99
Interest on severance	14	11
Holidays	504	414
Extralegal bonus	357	279
Bonuses (Current)	6,596	3,384
	7,595	4,187

12.2. LONG TERM BENEFITS

12.2.1. Details of long-term benefits

The following describes the long-term benefits of Grupo SURA:

¶ Seniority premium

This benefit is paid to the employee every five years, and ranges from 18 to 44 days of salary, according to the time worked.

YEARS OF SERVICE	PAY DAY
5	18
10	29
15	34
20,25, 30 and 35	44

¶ Performance bonus

The performance compensation system is an acknowledgment of the effort of all employees to achieve the Company's objectives and continue to generate value. This system is framed within a regulation, whose content is as follows:

General conditions: general policies, definition of levels, management procedures, and governance.

Measurement system - performance indicators: is essential to define an adequate framework of performance indicators, so that they are clear, measurable, and achievable. These Indicators are defined at the beginning of each year and must be aligned with the strategic direction of the Company, as well as with the various human activities and competencies that are required to achieve the Company's objectives. This includes a measurement period, evaluation framework, monitoring and adjustments, and definition of indicators.

Payment system: is subject to compliance, with the performance indicators and the approval of the Appointments and Remuneration Committee. The remuneration framework is defined, according to each level.

The long-term benefits are as follows:

	DECEMBER 2017	DECEMBER 2016
Seniority premium	132	50
Bond Bank	2,929	3,478
	3,061	3,528

12.2.2. Reconciliation of long-term benefits

The movement, of benefits to employees, is as follows:

	BOND BANK	SENIORITY PREMIUM	TOTAL BENEFIT
Present value of obligations at January 1, 2016	3,243	68	3,311
New measurements	1,194	26	1,220
Cost from interest	(11)	(2)	(13)
Payments effectuated for the plan	(948)	(33)	(981)
Provisions	-	(9)	(9)

	BOND BANK	SENIORITY PREMIUM	TOTAL BENEFIT
Present value of obligations at December 31, 2016	3,478	50	3,528
New measurements	-	51	51
Costs from services	109	18	127
Cost from interest	198	5	203
Effect recognized in the Income Statement	640	21	662
Payments effectuated for the plan	(1,496)	(15)	(1,511)
Present value of obligations at December 31, 2017	2,929	130	3,061

12.2.3. Main assumptions used in the actuarial calculation

The main actuarial assumptions, used to determine the obligations for defined long-term benefits, are as follows:

	BOND BANK		SENIORITY PREMIUM	
	2017	2016	2017	2016
Discount rate (%)	3.06%	* ZCYC Pesos 10 years	3.06%	* ZCYC Pesos 10 years
How the discount rate is determined		Infovalmer		Infovalmer
Annual salary increase rate (%)	N/A		2018: 5.5% 2019 to 2021: 5.0% 2022 and following: 4.50%	
Annual inflation rate (%) long term	2017: 4.0% 2018 to 2020: 3.50% 2021 and following: 3.0%	3%	2017: 4.0% 2018 to 2020: 3.50% 2021 and following: 3.0%	3%
Survival tables		Own Rotation Table		Own Rotation Table

* ZCYC: Zero Curve Coupon, in pesos (TES)

12.2.4. Sensitivity analysis

Sensitivity analysis (2017) of 0.50% discount rate, inflation rate, and salary increase, is as follows:

	PAYROLL BANK EMPLOYEES		SENIORITY PREMIUM			
	DISCOUNT RATE		DISCOUNT RATE		SALARY INCREASE	
	Increase + 0.50%	Discount -0.50%	Increase + 0.5%	Discount -0.5%	Increase + 0.5%	Discount -0.5%
Current value of the obligation	2,886	2,973	(222)	510	514	(229)

12.3. Post-employment benefits

12.3.1. Reconciliation of post-employment benefit

The post-employment benefits correspond to a pension retirement bonus, for Grupo SURA's Executives

The movement of benefits to employees is as follows:

Present value of obligations at January 1, 2016	20,658
Interest	1,506
Cost of the current services	778
Paid benefit	(1,178)
Actuarial loss due to changes in the financial system	2,653
Present value of obligations at December 31, 2016	24,417
Interest	1,401
Cost of current services	754
Paid benefit	(4,222)
Other costs	61
Actuarial loss (Note 17)	1,804
Present value of obligations at December 31, 2017	24,215
Fair value of plan assets (Note 7)	(1,502)
Net present value of obligations at December 31, 2017	22,713

The main actuarial assumptions used to determine the obligations, for the defined benefit plans, are as follows:

	2017	2016
Discount rate (%)	5.51%	6.94%
Annual salary increase rate (%)	5.09%	7.9%
Annual inflation rate (%)	3.50%	3.50%

For the post-employment benefit liability discount, the zero-coupon rate, of Colombian bonds, is taken into account.

12.3.2. Sensitivity analysis

The following tables show the effects of variation of the inflation rate and of the discount rate:

2017
Discount rate

	DISCOUNT RATE	CURRENT VALUE	% VARIATION	COST OF CURRENT SERVICES
Current study	5.51%	24,215		754
Increase in the discount rate	5.57%	24,090	-0.22	751
Decrease in the discount rate	5.45%	24,197	0.22	756

Rate of inflation

	RATE OF INFLATION	CURRENT VALUE	% VARIATION	COST OF CURRENT SERVICES
Current study	3.50%	24,215		754
Increase in the CPI	3.54%	24,170	0.11	755
Decrease in the CPI	3.47%	24,117	-0.11	752

2016
Discount rate

	DISCOUNT RATE	CURRENT VALUE	% VARIATION	COST OF CURRENT SERVICES
Current study	6.94%	24,417		768
Increase in the discount rate	7.01%	24,350	-0.23	766
Decrease in the discount rate	6.87%	24,465	0.24	771

Rate of inflation

	RATE OF INFLATION	CURRENT VALUE	% VARIATION	CURRENT SERVICES COST
Current study	3.50%	24,417		768
Increase in the CPI	3.54%	24,428	0.09	766
Decrease in the CPI	3.47%	24,386	0.24	771

12.3.3. Projected liability flow

2017

The weighted average of the duration of the retirement bond obligation is 2,030 years. The profile of the maturity of the defined benefits, determined according to the payment schedule, is as follows:

YEAR	NUMBER OF EMPLOYEES ENTITLED TO THE BENEFIT IN THE YEAR	VALUE OF THE EXPECTED PROFIT THAT IS CAUSED IN THE YEAR (CURRENT PESOS)	PRESENT VALUE OF EXPECTED PROFIT IN THE YEAR
2019	1	24,319	21,844
2035	2	18,574	7,073

2016

The weighted average, of the duration of the retirement bond obligation is 2,024 years. The profile of the maturity of the defined benefits, determined according to the payment schedule, is as follows:

YEAR	NUMBER OF EMPLOYEES ENTITLED TO THE BENEFIT IN THE YEAR	VALUE OF THE EXPECTED PROFIT THAT IS CAUSED IN THE YEAR (CURRENT PESOS)	PRESENT VALUE OF EXPECTED PROFIT IN THE YEAR
2017	1	4,569	4,273
2019	1	24,827	20,301
2035	1	13,058	3,649

12.4. EMPLOYEE BENEFITS EXPENSES

Below are the expenses for employee benefits, for 2017 and 2016:

	DECEMBER 2017	DECEMBER 2016
Comprehensive salary	(10,197)	(8,116)
Bonuses	(8,615)	(8,158)
Salaries	(1,625)	(1,425)
Extra-legal bonus	(1,316)	(836)
Other employee benefits ⁽¹⁾	(223)	(158)
Family compensation fund contributions, ICBF and SENA	(767)	(636)
Holidays	(750)	(81)
Contributions for pensions	(710)	(574)
Staff training	(637)	(325)
Health contributions	(377)	(308)
Legal premium	(154)	(135)
Severance	(154)	(136)
Extra hours	(74)	(69)
Compensation	(35)	(4)

	DECEMBER 2017	DECEMBER 2016
Disabilities	(21)	(15)
Interest on severance	(16)	(14)
	(25,671)	(20,990)

(*) Corresponds to post-employment benefits of defined contribution plans.

NOTE 13. PROVISIONS

PROVISIONS FOR CONTINGENCIES

The following is a summary of provisions:

COMPANY	2017	2016
Grupo de Inversiones Suramericana Panamá ⁽¹⁾	172,907	240,710
Grupo SURA Finance ⁽¹⁾	28,658	25,548
Subtotal other	201,565	266,258
Dirección Nacional de Impuesto y Aduanas ⁽²⁾	3,470	-
Total	205,035	266,258

¹ The balance of provisions corresponds to recognition of contingencies due to the deficit in the outcome of the Grupo de Inversiones SURAmericana Panamá y Grupo SURA Finance.

The recognition is rooted in the application of the calculation methods of participation on the percentage of holdings of companies that is 100%, and the degree of administrative dependence on these companies.

⁽²⁾ Grupo de Inversiones Suramericana S.A., recently received the resolutions that decide the appeals of reconsideration where the values proposed by the DIAN in the official liquidation of revision are confirmed. The resolutions of the appeals originate in differences of interpretation with the DIAN in the income tax assessments for the years 2009, 2010, 2011, and 2013, a situation that was announced to the market in Relevant Information on March 23, 2016.

Based on the provisions of Law 1819 of 2016 on Tax Reform, the Company realizes the analyses to realization reconciliation process with the DIAN, with respect to the value of the processes described above, for an estimated COP 37,666 million, which was provisioned in the Financial Statements of the Company and which were paid in the month of October of 2017, in the amount of COP \$34,196 million. This procedure will be subject to the regulations issued by the National Government, on the occasion of the reform. The mentioned procedure will allow a solution to the differences with the tax authority, without implying acceptance of any responsibility on the part of the Company, who maintains its criterion against the interpretation of the tax norm that gave origin to the difference. To date provisions are in the amount of \$3,470.

NOTE 14. SECURITIES ISSUED

The following is an overview of securities issued:

	DECEMBER 2017	DECEMBER 2016
Outstanding bonds ¹	1,329,041	777,968
Preference shares ²	450,752	208,813
Total securities issued	1,779,793	986,781

¹ Outstanding Bonds:

The following is a breakdown of bonds issued:

SECURITIES ISSUED	MATURITY	DATE ISSUED	MATURITY	AMORTIZED COST		FAIR VALUE	
				DICIEMBRE 2017	DICIEMBRE 2016	DICIEMBRE 2017	DICIEMBRE 2016
Bonds	4 years	07- May -16	07- May -20	100,651	101,003	102,881	101,417
Bonds	5 años	07-may-14	07-may-19	104,346	104,216	105,475	105,936
Bonds	9 años	07-may-14	07-may-23	225,327	225,075	234,022	228,157
Bonds	10 años	07-may-14	07-may-24	54,431	54,480	56,508	57,145
Bonds	16 años	07-may-14	07-may-30	100,809	100,727	106,678	101,017
Bonds	20 años	25-nov-09	25-nov-29	96,281	96,678	117,657	111,211
Bonds	40 años	25-nov-09	25-nov-49	95,289	95,789	135,781	122,732
Bonds	5 años	23-feb-17	23-feb-22	194,515	-	199,402	-
Bonds	7 años	23-feb-17	23-feb-24	165,936	-	167,735	-
Bonds	12 años	23-feb-17	23-feb-29	191,455	-	194,972	-
Total bonds issued				1,329,041	777,968	1,421,111	827,615

² Preference shares:

On November 29, 2011, the issuance of 106,334,963 preference shares was realized, in amount of \$32,500 per share (in Colombian Pesos); from the date of issuance and for 3 years, a quarterly dividend of 3% EAR on the value of the issue is paid. As of 2015, EAR pays 0.5%, quarterly, on the issue price.

On March 31, 2017, the Shareholders' Meeting approved the amendments to the Regulation for the Issuance and Placement of Preferred Shares issued in 2011, which establishes the payment of a minimum preferential dividend equal to one percent (1%) per annum on the sum equivalent to the Reference Subscription Price (as defined below), provided that the resulting value of this calculation exceeds the dividend declared for the common shares; otherwise the latter will be recognized.

For these purposes, the Reference Subscription Price shall mean the subscription price of preference shares in any placement of preference shares, by the Company in the most recent primary market transaction approved by the general meeting, including, but not limited to, issuances and public offerings, private issues, capitalization of claims, dividend payment in shares, among others. In no case shall it be understood that the Reference Subscription Price will correspond to the trading price of the preference shares in the secondary market. The General Meeting of Shareholders shall determine the form and dates of payment of the dividend of the preference shares under conditions equal to those of the dividend of the ordinary shares.

The previous dividend will be paid in preference to the dividend that corresponds to the ordinary shares.

Also, on March 31, 2017, the Board of Directors of the Company, in thirty-five thousand, nine hundred seventy-three pesos (\$35,973), fixed the subscription price of the preferred shares that would be delivered for dividend payment in shares.

See the impact from this transaction had in Changes in Equity.

The movements of the debt instruments, issued for December 31, 2017 and 2016, are as follows:

	BONUSES	PREFERENTIAL SHARES	TOTAL
At December 31, 2015	900,893	208,780	1,109,673
Additions	100,000	-	100,000
Payment of fee	-	(17,279)	(17,279)
Interest caused	436	17,313	17,749
Payment interest	(223,361)	-	(223,361)
At December 31, 2016	777,968	208,814	986,782
Additions	550,121	214,115	764,235
Interest caused	102,008	32,134	134,152
Payment interest	(101,056)	(4,320)	(105,376)
At December 31, 2017	1,329,041	450,723	1,779,794

NOTE 15. EQUITY

ISSUED CAPITAL

The authorized capital of the Company is constituted by 600,000,000 shares of nominal value at \$ 187.50 pesos each. The capital subscribed and paid, at December 31, 2017, was 581,977,548 and in 2016, was 575,372,223 shares.

	2017	2016
Authorized shares	600,000,000	600,000,000
SUBSCRIBED AND PAID SHARES:		
Ordinary with nominal value	469,037,260	469,037,260
With a preferential dividend without the right to vote	112,940,288	106,334,963
Total shares	581,977,548	575,372,223
Subscribed and paid capital (nominal value)	109,121	107,882
Total capital	109,121	107,882

Reserves

Reserves are as follows:

	2017	2016
Legal	138,795	138,795
Occasional	5,469,982	4,920,281
Total reserves	5,608,777	5,059,076

Legal

In accordance with legal provisions, the Company must establish a legal reserve, reserving 10% of the net profits of each year, up to fifty percent (50%) of the subscribed capital, for this reserve. The reserve may be reduced to less than fifty percent (50%) of the subscribed capital, when it is intended to eliminate losses, in excess of undistributed profits. The reserve cannot be used to pay dividends, or to cover expenses or losses during the time the Company has undistributed profits.

Occasional

As a decision of the Shareholders meeting, this reserve may be increased in excess of fifty percent (50%) of the subscribed capital, which will be available to the assembly, to change its destination, as it deems it appropriate.

NOTE 16. DIVIDENDS

Paid and declared

The following is a breakdown of dividends paid and declared at the closing date:

Dividends payable at December 31, 2015	61,979
Declared ordinary	213,882
Declared preference	48,490
Subtotal dividends decreed	262,371
Ordinary shares paid	(209,860)
Preference shares paid	(47,581)
Others	(14)
Dividends payable at December 31, 2016 (Note 8.2.2.)	66,895
Declared ordinary	228,889
Declared preference	51,891
Subtotal declared dividends	280,780
Declared ordinary	(282,301)
Declared preference	(64,007)
Others	(17)
Dividends payable at December 31, 2017 (Note 8.2.2.)	1,349

After the annual closing of the financial statements, the Directors proposed the following distribution of retained earnings for 2017, which will be paid in cash and will appropriate the occasional non-taxable reserve.

The dividends to be distributed will be five hundred eighteen pesos (COP \$518) per share on 581,977,548 ordinary and preferred shares, which will immediately be declared, by the Shareholders' Meeting, and will be 100% untaxed for the Shareholder, neither on income securities, nor on net profit, as established in Articles 48, 49, and 36-3 of the Tax Statute.

The dividend will be paid in cash as follows:

One hundred twenty-nine pesos, and with fifty cents (COP \$ 129.50) for each share, on the following dates: April 2, 2018, July 3, 2018, October 1, 2018, and January 2, 2019.

NOTE 17. COMPREHENSIVE INCOME

The comprehensive income, of Grupo SURA, is as follows:

	ACCUMULATED (EQUITY)			OTHER COMPREHENSIVE INCOME	
	2017	2016	2015	2017	2016
Net gains or losses from changes in the fair value of equity investments ⁽¹⁾	(6,506)	(1,079)	(2,658)	(5,427)	1,579
Gains (losses) from participation in subsidiaries under the equity method ⁽²⁾	1,220,359	474,102	1,033,059	746,256	(558,957)
Post-employment benefits ⁽³⁾	(2,947)	(1,143)	331	(1,804)	(1,474)
Income tax associated (or equivalent) ⁽³⁾	973	377	(56)	595	433
Total other comprehensive result	1,211,878	472,258	1,030,676	739,620	(558,419)

(1) The component of other comprehensive income, from equity investments, measured at fair value through profit or loss, represents the accumulated value of the gains or losses, from the valuation at fair value, less the values transferred to retained earnings, when these investments have been sold. Changes in fair value do not reclassify to profit or loss, for the period. This includes the portion that corresponds to the Grupo SURA, in its investments, in subsidiaries.

(2) Corresponds to the application of the variation of the participation method, of the subsidiaries.

(3) The component of new measurements of defined benefit plans, represents the accumulated value of actuarial gains or losses, excluding the values included in the net interest, of the defined benefit liability. The net value of the new measurements is transferred to the accumulated profits and does not reclassify to the results of the period.

NOTE 18. INCOME AND EXPENSES

The following is a summary of income and (expenses):

	DECEMBER 2017	DECEMBER 2016
Income from the Equity Method (Note 11.2)	906,936	748,767
Dividends (Note 11.1)	380,648	360,742
Losses from derivatives ¹	(141,676)	(125,931)
Income from investments, net	10,434	(7,115)
Investment income, fair value	1,214	65,940
Total	1,157,556	1,042,403

¹ Corresponds to the net income from valuation of swap derivatives, options, and forwards, which are detailed in Note 8.1 Financial Assets and 8.2 Financial Liabilities. The following is the balance of income and the valuation expense of swaps, options, and forwards:

	DECEMBER 2017	DECEMBER 2016
Income from the valuation of swaps, options, and forwards	146,694	105,549
Expenses from the valuation of swaps, options, and forwards	(288,370)	(231,480)
Total	(141,676)	(125,931)

The following is a breakdown of financial income (expenses) income:

	DECEMBER 2017	DECEMBER 2016
Exchange differences	(12,835)	143,648
Interest	(293,287)	(206,845)
Total	(306,122)	(63,197)

NOTE 19. EXCHANGE DIFFERENCES

The following is a summary of items that generated exchange differences:

	2017	2016
Income from exchange differences	59,530	253,574
Expenses from exchange differences	(72,365)	(109,926)
Total	(12,835)	143,648

The following is a breakdown of items that generated the differences in exchange:

	2017	2016
Cash	(31,150)	(16,330)
Certificates of deposit at term ¹	-	(11,561)
Deposit of acquisition of shares	779	(642)
Accounts receivable	(9,623)	(4,217)
Financial liabilities and other obligations ²	27,157	176,439
Suppliers	2	(41)
Total	(12,835)	143,648

The variation from exchange differences, from the previous year, it is mainly generated by:

¹ Constitution of term deposit certificates in dollars, that generate a difference in exchange of \$(11,561), in 2016.

² Loan granted by the company Grupo SURA Finance on February 29, 2016, which includes a difference in exchange of \$8,192, in a credit of USD 540 million. Loans with other financial institutions with a total for difference in exchange of \$18,965, in credits of USD 100 million.

NOTA 20. GASTOS ADMINISTRATIVOS

Los gastos administrativos se detallan a continuación:

	DECEMBER 2017	DECEMBER 2016
Sanctions*	40,247	2
Surcharges and other taxes	15,503	12,507
Industry and Commerce	8,831	8,619
Travel and representation expenses	7,459	6,565
Advertising	1,843	2,512
InSURAnce	1,602	1,804
Wealth tax	1,334	3,345
Others	1,134	588
Contributions	1,132	1,102
Maintenance and repairs	1,112	1,609
Commissions	873	1,861
Legal	871	7
Public services	552	399
Temporary services	348	86
Leases	316	62
Supplies and stationery	65	71
Electronic data processing	-	124
Total	83,222	41,263

* Includes \$ 37,666 million, corresponding to the differences in interpretation criteria, with the DIAN, in the assessment of income taxes, for taxable years 2009 to 2012, of which COP 34,196 million was already settled and paid, in October 2017. See Note 13.

NOTE 21. HONORARIUM EXPENSES

Honorarium expenses are as follows:

	DECEMBER 2017	DECEMBER 2016
Consultants and advisory	7,285	17,995
Board of Directors	817	809
Auditor and external audit	317	463
Legal consultation	61	367
Appraisals	9	-
Total	8,489	19,634

NOTE 22. INTEREST

The following is a summary of interest at the closing date:

	DECEMBER 2017	DECEMBER 2016
Securities issued	136,798	112,981
Financial liabilities	155,816	93,371
Fiduciary rights	673	493
Total	293,287	206,845

The liabilities generated by these interests are recognized at amortized cost. See Note 8.2 Financial liabilities.

NOTE 23. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit or loss, attributable to Shareholders, by the weighted average number of shares outstanding, during the year.

	2017	2016
Profit for the period	755,085	835,481
Outstanding shares	469,037,260	469,037,260
Earnings per share (In Colombian Pesos)	1,610	1,781

NOTE 24. OBJECTIVES AND POLICIES IN THE MANAGEMENT OF FINANCIAL RISKS**GOVERNANCE FRAMEWORK OF THE RISK MANAGEMENT SYSTEM**

For Grupo SURA, risk management is a dynamic and interactive process; it is a fundamental component of the strategy that supports decision-making processes. Understanding risks as opportunities, setting up new businesses, exploring geographies, enhancing talent, among other aspects, are an essential part of such management.

Risk management is framed within the Risk Management Framework Policy of the SURA Business Group and the Internal Risk Management Manual. In these documents, the responsibilities of the Board of Directors, the Risk Committee, and Senior Management are established, in relationship to the Risk Management System and the framework of action of the Grupo SURA, are defined.

The following are the main risks around which the Company prioritizes and focuses its management. These are grouped into financial and operational risks.

1. Management of Financial Risks

The behavior, of the financial markets and the economies of the region, has an impact on the Company's results, its capital structure and, in general, on the performance of the portfolio's investments. This is why the Company monitors its exposure to credit, market, and liquidity risks.

Particularly, 2017 concluded with a positive result in global economic terms, with growth that continues to accelerate in the middle of the most pronounced expansion phase of the decade. It was a year that was characterized by an expansive monetary policy scenario and low inflation in most countries, there was also a decrease in unemployment in countries that had been experiencing recession and a greater risk appetite in search of more and better return.

After two years of contraction, the economic recovery of Latin America began to be evident, at the end of 2017, in response to the growing confidence of market agents, the less volatile financial conditions, the increase in the price of raw materials, and the growth in world trade, which supported the increase in external demand. At the regional level, the recovery of Brazil and Argentina stands out as a result of the generation of confidence, on the part of market agents, which was reflected in the increase in domestic consumption and investment, supported by low levels of inflation and interest rates, in the case of Brazil, and the construction of political capital in Argentina. In contrast, the performance of the Mexican economy was marred by natural disasters and high levels of inflation. Additionally, the increase in the price of raw materials favored income from exports from Chile, and to a lesser extent from Colombia. Finally, given the need for fiscal reforms in most Latin American countries, the cycle of political elections that began with Argentina and Chile in 2017 and that will continue in 2018 with Mexico, Brazil, and Colombia, will determine the course of the economic performance of the region.

The following is a breakdown of the main financial risk management, realized by the Grupo SURA:

1.1 Credit Risk Management

The credit risk management seeks to reduce the probability of incurring losses, derived from the breach of financial obligations, contracted by third parties with the Company. For this, and from the

management of treasury resources, guidelines that facilitate the analysis and monitoring of issuers and counterparties, have been defined, ensuring that investments are always backed by issuers and/or managers with adequate credit strength.

At December 31, 2017, Grupo SURA's treasury investments are mostly concentrated in liquid collective portfolios, managed by managers with high credit quality, savings, and checking accounts.

In the face of credit risk, in the positions of derivative instruments, the Company has as counterpart: local and international banks, that have adequate credit ratings, all above investment grade. The following is a list of the counterparties and the credit rating (on an international scale):

BANK	QUALIFICATION
Merrill Lynch International	A +
Citibank NA, London Branch	A +
JP Morgan Chase Bank, N. A	A +
Morgan Stanley & Co International PLC	A +
BBVA S. A	BBB +

For a further detail of the financial assets, held by the Company, refer to Note 8.1 Financial Assets.

Other assets at lesser amounts, not material for the Company, are the Loans and Accounts Receivable, which correspond to loans to employees and other accounts with low credit risk. A more detailed summary, of these accounts receivable, is included in Note 8.1.

Impairment of assets and accounts receivable

The Company periodically analyzes the existence of impairment indicators and, if necessary, recognizes impairment losses in the associated account. A more detailed summary of accounting policies, including methods impairment, are in Note 3.7.

1.2 Market Risk Management

The management of this risk focuses on monitoring changes in market prices, that may affect the Company's income or the value of its investments.

The market risk in Grupo SURA is mainly generated by the following factors and activities:

- The liquidity management in the treasury, through the exposure to collective portfolios and issuers of fixed income instruments; these activities do not generate a significant market risk, due to their nature of low volatility assets.
- Financial liabilities, obtained in foreign currency, and those tied at a variable rate, which result in an exposure to exchange rate risk and interest rate.

Grupo SURA analyzes the impact that variables, such as the interest rate and the exchange rate, generate on its results, to determine if it is convenient to have hedging strategies to mitigate its volatility.

Particularly, the derivatives that were acquired during 2017, to cover the exposure of the exchange rate from the financial liabilities in dollars, generated volatility in the company's results, due to movements in the interest rate, in pesos and USD with which they are valued.

For further detail of the financial debt and derivatives, refer to Note 8.1 "Financial Assets" and Note 8.2 "Financial Liabilities".

SENSITIVITY ANALYSIS

The following is a sensitivity analysis aims to measure the impact on the Company's profits before taxes, derived from movements, in the exchange rate, due to exposures of the credits in dollars, and derivatives.

These sensitivities are realized, taking into account the simulated variations of +/- 10% of the dollar to peso exchange rate, as compared to the value at the end of 2017, and represent the amounts in which the Earnings Before Tax would vary, in the event said movement.

SENSITIVITY TO EXCHANGE RATE

TRM 2.984	Impact on Profit before taxes 2017 against variation of + 10% in the exchange rate	Impact on Profit before taxes 2017 against variation of -10% in the exchange rate
Financial Liabilities	(190,976)	190,976
Derivatives	154,766	(150,146)
Total	(36,210)	40,830

Figures in millions of pesos, with a cutoff date of December 31, 2017.

Additionally, a sensitivity was realized, for a variation of +/- 10 PB, in the interest rate, in pesos and the impact that this would have on the valuation of the derivatives presented.

SENSIBILIDADES A TASA DE INTERÉS

TRM 2.984	Impact on Profit before taxes 2017, against variation of + 10PB in the interest rate	Impact on Profit before taxes 2017, against variation of -10PB in the interest rate
Derivatives	4,142	(4,170)
Total	4,142	(4,170)

1.3 Liquidity Risk Management

Liquidity risk refers to the Company's ability to generate the necessary resources to comply with the obligations acquired and the operation of its business.

To manage this risk, the Grupo SURA focuses its actions within the framework of a liquidity management strategy, for the short and long-term, in accordance with the policies and guidelines, issued by the Board of Directors and Senior Management, which contemplates short-term and structural aspects, in order to ensure compliance with the obligations acquired under the conditions initially agreed upon, and without incurring cost overruns. Likewise, it monitors the cash flow in the short-term to manage the collection and payment activities from the treasury, and cash flow projections in the medium-term, in order to determine the liquidity position and anticipate the necessary measures to proper management.

In addition, in order to face eventual situations, the Company maintains lines of credit available with financial entities and has treasury investments, that could be sold as a mechanism for access to liquidity, in addition to other complementary sources of liquidity.

During 2017, Grupo SURA realized important operations, that required active liquidity management, in the Company, such as the increase in the interest in SURA Asset Management for \$1,105,667 million pesos (USD 383 million), and the refinancing of the maturities of some of its obligations.

These transactions required the company to realize debt operations, such as placement in the public market of Colombian securities of ordinary bonds, in the amount of \$550,000 million pesos, and the refinancing of credits with local banks, in the amount of \$423,000 million pesos.

The Company also maintains investments in assets to manage liquidity. These investments are presented below:

Maturities associated with assets to manage liquidity - 2017:

2017	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Financial assets held to manage liquidity risk	126,352	-	-	126,352
2016	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Financial assets held to manage liquidity risk	540,120	-	23,091	563,211
Total	540,120	-	23,091	563,211

Figures in millions of pesos, with a cut-off at December 31, 2017.

For more details see Note 8.1 Financial Assets

Likewise, the maturities of the Company's financial obligations are presented below:

2017	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Leases	3,990	-	10,781	14,771
Derivatives	687	21,298	96,844	118,830
Other accounts payable	1,679,114	-	-	1,679,114
Financial obligations	367,934	715,444	-	1,083,378
Bonds and securities	-	399,512	1,380,281	1,779,793
Total	2,051,725	1,136,254	1,487,906	4,675,885
2016	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Leases	3,990	-	11,296	15,286
Derivatives	21,163	9,681	17,846	48,690
Other accounts payable	1,763,652	-	-	1,763,652
Financial obligations	1,247,713	-	-	1,247,713
Bonds and securities	-	101,003	885,778	986,781
Total	3,036,518	110,684	914,920	4,062,122

Figures are expressed in millions of pesos, with a cut-off of December 31, 2017.

For more details see Note 8.2 Financial Liabilities

2. Management of operational risks and other risks

Functional risks, or operational risks, refer to events that impede the normal development of the Company's operation, and that are associated with people, technology, and processes. In Grupo SURA, the management of these risks is focused on analyzing the exposure of the processes and projects, in order to propose strategies that mitigate their impacts.

Within the administration of these risks, the following are note-worthy:

- **Business Continuity Risk:** Grupo SURA has a response plan and financial and reputational crisis management process, which are fundamental to ensure the continuity of the Company's operations.

Faced with operational events, the Company developed a project, in 2017, to identify critical processes for interruption events. An analysis was also realized to identify risks and interruption scenarios.

- **Risk of Fraud and Corruption:** Regarding the prevention of fraud and corruption, the Company has provisions and guidelines, to manage the events that may generate this type of risk, and minimize the probability of occurrence, materialization, and impact thereof.
- **Risk of Money Laundering and Financing of Terrorism:** Grupo SURA has an Integral System for the Prevention and Control of Money Laundering and the Financing of Terrorism - SIPLA, which establishes procedures to prevent the company from being used, without their consent or knowledge, for the management or investment of

monies from illicit activities. The established procedures include due diligence, in the relationship of suppliers, investors, among other interest groups, and periodic activities of monitoring, follow-up, and screening of international restrictive lists.

- **Legal-Compliance Risk:** With respect to legal risk, Grupo SURA adopts the external and general guidelines, issued by the respective control entity, as well as those established internally, by its Board of Directors.

The Company has a Compliance Department, whose main responsibility is the compliance management system, so that within the Grupo SURA, the acquired commitments are fulfilled.

- **Regulatory Risk:** Grupo SURA's regulatory risk management is strategic, considering that its main investments are in highly regulated and with dynamic regulatory environment sectors.

In 2018, the Company will continue working on the implementation of the Financial Conglomerates Law, recently published by the Financial Regulation Unit - URF of the Ministry of Finance of Colombia. In addition, it will continue to monitor the possible regulatory changes in tax matters, and in the inSURANCE sector, banking, and pension, in Latin America.

NOTE 25. CAPITAL MANAGEMENT

Grupo SURA's policy is to maintain a solid capital base, in order to preserve the confidence of investors, creditors, and the market, and sustain the future development of the business. The Company monitors the return on capital and the level of dividends paid to Shareholders.

The administration tries to maintain a balance, between the highest returns that can be obtained with higher levels of credit, advantages, and the security from a solid capital position. The return on capital obtained, in 2017, was 3.43% and 4.04%, in 2016.

Grupo SURA monitors capital using an adjusted net debt and equity index. For this purpose, the adjusted net debt is defined as the total financial liabilities (financial liabilities and issued securities), which includes loans that accrue interest, plus the proposed dividends not accrued, less cash and cash equivalents.

In order to comply with the indicators of financial indebtedness, established by the rating agencies, to measure the degree of investment in the companies, Grupo SURA seeks to keep the index below 25%. The adjusted debt-equity ratio of Grupo SURA, at December 31st, was as follows:

	2017	2016
Total financial indebtedness	2,996,772	2,298,470
Cash and equivalents	(69,298)	(451,443)
Net debt	2,927,474	1,847,027
Total assets	22,775,121	21,536,905
Adjusted debt index - equity	12,854%	8.576%

NOTE 26. DISCLOSURES ON RELATED PARTIES

Subsidiaries, key personnel of management, as well as, entities, and key management personnel that can exercise either control, or of post-employment benefits, for the benefit of employees, are considered related parties to Grupo SURA.

The following is a breakdown of related parties, at December 31, 2017 and December 2016, of Grupo SURA:

- Companies under direct or indirect control of Grupo SURA found in Note 8.2 Investments in subsidiaries.
- Companies in which Grupo SURA has direct and indirect participation, through its subsidiaries:

COMPANY	TYPE OF ENTITY	DEC 2017	DEC 2016	COUNTRY	FUNCTIONAL CURRENCY
Grupo de Inversiones Suramericana S.A.	Holding Company			Parent	
Activos Estratégicos SURA A.M. Colombia S.A.S.	Holding Company	83.58%	78.71%	Colombia	Colombian Peso
SURA Investment Management Colombia S.A.S	Holding Company	83.58%	78.71%	Colombia	Colombian Peso
SURA Asset Management España S.L.	Holding Company	83.58%	78.71%	Spain	Euro
Grupo de Inversiones Suramericana Holanda B.V.	Holding Company	83.58%	78.71%	Holland	Euro
Grupo SURA Chile Holdings I B.V.	Holding Company	83.58%	78.71%	Holland	Euro
SURA Asset Management Chile S.A.	Holding Company	83.58%	78.71%	Chile	Chilean Peso

COMPANY	TYPE OF ENTITY	DEC 2017	DEC 2016	COUNTRY	FUNCTIONAL CURRENCY
SURA Data Chile S.A.	Company dedicated to providing data and processing services and leasing of computer equipment	83.58%	78.71%	Chile	Chilean Peso
SURA Servicios Profesionales S.A.	Company dedicated to consulting and business advice	83.58%	78.71%	Chile	Chilean Peso
Santa María Internacional S.A. (Chile)	Holding Company	0.00%	78.71%	Chile	Chilean Peso
Grupo SURA Latin American Holdings B.V.	Holding Company	0.00%	78.71%	Holland	Euro
SUAM Finance B.V	Holding Company holder of 144A/Reg S Bonds issued in April 2014	83.58%	78.71%	Curacao	US Dollar
SURA Asset Management México S.A. de C.V.	Holding Company	83.58%	78.71%	México	Mexican Peso
SURA Art Corporation S.A. de C.V.	Company dedicated to the collection of Mexican art	83.58%	78.71%	México	Mexican Peso
SURA Asset Management Perú S.A.	Holding Company	83.58%	78.71%	Perú	Soles
SURA Asset Management Uruguay Sociedad de Inversión S.A. (antes Tublyr S.A.)	Holding Company	83.58%	78.71%	Uruguay	Uruguayan Peso
AFAP SURA S.A.	Company dedicated to the administration of pension savings funds	83.58%	78.71%	Uruguay	Uruguayan Peso
AFP Capital S.A.	Company dedicated to the administration of pension savings funds	83.33%	78.48%	Chile	Chilean Peso
Afore SURA S.A. de C.V.	Company dedicated to managing investment companies specializing in Retirement Funds	83.58%	78.71%	México	Mexican Peso
AFP Integra S.A.	Administrator of Pension Funds	83.58%	78.70%	Perú	Soles
SURA Real Estate S.A.S.	Consulting activities of management, real estate activities realized with owned and leased	58.50%	55.09%	Colombia	Colombian Peso
Asesores SURA S.A. de C.V.	Sales of products and financial services provided	83.58%	78.71%	México	Mexican Peso
Promotora SURA AM S.A. de C.V.	Services provided for the commercialization, marketing services, and dissemination of products of any kind	83.58%	78.71%	México	Mexican Peso
Hipotecaria SURA Empresa Administradora Hipotecaria S.A.	Company dedicated to the granting of mortgage loans and other financial services	0.00%	55.09%	Perú	Soles
Seguros de Vida SURA S.A. (Chile)	Company engaged in inSURance activities related to annuities and life annuities	83.58%	78.71%	Chile	Chilean Peso
Pensiones SURA S.A. de C.V.	Company engaged in inSURance activities related to annuities and life annuities	83.58%	78.71%	México	Mexican Peso
Seguros de Vida SURA México S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	Pension inSURance	83.58%	78.71%	México	Mexican Peso

COMPANY	TYPE OF ENTITY	DEC 2017	DEC 2016	COUNTRY	FUNCTIONAL CURRENCY
Seguros SURA S.A. (antes Invita) (Perú)	Life inSURance	0.00%	54.54%	Perú	Peruvian Soles
SUAM Corredora de Seguros S.A. de C.V.	InSURance and reinSURance of the branches of life	83.58%	78.71%	El Salvador	US Dollar
Disgely S.A.	Company dedicated to all types of activities related with inSURance and reinSURance	83.58%	78.71%	Uruguay	Uruguayan Peso
Corredores de Bolsa SURA S.A.	Company dedicated to the commercialization goods, leases of goods, works and services	83.58%	78.71%	Chile	Chilean Peso
Administradora General de Fondos SURA S.A.	Company dedicated to the purchase and sale of securities and securities brokerage operations	83.58%	78.71%	Chile	Chilean Peso
SURA Investment Management S.A. de C.V.	Company dedicated to the administration of mutual funds and investment	83.58%	78.71%	México	Mexican Peso
Fondos SURA SAF S.A.C.	Company dedicated to the operation of investment companies	83.58%	78.71%	Perú	Soles
Sociedad Agente de Bolsa S.A.	Company dedicated to the administration of mutual funds and investment	83.58%	78.71%	Perú	Soles
Corredor de Bolsa SURA S.A.	Stock brokers	83.58%	78.71%	Uruguay	Uruguayan Peso
AFISA SURA S.A.	Brokerage services	83.58%	78.71%	Uruguay	Uruguayan Peso
SURA Asset Management Argentina S.A.	Company dedicated to the administration of investment funds	83.58%	0.00%	Argentina	Argentine Peso
Inversura Panamá Internacional S.A.	Company dedicated to financial administration and investments	81.13%	81.13%	Panamá	US Dollar
Inversiones SURA Brasil S.A.S.	Investor	81.13%	81.13%	Colombia	Colombian Peso
Financia Expreso RSA S.A.	Investor	81.12%	81.11%	Colombia	Colombian Peso
Santa Maria del Sol S.A. (Argentina)	Conclusion of mutual contracts and investments	81.13%	81.13%	Argentina	Argentine Peso
Atlantis Sociedad Inversora S.A.	Investments	81.13%	81.13%	Argentina	Argentine Peso
Chilean Holding Suramericana SPA (antes RSA Chilean Holding SpA)	Investments	81.13%	81.13%	Chile	Chilean Peso
Inversiones Suramericana Chile Limitada (antes Inversiones RSA Chile Limitada)	Investments	81.13%	81.13%	Chile	Chilean Peso
Seguros Generales Suramericana S.A. (Colombia)	Investments	81.12%	81.11%	Colombia	Colombian Peso
Seguros SURA S.A. (República Dominicana)	General inSURance	81.13%	81.13%	Dominican Republic	Dominican Peso
Seguros Suramericana Panamá S.A.	InSURance	81.13%	81.13%	Panamá	US Dollar

COMPANY	TYPE OF ENTITY	DEC 2017	DEC 2016	COUNTRY	FUNCTIONAL CURRENCY
Aseguradora Suiza Salvadoreña S.A. Asesuiza	InSURance	81.13%	81.13%	El Salvador	US Dollar
SURA RE Ltd.	General inSURance	81.13%	81.13%	Bermuda	US Dollar
SURA SAC Ltd.	InSURance and / or reinSURance business	81.13%	0.00%	Bermuda	US Dollar
Seguros SURA S.A (antes Royal & Sun Alliance Seguros (Brasil) S.A.) (Brasil)	InSURance and / or reinSURance business	81.13%	81.13%	Brazil	Brazilian Real
Seguros SURA S.A (antes Royal & Sun Alliance Seguros (Argentina) S.A.) (Argentina)	Operations personal and damages inSURance	80.67%	80.63%	Argentina	Argentine Peso
Aseguradora de Créditos y Garantías S.A.	Operations of general inSURance	81.12%	81.12%	Argentina	Argentine Peso
Seguros Generales Suramericana S.A (antes RSA Seguros Chile S.A.) (Chile)	InSURance, co-inSURance and reinSURance operations in general on all types of risks	80.71%	80.71%	Chile	Chilean Peso
Seguros SURA, S.A de C.V. (antes Royal & Sun Alliance Seguros (México) S.A. de C.V.) (México)	Operation of general inSURance	81.13%	81.13%	México	Mexican Peso
Seguros SURA S.A.(antes Royal & Sun Alliance Seguros S.A.)	General inSURance	81.13%	81.13%	Uruguay	Uruguayan Peso
Operaciones Generales Suramericana S.A.S.	Investment in movable and immovable property	81.13%	81.13%	Colombia	Colombian Peso
Servicios Generales Suramericana S.A. (Colombia)	Investment in movable property, especially shares, quotas, or shares of companies	81.13%	81.13%	Colombia	Colombian Peso
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Provision of consulting services in the integral risk management	81.13%	81.13%	Colombia	Colombian Peso
Servicios Generales Suramericana S.A. (Panamá)	Service of inspection, repair, purchase and sale of vehicles	81.13%	81.13%	Panamá	US Dollar
Protección Garantizada LTDA	InSURance agency	49.73%	41.36%	Colombia	Colombian Peso
Servicios y Ventas Compañía Limitada	Provision of services	0.00%	80.92%	Chile	Chilean Peso
EPS y Medicina Prepagada Suramericana S.A.	Organization, guarantee and provision of health services.	81.13%	81.13%	Colombia	Colombian Peso
Servicios de Salud IPS Suramericana S.A.	Provision of medical, paramedical, and dental services	81.13%	81.13%	Colombia	Colombian Peso
Diagnóstico y Asistencia Médica S.A.	Provision of diagnostic health aids services	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Vida Suramericana S.A. (Colombia)	Personal inSURance	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Riesgos Laborales Suramericana S.A.	Operation of the labor risk branch	81.13%	81.13%	Colombia	Colombian Peso
Asesuiza Vida, S.A. Seguros de Personas		81.13%	81.13%	El Salvador	US Dollar
Seguros de Vida Suramericana S.A (antes RSA Seguros de Vida S.A.) (Chile)	Personal inSURance	81.13%	81.13%	Chile	Chilean Peso
Suramericana S.A.	Life InSURance Company	81.13%	81.13%	Colombia	Colombian Peso

COMPANY	TYPE OF ENTITY	DEC 2017	DEC 2016	COUNTRY	FUNCTIONAL CURRENCY
Inversiones y Construcciones Estratégicas S.A.S.	Investor	100.00%	100.00%	Colombia	Colombian Peso
Grupo de Inversiones Suramericana Panamá S.A.	Investment in securities	100.00%	100.00%	Panamá	US Dollar
Planeco Panamá S.A.	Acquisition and disposition of movable and immovable property	95.28%	95.28%	Panamá	US Dollar
Grupo SURA Finance S.A.	Any licit activity in the Cayman Islands	100.00%	100.00%	Cayman Islands	US Dollar
SURA Asset Management S.A.	Investment in movable and immovable property	83.58%	78.71%	Colombia	Colombian Peso
Hábitat Adulto Mayor S.A.	Provision of health services for the elderly	82.66%	82.66%	Colombia	Colombian Peso
ARUS Holding S.A.S	Investment in movable and immovable property	100.00%	100.00%	Colombia	Colombian Peso
ARUS S.A.	Services and commercialization of products and solutions in telecommunications	100.00%	100.00%	Colombia	Colombian Peso
Enlace Operativo S.A.	Information processing services under the figure of outsourcing	100.00%	100.00%	Colombia	Colombian Peso

c. Members of the Board of Directors

This is the responsibility of the Members of the Board of Directors of Grupo SURA, to formulate the standards and guidelines of the business and to make the key decisions, which in some cases correspond to guidelines issued by its Headquarters in Colombia.

d. Directors

The following is the total value of the transactions realized by Grupo SURA, with its related parties, during the corresponding period:

Accounts receivable of subsidiaries (Note: 8.1.1.):

	2017	2016
Grupo SURA Panamá	-	11,073
Suramericana S.A.	-	90
Grupo SURA Finance	59	59
Total	59	11,222

Accounts payable (Note 8.2.2.):

	2017	2016
Grupo SURA Finance	1,611,360	1,620,383
Intereses - Grupo SURA Finance	15,482	15,619
Inversiones y Construcciones Estratégicas ¹	32,913	22,673
Intereses - Inversiones y Construcciones Estratégicas ¹	3,322	1,440
Total	1,663,077	1,660,115

¹ These accounts payable of principal plus interest, corresponds business checking accounts, within the Company.

The transactions with economic associates were realized at normal prices and under normal market conditions.

Non-operating income

	2017	2016
Suramericana S.A. ¹	890	-
Seguros de Vida SURAmericana S.A.	-	1,871

¹ Corresponds to the sale of movable property by change of venue

Non-operating expenses:

	2017	2016
Grupo SURA Finance ¹	89,229	65,967
Inversiones y Construcciones Estratégicas	2,024	-
Seguros Generales Suramericana	348	345
Seguros de Vida Suramericana	119	58
Servicios Generales Suramericana	50	45
IPS Servicios de Salud	3	2
Operaciones Generales Suramericana	15	18
Total	91,788	66,435

¹ Corresponds to interest generated by business checking accounts, between companies. The transactions with economic associates were realized at normal prices and under normal market conditions.

Benefits to Senior Level employees:

	2017	2016
Short-term employee benefits (*)	14,013	8,441
Post-employment benefits	24,215	24,407
	38,228	32,848

(*) Benefits (other than termination benefits) that are expected to be fully settled, before the twelve months following the end of the annual reporting period, in which the employees have rendered the related services.

Other related parties:

	2017	2016
Honorariums, Members of Board of Directors	817	809

NOTE 27. EVENTS AFTER TO THE REPORTING PERIOD

These Separate Financial Statements, with an annual period, ended at December 31, 2017, were prepared for the purposes of supervision, and authorized for issuance by the Board of Directors of Grupo SURA, on February 26, 2018. After that date and to the date of publication, the following significant events have occurred that do not involve adjustments to the Financial Statements, filed with the Company, ended December 31, 2017:

- ¶ On January 26, 2018, Grupo de Inversiones SURAmericana S.A. (Grupo SURA) informed that it approved the inclusion in the agenda of the ordinary meeting of the General Shareholders' Meeting of a proposal corresponding to the presentation and approval of the merger commitment of Grupo SURA (absorbing company) and its foreign subsidiaries GrupoSURA Finance and Grupo de Inversiones SURAmericana Panamá SA (absorbed companies).

In relation to this proposal, it is important to highlight that, in line with the philosophy of the Law on Financial Conglomerates (Law 1870 of 2017), simple corporate structures should be fostered, which facilitate the functions of surveillance and control to regulators in the different jurisdictions. Likewise, this simplification of the company brings benefits, in economic and administrative terms, to Grupo SURA, its Shareholders, and interest groups.

This transaction will not imply any statutory modification of Grupo SURA, or changes in the value of the share, or in the capital of Grupo SURA, as

it is a merger in which 100% of Grupo SURA's companies are absorbed. As a result of the foregoing, there will be no share exchange ratio and the current Shareholders of Grupo SURA will not have their share of the capital, of the acquiring company, modified, in any way.

NOTE 28. APPROVAL OF FINANCIAL STATEMENTS

The issuance of the Financial Statements of Grupo SURA, for the year ended December 31, 2017, were authorized by the Board of Directors, as stated in Meeting Minutes No. 274 of February 26, 2018, to be presented to the market.

ANALYSIS OF FINANCIAL RESULTS (UNAUDITED)

The following are the analyses of financial results for the period ended December 31, 2017, with comparative figures at December 31, 2016. These analyses are performed, by Management, and are not part of the Financial Statements. Expressed in millions of pesos.

	INDEX	DECEMBER 2017	DECEMBER 2016	INTERPRETACION	FORMULAS
LIQUIDITY	Solvency	4,988,684	4,488,896	Creditors own 17.97% at December 2017 and 17.25% at December 2016, with the shareholders owning the complement: 82.03% in December 2017 and 82.75% in December 2016.	Total liability
		= 17.97%	= 17.25%		Total asset
	Total	27,763,804	26,025,801	Of each peso that the company has invested in assets, 17.97% at December 2017 and 17.25% at December 2016, has been financed by the creditors	Total liability
		= 17.97%	= 17.25%		Total asset
INDEBTEDNESS	Coverage of interest	1,048,372	1,042,326	The Company generated net income equal to 357.46% at December 2017 and 503.92% in December 2016, from interest paid.	Net profit + interest
		= 357.46%	= 503.92%		Financial expenses
	Leverage	293,287	206,845	Each peso (\$1.00) of owners of the Company is committed to 21.90% to December 2017 and 20.84% to December 2016.	Total liabilities with thirds
		= 21.90%	= 20.84%		Equity
Financial Total	2,996,772	2,298,471	For each peso of equity, financial commitments are made at 13.16% at December 2017 and 10.67% at December 2016.	Total liabilities with financial entities	
	= 13.16%	= 10.67%		Equity	
PERFORMANCE	Net margin of profit	22,775,121	21,536,905	Net profit corresponds to 65.02% of net income in December 2017 and 80.14% of net income in December 2016.	Net profit
		755,085	835,481		Net income
	Return on total liabilities	1,161,273	1,042,582	Net results correspond to 3.43% of equity in December 2017 and 4.04% in December 2016.	Net profit
		= 3.43%	= 4.04%		Equity - profit
	Return on total assets	22,020,035	20,701,424	Net results with respect to total assets, correspond to 2.72% at December 2017 and 3.21% in December 2016.	Net profit
= 2.72%		= 3.21%	Total asset		

GRI CONTENT INDEX



“IN ACCORDANCE - CORE” OPTION WITH THE GRI STANDARD

GRI STANDARD	GENERAL REPORTING ASPECTS	GENERAL STANDARD DISCLOSURES PAGE/RESPONSE	OMISSION	EXTERNAL ASSURANCE
101 Fundamentals 2016				
101	- Reporting principles - Use of the GRI Standards - Declaration of Use of the GRI Standards	Presentation - Page 6	Not applicable	✓
102 General Contents 2016				
1. Perfil de la organización				
102-1	Name of the Organization	Company Profile - Page 10	Not applicable	✓
102-2	Activities, brands, products and services	Portfolio of Products and Services - Page 11	Not applicable	✓
102-3	Location of the Organization's headquarters	Corporate Governance - Page 159	Not applicable	✓
102-4	Names of the countries where the organization operates or where it carries out significant operations	Key figures - Page 11-15	Not applicable	✓
102-5	Nature of ownership and legal form	Ethics and Corporate Governance System - Page 20	Not applicable	✓
102-6	Markets served	Company Profile - Page 10 Key Figures - Page 12. Our subsidiaries, through their own lines of business, attend private individuals, corporations, governments and other organizations that require our asset management services or insurance solutions	Not applicable	✓
102-7	Scale of the organization	Key figures - Pages 11-13 Management Report - Page 26	Not applicable	✓
102-8	Information regarding employees and other workers	Key figures - Page 12 Human talent and culture - Pages 84-87	Not applicable	✓
102-9	Supply chain	Supplier and other responsible management practices - Page 12	Not applicable	✓
102-10	Significant changes in the organization and its supply chain	Management Report - Pages 32-33 Financial resource management 101	Not applicable	✓
102-11	Precautionary approach or principle	Knowledge/Risk Management System - Pages 52-54 Corporate Governance Report - Page 158	Not applicable	✓
102-12	External initiatives	Presentation - Page 6 Indices and Recognition - Page 7 Company Profile - Page 10	Not applicable	✓
		The companies belonging to the SURA Business Group are members of the following trade associations and federations: Suramericana -Argentina: Sindicato del Seguro de la República Argentina (Argentina's Insurance Trade Union) Brazil: Confederación Nacional de Empresas de Seguros Generales - (National Confederation of Property And Casualty Insurance Companies - [Comisiones Controles Internos (CCI), Riesgos (CGR)], Previdencia Privada y Vida, Salud Suplementaria y Capitalización - Comisión Actuarial (CNSEG). Chile: Asociación de Aseguradores de Chile A.G. (Association of Chilean Insurance Companies) Colombia: Federación de Aseguradores Colombianos - FASECOLDA (Colombian Federation of Insurance Companies), Asociación Nacional de Empresarios (ANDI) (National Association of Business and Industry), Autorregulador del Mercado de Valores (AMV) (Colombian Stock Market Self-Regulator), Red Internacional de Seguridad y Salud Ocupacional (RIDSSO) (International Occupational Health and Safety Network) Organización Iberoamericana de Salud (OIS) (Ibero-American Health Organization), Consejo Colombiano de Seguridad (CCS) (Colombian Safety Council), Asociación Colombiana de Empresas de Medicina Integral (ACEMI) (Colombian Association of Integrative Medicine). El Salvador: Asociación Salvadoreña de Empresas de Seguros (Salvadoran Association of Insurance Companies, Cámara Americana de Comercio El Salvador, AmCham (American Chamber of Commerce of El Salvador), Asociación Salvadoreña de Industriales, CEDES, (Salvadoran Association of Industrialists, Cámara de Comercio e Industria de El Salvador (Chamber of Commerce and Industry of El Salvador), Federación Interamericana de Empresas de Seguros, FIDES.		✓

102-13	Memberships of associations	(Inter-American Federation of Insurance Companies). Mexico: Asociación Mexicana de Instituciones De Seguros (AMIS) (Mexican Association of Insurance Institutions) ,Asociación Mexicana de Ajustadores de Seguros A.C. (AMASFAC).(Mexican Association of Insurance Adjusters) - Panama: Asociación Panameña de Aseguradoras (APADEA) (Panamanian Association of Insurance Companies), Asociación Panameña de Ejecutivos de Empresa (APEDE) (Panamanian Association of Business Executives), Colegio Nacional de Productos de Seguros (CONALPROSE) (National Association of Insurance Products), Cámara de Comercio de Panamá (Chamber of Commerce of Panama) -Dominican Republic: Asociación Dominicana de Corredores de Seguros (ADOCOSE) (Dominican Association of Insurance-Brokers), Cámara Dominicana de Aseguradores y Reaseguradores (CADOAR) (Dominican Chamber of Insurers and Reinsurers), Cámara Americana de Comercio de República Dominicana (AM-CHAMDR) (American Chamber of Commerce of the Dominican Republic), Asociación Nacional de Agentes Profesionales de Seguros (ANAPROSE) (National Association of Professional Insurance Agents), Asociación de Ajustadores y Tasadores Independientes de Seguros (ASATISE) (Association of Independent Insurance Appraisers and Adjusters), Asociación Dominicana de Empresas de Inversión Extranjera, Inc. (ASIEX) (Dominican Association of Foreign Investment Companies, Inc.), Junta Consultiva de Seguros (JUCOSE) (Insurance Advisory Board), Sociedad Dominicana de Corredores y Aseguradores de Seguros (SODOCASE). (Dominican Society of Insurance Brokers and Underwriters). -Uruguay: Asociación Uruguaya de Aseguradoras (AU-DEA) (Uruguayan Association of Insurers), Asociación Comercial e Industrial de Rivera (Commercial and Industrial Association of Rivera), Asociación Comercial e Industrial de Colonia (Commercial and Industrial Association of Colonia), Centro Comercial e Industrial de Paysandú (Commercial and Industrial Center of Paysandú), Centro Comercial e Industrial de Salto (Commercial and Industrial Center of Salto), Cámara Empresarial de Maldonado (Business Chamber of Maldonado). SURA AM: Chile: Asociación de Administradoras de Fondos de Pensiones (AAFP) (Association of Pension Fund Management Firms), Asociación de Aseguradores de Chile A.G. (AACH), (Chilean Association of Insurance Companies). Asociación de Fondos Mutuos (AAFMM) (Association of Mutual Funds (AAFMM), Asociación Interamericana de Periodistas de Economía y Finanzas Capítulo Chileno (Chilean Chapter of the Interamerican Association of Economic and Financial Journalists, (AIPEF), Cámara Chileno Colombiana de Comercio (CCCC) (Chilean Colombian Chamber of Commerce), Instituto Chileno de Administración Racional de Empresas (ICARE) (Chilean Institute of Rational Business Administration), Pacto Global Red Chile (Chilean Global Compact Network, Acción Empresas (Business Action) and Infocap -El Salvador: Asociación Salvadoreña de Administradoras de Fondos de Pensión (ASAFONDOS) (Salvadoran Association of Pension Fund Management firms) , Cámara de Comercio e Industria de El Salvador (Salvadoran Chamber of Commerce and Industry, Cámara Americana de Comercio (AMCHAM) (American Chamber of Commerce), Asociación de Líderes del Talento Humano de El Salvador (ALTHES), Salvadoran Association of Human Talent Leaders) Asociación Nacional de Anunciantes de El Salvador (ANAES) (National Association of Advertisers of El Salvador). -Mexico: Asociación Mexicana de Administradoras de Fondos para el Retiro A.C (Mexican Association of Retirement Fund Managers). (AMAFORE), Asociación Mexicana de Instituciones Bursátiles (AMIB)(Mexican Association of Stock Brokers) , Asociación Mexicana de Instituciones de Seguros (AMIS) (Mexican Association of Insurance Companies). -Peru: Asociación Administradoras de Fondos de Pensiones (AAFP) (Association of Pension Fund Administrators), Asociación de Bancos del Perú (ASBANC) (Peruvian Banking Association). - Uruguay: Asociación Nacional de AFAP (National Association of Pension Fund Management Firms)	Not applicable	✓
2. Strategy				
102-14	Statement from senior executives who are responsible for the decision-making process	Board of Directors - Page 18 Strategy - Page 23-25 Management Report - Page 32	Not applicable	✓
102-15	Impacts, risks and main opportunities	Knowledge /Risk Management System - Pages 52-54	Not applicable	✓
3. Ethics and integrity				
102-16	Values, principles, standards and rules of conduct	Presentation - Page 6 Ethics and Corporate Governance System - Page 16 Corporate Governance - Page 147 Internal Control Report - Page 166	Not applicable	✓
102-17	Advisory mechanisms and ethical concerns	Ethics Help Line - Page 149	Not applicable	✓
4. Governance				
102-18	Governance Structure	Board of Directors - Pages 18-19 Company Management Structure - Page 151	Not applicable	✓
102-19	Delegation of authority	The authority for managing sustainability has been delegated to the Chief Corporate Affairs Officer	Not applicable	✓

102-20	Executive level responsibility for economic, environmental and social issues	The authority for managing sustainability has been delegated to the Chief Corporate Affairs Officer	Not applicable	✓
102-21	Stakeholder consultations regarding economic, environmental and social issues	Materiality Analysis - Pages 26-27 Brand awareness survey - Page 143 Stakeholder consultations are coordinated between different areas of both Grupo SURA and its subsidiaries, depending on the specific stakeholder. The areas that maintain the most contact with our stakeholders are: Investor Relations, Communications and Corporate Identity, Human Talent Management and Corporate Responsibility	Not applicable	✓
102-22	The structure of the Organization's highest governing body and its committees	Board of Directors - Page 18 Structure of Company Management - Page 151	Not applicable	✓
102-23	Chairman of the highest governing body	Board of Directors - Page 18	Not applicable	✓
102-24	Appointing and selecting the highest governing body	The Company's Management Structure - Page 152	Not applicable	✓
102-25	Conflicts of interest	Related Party Transactions - Page 158 Information regarding shares owned by the members of the Board of Directors - Page 150	Not applicable	✓
102-26	Role of the highest governance body in deciding upon purposes, values and strategy	Highlights and challenges 147 The Company's Management Structure - Pages 154-156	Not applicable	✓
102-27	Collective knowledge of the highest governing body	The Company's Management Structure - Page 155	Not applicable	✓
102-28	Performance evaluations of the highest governing body	The Company's Management Structure - Page 156	Not applicable	✓
102-29	Identifying and handling economic, environmental and social impacts	Report from the Sustainability and Corporate Governance Committee to the General Assembly of Shareholders Grupo SURA's Sustainability and Corporate Governance Committee is responsible for assisting and providing support to the Board of Directors in fulfilling its oversight responsibilities with regard to risk management	Not applicable	✓
102-30	Efficiency of the processes of risk management	In accordance with the Regulations of the Board of Directors, it is the duty of the Directors "guide, reorient and review the strategy, the main projects, risk policy, budgets and business plans, set performance goals, sustainability indicators and make follow up on the main investments ". Additionally, The Committee of the Audit, Risk and Finance Board is responsible for reviewing issues of management of impacts, risks and economic opportunities. He Committee of Corporate Governance Board is responsible for reviewing issues of management of impacts, risks and opportunities in social issues and environmental The management report is presented by the Board of Directors in full.	Not applicable	✓
102-31	Evaluation of economic, environmental and social issues	Report from the Risk Management Committee to the General Assembly of Shareholders - Page 164. The Risk Management Committee is the highest governing body responsible for reviewing all ESG issues and meets twice a year	Not applicable	✓
102-32	Role of the highest governing body in drawing up sustainability reports	The Company's Chief Executive Officer is responsible for reviewing the management report. In turn, the Chief Corporate Finance, Corporate Affairs and Corporate Legal Affairs Officers review and approve the Company's Sustainability Report	Not applicable	✓
102-33	Process for transmitting critical concerns to the Company's highest governing body	The Company's Management Structure - Page 154	Not applicable	✓
102-34	Nature and total number of critical concerns transmitted	The Board of Directors addressed, among others, the following topics: strategy and the main action plans put into place, risk management and control systems, Corporate Governance, succession plans, financial, accounting and management reports, independent auditing, compliance with all applicable legislation and standards and non-financial accountability.	Not applicable	✓
102-35	Remuneration policies for the highest governing body and senior management	The Company's Management Structure - Page 152	Not applicable	✓
102-36	Process for determining the remuneration to be paid	General Assembly of Shareholders - Page 161	Not applicable	✓
102-37	Stakeholder involvement in the remuneration paid out	General Assembly of Shareholders - Page 161 The General Assembly of Shareholders is responsible for determining the remuneration paid to the members of the Board of Directors. No external consultant is responsible for determining this remuneration	Not applicable	✓

102-38	Total annual compensation ratio	This information is not reported given its confidential nature	Not applicable	✓
102-39	Percentage increase in the annual total compensation ratio	This information is not reported given its confidential nature	Not applicable	✓
5. Stakeholder engagement				
102-40	List of stakeholder groups	Since 2015, Grupo SURA has been working to strengthen its stakeholder engagement model, within the framework of the AA 1000 standard, whose methodology is based on the Stakeholder Engagement Manual Vol. 2, as published by the United Nations Environmental Program (UNEP), in 2006. Our stakeholders are: shareholders and investors; clients; employees; suppliers; the State; the community; academia; trade unions and associations and multilateral agencies; the media, opinion leaders	Not applicable	✓
102-41	Collective bargaining agreements	Human talent - Pages 96-97	Not applicable	✓
102-42	Basis for stakeholder identification and selection	By clearly defining our key stakeholders and setting the goals and methods of engaging with these, amongst other aspects, we are able to become more assertive and better respond to their expectations. For this reason, since 2015, Grupo SURA has been working to strengthen its stakeholder engagement model, within the framework of the AA 1000 standard, whose methodology is based on the Stakeholder Engagement Manual Vol. 2, as published by the United Nations Environmental Program (UNEP), in 2006.	Not applicable	✓
102-43	Approach to Stakeholder Engagement	As part of our materiality analysis we consulted various stakeholder groups on the more relevant environmental, social and economic issues, this for the purpose of gathering information for preparing and disclosing the content of our sustainability report as well as for the Company's different communication channels. It is also possible to review the results of the different consultations and surveys carried out with our stakeholder groups including clients- users, suppliers, etc.	Not applicable	✓
102-44	Key concerns and issues raised	Materiality analysis - Page 27	Not applicable	✓
6. Reporting practices				
102-45	Entities included in the consolidated financial statements	Special report - Page 171	Not applicable	✓
102-46	Report content and aspect boundaries	Presentation - Page 6. The annual report addresses 18 material issues for the SURA Business Group (Page 26) in the sectors in which it operates (investments, savings, pensions, insurance and health) as well as countries where present (Argentina, Brazil, Chile, Colombia, El Salvador, Mexico, Panama, Peru, Dominican Republic and Uruguay). These issues were identified as part of the materiality analysis conducted in 2016 and were subsequently prioritized within the Organization by Senior Management in 2017	Not applicable	✓
102-47	List of material issues	Materiality analysis - Page 27	Not applicable	✓
102-48	Restatements of information	No information was restated against the previous year's report	Not applicable	✓
102-49	Reporting changes	Some of the Company's own indicators were amended so as to provide greater clarity for the reader. This report was also drawn up under the new GRI guidelines that is to say in accordance with GRI standards: core option GRI-G4 was used for the previous reporting period. Material issues and their scale did not undergo any change compared to the previous reporting period	Not applicable	✓
102-50	The reporting period	Sustainability reports are drawn up every year, and this report corresponds to the period January 1st to December 31, 2017.	Not applicable	✓
102-51	Date of the last report	The last report was published in March 2017 and corresponded to the year 2016.	Not applicable	✓
102-52	Reporting cycle	Sustainability reports are drawn up on an annual basis	Not applicable	✓
102-53	Point of contact for questions about the report	The electronic version of this report has been made available on the Company's website https://www.gruposura.com/informacion-para-inversionistas/informacion-anual/pages/default.aspx . Should you have any queries or require any additional information please contact Juan Fernando Rojas Trujillo - Grupo SURA's Content Director, email: jfrojas@gruposura.com.co	Not applicable	✓
102-54	Statement that this report has been drawn up based on GRI standards.	Presentation - Page 6 This report has been prepared in accordance with GRI standards: core option	Not applicable	✓
102-55	GRI content index	GRI content index - Page 649	Not applicable	✓
102-56	External assurance	External assurance letter - Pages 642-645	Not applicable	✓

✓

GRI STANDARD	GRI REFERENCE DESCRIPTION	SPECIFIC CONTENT PAGE/RESPONSE	OMISSION	ASSURANCE	
Material aspect: Corporate governance, Regulation					
GRI 103: Management approach	103-1	Explanation of the material aspect and its limits	Corporate Governance Report - Page 147	Not applicable	✓
	103-2	Management approach and its components	Corporate Governance Report - Page 147	Not applicable	✓
	103-3		Corporate Governance Report - Page 150. Performance with regard to this material issue is evaluated using the indicators belonging to the different areas, together with those used by various indices (Dow Jones Sustainability Index and others) as well as the GRI metrics laid out in this report. Furthermore, there are oversight bodies at senior management level as well as the Company's highest governing body who are responsible for each aspect.	Not applicable	✓
GRI 205: Anti Corruption 2016	205-1	Operations subject to anti-corruption risk assessments	Internal risk management - Page 57 Note 37 of the Consolidated Financial Statements, Operating Risk and Other Miscellaneous Risk Management - Page 478. All the Companies belonging to the SURA Business Group have put into place provisions and guidelines for managing events relating to fraud and corruption risk thus minimizing their probability of occurrence, materialization and impact		
	205-3	Confirmed cases of corruption and the measures taken	Ethics Help Line Page 22 Internal Control Report from the Board of Directors - Page 166 There were no cases of corruption in Grupo SURA in 2017.		
GRI 419: Socioeconomic compliance 2016	419-1	Failure to comply with applicable legislation and regulations governing social and economic issues	Note 22 of the Consolidated Financial Statements, Provisions and contingent liabilities - Page 392	Not applicable	✓
The Company's own indicator	IP1	Number of people who received training with regard to ethical issues, total hours of training given, amount invested, main topics addressed.	In 2017, Grupo SURA held awareness-raising conferences on ethical and behavioral issues for a total of 700 employees. These conferences averaged out at 6 hours each for an approximate investment of USD 10,000.		
Material aspect: Innovation					
GRI 103: Management approach 2016	103-1	Explanation of the material aspect and boundaries	Innovation and entrepreneurship Page 65	Not applicable	✓
	103-2	Management approach and its components	Innovation and entrepreneurship Page 65	Not applicable	✓
	103-3	Evaluation of management approach	Corporate venturing program - Pages 66-67. Performance with regard to this material issue is evaluated using the indicators belonging to the different areas, together with those used by various indices (Dow Jones Sustainability Index and others) as well as the GRI metrics laid out in this report. Furthermore, there are oversight bodies at senior management level as well as the Company's highest governing body who are responsible for each aspect.	Not applicable	✓
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	Corporate venturing program - Page 68	Not applicable	✓
Material aspects: Business development, Long-term Relationships with Clients					
GRI 103: Management approach 2016	103-1	Explanation of the material aspect and boundaries	Management Report - Pages 32-33 Knowledge - Page 49 Reputation and trust - Page 141	Not applicable	✓
	103-2	Management approach and its components	Management Report - Pages 32-33 Knowledge - Page 49 Reputation and trust - Page 141	Not applicable	✓
	103-3	Evaluation of management approach	Brand awareness - Page 143 Investment monitoring - Page 104 Performance with regard to this material issue is evaluated using the indicators belonging to the different areas, together with those used by various indices (Dow Jones Sustainability Index and others) as well as the GRI metrics laid out in this report. Furthermore, there are oversight bodies at senior management level as well as the Company's highest governing body who are responsible for each aspect.	Not applicable	✓

GRI 201: Economic performance 2016	201-1	Economic value generated and distributed	Direct economic value generated (in USD millions) - 6,957.39 - Revenues: 6,957.39 Economic value distributed (in USD millions) - 4,849.28 - Operating expense: 3,736.42 - Employee benefits and salaries: 622.11 - Payments of providers of capital: 1.28 - Payments to Government (taxes): 484.58 - Community investment: 4.71. Source of information: The Consolidated Financial Statements of the SURA Business Group and SURA Foundation. Retained economic value (in USD millions) - 2,108.28	Not applicable	✓
Dow Jones Sustainability Index	DJSI1.5.1	Clients using our online services - amount and percentage	This information was duly audited and has been made available in the annual reports of each of our subsidiaries	Not applicable	✓
	DJSI1.5.2	Customer satisfaction surveys and results by country	This information was duly audited and has been made available in the annual reports of each of our subsidiaries	Not applicable	✓
	DJSI3.9.1 DJSI3.9.2	Financial inclusion Description of products with a focus on inclusion	Financial inclusion and education programs - Page 112	Not applicable	✓
	DJSI3.9.1	Financial education programs	Financial inclusion and education programs - Page 112	Not applicable	✓
Material aspects: Strategic allocation of capital, Capital structure, Investments made on the basis of ESG criteria					
GRI 103: Management approach 2016	103-1	Explanation of the material aspect and boundaries	Strategic capital allocation criteria - Page 103. Debt profile - Page 102 Responsible investing - Page 129	Not applicable	✓
	103-2	Management approach and its components	Strategic capital allocation criteria - Page 103. Debt profile - Page 102 Responsible investing - Page 129	Not applicable	✓
	103-3	Evaluation of management approach	Capital structure - Page 103. Performance with regard to this material issue is evaluated using the indicators belonging to the different areas, together with those used by various indices (Dow Jones Sustainability Index and others) as well as the GRI metrics laid out in this report. Furthermore, there are oversight bodies at senior management level as well as the Company's highest governing body who are responsible for each aspect.	Not applicable	✓
Dow Jones Sustainability Index	DJSI 1.7.1	Tax strategy	Tax strategy - Page 105	Not applicable	✓
	DJSI 1.7.2	Amounts paid out in taxes	Tax strategy - Page 106	Not applicable	✓
	DJSI 1.7.3	Tax risk and governance	Tax strategy - Page 105	Not applicable	✓
The Company's own indicator	IP2	Responsible investing/RI Approach (Responsible investing policies, governance and strategy), lines of action (forms of responsible investment management - ESG investing/topic/impact)	Responsible investing - Page 129		✓
Material aspect: Protecting clients and users					
GRI 103: Management approach 2016	103-1	Explanation of the material aspect and boundaries	Progress made with handling internal risk at individual company level - Page 57	Not applicable	✓
	103-2	Management approach and its components	Business risk approach - Page 55 Progress made with handling internal risk at individual company level - Page 57	Not applicable	✓
	103-3	Evaluation of management approach	103. Evaluations in handling this material aspect are performed using the indicators belonging to the different areas, together with those used by various indices (Dow Jones Sustainability Index and others) as well as the GRI metrics laid out in this report. Furthermore, there are oversight bodies at senior management level as well as the Company's highest governing body who are responsible for each aspect.	Not applicable	✓
GRI 418: Client privacy 2016	418-1	Substantiated claims concerning client privacy violations and lost data	This information was duly audited and has been.		

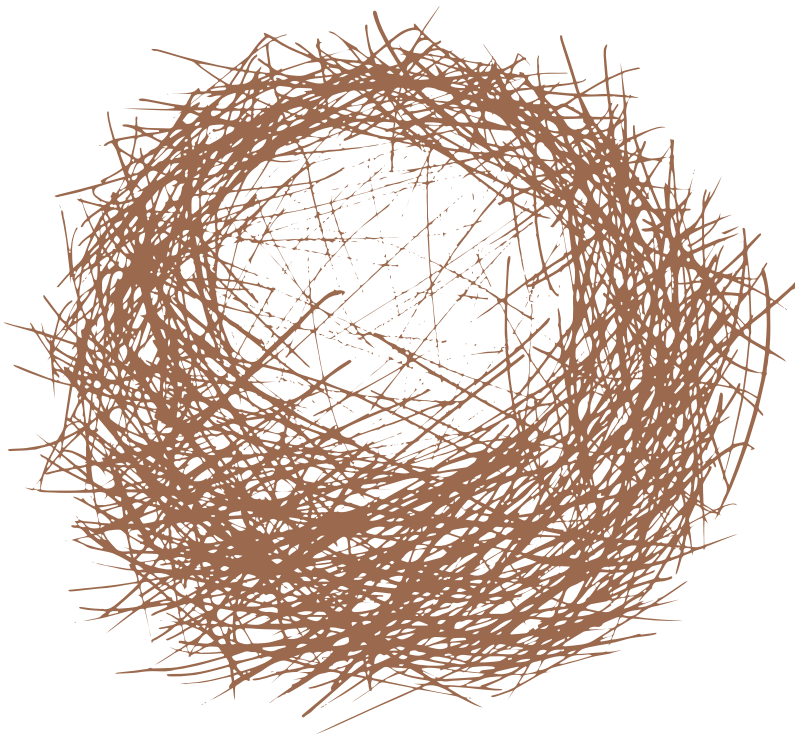
Dow Jones Sustainability Index	DJSI1.9.1	Cybersecurity	Business risk approach - Page 55	Not applicable	✓
Material aspects: Attracting, developing and retaining the best possible human talent, business culture, occupational health and safety					
GRI 103: Management approach 2016	103-1	Explanation of the material aspect and boundaries	Human talent - Page 83	Not applicable	✓
	103-2	Management approach and its components	Human talent - Page 83	Not applicable	✓
	103-3	Evaluation of management approach	Key human talent figures - Page 83. Performance with regard to this material issue is evaluated using the indicators belonging to the different areas, together with those used by various indices (Dow Jones Sustainability Index and others) as well as the GRI metrics laid out in this report. Furthermore, there are oversight bodies at senior management level as well as the Company's highest governing body who are responsible for each aspect.		✓
GRI 201: Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Minimum basic salary / wage on both a country and company level - Pages 87-89 Generally speaking, the minimum wage paid out by the Company exceeds the minimum wage established by the State in all those countries where SURA is present. Employees who earn a basic wage provide janitorial/cleaning/maintenance services or are students doing their technical-professional internships.	This information is not broken down by gender	✓
	202-2	Proportion of executives hired from the local community	Senior Executives are defined as those holding positions 1 and 2 and some holding 3 who make up the Executive Committees on both a headquarter and country level. These include the CEO/President, Vice-Presidents, Executive Directors/Directors, Manager. The staff holding said positions carry out activities that require a thorough specialized knowledge in a particular professional field or extensive knowledge of the relationships between the various fields. 99% of SURA's employees are nationals of the Latin American countries where we are present.		
GRI 401: Employment 2016	401-1	New employee hirings and staff turnover by country	New employee hirings - Pages 88-89 Employee turnover by company - Pages 90-91	Hiring rate is not included	✓
	401-2	Benefits for full-time employees	Benefits granted to employees - Page 93		
	401-3	Parental leave	Paternity and maternity leave - Page 94	Not applicable	✓
GRI 403: Occupational Health and Safety 2016	403-1	Worker representation at formal occupational health and safety committees	Occupational health and safety indicators - Page 94 100% of our workers are represented at our occupational health and safety committees (known as COPASST in Colombia as well as other similar OHS frameworks in the case of all the other countries, this depending on their particular characteristics). All Companies have their own Coexistence and Emergency Committees.	Not applicable	✓
	403-2	Types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities	Absenteeism rate - Page 95	Not applicable	✓
GRI 404: Training and teaching programs 2016	404-1	Average hours of training given per year per employee	Employee training - Page 92. All those employees and sales personnel who attended the training programs staged by Grupo SURA, Suramericana and SURA AM received 11.42, 38.53 and 34.34 hours of training respectively.	Not applicable	✓
	404-2	Programs for enhancing employee skills and transition assistance programs	Employee training - Page 92		
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance evaluations - Page 92	Not applicable	✓

GRI 405: Diversity and equal opportunity 2016	405-1	Composition of governing bodies and breakdown of employees per employee category according to gender, age group, job category and minority groups.	Board of Directors - Page 18 Members of the Board of Directors - Page 19 For more information regarding the resumes of the members of the Board of Directors (complementarity, sex, age, seniority) please click on the following link: https://www.gruposura.com/Informacionpara-Inversionistas/Asamblea-accionistas/BIAsam-bleaAccionistas/Proxy-State-ment-GrupoSura-2018.pdf		
	DJSI3.2.2	Minimum salary / wage paid by the Company	Minimum basic salary / wage: country versus company- Pages 88-89		
Dow Jones Sustainability Index	DJSI3.2.3	Percentage of employees covered by trade union and collective agreements	Freedom of Association and trade unions - Page 96	Not applicable	✓
	DJSI3.5.4	Employee engagement (measuring engagement)	Measuring our organizational climate - Page 93 Score engagement/Coverage of Grupo Empresarial SURA 2014: 37.11%/49.3% - Grupo SURA and Suramericana COL 2015: 51.90%/54.1 - Grupo SURA and Suramericana COL 2016 whit GPTW: 83.11%/99.73 Suramericana and SURA AM 2017 whit GPTW: 83.11%/99.73 Suramericana and SURA AM Target 2017 - engagement: 83.11%	Not applicable	✓
	DJSI3.7.5	Coaching and Occupational Health and Safety programs	At least 95% of the employees pertaining to Grupo SURA and its subsidiaries have received training and educational material (both virtual and face-to-face) on issues relating to health and safety within the workplace. The most frequent topics addressed as part of our induction and ongoing programs are: stress management, a healthy workplace, ergonomics and occupational risk, sporting and recreational activities, nutrition, flexible work schedules and teleworking.		
The Company's own indicators	IP3	Amounts invested in employee training and development initiatives	Employee training - Page 92	Not applicable	✓
	IP4	Number of employees in internships and/or short or long-term assignments	Employee training - Page 92		
Material aspect: Reputation, branding and stakeholder engagement					
GRI 103: Management approach 2016	103-1	Explanation of the material aspect and boundaries	Reputation and trust - Page 141	Not applicable	✓
	103-2	Management approach and its components	Reputation and trust - Page 141	Not applicable	✓
	103-3	Evaluation of management approach	Reputation and trust - Page 141. Performance with regard to this material issue is evaluated using the indicators belonging to the different areas, together with those used by various indices (Dow Jones Sustainability Index and others) as well as the GRI metrics laid out in the annual report corresponding to our main shareholder and holding company - Grupo de Inversiones Suramericana (Page 141 of its annual report). Furthermore, there are oversight bodies at senior management level as well as the Company's highest governing body who are responsible for each aspect.	Not applicable	✓
The Company's own indicators	IP5	Reputation and brand surveys perception results	SURA's total brand awareness - Page 143		
Material aspect: Human rights					
GRI 103: Management approach 2016	103-1	Explanation of the material aspect and boundaries	Human Rights - Page 116	Not applicable	✓
	103-2	Management approach and its components	Human Rights Management Cycle - Page 116	Not applicable	✓
	103-3	Evaluation of management approach	Human Rights Management Cycle - Page 116. Performance with regard to this material issue is evaluated using the indicators belonging to the different areas, together with those used by various indices (Dow Jones Sustainability Index and others) as well as the GRI metrics laid out in this report. Furthermore, there are oversight bodies at senior management level as well as the Company's highest governing body who are responsible for each aspect.	Not applicable	✓

GRI 412: Human rights 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	47% of the Business Group's operations have been subject to our human rights management cycle.		✓
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	100% of our supplier contracts include ESG clauses and criteria which cover the protection of human rights.		
Material aspect: Human rights					
GRI 103: Management approach 2016	103-1	Explanation of the material aspect and boundaries	Suppliers - Page 125	Not applicable	✓
	103-2	Management approach and its components	Suppliers - Page 126	Not applicable	✓
	103-3	Evaluation of management approach	Suppliers - Page 128. Performance with regard to this material issue is evaluated using the indicators belonging to the different areas, together with those used by various indices (Dow Jones Sustainability Index and others) as well as the GRI metrics laid out in this report. Furthermore, there are oversight bodies at senior management level as well as the Company's highest governing body who are responsible for each aspect.	Not applicable	✓
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	Supplier management - Page 126	Not applicable	✓
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and suppliers whose right to freedom of association and collective bargaining may be at risk	Grupo SURA is pledged to respecting and protecting human rights as well as the right to freedom of association on the part of its employees and suppliers. After evaluating the Group's most critical suppliers we were able to conclude that in 2017 no risks were detected with the operations carried out along the supply chain.	Not applicable	✓
GRI 414: Supplier social evaluations 2016	414-1	New suppliers who have passed the selection filters based on social criteria	100% of new suppliers and/or service providers must undergo a registration and evaluation process where their suitability is verified from the economic, environmental and social standpoints.	Not applicable	✓
The Company's own indicators	IP6	Number of international suppliers / providers, natural persons / legal persons, by category, cost of hiring suppliers by category (national and international)	Supplier management - Page 126	Not applicable	✓
	IP7	Supplier selecting and hiring criteria, ESG clauses in contracts and agreements.	Supplier management stages - Page 126 https://proveedor.sura.com/Paginas/Publicas/manuales-guias/manual-de-compras.aspx		
	IP8	Training programs provided to suppliers (numbers of people trained, training hours, topics, amounts invested)	Supplier management - Page 127		

Material aspect: Handling our environmental impact					
GRI 103: Management approach 2016	103-1	Explanation of the material aspect and boundaries	Environmental management - Page 117	Not applicable	✓
	103-2	Management approach and its components	Environmental management - Page 117	Not applicable	✓
	103-3	Evaluation of management approach.	Eco-efficiency performance - Page 118. Performance with regard to this material issue is evaluated using the indicators belonging to the different areas, together with those used by various indices (Dow Jones Sustainability Index and others) as well as the GRI metrics laid out in this report. Furthermore, there are oversight bodies at senior management level as well as the Company's highest governing body who are responsible for each aspect.	Not applicable	✓
GRI 201: Economic performance 2016	201-2	The financial implications of climate change and other associated risks and opportunities	Sustainable investment management - Page 130 The environment - Page 117	Not applicable	✓
GRI 302: Energy consumption	302-1	Energy consumption within the Organization (by source)	Eco-efficiency - Pages 117, 122, 124	Not applicable	✓
	302-4	Reductions in energy consumption	Eco-efficiency - Pages 117, 122, 124	Not applicable	✓
GRI 303: Water 2016	303-1	Water withdrawn by source	Eco-efficiency - Pages 117, 122, 124	Not applicable	✓
GRI 305: Emissions 2016	305-1	Direct (scope 1) GHG emissions	Carbon footprint per company (Grupo SURA, Suramericana and SURA AM) - Pages 119, 121-122	Not applicable	✓
	305-2	Direct (scope 2) GHG emissions upon generating energy	Carbon footprint per company (Grupo SURA, Suramericana and SURA AM) - Pages 119, 121-122	Not applicable	✓
	305-3	Other indirect (scope 3) GHG emissions	Carbon footprint per company (Grupo SURA, Suramericana and SURA AM) - Pages 119, 121-122	Not applicable	✓
	305-5	Reductions in GHG emissions	Carbon footprint by company - Pages 119, 121, 122		
GRI 306: Effluents and waste 2016	306-2	Waste by type and disposal method	Grupo SURA's Waste Classification - Page 120	Not applicable	✓
GRI 307: Environmental compliance 2016	307-1	Failure to comply with legislation and environmental regulations	At the end of the 2017 none of Grupo SURA's subsidiaries of Grupo SURA had been fined or sanctioned for any non-compliance with legislation and environmental regulations	Not applicable	✓
Material aspect: Social investment					
GRI 103: Management approach 2016	103-1	Explanation of the material aspect and boundaries	Investing in social development - Page 130	Not applicable	✓
	103-2	Management approach and its components	Investing in social development - Page 130	Not applicable	✓
	103-3	Evaluation of management approach	Main social investment figures - Page 131. Performance with regard to this material issue is evaluated by our SURA Foundation and other related areas using the Foundation's own indicators Furthermore there are oversight bodies at senior management level as well as the Company's highest governing body who are responsible for each aspect. The SURA Foundation has its own Board of Trustees	Not applicable	✓
GRI 415: Public policy-making 2016	415-1	Contributions to political parties and/or representatives	Until 2017 the companies belonging to the SURA Business Group channeled donations and contributions to democracy through the SURA Foundation. During the reporting period in question a donation worth COP 30 million was made to the Colombian Green Alliance party	Not applicable	✓
Dow Jones Sustainability Index	DJSI3.6.2	Philanthropy	Investing in social development - Pages 130-133 Key social investment figures - Page 131	Not applicable	✓

The Company's own indicators	IP9	Description of different lines of social investment together with their corresponding projects and amounts invested in each of these. Geographical distribution of social investments	Social development initiatives - Pages 130, 132-133	Not applicable	✓
	IP10	Regional alliances for social investing	Regional education and employability alliances in Latin America - Page 133	Not applicable	✓
	IP11	Beneficiaries of social investment programs (individuals and institutions)	Main social investment figures - Page 131	Not applicable	✓
	IP12	Social outreach initiatives on the part of the business community - description of initiatives, amounts invested in each, and partnerships set up for exploring topics of interest for the business community and society in general	Business initiatives having a social impact - Page 135	Not applicable	✓
	IP13	Corporate Volunteer Corps - programs, number of volunteers, number of working or non-working hours dedicated, employee contributions to solidarity funds, part - nerships for organizing volunteer work, operators, investments	Sura Corporate Volunteer Corps - Page 135.	Not applicable	✓



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