

Building trust and creating added value

ANUAL REPORT 2016



The graphics used in this year's Annual Report were taken from the hand-woven fabric made by several representative indigenous ethnic groups in Latin America.

In this way, the Company is continuing with a pedagogical initiative that began back in 2012 aimed at driving research and encouraging various forms of content, with regard to the creative expressions of different ethnic groups, so as to be able to appreciate and help conserve their traditions, which after all form an invaluable cultural heritage for our society.



Building trust and creating added value

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Separate Financial Statements



DAVID BOJANINI GARCÍA Chief Executive Officer Grupo SURA

very year, when drawing up our Annual Report, we are faced with the challenge of consolidating information that, besides covering the main aspects of how our Organization performed the year before, truly provides our shareholders, investors and other stakeholder groups, with really useful pointers regarding the strategy we are pursuing, how we are managing our business and the direction in which our Business Group is heading.

On this occasion, we have included a materiality analysis which we recently performed on Grupo SURA and its subsidiaries Suramericana and SURA Asset Management, with the help of the firm Deloitte. This analysis, which included a series of consultations held with stakeholder groups in a total of 10 countries, allowed us to identify the aspects that they consider to be more relevant to them, this based on the different

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components of our strategy. We were also able to obtain important feedback to enhance the strategic planning of our corporate policy and the corresponding action plans, so as to guarantee that we are responding to their expectations.

As in previous years, this year's Annual Report was drawn up based on the methodology recommended by the Global Reporting Initiative - GRI - specifically its G4 version. This Annual Report covers each of the guidelines defined in Grupo SURA's corporate policy, reporting on the main achievements accomplished in each case, as well as the challenges we are facing in 2017. It also contains RobecoSAM's evaluation of our Company, with regard to our listing on the Dow Jones Sustainability Index.

It is important to note that this report has been published in various formats, so as to facilitate access to the information therein contained. In addition to the main printed version, which was distributed at our Annual Shareholder's Meeting, we have made available a more extensive and detailed version on our website: gruposura.com. We also produced certain audiovisual and printed materials summarizing some of the main aspects of our performance and the results thus obtained.

Finally, as part of this report, we would like to renew once again our commitment to embracing the principles of the United Nations Global Compact, as well as other standards and indices that allow us to maintain a steady stream of continuous improvements while incorporating best business practices, so as to ensure that we remain sustainable over time.

DAVID BOJANINI GARCÍA

Dund 3.1-5

Chief Executive Officer - Grupo SURA

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COMMITMENTS.

STANDARDS AND

RECOGNITIONS»

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM 🐠







By measuring ourselves against the highest international standards with regard to the various aspects of our corporate management, we are able to ensure that we continue to improve our performance on a day-to-day basis. Our purpose is to permanently evaluate ourselves against best practices with regard to our economic, social, environmental and corporate governance performance. Here we would like to make mention of the more important commitments, standards and acknowledgments that were either renewed, re-obtained or obtained for the first time in 2016 by Grupo SURA and its subsidiaries:

UNITED NATIONS GLOBAL PACT:

Grupo SURA first embraced the Global Pact back in 2009.

DOW JONES SUSTAINABILITY INDEX:

Score 83 points / 100 - 99th percentile.

Grupo SURA has been included for the sixth consecutive year in the Global Index and the Emerging Markets Index.

ROBECOSAM YEARBOOK:

Sustainability Yearbook 2017: Bronze Class in the Financial Services Sector and Capital Markets.

Second best score in the sector, in the world.

IR AWARD - BOLSA DE VALORES DE COLOMBIA (COLOMBIAN STOCK EXCHANGE)

For the fourth consecutive year, the Colombian Stock Exchange gave its IR Award to Grupo SURA, for its best reporting practices.

OEKOM:

Score: Prime C Status + (industry average: C)

In the Top 3 of the multi-sectoral ranking made up of 54 companies from around the world.



FTSE4Good

CDP - DRIVING SUSTAINABLE ECONOMIES:

FTSE4 GOOD EMERGING MARKETS:

Score: 3.5 points - 87th percentile.

Emerging Markets Index.

Score: B Management Category, D being the lowest and A the highest score. The Management Category is the second level below the Leadership Category but ranks higher than Awareness and Disclosure.

In 2016 Grupo SURA was included for the first time in the FTSE4 Good



MERCO COMPANIES AND LEADERS - MERIT APPRAISAL:

Score: occupying 8th position in Colombia as one of the top companies with the best reputation.



ALAS 20 - SUSTAINABLE LEADERS:

For the second consecutive year Grupo SURA has been recognized as a leading company in terms of Sustainability.



COLOMBIAN BUSINESS TRANSPARENCY INDEX - MTE:

Score: 86.4 points out of a total of 100

The first company from the Diversified Financial Services and Capital Market services in Colombia to take part in the MTE.



CECODES - COLOMBIAN BUSINESS COUNCIL FOR SUSTAINABLE **DEVELOPMENT:**

Joined in 2011.



Year-end rate for 2016

GLOBAL REPORTING INITIATIVE - GRI4:

We draw up our reports based on the GRI guidelines governing sustainability reporting standards.

All of the financial information contained in this report was published according to International Financial Reporting Standards. The figures are stated both in pesos (COP) and US dollars (USD). The exchange rates used for this report are as follows

FOR THE ACCOUNTS BELONGING TO THE INCOME STATEMENT 3,050.98 COP/USD

Average rate for 2016

FOR THE ACCOUNTS BELONGING TO THE STATEMENT OF FINANCIAL POSITION 3,000.71 COP/USD

All accounting, financial and nonfinancial information contained in this report was audited by the firm, Ernst & Young Audit S.A.S.

THE HINTERLANDS

Their name carries the hallmark of those who hail from the hidden lands: the Triquis. Their journey began long way from down below, and at each step of the way and with every obstacle encountered, they were reminded of the inexorable transformation required as the world continues to revolve. This journey is mapped out in what they call a huipil, which represents more than just a blanket of sumptuous deftly-woven threads enveloping their bodies to embody the same land that gives them shelter, the home that they carry on their backs with their roots safely guarded in their hearts. That is why red, a powerful, mysterious and fruitful color carries the memory of their women, of the expansive life that they symbolize. Swathed in their huipils they become whole; their heads are like sovereign suns that emit colorful beams of light like rainbows, with overlapping lines that form a diverse and sacred celebration of nature; and the two strips of fabric reaching from the bottom to the top passing through everything in their way to form the path of the caterpillar And that is the essence of everything: a caterpillar emerging from the vegetation, that after a long ascent becomes a chrysalis and then a butterfly, that explodes in different colors when it flaps its wings for the first time. The huipil, born of red earth, is a celebration of life and death because when it transforms, instead of grief and silence, it becomes a song of joy, since deciphered in that fabric is yet another transformation yet to come.

Country:

Mexico

State of Oaxaca

Region: Native tribe: Triquis

Population: Approximately 15,000

Fabric:

Huipil

Corporate Information

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rupo de Inversiones Suramericana -GRUPO SURA- is a Latin American company listed on the Colombian Stock Exchange (BVC) and registered with the ADR- Level 1 program in the United States.

It is also the only Latin American company from the Diversified Financial Services and Capital Markets sector to be admitted to the Dow Jones World Sustainability Index, which monitors companies who have become global benchmarks thanks to the good practices they have adopted from the economic, environmental and social standpoints.

The main companies that make up Grupo SURA's investment portfolio are classified as follows:

- Strategic investments: these companies, which form Grupo SURA's core business, belong to the banking, insurance, pension, savings and investment sectors and consist of its subsidiaries, Suramericana, specializing in insurance and trend/risk management and SURA Asset Management dedicated to managing pension, savings and investment funds. This category also includes Grupo Bancolombia dedicated to universal banking, a company that is not controlled by Grupo SURA but is still one of the most important investments in its portfolio.
- Industrial investments: these are mainly made up of the interests held in Grupo Nutresa and Grupo Argos, which operate in the processed food, cement, energy and infrastructure sectors.



» Developing investments: these complement the Group's portfolio, insofar as they carry out activities that have a significant potential for being scaled up or creating synergies with other businesses so as to respond to new market needs and trends.

The SURA Business Group began back in 1944 when Suramericana de Seguros Generales was first founded. This company is known today as Seguros SURA and its parent company is Suramericana S.A. Upon creating new companies and acquiring stakes in other companies belonging to the finance, insurance and other industrial sectors, the Organization was able to grow and build up an investment portfolio, that upon spinning off its insurance business in 1997 gave rise to what is known today as Grupo SURA.

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 this, the Group was able to extend its regional presence in a total of 11 countries - including Bancolombia - thereby becoming a major player in the Latin American financial services industry.

Building trust and providing added value remain at the core of Grupo SURA's strategy, helping both private individuals and organizations to continue with their development, through its subsidiaries offering insurance, financial services and other related services, all this based on sustainable business practices.

Grupo SURA has hit two major milestones as it continues to expand its Latin American presence, namely the acquisition of the ING assets as well as the RSA companies.

BOARD OF DIRECTORS » G4-34

Grupo SURA's Board of Directors consists of seven principal members, four of whom enjoy an independent status, including its 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.



GRUPO SURA'S BOARD OF DIRECTORS ENJOYS THE SUPPORT OF THE FOLLOWING

Board **Committees:**

- » The Audit and Finance Board Committee
- » The Appointments and Remuneration Board Committee
- » The Corporate Governance Board Committee
- » The Risk Management Committee

The measures adopted to ensure the independent nature of the members of the Board of Directors, in accordance with the provisions of Article 44 of Law 964 of 2005, are set out in Article 25 of the Company's By-Laws.

The individual profiles offered by the members of the Board meet the needs of Grupo SURA, since they all offer the required analytical and managerial skills, a global and strategic vision of our business, an ability to present their views objectively and evaluate senior management information. They also possess a working knowledge of our industry particularly in terms of finance, risk management, legal affairs, and crisis management, complemented with a broad international experience. The members of our Board of Directors are able to understand and guestion financial information and business proposals.

The Board met on 15 occasions in 2016, for which an attendance rate of 99% was obtained. The fees paid to each member of the Board, as authorized for 2016 by the General Assembly of Shareholders came to COP 6.5 million (USD 2,130) per month.

For further information regarding the Group's corporate governance function, for which the Board of Directors is responsible, please refer to page 89 of the on-line version of this report, which can be found on the Group's website: gruposura.com

1 JORGE MARIO **VELÁSQUEZ JARAMILLO**

Equity member

Holding a degree in Civil Engineering from the Escuela de Ingeniería de Antioquia, Mr. Velasquez obtained a specialization in Industrial Operations, majoring in the cement industry, in Great Britain. He also attended the CEO's Management program at the Kellogg School of Management and obtained his Supply Chain Strategist qualifications from Stanford University. He has also attended various specialization programs at the Escuela de Alto Gobierno attached to the Universidad de los Andes.

2 CARLOS IGNACIO **GALLEGO PALACIO**

Equity member

Holding a degree in Civil Engineering as well as a Master's degree in Business Administration from the Universidad Eafit, Mr. Gallego studied Supply Chain Management and Strategy at the Massachusetts Institute of Technology, MIT; Kellogg on Marketing, CEO's Management Program at Kellogg School of Management at North Western University; Insights in Development Thinking at Harvard.

3 LUIS FERNANDO ALARCÓN MANTILLA

Independent Member / Chairman G4-39

4 CARLOS ANTONIO ESPINOSA SOTO Independent member

5 ALEJANDRO PIEDRAHITA BORRERO **Equity member**

6 JAIME BERMÚDEZ MERIZALDE

Independent Member / Vice-Chairman

7 SERGIO MICHELSEN **JARAMILLO** Independent member

Holding a degree in Civil Engineering from the Universidad de los Andes, Mr. Alarcon completed post-graduate studies in Economics, at this same University and obtained a Master of Science degree in Civil Engineering from the Massachusetts Institute of Technology, MIT. He also attended the Advanced Senior Management program at Oxford University (Great Britain).

Mr. Espinosa holds a degree in Economics from the University of Louisiana and attended the Senior Management program at INALDE Business School along with other programs at the Wharton School and Harvard Business School.

Mr. Piedrahita obtained a B.A. Degree in Business Administration from the EAFIT University, as well as a Master of Science degree in Economic Development Policy from the London School of Economics. He also completed the Senior Business Management program at the University of La Sabana as well as the General Management program at Harvard University.

Mr. Bermúdez holds a degree in law from the Universidad de los Andes and a Ph.D. in Political Science from Oxford University (Great Britain) majoring in Public Opinion.

Holding a degree in Civil Engineering from the Universidad de los Andes, Mr. Michelsen obtained a Master's Degree in Commercial Law from the University of Paris and completed studies on the American Legal System and Comparative Law at the University of Texas, for which he obtained a Fulbright Scholarship; this along with other studies completed at the Universidad de los Andes, the Euromoney Institute as well as Harvard University.

SENIOR MANAGEMENT »



FERNANDO OJALVO PRIETOChief Corporate Affairs Officer

DAVID BOJANINI GARCÍA
Chief Executive Officer

RICARDO JARAMILLO MEJÍA Chief Corporate Finance Officer

OUR GRATITUDE AND APPRECIATION >>

ernando Ojalvo Prieto has served Grupo SURA for more than 29 years, leaving an indelible mark of professionalism and commitment in each of the causes and responsibilities that he devoted himself to throughout the time spent with us.

Having reached retirement age, he is now leaving our Organization on April 30, 2017, having provided his outstanding leadership in matters that have been so important to us in Grupo SURA such as adopting the very best standards and practices in terms of our corporate governance, human talent and corporate management, among many others.

As part of his long career with the SURA Business Group, we also wish to make special mention of his work as Head of the Legal Department and later Chief Administrative Officer and Company Secretary of Suramericana S.A. and its subsidiaries, in addition to his current responsibility as Chief Corporate Affairs Officer and Company Secretary of Grupo SURA.

We would like to make special mention of his outstanding leadership in helping Grupo SURA to adopt the very best standards and practices in terms of our corporate governance, human talent and corporate management

His work on the Board of Trustees of the SURA Foundation and as Head of the Cultural Committee; his contribution to creating the SURA Companies that today attend the Colombian social security system; as well as his participation as member of the Boards of Directors of the different companies that make up the Business Group in Latin America, have all played a decisive role in the Organization's growth and development.

For all these reasons, Grupo SURA would like to pay tribute and offer its immense gratitude to Mr. Fernando Ojalvo Prieto for his dedication over all these years, together with his professional acumen, readiness to serve, loyalty, human values and sense of ethics.

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PORTFOLIO

Strategic Investments



81.1%



SURAMERICANA: INSURANCE, TREND AND RISK MANAGEMENT

- » Property and casualty insurance
- » Life insurance
- » Social security
- » Workers compensation
- » Mandatory health care

(POS) and complementary

health care plans

- » Complementary lines of



78.7%



PENSIONS, SAVINGS AND INVESTMENT

- » Mandatory pensions
- » Voluntary pensions
- » Retirement insurance
- » Investment funds
- » Life annuities
- » Life insurance
- » Severance
- » Complementary lines of business



46.4%



UNIVERSAL BANKING

- » Commercial banking
- » Retail banking
- » Bancassurance
- » Government banking
- » Asset management
- » Cash management
- » Investment banking
- » Off-shore banking » Private banking
- » Other financial services

complementary investments

Industrial Investments



35.2%



PROCESSED F00D

- » Cold cuts
- » Cookies
- » Chocolate
- » Coffee
- » Ice cream
- » Pasta
- » Lines of business support
- » Distribution
- » Alternate channels
- » Consumer food



35.7%



CEMENT, **ENERGY AND INFRASTRUCTURE**

- » Cement
- » Concrete
- » Aggregate
- » Energy generation
- » Energy distribution
- » Port services
- » Real estate
- » Lines of business support
- » Logistics
- » Transport
- »Road and airport concessions

Growing Businesses





Other Investments



sodex*o









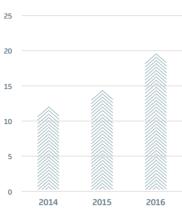
business

* The percentages shown correspond to the voting stakes held by Grupo SURA in each of the aforementioned companies at year-end 2016.

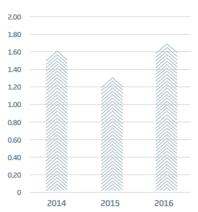
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INTRINSIC VALUE (COP) 45,000 40.000 35,000 30.000 20,000 15000 10.000

TOTAL INCOME (COP)



NET INCOME (COP)





2015

COP 39,698

per share

USD 13.2

5010	
▲ 36.2 ⁹	6
//	
	JP 19.0
	billion
\ u	SD 6.2 billon

2015

billion

billion

USD 4.6

016	
36.2%	
COP 19.0	
billion	
USD 6.2 billon	

COP 11.7 billion **USD 3.8**

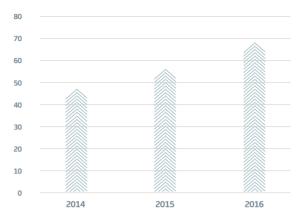
2014

billion

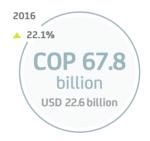


2015 2014 COP 1.3 COP 1.6 USD 0.4 USD 0.5 billion billion

ASSETS (COP)







2015	2014
COP 55.5	COP 47.
I ISD 185	LISD 15

billion



2015	2014
COP 26.1 billion	COP 25.0 billion
USD 8.7	USD 8.3

billion

billion

INVESTMENTS MADE BY THE SURA FOUNDATION OVER THE LAST 10 YEARS

COP 37.719

per share

USD 12.6

COP 110,000 million USD 36.7 million

ASSETS MANAGED BY OUR STRATEGIC INVESTMENTS*

COP 542 billion USD 180.6 billion MAIN NON-FINANCIAL FIGURES »

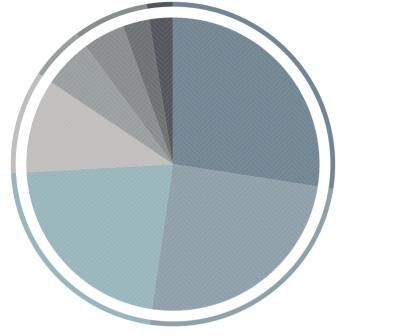
billion

PRESENCE SPANNING 11 countries* **44** million CLIENTS*

EMPLOYEES*

* These figures correspond to Grupo SURA's subsidiaries and strategic investments Suramericana, SURA Asset Management and Bancolombia.

** Year-end figures for 2016.

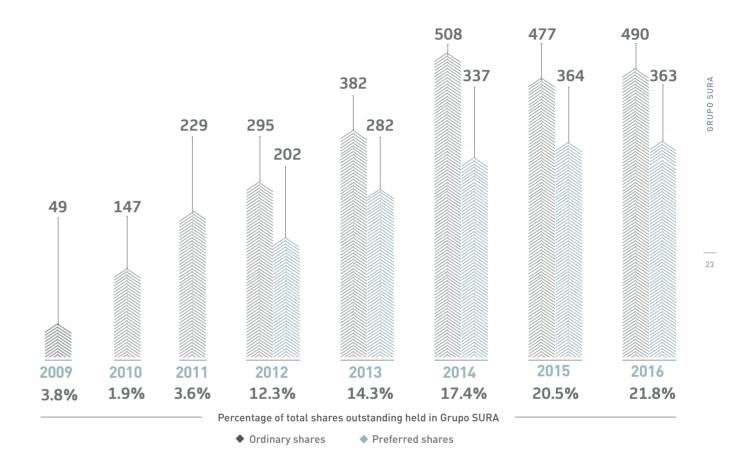


27.44%	Grupo Argos
4 24.84%	Severance and Pension Funds
21.82%	International Funds
1 0.32%	Grupo Nutresa
5.44%	Institutional Investors
4.61%	Individual Investors
2.93%	Foundations
2.59%	Investment Funds

SHAREHOLDER	PREFERRED SHARES	ORDINARY SHARES	TOTAL SHARES	% STAKE
Investment Funds	4,811,259	10,103,416	14,914,675	2.59%
Severance and Pension Funds	56,281,710	86,655,720	142,937,430	24.84%
International Funds	27,149,707	98,411,555	125,561,262	21.82%
Foundations	1,590,637	15,272,252	16,862,889	2.93%
Grupo Argos	-	157,904,905	157,904,905	27.44%
Grupo Nutresa	-	59,387,803	59,387,803	10.32%
Institutional Investors	7,717,386	23,576,201	31,293,587	5.44%
Individual Investors	8,784,264	17,725,408	26,509,672	4.61%
TOTAL GENERAL	106,334,963	469,037,260	575,372,223	100.00%

NUMBER OF INTERNATIONAL FUNDS »

Historical breakdown of shareholder ownership in Grupo SURA



At the end of 2016, a total of 853 international funds were registered as shareholders of Grupo SURA, thereby completing a 21.82% stake in the Company. This number has steadily increased since 2009, reflecting a growing interest on the part of foreign investors in the Group's growth strategy and general performance This has strengthened the Company's financial position as well as its corporate governance practices and reporting functions, in keeping with international standards.

THREADS OF THOUGHT

It is the work of women to arrange, imagine, recall and join each thread carefully but in a forceful manner. A mochila or traditional bag exists for the purpose of entering time and space and remaining there, patient, resistant, just like the tree that accompanies the dry hours in the desert. "Concentrate! Let your voice be the sound of fabric in movement, let your hands as they skim over the rough cloth offer tangible evidence that your thoughts flow with the weft," says the mother to the girl when she makes her first mochila: "Give it everything you have, because this object is like a womb, a nest for the spirit; do not neglect the lines, let every color be a gift to Pulowi, the first woman, let the figure be like a dance that lifts you up into the winds of Juya, the fruitful rain. Each mochila, my child, is an offering to the altar of Maleiea, our creator". Making this mochila represents life for this girl who is just beginning to learn this ancestral feminine art: her hands shall leave a mark on the collective memory; but they shall also mean dying a little since every mochila takes away a little bit of the weaver's spirit. That is why, knowing how to look at this fabric and to respect and listen to it, takes us back to an ancient image, not just that which existed in the mind of the girl who made it but of an entire tribe who emigrated from the Amazon jungle and settled in the desert land of what we call today the Guajira.

Country: Colombia
Region: Guajira
Native tribe: Wayúu

Population: Approximately 200,000

Fabric: Mochila

Management Report

02

Treading the path towards growth, based on our strategic goal of creating added value and inspiring trust, implies having to grapple with the uncertainty surrounding us and turning the dizzying dynamics of global change into opportunities. This idea could well express part of Grupo SURA's purpose and the experience had in 2016.

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Right from the beginning of last year, the World Economic Forum set the global development and business agenda, raising the enormous challenges and opportunities posed by the so-called Fourth Industrial Revolution, a concept that now crosscuts any strategic analysis carried out in terms of the business environment and which in our case has translated into a greater commitment to innovation and the digital transformation of our business.

2016 was a year of expansion for Grupo SURA, as a business group, as we continued to extend our presence in a number of countries with new employees, new clients, and more importantly new opportunities. This growth was mainly due to our trend /risk management and insurance subsidiary, Suramericana, having completed the acquisition of the Latin American companies that formerly belonged to the RSA Insurance Group, which allowed it to make its debut on new markets and expand its regional presence and capabilities.

2016 was a year of expansion for Grupo SURA, as it consolidated its presence in new markets with new employees, new clients, and more importantly new opportunities. At year-end 2016, our core investments established a presence in 11 countries in Latin America, with 59,000 employees serving 44 million customers. Having made our mark on the region, we are now committed more than ever to developing this part of the world, especially since our countries share historical and cultural ties, as well as common purposes of securing greater growth, better living standards and a sustainable future.

This level of expansion, as we have mentioned in the past, not only has diversified our geographic risk and allowed us to provide our SURA clients with a pan-regional coverage, but also has represented an important growth opportunity, since Latin America is still showing low penetrations levels with the pension and banking industries standing at 2.6% and 49.3% respectively of the regional GDP.¹

BUSINESS ENVIRONMENT AND THE MARKETS »

CLOSING PRICE 2016

Ordinary shares -GRUPOSURA-

(+7.0%) COP 38.200

Preferred shares -PFGRUPSURA-

(+6.3%)

COP 37,000

At the same time, looking back on 2016 we saw a business environment marked by the uncertainty caused by unexpected events in the political and democratic arenas in different parts of the world, particularly those experienced in most Latin American countries that in turn produced institutional crises, changes in government and, not in a few cases, a general sense of social malaise that needs to be addressed, especially in the face of the risks posed by populism. This, in addition to the expectations reigning not only in Latin America but throughout the world with the policies of the new United States government and their possible impact.

Colombia also was a focus of global attention with the Government's peace negotiations with the FARC guerrillas, in the midst of much political tension. Now in the post-conflict stage, the country faces major challenges, especially in terms of strengthening its institutions to make sure that the State reaches every corner of Colombia, and that investment flourishes in order to create virtuous cycles of development. This is where the private sector plays a fundamental role.

From the macroeconomic standpoint, 2016 was a sluggish year, according to financial analysts. The IMF's figures - which were still estimates at the time this report was drawn up - point to a 3.1% growth for the global GDP. In the case of Latin America, these spoke to a drop of -0.7%, completing two consecutive years of a declining GDP.

Nevertheless, this year, the IMF is estimating a growth of 1.6% for the region, driven by a recovery in commodity prices and better prospects for Argentina and Brazil, both countries where SURA is present.

As for the capital markets, our stocks performed well compared to the previous year, with our ordinary shares (GRUPOSURA) ending the year at COP 38,200 (+ 7.0%), while our preferred shares (PFGRUPSURA) closed at COP 37,000 (+ 6.3%). The local stock index, COLCAP, also did well showing a year-on-year increase of 17.16%. Average daily trades for our stocks in 2016 came to approximately COP 14,000 million, and we continue to be one of the most traded shares on the Colombian market.

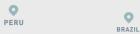


-1.8%







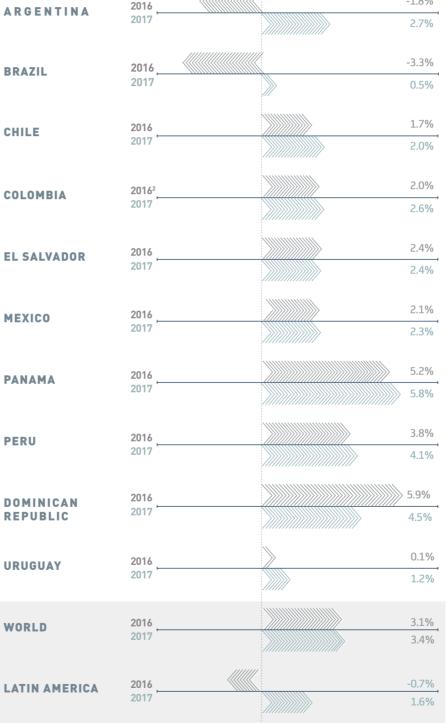






2.7%

«IMF'S ESTIMATED YEAR-ON-YEAR GROWTH (2016 - 2017)»



GLOBAL GDP GROWTH FOR 2016

For 2017, the estimated GDP growth comes to 3.1%.

^{2.} Source: Real Growth Figure - DANE (Colombian Statistics Bureau)

GRUPO SURA'S SHAREHOLDER BASE FOR 2016

14,379

1,472
of whom hold
both ordinary
and preferred
shares

INTERNATIONAL FUNDS THAT ARE SHAREHOLDERS

853

% Share of Total:

21.8%

IN 2016, GRUPO SURA WAS ADMITTED TO 2 NEW LISTINGS

- »FTSE4Good Emerging Markets
- »Oekom research AG

Grupo SURA's market capitalization came to COP 21.85 billion (USD 7.28 billion), representing 7.02% of the total market cap figure for the entire Colombian stock market.

The Company ended the year with 14,379 shareholders, 1,472 of whom own both types of shares. The increase in the share held by international funds in the Company's total remains particularly noteworthy - especially given the volatility affecting the Latin American markets. Today, we have 853 of these funds as shareholders, and these have raised their ownership interests from 20.5% to 21.8%.

SUSTAINABLE MANAGEMENT »

One of the global references used by investors to analyze and decide on where to invest is precisely the Dow Jones Sustainability World Index (DJSI), to which Grupo SURA was admitted for the sixth consecutive year, being the only Latin American company from the diversified financial services and capital markets to do so. This was made possible due to the continuous improvement of the different practices evaluated, producing an overall score of 83 out of a maximum 100, which was higher than for the previous year.

This index assesses the overall performance of leading companies around the world with regard to the different aspects and practices

DOW JONES WORLD SUSTAINABILITY INDEX

2016

Grupo SURA was included for the sixth consecutive year.

relating to international sustainability standards. With the score obtained in 2017, Grupo SURA was included in the Sustainability Yearbook, as one of the companies with the highest scores (in our case the second highest on a global level in our particular sector). Here it is worthwhile noting the level of performance shown by Grupo SURA and its subsidiaries, Suramericana and SURA Asset Management, in aspects such as risk and crisis management, anti-crime policies and measures, climate change strategy and human talent management, especially in the area of occupational health and safety.

As in prior years, the Bancolombia Group, Argos Group, Cementos Argos and Grupo Nutresa were also admitted to the DJSI, these forming part of Grupo SURA's investment portfolio.

Likewise, we recently announced our listing on the FTSE4 Good Emerging Markets Index, which measures the performance of publicly traded companies throughout the world, from the environmental, social and governance (ESG) standpoints. We also began to be covered for the first time by Oekom Research AG, a recognized global rating agency in the area of sustainable investment. With regard to the latter, the Company obtained a "prime" score placing us within the Top 3 of the Financial / MultiSector Holdings category, together with another 54 companies on a global level.

OUR GOALS »

The strategic goals of Grupo SURA, as an organization whose business and investment focus is on providing its financial and insurance services, continues - as we mentioned at the beginning - is to create added value and build trust with regard to all of our stakeholder groups. Our Road Map to 2020 provides the framework for our strategic planning, defining the guidelines for both our growth and support structure, while maintaining a clear focus on sustainable development.

In addition to further strengthening the relationship dynamics between the companies that make up the SURA Business Group, and as a key factor for identifying and harnessing the existing **synergies** and achieving an adequate coordination among these companies, significant progress was made last year with the projects and initiatives embarked upon in several relevant aspects of the Group's strategy.

Our priority is to maximize our regional presence, driving our knowledge and capabilities to extend our organic growth with a special focus on our operating efficiency and innovation

One of these fronts has to do with the aforementioned expansion of Suramericana's offering, which, in addition to strengthening our portfolio and complementing our range of insurance and financial services in Latin America, has become a priority for maximizing our regional presence, driving

our knowledge and capabilities to extend our organic growth with a special focus on our operating efficiency and innovation.

In particular, the fact that today Grupo SURA's two main subsidiaries share a presence in countries such as Mexico, Chile and Uruguay, represents a new window of opportunity. Our challenge is to take advantage of the market positioning that each one has achieved, identifying possible efficiencies, enhancing our brand positioning to leverage our business and, perhaps more importantly, developing the ability to offer our clients a more complete range of products and services.

The Company made significant effort in terms of innovation and new lines of business - which are key issues from a long-term standpoint. This included creating a new specialized department dedicated to identifying opportunities and managing our growing investments, so as to be able to leverage the industries to which we belong, by deploying new, innovative models.

A new corporate venture program-called Grupo SURA Ventures- has been drawn up in partnership with the investment management firm, Veronorte Here, we have started a new corporate venture program-called Grupo SURA Ventures- drawn up in partnership with the investment management firm Veronorte. With this we have begun to explore more advanced ecosystems such as those of Mexico, Argentina and the United States (Silicon Valley), for the purpose of extending the Group's business prospects going forward.

On the other hand, in terms of **corporate governance**, one of the highlights last year was having formally introduced 145 out of the entire 148 recommendations issued by the Colombian Superintendency of Finance, as part of its new Country Code policy. Likewise, we have been furthering the guidelines governing the boards of directors of our subsidiaries, through which we are articulating essential decision-making criteria amongst these companies.

As for our human **talent management**, we are aware that today our interculturality, that is to say, the interaction of staff from different cultural backgrounds, is one of our greatest assets, and we are using this for skillbuilding purposes as well as for identifying the best human talent and reinforcing our organizational culture, this as part of our comprehensive regional business approach.

The Group's strategy in this regard has enabled us to prepare ourselves for a seamless handling of our succession program, in addressing the turnover common to all organizations, thanks to projects such as HPT (High Potential Talent) with which we are identifying and encouraging managerial talent in each of our companies. Indeed in 2016, there were changes at CEO level in several of Grupo SURA's core investments, as was the case with SURA Asset Management, Bancolombia and Protección. All of the new Chief Executive Officers of these companies are dedicated to building upon the achievements so far produced.

In the case of Surameriana, this implied making changes to the Company's corporate structure for the purpose of meeting the challenges with its newly expanded regional presence.

INTER-CULTURALITY

is one of our greatest assets. Through our comprehensive regional business approach we are focusing on skill-building so as to be able to identify high potential talent and reinforce our organizational culture

In terms of **reputation and brand strength** - another of Grupo SURA's strategic pillars - we are identifying new challenges and opportunities in terms of our brand positioning, especially since our subsidiaries are sharing a presence in several countries and the SURA brand is reaching new markets such as Argentina and Brazil, which in turn is strengthening our multi-latina brand, which is at the same time is a differentiating factor in the insurance and financial service industry.

Renewing our visual system as part of our regional expansion, reviewing guidelines, roles, responsibilities and levels of governance; and identifying synergies for brand positioning purposes are just some of the more important aspects of the branding and reputation building initiatives taken in 2016, in support of our business. At year-end 2016, the results of the surveys carried out in the different countries where the Group's main subsidiaries share a presence, show the SURA brand commanding a total recall of 51.4% in Mexico, 60.4% in Chile and 70.7% in Uruquay.

Finally, as part of this review of the main aspects of our strategy, we have the **strengthening of our financial position**, in which the articulated efforts of the companies that make up our Business Group, are critical in guaranteeing a sound capital structure.

The most recent assessment of our performance carried out last year was on the part of Fitch Ratings last February, as a result of which Grupo SURA continues with its international investment grade with a BBB rating for which this credit ratings agency issued a stable outlook. In the corresponding report, in which our AAA rating was upheld for our local ordinary bonds, Fitch made special mention of the quality of the Group's asset portfolio, their diversification and the stable flow of dividends received, as well as the Its current levels of interest coverage and liquidity.

Among the key factors taken into account for issuing these ratings, were the Group's growth strategy as well as the acquisitions carried

Total Brand Recall for 2016

60.4%

51.4% Mexico70.7% Uruguay out. With regard to the increased stake in SURA Asset Management and the expansion of Suramericana's business, "Fitch considers these acquisitions to be a strategic plus for Grupo SURA, in being able to consolidate its share of the fund management business as well as expand its insurance business to other Latin American countries where the Group already has a presence with its other lines of business".

FINANCIAL » RESULTS

Our market reports for 2016 showed a positive level of performance for Grupo SURA, especially the operating results obtained with its insurance and asset management business, as well as higher returns on its investments and a lower tax rate. Key year-end figures included the following:

CONSOLIDATED REVENUES >>



Grupo SURA's consolidated assets totaled COP 18.97 billion (USD 6.22 billion) for an increase of 36.2%. This mainly corresponding to written premiums rising by 49.7% for a total of COP 12.68 billion (USD 4.16 billion). This includes the results obtained from the former RSA operations as of the date Suramericana took over. Likewise, commission income amounted to COP 2.18 billion (USD 715.85 million), for an increase of 11.9%.

Consolidated expense ended up at COP 16.87 billion (USD 5.53 billion), which was 40.1% higher than the previous year, this as a result of having taking over the new acquisitions within the region and the associated extra costs and expense.

CONSOLIDATED
NET INCOME »

COP 1.67 billion

(USD 547.91 million)

FOR AN INCREASE OF ___ 26.3%

Consequently, consolidated net income came to COP 1, 67 billion (USD 547.91 million), for an increase of 26.3%.

On the other hand, Grupo SURA's consolidated assets rose by 22.1% to COP 67.82 billion (USD 22.60 billion). This increase is due to having strengthened the Group's portfolio, thanks to the organic and inorganic growth secured in 2016. Equity attributable to its shareholders stood at COP 22.66 billion (USD 7.55 billion), showing a drop of 0.8%, this due to the accounting effects of having acquired an additional stake in SURA Asset Management.

G4-13

CONSOLIDATED ASSETS

COP 67.82 for an increase of 22.1% BILLION

(USD 22.60 billion)

CONSOLIDATED LIABILITIES

COP 42.42 BILLION (USD 14.14 billion)
43.9%

SHAREHOLDERS' EQUITY

COP 22.66 BILLION (USD 7.55 billion) • 0.8%

GRUPO SURA PLACED AN ISSUE OF INTERNATIONAL BONDS WORTH

USD 550 MILLION

with a bid to cover

ratio of 5.3

Consolidated liabilities amounted to COP 42.42 billion (USD 14.14 billion), for a growth of 43.9%, largely due to the amount of technical reserves and accounts payable on the part of the newly acquired companies in Latin America for a total of COP 5.8 billion (USD 1.94 billion). Another important aspect of our financial performance was the increase in the Group's consolidated financial liabilities which reached COP 9.74 billion (USD 3.25 billion) having increased by COP 3.5 billion (USD 1.16 billion), mainly due to the international and local bonds issued by Grupo SURA and Suramericana, respectively.

It is important to note that net income as recorded on Grupo SURA's separate financial statements reached COP 835,481 million (USD 273.84 million). This was used to determine shareholder dividends since these correspond exclusively to the Group as parent company. Net income rose by 15.4%, thanks to a 19.9% increase in revenues offset by higher commission and interest expense incurred with the Group's expansion last year.

On the financial site, it is also worthwhile mentioning the issue of international bonds that Grupo SURA placed during the first half of 2016, for a total value of USD 550 million, which obtained a bid to cover ratio of 5.3. This issue provided the funds required for the Group's continued expansion, as was the case with the acquisition of RSA's operations in Latin America and a 7.3% increase in Grupo SURA's stake in SURA Asset Management, having acquired the stake previously held by General Atlantic.

Also, one of the more significant events subsequent to the end of the reporting period was the issue of ordinary bonds and commercial papers placed on the local market in February 2017, for a total of COP 1.3 billion (USD 433.23 million). This included a local placement of bonds worth COP 550,000 million (USD 183.29 million), that obtained a bid to cover of 2.4.

SUBSIDIARIES AND » STRATEGIC INVESTMENTS

SURA ASSET MANAGEMENT

SURA Asset Management, which serves 18.7 million clients in the Latin American pension, savings and investment industry, obtained a level of operating income in line with its business plans, for which a growth of 6.5% was recorded.

Total revenues for this Company came to COP 5.94 billion (USD 1.95 billion), having risen by 12.2%. One of the driving factors for this account were retained premiums totaling COP 2.85 billion (USD 932.95 million), for an increase 12.4%, as well as commission income rising by 4.8% to COP 1.89 billion (USD 617.85 million).

CLIENTS IN LATIN AMERICA

18.7 million

It should be noted that while net operating revenues from the various countries rose by 7.8%, the GDP for those countries where SURA Asset Management is present rose by an average of 2.2%. Also, despite the economic challenges faced throughout the region, the wage base for the mandatory pension business rose by 3.7% compared to 2015.

Total expenses came to COP 5.02 billion (USD 1.64 billion), including increases of 8.3% in administrative expense and 10.8% in total expense. In this regard, the Company has a program in place to drive greater efficiencies in the mandatory pension segment as well as a growth in the voluntary savings segment. Consequently, SURA Asset Management posted a consolidated net income of COP 617,108 million (USD 202,27 million), for a growth of 22.8%. At year-end 2016, assets under management reached

NET INCOME >>

COP 617,108 million (USD 202.27 million)

(002 202.27

__ 22.8%

CONSOLIDATED ASSETS >>



COP 339 billion (USD 112.97 billion). This included an 8.6% increase for the mandatory pension business and another 20.2% increase for the voluntary savings funds.

The Company's consolidated EBITDA amounted to COP 1.27 billion (USD 416.87 million), for a year-on-year increase of 1.4%. Here, Chile accounted for 32.3% of this growth, trailed by Mexico with 33.6%, Peru with 28.2%, Uruguay with a 3.5 % and Colombia 8.1% (the latter corresponding to the revenues obtained via the equity method from Proteccion, which in turn includes Crecer in El Salvador).

From the strategic standpoint, SURA Asset Management continues to make progress with building a sound regional platform, leveraged by a multi-product offering and a client-centric sales force.

Key initiatives have also been taken as part of its overall strategy designed to develop efficient technological distribution channels, thereby expanding its market penetration capabilities. In this sense, initial steps were taken in 2016 towards more technological mobile services, so as to enhance our client experience, and drive the efficiency and productivity of our client care staff. Mexico is where the most progress has been made in this area, with the digital tools and channels underpinning its services and sales, this including the Single Service Dossier, the Identity Dossier and the Biometric Authentication Tool for Workers.

SURAMERICANA

For its part, Suramericana, which belongs to the trend / risk management and insurance industry, successfully completed during the first half of 2016 the acquisition of RSA's operations in Latin America- as explained above, thus strengthening its portfolio and the competitive position it enjoys throughout the region. Today, Suramericana serves more than 14.6 million clients, with the help of approximately 15,000 employees and 23,000 sales staff (including agencies, brokers and promoters).

Taking advantage of the synergies existing with other SURA companies in the different countries and bringing to bear its knowledge, experience and capabilities, with the backing of a shared brand, are just part of the challenges facing the Company's Senior Management.

In terms of its financial results, Suramericana's total revenues amounted to COP 11.78 billion (USD 3.86 billion), for an increase of 53.7%, due to its continued inorganic growth, as well as the favorable business dynamics in both Colombia and Central America.

Written premiums rose by 66.0%, while commission income recorded an increase of 95.2%. Revenues from services rendered grew by 20.2%, and returns from its financial portfolios increased by 82.7%. This last item was driven by the increase with the CPI in Colombia, to which a large part of Suramericana's investment portfolio is linked.

Suramericana's expansion has entailed, as mentioned before, having to strengthen its structure especially on a corporate level, so as to be able to provide a comprehensive handling of its regional business. This new structure was the main cause of the 58.6% increase in expense. Another contributing factor was the debt incurred to finance the acquisition of the new companies abroad along with the non-recurring expense relating to assimilating these new companies within the Organization.

Consequently, Suramericana posted a net income of COP 401,659 million (USD 131.65 million), for an increase of 17.0%. Here Colombia did particularly well with its life insurance companies continuing to spearhead the results obtained, along with other segments such as health care for which the growth in net income came to 39.5%.

The optimal handling of its reserves continues be one of the Company's strategic premises. Here, liabilities corresponding to its insurance reserves increased by COP 5.32 billion (USD 1.77 billion), that is to say, 65.5% more than for 2015, with consolidated reserves reaching COP 13.43 billion (USD 4.48 billion).

SURAMERICANA

More than

14.6

MILLION CLIENTS

15,000 EMPLOYEES

23,000 SALES STAFF

NET INCOME »

COP 401,659 MILLION

(USD 131.65 million)

17%

72 years

of consolidating

a business model

that today allows

Suramericana to offer

a complete portfolio of

insurance and trend

/risk management

solutions

It should be noted that, as part of the efforts to finance its inorganic growth, in addition to the contributions made by Grupo SURA and Munich Re in their capacity as shareholders of Suramericana, during the first half of 2016, an issue of ordinary ordinary bonds worth COP 1 billion USD 333.25 million) was placed on the Colombian market, producing a bid-to-cover ratio of 2.2.

Throughout its 72 year history, Suramericana has been consolidating a business model that has enabled the Company to provide a complete portfolio of insurance solutions and to help its clients to anticipate the main risks to which they are exposed, identifying current trends and acting in a timely manner so as to remain relevant with a value added range of products and services designed to further the well-being, competitiveness and sustainability of its clients.

The highlights of the Company's strategy include initiatives such as the launch of the SURA Geoscience journal, the first of its kind in the region, that explains in a simple but technically accurate way, the different variables and phenomena of nature, from the standpoint of handling risk and taking advantage of the opportunities to be had, so as to raise awareness regarding the impact of natural phenomena on business management.

Another welcome addition has been the WeSURA initiative, which is a collaborative insurance with a disruptive business model based on trust. This is a community-based offering allowing family members and friends to join up in virtual communities to protect their personal assets.

BANCOLOMBIA

GROWTH IN NET INTEREST INCOME »

GROWTH IN NET INCOME »

COP 2.86 billion (USD 937.4 million)

BANCOLOMBIA:

13.8%

Grupo Bancolombia

For Grupo Bancolombia, 2016 was a year of growth for its main financial indicators: net interest income rose by 34.1%, due to a higher loan portfolio, which increased by 3.4%, along with a better interest margin totaling 6.0%.

Commissions also grew by 16.4%, thanks to a higher volume of banking transactions, credit card use and insurance distribution volumes.

In terms of the Bank's efficiency, the results obtained were equally positive, showing an improvement of 3.6 percentage points, with the overall indicator standing at 51%, mainly due to interest and commission income coupled with greater efforts to rein in expense.

All of the above produced a consolidated net income of COP 2.86 billion (USD 937.4 million), for a year-on-year increase of 13.8%.

Today, Bancolombia serves more than 11 million clients in Colombia and Central America and continues with its all-out focus on its digital transformation strategy, with growth initiatives like Negui, a corporate startup dedicated to changing the way people handle their money through intuitive digital solutions, with a user-friendly language, free access and a creative business model. This application, which already has 41,000 users and has been downloaded 170,000 times, is being positioned as a pioneering point of reference for native digital banking in Colombia.

Suramericana is making much progress with its client retention programs and omnipresence, in addition to being a multi-solution company, with a risk exposure that has increasingly become more geographically diversified.

ISSUE OF GREEN BONDS

for financing projects that help fight climate change

GROWING INVESTMENTS

ARUS

TOTAL REVENUES >>

COP 208,236

(USD 68.25 million)

EBITDA>>

COP 23,263MILLION

(USD 7.62 million)



Another highlight is the growth obtained with non-banking correspondents, which is an alternative channel that facilitates the Bank's expansion and market penetration. In 2016, this channel matched the number of transactions carried out at the Bank's "bricks and mortar" branches, which demonstrates its strength and potential in continuing to reach out to the segments of the population who before had no access to financial services.

Also, among the many projects carried out by the Bank, was the issue of "green" bonds at the end of 2016, as part of its commitment to environmental sustainability. These ordinary bonds, issued and placed on the local market totaling COP 350,000 million (USD 116.6 million), provided the funds for financing projects to help fight climate change, involving renewable energy and sustainable construction.

Finally, Bancolombia continues with the process of strengthening its operating model among its Central American subsidiaries in Central America, especially those recently acquired, to which it has been transferring the successful experience it has enjoyed in Colombia thus improving profit margins.

GROWING INVESTMENTS

Besides the aforementioned core "strategic" investments Grupo SURA's portfolio also includes what it calls industrial investments, namely Grupo Argos and Grupo Nutresa, which are growing investments.

This latter segment of growing investments consists of companies that supplement the Group's strategic focus since they offer growth potential going forward, as well as possible synergies with regard to the skills and knowledge required to leverage the Group's different lines of business.

Here, it is worthwhile mentioning the BPO firm, Arus (formerly Enlace Operativo - Compuredes), which posted total revenues of COP 208,236 million (USD 68.25 million) and an EBITDA of COP 23.263 million (USD 7.62 million). Consequently, its EBITDA margin reached 11.2%, having made good progress with its overall profitability. It also changed the

HÁBITAT began to redefine its strategic approach with regard to its future expansion over the next 10 years

name of its brand thus strengthening its competitive position as a key partner for its corporate clients with regard to technology, information and knowledge.

As for Habitat, a firm dedicated to providing assisted living facilities for the elderly, after consolidating its first headquarters in La Estrella, Antioquia, it began to redefine its strategy to continue expanding over the next 10 years. Thus, it began the construction work for its new facilities which shall make this firm the first of its kind in multi-institutional homes for the elderly in Medellin.

SOCIAL OUTREACH »
PROGRAMS

Fundación SURA

INVESTMENTS MADE IN 2016 »

COP 16,786MILLION

(USD 5.59 million)

INVESTMENTS MADE OVER THE LAST TEN YEARS >>

COP 110,000

(USD 36.66 million)

45 years of dedicated efforts

For Grupo SURA and its subsidiaries, participating in social development initiatives is a key component of its corporate responsibility, along with developing sustainable practices, and contributing to public-policy making, as it relates to the business and institutional environment, thus encouraging development in various parts of the country and in different markets.

Here, in the field of social development, the SURA Foundation, which celebrated its 45th anniversary in 2016, invested a total of COP 16.786 million (USD 5.59 million), thereby reaching COP 110,000 million (USD 36.66 million) over the last 10 years and is working in partnership with over 600 organizations. This investment is mainly channeled towards financing educational projects, encouraging cultural activities and strengthening institutions. The SURA Foundation is actively present in Colombia, El Salvador, the Dominican Republic and Panama, and in 2017 is shall be formally extending its presence to Chile and Mexico.

One of the more important initiatives today on the part of the SURA Foundation, is the Felix and Susana program aimed at promoting peaceful coexistence through skill-building for teachers so as to prevent and identify abuse and violence, with the help of the corresponding classroom activities, while at the same time encouraging care and respect as facilitators for more protective environments.

» AT YEAR-END 2016

FÉLIX Y SUSANA

program benefited

82,350

School children

2,800

Teachers

221

Schools

LEGAL ASPECTS »
AND CONTROL
ARCHITECTURE

At year-end 2016, this program had benefited more than 82,350 children and 2,800 teachers in a total of 221 schools in Colombia, with El Salvador and the Dominican Republic next on the agenda.

Another highlight is the memory and creativity program called, Empresa Indígena (Indigenous Enterprise) aimed at improving the living conditions of the indigenous communities, through strengthening social enterprise partnerships. This project, besides assessing and strengthening creative expressions and handicraft skills has raised greater awareness of our ancestral roots. The SURA Foundation invested a total of COP 1,060 million (USD 353.250) in this initiative benefiting a total of 11 Colombian ethnic groups.

Finally, we have our own volunteer corps that over the last 5 years, has attracted more than 15,000 of our employees and their family members, who have devoted their time, talent and knowledge to serving the community in various activities. Our volunteer corps has also generously left its mark having ratcheted up more than 52,000 hours of community service.

Grupo SURA's Internal Corporate Auditing Department, in compliance with relevant international standards and practices, presented Senior Management and the Auditing and Finance Committee, its annual work plan, which covers issues relating to the Group's corporate governance, risk management and internal controls. Throughout the year, this Department issued recommendations regarding the reinforcement of the Group's Internal Control System and resolving the control weaknesses detected, which in no way represent material weaknesses. This allowed for action plans to be put into place and which are being managed as the Organization's first line of defense.

It is important to note that Grupo SURA's control architecture is based on the recommendations made by the Colombian Government as part of its new Country Code policy, and the architecture itself complies with Coso 2013 5. In 2016, the maturity level of the Group's Internal Control System was evaluated and found to be in keeping with that required by the Sarbanes-Oxley Act (SOX).

5. Source: Coso 2013: International Internal Control Framework defined by Committee of Sponsoring Organizations of the Treadway Commission

The design and implementation of control and risk matrices were structured and tested in the case of all those key processes that could have an impact on the Company's financial reporting. With this exercise we continued to improve the structuring of self-managed, self-monitored activities.

The Company also has information systems that are separately evaluated and offer reasonable assurance regarding the proper processing and reporting of financial information. The Group's Risk Management Department has a strategic risk mapping function in place as well as system monitoring guidelines for both the Company and its subsidiaries, as defined in the Risk Management Policy Framework, the Risk Management Manual and the Fraud Policy Framework.

Furthermore, we have continued to work on harnessing our synergies, performing activities such as cross-cutting audits carried out by our subsidiaries and subsequently socialized by our Corporate Auditors' Committee. Likewise, situations that need to be monitored due to the possibility of these affecting the Group's internal control system or financial statements have been submitted by our subsidiary auditing committees to that of the parent company. This has allowed us to obtain a consolidated overview of our internal controls and the degree to which these are exposed to risk with regard to the consolidated financial reporting of the SURA Business Group.

At year end, neither Grupo SURA nor its internal or external governing bodies detected any material deficiencies with regard to its internal control system that could jeopardize the Organization's effectiveness. Nevertheless, recommendations were issued by the Group's Statutory Auditing firm and its Internal Auditing staff which have been adopted by Senior Management so as to continue strengthening the system. These recommendations were duly monitored by the Auditing and Finance Committee so as to be able to adopt any action plans that were needed, while opportunely reporting to the Board of Directors any situation detected in this regard.

With regard to legal issues, Grupo SURA hereby states that it has faithfully complied with all applicable. Intellectual property and copyright legislation. Also the use of products such as the software the Company employs for its normal day-to-day running is in keeping with all applicable intellectual property and copyright legislation and its brands have been duly registered with the corresponding authorities.

The Company possesses sufficient evidence on which to base these statements in the form of satisfactory findings from internal systems audits, software development and licensing agreements, purchasing or transferring copyright royalties as well as resolutions issued by the Colombian Superintendency for Industry and Commerce confirming our trade mark registrations, amongst others

Furthermore, and in keeping with that stipulated in Law 1676 of 2013, the Company hereby states that it did not obstruct the free flow of invoices issued by sellers or suppliers.

Our commitment

with knowledge and

strengthening of the

and social protection

experience to the

improvement and

financial industry

system

is to contribute

While we continued to tread a path to growth in 2016, the challenges ahead for both our business environment and our industry, are no less significant. Our purpose here is to turn these challenges into opportunities.

Global geopolitical and economic dynamics continue to create market uncertainty. This is especially the case of Latin America, with its two main economies facing their own particular challenges with Mexico paying close attention to the measures adopted by the new US government and how they could affect this country, while Brazil could well set itself on a path to growth. In any event, one of the greatest challenges facing Latin America today is the pressing need to strengthen our institutions, which are so often burdened by corruption and populism.

We have seen how in various sectors, changes in the ground rules and a certain degree of legal uncertainty have become one of the largest stumbling blocks to investment, hindering the virtuous circle that would otherwise exist. This had lead to new economic and social policies that are not feasible in the long term given their unsustainable nature, and this in turn erodes economies and a country's capacity to attend to the needs of its population.

This is a matter of utmost importance for the private sector in general and particularly for organizations like ours who belong to the financial industry and the region's social protection systems. So we are deeply committed to providing our knowledge and experience for the good of the country by listening carefully to the concerns of our people and taking a genuine interest in being socially- useful companies, since only this shall ensure our ongoing sustainability.

We are convinced of the need for more collaboration rather than confrontation between the public and private sectors, as part of institutional respect and transparency so that policy-making in our countries is both optimal and responds the current needs. As a private company, we are fully aware that we can provide added value to our clients, the industries to which we belong and to countries and institutions in general.

We know that a key factor is being able to extend the scope of the benefits provided by a sound and socially responsible financial system is to educate the people in this regard. So we shall continue to focus our efforts on providing financial education which in turn shall drive our organic growth and more importantly encourage community and market development.

In these times of conjuncture and change, we need to strengthen our abilities, keep a close eye on what is happening around us and adapt to the new situation. In this regard, we are making much progress with setting up an observatory that shall allow us to extend our knowledge, analyze the latest trends and events and identify opportunities as they arise.

Also, our ongoing efficiency and insertion into the ecosystems of innovation, with technology as an enabling factor, come high on our strategic agenda, especially in terms of our digital transformation. One of our main goals is to develop new and more efficient channels so as to be able to respond to the new ways of engaging with and supplying people with our products and services, which in turn shall be used to reach out to all those segments of the population who have had no previous access to financial services.

Similarly, we must rise to the challenge of building an organizational culture that encourages creativity and innovation, where we can blend our experience and sound performance with disruptive thinking and swift intervention, which is so necessary for responding to what is required from us in today's environment.

Our efforts in 2017 shall also be aimed at maximizing and capitalizing on the regional presence we have

built up so far and which has become one of our greatest strengths. Here is where our efficiency, the harnessing of greater synergies, taking advantage of a more extensive client base and capitalizing on our capabilities in general have become fundamental premises for us today.

Finally, upon reviewing the achievements obtained in 2016 and the challenges to be faced this year, we would like to acknowledge and express our gratitude to the SURA staff throughout Latin America as well as to our shareholders, investors and the millions of clients who have trusted us with their own development and growth, our suppliers, who have been important allies in fulfilling our mission; as well as other stakeholder groups with whom we work every day.

We hope you will all accompany us as we continue on our way in Latin America, a region that represents, now more than ever, a sense of purpose and a vital commitment for our Organization. We aim to continue creating added value and inspiring trust so as to ensure the region's growth and development, as well as to remain relevant over the long term.

Thank you all very much

Luis Fernando Alarcón
Chairman of the Board of Directors
Jaime Bermúdez
Vice-chairman of the Board of
Directors

Sergio Michelsen
Carlos Antonio Espinosa
Alejandro Piedrahita
Carlos Ignacio Gallego
Jorge Mario Velásquez

David BojaniniChief Executive Officer
Grupo SURA

CHILDREN OF THE SUN AND THE MOUNTAINS

The strength of their memory can be felt in a dance whose steps retrace the paths and contours of a mythical life that make up each of the social, economic and cultural structures that sustain them as a people. The Quechua Aymara are children of the sun and the mountains, the majestic Andes that bear witness to one of the greatest empires that America has ever known. Agriculture, shepherding and handicrafts are their greatest treasures and legacies, along with a language that the world has seldom heard. Each weaving represents the spirit united with the flame, the desert, the mountain, the lagoon, the sky. A Quechua Aymara mochila or traditional bag, woven by the agile hands of wise women - a magic explosion of colors and creation -, reliving that ancient history in which men and women of long ago paid tribute to nature, from whence they came and to which they belong.

Country: Chile

Region: Norte Grande de Chile

(Tarapacá and Atacama)

Native tribe:

Quechua Aymara

Population: Approximately 45,000 tribe

members in Chile

Fabric: Mochila

Strategy

03

The fact that Grupo Sura has been expanding and consolidating its new business over recent years has created the need to reinforce the way in which it articulates its strategy amongst its different companies and promotes a good working relationship between these so as to be able to secure the goals proposed on a group level. Therefore, one of the more important challenges faced at the moment is to ensure a clear, fluid and effective interaction between our companies, identifying and reinforcing ways in which their Boards of Directors and respective Committees, as well as Senior Executives can come together to share and contribute to this common purpose.

Since they form part of a single business group, our companies share certain strategic guidelines, which are under permanent review given the fact that organizations are dynamic and need to be able to "read" their business environment so as to be able to adapt to new realities while maintaining their core essence and principles.

The following are the main initiatives on which the bulk of our strategic planning efforts were focused in 2016:

Innovation and new business: analyzing the latest trends and monitoring the business environment and latest technology continue to be key factors for gauging and understanding the main challenges facing the insurance and financial services industries.

Furthermore, the Company also continued to build upon its capacity to generate new business and understand the different competitive environments by investing in projects aimed at driving significant change with the models traditionally upheld by the financial service, insurance and health care industries.

- Comprehensive range of services: in 2016 we made great strides in consolidating a more comprehensive range of services in countries such as Chile, Mexico and Uruguay, where today SURA offers property and casualty as well as life insurance, thus supplementing the savings and investment products it previously offered. A greater presence throughout the region has opened up a series of opportunities for enhancing our client experience, in addition to achieving greater efficiency and developing our skills.
- We Geographic expansion and market development: our new markets and the consolidation of the Group's comprehensive range of financial services from one of the Group's main sources of growth. From the strategic standpoint, the Group has driven its continued expansion has through both organic and inorganic growth. In this sense, we completed the acquisition of RSA's former Latin American operations in 2016, which has meant not only new markets but new segments and the need to develop new solutions and channels. We have also continued to grow our voluntary savings and asset management business which has made for a more robust range of services.

INNOVATION AND NEW BUSINESS

Grupo SURA continued to strengthen its capacity to generate new business and understand the different competitive environments, by investing in projects that drive significant changes in the more traditional models

Human talent is a key factor for our ongoing competitiveness. Grupo SURA in 2016 strengthened its organizational structure by creating a Department specially dedicated to the strategic handling of human talent.

- Corporate governance: the aim of Grupo SURA's Corporate Governance System seeks to reinforce our long-term relationships of trust with our stakeholder groups, so as to constantly provide added value. In 2016, and with this in mind, Grupo SURA, Suramericana and SURA Asset Management continued to work on formally adopting the new corporate governance standards introduced by Colombia's Country Code, especially with regard to strengthening their Boards of Directors, consolidating their performance, as well as cementing interactive relationships between their companies.
- Sound reputation and brand strength: one of the main challenges of our strategic planning has been fulfilling the goals set in terms of the SURA positioning strategy, as a comprehensive brand of financial and insurance services that supports business in all those countries where we are present. Establishing ourselves in these new markets has involved strengthening our brand and reputation governance model to take advantage of the new-found synergies and be able to enhance the coordination of our different businesses, especially in those markets where they share a presence in order to soundly position Grupo SURA on a regional level.
- Strengthening our financial position: this is one of our strategic priorities. This why the articulation of investment management, cash management, accounting and tax matters between our companies is key to guaranteeing a sound capital structure on which our sustainable growth is based.
- **Human talent and corporate culture:** for the Business Group, the human talent is a key factor for our ongoing competitivenes. In 2016, Grupo SURA, in its capacity as parent company, reinforced its organizational structure by creating a new Department specifically responsible for the strategic handling of our human talent. On a wider level, we are currently working on building up a pan-regional corporate culture encouraging

interaction from a diversity standpoint. We have also identified the leadership skill sets required at executive levels, and drawn up plans to close any gaps.

Commitment to sustainable development: in order to ensure our Road Map to 2020 we need to understand the context of our different business environments, along with the risks and opportunities relating to environmental, social and corporate governance issues. All of this poses important challenges in being able to adopt best practices, develop solutions and explore new business alternatives so as to ensure that Grupo SURA's business purpose remains both relevant and sustainable. Consequently, our commitment to sustainable development is the articulator of the Organization's strategic planning.

In 2016, Grupo SURA and its subsidiaries made much progress in terms of responsible investment, ecoefficiency, financial inclusion, supplier management, human rights as well as other important matters in keeping with the highest sustainability standards as well as the global development agenda.

In this report, we have described in greater detail how each of our strategic planning initiatives is being carried out.

«STRATEGIC PLANNING»

Our Road Map to 2020

sets out our strategic planning objectives as part of our commitment to sustainable development



IN THE CASE OF OUR SUBSIDIARIES

Both Suramericana and SURA Asset Management have duly adopted the parent company's strategic planning initiative and have shaped these in keeping with the nature of their individual lines of business.

Suramericana

Suramericana's strategy is based on providing wellbeing, competitiveness and sustainability to both private individuals and companies through their trend and risk management solutions. The Company's focus is on (i) achieving a sustainable level of profitability that outweighs capital costs by attracting new clients, retaining existing ones and generally speaking expanding its client base; and (ii) driving its competitive advantage based on its human talent.

This approach is broken down as follows:

- Providing insurance solutions that respond to the specific business environments of its clients.
- Managing strategic and emerging risk
- Taking advantage of the opportunities to be had with the latest trends
- Developing risk financing solutions
- Providing clients with a capacity for resilience

Strategic pillars:

- Creating added value
- Operating efficiency
- Long-term relations
- Sustainability

SURA Asset Management

In terms of this subsidiary's strategic planning, SURA Asset Management began to review and align its parent strategy with all its business units, on both a functional and local level

This endeavor began with an initial analysis in order to identify each unit's performance, its relationship with the wider business environment and its internal capacity to fulfill the proposed mission and vision. Subsequently, the strategic guidelines were reviewed and long-term objectives were defined.

These are the strategic guidelines that support the development of each unit as well as for building the differential capabilities required, as shown below:

- Client-centered approach
- Sustainability of mandatory pension business
- Driving the voluntary pension business
- Disruptive marketing strategy
- Excellence in investment management
- Applied innovation
- » Transformative culture and high performing staff

Developing new lines of business is one of the main challenges facing the Company over the coming years. Consequently, the Company shall continue to capitalize on its value drivers as well as its regional presence, with the backing of the SURA brand, seeking new ways of engaging with its clients in order to better respond to their needs.

RISK MANAGEMENT »

G4-2 G4-14

For the SURA Business Group, risk management is a dynamic and interactive process that helps achieve its strategic objectives and ensures the ongoing sustainability of its companies.

Grupo SURA, is exposed both to its own risks as a parent company, as well as those inherent to its business units. For this purpose, the Group's risk management framework policy has been extended to its core investments thus helping these to provide added value and deal with the new challenges and opportunities of a changing business environment.

On a group level, risk management requires defining its governance and organizational structure, so as to be able to assign the responsibilities of each area. 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, in accordance with the guidelines issued by said Boards.

GRUPO SURA RISKS



INVESTMENT RISKS

Means of interaction



As members of the boards of directors and risk committees at subsidiary level

1.Identifying risk

Forming joint task forces for managing the Group's strategic risks

Continuous performing

monitoring of how investments are

3.Treating risk

=

Reporting critical events and jointly handling events which could harm the Organizations reputation or that could lead to systemic risk

4. Monitoring and reporting risk

2. Analyzing and assessing risk

SURA BUSINESS GROUP'S RISK MANAGEMENT:

In 2016, much progress was made in consolidating the Group's risk management function, thanks to having articulated various activities and endeavors among its companies. The Strategic Risk function on an organizational level, was adjusted and updated thanks to the active involvement of the Group's Board of Directors and its Risk Committee and the participation of its two main subsidiaries, Suramericana and SURA Asset Management.

This allowed for a more robust risk management system and a strategic articulation with regard to the following objectives:

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

RISK MAP

The Group uses the following strategic risk categories to rate residual risk, these being situations and tendencies that must be treated as a priority, given their impact on the Group's sustainability and its ability to create added value:



STRATEGIC IMPACT

- 1. Business Group
- . Regulations
- Economic, political and social environment
- 4. Reputation and brand
- Market development/expansion and M&As
- 6. Business creation and transformation
- 7. Corporate governance.
- 8. Client behavior
- 9. Human Talent
- Financial performance and strengthening our financial position
- 11. Business risk at individual company level

1. BUSINESS GROUP

Situations and tendencies 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.

2. 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 handle this type of situation, our companies have internal governing bodies in charge of monitoring and managing new regulations and ensuring compliance with such.

3. ECONOMIC, POLITICAL AND SOCIAL ENVIRONMENT

As a Latin American Business Group, our companies are exposed to situations arising within their local business environments that could well have an impact on the performance of their business, especially in those countries where we have a presence. 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.

4. REPUTATION AND BRAND

The Group's companies are exposed to situations and tendencies that could alter the perception that certain stakeholder groups have of us with regard to our reputation and brand recognition. This is handled by means of a governance system that effectively aligns the objectives and criteria at individual company level so as to be able to address events that could affect our positioning and public perception.

5.MARKET DEVELOPMENT/EXPANSION AND M&AS

Due to our business plans and organic and inorganic expansion efforts, companies are exposed to risk arising from integrating new companies so as to grow our business. In 2016, Suramericana acquired RSA's Latin American operations, thus consolidating its position as a Multi-Latina present in a total of 9 countries within the region. In response to this challenge, changes were implemented to enhance its risk management function.

6. BUSINESS CREATION AND TRANSFORMATION

The ability to embrace change, anticipate solutions and scenarios and face new trends, is one way of ensuring our sustainability and helping to create added value. For this purpose, our companies continue to work on developing innovative business initiatives and models allowing them to discover differentiating ways of driving change within their specific industry, capitalizing on new business opportunities and engaging with their clients.

7. CORPORATE GOVERNANCE

learly defined rules, structures as well as management and decision-making processes allow companies to create added value and inspire trust in a sustainable way. The SURA Business Group has consolidated its corporate governance systems, thus allowing it to address risks arising from an inadequate management of such.

8. CLIENT BEHAVIOUR

In a global environment which has become increasingly demanding, our companies understand the importance of being able to analyze what the future is bringing in the form of emerging trends so to be able to address new needs and behavior patterns on the part of their clients, adapting and anticipating solutions to keep pace with technological, operating, environmental and social changes that can turn a global risk into an opportunity Consequently, we continue to work on initiatives such as simplifying our processes for clients and identifying the relevant trends for each of the industries in which we operate.

9. HUMAN TALENT

Having the human talent with the personal skills and proficiencies required for addressing new challenges and carrying out the Group's strategy, while maintaining its cultural identity is one of the key factors in being able to tackle the risks inherent to our business environment and remain competitive. Our companies have focused their efforts on knowledge management, developing employee skill sets as well as attraction and retention strategies, as ways to dealing with the challenges arising in terms of our ongoing growth and business sustainability.

10. FINANCIAL PERFORMANCE AND STRENGTHENING OUR FINANCIAL POSITION

This refers to having a strong financial position, adequate capital structures, and sufficient solvency and resources to fulfill the financial obligations and continue with the expansion plans of our different companies. Each company has developed and standardized its individual systems in order o monitor their investment performance, capital structure and risk exposure vis-àvis the corresponding financial variables.

11. BUSINESS RISK AT INDIVIDUAL COMPANY LEVEL

Grupo SURA is exposed to events relating to the business and operating models upheld by each of the companies that make up its investment portfolio, particularly in the case of its core investments in the banking, insurance and asset management sectors. 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.

Our companies have dedicated much effort to prioritizing their strategic risk, thanks to the work carried out by Grupo Sura's Board of Directors, specifically through the Board's Risk Management Committee. That is why in 2017 the Group shall be actively involved in handling regulatory, economic, political and social risks as well as those addressed both as a business group as well as from a human resource standpoint.

Likewise, we shall be working to strengthen our coordination efforts in the face of regional events that could well affect our business, especially possible regulatory changes governing financial conglomerates.

Internal risk management:

With regard to Grupo SURA's own risks,in 2016, we reinforced our internal risk manual and methodologies.

Financial risk management was given special emphasis along with the Group's general guidelines and procedures governing its cash management function. Likewise, we drew up a business continuity project, the aim of which is to ensure a strategy that is fit for purpose along with procedures for deal with possible operating risk.

In 2017, Grupo SURA shall continue to work on formally setting responsibilities and how these are to be delegated as well as individual attributions with regard to processes and activities that could represent a risk.

Risk Management at Subsidiary Level

The risk management function of Grupo SURA's subsidiaries is carried out by specialized staff with the required knowledge and expertise based on the nature of their individual lines of business. SURA Group 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.

IN 2017

Grupo SURA

shall continue to work on formally setting responsibilities and how these are to be delegated as well as individual attributions with regard to processes and activities that could represent a risk

IN THE CASE OF OUR SUBSIDIARIES

Suramericana

Many challenges were posed with this subsidiary's acquisition of the former RSA operations in Mexico, Colombia, Brazil, Chile, Argentina and Uruguay, in addition to the existing ones in El Salvador, Panama, Dominican Republic and Colombia.

In response to this challenge, changes were made to the corporate governance functions of all of Suramericana's subsidiaries, bolstering the Risk Committees that directly report to their respective Boards of Directors, both on a local and corporate level. At the same time, local risk management teams were also made stronger at individual subsidiary level, as part of Suramericana's overall strategy.

The main challenges facing this subsidiary is 2017 is being able to culturally integrate these newly acquired companies, articulating its corporate governance function, strengthening their internal control systems and adjusting risk appetites in keeping with the standards and strategies upheld on a corporate level.

SURA Asset Management

This subsidiary worked on strengthening its financial risk management function in 2016, making improvements to such and carrying its methodologies and tools one step further for the purpose of managing its economic capital, its calculations on a country and business unit level, as well as the risk information systems of the different countries, this in order to have a more comprehensive, consolidated overview of its investments.

With regard to operating risks, a business continuity program was initiated at corporate level, allowing this subsidiary to respond to unexpected events that affect its operations. Methodologies were also standardized so as manage risks inherent to its relations with vendors and suppliers and methods were further developed methods for the purpose of analyzing technological and information security risk. This allowed for defining risk levels and appetites as well as gauging the maturity of the controls governing the different processes carried out by its companies.

This year, the Company shall continue to build upon its monitoring function for gauging the impact that different sources of volatility may have on its solvency. It shall also be working on fraud risk management models and methodologies so as to define limits and risk appetites for each business unit.

SURAMERICANA

the main challenge for this subsidiary in 2017 is to culturally integrate the newly-acquired companies

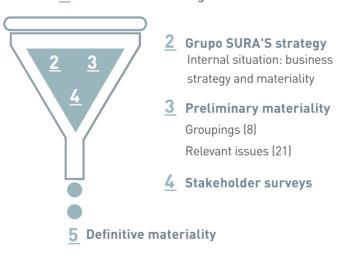
MATERIALITY ANALYSIS » G4-18

Materiality refers to all those social, environmental and economic aspects that are key for achieving the Organization's objectives and that could substantially sway the decisions made by different stakeholder groups.

So as to be able to understand and align priorities based on situations, resources and investments, in 2016 Grupo SURA and its subsidiaries carried out a materiality analysis, with the help of the auditing firm Deloitte & Touche. This involved surveying people from all 10 countries in which the SURA Business Group operates in the savings, investment, pension, health and insurance industries.

STAGES OF THIS PROCESS »

1 External referencing



Stage 1 - External referencing: the latest sustainability trends were examined in keeping with various international listings, standards and initiatives such as: Integrated Reporting, Sustainability Accounting Standards Board, AccountAbility, Global Reporting Initiative, Global Compact, CDP, Dow Jones Sustainability Index, Principles of Responsible Investment, Principles for Sustainability in Insurance, among others. This also included the main frames of reference applicable to each of the sectors thus examined.

Stage 2 - Grupo SURA Strategy - Internal Context: the opportunities for connecting up the material / significant issues identified in the external referencing stage as well as the companies' strategic planning were also analyzed. This also included a compilation of the perceptions and expectations on the part of the process leaders, duly segmented by business and sector.

Stage 3 - Preliminary materiality: a preliminary list of material issues was obtained, this based on the examination performed on the companies' current situation taking into account their strategy and the perception of their leaders, as well as the corresponding social, economic and political contexts.

Stage 4 - Stakeholder surveys: the perception variable was included in the stakeholder surveys carried out, broken down per sector and country. For this, a quantitative and qualitative consultation program was employed (virtual surveys and semi-structured interviews).

Stage 5 - Definitive materiality: the data collected by means of the surveys was duly processed, thus obtaining important information regarding stakeholder perceptions of the SURA brand. Subsequently, the preliminary list of material issues was checked, reviewing their relevance and applicability according to the opinion of those surveyed. The final materiality is used as an input for the Group's strategic planning and as a road map for stakeholder engagement.

Perhaps the greatest value of this exercise lies in being able to talk with our stakeholders and receive constant feedback, so as to identify their most pressing needs and expectations. At the same time it provides the possibility of seeing where these issues coincide and whether our business strategy is truly aligned with what is expected of us.

In the case of the SURA Business Group, the materiality analysis allowed us to conclude that the bulk of the material issues identified are covered in its current strategy Furthermore even issues that are completely unrelated represent a valuable imput for revising and updating our strategy This enables us as a Multi Latina to prioritize our main work fronts so as to be able to make a relevant contribution to our overally purpose of creating added value and inspiring trust.

The challenge ahead shall be to manage issues of a material importance this based on the changing needs of our stakeholder groups as well as the dynamics and specific circumstances of each of the countries; adapting these to the different lines of business and sectors where SURA is present and adopting them as part of our organizational culture, in such a way that they become a point of reference for our decision making process.

As for our materiality analysis, the following relevant issues were identified as common factors to be handled in the different countries where SURA is present:

- » Issues relating to law and order, post-conflict and the social and political situation
- » International and business relations

SECTORS ASSESSED

Investments



Insurance

Health care



Mandatory Pensions



Voluntary Savings

RELEVANT MATTERS GUIDING MEASURES

RELEVANT MATTERS SPECIFIC TO EACH SECTOR

Innovation and new business

» Responding to and overcoming the challenges and opportunities that drive growth and added value through innovation

» Continuing to grow and remain relevant through innovative products, services, channels and efficient business models that help create added value.



Efficient and innovative operating and distribution models.



Innovative savings models (private individual, household and new generations)

Geographic expansion and market development

- Expanding and taking advantage of new market and business opportunities
- Driving growth through new channels, new solutions and new segments and identifying key trends to increase our market penetration.
- » Continuing the search for leading market players in countries showing a high growth potential and stable macroeconomic indicators.



Enhancing client experience.

Comprehensive range of service

- Consolidating a comprehensive offering of top-quality services
- Developing the capacity to offer a comprehensive portfolio of financial services tailored to our clients / users, by articulating our portfolio with the companies belonging to our Business Group.
- Driving growth through new channels and strengthening ** those that allow us to offer our services in a timely and relevant manner.
- Protecting and guaranteeing
 the integrity of our client / user information
- Ensuring the safekeeping of our investments, protecting sensitive information and guaranteeing information security through a culture based on prevention and protection.
- Building and maintaining longterm relationships with clients / users, based on creating added value

 Creating added value for our clients offering a service that goes beyond the conventional and with our trend / risk management capabilities, provide our clients / users with well-being, care, peace of mind, competitiveness and sustainability.



Complementary and voluntary plans for health care / user experience

RELEVANT MATTERS GUIDING MEASURES RELEVANT MATTERS SPECIFIC TO FACH SECTOR

G4-19 G4-27

RELEVANT MATTERS	OOIDINO PILASORES	TO EACH SECTOR
Human talent and Corporate Culture:		
 Attracting, developing and retaining the best possible 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 	
» Maintaining people 's safety, integrity and health	» 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.	
» Consolidating a business culture consistent with our corporate principles	Managing a culture based on respect, responsibility, equality and transparency when engaging with our stakeholders.	
Strengthening our financial position:		
» Ensuring the strategic allocation of our capital	» Allocating capital in a manner consistent with our business strategy, with a view to long-term growth.	
» Effectively managing our capital structure	» Coordinating and liaisoning with our companies to maintain an adequate capital structure thus guaranteeing shareholder dividends, productivity and competitiveness in terms of social development, quality, profitability and long-term growth.	Introduce ESG criteria in our investment processes.
 Incorporating the different ESG risks and opportunities within our investment criteria 	 Explicitly include ESG valuation criteria in the Sura Business Group's financial policies for investment decision making purposes 	
A sound reputation and a strong bran	d	
» Strengthen the positioning of the SURA brand and the companies according to the defined attributes	» Handling and consolidating the SURA brand as a Multi- Latina brand, through clear, well-differentiated strategies as well as furthering the positioning of our companies in all those markets where they are present.	
» Managing our reputation	» Acting proactively to strengthen and protect SURA's reputation in Latin America, through a strategy that includes stakeholder engagement, a coherent corporate discourse, institutional projection and sustainable business development.	Sectorial reputation.
Ensuring the responsible and coherent handling of our stakeholder relations	» Maintain open channels of dialogue with our stakeholders, with the aim of understanding their perceptions and strengthening bonds of trust as an input for business decision making.	

^{*}Relevant issues have an impact on all business sectors where Grupo SURA operates. The more relevant issues for each sector are shown in the third column

RELEVANT MATTERS

RELEVANT MATTERS SPECIFIC **GUIDING MEASURES** TO EACH SECTOR

G4-19 G4-27

Corporate Governance

- » Building a sound corporate governance, according to the context of our companies
- » Implementing corporate policies and processes, as well as international standards for the purpose of becoming a leading player in good corporate governance practices.
- » Handling our legal and regulatory compliance
- Complying with prevailing 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 policymaking.
- » Strengthening the corporate role played by the Sura Business Group and its subholdings
- Strengthening the mechanisms, processes and game rules for the purpose of allowing all those companies in which Grupo Sura has invested to liaison amongst themselves.
- Searching for joint growth throughout the value chain and the countries in which we operate
- » Encouraging environmental management and the efficient handling of resources
- » Promoting a responsible handling of environmental resources for optimal business development.
- » Encouraging a participatory handling of our supply and service provider 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.
- » Respecting human rights throughout the value chain
- » Respecting, protecting and promoting human rights with a special focus on diversity / inclusion, labor standards and free association.
- » Focusing on well-being and competitiveness by taking part in projects that have a local or regional impact.
- Participating in local and international initiatives tin the form of social development projects; corporate volunteering; inter-institutional alliances and strategies that promote healthy and productive communities, and a greater degree of inclusion and financial education in all those countries where the SURA Business Group operates.



Anticipating future risk due to

regulatory changes and system



Promoting health and disease prevention. Joint responsibility in terms of care.

GRUPO DE INVERSIONES SURAMERICANA»

Our stakeholder groups give meaning to Grupo SURA and make possible its existence as an organization. Corporate management implies establishing relationships with each stakeholder group on a day to day basis, which is a necessary factor in being able to achieve our corporate and business objectives.

By clearly defining a map of 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 Nations' Environmental United Program (UNEP), in 2006.



Our commitment is to develop and maintain long-term relationships with our stakeholders, which is essential for building trust and creating added value.

STRATEGY » PROGRESS MADE IN 2016

- » Progress with the action plans relating to our Road Map to 2020.
- » Consolidating the risk management function of the Business Group, thanks to the articulation of activities and efforts among the different companies.
- » Reinforcing the internal risk management methodologies and manual
- » Conducting materiality analysis, surveying stakeholders in 10 countries in the insurance, savings, investment, pension and health industries.

- CHALLENGES 2017 » Incorporating new strategic risk and trend management analyses for Grupo Sura's strategic planning function.
 - » Actively handling the Group's corporate, regulatory, economic, political, social environmental and human talent risks.
 - » Managing issues of a material importance this based on the changing needs of our stakeholder groups as well as the dynamics and specific circumstances of each of the countries and lines of business.

WHAT IS BROUGHT TO LIGHT

Everything begins with the ritual of the spider: a spider is placed in the hand of a girl who is destined to become a weaver, and thanks to the secret magic of intuition that defies all reason, this spider triggers the beginning of a new skill to be learned. What this girl is to discover over the years is that the traditional loom weaving technique of the Mapuche, known as ñimin, teaches more than the dexterity and concentration required to intertwine the threads. In fact a miracle is about to take place in her hands, bringing from back to front and from the darkness to the light the memory of her people who are determined to stay alive, by rising up in the present, and refusing to be silent in the face of extinction. This is the niñim. Thus weaving each belt, each trariwe, for herself as well as for other women shall be a personal challenge and a commitment to the community. Wearing it proudly tied around the waist shall represent one of the greatest social expressions of the tehuelches: protecting and strengthening the belly, host to the sacred tree, a primitive image of fertility and reproduction, land and celebration, a symbol of life in transit. And it shall always be worn around the waist, because the trariwe partakes of breath itself so that history is carried in the blood and reverberates in the wind.

Country: Argentina

Region: The Chubut, Santa Cruz, Buenos Aires,

Río Negro, Mendoza, Neuquén and La

Pampa provinces

Native tribe: Mapuche Tehuelche

Population: 27,813 self-acknowledged members of

the Tehuelche tribe at the present time.

Fabric: Trariwe

Innovation and New Business Ventures

04

efforts to fully identify and understand the main trends affecting the global financial services industry and the challenges posed, thus reinforcing our vision of the future.

One of the highlights in terms of innovation has been the new Grupo SURA

2016 was a year of much learning for Grupo SURA, especially given our

The initial investments as part of this program totaled COP 19,675 million (USD 6.6 million), of which COP 13,168 million (USD 4.4 million) has already been disbursed and a total of COP 6,506 million (USD 2.2 million) was committed for 2017.

Ventures program which is being carried out in conjunction with Veronorte,

an investment management firm specializing in corporate venture initiatives.

As a multinational company pledged to be at the forefront of market dynamics, Grupo SURA expanded the scope of this program so as to be able to explore more advanced business ecosystems such as those of Mexico, Argentina and the United States (Silicon Valley). This has effectively provided more impetus for this program, allowing us to broaden the Group's future business prospects and take up new challenges, which in turn has led us to review our investment thesis so as to be able to redefine some of the objectives originally set.

e believe in people, and admire their creative capacity and unlimited potential. We are confident that mankind shall continue to tread a path towards a more prosperous future with the help of the latest inventions and technology.

Thanks to the progress made today, we consider it a real possibility that people shall have a lifespan of more than 100 years, inhabit other planets; become more connected with one another upon eliminating geographical, cultural and generational barriers, having unrestricted access to new knowledge and traveling long distances in increasingly shorter times.

Grupo SURA is committed to treading this dizzying path to global change, making the corresponding leap towards the Digital Age, this for the sole purpose of improving people's quality of life. We are convinced that the key to the ongoing sustainability of both the planet and mankind in general lies in man's immense creative capacity.

GRUPO SURA

VENTURES,

G4-EC8

in partnership with Veronorte, has invested

COP 19,675
MILLION

(USD 6.6 MILLION)

OUR INVESTMENTS IN 2016

BOLD Capital Partners

A venture capital fund dedicated to providing its support to tech start-ups with growth potential. This fund is especially interested in entrepreneurial leaders who, using exponential technologies, are creating solutions that address the greatest challenges facing humanity today.

This fund is managed by Peter Diamandis, founder and Chairman of the XPrize Foundation, co-founder and President of Singularity University, co-founder of Planetary Resources and Human Longevity Inc as well as consultant to companies such as Google, SpaceX and Magic Leap.









LendingHome

This California-based tech company has developed a digital marketplace geared to serving the US mortgage market. This Company offers tailor-made products in a swift, efficient and transparent fashion thanks to the technology they have developed themselves as well as third-party technologies. It has a highly trained team of staff, led by the Company's Chief Executive Officer, Matt Humphrey, a growth hacker and serial entrepreneur, having founded a total of seven companies, as well as an expert in securing their growth by acquiring digital users.

Alkanza

A Silicon Valley-based fin tech startup that is developing robo-advisory software for structuring and managing financial portfolios, using advanced techniques in the fields of statistics, numerical methods, computation and artificial intelligence.

Acsendo

A Colombian software company (SAAS) whose principal objective is to enable Latin American companies to manage, evaluate and quantify the performance of their staff in order to increase their effectiveness by implementing a results-oriented evaluation program.

During the first quarter of 2017, Grupo SURA was in the processing of finalizing the negotiation of an investment to be made in two new fintech companies. In order to provide the necessary support to these new business ventures, the Group's Corporate Finance Department created a new Project and New Business Management area, which is responsible for handling the growth of our investments and, in conjunction with our Innovation Department, for building up the Group's business for which disruptive models are used, thereby contributing to the Organization's on-going sustainability.

With the Grupo SURA Ventures program, the Company shall be investing in and developing new projects using innovative business models or advanced technological solutions, which in turn are putting pressure on the traditional models used by the financial services and health care industries, with a view to bringing about significant changes that help to improve people's lives. There are two fundamental requirements to be met by any new project being considered, that is to say they must have the potential to transform as well as to secure an exponential growth.

This corporate venture model has opened up a window of opportunity for the Group in being able to identify emerging technologies and new players, so as to be able to analyze and rethink the manner in which our companies are getting things done, as well as to recognize fresh entrepreneurial talent. The true value of this new strategy lies in the Group's ability to transfer knowledge and apply new technologies as well as new business models to our Companies. Consequently, this year Grupo SURA shall be working on its innovation capabilities so as to be able to move forward with this endeavor.

The Company continues to form alliances with the companies that make up its investment portfolio for the purpose of jointly addressing some of the more relevant issues targeted by the Extended Strategic Committee - whose members include the Chief Executive Officers and Senior Executives of Grupo SURA's core investments - especially those relating to digital transformation.

CULTURE

Perhaps one of the biggest challenges that both Grupo SURA and its subsidiaries face is the ability to cement an organizational culture that promotes creativity and innovation, while making the most of both

worlds, that is to say the creative thinking and swift performance of a startup combined with the structure, experience and soundness that characterizes Grupo SURA.

All our companies have been taking significant steps in this direction, fully understanding the need to move towards a more experimental organizational culture that embraces change, that is neither content with the status quo nor afraid to dream or make mistakes, being passionate, discerning, informed, free, collaborative, flexible, multidisciplinary, hungry for knowledge, agile, demanding and empowered.

Given the lessons learned along the way coupled with greater knowledge and a renewed entrepreneurial spirit that gave rise to these companies in the first place, Grupo SURA is moving ahead, targeting innovation and new lines of business as a key factor in its ongoing sustainability and responding to the challenge of adopting new trends for building the business of the future.

IN THE CASE OF **OUR SUBSIDIARIES**

SURA Asset Management

With the support of Grupo SURA, in 2016, SURA Asset Management began to deploy a new innovation model

This corporate venture model has opened up a window of opportunity for the Group in being able to identify emerging technologies and new players, so as to be able to analyze and rethink the manner in which our companies are getting things done, as well as to recognize fresh entrepreneurial talent.

with its own subsidiaries, with the aim of optimizing its current business model, exploring new business and building an organizational culture that encourages the development of new skills in order to be able to address a more competitive environment and remain at the forefront of the latest trends. Extending this to the innovation ecosystem of the different countries where the Company is present was another of the priorities set in this respect.

In all, a total of 10 programs and initiatives were carried out in 2016 in order to encourage greater innovation. As for exploring and building new lines of business, much effort has been made to consolidate a portfolio of projects, each at a different stage, which in turn has allowed us to analyze 14 different initiatives. The challenge this year for the Company is to continue to make strides with its portfolio and successfully carry out the ongoing initiatives, including various innovation methodologies.

Suramericana

One of the pillars that currently supports Suramericana's value creation strategy is precisely its Trend and Risk Management focus. This is being leveraged by the Company's innovation culture, which is defined as "what we do to remain relevant, providing new responses to the challenges and opportunities posed in today's business environment and that allow us to continue creating added value for our clients."

In 2016, Suramericana focused its efforts on acquiring a more in-depth knowledge of its clients, which in turn has become a source of new projects:

» In Colombia and in Chile, a new telemarketing program for car insurance was developed for setting real-time policy rates based on the driving habits of each client.

- » In Mexico, the Company developed an application for reporting and adjusting car insurance claims.
- » In Brazil, the solution catering to SMEs was redesigned, with the aim of focusing more on small-scale service providers with a more tailormade product.
- » In Argentina, a new pet insurance product was rolled out given the fact that clients are becoming more and more concerned with the well-being of their beloved companions.
- » El Salvador made great strides in catering to the local SME segment, which up to now has been largely unattended, by developing a new solution.
- » Seguros SURA Panama launched new life insurance solutions for a more comprehensive offering
- » In Uruguay, digital platforms were rolled out including a new online price quoting tool for car, household and personal accident insurance policies.
- » In the Dominican Republic, and in partnership with Munich Re, improvements were made to pleasure boat insurance, providing clients with much better alternatives for insuring this type of craft.

Furthermore, in Colombia, the Company set up an Innovation Laboratory called SURA LAB, a management model that encourages disciplined experimentation with highly uncertain initiatives, based on the philosophy "think big, invest little, make mistakes fast and with few resources". One of the projects produced by this lab, in keeping with the concept of a collaborative or sharing economy, is WeSURA, a solution whereby people insure their assets as a community and obtain the inherent benefits, without any intervention from the insurance company itself.

INNOVATION AND NEW BUSINESS »

PROGRESS MADE IN 2016

- Fully identifying and grasping the main trends and challenges affecting the global financial services industry so as to strengthen the Company's vision of the future.
- » Building up the Group's corporate venture program with the initial investments made and beginning to explore the more advanced business ecosystems in Mexico, Argentina and the United States (Silicon Valley).

CHALLENGES FACED IN 2017

- » Progress has been made with the Group's new investments in new fintechs, insuretechs and healthtechs.
- Building an innovation system for the purpose of transferring knowledge and applying new technologies and business models among our companies as well as new business ventures.
- Building a culture that encourages creativity, agility and innovation within the Business Group.

A Time of Change, A Time of Opportunity

Technology-led disruption and growth in financial services

David L. Shrier / shrier@mit.edu

The global financial services industry is undergoing massive upheaval, and large financial institutions are making concerted efforts to pivot into the change.

ccording to Citigroup estimates, as many as 2 million banking sector jobs in the U.S. and Europe will be lost – about 1/3 of total banking employment – due to disruptive technologies like AI and blockchain. We would anticipate proportionately similar effects in Latin America. The end point, 10 years from now, could be the result of even more severe dislocation.

Consider this: McKinsey estimates that so-called "challenger banks", the new wave of digitally-based banking startups, can operate with 90% fewer people and about 30% to 50% less startup and operating costs than incumbent banks (setting aside regulatory capital requirements which hold across the board). These people and costs come out of both the front office and the back office of the bank.

It's no accident that financial technology companies, fintechs, have been labeled "piranha" attacking the core businesses of big banks. Today there are dozens of fintechs tearing apart a traditional bank's offering piece by piece.

"Chatbots" powered by artificial intelligence can dramatically reduce customer service costs. Al-driven analytics systems can make the underwriting process for new loans a matter of minutes instead of days or weeks. Compliance Al's can interpret regulation in seconds. Distributed ledger technologies like blockchain can eliminate many layers of middle and back office processing. Mobile banking means that you don't need to visit a bank branch.

Just as digital technology totally disrupted the newspaper industry in the 1980s and 1990s, with the rise of companies like Google, so to the much-larger financial services industry is undergoing disruption now. Will financial services incumbents end up littering the side of the highway like the failed

newspaper companies, or will they be reborn anew in the digital era with streamlined, responsive, adaptive offerings that take advantage of innovation?

In Latin America, despite a number of strides taken to bring more people into the financial system, utilization and financial literacy remain low. 135 million adults have a bank account of some kind, but still pay their utility bills in cash¹. This represents substantial "headroom" for economic expansion by a forward-thinking financial institution. This is Grupo SURA's future.

Even more promising, Latin America has been quick to embrace mobile transaction systems, more than 400% the rate of East Africa. Colombia in particular ranks quite high for regulatory flexibility and is #1 for "mobile capacity" (the infrastructure to accept mobile banking)². The continued diversification of the Colombian economy under President Santos away from energy into other sectors should increase demand for financial products to support expansion of a broader basket of industry sectors.

Both the Latin American embrace of mobile and the specific actions within Colombia should create fertile ground for Grupo SURA in the coming years, if the

organization can be nimble enough to plant the seeds for success in the fintech era.

What's holding back growth?

Today there

are dozens

of fintechs

tearing apart

a traditional

bank's offering

piece by piece.

Let us set aside exogenous factors like the political gyrations in the U.S. or the slowdown of the Chinese economy, as they are beyond our control. Whatever happens, will happen to everyone in the region.

Let us instead focus on what is within Grupo SURA's control: new banking offerings in both consumer and small business, and new insurance products and

approaches, providing new products to existing customers and accessing new customers:

There are 2 billion unbanked people in the world, including about half of the adult population of Latin America. New analytics tools can create a synthetic credit score for an individual who has no credit history, breaking the "credit trap" (that you have to have credit history to get new credit).

Of the 200 million small and medium sized enterprises (SME's) in the world, 95% are underbanked or unbanked. This is critically important since SME's create 4 out of 5 new jobs, so are the engine that powers economic growth. The credit gap for SME's is estimated at \$2.6 trillion.³

¹⁻³ Source: Banco Mundial, 2015.

²Source: Brookings Institution.

- » According to The Geneva Association, microinsurance can be a practical reality soon within the emerging markets thanks to new digital technologies.
- » Consumer credit behaviors have been shown to be highly correlated with insurance risk behaviors, and new credit analytics technologies like the ones we are developing have been demonstrated to improve 30% to 50% on existing models.

I have generally found that large organizations have tremendous assets to be leveraged and brand recognition to accelerate adoption. Dun & Bradstreet had four business lines and zero to negative growth, and hired me to find a fifth business line. Just using existing data, existing customer relationships, and existing people, Vicki Raeburn (the head of data) and I created a new risk analytics business that generated nearly US\$ 20 million of EBITDA by its third year of operation, requiring a startup investment of less than US\$ 200,000.

You might say, "That all sounds great, but we have 50,000 employees who are used to doing things a certain way and doing them very well. How are we supposed to change?"

The answers are relatively straightforward to describe but difficult to implement, as I found working with eight different Fortune 1000 companies across my career to develop new revenue growth opportunities. You have to create a new social norm within Grupo SURA that embraces the new models and new approaches, balanced with sustaining support of your existing business so that you don't lose market share. It was called "The Innovator's Dilemma" by Clay Christensen for a reason: This will not be easy.

You will face the "three headed hydra" of cognitive bias that will hold your people back:

1 for

Mere exposure: they are more comfortable with things they see every day, and therefore are uncomfortable with something new.

2

Endowment effect: they will overvalue what they have and what they do today, compared to anything else.

3

Loss aversion: they will believe they have to stop doing the thing they are comfortable with, that they overvalue, in order to try something new.

In combination, these three cognitive biases make it very easy to say "no" and very hard to say "yes". What's the downside risk of accepting something new? You could look foolish, you could lose your job. What's the upside of embracing something new? If the organization doesn't create incentives that make people overcome the creative inertia to hold to the old, it will remain stuck in the past.

When I worked at GE, for example, one barrier to change was "siloing" (people would focus only on their own business and would not help across the conglomerate). So, management created an incentive where 10% of your compensation was tied to showing

you collaborated across other businesses. Similar economic and career incentives for demonstrated ability to support and implement innovation can make it cultural, across all of Grupo SURA's people, instead of isolated to a few High Priests of Innovation scattered here and there.

Startup ideas are also messy. They don't have the kind of predictability that comes with expanding existing businesses. Decisions need to be made rapidly, people need to have room to fail quickly and then try something different – without negative career repercussions. Management and staff need to be educated about the difference in character and tenor that are common across these corporate intrapraneurship activities.

Grupo SURA has already taken some of the steps we would describe as best practices: there are innovation teams actively seeking new technologies and new ideas from outside the organization, backed up by real capital commitments, and empowered individuals within business units who are driving transformation. These innovation leaders need continued support from the C-suite, the board, and the shareholders, since there will be a five year investment period before it is reasonable to expect results of scale.

This is not an optional investment: if Grupo SURA wants to be relevant in the future, it needs to expand its efforts in the present.

The opportunity is enormous. There's no marketlimiting reason that, five years from now, Grupo SURA couldn't have twice as much revenue and three to five times as much profit. To get there, it requires **courage, commitment, patience, and vision.**



David Shrier is CEO of Distilled Analytics, an advanced credit analytics solutions provider developed around MIT research, and Managing Director of MIT Connection Science, a research & teaching initiative at the Massachusetts Institute of Technology focused on data analytics, fintech and smart cities. Together with Prof. Alex Pentland, David has edited the books Frontiers of Financial Technology (2016), Trust::Data (2016) and New Solutions for Cybersecurity (2017). David is now working on a book on corporate innovation.

For further reading:

- » Frontiers of Financial Technology (2016) particularly our chapter on the "Digital Banking Manifesto" https://www. amazon.com/dp/B01LNYR02W/
- "Harnessing Technology to Narrow the Insurance Protection Gap" https://www.genevaassociation.org/ media/956168/harnessing-technology-to-narrow-theinsurance-protection-gap.pdf
- » I also blog regularly on financial innovation and data topics – my past columns can be found on my LinkedIN profile. https://www.linkedin.com/in/david-shrier-a08b5

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THE HEAVENLY RIVERS

The rivers of the jungle form winding paths. They flow quietly along each bend reminiscent of an endless, unpredictable maze. The water offers this illusion of the perdurable: its texture is smooth, like a black skin that trembles at the subtlest touch. It pretends to be asleep, and whoever looks at it is convinced of its meekness. But it's not like that at all. Something timeless moves in its depths, with force and sovereignty; the Tuyuka know that there, in the invisible trails, lies the source: the river of creation, a force of which there is only one, that runs through the ancestral Anaconda and down to the celestial river, the Milky Way, until it flows into the mouth of the Amazonas and then back up again to join the Negro, Vaupés and, finally, the Tiquié rivers, mighty streams of translucent waters. The flow of these waters that are life and death combined, the history of its mythical beginning, is shown in the figures on the front of the Maloka, a representation of the universe providing shelter and protection; figures reminiscent of the Tukano language, ceremonial roles and a community structure based on birth, and which are revealed in the companionship and blessings of the yagé: a journey to these other depths that are open and provide a total blend of the natural and magical worlds. These figures are, therefore, decoded language of dreams, a map of palpable and invisible ways.

Country: Brazil

Region: Eastern part of the Vaupés reserve (on

the border of the State of the Amazon,

Brazil)

Native tribe: Tuyuka

Population: Approximately 500

Fabric: Maloka

A Comprehensive Range of Services and Synergies

COMPREHENSIVE RANGE OF SERVICES AND SYNERGIES >>

The SURA Business Group continues to consolidate its position within the region offering an increasingly more comprehensive portfolio of financial and insurance services in all those countries where it is present while exploring collaborative solutions that provide real value.

Our Companies have joined forces around different projects and initiatives, taking advantage of the opportunities to be had as a Business Group with regard to:

- 1. Business Transformation
- 2. Regional Alignment and Business Management
- 3. Business Alliances

BUSINESS TRANSFORMATION

For Grupo SURA, one of the ways to face the challenges of today's business environment and to take advantage of the opportunities to be had is to encourage our companies to focus on digital transformation Joint initiatives such as the Observatory of Trends and Solutions in the field of analytics are a substantial step in the right direction and are important factors in our overall strategy.

1

BUSINESS ALLIANCES

In 2016, Grupo SURA's subsidiaries and strategic investments continued to work on forming new alliances for the purpose of sharing and or strengthening our sales forces and channels Solutions such as Bancaseguros, SURA Financia Buen Retiro and Mi Casa, are fine examples of what this initiative has produced so far.

REGIONAL ALIGNMENT AND BUSINESS MANAGEMENT

In terms of regional alignment and administrative management, our companies are sharing their knowledge, talent and business capabilities for the benefit of how we, as a Business Group, evaluate and make decisions, on the following fronts:

- Assessing investment and divestiture opportunities and forming joint ventures.
- Implementing the Business Group's Financial and Investment Framework Policy to guarantee our ongoing sustainability while creating added value and inspiring trust
- Defining a strategic risk management framework for the Business Group.

- Articulating the SURA positioning strateg throughout the region and aligning ourselve with our overarching Reputational Risk Mana gement System.
- Measuring non-financial indicators for enhancin our performance with regard to social, environ mental and corporate governance matters.
- Identifying and developing high-potential talent in all of our companies.
- Adopting the standards introduced by the Colombian Country Code on a group level.
- Setting up a Corporate Governance Council and a Legal Committee to evaluate the impact of new regulations.

PROGRESS
MADE IN 2016

The Companies belonging to the SURA Business Group are sharing their knowledge, talent and capabilities with the aim of driving our overall performance in terms of risk and financial management, corporate governance, branding, and human talent, among others. CHALLENGES FACED IN 2017

» Transforming our business by capitalizing on the aforementioned joint initiatives, with Grupo SURA leading this process.

THE CRAB MEN

Their history is indeed an enigma. They live in a place found between the beaches of the Caribbean islands, the blue sea and the mouth of the Orinoco River, washed with sand and water. They flourished in a distant period, at the beginning of our era, and only a few traces of their culture have survived in the ruins of a few ceramics that bear witness of their unmistakable mastery in creating beautiful pottery bowls, for their survival and their rituals. Red, white and black were their only colors: as part of their rich view of the world that worshiped the sea and the river, the fathomless depths of the water and the land dried out by the sun, they told the story of their most powerful food, the Cassava. She, with the crab (sometimes called "the crab men"), form part of the anthropo - zoomorphic figures of her pottery and handicrafts, inter-mixed with the most varied and elaborate exotic materials (carnelian, turquoise, lapis lazuli, amethyst, quartz crystal, jasper, chalcedony, fossilized wood). They carried an atavistic impetus in their blood, surrendering to the currents of the river and of the sea; perhaps not as ambition, but as one who seeks what one finally finds. And what they found, perhaps a fruitful home, was what made them the planters and potters that they were. The secret of their art, and of their journeys, remained with them.

Country: Dominican Republic

Region: Low Orinoco River - Eastern Caribbean

Native tribe: Saladoide

Population: Extinct (500 BC - 600 AD)

Fabric: Bowl design

Expanding and Developing our Markets

IN THE CASE OF OUR SUBSIDIARIES

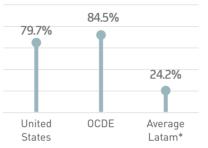
According to the Group's investment thesis, the low penetration levels that exist today with the financial service and insurance industries in Latin America could begin to give way to more robust sectors as the region's economies grow and become more regulated, giving rise to a stronger middle class in all those countries where the Group is present. This represents a series of interesting growth opportunities.

PROGRESS
MADE IN 2016

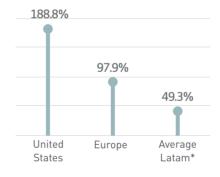
The Group's portfolio and strategy was greatly strengthened with the additional stake obtained in SURA Asset Management and the acquisitions made by Suramericana, thus extending its range of services, laying the foundations for the Group's organic growth over the coming years, while harnessing new-found synergies.

Penetration of financial services as a percentage of GDP »

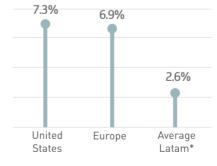
PENSIONS »



BANKING »



INSURANCE »



Suramericana

As for our insurance subsidiary, Suramericana, its greatest challenge in 2016 was to have successfully and seamlessly taken over the operations acquired from RSA in Mexico, Brazil, Argentina, Chile, Uruguay and Colombia, a goal that was achieved within the estimated parameters. The focus this year has been to build upon the holistic business model that the Group has developed in Colombia, extending and adapting this to each country and its particular characteristics, while capitalizing on the leadership and skills of the local staff, as well as in transferring knowledge in multiple ways.

SURA Asset Management

In the case of SURA Asset Management, one of last year's highlights was having set up a new business unit called SURA Investment Management, whose range of real estate and infrastructure funds are the first of their kind to take advantage of the opportunities within the region, which is a clear differentiating factor when it comes to managing assets in Latin America.

On the other hand, a stock brokerage firm was acquired in Peru for the purpose of extending our range of products, enhancing our value-added offering and laying the foundations for competing in a market which, due to new regulatory changes, has had to grapple with new challenges. All of this has allowed us to continue to attend our clients with a more comprehensive and flexible range of services that is continually adjusted to their needs.

This same purpose is shared by all those countries where SURA is present, backed by the experience gained over the years as well as an in-depth knowledge of the Latin American sector and market.

Source: OECD, IMF, Swiss Re Sigma Report. Year-end 2015

CHALLENGES FACED IN 2017

- Further integrating the new acquisitions abroad while deploying the business model developed in Colombia, this based on a common, diversity-rich culture, which supports the growth of our Companies.
- Optimizing the profitability and operating aspects of our portfolio with strategies that besides attending the current lines of business, provide additional capabilities based on technology and innovation so as to be able to build an organization of the future.

^{*} Average number of countries where Grupo SURA is present

A UNIVERSE OF SCRAPS OF SCISSORS

No Nele or spiritual leader has reached the galus, those superimposed layers of the universe covered with flowers and made of gold. Each one of those trips, made in dreams, is interrupted by the scissors women, who are beautiful but deadly. Only Nagegiryai, a Nele, daughter of a shaman, has reached the galus. During her first trip to galu SabbiMolanalamaggale she saw designs like clouds changing shapes in the skies which she later painted on the bodies of young women. But her last trip was to galu Dugbis where she received the sacred gift of writing through molas, with weaves in layers that represent the universe of the galus; A writing inherited by generations of women through the skillful and difficult craft of creating with scissors. Through those small and secure hands, molas are created to tell the daily lives and to show how to live, such as the goaniggadi; or those which are more careful and diligent known as naga, which protect against rapes, thefts and diseases, which are worn by women on their chest to display their power and fertility, joy and beauty. Molas are like shields, hence their designs of arrows pointing inside and out, spirals connected, turns in diagonal, independent modules; a geometry of nature that is interpreted and assimilated through observation: wearing a mola is using the clothes of earth (guna) sweetly (dule) on the body. Saying mola is being gunadule.

Country: Panal

Region: Archipelago Gunayala

(formerly, San Blas)

Indigenous People: Cuna (Gunadule)

Population: 70,000 persons, approximately

Weave: Mola

Corporate Governance

As the parent company of the Business Group SURA, corporate governance guidelines are provided to affiliates and subsidiaries. The purpose is to maintain a unified criteria of the companies' actions applying the highest references in terms of business practices.

This report is prepared hand in hand with the New Code of Best Corporate Practices launched by the Financial Superintendence of Colombia and in accordance with the internal regulations of Grupo SURA1.

HIGHLIGHTS

Among the activities conducted by the Company, the following lists the highlights related to governance:

- » The Survey of best corporate governance practices was conducted.
- » A Trends and Risks Management workshop was held, led by affiliate Suramericana, which is an expert on this matter.
- » To implement the regulations recommended by Country Code (Código País), the Board of Directors approved the documents listed in item 5 entitled: "Manangement Structure of the Corporation" included in this report (page 96).

¹Paragraph one of article 31 of the By-laws and item 4.1.6 of chapter 4 of the Good Governance.

- » The Fourth Investor's Day of Grupo SURA was held with the purpose of sharing with investors, market analysts and professional audiences the development of Grupo Empresarial SURA, its recent acquisitions and the performance of its businesses in the region.
- » An outstanding score was obtained in terms of corporate governance according to the results of the 2016 Dow Jones Sustainability Index.
- The Business Transparency Measurement (MTE -Medición de Transparencia Empresarial) was applied. This is a tool that gathers the most relevant global standards of fraud and corruption prevention. Grupo SURA is the first Colombian company of the Diverse Financial Services and Capital Market which participates in this measurement obtaining a score of 86.4 over 100, surpassing the general average score (73.3 over 100) among the businesses that participate in the measurement voluntarily. The Company ranks on a moderate risk level with this result.

ETHICS LINE



G4-57 Grupo SURA has a Code of Conduct that sets forth the guidelines of the ethical actions of the organization as well as an Ethics Committee responsible of investigating and taking actions regarding unduly actions or breaches of the Code reported through the Ethics Line.

G4-56

The Board of Directors, through its Audit and Finance Committee, conducts a regular followup of the major issues related to the compliance of the Code of Conduct, assessing any nonethical actions; the contents of the reports made previously evaluated by the Ethics Committee.

During 2016, no whistle-blowing reports were presented to the Ethics Committee or through the Fthics Line.

OWNERSHIP STRUCTURE

1. The capital and ownership structure of the Corporation is listed below:

AUTHORIZED CAPITAL COP 112.500 million divided in 600,000,000 shares

SUBSCRIBED CAPITAL **COP 107.882** million divided in 575,372,223 shares

PAID-IN CAPITAL **COP 107.882** million divided in 575,372,223 shares IIAI PEDODT 201

GRUPO SURA

90

2. List of shareholders with a significant share of the Corporation at the end of 2016

SHAREHOLDERS	N°. OF ORDI- NARY SHARES	% OF ORDINARY SHARES	N°. OF PREFEREN- TIAL SHARES	% OF PREFEREN- TIAL SHARES	NO. OF TOTAL SHARES	TOTAL % OF SHARES
Grupo Argos S.A.	129,721,643	27.66%	-	-	129,721,643	22.55%
Grupo Nutresa S.A.	59,387,803	12.66%	-	-	59,387,803	10.32%
Fondo de Pensiones Obligatorias Porvenir Moderado	47,198,833	10.06%	6,499,250	6.11%	53,698,083	9.33%
Fondo de Pensiones Obligatorias Protección Moderado	14,691,562	3.13%	32,050,457	30.14%	46,742,019	8.12%
Cementos Argos S.A.	28,183,262	6.01%	-	0.00%	28,183,262	4.90%
Harbor International Fund.	15,540,124	3.31%	3,487,318	3.28%	19,027,442	3.31%
Fondo de Pensiones Obligatorias Colfondos Moderado	10,828,668	2.31%	6,327,422	5.95%	17,156,090	2.98%
Oppenheimer Developing Markets Fund	16,843,317	3.59%	+	-	16,843,317	2.93%
Fundación Grupo Argos	10,685,767	2.28%	+	-	10,685,767	1.86%
Colombiana de Comercio S.A Corbeta y/o Alkosto S.A.	10,000,000	2.13%	-	-	10,000,000	1.74%
Fondo Bursátil Ishares Colcap	6,357,326	1.36%	3,139,661	2.95%	9,496,987	1.65%
Old Mutual Fondo de Pensiones Obligatorias Moderado	6,080,992	1.30%	852,945	0.80%	6,933,937	1.21%
Other shareholders with less than 1% of shares	113,517,963	24.20%	53,977,910	50.76%	167,495,873	29.11%
Total	469,037,260	100.00%	106,334,963	100.00%	575,372,223	100%

MAJOR SHAREHOLDERS » G4-7	
FONDO PENSIONES OBLIGATORIAS OLD MUTUAL MODERADO	1.21%
FONDO BURSATIL ISHARES COLCAP	1.65%
COLOMBIANA DE COMERCIO S.A CORBETA Y/O ALKOSTO	1.74%
FUNDACIÓN GRUPO ARGOS	1.86%
OPPENHEIMER DEVELOPING MARKETS FUND	2.93%
FONDO DE PENSIONES OBLIGATORIAS COLFONDOS MODERADO	2.98%
HABOR INTERNATIONAL FUND	3.31%
CEMENTOS ARGOS S.A.	4.90%
FONDO DE PENSIONES OBLIGATORIAS PROTECCIÓN MODERADO	8.12%
FONDO DE PENSIONES OBLIGATORIAS PORVENIR MODERADO	9.33%
GRUPO NUTRESA S.A.	10.32%
GRUPO ARGOS S.A.	22.55%
OTHER SHAREHOLDERS WITH LESS THAN 1% OF SHARES	29.11%

3. Information of shares owned by Board members and the rights to vote they represent

By the end of 2016, several members of the Board of Directors of Grupo SURA owned 14,786 shares which represent 0.0026% of the Corporation's capital.

4. Family, commercial, contractual or partnership relations among holders of a significant percentage of the Corporation's shares, or among the holders with significant shares among themselves

The Corporation and its affiliates maintain commercial relations with several significant shareholders, such as Grupo Nutresa and Grupo Argos; the operations made with these companies are under market conditions, serving the purposes of the contracts, and detailed in the notes to the financial statements at the end of the period reported.

5. Negotiations made by Board members, senior management and other administrators with the shares and other securities issued by the corporation

During 2016, no operations with shares of the corporation were made in or out of the stock exchange by the Board members or senior management.

6. Summary of agreements entered among shareholders, which are known of

By the end of 2016, the Company had no knowledge of any agreements entered among its shareholders.

7. Owned subscribed shares held by the corporation

The Company does not hold own shares.

of the directors are independents, exceeding the legal minimum required of no less than 25%.



MANAGEMENT STRUCTURE OF THE CORPORATION

1. Composition of the Board of Directors and its committees, and identification of the background of each member

The Board of Directors, which was elected for the 2016 - 2018 period, is comprised of seven (7) principal members. Four (4) of the directors are independents, attesting this nature through a letter found on the corporation's corporate website, a number that surpasses the legal minimum demanding no less than 25%. The others are equity members, representing the shareholders. In addition, this body approved its own regulation based on the recommendation made by Código País). This regulation rules its organization and operation, the duties and responsibilities of its members, its President and the Secretary, as well as their duties and rights.

The Directors of the Board of Grupo SURA are listed below:

Jorge Mario Velásquez Jaramillo	Equity Member	President of Grupo Argos
Carlos Ignacio Gallego Palacio	Equity Member	President of Grupo Nutresa
Alaiandra Diadrahita Parrara	Equity Member	Vice Presidet of Corporate
Alejandro Piedrahita Borrero	Equity Member	Finance of Grupo Argos
Jaime Bermúdez Merizalde	Independent Member	President of Mba-Lazard
Jaime Dermudez Menzalde	Vice Chairman of the Board	Colombia
Carlos Antonio Espinosa Soto	Independent Member	President of Racafé & Cía SCA
Luis Fernando Alarcón Mantilla	Independent Member	Indopondent Concultant
Luis i ei ildiluu Aldi culi Maillilla	Chairman of the Board	Independent Consultant
Sergio Michelsen Jaramillo	Independent Member	Partner of Brigard & Urrutia

Both the Chairman and the Vice Chairman of the Board are independent members. Moreover, no director has any employment ties with Grupo SURA. Consequently, all of the above meet the criteria and profiles demanded in the General Policy for the Appointment, Remuneration and Succession of the Board of Directors, which was approved by the Shareholders' Assembly held in March, 2015. The information of each Board member is shown in the table below:

		Jorge Mario Velásquez Jaramillo	Carlos Ignacio Gallego Palacio	Alejandro Piedrahita Borrero	Jaime Bermúdez Merizalde	Carlos Antonio Espinosa Soto	Luis Fernando Alarcón Mantilla	Sergio Michelsen Jaramillo
Nationality		Colombian	Colombian	Colombian	Colombian	Colombian	Colombian	Colombian
Age		56	52	43	50	67	65	56
Commencement I member of Grupo		march 25, 2015	march 27, 2014	march 31, 2016	march 29, 2011	march 21, 2013	march 26, 2015	march 26, 2015
Date of last appoir	ntment	march 31, 2016	march 31, 2016	march 31, 2016	march 31, 2016	march 31, 2016	march 31, 2016	march 31, 2016
Number of seats i of Directors other SURA or the busin belongs to		2	2	2	3	1	2	4
Number of seats i other institution B		3	3	2	2	2	2	1
Specialty		Business Direction	Business Direction	Finance	Public Opinion	Integrated Management	Business Directio	nd Entertainment
Risk and crisis ma	anagement	Х	Х	Х	Х	Х	Х	Х
Corporate finance		Х	Χ	Х		Χ	Х	
Regulatory setting]			Х			Х	Х
Specific knowledg	je of the industry					Х	Х	
M&A (Mergers and	d Acquisitions)	Х	Х	Х	Х		Х	Х
Public and/or gove	ernment sector				Х		Х	
Responsibilities w scope	ith international	Х	Х	Х	Х	Х	Х	Х
Human managem	nent		Х			Х	Х	
Capacity to evaluatables	ate managerial		Х	Х		Х	Х	
Experience in trar		Х	Х	Х			Х	Х
	Environmental	Х	Х			Х	Х	
Sustainability	Social	Х	Х				Х	
	Corporate Governance		Х	Х			Х	Х

BOARD OF DIRECTORS' COMMITTEES

A total of four (4) committees provide support to the Board through the analysis and recommendation of specific issues. Their duties are described in their regulations, which can be consulted in the Corporation's website.

The committees are listed below:

- Audit and Finance
- » Corporate Governance
- » Risks
- Appointments and Remunerations

The foregoing committees are comprised of the same members of the Board.

Each Committee is chaired by an independent director. The Secretary General of the Corporation acts as the secretary of every committee.

COMMITTEE	MEMBERS	TYPE OF MEMBER	GUESTS
	Jaime Bermúdez	Independent Member and Chairman of the Committee	» President of the Corporation
Audit and Finance	Luis Fernando Alarcón	Independent Member and Chairman of the Board	 Vice President of Corporate Finance Internal Auditor
	Carlos Antonio Espinosa	Independent Member	» External Auditor
Corporate Governance Committee	Sergio Michelsen	Independent Member and Chairman of the Committee	
	Jorge Mario Velásquez	Equity Member	» President of the Corporation
	Carlos Ignacio Gallego	Equity Member	
Risks Committee	Sergio Michelsen	Independent Member and Chairman of the Committee	
	Alejandro Piedrahita	Equity Member	» President of the Corporation
	Jaime Bermúdez	Independent Member	

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COMMITTEE	MEMBERS	TYPE OF MEMBER	GUESTS
Appointments and Remunerations Committee	Luis Fernando Alarcón	Independent Member and Chairman of the Committee	
	Jorge Mario Velásquez	Equity Member	» President of the Corporation
	Carlos Ignacio Gallego	Equity Member	_

2. Resumes of Board members

The professional profiles of the Board members can be consulted at gruposura.com

3. Changes in the Board of Directors during the period

In the Assembly of Shareholders held on March 31, 2016, the appointment of Alejandro Piedrahita Borrero as a new Board member was approved while other directors were re-elected for the 2016 - 2018 period. This change derived from the resignation of José Alberto Vélez Cadavid, who retired from Grupo Argos.

Board members of Grupo SURA who have a seat in the boards of subordinate companies or hold a position in these companies

By the end of 2016, none of the Directors of Grupo SURA held a seat in the Boards of their subordinate companies or a senior position in these companies.

5. Policies approved by the Board of Directors.

Within the process to implement the New Country Code and to continue incorporating its guidelines through internal regulations, the Board of Directors approved the following documents during the year 2016:

- Risk Management General Policy
- » Risk Management Manual
- SIPLA Procedures Manual
- Antifraud and Anticorruption Policy
- Corporate Role Model Institutional Relations Framework

- Human Management Policy
- Election of Board Members Procedure
- Conflicts of Interest Arrangement Procedure
- Annual Performance Assessment of Board and Committee Members Process
- Board Protocol and Intervention Levels
- » Secretary General Manual

6. Appointment process of Board members

he appointment of Board members for the 2016 - 2018 period was made in accordance with the By-laws and with the Election of Board Members Procedure. Immediately after the Board was aware of the resignation of José Alberto Vélez C., the procedure was activated to elect all Board members given that the By-laws do not permit partial elections.

Within the term set forth after publishing the Assembly's summon, the shareholders presented to the Corporation the candidates for the Board of Directors. The profiles of the candidates were assessed in a session held by the Appointments and Remunerations Committee, which incorporated a study of the candidates' inabilities and incompatibilities.

Once elected, the list of candidates recommended was presented to the Board, which in turn submitted the list to the shareholders through in the website of the Corporation. This was done within the term of the right of inspection, including the profiles of those eligible, letters of acceptance as candidates and the incorporation of a statement of independence of the candidates for this position.

During the Assembly of Shareholders, the proposal containing a sole list of names of the candidates which the shareholders knew and which were elected by the majority was red; this event was included in the Minute. The directors appointed presented their acceptance letter and were registered before the Medellin Chamber of Commerce.

29

february

Assembly

summoned

march

5

march

Candidates

proposed

9

march

» Pre-selection

candidates

» Assessment of

Committee

11

march

letter

Candidates'

acceptance

proposals by the

of Board

14

march

Publication

of candidates

25

february

Resignation of

the Director

7. Board Remuneration Policy

The Assembly of Shareholders held in 2015 approved the General Policy for the Appointment, Remuneration and Succession of the Board of Directors. This Policy sets forth the parameters to guarantee that those appointed to be a Board member are the most suitable and are properly remunerated compared to other national and international companies.

This Policy is in force and fully complies with the Company's Corporate Governance System, and hence,

did not need to be updated in 2016. The Policy can be consulted in the website of the Corporation.

31

13-15

april

Letter of

acceptance

» ELECTION IN THE ASSEMBLY

» Evidence in the Minute

» Reading of the proposal

Registration at

G4-43

the Chamber

8. Remuneration of Board of Directors and Senior Management:

Pursuant to item e) of article 23 of the Bylaws, the General Assembly of Shareholders determines the appointments of the Board members. In addition, the General Policy for the Appointment, Remuneration and Succession of the Board of Directors approved by the Assembly in 2015 sets forth the rules and criteria to set their fees, keeping the following in mind:

- » Board of Directors structure
- Obligations and responsibilities
- » Personal, professional and background experience of persons in positions with large responsibilities
- » Time which should be devote to the activity
- Participation in different committees of the Board of Directors
- » Legal responsibility in accordance with the regulation in force
- Referral with other comparable national and international companies

Keeping the foregoing in mind, the General Assembly of Shareholders held in 2016 approved fees COP 6,500,000 per month for each of the directors. In addition, an amount was approved for the general operation of this body, including the monthly gee for participating in the Board and Committees, travelling and lodging expenses, training and expenses for the assessment of their management, which rose to COP 1,100 million. The approximate expenses of the Board during 2016 were COP 1,093 million.

With regards to the remuneration of senior management, guidelines of the Compensation Policy were applied. This Policy determines the minimum criteria to have a fair and equitable compensation system whereby remuneration is established under objective principles. The performance indicators are determined and measured keep in mind the annual plan and the activities related to the strategic direction of the Company. This system, and particularly

the construction and measurements of senior management, are approved by the Appointments and Remunerations Committee of the Board and therefore, and in compliance with this premise, the Committee follows-up the performance indicators proposed at the beginning of each year.

Moreover, in compliance with article 446 of the Colombian Trade Code, the notes to the Financial Statements of the Corporation disclose the disbursements made in favor of the senior personnel.

9. Board Quorum:

The By-laws and Regulations of the Board of Directors establish that a valid deliberation and decision process requires the presence and votes of the majority of its members, unless the Corporation will guarantee or endorse the obligations of its related companies, which in turn requires the unanimous vote of the Board members.

In 2016, the Board of Directors met fifteen (15) times, of which twelve (12) were held physically at the domicile of the Corporation, in Medellin, Colombia. The other sessions were held meeting the regulations set forth in article 20 of Law 222 of 1995 as well as the paragraph of article 18 in the Corporate By-laws to conduct sessions physically and virtually or expressing their vote in writing.

All of the sessions had the quorum established in the regulations abovementioned and hence, all decisions were validly debated and decided.

10. Data on attendance to Board and committee meetings:

The attendance of directors to the Board meetings held in 2016 reached an average of 99%, as detailed below:

Jorge Mario Velásquez Jaramillo	15 of 15 sessions	100%
Carlos Ignacio Gallego Palacio	15 of 15 sessions	100%
Alejandro Piedrahita Borrero	15 of 15 sessions	100%
Jaime Bermúdez Merizalde	15 of 15 sessions	100%
Carlos Antonio Espinosa Soto	14 of 15 sessions	93%
Luis Fernando Alarcón Mantilla	15 of 15 sessions	100%
Sergio Michelsen Jaramillo	15 of 15 sessions	100%

The percentage of attendance to the Board committees in 2016 is listed below:

AUDIT AND FINANCE COMMITTEE

Jaime Bermúdez Merizalde	5 of 5 sessions	100%
Luis Fernando Alarcón Mantilla	5 of 5 sessions	100%
Carlos Antonio Espinosa Soto	5 of 5 sessions	100%

CORPORATE GOVERNANCE COMMITTEE

Carlos Ignacio Gallego Palacio	4 of 4 sessions	100%
Jorge Mario Velásquez Jaramillo	4 of 4 sessions	100%
Sergio Michelsen Jaramillo	4 of 4 sessions	100%

RISKS COMMITTEE

Sergio Michelsen Jaramillo	3 of 3 sessions	100%
Alejandro Piedrahita Borrero	3 of 3 sessions	100%
Jaime Bermúdez Merizalde	3 of 3 sessions	100%



APPOINTMENTS AND REMUNERATIONS COMMITTEE

Luis Fernando Alarcón Mantilla	3 of 3 sessions	100%
Jorge Mario Velásquez Jaramillo	3 of 3 sessions	100%
Carlos Ignacio Gallego Palacio	3 of 3 sessions	100%

11. Chairman of the Board of Directors - duties and key issues

The Chairman of the Board of Directors of Grupo SURA, Luis Fernando Alarcón Mantilla, who is an Independent Director as well, was elected as a Board member by the General Assembly of Shareholders held on March, 2015; he was appointed by the Board of Directors as its Chairman in the session held on April, 2015. Since then, he has complied with his mandate, abiding to the Law, to article 32 of the Corporate By-laws and to the Regulations of the Board of Directors, which contain his main duties.

As the Chairman, he attended and chaired all of the Board sessions, intervening in the organization of the agenda with the support of the Secretary General, and supervised the compliance of the annual plan of the matters approved by the Board of Directors. In addition, he ensured that the directors received true, complete and timely information to make the best decisions for the Organization; he kept a close watch of the attendance and participation of his peers; and especially led the Board session which meets once a year without the Management of the Corporation with the purpose of making a self-assessment of the Board, the committees and senior management.

12. Secretary of the Board of Directors - duties and key issues

The By-laws and the Regulations of the Board of Directors include as well the duties and responsibilities of the Secretary General of the Board, Fernando Ojalvo Prieto, who performed his duties in accordance with the legal and internal rules. He acted as the Secretary in the meetings of the Assembly, Boards and committees; he wrote in the minutes what took place in said meetings, and properly kept the corporate documents, ensuring the formal lawfulness of the actions made by these bodies; and, along with the Chairman of the Board and of the Corporation, he prepared a work plan (duly approved by the Board of Directors), which led to the proper organization of the meetings.

The Secretary General is responsible of managing everything related to the shareholders of the corporation, backed by the Office of Shareholder Service which is comprised of qualified personnel to serve the requirements, doubts and comments of shareholders.

Fernando Ojalvo acts as the Secretary General since the Corporation was born in 1997. He is an Attorney from Universidad de Medellín and Specialized in Labor Law at Universidad Pontificia Bolivariana. He currently is the Vice President of Corporate Affairs of Grupo SURA. He has more than 28 years of experience as the Secretary General.

13. Relations held during the year by the Board of

Representatives of the External Auditor attended the Audit and Finance Committee sessions as guests, and their reports, after being examined by this committee, were presented to the Board of Directors. Ratings are published through the Highlights.

Moreover, the Board sessions are briefed on the coverage of shares made by international analysts.

14. External advise received by the Board of Directors

During 2016, the Board of Directors did not hire any external advisors to carry out its duties.

15. Information management by the Board of Directors

The Regulations of the Board of Directors includes that, "The directors shall have access to the information addressed in the Board meeting no less than five (5) common days before the meeting; this information may be provided through electronic media".

The delivery of the information within the term set forth was not strictly met in several opportunities due to difficulties consolidating financial information derived from applying the IFRS standards. Corrections will be designed in 2017 to improve this situation.

16. Activities of Board committees

Committees are bodies that support the Board of Directors in specific issues. The results of the analysis are presented as recommendations for the Board's approval or final observations, in accordance with the rules in the regulations of the corresponding committee.

The annual balance of the support provided to the Board was reviewed in the session held by the Board without Management.

The main activities carried out in 2016 are described in the report presented by each committee to the Assembly and attached hereto.

17. Information on the assessment processes of the Board of Directors and senior management

Applying the Regulations of the Board of Directors and the Annual Performance Assessment Process of the Board of Directors and its Committees, the self-assessment is made on an annual basis. This is led by the Chairman of the Board through a survey previously revised by the Corporate Governance Committee and approved by the Board, keeping in mind matters such as:

- » Follow-up of the Corporation's major aspects
- » Assessment of their tasks and contribution to determine the strategies and projection of the Company
- » Compliance of their actions with the corporate principles
- » Compliance with the Code of Good Governance
- » Participation in scheduled training sessions

- » Knowledge about the Corporation
- » Attendance of meetings and active participation in decision-making
- » Pertinence of the committees, subjects analyzed and members

In 2016, the self-assessment survey was sent to the Secretary in November, and its results were known preliminarily by the Chairman of the Board; the results were disclosed to the Board in December without the presence of the Corporation's senior management. The Board debated the foregoing, highlighting the positive aspects and provided recommendations.

The survey included the assessment of the senior management of the Corporation.

The external assessment is conducted every two years by an independent firm. The last assessment took place in 2015. Likewise, AT Kearney was hired to conduct the assessment of 2016. The results shall be known in the first quarter of 2017 and will be published on the website of the Corporation.

G4-41 OPERATIONS WITH RELATED PARTIES

1. Powers of the Board of Directors

The Board of Directors approved the General Policy of Operations among Related Parties of Grupo Empresarial SURA in 2015. The purpose is to establish a parameter of interaction between the companies based on transparency, fairness and impartiality, avoiding the chance of any conflicts of interest.

Operations with the most relevant related parties

Through the Special Report of the Business Group and its financial statements, the Company discloses the most important contractual ties and operations entered with its affiliates and subsidiaries, at the end of each period.

Conflicts of interest presented and actions of Board members

In compliance with the guidelines set forth in the Good Governance Code and in the Policy for the Knowledge, Administration and Resolution of Conflicts of Interest as well as the procedure that rules it, the Board of Directors managed the relevant conflicts of interest, overseeing the protection of the Company's interests, and pursuant to the Law and the institutional rules.

During 2016, the Board was aware of an eventual conflict of interest of a Board member due to the shares he held of a digital contents firm. After the analysis was made, conclusions shows the presence of no conflict whatsoever.

Moreover, the Corporation, through its Ethics Committee, is the highest authority to determine the matters that are not ethical.

4. Mechanisms used to solve conflicts of interests among the companies of Grupo Empresarial SURA and their application during the period

The transactions made between the companies of Grupo Empresarial SURA are subject to the guidelines set forth in the General Policy of Operations among Related Parties.

Nevertheless, if conflicts of interest rise in the normal course of the operations of the companies of the conglomerate, the resolution mechanism established in the Good Governance Code should be followed. This mechanism establishes, firstly, that the parties involved should settle the situation directly but if no agreement is reached, the matter shall be settled by the Audit Committee exclusively with independent members. During 2016, no conflicts of interest among the companies were observed requiring the application of this settlement process.

RISK MANAGEMENT SYSTEMS OF THE CORPORATION

Explanation of the Corporation's Internal Control System (SCI)

The Internal Control System is designed as a set of activities which enable the Company to reach a reasonable safety level, to meet its purposes in a legitimate and transparent manner. Therefore, Grupo SURA has a series of standards and policies for risk management and mitigation, fraud prevention and proper information management, among others.

At Grupo SURA the SCI is evaluated under the Coso 2013 Control by the Corporate Internal Audit and is monitored on a quarterly basis by the Audit and Finance Committee. The latter reports to the Board of Directors making recommendations, and analyzing not only the activities of the Corporation but also of the affiliates and subsidiaries, providing follow-up and control solutions. In addition, each affiliate monitors the SCI very closely through

their own Audit Committees and shows the most relevant situations to the Audit and Finance Committee of Grupo SURA.

Contents of the Internal Control System report are found in the Management Report (Chapter 2), under "Control Architecture".

2. Description of the Risks Policy and its application during the period

Grupo SURA has a Risk Management Policy designed for the entire Business Group. This policy engages its risk management in such a manner that the companies can face new challenges and opportunities in a changing setting, creating value through its interaction and coordination.

The Board of Directors and senior management of each of the companies are responsible of their Risk Management Systems. These are implemented considering the size, business and process complexity, geographic diversity and nature of the risks each faces, ensuring the consistency and feedback with the organizational strategy. These systems establish interaction mechanisms – among the affiliates and their parent company – to follow-up the risk profile and management of the Group, including, among others, participation in their Board of Directors, committees and settings to share best practices, and reports on investment performance.

Within the scope of the risk management model, the Board of Directors approved in 2016 several rules aimed to enhance the Management System, including: the Risk Management Manual of Grupo SURA, an update of the SIPLA Procedures Manual of Grupo SURA, and the General Policy Antifraud and Anti-corruption of the Business Group. Moreover, the Strategic Risks Management Map and System, which allow companies to anticipate and make decisions over risks, to turn situations into opportunities, to challenge the strategy, and to coordinate and engage risk management and to spread it among the other companies.

3. Response and oversight plans for main risks

With the purpose of managing the risks identified, the Company applies the principles of self-control, self-regulation and self-management, so that each collaborator has the capability to evaluate and control his/her activities, detect and make corrections in the period and the compliance with its duties.

Senior management reviews, analyzes and monitors the financial statements and performance of the business to detect possible errors or frauds in the Company's financial information and in turn, to guarantee consistent and coherent figures, and otherwise, to make the pertinent adjustments. Likewise, these reports and control situations reported by Internal Audit and the External Auditor are evaluated by the Audit and Finance Committee and by the Board of Directors.

In addition, the companies, mainly the legal areas, constantly monitor any changes in the laws and regulations which may have an impact on the Organization. The purpose is to support the

implementation of policies and controls to properly meet the regulation. Likewise, the companies have a Compliance area which is primarily responsible of the Compliance Management System which ensures that within them is a culture of high ethics and people abide to the commitments either voluntary or mandatory, internal and external.

The detailed report of the Risks Management System is incorporated to the Annual Report of the Corporation

GENERAL ASSEMBLY OF SHAREHOLDERS:

 Differences in the operations of the Assembly pertaining to the regime of minimums of the regulation in force and what is determined in the By-laws and in the Regulations of the Corporation's Assembly

Based on the By-law Reform made in 2015, Grupo SURA established a series of guarantees, rights and obligations in favor of its shareholders, displaying its commitment to protect their interests and to guarantee their active participation, in addition to the powers set forth in the law.

Among the additional prerogatives set forth in the Corporate By-laws, the Good Governance Code and the Regulations of the General Assembly of Shareholders, we have: duties of the Assembly which are exclusive and cannot be delegated; the right to make specialized audits; the increased prior term to summon the Assembly, as well as other recommendations of the New Country Code and other international standards which operated satisfactorily in 2016.

shareholder participation and communication channels To Grupo SURA, shareholders are a paramount

2. Measures adopted during the prior to enhance

To Grupo SURA, shareholders are a paramount pillar and the acknowledgement of their rights lies sound foundations in the Corporate Governance System. Indeed, since 2015 when the New Country Code was implemented, mechanisms to facilitate shareholder access to the Corporation's information have been enhanced, main in the general Assembly, which is the perfect setting to provide information and a chance for shareholders to express directly before Senior Management and the Board of Directors.

Indeed, the Regulations of the Assembly rule every aspect related to the meeting. The purpose is that shareholders remain informed of the development regime, and hence, can have a healthy discussion and decision-making process. Therefore, with the purpose of guaranteeing their attendance, the Corporation summoned the Assembly in 2016 thirty (30) common days before through different media, such as the mechanism of Highlights of the Financial Superintendence, the corporate website, placing an ad on national newspapers with ample circulation, making phone calls to shareholders which have authorized the Corporation to use their contact data, and keeping its lines open to consult the place and date of the meeting among the shareholders that wish to call or write to the exclusive e-mailbox. In addition, the meeting was broadcasted live through the Corporation's website through the Streaming platform.

Moreover, the shareholders' right to inspection was guaranteed within the legal term, by publishing the documents demanded on the corporate website, and by making them physically available as well at the Secretary General's office, from Mondays to Friday, during office hours. In addition, a proxy form was provided to facilitate their representation in the Assembly.

In the communication channels, the Corporation provides shareholders means to make queries and to freely access the Secretary General; to participate in the quarterly events which inform shareholders and the public at large of the Organization's operations; to make recommendations on Corporate Governance; and to know in a clear, exact and timely fashion all of the financial and non-financial information of the Company.

The Regulations of the Assembly of Shareholders is available to the public through the corporate website.

3. Information to and communication with shareholders

Information for shareholders is a two-way process, that is, for those that go to the Corporation seeking information and through events and diverse channels.

In the first cases, the different channels shareholders may resort to are listed below

- » Shareholder Service Office, set in the Secretary General office of the Corporation, in Medellin.
- » Shareholder Service Office of Fiduciaria Bancolombia, the entity that manages the shares of Grupo SURA, with offices in the cities of Medellin, Bogota, Cali and Barranguilla.
- » Investor Relations Offices, set in Medellin.
- Website gruposura.com where you can find a calendar of events built to provide timely information to shareholders, investors and the securities market in general, on when the Corporation delivers information of interest related to its management and to its financial results. The website also provides information about the General Assembly of Shareholders, the period to pay dividends, and a publication of the results in the Financial Superintendence of Colombia, among others. Annual certificates for income statements can also be downloaded from this website
- » Investor Service Fiduciaria: Medellin 444 7231, for the rest of the country 01 8000 521 555.
- » Shareholder Service Grupo SURA: Medellin 319 7037

- » E-mails: accionistas@gruposura.com.co, ir@ gruposura.com.co, caa@bancolombia.com.co
- » Present on social media: Facebook, Twitter and Youtube.

Information channels used by the Corporation to build closer ties with its shareholders:

- » General Assembly of Shareholders
- » Annual Report with the most important contents of the year immediately before
- » Presentation of quarterly results through teleconferences and webconferences targetted to shareholders, analysts and the public at large.
- » Investor's Day, the annual event organized by Grupo SURA to have a closer look, directly from the senior management of the Company and its affiliates Suramericana and SURA Asset Management, about the reality and challenges of businesses in Latin America.
- » Delivery of the E-bulletin for shareholders that subscribe.
- » Publication of important situation in the market through the Highlights channel of the Financial Superintendence, replicated in the corporate website.

4. Number of requests and issues which shareholders have required information about. Information required by shareholders in 2016:

Shareholder service:

REQUEST	AMOUNT
Visits to Service Office	10
Phone calls	231
Total Shareholders Served	241

» Shareholder requests:

TYPE OF REQUEST	TOTAL
Tax certificates	566
Change of direct depositor	26
General certificates	14
Transfers outside of Stock Exchange	8
Novelties for dividend payments	5
Investigation	1
Novelty, data update	1
Right of petition	10
TOTAL REQUESTS	631

5. Data of attendance to the General Assembly of **Shareholders**

The General Assembly of Shareholders held on March 31, 2016, was attended by 413,059,277 ordinary shares represented, equivalent to an 88.07% share; and by 79,618,115 preferential shares represented, reaching a 74.87% share, for an average share of 85.63%.

6. Details of main agreements taken

During the 2016 Assembly, the following decisions were approved:

1. Board of Directors and President Reports; and the separate and consolidated financial statements

at December 31, 2015.

- 2. Profit distribution.
- 3. Fees for the Board of Directors and the External Auditor.
- 4. Election of the Board of Directors for the period 2016 - 2018.
- 5. Election of the External Auditor for the fiscal periods of 2016 and 2017.

The proposal submitted to the shareholders' vote and the most important decisions made by the Assembly were disclosed through the mechanism of Highlights of the Financial Superintendence of Colombia and published as well on the corporate website.



G4-40 AUDIT AND FINANCE COMMITTEE REPORT PRESENTED TO G4-52 THE GENERAL ASSEMBLY OF SHAREHOLDERS

2016 MANAGEMENT

The Board of Directors of Grupo SURA presents to the shareholders the following report of the Audit and Finance Committee which contains basic information from the Committee and the main activities made during 2016:

Members	Guests	N° of Sessions	% Attend.
	David Bojanini G.		
	President of Grupo SURA		
Jaime Bermúdez Merizalde	Fabián Barona C.,		
Luis Fernando Alarcón Mantilla Auditor Interno Corp.		5	100%
Carlos Antonio Espinosa Soto	Ricardo Jaramillo M.	5	100%
	VP Corporate Finance		
	An External Auditor representative		

Summary of the period's management - classified by the highlights analyzed by the Committee and later submitted to the final decision of the Board of Directors

Reports of the	Reports of Affiliates	Regular Reports	Special Topics	External Audit
Corporation				
Audit plan and its developments	Internal control of affiliates report	Quarterly separated and consolidated financial statements	Appointment of External Auditor for the Business Group	Opinion 2015
Internal control report of the Corporation: DIAN Case	Fraude case in Treasury Management of Suramericana	Ethics Line report	Prioritizing topics exercise	External Audit plan developments
RSA Business combination	Reports of major judiciary processes	PQR shareholders report	Cybersecurity monitoring	Audit of RSA business acquisition

JAIME BERMÚDEZ MERIZALDE

FERNANDO OJALVO PRIETO

Committee Chairman Secretary General

2016 MANAGEMENT

The Board of Directors of Grupo SURA presents to the shareholders the following report of the Corporate Governance Committee, which contains basic information from the Committee and the main activities made during 2016:

Members	Guests		% Attend.	
Sergio Michelsen Jaramillo Jorge Mario Velásquez Jaramillo Carlos Ignacio Gallego Palacio	David Bojanini G., President of Grupo SURA	4	100%	

Summary of the period's management - classified by the highlights analyzed by the Committee and later submitted to the final decision of the Board of Directors

Country Code	Regular Reports	Special Topics
Approval and update of regulations demanded	Highlights	Enhancing Board of Directors and the Corporate Role
Board of Director's assessment form	Corporate Governance Annual Report	Intervention level results
	Analysis of conflict of interests	

SERGIO MICHELSEN JARAMILLO Committee Chairman FERNANDO OJALVO PRIETO Secretary General

RISK COMMITTEE REPORT PRESENTED TO THE GENERAL ASSEMBLY OF SHAREHOLDERS

2016 MANAGEMENT

The Board of Directors of Grupo SURA present to the shareholders the following Risk Committee report which contains basic information from the Committee and the main activities made during 2016:

Members	Guests	No. of sessions	% Attend.
Sergio Michelsen Jaramillo Alejandro Piedrahita Borrero Jaime Bermúdez Merizalde	David Bojanini G., President of Grupo SURA	3	100%

Summary of the period's management - classified by the highlights analyzed by the Committee and later submitted to the final decision of the Board of Directors

Approvals	Regular Reports	Special Topics
Risk Work Plan	Management and follow-up of risk-related events of the Business Group	Strategic Risks workshop
Corporate Responsibility Work Plan	Managing, monitoring and reporting Strategic Risks	Determining duties between Risk Committee and Audit Committee
Risks Manual approval		Sustainability: Materiality and Reputation Analysis

JAIME BERMÚDEZ MERIZALDE Committee Chairman FERNANDO OJALVO PRIETO Secretary General

APPOINTMENTS AND REMUNERATIONS COMMITTEE REPORT PRESENTED TO THE GENERAL ASSEMBLY OF SHAREHOLDERS

2016 MANAGEMENT

The Board of Directors of Grupo SURA present to the shareholders the following Appointments and Remunerations Committee report which contains basic information from the Committee and the main activities made during 2016:

Members	Guests	No. of sessions	% Attend.	
Luis Fernando Alarcón Mantilla Jorge Mario Velásquez Jaramillo Carlos Ignacio Gallego Palacio	David Bojanini G., President of Grupo SURA	3	100%	

Summary of the period's management - classified by the highlights analyzed by the Committee and later submitted to the final decision of the Board of Directors

Direction Action Plans	Regular Reports and Controls	Special Topics
Senior Management Succession	Control panels	Board of Directors candidates analysis
High Potential Talents	Position structure and valuation report	Compensation per performance:
		measurement, regulation
Human Talent and Culture Strategy		Pension gap closure project

LUIS FERNANDO ALARCÓN MANTILLA Committee Chairman

FERNANDO OJALVO PRIETO Secretary General

MEASURING CORPORATE TRANSPARENCY »

led the Company to continue its expansion process in a responsible and

risks, facilitate access to information, and promote settings of dialogue and

CORPORATE GOVERNANCE »

- 2016 DEVELOPMENTS » Implementation of the standards recommended by Código País through different policies and guidelines.
 - » Use of MTE (Corporate Transparency Measurement), a tool that gathers the most important global standards related to fraud and corruption prevention.

2017 CHALLENGES

- » Reinforce and disclose the ethics and corporate governance system of the Business Group.
- » Continue advancing to implement the Código País recommendations.

FEELING THE FORCE OF KOSHI

They are the river. Their steps keep pace with the waters. They live and die next to the Ukayali, one of streams of the grand Anaconda which ahead discharges to the Amazon River. Being a Shipibo is to be able to feel the force of Koshi in the power plants, such as the Ayaguasca; bowing towards it to give thanks and drinking it, is the beginning of the vision which later can materialize into the kené, the mystical design that the women turn into the largest expression of their spirit, where it brought about. Learning this technique is like a test, not solely of perseverance but of intuition, which should flow like a river when it fills with Koshi. Several Kené are born from the paintings of clay and walnut bark on cotton fabrics; others are weaved with colorful yarns representing the sun (red, yellow, white) or the moon (black, green, blue). Whichever the shapes of the Kené (designs of squares, diamonds, crosses, circles), they affirm the beauty born like a visual song of the wild and autonomous forest and of the stratum of the cosmos, the labyrinth of the first secrets of the origin; but especially, every Kené is a curing experience: to heal the soul and body in search of ancestral unity. To wear it, see it, can be the most sacred medicine: one that comes from inside and expands until it turns into a song in the silence of the evening.

Country: Perú
Region: Río Ukayali
Indegenous People: Shipibo

Population: 6,000 persons, approximately

Weave: Kené

Reputation and Brand Enhancement

he year 2016 became a milestone with regards to managing the SURA Brand. The business expansion headed by Suramericana gave way to enter new countries, such as Argentina and Brazil, and enhanced as well the offer of financial and insurance services in regions where SURA Asset Management already operated.

Part of this Brand expansion process and bearing in mind the co-existence of both affiliates of Grupo SURA in Mexico, Chile and Uruguay, aspects such as a the reputation and brand governance model was reviewed as well as the positioning and the guidelines of the visual system to guarantee that the clients can tell each operation offered apart, recognizing the vision of the Business Group. These activities - which began late 2015 and were consolidated during 2016 - enhance the strategic management of the brand to back the businesses, and boost the reputation of SURA in the region.

REPUTATION AND BRAND GOVERNANCE:

The governance model begins by acknowledging that SURA, as a brand, acts on three levels. Firstly, the umbrella or mega-brand, crosses all of the businesses; secondly, the corporate brands which identify the parent company and the two major affiliates (Suramericana and SURA Asset Management), with specific communication needs and targeting niche audiences; and thirdly, the brands which identify the operational businesses facing the customers alongside the needs of strategic, commercial and tactical communication.

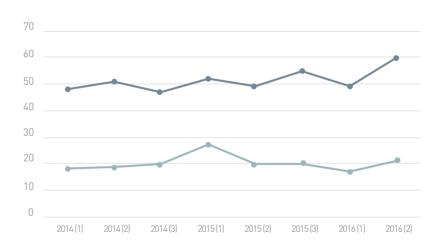
Based on this differentiation and within the 2020 Reputation and Brand Master Plan, the Company determined the objectives, settings and scopes of each case, in addition to the roles and responsibilities of the teams acting regionally and locally, seeking to complement the long-term, generation of brand equity using tactical actions that meet the needs of short-term businesses.

Likewise, the engaged and consistent management of common positioning guidelines identified analysis and decisions, including the enhancement of the Reputation and Brand Regional Executive Committee, and the creation of local committees in Mexico, Chile and Uruguay.

BRAND AWARENESS

Risk management and opportunities arising from the brand which support the businesses stem from knowing their status in each region. Hence, the measurement system was standardized since 2014 to follow-up indicators of knowledge, top-of-mind, top-of-heart, recommendation, consideration and attribute positioning, among others.

The recognition of the SURA brand in the region advances as described below:



		2014 (1)	2014 (2)	2014 (3)	2015 (1)	2015 (2)	2015 (3)	2016 (1)	2016 (2)
Spontaneous knowledge	-	18	19	20	27	20	20	17	21
Total knowledge	-	48	51	47	52	49	55	49	60

Source: Studies by GFK: In 2016, Wave 1 includes a simple average considering Chile, Colombia, Mexico, Peru, Uruguay, Panama and Dominican Republic. Wave 2 includes a simple average considering Chile, Mexico, Peru and Uruguay.

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BUSINESS PERFORMANCE

» Admiration

During the first quarter of 2017, the last phase of the

project shall be completed to analyze the comprehen-

Based on this exercise, stakeholder relation strategies

and activities shall be enhanced, keeping coherence in

the corporate actions and practices, as a basis for repu-

tation management.

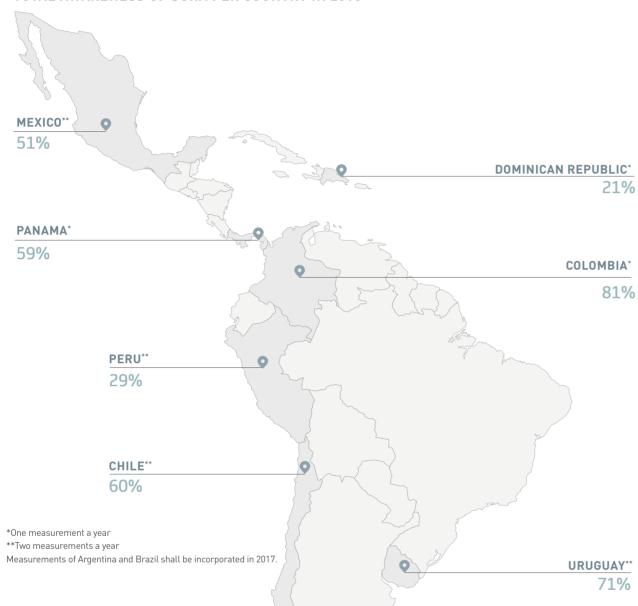
- » Positive incidence
- » Employment standards/quality

2017 CHALLENGES » Review the reputation and brand master plan strategy based on the new business reality in Latin America.

» Advanced positioning of the comprehensive offer with a differentiation of each

- » Update the brand and sub-brand policy.
- » Implement the regional brand audit model.
- » Implement the brand training and certification system.
- » Enhance the stakeholder relations model.
- » Expand the reputational risk system to new businesses.

TOTAL AWARENESS OF SURA PER COUNTRY IN 2016 »



REPUTATION AND BRAND ENHANCEMENT »

- 2016 PROGRESS » Expansion of the SURA brand with the acquisition of RSA made by
 - » Review and enhancement of the reputation and brand governance system.
 - » Renewal of architecture and visual system.
 - » Update of reputational risk management matrix and manual.

REPUTATION MANAGEMENT

A study was conducted in the year 2016 with Deloitte & Touche, to poll more than 6,200 persons which are part of the stakeholders of Grupo Empresarial SURA. Topics covered their perception of aspects related to reputation dimensions and attributes determined

The project includes:

- Planning
- External referrals
- Internal analysis and construction of the reputational model
- Polls of stakeholders in diverse countries
- Perception analysis and recommendations

REPUTATIONAL MODEL ATTRIBUTES AND DIMENSIONS



- » Corporate philosophy » Sustainability
- » Coherence

GUIDAÍ, OUR MOTHER

They were worriers of the moon, of the Great Spirit: Guidaí. She guided them in fishing, hunting and planting. They did not establish an empire. The trip was their destination and they gave themselves so it as faithful servants of their goddess: paying homage and gaining her favor was the greatest honor. For the Charrúa there was no other force than the thunder of war to which they gave themselves as one giving more than one has: a shout beyond a shout, furor beyond furor. Being a warrior was not a defense or a conquest: it was a way of looking at the broad valleys and endless plains of the territory that would one day be called Uruguay, the land of beautiful birds. And as a nomadic people, whose home they carried in their stories and their feet, few rituals were as carefully looked after as the cult to mate, ilex paraguariensis: in front of the fire on the road (fire) on an imposing earth vessel (earth), the mate leaves boiled in water taken from the river (water) to give everyone a voice later (air) so that, in the order of their social hierarchy, they could draw out from within them the word that named their being. The small vessel in which mate is drunk today is a tribute to that ancient people, already extent that liked to warm their words so that their soul could become a body and travel.

Country:

Uruguay

Region: Original people: Southern Uruguay (16th century)
Charrúa (extinct population)

Population: 150,000 descendents, approximately

(Uruguay-Brazil-Argentina)

Fabric: Mate vessel

Financial Strengthening

Interactions with affiliates in strategic investments allow Grupo SURA to articulate joint actions to achieve a profitable and sustainable growth, which is exactly one of its strategic objectives.

Within this framework, in 2016 the financial committee continued as a multidisciplinary forum for discussion supporting strategic decision-making and make it possible to delve deeply into relevant issues such as the Business Group. The topics that were on the agenda during the year included the optimization of the capital structure and the coordination to access various sources of funding, identification of opportunities that have to do with operating efficiency, coverage structure, capital allocation, and investment monitoring.

Thus, while Grupo SURA issued bonds in the international market, its affiliate Suramericana focused on getting resources in the local Capital Market. Both issues were successful: in the case of Grupo SURA, bonds were issued in the amount of USD 550 million, with a demand of 5.3 times, and Suramericana issued COP 1 billion (USD 333.25 million) with a demand of 2.27 times.

The resources obtained from the issues were part of the scheme to finance the acquisitions that were formalized in 2016, such as RSA's Inc. by Suramericana, and an increase of 7.3% share by Grupo SURA in SURA Asset Managemet, acquired from General Atlantic. These expansion operations are aligned with the long-term objective which is to take advantage of opportunities in the region, based on the business model being used in Colombia.

Grupo SURA has become consolidated in the region with a portfolio of companies focused on financial and insurance businesses, with leadership positions, that provide a platform for future growth. Today, the Group is operating in countries that are part of its strategic focus and where knowledge of the investments will enable it to optimize and make profitable its regional presence.

These are some of the activities carried out for financial strengthening during 2016:

MACRO FINANCIAL AND INVESTMENT POLICY

The framework financial and investment policy was approved by the boards of directors of Grupo SURA and its affiliates in 2016, thus formalizing the channels and mechanisms for the interaction of the teams.

The objective of that policy is to align criteria for action by Grupo SURA and its affiliates on issues such as investment management, treasury management, investor relations management, and accounting and tax management.

The guidelines contained in this document are based on Grupo SURA's strategic plan and its business management, and provides a vision of the principles that must be followed by all the teams involved with financial and investment management in the companies that make up the Business Group.

The purpose of implementing this policy is to maximize value for the stakeholders and promote the profitability of the companies' financial resources and their investment portfolios, following adequate risk management, to ensure the sustainability of every business.

Optimizing the Group's regional presence is now a priority, based on profitability, innovation, and organic growth. Possible divestments, or specific investments, will be important to the extent that the focus the strategy, contribute with new capabilities, or strengthen the offering of services.

BOND ISSUES

GRUPO SURA

USD 550 MILLION

Bonds in the international market Demand: 5.3 times

SURAMERICANA

COP 1.0 BILLION

In the local capital market

Demand: 2.27 times

Our purpose is to

relationships with the

building trust through

investor community,

transparency and

timeliness in the information provided

to the market.

build long-term

FitchRatings

International investment **BBB** rating, with a stable outlook



International investment **BBB** rating with negative outlook

MONITORING INVESTMENTS

In line with Grupo SURA's corporate role, there are processes and protocols to monitor and follow the operations carried out by the companies that are part of the portfolio. For this purpose, there are business management indicators (operation, profitability, risk, and liquidity) whose objective is to create value for the shareholders and other stakeholders.

INVESTOR RELATIONS

Grupo SURA maintains its objective of establishing long-term relationships with the investor community, building trust based on transparency and timeliness of the information provided to the market. Two-way communications, participation venues, and meetings with investors have become relevant for a feedback and on-going training that reinforce the ties with group of stakeholders.

Continuous improvement of reports sent to the market moved forward in 2016. Currently, the results of the affiliate SURA Asset Management are published under its own management structure. This makes it possible to see in a clearly and independent manner the contribution and performance of each business line. For the other affiliate, the business Suramericana, the results of the businesses acquired in the six Latin American countries were included in the statement of results, in an attempt to provide more clarity on the impact of the new operations.

With respect to relations with shareholders and investors, in 2016 Grupo SURA carried out the following activities that allow the company to provide clear, timely, and consistent information from all levels in the organization:

Grupo SURA Investor's Day

We held the 4th version of Investor's Day, intended to share relevant aspects of the evolution, the strategy, and the performance of Grupo Empresarial SURA in the countries where we are present.

With presentations by David Bojanini, president of Grupo SURA; Ricardo Jaramillo, Grupo SURA's vice president of corporate finance, Gonzalo Alberto Pérez, president of Suramericana, and Ignacio Calle, president of SURA Asset Management, the event encouraged discussions about the challenges and strategic opportunities for the Business Group. There was also an exercise on the business footprint that supports the expansion in the region. The proceedings for that event can be found in the webpage: gruposura.com

Meetings with investors:

As in previous years, in 2016 Grupo SURA continued with a dynamic agenda of participation in events and conferences of significance for the markets. The team led by the corporate finance vice presidency participated in 8 conferences, a non-deal road show about the \$550 million bond issue, where meetings were held with over 300 investors and analysts from the United States, Europe, Latin America, and Asia. This helps increase the company's exposure to international markets.

It is also important to mention the significance of Grupo SURA's shares in local and global indicators such as COLCAP, COLEQTY, COLIR, MSCI, FTSE and DJSI, among others.

The investor relations area has strengthened its role and increased its exposure due in a large extent to the over 850 international funds that are currently investing in the Company. It should be noted that those funds achieved 21.8% share in the company and this leads to better pricing and higher liquidity for Grupo SURA's shares.

Lastly, in 2016 the Colombian stock exchange (Bolsa de Valores de Colombia) awarded Grupo SURA, for the for the fourth year in a row, the recognition for following the best practices in reporting information to the market. Those practices continue to reinforce the company's transparency and corporate governance.

Quarterly conferences:

In these meetings, which took place four times during 2016, the Administration, led by top management, provided up-to-date information and the market's concerns about financial results, evolution of the strategy, trends, and projects on which the company is currently working.

During 2016 Grupo SURA continued to improve the mechanisms for disseminating the information, and consolidated a more complete reporting structure that enabled analysts and investors to improve their knowledge of the company. This continuous improvement process continues as a key purpose for 2017.

Grupo SURA has the following communication tools to be in contact with the market and with the stakeholders in general. This is in addition to the legal information that is published in the Colombian Financial Superintendency of Colombia.



Complete and up-to-date information on the company and its development can be found here, both in English and in Spanish. It is also possible to carry out permanent follow-up on the behavior of, and preferential shares in Grupo SURA, query personalized information for shareholders, and find the most significant activities and events scheduled during the year.





Through this application for tablets of smartphones, stakeholder can also stay connected and receive the latest



about the organization's progress and results during the year.



This is a toll-free telephone number where you can get information and answers to general questions about the company. It is open Monday through Friday from 7:30 a.m. to 5:00 p.m.



Here, shareholders can get answers to their questions about the shares, such as payment of dividends, and certificates, among others.



Here, shareholders can find answers to their concerns through the network of offices of Fiduciaria Bancolombia,



Here, institutional investors or market intermediaries

FINANCIAL STRENGTHENING »

- ADVANCES IN 2016 " Approval of the Macro Financial and Investment Policy by the Boards of Directors of Grupo SURA and its affiliates, thus formalizing the channels and mechanisms for the interaction of the work teams.
 - » Increased company exposure to international markets, thanks to improved management of investor relations.

- CHALLENGES FOR 2017 * Define, together with Suramericana, the structure that best reflects the performance of the operations, and that can include the recent acquisitions under the same standards.
 - » Continue with the efforts to build close relationships with the shareholders by providing them with information and using their questions as inputs for decision-making.

REBORN FROM BETWEEN THE HANDS

In 1932, Nahuat Pipil people - turned peasant and farmer during the colonization era - rose for the first time searching for its freedom from the administration of Maximiliano Hernández Martínez; at that time, over 30,000 aborigines died, massacred: the survivors were repressed and silenced, forced by fear to abandon what they were. Only now, like in the municipality of Nahuizalco, has there been a gradual recovery of their history and culture, the same that eight hundred years ago shone imposingly in the Lordship of Cuzcatlán, Tajtzinkayu Kuskatan, when, because of their corn and cocoa crops, their organized society, and it rich mythology, it was the largest indigenous people in what is currently known as El Salvador. It is the women who, digging in their memory and focusing on the body to remember, are slowly rebuilding the artisanal past of their blankets, skirts, and colorful and flowery shawls that, much earlier, sang of joy to drive away disease, and told of their lives and those of their gods as one more writing in the book of the world, ready to be read in nature and the sky. It is a people that almost disappeared but whose fire struggles to continue burning, to be reborn from the hands of its artisans, not to be the same, but rather to continue along their other paths, the paths that still await them.

Country: El Salvador

Region: Lordship of Cuzcatlán (bloomed in 1200,

center-west of the county)

Original people: Nahuat Pipil
Population: Uncertain

Fabrics: Blankets, skirts, and shawls

Human Talent

HUMAN TALENT »

reating value and trust and, in general, the factors that make up the corporate strategy, come alive the companies' human talent. It is people make organizations different from one another. People have been the seal that makes Grupo Empresarial SURA special everywhere it is present.

Having capable, motivated people with business knowledge, who act based on corporate principles, is a priority for the companies that make up this organization. They are committed to creating spaces to benefit diversity, human development, idea generation, participation, and well-being for those who make up the teams and allowing them to have long-term projections to achieve a sustainable organization.

These are the key aspects of the human talent management strategy at Grupo Empresarial SURA:

Company culture:

Changes in the environment are translated into your challenges that need the ability to adapt to keep on being relevant. In this context, diversity and multiculturalism become strengths, as well as the fact that we have a business culture based on principles that encourage decision-making that is timely and consistent with corporate philosophy.

Talent development:

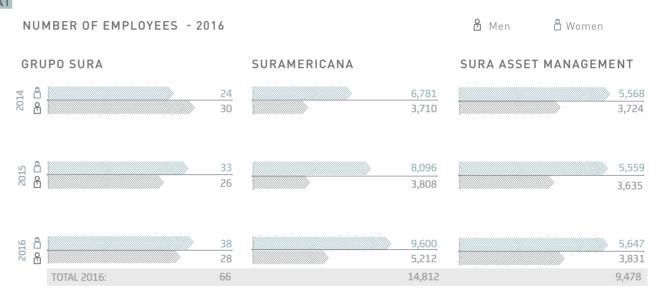
Business dynamics and internationalization as key ingredients, demand new competencies and tools to strengthen the members of the work teams. Training and development programs are based on broad and global outlooks that make it possible to adopt new organizational capabilities, consistent with long-term thinking. In addition, development and succession plans are found in each organization and across the entire business group.

Talent loyalty programs:

A corporate culture based on principles, and an environment that encourages development for people's development, provides a place for employees to develop their long-term life plans in our companies. There are systematic measurements of culture and work environment and this makes it possible to introduce initiatives to feed the employees' development programs.

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G4-10 HUMAN TALENT AND FIGURES G4-LA1



NUMBER OF EMPLOYEES BY TYPE OF CONTRACT - GRUPO EMPRESARIAL SURA 2016

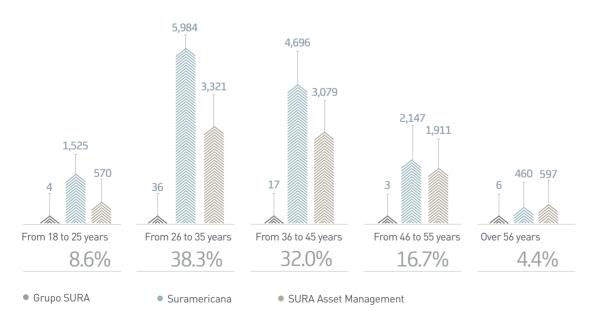
TYPE OF CONTRACT	GRUPO SURA	SURAMERICANA	SURA ASSET MANAGEMENT	TOTAL	PERCENTAGE
Fixed term	1	610	973	1,584	6.3%
Indefinite term	64	14,202	8,505	22,771	90.8%
Apprenticeship	1	478	173	652	2.6%
Internship	0	76	0	76	0.3%
Total	66	15,366	9,651	25,083	100.0%

NUMBER OF EMPLOYEES BY LEVEL - 2016

LEVEL CLASSIFICATION	GRUPO SURA	SURAMERICANA	SURA ASSET MANAGEMENT	TOTAL	PERCENTAGE
Level 1: corporate CEO, local CEO, and corporate vice president	3	18	15	36	0.1%
Level 2: local vice president, Auditor	1	49	52	102	0.4%
Level 3: manager, assistant manager	10	256	161	427	1.7%
Level 4: Assistant manager, office manager, manager, director, assistant director	11	782	204	997	4.0%
Level 5: chief, specialist, supervisor, coordinator	9	828	948	1,785	7.1%
Level 6: analyst	17	7,528	4,683	12,228	48.8%
Level 7: assistant	13	5,321	3,415	8,749	34.9%
Level 8: apprentices and operators	2	584	173*	759	3.0%
TOTAL	66	15,366	9,651	25,083	100%

^{*}Includes students with learning contract

NUMBER OF EMPLOYEES BY AGE RANGE - 2016



NUMBER OF EMPLOYEES BY SENIORITY RANGE - 2016

SURA						
SENIORITY	GRUPO SURA	SURAMERICANA	ASSET MANAGEMENT	TOTAL	PERCENTAGI	
Less than one year	0	2,559	2,590	5,149	21.1%	
From 1 to 5 years	36	6,293	2,849	9,178	37.7%	
From 6 to 10 years	17	3,327	1,659	5,003	20.5%	
From 11 to 20 years	7	1,873	1,938	3,818	15.7%	
Over 20 years	6	760	442	1,208	5.0%	
Total	66	14,812	9,478*	24,356	100.0%	

^{*} Does not include apprentices

NUMBER OF MATERNITY AND PATERNITY LEAVES OF ABSENCE GRANTED TO EMPLOYEES - 2016

	2015		
Grupo SURA	2 leaves of absence	2 leaves of absence	
Suramericana	381 leaves of absence	1,045 leaves of absence	
SURA Asset Management	325 days for paternity and 23,842 days for maternity	221 leaves of absence	

OUTSTANDING PRACTICES

Technology at the service of human talent

To create organizational capability among leaders for talent management, the companies in Grupo Empresarial SURA have found the tool Success Factors to be an important piece of support. This platform enables more fluid communications and responses to a company, find out and support the employees' needs.

DISABLED EMPLOYEES >>

Suramericana

▲ 57

SURA Asset Management

Human talent development 2016

Suramericana >>

USD 3 million

SURA Asset Management » USD 3 million

Grupo SURA »

USD 0.2 million

EMPLOYEES COVERED

by agreement/convention in Suramericana

2,553

EMPLOYEES COVERED

by agreement/convention in SURA Asset Management

388

NUMBER OF UNIONIZED EMPLOYEES

SURA Asset Management (Colombia, Chile, Uruguay)

667

Leadership training

Because the companies are aware of the key role that leaders play in building and mobilizing the corporate culture, they pay special attention to developing programs and tools to take advantage of their competencies and achieve their proposed goals, while supporting others in their development process.

Working environment and commitment

Because it is convinced that companies must be places for well-being and development, Grupo SURA carries out regular measurements of the work environment and workforce commitment to develop strategies for strengthening the employees' leadership, interpersonal relations, and working conditions.

Compensation and benefits

To respond to the challenge of being multi-Latin, the companies are constantly asking about the competitiveness and the benefits they offer compared to the market. Thus, in addition to working on having competitive salaries and the best level of equality, the companies develop benefits that help employees achieve well-being and peace of mind during their work lives.

G4-FC5 MINIMUM WAGE BY COUNTRY VS. MINIMUM WAGE BY COMPANY

COUNTRY	GRUPO SURA		SURA ASSET MANAGEMENT		SURAMERICANA	
	Minimum country wage (USD)	Minimum company wage (USD)	Minimum country wage (USD)	Minimum company wage (USD)	Minimum country wage (USD)	Minimum company wage (USD)
Mexico	-	-	117	117	117	299
Peru	-	-	252	356	-	-
Colombia 2	226	450	226	226 ¹	- 226	226
	226	459	226	524.93²		
Chile	-	-	390	390	390	395
El Salvador	-	-	252	252	252	300
Uruguay	-	-	407	825.69	407	1,027
Argentina	-	-	-	-	512	1,439
Panama	-	-	-	-	568	600
Dominican Republic	-	-	-	-	279	298
Brasil	-	-	-	-	252	425

¹ Protección

HUMAN TALENT »

- ADVANCES IN 2016 » Strengthening Grupo SURA's structure by creating an area specially devoted to the strategic management of human talent, and another area to managing projects and new
 - » Consolidation of the High Potential Talent Program.

- CHALLENGES FOR 2017 » Consolidate corporate culture based on diversity and exchange in the
 - » Build organizational capabilities to ensure sustainability.
 - » Adopt a corporate culture that facilitates client and company development, and achievement of results.
 - » Consolidate SURA as an employer brand, making it possible to attract and preserve human talent.
 - » Strengthening talent continuity plans by determining succession

² Sura Asset Management

^{*}Rate of exchange COP/USD 3,050.98



The global development agenda invites us to have a holistic view of the environment, to recognize the challenges that affect the future of societies – and companies – and to make decisions that respond to the purpose of continued

relevance over time.

or Grupo SURA, the commitment to sustainable development is the axis that articulates the strategic direction. This is why it is important to adopt voluntary standards that make it possible to move towards consolidating the best economic, environmental, and social practices.

A methodology was designed in 2016 to map the risks and impacts that the companies might face in the area of Human Rights

Adhering to the United Nations Global Pact drives the organization to include practices that lead to respect for human rights, work standards, the environment, and transparency. Furthermore, the Sustainable Development Objectives established a map to which Grupo SURA is committed, from managing its business, participating in social development projects, and for its impact on public dynamics.

In 2016, in addition to continuing with the initiatives that had been running with respect to supplier management, human talent, corporate governance, the environment, and responsible investment, the company designed a methodology to map the risks and impacts that the companies might face in the area of human rights. This tool will make it possible to identify the processes that have the greatest exposure, and to define controls and mechanisms to mitigate them in the Business Group SURA

Furthermore, progress is being made in the consolidation of nonfinancial public information, which is the input that allows stakeholders, especially investors, to analyze the Companies and apply due diligence to our operations.

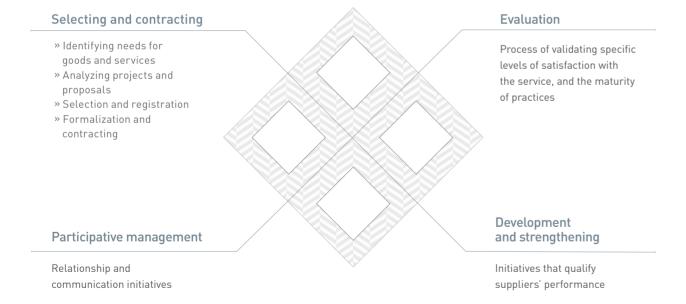
Act today thinking about tomorrow

G4-12

Doing business requires a chain of suppliers that responds to the challenges posed by competitiveness in a global context. A relationship of mutual knowledge and growth is necessary.

One of the aims as a Business Group is to build relationships of trust with suppliers. Working together not only makes it possible to achieve better results but also to adopt good practices within a framework of transparency, risk management, and long-term relations.

«SUPPLIER MANAGEMENT MODEL»

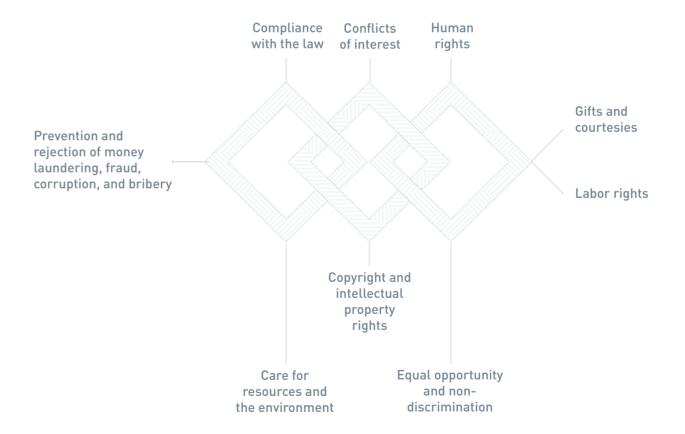


Grupo SURA has defined a normative framework for relating to suppliers that makes it possible to determine a shared vision vis-a-vis these stakeholders, and to have a positive impact on Latin America's business development. The framework includes the following aspects:

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- » Corporate principles
- » Code of conduct for suppliers
- » Supplier and purchasing management policy
- » Anti-fraud and anticorruption policy

«COMPONENTS OF THE CODE OF CONDUCT FOR SUPPLIERS»



17,700

suppliers were trained in Colombia, Chile, Dominican Republic, and Peru

97.28% of all purchases were from domestic suppliers

IN NUMBERS

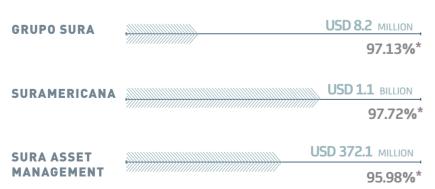
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These figures represent the operation in the ten countries where SURA is present:

	2015	2016	VARIATION %	DOMESTIC SUPPLIERS*	INDIVIDUALS**	CORPORA- TIONS***
Grupo SURA	321	374	16.51%	94.92%	16.58%	83.42%
Suramericana	22,012	28,181	28.03%	99.02%	52.72%	47.28%
SURA Asset Management	5,653	7,024	24.25%	96.16%	26.30%	73.70%
Total	27,986	35,579	27.13%	98.41%	47.12%	52.88%

^{*} This percentage is used to determine the impact on the economy of buying from domestic suppliers in each country.

TOTAL AMOUNT PAID TO SUPPLIERS



^{*}Percent of purchases from domestic suppliers

TOTAL AMOUNT PAID

USD 1.48

BILLION

for the purchase of products and services in the ten countries, including domestic and international suppliers

MAJOR ACHIEVEMENTS

Working under the supplier management model, forward with several initiatives managed by Suramericana and SURA Asset Management, including:

Specific clauses in the contract wording

Inclusion of contractual clauses about safety standards, working conditions, environment, human rights, transparency, etc.

Dialogue with suppliers and negotiators

Suramericana held

the First

National

Meeting

Negotiators

with the participation

of 150 employees

» During 2016, Suramericana and

SURA Asset Management assigned close to 2,270 hours to train 17,700 suppliers in Colombia, Dominican Republic, Chile, and Peru, with an investment in excess of USD 308,000. Among the most significant topics discussed were occupational health and safety, sub-contracting law, legal updates, customer service, traffic prevention and

safety, management of prevalent diseases, intervention in risks, social security, and organizational development.

- First Auto Supplier Meeting (Primer Encuentro de Proveedores de Autos) in the Dominican Republic, using environmental management, and occupational health and safety as the main topics. There was also an ASG diagnosis for thirteen companies with which a technical training plan was established as a result of the evaluation.
- Suramericana held the First National Negotiators Meeting (Encuentro Nacional de Negociadores) in Colombia, in which 150 employees participated, intended to develop skill for establishing business relations with suppliers.

^{**}Individuals are suppliers who provide goods and services as individuals.

^{***} Corporations are suppliers that are organizations established to carry out an economic, social, or commercial activity.

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Risk evaluation

SURA Asset Management worked during 2016 to implement a new methodology to classify and manage supplier risk, and was able to standardize the metrics and concepts in the affiliates.

The purpose of the methodology is to classify services and products received from suppliers to develop an efficient strategy form managing risk in the supply chain, defining three levels of criticality for suppliers:

- » A critical supplier is the one that affects the operation of the busi-
- » A strategic supplier is an ally that contributes toward the objectives of the business process
- » A general supplier is the one that provides support to everyday activities that do not have a significant impact on the business

The following aspects are taken into consideration when evaluating risks:

- >> Legal and compliance risks
- » Operating risks
- » Information security risks
- Business continuity risks
- Social responsibility risks

Managing indicators

There were 20 basic indicators defined between 2015 and 2016 for managing suppliers, to be used as inputs when setting goals and identifying regional advances. This information is monitored by the Risk Committee of Grupo SURA's Board of Directors. The first measurement for these indicators was carried out in 2016 in various countries, and the expectation for 2018 is to have information and consolidated practices for 60% of the indicators, integrating at lese 85% of the affiliated and subsidiary companies.

THERE WERE

20 basic indicators defined between 2015 and 2016 for managing suppliers

ENVIRONMENTAL MANAGEMENT » The 2016 Global Risk Report presented during the World Economic Forum points out how environmental, geopolitical, social, and economic phenomena represent high impact risks that affect people, institutions, and economies.

> It is likely that global warming will raise the temperature by 1° C compared to the average during the pre-industrial era, while 25 million people —a number bigger than the population of Chile, Uruguay, or El Salvador— can be classified as environmental refugees, according to the United Nations Agency for Refugees. This number could double in a few years because no territory on the planet is exempt. Therefore, the lack of mitigation and adaptation to climate change is considered as potentially the highest impact risk, and the third most probable, together with the water crisis. In this context, action by companies is of the utmost importance to mitigate these impacts.

GRUPO SURA'S ENVIRONMENTAL COMMITMENT

Promote the adoption of practices that help the environment, compliance with regulatory provisions, and the adoption of the principle of caution.

Carry out regular analysis of the environmental performance of strategic investments.

Adopt environmental criteria in the supplier selection processes, and in the activities associated with the operation.

Consider environmental aspects and impacts when analyzing projects for investment and business development.

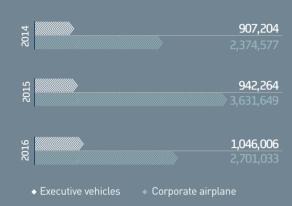
create spaces for dissemination and knowledge to strengthen the culture of caring for the resources.

Participate in alliances focused on research, development, and use of technologies that protect and care for the environment.

-8%

G4-EN3 GRUPO SURA

ENERGY CONSUMPTION 2016



G4-EN8 WATER CONSUMPTION 2016 (M3)



PAPER CONSUMPTION

variation 41%



ECHO EFFICIENCY

Energy consumption

Energy consumption at Grupo SURA can be direct, derived from burning fuel for use in the company's own vehicles and the corporate airplane, or indirect, associated with the purchase of energy from the national interconnected system through any of its operators.

Water consumption

A 35% decrease in water consumption is the result of the efforts put into teaching employees about the efficient use of this resource, within the context of the El Niño phenomenon in Colombia.

Paper consumption

The paper used in most operations comes from forest plantations that have FSC (Forest Stewardship Council (TM) certification, or is paper made out of sugarcane the manufacturing of which uses agroindustry waste as input.

Carbon footprint

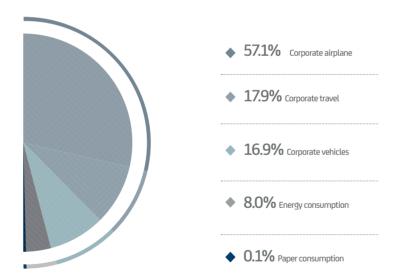
Grupo SURA measures the CO2 emissions resulting from its business activities. In addition, there are eco-efficiency (reduction of energy use, and waste reutilization) and education projects to minimize environmental impacts. Another objective of this strategy is to have this practice adopted by every affiliate and subsidiary. One of the objectives is to standardize measurements to be able to compare countries and companies and also to establish corporate reduction goals.

This calculation is performed using the emission factors provided by the Colombian Mining and Energy Planning Unit (Unidad de Planeación Minero Energética – UPME3) and the Greenhouse Gas–GHG Protocol 4. The purpose of this measurement is to create strategies to reduce the impact of the company' operations on climate change.

The carbon footprint is measured using 3 scopes:

- >> Scope 1: emissions produced by direct energy sources owned or controlled by Grupo SURA.
- **>> Scope 2:** indirect emissions resulting from the purchase of energy from the national interconnected system (Sistema Interconectado Nacional).
- » Scope 3: indirect emissions, including the emissions by suppliers, clients, and other actors found during the lifecycle of the services provided.

«Carbon footprint Grupo SURA 2016»



During 2016, the carbon footprint was reduced by 8% as a result of reducing the use of electricity by 20%, and the decreased number of flight hours of the corporate airplane.

G4-EN15 G4-EN16 G4-EN17

CARBON FOOTPRINT

GRUPO SURA	(Ton CO ₂ e)
2014	
Scope 1 »	237.48
Scope 2 »	42.7
Scope 3 »	63.75

7		1
	U	щ

2015	
Scope 1 »	329.89
Scope 2 »	49.6
Scope 3 »	74.08
2016	
Scope 1 »	310.42
Scope 1 » Scope 2 »	310.42 33.73

1/49

IN THE CASE OF OUR SUBSIDIARIES

G4-EN8 WATER COLLECTION

Suramericana Colombia



184,620 2016 (m3)



165,393 2015 (m3)



CONSUMPTION **GOALS 2016**

1/48

CONSUMPTION 207,535 (m3) 220,887(m3)

Suramericana

G4-EN3 Energy consumption

- » In Colombia, energy consumption was kept 3.5% below forecast, in part due to the use of LED lighting in the new offices, and to the education campaigns.
- » In Mexico, individual work station lamps were reduced, and in the transit stations motion detectors were installed. This reduced energy consumption by 53,308 kWh, for a savings of USD 4,000.
- The Argentinian team moved to a building with LEED Gold certification that has solar panels, LED lighting, smart elevators, and automatic light shut off. This achieved 30% to 50% reduction in energy consumption.

Waste management

The National Salvage Center (Centro Nacional de Salvamentos -CNS), has implemented practices intended to maximize the resources obtained from the vehicles that come to the center. This includes getting qualified suppliers who repurpose and make final disposal of waste products such as metal, rubber, plastic, fuel, electronics, and other hazardous waste. Their repurposing indicator is 93% compared to the European Community's requirement of 85%.

Carbon footprint

It is important to highlight the work carried out by the national salvage center with respect to carbon emissions because, thanks to the recovery and sale of vehicles and parts, the emission of 26,260 tons of CO2 per year is avoided, considering the energy required to produce a new vehicle. This is the equivalent of planting 16,029 trees.

G4-EN15 G4-EN16

G4-EN17

CARBON FOOTPRINT SURAMERICANA

2014 (Ton CO ₂ e)		2015 (Ton CC	O ₂ e)	2016 (Ton CC	2016 (Ton CO ₂ e)	
Scope 1 »	1,158.49	Scope 1 »	1,168.59	Scope 1 »	1,588.30	
Scope 2 »	4,700.85	Scope 2 »	6,108.69	Scope 2 »	5,178.93	
Scope 3 »	2,186.83	Scope3 »	2,527.29	Scope 3 »	2,901.00	
					%	

SURA Asset Management

During 2016 advances continued in measuring and reducing resource consumption, and the company is considering expanding the efforts and the use of fossil fuels in the region. The commitment is to continue with the efforts made in viable energy projects, infrastructure that uses fewer resources, and produces a low environmental impact.

The following actions have been implemented in Peru to reduce the carbon footprint:

- Carpooling
- Appropriate installation of LED lights (suggested by the analysis carried out by the Carbon Trust) and installation of "cool carpets" that have an emission reduction certification from the GEI.
- » Strict control on the use of paper and prints (every employee has a monthly quota for prints and photocopies).
- » Posting educational signs in meeting rooms about the use of lights and air conditioning
- » Participation in Earth hour.

Carbon bonds were purchased from the REDD+ Tambopata project in the department of Madre de Dios. These bonds have the international certification as Verified Carbon Standard and the Climate, Community & Biodiversity certificate, both issued since 2010. The project implements activities from the REDD strategy among the population dedicated to socially responsible artisanal mining, sustainable use of the fruits of the palm trees, forest management, use of forest resources for timber, and eco-tourism.

Furthermore, applying Grupo Empresarial SURA's responsible investment policy, SURA Asset Management made a number of investments in wind farms and certified green bonds, and in Uruguay the company financed the Valentines windfarm through an issue of shares together with the UTE. This windfarm is operational and produces 70 MWh of power.

In Chile, the BGF New Energy Fund (BlackRock) invests globally at least 70% of its global assets in common shares of companies involved with new energy sources, that is, companies involved in the development of alternative technologies and energies, including renewable energy technology, renewable energy developers, alternative fuels, energy efficiency, facilitation of energy supply, and infrastructure.

it provides a complete environmental dissemination program with information about climate change, water, and forests, among others, and thus becomes a reference for making decisions about investments

INTERINSTITUTIONAL PARTICIPATION

Grupo SURA, its affiliates and subsidiaries participated during 2016 in the following fora for interinstitutional management with respect to environmental issues:

- Workshop on the low carbon development strategy led by the national planning department (Departamento Nacional de Planeación) and the Ministry of the environment (Ministerio de Medio Ambiente) of Colombia.
- » Regional environmental committee of the national Association of industrialists (Asociación Nacional de Industriales - ANDI) in Antioquia.
- >> Workshop on Design Thinking for healthy cities in Cycle 7 2016.
- Low Carbon Cities World Forum.
- » Colombian business Council for sustainable development (Consejo Empresarial Colombiano para el Desarrollo Sustentable CECODES, the Colombian affiliate of the World Business Council for Sustainable Development (Consejo Empresarial Mundial para el Desarrollo Sostenible).
- Principles for sustainability insurance, promoted by the financial initiative of the United Nations Program for the Environment, through the adhesion of Suramericana.
- Peru 2021, global network of the world business Council for Sustainable Development.

CDP

Grupo SURA is part of the CDP – Driving Sustainable Economies, an international nonprofit organization created in 2000 that gathers 722 investors who have close to USD 87 trillion in managed assets, and provides a complete environmental dissemination system with information about climate change, water, and forests, among others. This is a reference for the market in making decisions about investment. CDP's main input is an annual questionnaire filled out by over 5000 companies, and it issues its rating on two dimensions: companies' and their implementation of strategies to minimize the impacts of climate change, and the transparency vis-à-vis the stakeholders when they provide information about these actions.

The rating earned by Grupo SURA was B Management, the second level below Leadership and above Awareness and Disclosure. This means that the company is managing its impacts appropriately.

ENVIRONMENTAL TRAINING AND DISSEMINATION

- Surpo SURA implemented strategies to create awareness about the quality of air in Medellin, Colombia, because of the environmental contingency that took place during the first part of 2016, where the quality of water deteriorated with the presence of high levels of particulate matter harmful to human health. In addition, there were education campaigns about saving water and energy in order to mitigate the negative effects of the El Niño phenomenon. The investment in these campaigns was USD 3,278.
- Suramericana defined its commitment to safe and sustainable mobility which recognizes the impact of this phenomenon on people's well-being, business competitiveness, and the development of healthy cities.
- SSeguros SURA República Dominicana invested USD 11,472 to develop its environmental strategy.
- SURA Asset Management Mexico saved around USD 113,000 by reducing paper consumption when it implemented online account statements. Through a digital transformation, manual processes were migrated to digital, thus reducing the carbon footprint in the operations area, and it is estimated that the savings in 2017 will be USD 150,000.

MANAGING INDICATORS

Thirty-two basic indicators for environmental management were defined between 2015 and 2016, as an input to identify progress and to establish regional goals. This information is monitored by Grupo SURA's Board of Directors' Risk Committee.

The first measurement of these indicators took place in 2016 in the various countries, and it is expected that by 2018 the information and practices for 60% of the indicators will be consolidated, including at least 85% of the affiliates and subsidiaries.

In Suramericana, as a consequence of integrating the operations in new countries, including the regulatory frameworks for environmental issues in those territories and their cultural context, there is no comparable information on environmental issues.



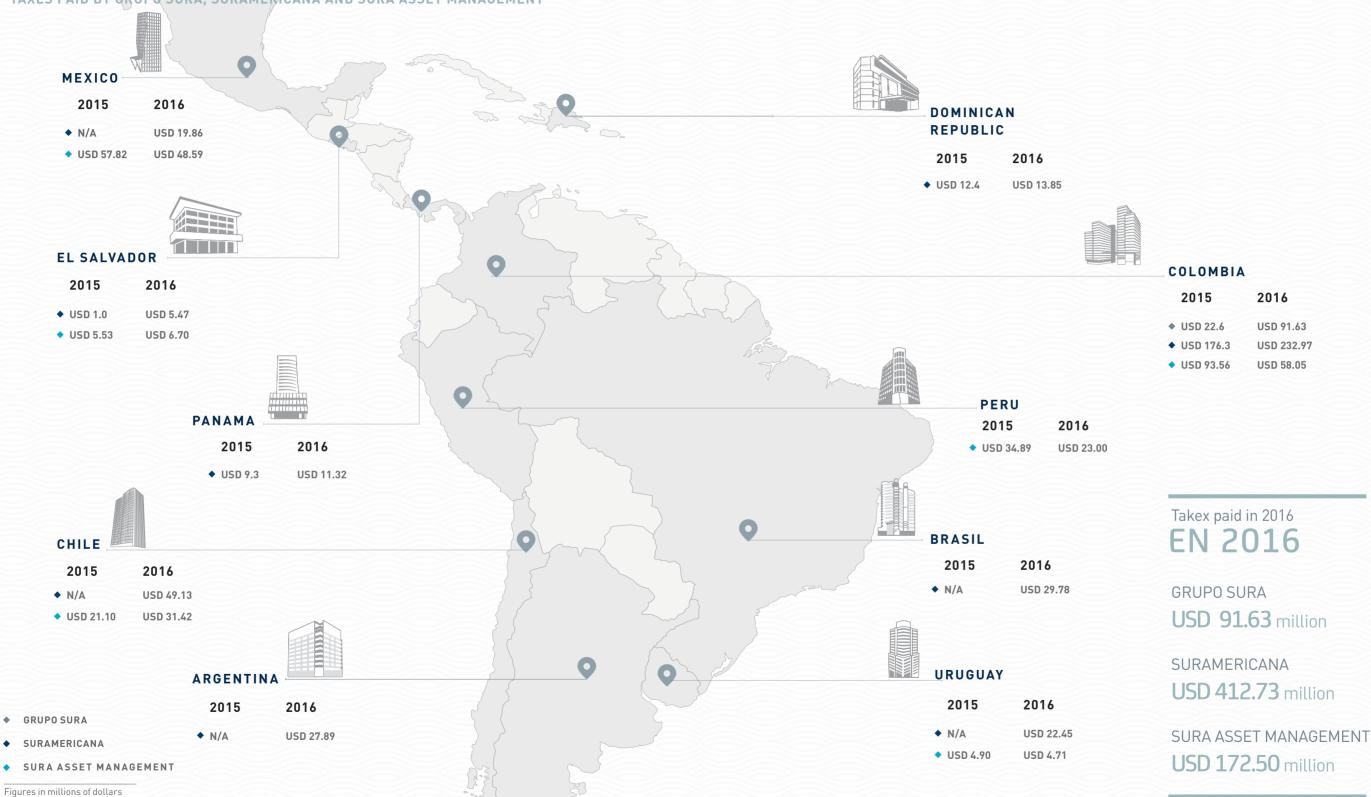
2016

USD 91.63

USD 232.97

USD 58.05

TAXES PAID BY GRUPO SURA, SURAMERICANA AND SURA ASSET MANAGEMENT



Grupo SURA

participates in

Grupo SURA, committed to sustainable development, includes environmental, social, and good governance, in addition to financial, components in its investment decisions.

Although including ESG criteria has focused on managing the companies' investments, the business areas have also looked into and developed new products and services that employ responsible investment practices. This is the case of the specialized areas that explore emerging trends in the environment, and the funds that include environmental, social, and corporate governance issues in their investment policies, in alignment with the best international practices and standards.

In addition, in the countries where they are present, the companies participate in various spaces and activities to promote responsible investment by the financial services industry. This is why Grupo SURA supports LatinSIF, a regional initiative that consists of Latin American organizations whose objective is to promote responsible investment in the region by developing capabilities and tools to analyze and manage investments.

Currently, Grupo SURA, Suramericana and SURA Asset Management, in view of the guidelines of the Responsible Investment Policy for the Business Group, continues to strengthen their investment analysis processes. Specifically, during 2016 the companies worked on evaluation tools to analyze investments according to their specific characteristics, the sector, and the geography where they are located, thus considering the environmental, social, and corporate governance factors for each.

The challenge for the companies is still improving knowledge about environmental and social issues, and developing and applying their own models to analyze investments, trying to maintain high standards, especially for managing their own and third-party assets by applying ESG principles and criteria.

SOCIAL MANAGEMENT »

GRUPO SURA AND

participate in initiatives that

promote the development

individual capabilities that

impact people's quality

and the competitiveness

of life and wellbeing,

of organizations and

countries.

ITS AFFILIATES

of organizational and

G4-15 G4-S01 Developing capabilities makes it possible for people and organizations take ownership of the knowledge, participate actively in the transformation processes, strengthen institutions, and develop visionary leadership

This is the way we build favorable environments for everyone.

The Business Group SURA recognizes its influence on the development of the countries where it is present. Beyond the economic impact of its activities, it is a matter of exerting influence on the public dynamics and in the social transformation processes in the territories. The Group recognizes that the social context impacts the companies' viability and sustainability.

Within the framework of its corporate responsibility strategy, Grupo SURA and its affiliates participate in initiatives to promote the development of organizational and individual capabilities, both through Fundación SURA and through direct investment by the companies.

Social investment criteria

- » Independence from business interests
- » Articulation of inter-sector alliances
- » Actions in context
- » Social innovation initiatives
- » Impact on public dynamics
- » Knowledge creation
- » Project oriented management
- » Balanced communications

Mechanisms for social investment

- » Social development initiatives
- Corporate volunteer work
- » Business initiatives with social projection
- Participation in boards of directors of social entities
- Strengthening democracy

RUPO SURA

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MAIN SOCIAL INVESTMENT FIGURES 2016 »

SOCIAL INVESTMENT COP 37,420 million

(USD 12.47 million)

Including the contributions from Fundación SURA, the corporate volunteer work and the business' initiatives that have a social projection

Social investment in 10 countries

CORPORATE VOLUNTEER WORK»

INVESTMENT »

COP 1,218 million

(USD 406,000)

VOLUNTEERS»

30% families and referrals)

TOTAL VOLUNTEER HOURS »

52,747

OTHER BUSINESS INITIATIVES WITH SOCIAL PROJECTION »

COP 10,600 million (USD 3.53 million)

invested directly by the companies with an impact on social development

FUNDACIÓN SURA »

INVESTMENT»

COP 16,786 (USD 5.59 million)

in Colombia, Panama, El Salvador and Dominican Republic

BENEFICIARIES

INVESTMENT BY THE FOUNDATION **OVER THE PAST 10 YEARS**

[USD 36.6 million]

Alliances with close to institutions

SOCIAL DEVELOPMENT INITIATIVES

In Colombia

Fundación SURA, created in 1971, channels the contributions made by Grupo SURA, Suramericana and SURA Asset Management, to promote people's quality of life through interinstitutional contributions and the corporate volunteer program.

- Total investment: COP 13,011 million [USD 4.33 million] in Colombia
- Alliances with a 7 institutions to develop 90 initiatives with a presence in 25 departments around Colombia.
- » More than 160,000 direct beneficiaries, and close to 896,000 indirect beneficiaries.
- Contributions by the companies that belong to the business group to Fundación SURA: COP 13,900 million (USD 4.6 million)

FÉLIX Y SUSANA

This is an education program for community living that helps strengthen relations between children, family and school, by developing teachers' skills to leverage the affection and communication as facilitators in the education process.

Achievements:

- » 221 schools received assistance to evaluate and rate their institutional development, leadership, knowledge, and relationship skills, and to define institutional agreements for the program's sustainability.
- 182 significant experiences by basic elementary teachers about preventing sexual abuse, coexistence at school, child-rearing practices, good treatment, and promotion of protective environments.
- The program was selected as one of the 3 finalists for the innovators of America (Innovadores de Amperica) in the Education category.

INVESTMENT IN "FELIX Y SUSANA" - 2016 >>

COP 2,453 million

(USD 817,400)

PRESENCE IN COLOMBIA >>

9 departments

- » Atlántico

- » San Andrés y Providencia
- » Valle del Cauca

47 municipalities 221 schools

BENEFICIARIES»

2,800 teachers

82.350 boys and girls 15.000 families

NUAL REPORT 2016

GRUPO SURA

150

PRINCIPALS AS TRANSFORMATIONAL LEADERS

INVESTMENT»

COP 2,000 million

COVERAGE »

11 departments

BENEFICIARIES»

1,996 school administrators

BECA NICANOR RESTREPO SANTAMARIA

The program provides the opportunity to obtain a graduate or undergraduate degree in social, economic or human sciences from universities accredited in Colombia, and pays tuition and part of the living expenses, depending on the student's socioeconomic status.

In 2016, the scholarship made to invitations through which 3,537 people participated in a process that included an evaluation of socioeconomic and academic criteria. Eleven students received scholarships, 6 for undergraduate and 5 for graduate courses.

INDIGENOUS ANCESTRAL WISDOM

The purpose of this initiative is to help know the indigenous people of Colombia and recognize the multitude of cultures in the territory so that the indigenous people can be valued ethically and aesthetically, starting from the early years, as a key component for social and cultural development. This pedagogical proposal includes developing three teaching guides to assist teachers of basic and intermediate education, plus the free use of four digital applications available through the virtual stores.

The pilot implementation of the teaching guides was carried out in 2016 in an alliance with Fundación Escuela Nueva, and this initiative became an intercultural education proposal for coexistence within the territory.

PRINCIPALS AS TRANSFORMATIONAL LEADERS

This program is led by Empresarios por la Educación (business leaders were education) to assist teachers in management positions at government schools in improving their skills as pedagogical, administrative, and community leaders so they can provide transformational leadership that produces a positive impact on the students' lessons, and on the peaceful coexistence in schools.

During 2016, progress was made in articulating the program Todos a Aprender, from the National Ministry of Education in 5 territorial institutions, and helped improve 11 teams from education secretariats. The school leadership network (Red de Liderazgo Escolar) was strengthened. This is a virtual forum created

MEMORY AND CREATIVITY THE INDIGENOUS ENTERPRISE

INVESTMENT »

COP 1,060 million (USD 353,250)

PRESENCE »
11 departments
11 municipalities

BENEFICIARIES»

199 artisans and their families

to enrich learning and exchange experiences among the directors. Finally, the second phase of the evaluation of the program's impact was carried out in an alliance with Universidad de los Andes.

This initiative is intended to improve living conditions for the indigenous communities by evaluating and strengthening their creative expressions as they are represented in handicrafts; and the dissemination of knowledge about ancestral cultures. The initiative contributes to the preservation of the country's intangible heritage.

During the past year, assistance was provided for the processes of groups of artisans in traditional community organization methods and cultural values. Design and production processes were evaluated to identify creative languages that are innovative and will bring them recognition, and processes were started to commercialize their products.

SURA Asset Management, through Protección S.A., invested COP 1,416 million (USD 471,900) in social development initiatives, and benefited close to 4250 people.

INTERNATIONAL

Félix y Susana, in El Salvador and the Dominican Republic

Fundación SURA entered into technical cooperation agreements with Fundación Empresarial para el Desarrollo – FEPADE –, in El Salvador, and with Fundación Acción Empresarial por la Educación –EDUCA, in the Dominican Republic, for the transfer of methodologies and implementation of the Program in schools from both countries.

Castillo Venturoso in El Salvador

Fundación SURA set up an alliance with Glasswing International to develop this historic location as an integrated center for education and culture that will offer workshops, library service, and art exhibitions for children and youths in San Salvador.

Fundación SURA in Mexico and Chile

The process of incorporating Fundación SURA in Chile and Mexico was completed. As in Colombia, the Foundation will channel the contributions towards Grupo Empresarial SURA's social development initiatives and corporate volunteer work, related mostly to quality of education, cultural promotion, and institutional strengthening. Fundación SURA in Colombia assigned COP 2,070 million (USD 690,000) as equity contribution to the new foundations.

Other significant initiatives

University innovation and entrepreneurship contest in Chile

In an alliance with Pontificia Universidad Católica de Chile, this initiative was implemented for the fifth year in a row to recognize entrepreneurship and innovation among the higher education students in Chile and other Latin American countries. In 2016, ten initiatives received awards after a process in which more than 1900 entries were received.

Improvement of education infrastructure in Mexico and Peru

This is an initiative focused on improving the physical infrastructure of basic elementary schools in rural areas of Mexico and Peru. During 2016, the conditions in two schools in Mexico and one in Peru were built and improved, benefiting over 1600 students.

Financial education program in Mexico and Peru

This program promotes the culture of saving and entrepreneurship from an early age, offering tools so that children and youths can become empowered and make better financial decisions that will enable them to achieve their life projects. In 2016, through alliances, more than 18,000 children and youths benefited from the program.

SURA VOLUNTEER WORK

SURA's corporate volunteer work is a program in which employees, their families, and friends, share with the community their time, talent and knowledge, and help improve people's quality of life and strengthen the relationship between the company and the community.

Results in Colombia

Volunteer work offers employees and their families different ways to participate:

- » One day program: community work during one day, with a specific objective: one day for painting (improvement of physical infrastructure) and one day for creating (preparation of teaching materials).
- » Time program: continues volunteer work that offers alternatives to participate according to the volunteers' interests and strengths. Time for reading, time for enterprising, time in the sand, etc.
- Solidarity fund: economic contributions intended for institutions or projects that promote access to and quality in education. For every peso that the employees donate, Fundación SURA contributes an additional peso.

COLOMBIA

2,328

The volunteers carried out 48 community work activities, and 9 continuous programs during the year

5.049 VOLUNTEERS

in Argentina, Brazil, Colombia, Chile, El Salvador, Mexico, Panama, Peru, and Uruguay contributed

52.747 HOURS

of social and community work

FUNDACIÓN SURA INVESTED COP 2,991 million (USD 976,765)

in developing initiatives outside of Colombia

SURA ASSET MANAGEMENT AND ITS AFFILIATES INVESTED COP 8,298 million

(USD 2.76 million)

in social development initiatives in Chile, El Salvador, Mexico, Peru y Uruguay During 2016, in Colombia, there were 48 community work activities and 9 continuous programs. 2,328 volunteers participated and dedicated 35,258 hours of work, to benefit close to 25,000 people.

ME XICO 114

the volunteers participated in activities to assist students with improving their English, improving school environments, and activities to improve the environment.



EL SALVADOR 183

the volunteers from Asesuisa and AFP Crecer joined initiatives to improve school environments and recreational areas in San Salvador.



The volunteers from

The volunteers from Seguros SURA, participated in a day to improve school infrastructure.



PERU

The volunteers held campaigns for caring for the environment, assistance with entrepreneurship programs, and vocational guidance activities.

450

INITIATIVES BY THE BUSINESSES WITH A SOCIAL PROJECTION

The businesses are driving initiatives which, in addition to projecting the brand, lead to reflection and mobilization around topics that are of interest for the social development of the countries where SURA is present. The initiatives have to do with cultural promotion, ethics, health and well-being. Some of the most significant initiatives include:

Hay Festival: SURA is an ally for Latin America of this cultural and educational event where there are 4 of 4 debate and analysis of topics that are relevant for culture and sustainable development.

Titanes Caracol: SURA sponsors the Culture category of this initiative that is led by Caracol Televisión. The category recognizes those who have made efforts to provide opportunities, access, and knowledge to individuals or groups to develop their potential in some sort of artistic



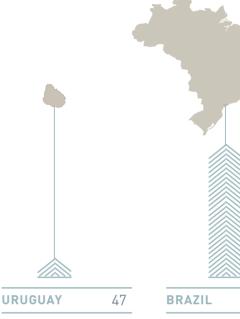
The volunteers participated in activities of professional guidance and as judges in

entrepreneurship contests.



The volunteers carried out activities in community work and contributions to

work and contributions to solidarity funds aimed at boys and girls from vulnerable communities.



The volunteers participated in humanitarian aid programs for the community.

The volunteers participated in recreational activities in children's hospitals.

317

expression, facilitating their social inclusion and improving their quality of life.

Culture of care: the EPS and ARL SURA implement education and communication strategies focused on promoting well-being and quality of life, with dignity.

World Business Forum: SURA sponsors this academic event in Colombia for thinking about new ways to approach people's needs from the companies' point of

view. It has the participation of important international speakers who have revolutionized the way of doing business.

Support for culture: participation in various initiatives that promote artistic and cultural expressions by supporting art exhibits and music festivals, among others.

Gabriel García Márquez Journalism Award: the 4th edition of this award was held to recognize excellence, innovation, and ethical consistency of journalists and communication media in Spanish America. The awards were presented within the framework of academic activities that were open and intended for journalists, students and the general public interested in journalism and the thoughts of the Colombian Noble laureate.

Safe ethics project: the purpose of this initiative is to foster among Latin American journalists the sense of ethics and impartiality in their work, as well as their key role in building public opinion in their countries, and in the preservation of democracy.

Progress for the elderly: in El Salvador, Peru and Colombia there were programs to develop awareness about recognizing the elderly as an integral part of society and about recovering the knowledge and experience of the elderly, and promoting a dynamic and healthy old-age.

Financial education: in Mexico and Uruguay there were training meetings for different audiences in order to teach them about the pension system and to encourage voluntary savings for retirement.

Participation in boards of directors of social entities

The directors of Grupo SURA and Suramericana take part in the boards of directors of 18 social entities in Colombia:

- 1. Comfama
- 2. Museo de Arte Moderno de Medellín
- 3. Centro de Ciencia y Tecnología de Antioquia
- 4. Fundación Amigos del Parque Explora
- Corporación Parque Explora
- 6. Corporación Excelencia en la Justicia
- 7. Fundación Empresarios por la Educación
- 8. Corporación Universitaria Minuto de Dios

- 9. Instituto Tecnológico Metropolitano - ITM
- 10. Corporación Antioquia Presente
- 11. Fundación Empresarios por la Educación
- 12. Proantioquia
- 13. Corporación Colombia Internacional
- 14. Ballet Folklórico de Antioquia
- 15. Orquesta Filarmónica de Medellín
- 16. Colegio Columbus School
- 17. Fundación Incolmotos Yamaha
- 18. Fundación Nutresa

COMMITMENT TO SUSTAINABLE DEVELOPMENT »

ADVANCES IN 2016

- » Design of our methodology to identify risks and impacts in the area of human rights in the companies that are part of the business group.
- » Qualification of the supply management process to ensure dignified and adequate working conditions, protection of the environment, respect for human rights, and transparency.
- » Diagnostics of performance in terms of eco-efficiency of SURA's operations in Central America and Columbia.
- » Consolidation of the nonfinancial public information that helps identify gaps, establish goals, and manage good practices.
- » Creation of Fundación SURA in Chile and Mexico to channel the contributions towards social development initiatives and corporate volunteer work by SURA's companies in those countries.
- » Formalization of technical cooperation agreements for transferring methodologies and implementing the program of education for healthy coexistence, Félix y Susana, in the Dominican Republic and El Salvador.

CHALLENGES FOR 2017

- » Consolidation of the regional reporting culture by developing, applying, and monitoring the indicators and metrics for environmental, social, and supplier management.
- » Improvement, in the companies that belong to the business group, of knowledge about environmental and social issues, and the development and application of their own models for responsible investment, with the aim of maintaining high standards in the administration of the company's own and third-party assets.
- » Identification of contributions to the sustainable development objectives (SDO) through the design of an action plan aligned with the corporate strategy.
- » Progress with social development initiatives in Central America, Mexico and Chile, through Fundación SURA, and in the other countries, through the companies from the Business Group.
- » Consolidation of the corporate volunteer program in the 10 countries where the Business Group

DOW JONES SUSTAINABILITY INDEX 2016

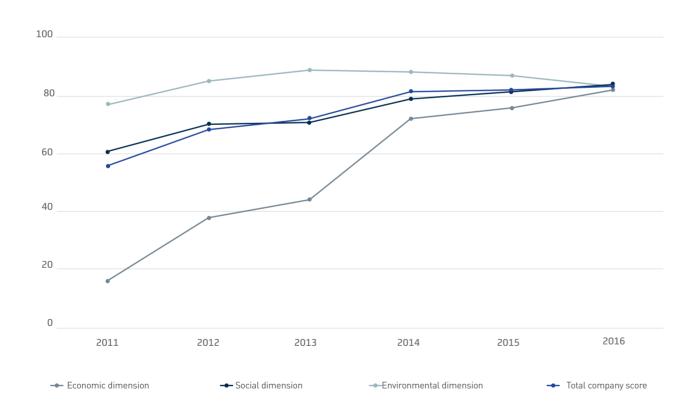
DOW JONES SUSTAINABILITY »

Since 2011, when Grupo SURA entered the Dow Jones Global Sustainability Index after being evaluated in the Diverse Financial Services and Capital Markets sector, the company has been ratified year after year and 2016 is the sixth consecutive year as part of this index, which is the world reference to evaluate the companies' overall performance.

Our commitment, by being part of this outstanding group of companies from around the world, is continuous improvement and constant inclusion of best practices that ensure that our organization will remain relevant in the long term.

DEVELOPMENT OF DJSI

(Grupo de Inversiones Suramericana)



Total number of companies invitded - world

316 companies selected

29 countries

50 companies joined the index in 2016

46 companies left de index

evaluated from the Diverse Financial

Grupo SURA, is included in the global index and in the emergent markets index

Services and Capital Market sector

Areas to improve in Grupo SURA

- Tax strategy
 - Operational eco-efficiency
- Materiality analysis

Best rated aspects for Grupo SURA

- » Anticrime policies and measures
- Social reporting
- Risk and crisis management
- Climate/governance climate change strategies

» General:

IN EACH CATEGORY:

SCORE FOR GRUPO SURA 2016

83

» Economic:

83

» Social:

84

» Environmental:

82

» Position of Grupo SURA in its sector:

> Second highest score

» In the Yearbook rating: bronze

Special Report of Grupo Empresarial

NUAL REPORT 2016

GRUPO SURA

170

SPECIAL REPORT » G4-17

In compliance with article 29 of Law 222 of 1995, a regulation pertaining to the economic relations held among corporations of a business group, we hereby introduce the Special Report of Grupo Empresarial SURA. This Report provides the contractual ties and most important operations made between the holding company, its affiliates and subsidiaries at the end of the 2016 period.

The operations recorded in this report include the following:

- Loans made among the companies with the terms and conditions convened and the interest rate used.
- Financial, administrative, IT and payroll-related services provided.
- Lease and sub-lease of offices and commercial spaces as well as reinvoicing the public utilities related.
- Cash reimbursements

The table below shows the transactions made among the companies which are part of the Business Group SURA, at December 31, 2016:

COMPANY OF ORIGIN	COMPANY OF DESTINATION	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	REVENUE	EXPENDITU- RE
Administradora General de Fondos Sura S.A.	AFP Capital S.A.	-	-	-	10,370,820
Administradora General de Fondos Sura S.A.	Corredores de Bolsa Sura S.A.	-	(892,615,744)	(62,487,157)	6,479,870,776
Administradora General de Fondos Sura S.A.	Seguros de Vida Sura S.A.	269,526,788	(2,025,754,993)	4,595,225,514	7,061,051,914
Administradora General de Fondos Sura S.A.	Sura Chile S.A.	-	(259,856,108)	-	1,841,345,058
Administradora General de Fondos Sura S.A.	Sura Data Chile S.A.	-	-	-	338,528,296
AFAP Sura S.A.	Ahorro Inversión Sura Administradora de Fondos de Inversión S.A.	-	-	-	129,906,854
AFAP Sura S.A.	Sura Chile S.A.	-	(234,285,580)	(18,320,158)	364,564,612
Afore Sura S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(948,208,289)	-	2,078,375,429
Afore Sura S.A. de C.V.	Pensiones Sura S.A. de C.V.	146,937,125	-	(861,926,921)	-
Afore Sura S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	-	-	2,324,852,550
Afore Sura S.A. de C.V.	Seguros de Vida SURA Mexico S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	15,467,834	-	(86,640,991)	-
Afore Sura S.A. de C.V.	Sura Art Corporation S.A. de C.V.	7,002,705	-	(43,006,749)	-
Afore Sura S.A. de C.V.	Sura Asset Management México S.A. de C.V.	7,125,303	-	(43,915,210)	-
Afore Sura S.A. de C.V.	Sura Chile S.A.	-	(3,371,123,783)	(272,590,793)	5,177,767,785
Afore Sura S.A. de C.V.	Sura Investment Management S.A. de C.V.	905,345,547	(283,754,043)	(4,062,161,611)	1,141,442,691
AFP Capital S.A.	Administradora General de Fondos Sura S.A.	-	-	(7,264,569)	(3,106,251)
AFP Capital S.A.	Corredores de Bolsa Sura S.A.	-	(341,092,157)	(21,266,113)	2,387,854,815
AFP Capital S.A.	Seguros de Vida Sura S.A.	-	(216,473,782)	(225,136,083)	3,717,942,163
AFP Capital S.A.	Sura Chile S.A.	-	-	(17,638,511)	9,167,224,389
AFP Capital S.A.	Sura Data Chile S.A.	-	-	-	3,680,944,995
AFP Capital S.A.	Sura S.A.	-	(75,182,022)	-	-
AFP Integra S.A.	Fondos Sura SAF S.A.C.	23,606,034	-	(124,952,463)	-
AFP Integra S.A.	Hipotecaria Sura Empresa Administradora Hipotecaria S.A.	-	-	(23,776,089)	-

AFP Integra S.A.	Seguros Sura S.A. (Antes Invita)	-	(39,587,614)	(34,912,980)	277,804,990
AFP Integra S.A.	Sura Asset Management Perú S.A.	-	-	(68,961,896)	-
AFP Integra S.A.	Sura Asset Management S.A.	-	(30,442,355)	-	329,187,691
AFP Integra S.A.	Sura Chile S.A.	-	(1,334,761,108)	(40,336,773)	2,041,652,986
Ahorro Inversión Sura Administradora de Fondos de Inversión S.A.	AFAP Sura S.A.	-	-	(129,906,855)	-
Aseguradora Suiza Salvadoreña S.A. Asesuisa	Asesuisa Vida, S.A. Seguros de Personas	770,552,471	(805,172,923)	(3,159,088,171)	-
Aseguradora Suiza Salvadoreña S.A. Asesuisa	Seguros Generales Suramericana S.A.	-	(100,264,734)	-	1,457,499,244
Asesores Sura S.A. de C.V.	Afore Sura S.A. de C.V.	948,208,289	-	(2,078,375,429)	-
Asesores Sura S.A. de C.V.	Pensiones Sura S.A. de C.V.	209,946,875	-	(1,123,495,115)	-
Asesores Sura S.A. de C.V.	Seguros de Vida SURA Mexico S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	29,134,639	-	(131,267,985)	-
Asesores Sura S.A. de C.V.	Sura Investment Management S.A. de C.V.	1,476,645,427	-	(5,928,272,387)	-
Asesuisa Vida, S.A. Seguros de Personas	Aseguradora Suiza Salvadoreña S.A. Asesuisa	805,172,923	(770,552,471)	-	3,159,088,171
Asesuisa Vida, S.A. Seguros de Personas	Seguros de Vida Suramericana S.A.	-	(147,283,699)	(6,803,629,208)	6,548,344,767
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Arus S.A.	-	(29,391,574)	(24,778,575)	233,541,688
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Diagnóstico y Asistencia Médica S.A.	13,034,262	-	(98,558,281)	180,912
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Enlace Operativo S.A.	-	-	(638,793)	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	EPS y Medicina Prepagada Suramericana S.A.	15,294,459	(9,880,598)	(155,859,227)	2,935,703
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	6,547,013,378	-	(64,644,726,775)	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	2,218,547	-	(19,566,112)	487,830,685

Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros Generales Suramericana S.A.	33,403,282	(73,658)	(1,354,312,530)	64,391,333
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	-	(1,911,800)	(120,890,603)	75,437,310
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios Generales Suramericana S.A.	-	(224,418,522)	-	26,920,750
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Suramericana S.A.	-	-	(10,011,746)	-
Corredores de Bolsa Sura S.A.	Administradora General de Fondos Sura S.A.	892,615,744	-	(6,479,873,898)	62,487,157
Corredores de Bolsa Sura S.A.	AFP Capital S.A.	341,092,157	-	(2,396,951,916)	30,363,214
Corredores de Bolsa Sura S.A.	Seguros de Vida Sura S.A.	390,175,310	(130,217,036)	(2,769,174,452)	1,140,499,890
Corredores de Bolsa Sura S.A.	Sura Chile S.A.	-	-	-	3,071,486,045
Corredores de Bolsa Sura S.A.	Sura Data Chile S.A.	-	-	-	362,697,739
Diagnóstico y Asistencia Médica S.A.	Arus S.A.	-	(77,436,562)	-	646,370,873
Diagnóstico y Asistencia Médica S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(13,034,262)	(180,912)	98,558,281
Diagnóstico y Asistencia Médica S.A.	EPS y Medicina Prepagada Suramericana S.A.	955,655,732	(48,050,782)	(46,987,735,058)	926,733,495
Diagnóstico y Asistencia Médica S.A.	Seguros de Riesgos Laborales Suramericana S.A.	208,915,108	(13,305,147)	(1,426,711,649)	21,202,303
Diagnóstico y Asistencia Médica S.A.	Seguros de Vida Suramericana S.A.	1,882,371,858	(77,818)	(20,257,142,486)	1,326,665,649
Diagnóstico y Asistencia Médica S.A.	Seguros Generales Suramericana S.A.	-	(5,094,036)	(114,035,433)	853,461,817
Diagnóstico y Asistencia Médica S.A.	Servicios de Salud IPS Suramericana S.A.	2,687,767,515	(2,637,760)	(33,098,867,970)	737,285,279
Diagnóstico y Asistencia Médica S.A.	Servicios Generales Suramericana S.A.	-	(16,214,352)	-	-
Enlace Operativo S.A.	Arus S.A.	-	(1,687,785)	-	-
Enlace Operativo S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	-	-	638,793
Enlace Operativo S.A.	EPS y Medicina Prepagada Suramericana S.A.	358,591,187	-	(4,021,332,296)	1,909,992

Enlace Operativo S.A.	Seguros de Riesgos Laborales Suramericana S.A.	1,426,357,242	-	(7,689,661,504)	-
Enlace Operativo S.A.	Seguros de Vida Suramericana S.A.	-	-	-	10,039,502
Enlace Operativo S.A.	Seguros Generales Suramericana S.A.	-	-	-	8,999,419
Enlace Operativo S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	5,467,300
EPS y Medicina Prepagada Suramericana S.A.	Arus S.A.	-	(877,759,494)	(85,378)	8,592,070,310
EPS y Medicina Prepagada Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	9,880,598	(15,294,459)	(2,935,703)	155,859,227
EPS y Medicina Prepagada Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	1,769,857,086	(2,677,462,036)	(51,716,771)	46,112,718,334
EPS y Medicina Prepagada Suramericana S.A.	Enlace Operativo S.A.	-	(358,591,187)	(1,909,992)	4,021,332,296
EPS y Medicina Prepagada Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	42,528,234	-	(69,823,720)	(324,292,340)
EPS y Medicina Prepagada Suramericana S.A.	Seguros de Vida Suramericana S.A.	3,537,967	(10,740,260)	(112,372,740)	1,223,220,637
EPS y Medicina Prepagada Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(703,400,951)	(109,779,132)	1,117,914,341
EPS y Medicina Prepagada Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	1,145,722,279	(12,919,810,057)	(1,040,333,203)	253,142,360,807
EPS y Medicina Prepagada Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(40,856,055)	-	-
Fondos Sura SAF S.A.C.	AFP Integra S.A.	-	(23,606,034)	-	124,949,341
Fondos Sura SAF S.A.C.	Seguros Sura S.A. (Antes Invita)	-	(218,925)	-	79,894,652
Fondos Sura SAF S.A.C.	Sura Asset Management S.A.	-	(4,469,004)	-	48,120,356
Grupo de Inversiones Suramericana Holanda B.V.	Grupo Sura Chile Holdings I B.V.	1,133,886,515	(5,838)	-	-
Grupo de Inversiones Suramericana Holanda B.V.	Grupo Sura Latin American Holdings B.V.	(46,488,153)	-	-	-
Grupo de Inversiones Suramericana Holanda B.V.	SURA Asset Management España S.L.	-	48,610,274	-	-

Grupo de Inversiones Suramericana Panamá S.A.	Grupo de Inversiones Suramericana S.A.	-	(11,072,619,900)	-	-
Grupo de Inversiones Suramericana Panamá S.A.	GrupoSura Finance S.A.	7,362,722	(879,380,492,867)	-	52,226,229,352
Grupo de Inversiones Suramericana Panamá S.A.	Planeco Panamá S.A.	15,003,550	-	-	-
Grupo de Inversiones Suramericana S.A.	Grupo de Inversiones Suramericana Panamá S.A.	11,072,619,900	-	-	-
Grupo de Inversiones Suramericana S.A.	GrupoSura Finance S.A.	60,014,200	(1,636,001,916,708)	-	65,967,207,368
Grupo de Inversiones Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	(24,113,133,683)	-	-
Grupo de Inversiones Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	17,607,600
Grupo de Inversiones Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	-	(1,870,544)	58,498,852
Grupo de Inversiones Suramericana S.A.	Seguros Generales Suramericana S.A.	-	-	-	344,535,747
Grupo de Inversiones Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	1,575,600
Grupo de Inversiones Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(22,839,371)	-	45,468,853
Grupo de Inversiones Suramericana S.A.	Suramericana S.A.	89,684,865	-	-	-
Grupo Sura Chile Holdings I B.V.	Grupo de Inversiones Suramericana Holanda B.V.	-	(1,133,880,677)	-	-
Grupo Sura Chile Holdings I B.V.	Grupo Sura Latin American Holdings B.V.	-	(5,765,045)	-	-
Grupo Sura Latin American Holdings B.V.	Grupo de Inversiones Suramericana Holanda B.V.	-	46,488,153	-	-
Grupo Sura Latin American Holdings B.V.	Grupo Sura Chile Holdings I B.V.	5,765,045	-	-	-
GrupoSura Finance S.A.	Grupo de Inversiones Suramericana Panamá S.A.	879,380,492,867	(7,362,722)	(52,226,229,352)	-
GrupoSura Finance S.A.	Grupo de Inversiones Suramericana S.A.	1,636,001,916,708	(60,014,200)	(65,967,207,368)	-
Habitat Adulto Mayor S.A.	Seguros Generales Suramericana S.A.	-	-	-	34,622,702
Habitat Adulto Mayor S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	7,933,700

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Hipotecaria Sura Empresa Administradora Hipotecaria S.A.	AFP Integra S.A.	-	-	-	23,776,089
Hipotecaria Sura Empresa Administradora Hipotecaria S.A.	Seguros Sura S.A. (Antes Invita)	-	(409,122,604)	(1,107,239,588)	50,642,820
Inversiones y Construcciones Estratégicas S.A.S.	Grupo de Inversiones Suramericana S.A.	24,113,133,683	-	-	-
Inversiones y Construcciones Estratégicas S.A.S.	Seguros Generales Suramericana S.A.	-	-	(77,680,630)	-
Inversiones y Construcciones Estratégicas S.A.S.	Servicios Generales Suramericana S.A.	-	(400,806)	-	4,124,022
Operaciones Generales Suramericana S.A.S.	Arus S.A.	-	(6,957,383)	-	34,579,797
Operaciones Generales Suramericana S.A.S.	Grupo de Inversiones Suramericana S.A.	2,641,444	-	(17,607,600)	-
Operaciones Generales Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	1,338,208	-	(21,214,639)	-
Operaciones Generales Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	478,815,275	(6,994,632)	(1,722,279,008)	147,444,658
Operaciones Generales Suramericana S.A.S.	Seguros Generales Suramericana S.A.	7,689,603,071	(151,450,210)	(76,601,433,371)	669,236,209
Operaciones Generales Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	2,619,258	(2,091,600)	(31,762,343)	21,991,500
Operaciones Generales Suramericana S.A.S.	Servicios Generales Suramericana S.A.	-	(64,709,680,406)	(280,000)	3,716,621,539
Operaciones Generales Suramericana S.A.S.	Sura Asset Management S.A.	-	-	(3,039,339)	-
Operaciones Generales Suramericana S.A.S.	Suramericana S.A.	-	-	(8,657,200)	-
Pensiones Sura S.A. de C.V.	Afore Sura S.A. de C.V.	-	(146,937,125)	-	861,926,921
Pensiones Sura S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(209,946,875)	-	1,123,495,115
Pensiones Sura S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	(21,253,312)	-	95,026,308
Pensiones Sura S.A. de C.V.	Sura Investment Management S.A. de C.V.	-	(76,755,368)	-	429,933,247
Planeco Panamá S.A.	Grupo de Inversiones Suramericana Panamá S.A.	-	(15,003,550)	-	-
Promotora Sura AM S.A. de C.V.	Afore Sura S.A. de C.V.	-	-	(2,324,852,550)	-
Promotora Sura AM S.A. de C.V.	Pensiones Sura S.A. de C.V.	21,253,312	-	(95,026,308)	-

Promotora Sura AM S.A. de C.V.	Seguros de Vida SURA Mexico S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	100,746,711	-	(643,971,116)	-
Promotora Sura AM S.A. de C.V.	Sura Investment Management S.A. de C.V.	2,163,803,733	-	(9,654,459,383)	-
Seguros de Riesgos Laborales Suramericana S.A.	Arus S.A.	-	(291,755,229)	-	2,411,870,286
Seguros de Riesgos Laborales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(6,547,013,378)	-	64,644,726,775
Seguros de Riesgos Laborales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	13,305,147	(208,915,108)	(21,202,303)	1,426,711,649
Seguros de Riesgos Laborales Suramericana S.A.	Enlace Operativo S.A.	-	(1,426,357,242)	-	7,689,661,504
Seguros de Riesgos Laborales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	-	(42,528,234)	-	394,116,060
Seguros de Riesgos Laborales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	(1,338,208)	-	21,214,639
Seguros de Riesgos Laborales Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	(18,963,175)	-	970,490,370
Seguros de Riesgos Laborales Suramericana S.A.	Seguros Generales Suramericana S.A.	-	-	-	195,159,002
Seguros de Riesgos Laborales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	(3,015,673,718)	-	34,785,343,474
Seguros de Riesgos Laborales Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(338,310,986)	-	228,309,383
Seguros de Vida SURA Mexico S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	Afore Sura S.A. de C.V.	-	(15,467,834)	-	86,640,991
Seguros de Vida SURA Mexico S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	Asesores Sura S.A. de C.V.	-	(29,134,639)	-	131,267,985
Seguros de Vida SURA Mexico S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	Promotora Sura AM S.A. de C.V.	-	(100,746,711)	-	643,971,116
Seguros de Vida SURA Mexico S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	Sura Asset Management México S.A. de C.V.	-	(7,436,256,788)	-	-

Seguros de Vida SURA Mexico S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	Sura Investment Management S.A. de C.V.	-	(6,538,582)	-	36,622,544
Seguros de Vida S ura S.A.	Administradora General de Fondos Sura S.A.	2,025,754,993	(269,526,788)	(12,559,228,717)	902,951,288
Seguros de Vida Sura S.A.	AFP Capital S.A.	216,473,782	-	(2,347,514,135)	(1,145,291,944)
Seguros de Vida Sura S.A.	Corredores de Bolsa Sura S.A.	130,217,036	(390,175,310)	(1,101,070,793)	2,729,745,355
Seguros de Vida Sura S.A.	Sura Chile S.A.	8,970,118	-	(195,419,094)	5,545,850,733
Seguros de Vida Sura S.A.	Sura Data Chile S.A.	-	-	(4,286,314)	1,877,399,423
Seguros de Vida Suramericana S.A.	Arus S.A.	-	(174,467,479)	(482,665)	771,480,449
Seguros de Vida Suramericana S.A.	Asesuisa Vida, S.A. Seguros de Personas	147,283,699	-	(6,672,791,669)	6,928,076,110
Seguros de Vida Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(2,218,547)	(487,830,685)	19,566,112
Seguros de Vida Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	77,818	(1,882,371,858)	(938,136,159)	19,868,612,996
Seguros de Vida Suramericana S.A.	Enlace Operativo S.A.	-	-	(10,039,502)	-
Seguros de Vida Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	10,740,260	(3,537,967)	(1,223,220,637)	112,372,740
Seguros de Vida Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	(58,498,852)	1,870,544
Seguros de Vida Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	6,994,632	(478,815,275)	(147,444,658)	1,722,279,008
Seguros de Vida Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	18,963,175	-	(970,490,370)	-
Seguros de Vida Suramericana S.A.	Seguros Generales Suramericana S.A.	60,000	(23,532,545,838)	(3,333,541,773)	8,362,413,139
Seguros de Vida Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	7,990,683	(3,460,761,785)	(3,344,344,848)	39,956,950,801
Seguros de Vida Suramericana S.A.	Servicios Generales Suramericana S.A.	27,771,350	-	(386,391,412)	148,615,908
Seguros de Vida Suramericana S.A.	Sura Asset Management S.A.	-	-	(80,838,713)	-
Seguros de Vida Suramericana S.A.	Suramericana S.A.	30,813,040	(1,616,113,776)	(241,828,030)	-
Seguros Generales Suramericana S.A.	Arus S.A.	-	(621,175,421)	(55,940,657)	8,866,930,384
Seguros Generales Suramericana S.A.	Aseguradora Suiza Salvadoreña S.A. Asesuisa	100,264,734	-	(1,457,499,244)	-

Seguros Generales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	73,658	(33,403,282)	(64,391,333)	1,354,312,530
Seguros Generales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	5,094,036	-	(853,461,817)	114,035,433
Seguros Generales Suramericana S.A.	Enlace Operativo S.A.	-	-	(8,999,419)	-
Seguros Generales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	703,400,951	-	(1,117,914,341)	109,779,132
Seguros Generales Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	(344,535,747)	-
Seguros Generales Suramericana S.A.	Hábitat Adulto Mayor S.A.	-	-	(34,622,702)	-
Seguros Generales Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	-	-	77,680,630
Seguros Generales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	151,450,210	(7,689,603,071)	(669,236,209)	76,601,433,371
Seguros Generales Suramericana S.A.	Protección Garantizada LTDA	-	-	-	4,557,447,102
Seguros Generales Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	-	-	(195,159,002)	-
Seguros Generales Suramericana S.A.	Seguros de Vida Suramericana S.A.	23,532,545,838	(60,000)	(8,362,413,139)	3,333,541,773
Seguros Generales Suramericana S.A.	Seguros Sura S.A.	299,068,313	-	(394,141,437)	-
Seguros Generales Suramericana S.A.	Seguros Suramericana Panamá S.A.	9,389,260,839	-	(8,235,324,149)	878,796,892
Seguros Generales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	7,885,273	(11,773,502)	(508,177,420)	678,245,368
Seguros Generales Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(4,379,324)	(1,988,606,195)	-
Seguros Generales Suramericana S.A.	Sura Asset Management S.A.	-	(1,033,313,682)	(1,777,660,938)	-
Seguros Generales Suramericana S.A.	Suramericana S.A.	100,261,596	(9,648,169,505)	(71,417,238)	-
Seguros Sura S.A.	Seguros Generales Suramericana S.A.	-	(299,068,313)	-	394,141,437
Seguros Sura S.A. (Antes Invita)	AFP Integra S.A.	39,587,614	-	(277,911,133)	34,980,446
Seguros Sura S.A. (Antes Invita)	Fondos Sura SAF S.A.C.	218,926	-	(79,894,652)	-
Seguros Sura S.A. (Antes Invita)	Hipotecaria Sura Empresa Administradora Hipotecaria S.A.	409,122,604	-	(50,577,261)	1,107,236,466
Seguros Sura S.A. (Antes Invita)	Sociedad Agente de Bolsa S.A.	-	-	(62,193,703)	84,290

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Seguros Sura S.A. (Antes Invita)	Sura Asset Management S.A.	-	(22,695,303)	-	204,669,166
Seguros Sura S.A. (Antes Invita)	Sura Chile S.A.	-	(548,000,342)	(12,637,971)	832,893,619
Seguros Suramericana Panamá S.A.	Seguros Generales Suramericana S.A.	-	(9,389,260,839)	(878,796,892)	8,235,324,149
Seguros Suramericana Panamá S.A.	Servicios Generales Suramericana S.A. (Panamá)	182,784,469	(7,359,751)	-	-
Servicios de Salud IPS Suramericana S.A.	Arus S.A.	-	(75,689,252)	(41,003,286)	978,803,240
Servicios de Salud IPS Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	1,911,800	-	(75,437,310)	120,890,603
Servicios de Salud IPS Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	2,637,760	(2,687,767,515)	(733,483,699)	33,118,506,042
Servicios de Salud IPS Suramericana S.A.	Enlace Operativo S.A.	-	-	(5,467,300)	-
Servicios de Salud IPS Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	12,896,370,405	(1,145,722,279)	(253,142,360,807)	1,040,333,203
Servicios de Salud IPS Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	(1,575,600)	-
Servicios de Salud IPS Suramericana S.A.	Hábitat Adulto Mayor S.A.	-	-	(7,933,700)	-
Servicios de Salud IPS Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	2,091,600	(2,619,258)	(21,991,500)	31,762,343
Servicios de Salud IPS Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	3,015,673,718	(1)	(34,785,343,474)	-
Servicios de Salud IPS Suramericana S.A.	Seguros de Vida Suramericana S.A.	3,460,761,785	(7,990,683)	(39,956,950,801)	3,344,344,848
Servicios de Salud IPS Suramericana S.A.	Seguros Generales Suramericana S.A.	11,773,502	(7,885,273)	(678,245,368)	508,177,420
Servicios de Salud IPS Suramericana S.A.	Servicios Generales Suramericana S.A.	356,800	(53,176,902)	(22,463,570)	2,090,936
Servicios de Salud IPS Suramericana S.A.	Sura Asset Management S.A.	-	-	(14,495,300)	-
Servicios de Salud IPS Suramericana S.A.	Suramericana S.A.	2,030,400	-	(2,856,100)	-
Servicios Generales Suramericana S.A.	Arus S.A.	-	-	-	11,031,496
Servicios Generales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	224,418,522	-	(26,920,750)	-
Servicios Generales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	16,214,352	-	-	-

Servicios Generales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	40,856,055	-	-	-
Servicios Generales Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	20,197,927	-	(45,468,853)	-
Servicios Generales Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	400,806	-	(4,124,022)	-
Servicios Generales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	64,709,680,405	-	(3,716,621,539)	280,000
Servicios Generales Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	338,310,986	-	(228,309,383)	-
Servicios Generales Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	(27,771,350)	(148,615,908)	386,391,412
Servicios Generales Suramericana S.A.	Seguros Generales Suramericana S.A.	4,379,324	-	-	1,988,606,195
Servicios Generales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	53,176,902	(356,800)	(2,090,936)	22,463,570
Servicios Generales Suramericana S.A.	Sura Asset Management S.A.	69,458,905	-	(269,514,376)	-
Servicios Generales Suramericana S.A.	Suramericana S.A.	26,540,654	-	(700,025,305)	-
Servicios Generales Suramericana S.A. (Panamá)	Seguros Suramericana Panamá S.A.	7,359,751	(182,784,469)	-	-
Servicios y Ventas Compañía Limitada	Seguros Generales Suramericana S.A (Antes RSA Seguros Chile S.A.)	-	(15,399,999)	-	-
Sociedad Agente de Bolsa S.A.	Seguros Sura S.A. (Antes Invita)	-	-	-	62,109,413
Sura Art Corporation S.A. de C.V.	Afore Sura S.A. de C.V.	-	(7,002,705)	-	43,006,749
SURA Asset Management España S.L.	Grupo de Inversiones Suramericana Holanda B.V.	-	(48,610,274)	-	-
Sura Asset Management México S.A. de C.V.	Afore Sura S.A. de C.V.	-	(7,125,303)	-	43,915,210
Sura Asset Management México S.A. de C.V.	Seguros de Vida SURA Mexico S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)	7,436,256,788	-	-	-
Sura Asset Management Perú S.A.	AFP Integra S.A.	-	-	-	68,961,896
Sura Asset Management S.A.	AFP Integra S.A.	31,031,995	-	(21,078,410)	(308,698,920)
Sura Asset Management S.A.	Fondos Sura SAF S.A.C.	4,556,575	-	(2,875,392)	(45,332,534)
Sura Asset Management S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	3,039,339

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Sura Asset Management S.A.	Seguros de Vida Suramericana S.A.	-	-	-	80,838,713
Sura Asset Management S.A.	Seguros Generales Suramericana S.A.	1,033,313,682	-	-	1,777,660,938
Sura Asset Management S.A.	Seguros Sura S.A. (Antes Invita)	23,179,858	-	(19,499,807)	(185,653,916)
Sura Asset Management S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	14,495,300
Sura Asset Management S.A.	Servicios Generales Suramericana S.A.	-	(69,458,905)	-	269,514,376
Sura Asset Management S.A.	Sura Chile S.A.	-	(1,889,314,627)	-	3,157,327,840
Sura Asset Management S.A.	Sura Investment Management Colombia S.A.S	71,279,305	-	(2,990,742)	-
Sura Asset Management Uruguay Sociedad de Inversión S.A. (Antes Tublyr S.A.)	Ahorro Inversión Sura Administradora de Fondos de Inversión S.A.	-	-	(8,920,250,892)	8,920,250,892
Sura Chile S.A.	Administradora General de Fondos Sura S.A.	259,856,108	-	(1,841,345,058)	-
Sura Chile S.A.	AFAP Sura S.A.	236,381,430	-	(348,340,304)	-
Sura Chile S.A.	Afore Sura S.A. de C.V.	3,338,025,128	-	(4,872,078,338)	-
Sura Chile S.A.	AFP Capital S.A.	-	-	(9,184,101,166)	34,518,410
Sura Chile S.A.	AFP Integra S.A.	1,337,782,283	-	(2,004,337,388)	-
Sura Chile S.A.	Corredores de Bolsa Sura S.A.	-	-	(3,071,486,045)	-
Sura Chile S.A.	Seguros de Vida Sura S.A.	-	(8,970,118)	(5,545,850,733)	195,419,094
Sura Chile S.A.	Seguros Sura S.A. (Antes Invita)	546,418,239	-	(818,673,545)	-
Sura Chile S.A.	Sura Asset Management S.A.	2,126,466,676	(185,292,917)	(3,228,868,393)	19,681,421
Sura Data Chile S.A.	Administradora General de Fondos Sura S.A.	-	-	(338,528,296)	-
Sura Data Chile S.A.	AFP Capital S.A.	-	-	(3,680,944,995)	-
Sura Data Chile S.A.	Corredores de Bolsa Sura S.A.	-	-	(362,697,739)	-
Sura Data Chile S.A.	Seguros de Vida Sura S.A.	-	-	(1,877,399,423)	4,286,314
Sura Investment Management Colombia S.A.S	Sura Asset Management S.A.	-	(71,279,305)	-	2,990,742
Sura Investment Management S.A. de C.V.	Afore Sura S.A. de C.V.	283,754,043	(905,345,547)	(1,141,442,691)	4,062,158,489
Sura Investment Management S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(1,476,645,427)	-	5,928,272,387

Sura Investment Management S.A. de C.V.	Pensiones Sura S.A. de C.V.	76,755,368	-	(429,933,247)	-
Sura Investment Management S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	(2,163,803,733)	-	9,654,459,382
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.)	6,538,582	-	(36,622,544)	-
Sura S.A.	AFP Capital S.A.	75,182,022	-	-	-
Suramericana S.A.	Arus S.A.	-	(2,166,851)	-	594,208,955
Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	-	-	10,011,746
Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	(89,684,865)	-	-
Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	8,657,200
Suramericana S.A.	Seguros de Vida Suramericana S.A.	1,616,113,776	(30,813,040)	-	241,828,030
Suramericana S.A.	Seguros Generales Suramericana S.A.	9,648,169,505	(100,261,596)	-	71,417,238
Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	(2,030,400)	-	2,856,100
Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(26,540,654)	-	700,025,305
Arus S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	29,391,575	-	(233,541,688)	24,778,575
Arus S.A.	Diagnóstico y Asistencia Médica S.A.	77,436,562	-	(646,370,873)	-
Arus S.A.	Enlace Operativo S.A.	1,687,785	-	-	-
Arus S.A.	EPS y Medicina Prepagada Suramericana S.A.	877,759,494	-	(8,592,070,310)	85,378
Arus S.A.	Operaciones Generales Suramericana S.A.S.	6,957,383	-	(34,579,797)	-
Arus S.A.	Seguros de Riesgos Laborales Suramericana S.A.	291,755,229	-	(2,411,870,286)	-
Arus S.A.	Seguros de Vida Suramericana S.A.	174,467,479	-	(771,480,449)	482,665
Arus S.A.	Seguros Generales Suramericana S.A.	621,175,421	-	(8,866,930,384)	55,940,657
Arus S.A.	Servicios de Salud IPS Suramericana S.A.	75,689,252	-	(978,803,240)	41,003,286
Arus S.A.	Servicios Generales Suramericana S.A.	-	-	(11,031,496)	-
Arus S.A.	Suramericana S.A.	2,166,851	-	(594,208,955)	-

Seguros Sura S.A (Antes Royal & Sun Alliance Seguros (Argentina) S.A.)	Aseguradora de Créditos y Garantías S.A.	146,205,500	-	(102,504,738)	(486,941,227)
Seguros Sura S.A (Antes Royal & Sun Alliance Seguros (Argentina) S.A.)	Atlantis Sociedad Inversora S.A.	-	-	(30,310,986)	-
Seguros Sura S.A (Antes Royal & Sun Alliance Seguros (Argentina) S.A.)	Santa Maria del Sol S.A.	-	-	(46,328,349)	-
Aseguradora de Créditos y Garantías S.A.	Atlantis Sociedad Inversora S.A.	-	-	-	(649,904)
Aseguradora de Créditos y Garantías S.A.	Seguros Sura S.A (Antes Royal & Sun Alliance Seguros (Argentina) S.A.)	-	(146,205,500)	-	589,445,965
Seguros Generales Suramericana S.A (Antes RSA Seguros Chile S.A.)	Chilean Holding Suramericana SPA (Antes RSA Chilean Holding SpA)	43,519,592,265	-	(1,349,338,212)	-
Seguros Generales Suramericana S.A (Antes RSA Seguros Chile S.A.)	Seguros de Vida Suramericana S.A (Antes RSA Seguros de Vida S.A.)	240,436,207	-	(882,924,722)	-
Seguros Generales Suramericana S.A (Antes RSA Seguros Chile S.A.)	Servicios y Ventas Compañía Limitada	15,399,999	-	-	-
Chilean Holding Suramericana SPA (Antes RSA Chilean Holding SpA)	Seguros Generales Suramericana S.A (Antes RSA Seguros Chile S.A.)	-	(43,519,609,778)	-	1,349,338,212
Seguros de Vida Suramericana S.A (Antes RSA Seguros de Vida S.A.)	Seguros Generales Suramericana S.A (Antes RSA Seguros Chile S.A.)	-	(240,436,207)	-	882,924,722
Protección Garantizada LTDA	Seguros Generales Suramericana S.A.	-	-	(4,557,447,102)	-
Santa Maria del Sol S.A.	Seguros Sura S.A (Antes Royal & Sun Alliance Seguros (Argentina) S.A.)	-	-	-	46,328,349
Atlantis Sociedad Inversora S.A.	Aseguradora de Créditos y Garantías S.A.	-	-	-	649,904
Atlantis Sociedad Inversora S.A.	Seguros Sura S.A (Antes Royal & Sun Alliance Seguros (Argentina) S.A.)	-	-	-	30,310,986

Legal Compliance:

The operations made among the companies of Grupo Empresarial SURA meet the applicable legal provisions as well as the General Policy of Operations made among related parties, and are duly reflected on the respective financial statements.

Major Decisions:

The Company informs that there were no other major decisions made or not by the affiliates and subsidiaries influenced or of interest to the controlling corporation, or any decisions that the corporation took or not of interest of the controlled companies.

Medellin, March 31, 2017

DAVID BOJANINI GARCÍA President

Consolidated Financial Statements

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

We, the undersigned Legal Representative and Chief Accountant, under whose responsibility these separate financial statements were presented hereby certify:

That the information contained in the Company's Statement of Financial Position at December 31, 2016 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, was duly verified and the corresponding figures were faithfully taken from books.

These statements, both explicit and implicit, are as follows:

- >> Existence: all assets and liabilities belonging to Grupo de Inversiones Suramericana S.A. duly exist at the cut-off date of said separate financial statements and all transactions therein included were carried out during this same period ending on the aforementioned date
- >> Integrity: all economic events on the part of the Company have been duly recognized.
- 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 cutoff date.

- » Valuation: all items have been posted at their appropriate values.
- >> Presentation and disclosure: all economic events have been correctly classified, described and revealed in these financial

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, 2016 and December 31, 2015 do not contain any flaws, inaccuracies or errors that could prevent the Company's true financial position or operations from being fully known.

DAVID BOJANINI GARCÍA Chief Executive Officer

LUIS FERNANDØ SØTO SALAZAR





To the Shareholders of Grupo de Inversiones Suramericana S.A.

Report on the Financial Statements

I have audited the attached consolidated financial statements of Grupo de Inversiones Suramericana S.A. and its subsidiaries consisting of its Statement of Financial Position at December 31, 2016 together with the corresponding Consolidated 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 financial statements according to Accepted Accounting and Financial Reporting Standards (NCIF) in Colombia as well as designing, implementing and maintaining the corresponding internal controls required for preparing and presenting the financial statements, so that these are free of any material misstatements due to fraud or error, 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 financial statements based on my audit work. I carried out my work in accordance with accepted International Auditing Standards in Colombia. These principles require that I adhere to all ethical requirements and plan and perform my audit work in order to obtain reasonable assurance that the financial statements do not contain any material misstatements.

An audit of financial statements includes carrying out procedures in order to obtain evidence of the values 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 auditor considers the corresponding internal controls implemented by the Company for preparing and presenting its financial statements so as to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls 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, that were faithfully taken from the Company's books, reasonably reflect in all material aspects the financial position of Grupo de Inversiones Suramericana S.A. for the fiscal year ended December 31, 2016, together with the results of its operations and cash flows for said year, in accordance with the Financial Reporting Standards accepted in Colombia.

Other matters

The consolidated financial statements of Grupo de Inversiones Suramericana S.A. for the fiscal year ended December 31, 2015 were audited by another statutory auditor who issued an unqualified opinion on such dated February 29, 2016

Other legal and regulatory requirements

Based on the scope of my audit, I did not learn of any situation indicating that the Company failed to comply 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; 3) keeping the correspondence and accounting vouchers; and 4) adopting measures regarding the Company's internal controls and the safekeeping of all property in its possession, belonging either to the Company or to third parties. Furthermore, the attached 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 circulation of endorsed invoices issued by vendors or suppliers.

I informed Senior Management of my recommendations regarding the Company's internal controls and other matters in a separate report.

Medellín, Antioquia February 24, 2017

MARIANA MILAGROS RODRÍGUEZ Statutory Auditor-Lic. # 112752 - T Appointed by Ernst & Young Audit S.A.S. TR-530

GRUPO DE INVERSIONES SURAMERICANA S.A. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION »

At year-end 2016 (with comparative figures at year-end 2015). (Stated in COP millions)

	NOTES	2016	2015
Assets			
Cash and cash equivalents	8	2,066,959	1,433,184
Investments	9	26,198,241	21,723,891
Trade and other accounts receivable	9	5,421,856	2,952,738
Current accounts receivable from related parties and associates	9	89.249	89.009
Technical insurance reserves - reinsurers	11	2,656,756	581.124
Inventories	12	13.835	12.138
Current tax assets	13	587.073	332.191
Other financial assets	14	631.093	262.181
Other non-financial assets	21	209.503	84.714
Investment properties	15	1,033,526	805.188
Property, plant and equipment	16	1,028,690	914.068
Intangible assets other than goodwill	17	4,484,107	3,884,431
Goodwill	17	4,506,162	4,280,774
Investments accounted for using the equity method	18	18,144,328	17,759,665
Deferred tax assets	13	745.663	417.809
Total assets		67,817,041	55,533,106
Liabilities			
Other financial liabilities	9	3,705,478	2,627,940
Trade and other accounts payable	9	2,606,198	1,312,265
Accounts payable to related parties	9	68.096	62.509
Technical reserves	11	25,989,614	18,865,979
Current tax liabilities	13	750.945	454.197
Provisions for employee benefits	20	405.816	335.711
Other non-financial liabilities	21	491.205	395.264
Other provisions	22	247.267	78.392
Issued securities	23	6,038,924	3,637,504
Deferred tax liabilities	13	2,117,671	1,700,745
Total liabilities		42,421,214	29,470,506

GRUPO DE INVERSIONES SURAMERICANA S.A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION »

At year-end 2016 (with comparative figures at year-end 2015). (Stated in COP millions)

	NOTES	2016	2015
Equity			
Issued capital	24	107.882	107.882
Share issue premium		3,307,663	3,307,663
Income for the period		1,444,463	1,104,091
Accumulated earnings		12,302,406	12,255,428
Other equity interests	26	1,913,970	1,858,384
Reserves	24	3,584,844	4,207,880
Equity attributable to the owners of the parent company		22,661,228	22,841,328
Non-controlling interest	27	2,734,599	3,221,272
Total equity		25,395,827	26,062,600
Total equity and liabilities		67,817,041	55,533,106

The accompanying notes form an integral part of these financial statements.

DAVID BOJANINI GARCÍA Legal Representative LUIS FERNANDO SOTO SALAZAR Chief Accountant - Lic. No. 16951-T 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 24, 2017)

GRUPO DE INVERSIONES SURAMERICANA S.A. CONSOLIDATED INCOME STATEMENTS »

At year-end 2016 (with comparative figures for year-end 2015) (Stated in millions of Colombian pesos, except for basic earnings per share)

	NOTES	2016	2015
Written premiums	11	12,683,244	8,470,116
Ceded premiums	11	(1,851,231)	(937,985)
Retained premiums (net)		10,832,013	7,532,131
Commission income	29	2,184,046	1,952,419
Services rendered	30	2,318,945	1,953,275
Dividends	31	85.715	70.806
Investment income	31	1,182,002	1,171,283
Gains at fair value	31	715.642	134.580
Revenues via equity method	18	1,037,637	810.906
Earnings from sales of investments	31	136.466	72.713
Income on investment property	15	78.916	81.158
Exchange difference (net)	31	172.083	(28,000)
Other income	32	229.857	180.527
Total revenues		18,973,322	13,931,798
Total claims	11	(6,750,579)	(3,839,116)
Reimbursed claims	11	1,499,644	430.407
Retained claims		(5,250,935)	(3,408,710)
Reserves, net of insurance activities	11	(2,814,643)	(2,500,165)
Costs of services rendered	30	(2,304,348)	(1,983,177)
Administrative expense	33	[1,543,942]	(1,060,494)
Employee benefits	20	[1,638,771]	[1,227,944]
Fees	30	(758,493)	(557,014)
Brokerage commissions	29	[1,469,061]	(671,261)
Amortizations	17	(250,538)	(173,269)
Depreciation	16	(71,141)	(55,801)
Other expense	32	(222,019)	(110,376)
Interest	31	(532,932)	[286,273]
Impairment		[14,592]	(3,887)
Total expense		(16,871,415)	(12,038,370)

GRUPO DE INVERSIONES SURAMERICANA S.A. CONSOLIDATED INCOME STATEMENTS »

At year-end 2016 (with comparative figures for year-end 2015) (Stated in millions of Colombian pesos, except for basic earnings per share)

	NOTES	2016	2015
Earnings before tax		2,101,907	1,893,428
Income tax	13	(430,249)	(569,487)
Net income		1,671,658	1,323,941
Earnings - parent company		1,444,463	1,104,091
Earnings - non-controlling interest	27	227.194	219.850
Earnings per share			
Net earnings per share	35	3,079.63	2,353.95

The accompanying notes form an integral part of these financial statements.

DAVID BOJANINI GARCÍA

Legal Representative

LUIS FERNANDO SOTO SALAZAR Chief Accountant/- Lic. No. 16951-T

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 24, 2017)

GRUPO DE INVERSIONES SURAMERICANA S.A. CONSOLIDATED STATEMENT OF COMPREHENSIVEINCOME »

At year-end 2016 (with comparative figures for the year-end 2015) (Stated in COP millions)

	NOTE	YEAR-END 2016	YEAR-END 2015
Earnings for the period		1,671,658	1,323,941
Other comprehensive income, losses incurred with equity investments, net of tax	26	[2,767]	603
Other comprehensive income, gains on net revaluation of taxes	26	4.404	8.468
Other comprehensive income, losses incurred with remeasurements of defined employee benefit plans, net of tax	26	[169]	877
Total other comprehensive income that shall not be reclassified to profit or loss, net of tax		1.468	9.948
Losses (gains) on exchange differences, net of tax	26	[426,670]	629.967
Loss on cash flow hedges, net of tax	26	9.834	(3,703)
Gains on derivatives hedging net investments in foreign currencies, net of tax	26	17.081	[13,699]
Share of other comprehensive income from associates and joint ventures posted via the equity method that shall be reclassified to profit or loss, net of tax	26	263.336	367.797
Total other comprehensive income to be classified to profit or loss		(136,420)	980.363
Total other comprehensive income		(134,952)	990.311
Total comprehensive income		1,536,706	2,314,252
Comprehensive income attributable to:			
Controlling interest		1,500,049	1,939,185
Non-controlling interest		36.657	375.067

The accompanying notes form an integral part of these financial statements.

DAVID BOJANINI GARCÍA Legal Representative

LUIS FERNANDO SOTO SALAZAR Chief Accountant - Lic. No. 16951-T

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 24, 2017)

GRUPO DE INVERSIONES SURAMERICANA S.A. CONSOLIDATED STATEMENTS OF CHANGES TO SHAREHOLDERS EQUITY

		Issued	Share issue premium	Accumulated	Other equity interests	Legal	Occasio- nal reserve	Earnings for the period	Equity attributable to the owners of the parent company	Non-controlling interest	Total sharehol- ders' equity
Balance held at January 01, 2015	Note	107.882	3,307,663	11,665,743	1,023,290	138.795	4,039,071	1,420,193	21,702,636	3,254,969	24,957,605
Other comprehensive income	26				835.094				835.094	155.216	990.311
Property and equipment revaluation reserve		٠	٠	٠	6.797	٠	٠	٠	6.797	1.671	8,468
Adjustments on converting net investments in foreign currency				1	474.340				474.340	155.627	629.967
Financial instruments with changes to other comprehensive income		,			[516]				(516)	1.119	903
Losses from re-measurements of defined benefit plans, net of tax					770				770	107	877
Associate equity method investments recognized in equity		,			367.797				367.797		367.797
Cash flow hedges - derivatives					(2,980)	1	1	1	(2,980)	(722)	(3,703)
Hedges for net investments abroad					(11,114)				(11,114)	(2,585)	(13,699)
Earnings for the period								1,104,091	1,104,091	219.850	1,323,941
Total Net Comprehensive Income for the period		٠	٠		835.094		٠	1,104,091	1,939,185	375.066	2,314,252
Transferred to accumulated income				1,420,193				(1,420,193)		1	
Profit distribution corresponding to 2014 based on authorization contained in the minutes of Shareholders' Meeting No. 20 held on March 26, 2015:		1	ı		ı	1		ı			
Dividends recognized as distributions to owners (COP 422 per ordinary and preferred share)		1	1	(242,808)	ı	1	1	1	(242,808)	ı	(242,808)
Donations for social outreach projects		1	1	(4,500)	1	1	1	1	(4,500)	1	(4,500)
Reserves for the protection of investments	24	1	1	(424,593)	1	1	424.593	1	1	1	1
Surplus paid on acquiring non-controlling interests	27	1				1	(394,579)		(394,579)	(399,271)	(793,850)
Minimum preferred dividends	25	1	1	12.960	1	1	1	1	12.960	1	12.960
(Decreases) due to other changes in equity		1		(171,567)		1	1	1	(171,567)	(9,492)	(181,059)
Balance held at year-end 2015		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

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GRUPO DE INVERSIONES SURAMERICANA CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY »

For year year-end 2016 (with comparative figures for year-end 2015) (Stated in millions of Colombian pesos, except for dividends)

	Issued	Share issue premium	Accumulated	Other equity interests	Legal reserve	Occasio- nal reserve	Earnings for the period	Equity attributable to the owners of the parent company	Non-controlling interest	Total sharehol- ders' 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 comprehensive income 26	9			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 in foreign currency				(228,121)				(228,121)	(193,965)	(422,087)
Financial instruments with changes to other comprehensive income				(1,968)				(1,968)	(664)	(2,767)
Losses from re-measurements of defined 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	9.834
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		٠	1,444,463	1,504,633	36.656	1,541,289
Transferred to accumulated income			1,104,091				(1,104,091)	1		
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			(2,000)					(2,000)		(2,000)
Reserves for the protection of investments	4		(456,617)			456.617		1		1
Surplus paid on acquiring non-controlling interests	7					(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	1,913,970	138,795	3,446,049	1,444,463	22,661,229	2,734,599	25,395,827

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GRUPO DE INVERSIONES SURAMERICANA S.A. CONSOLIDATED STATEMENTS OF CASH FLOWS >>

At year-end 2016 (with comparative figures for year-end 2015) (Stated in COP millions)

	NOTE	2016	2015
let income for the period		1,671,658	1,323,941
Adjustments to reconcile gains			
Adjustments for income tax expense	13.4	430.249	569.487
Adjustments for decreases (increases) in inventories		(1,697)	2.502
Adjustments for increases in accounts receivable corresponding to the insurance business		(2,075,632)	(141,211)
Adjustments for decreases in trade receivables		(2,469,118)	(455,996)
Adjustments for increases in other accounts receivable corresponding to operating activities		[240]	[3,186]
Adjustments for increase in trade payables		1,293,933	178.705
Adjustments for increase in accounts payable corresponding to the insurance business		7,123,635	4,571,372
Adjustments for increases in other accounts payables corresponding to operating activities		1	-
Adjustments for depreciation and amortization expense	16 and 17	1,678,022	347.216
Adjustments for provisions		238.479	(1,395)
Adjustments for unrealized foreign currency losses		(270,279)	(535,468)
Adjustments for losses at fair value		(1,236,805)	(792,499)
Adjustments for retained earnings via the equity method	18	(1,037,637)	(810,906)
Non-controlling interest		(28,847)	88.983
Total adjustments to reconcile income		3,644,064	3,017,604
Net cash flows sourced from operating activities		5,315,721	4,341,545
Dividends paid	25	(256,785)	[248,194]
Dividends received from associates		399.312	395.850
Income tax paid		(310,397)	(369,889)
Net cash flows sourced from operating activities		5,147,851	4,119,312
Cash flows sourced from (used for) investing activities			
Cash flows from losing control over subsidiaries or other businesses	18.2.1	517.324	96.578
Cash flows used to obtain control over subsidiaries or other businesses		(1,763,569)	(495,402)

Net cash flows used for investing activities		(8,367,051)	(5,212,487)
Interest received	9.1.1	144.185	[699,346]
Dividends received on financial instruments		4.841	-
Payments on futures, forwards, options and swaps		(356,904)	(215,893)
Purchases of other long-term assets	15	(239,364)	(54,456)
Proceeds from sales of other long-term assets		86.204	13.752
Purchases of intangible assets		(2,493,554)	(403,109)
Proceeds from sales of intangible assets		10.832	52.896
Purchases of property and equipment		(162,324)	(125,381)
Proceeds from sales of property, plant and equipment	16	45.489	6.501
Other payments for purchasing equity or debt securities from other entities	9.1.1	(8,260,019)	[8,206,420]
Other cash receipts on sales of equity or debt securities belonging to other entities		4,099,808	4,817,793

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GRUPO DE INVERSIONES SURAMERICANA S.A. CONSOLIDATED STATEMENT OF CASH FLOWS »

At year-end 2016 (with comparative figures for year-end 2015) Stated in COP millions)

	NOTE	2016	2015
Net cash flows sourced from (used for) financing activities			
Proceeds from loans		7,183,822	2,222,927
Loan repayments		(3,174,907)	(912,599)
Interest paid		(252,438)	(74,392)
Other cash outflows		(5,000)	(4,500)
Net cash flows sourced from (used for) financing activities		3,751,477	1,231,436
Net increase in cash and cash equivalents before exchange rate effect	532.277	138.261	(3,703)
Effects of exchange rate fluctuations on cash and cash equivalents			
Effects of exchange rate fluctuations on cash and cash equivalents		101.498	933
Net increase in cash and cash equivalents		633.775	139.195
Cash and cash equivalents at beginning of the period	8	1,433,184	1,293,989
Cash and cash equivalents at the end of period	8	2,066,959	1,433,184
·			

The accompanying notes form an integral part of these financial statements.

DAVID BOJANINI GARCÍA Legal Representative LUIS FERNANDO SOTO SALAZAR Chief Accountant - Lic. No. 16951-T 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 24, 2017)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS »

At year-end 2016 (with comparative figures at year-end 2015)

GRUPO DE INVERSIONES SURAMERICANA S.A.

(Stated in millions of Colombian pesos, except for amounts stated in foreign currencies, exchange rates and share information).

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 Medellin, with all the corresponding accounting formalities duly completed by January 1, 1998. Its main registered place of business is in Medellin, at the following address: Cra.43 A No. 5 A - 113. 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).

CORPORATE PROFILE:

Grupo de Inversiones Suramericana S.A. (hereinafter referred to as "Grupo SURA) is a multi-Latina listed on the 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 "Silver 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: strategic or core – those pertaining to the financial, insurance, pension, savings and investment sectors; and portfolio – those found mainly in the processed food, cement, energy, port services and real estate sectors.

Grupo SURA's investee companies (Suramericana S.A., Sura AM S.A., Bancolombia S.A., Nutresa S.A. and Inversiones 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, plus 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 71.60% 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 21.29% 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, coalmining 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 Note 16 - 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 and Uruguay. Grupo SURA has invested in well established companies mainly in the financial service, insurance, health care, occupational health, 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 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 2016, Grupo Sura's consolidated shareholders' equity came to COP 25,395,827 million with a total debt-to-asset ratio of just 14.4%. 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 commitment 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:

In 2016, Grupo SURA made great efforts in strengthening its corporate role, as defined in its strategic road map, the purpose of which is to guide its relations with its core investments. Clearly as we are able to achieve a greater level of coordination, identifying and harnessing existing synergies and working together in the spirit of our mutual interests, we shall be able to further the growth of our business, creating added value for our core investments and guaranteeing our sustainability over the long term.

Here, Grupo Sura's strategic focus, as defined for the next few years, centers on providing added value and building trust. Growth shall consequently be driven by innovation, creating greater synergies as well as expanding and developing the different markets. The Group's human talent, financial strength, sound corporate reputation and brand image as well as a management model, firmly based on our Corporate Governance principles, form the basis for this growth. Also, all these different facets of our performance must be enshrined in a corporate culture and philosophy shared by all, as well as a firm commitment to enhancing our business sustainability

Progress made with our different businesses

a) Our core investments. The main companies that make up the Group's investment portfolio are all leading players on their respective markets. We plan to maintain our leadership in these markets by employing highly skilled individuals with specialized knowledge, offering superior products and solutions to our clients, investing in research and development for greater innovation, fostering customer loyalty by providing a combination of personalized service and high-quality products and services at competitive prices and ensuring that our companies continue to uphold our guiding principles of fairness, respect, responsibility and transparency.

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- b) Expanding into selected international markets and driving the growth of all those companies that form part of our portfolio of strategic investments in the financial services, insurance, social security, pension fund and complementary services sectors. In driving our sustainable growth and expanding our business the Company has continued to adopt international practices and standards with regard to responsible investing. We are well aware that developing a business on a global level poses a series of risks and opportunities that require us to uphold responsible practices when it comes to investing. Today, we have put into a place a Group-wide general policy governing responsible investing on the part of our companies, who must apply all applicable environmental, social and good governance criteria when analyzing present and future investments.
- c) Maintaining and enhancing a strong, diversified and increasing stream of cash flows. By expanding our presence within the region, we seek to maintain and enhance the financial strength of our companies while diversifying our sources of revenues. In so doing, we aim to ensure that our dividend flows continue to be well diversified across various industries and countries, rising at similar or faster rates than in recent years. Also, and to ensure that our growth shall not hamper our strong credit position, we intend to continue with our long-term policy of maintaining conservative leverage levels

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	POSITION
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
Fabián Fernando Barona Cajiao	Chief Corporate Auditor
Ricardo Jaramillo Mejía	Chief Corporate Finance Officer
Fernando Ojalvo Prieto	Chief Corporate Affairs Officer

BOARD COMMITTEES

The 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 is responsible for issues regarding the Board of Directors, Senior Management and the Company's Good Corporate Governance.

The 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

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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.

The 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.

Finance and Audit Committee

Consisting of 3 members of the Board of Directors meeting at least four (4) times a year. It is in charge of 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 2016, based on the data duly recorded in the Stock Ledger:

SHAREHOLDER	# SHARES HELD	% STAKE
Grupo Argos S.A.	129,721,643	22.55%
Grupo Nutresa S.A.	59,387,803	10.32%
Fondo De Pensiones Obligatorias Porvenir Moderado	53,698,083	9.33%
Cementos Argos S.A.	28,183,262	4.90%
Oppenheimer Developing Markets Fund	16,843,317	2.93%
Harbor International Fund	19,027,442	3.31%
Fondo De Pensiones Obligatorias Protección Moderado	46,742,019	8.12%
Fondo De Pensiones Obligatorias Colfondos Moderado	17,156,090	2.98%
Colombiana De Comercio S.A. Corbeta and/or Alkosto S.A.	10,000,000	1.74%
Grupo Argos´ Foundation	9,649,348	1.68%
Fondo Bursatil Ishares Colcap	9,496,987	1.65%
Old Mutual Fondo De Pens. Obligatorias - Moderado	6,933,937	1.21%
Other shareholders with stakes of less than 1% [1]	168,532,292	29.29%
Total	575,372,223	100.00%

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[1] Including 12,895 shareholders, who individually hold less than 1.0% of our common 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".

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, 2013.

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 unit, except for basic earnings per share, the Colombian market exchange rate as well as exchange rates quoted in Colombian pesos (i.e. for US dollar, euro, Chilean peso, Dominican peso and Mexican peso, the New Sol and Peruvian peso).

Grupo Sura presents its Statement of Financial Position in order of liquidity.

As for its Statement of Comprehensive 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.

Reclassifications

Certain figures in the financial statements corresponding to 2015 were reclassified to facilitate a basis for comparison with those of 2016.

2.4. CONSOLIDATION PRINCIPLES

Subsidiaries

The consolidated financial statements include the financial statements of both Grupo SURA and its Subsidiaries at year-end 2016 and 2015 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 associate's purchase price and the share obtained in terms of the net fair value of the identifiable assets, liabilities, and contingent liabilities taken over from 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 are 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.

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 in 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 re-measured 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 will 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 at the date the transaction is completed, and are recorded in the same account where the valuation thereof is included, for those assets measured at fair value.

Accounts receivable from customers and 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, but are not limited to: fixed income securities with prepay 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 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 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.

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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 "net gains (losses) from financial operations" in 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 with their unrealized gains and losses recorded through profit and loss for the period

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:

- » Fair value hedges: these address the Company's exposure to changes in 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.
- » 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 their respective currencies and 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. As in the case of derivatives, 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 their fair value are quoted prices in an active market.

Recognition:

Fair value hedges:

If, during the period, a fair value hedge fulfills the corresponding documentation requirements, it is recorded as follows:

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- a. The gain or loss from re-measuring 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 compound 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.

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 transaction 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 carry out the liability adequacy tests.
- » Shall eliminate an insurance contract liability (or portion thereof) from its Statement of Financial Position when, and only when, it no longer exists that is to say, when the obligation stipulated in the corresponding contract is settled, paid or otherwise expires.
- » Shall not offset (i) reinsurance assets against the related insurance liabilities, or (ii) income or expense from reinsurance contracts against income or expense, from the related insurance contracts.
- » Shall consider whether its reinsurance assets have suffered any type of impairment.

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. Significant risk is assessed on an individual contract basis.

Based on the inherent characteristics of our products, these qualify as 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: These apply when the company (the insurer) accepts significant insurance risk from the counter-party (the policy-holder) by agreeing to provide compensation in the event of any uncertain adverse event affecting the policy-holder in the future. 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 even. Insurance contracts include those that transfer the inherent financial risk, providing the insured risk component is more significant.

Investment contracts: These apply when the policy-holder transfers significant financial risk but not the actual insured 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 opportunely 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 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.
- 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 contains 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 and 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 includes the following:

- » Projected contractual cash flows using assumptions based on the best estimates available at the time these projections are made. 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)

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- » Discounting flows of commitments (in order to obtain their current value).
- » 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 Dividends (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.

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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 pension 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.

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 apply 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. TAXES

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 is 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
 - 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.

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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. 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 condition of 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 write-offs

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 or disposed of.

3.9. PROPERTY, PLANT AND EQUIPMENT

Grupo Sura has defined as its property, plant and equipment (PP& 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, plant 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, plant and equipment was determined by independent expert appraisers with a well-known professional capacity and experience.

For all other types of property, plant and equipment the cost approach 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 other comprehensive income account, should this exist, if not directly through profit and loss.

Depreciation

Grupo Sura depreciates its property, plant 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, plant 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, plant 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 80 and 100 years

IT equipment ______ 5 years

Medical equipment ______ between 7 and 17 years

Furniture and fixtures ______ between 8 and 10 years

Vehicles _____ between 8 to 10 years

Grupo SURA reviews the useful lives of all assets, at least at the end of each accounting period.

3.10. 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.

3.11. INVESTMENTS

3.11.1 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.

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3.11.2 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

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 bargain purchase 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.

3.12. 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.

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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 actual 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.

3.13. FAIR VALUE

This is the price that would have been received or paid should the asset or liability have been sold or otherwise transferred between market participants 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 is determined on the following inputs:

Based on quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date (Level 1 inputs)

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).

3.14. 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, plant and equipment account using the measurement criteria, as defined for that group of assets in the accounting policy governing property, plant 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.

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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 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:

- » 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
- Defined 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 benefit plans are recognized in the other comprehensive income, 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 completed. 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.

3.16. 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.

3.17. 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.

3.18. 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

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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:

The amount of revenue from ordinary business activities can be measured reliably;

It is probable that the entity shall receive economic benefits associated with the transaction in question;

The degree of completion of the transaction at the end of the reporting period in question, can be measured reliably, and

The costs already incurred with the transaction and the remaining costs to be incurred until the transaction is completed can be measured reliably.

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 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.

3.18.1 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.

3.18.2 Income 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.

3.18.3 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.

3.18.4 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.

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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 safekeeping 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

3.18.5 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

3.18.6 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.

3.19. 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 Company's preferred shares are posted as a liability.

3.20. CURRENCY

3.20.1 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.

3.20.2. 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.

3.21. 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.

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 assumptions 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 is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus with regard to said asset. The decrease thus recognized in other comprehensive income reduces the amount accumulated in equity as a revaluation surplus.

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.

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 provided by these models is taken from observable markets where possible, but when this is not the case, a certain amount of judgment is required to determine their fair values. This includes weighing the corresponding liquidity, credit and volatility risks.

cl 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 taxable income and expense already recorded. Provisions are set up, based on reasonable estimates, with regard to possible findings produced by official audits performed by the tax authorities in each of the countries where the Company is present. 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. A significant amount of judgment is required from Senior Management to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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, plant and equipment as well as intangible assets.

Grupo SURA reviews the useful lives of all property, plant 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.

q) 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 postemployment 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 an 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 returns 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 unitlinked 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 estimated the future cash flows that are expected from a single or group of financial assets.

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.

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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

The investments that Grupo Sura classifies as subsidiaries, associates

Information regarding assumption and estimation uncertainties that pose a significant risk of producing a material adjustment for year-end 2015, 2014 and January 01 2014, are included in the following notes:

- » Note 7. Business combinations: acquired subsidiaries, fair value provisionally measured
- » Note 11. Insurance Contracts: assumptions for calculating reserves.
- » Note 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
- » Note 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:

- » Note 9. Financial instruments
- » Note 15. Investment properties

Discretionary judgments

Upon preparing Grupo Sura 's financial statements, its Senior Management is called on to make judgments that affect the values of the income, expense, assets and liabilities therein reported as well as contingent liabilities disclosed at the end of the reporting period in question.

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. 263

- » 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 the revision 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

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 is 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 the novation of a derivative, designated as a hedging instrument, 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 stipulates that an entity must recognize as a liability the activity that triggers the payment of the levy in accordance with the relevant legislation.. Based on this standard, in the case of levies that become due and payable upon reaching a certain threshold, no liability shall be recognized until such minimum 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 principles for recognizing said liabilities as liens as contained in IAS 37 - Provisions, Contingent Liabilities and Contingent Assets have been applied, these being consistent with that stipulated in IFRIC 21.

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 the 2011-2013 annual improvement cycle, the IASB issued four amendments to four standards, which include a modification to IFRS 1 First-time Adoption of International Financial Reporting Standards. This amendment to IFRS 1 was made immediately effective and therefore has to be applied to the years beginning on or after January 1, 2016 and in the "Basis for Conclusions" clarifies that an entity may choose to apply a current standard or a new standard that has not yet been enforced, but which may be applied in advance, provided that each such standard is consistently applied in the years presented in the Company's first financial statements. This amendment to IFRS 1 had no impact whatsoever on the Group, since first adopted IFRS prior to the reporting year of 2016.

NOTE 6. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Section 3 of Article 2.1.2 of Book 2, Part 1 of Decree 2420 issued in 2015 and subsequently amended by Decrees 2496 of 2015 and 2131 of 2016 as well as Article 1 of Decree 2131 of 2016 include the standards that have been issued by the IASB and adopted In Colombia, but which are due to come into full force and effect after 2016.

New Accepted Accounting and Financial Reporting Standards in Colombia to be applied as of January 01, 2017 except for IFRS 9 and 15 applicable as of January 1, 2018

IFRS 9 - Financial instruments Classification and measurement

In July 2014, the IASB published the final version of IFRS 9 - Financial Instruments which was a compilation of all phases of its draft IFRS 9 project and replaces IAS 39 Financial Instruments: measurement and classification as well as all previous versions of IFRS 9. This new standard introduces new requirements for the classification, measurement and impairment of financial instruments as well as hedge accounting. IFRS 9 is to be applied for the financial years beginning on or after 1 January 2018. Retroactive application is required, but no changes to comparative information are necessary. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is allowed if the initial date of application is earlier than 1 February 2015.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, when adopting IFRS for the first time and whose activities are subject to rate regulations, to continue to apply most of its prior accounting policies to its regulatory deferred accounts. Entities adopting IFRS 14 must present their regulatory deferred accounts as separate items on their statements of financial position and record the movements in said accounts as separate items on both their income and comprehensive income statement. This standard requires disclosures regarding the nature and risks associated with the entity's regulated rates, as well as the impacts of regulated rates on their financial statements. IFRS 14 is applicable to the fiscal years beginning on or after 1 January 2017.

IFRS annual improvements cycle - 2010-2012

These improvements became effective as of July 01, 2014 These include the following amendments:

IFRS 15 - Revenue from contracts with clients

IFRS 15 was published in May 2014 and established a new five-step approach for revenues obtained from contracts with clients. According to IFRS 15, revenue is recognized in an amount that reflects the consideration that an entity expects to be entitled to receive in exchange for transferring goods or services to a client. This core principle is delivered in a more structured approach for assessing and recording said revenues.

This new standard applies to all entities and shall replace all previous revenue recognition standards. A full or partial retroactive application is required for periods beginning on January 1, 2018, but earlier application is permitted.

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to IFRS 11 require a joint operator to account for the acquisition of a stake in a joint venture, which constitutes a business, applying the relevant principles of IFRS 3 for the accounting of business combinations. These modifications also clarify the fact that the interests previously maintained in the joint operation are not reappraised when additional interests are required providing joint control is maintained. Furthermore, an exception was introduced to the scope of these amendments insofar as these shall not apply when the parties who share joint control come under the common control of a controlling company

These amendments shall apply when interests are first acquired in a joint operation as well as any other additional interests in the same joint operation. These are to be applied prospectively for the fiscal years beginning on January 1, 2017, although earlier application is permitted.

Amendments to IAS 16 and IAS 38: Clarification for Acceptable Methods of **Amortization**

These amendments clarify that revenues must reflect a pattern of profits derived from the operation of a business (of which the asset forms part), rather than the economic benefits that are consumed by the use of the asset. Therefore, property, plant and equipment cannot be amortized using an revenue-based amortization method and can only be used in very limited circumstances to amortize intangible assets. These changes shall be applied prospectively for periods beginning on or after 1 January 2017, although they may be applied in advance.

Amendments to IAS 16 and IAS 41: Biological Assets Relating to Agricultural **Bearer Plants**

These amendments change the way of recording biological assets which are agricultural bearer plants. According to these new changes, the biological assets used to grow produce over several years no longer fall under the scope of IAS 41 and therefore must be recorded in accordance with IAS 16. After their initial recognition, these biological assets are measured at their amortized cost until maturity whereupon the cost or revaluation model is used. IAS 41 continues to be applied to the produce thus obtained which is to be measured at fair value less their selling costs. On the other hand, IAS 20 shall apply when receiving subsidies related to produce-bearing plants. These amendments must be applied retroactively for the years beginning on January 1, 2017, although their early application is permitted.

Amendments to IAS 27: Equity method in separate financial statements

An amendment made to IAS 27 - Equity Method in Separate Financial Statements allows entities to use the equity method to account for their subsidiaries, joint ventures and associates in its separate financial statements. Entities that have already implemented IFRS and choose to change to the equity method, must apply this change retrospectively. Entities that apply IFRS for the first time and choose to use the equity method in their separate financial statements shall have to apply the aforementioned method as of the date they transitioned to IFRS. These changes must be applied for the years beginning on January 1, 2017, although their early application is allowed.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between the Investor and its Associates or Joint Ventures

These amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is either sold or contributed to an associate or joint venture. They also clarify the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between the investor and its associate or joint venture, which must be recognized in its entirety. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only up to the extent of the interests held by unrelated investors in associate or joint venture. These amendments should be applied prospectively and shall become fully effective for periods beginning on or after January 1, 2017, with early adoption allowed.

Annual Improvements Cycle 2012-2014

These improvements are effective for annual periods beginning on or after January 1, 2017, with earlier adoption allowed. These include:

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations

Assets (or groups of assets) are generally disposed of either by being sold to or distributed among their owners. This amendment clarifies that the change from one disposal method to another would not be considered as a new disposal plan, but rather a continuation of the original plan. Therefore there are no grounds for interrupting the application of the requirements contained in IFRS 5. This amendment should be applied prospectively.

IFRS 7 - Financial instruments Disclosures

(i) Servicing costs

This amendment clarifies that a servicing contract that includes a fee may constitute a continuing involvement in a financial asset. An entity should evaluate the nature of the fee and the servicing contract itself against the guidance provided in IFRS 7 for determining a "continuing involvement" in order to assess whether disclosures are required. This evaluation of which servicing contracts constitute a continuing involvement must be carried out retrospectively. However, the required disclosures shall not have to be provided for a period beginning before the annual period in which the entity applies the amendments for the first time.

(ii) Applicability of Amendments to IFRS 7 to the Condensed Interim Financial Statements

The amendment clarifies that offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a material restatement for the information reported in the most recent annual report. This amendment should be applied retrospectively.

IAS 19 Employee Benefits

This amendment clarifies that the depth of the market for high-quality corporate bonds should be assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high-quality corporate bonds in the corresponding currency, government bond rates should be used. This amendment should be applied prospectively.

IAS 34 Interim Financial Information

These amendments clarify that the required interim disclosures should be either in the interim financial statements or incorporated by cross-referencing between the interim financial statements and wherever interim financial information is included (for example in management comments or risk reports) . The other information contained in the interim financial information should be made available to users under the same conditions as the interim financial statements and at the same time. This amendment should be applied retrospectively.

Amendments to IAS 1 - Disclosure Initiative

Amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, the existing requirements of IAS 1. Said changes clarify:

- » The materiality requirements stipulated in IAS 1.
- » That specific line items in the statements of income and other comprehensive income as well in the statement of financial position can be disaggregated.
- » That entities are granted flexibility with regard to the order in which the notes to the financial statements are presented .

» That the entity's share of the other comprehensive income (OCI) of associates and joint ventures that are accounted for using the equity method should be presented together in a single line and classified among those items to be reclassified or not to the income accounts.

Furthermore, these amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position as well as the statements of income and other comprehensive income. These amendments shall be effective for annual periods beginning on or after January 1, 2017, with early adoption allowed.

Amendments to IFRS 10, 12 and IAS 28 - Investment Entities: Application of the Consolidation Exception

These amendments address issues that have arisen with the application of the exception for consolidation in investment entities under IFRS 10.

Amendments to IFRS 10 clarify that the exception to the consolidated financial statements applies to the parent entity which in turn is a subsidiary of an investment entity when the investment entity measures all of its subsidiaries at fair value.

On the other hand, amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity per se and which provides support services to the investment entity in question should be consolidated. All the other subsidiaries of an investment entity are measured at fair value. Amendments to IAS 28 allow the investor, when applying the equity method, to leave the measurement of the fair value applied by the associated investment entity or joint venture based on the investor's participation in the subsidiaries.

These amendments should be applied retrospectively and are effective for annual periods beginning on or after January 1, 2017, with earlier adoption allowed. New Accepted Accounting and Financial Reporting Standards (NCIF) in Colombia applicable as of January 1, 2018 Article 1 of Decree 2131 of 2015 added Annex 1.2 to Decree 2420 of 2015, subsequently amended by Decree 2496 of 2015 adding amendments to IAS 7, IAS 12 and clarifications to IFRS 15

Disclosure Initiative: amendments to IAS 7 form part of the IASB disclosure initiative and require companies to disclose information that allows users of financial statements to assess changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. Upon initially applying this amendment, the company would not be obliged to include comparative information from previous periods.

Amendments to IAS 12

Recognition of Deferred Tax Assets for Unrealized Losses: these amendments clarify how to record deferred tax assets for debt instruments measured at fair value.

Amendments to IFRS 15:

Clarifications to IFRS 15 Revenues from Contracts with Clients: this amendment clarifies certain issues relating to client contracts, in order to provide a more uniform understanding of this standard by the various interested parties.

IFRS issued by the IASB but not adopted in Colombia

The IASB issued on January 13, 2016 a new standard IFRS 16 - Leases, which provides a comprehensive model for identifying lease agreements and how they are to be treated in the financial statements of both lessees and lessors. This replaces IAS 17 - Leases and their interpretive guidance.

The following standards which, although have not been amended, do not apply in the case of Grupo Sura since the Company does not carry out this type of operation:

- » IFRS 14 Regulatory Deferral Accounts
- » IFRS 11: Accounting for acquisitions of interests in joint operations
- » IAS 16 and IAS 41: Biological Assets Relating to Agricultural Bearer Plants
- » IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

NOTE 7. BUSINESS COMBINATIONS

7.1. BUSINESS COMBINATIONS CARRIED OUT IN THE PRESENT **REPORTING PERIOD (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 (403 million pounds sterling), which consisted 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 by 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, having obtained prior authorization from the Colombian Superintendency of Finance as contained in Resolution No. 0889 issued on July 14, 2016, Royal & Sun Alliance Seguros Colombia S.A. (RSA) was taken over by Seguros Generales Suramericana S.A., which is a subsidiary of Suramericana, the Group's insurance and reinsurance arm in Colombia.

Royal & Sun Alliance Seguros Argentina - RSA: on April 30, 2016 Suramericana acquired a 99.35% stake in this insurance company as well as 100% of the share capital belonging to Atlantis Sociedad Inversora S.A. a company dedicated to investing in personal property and real estate as well as other activities, 100% of the share capital belonging to 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.

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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 allocation of the price paid for the transactions was made in accordance with IFRS, in particular 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 NUAL REPORT 2016

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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).

- » 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 considered for the corresponding valuation. 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.

		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
Accounts receivable	315.845		315.845	625.869	(7,452)	618.417	397.094	-	397.094
Property, plant and equipment	42.860		42.860	8.412		8.412	6.792	1	6.792
Intangible assets	12.209	(981)	11.229	15.782	(12,000)	3.782	66.525	(11,044)	55.481
Identified intangible assets			71.008			51.592		1	28.011
Other assets	113.484	(16,727)	96.757	23.389	(6,477)	16.912	72.456	5.131	77.587
Total assets	783.845	(17,708)	837.145	1,190,822	(25,929)	1,216,486	809.356	(5,912)	831,455
Liabilities									
Financial obligations	1	1		1	1	1	1		1
Accounts payable	122.551	[54]	122.528	228.658	(1,449)	227.209	220.656	259	220.915
Technical reserves	369.917	1	369.917	715.367	1	715.367	409.726	1.455	411.180
Deferred tax on identified intangible assets	1	1	21.302	1	1	18.057	ı	1	12.605
Other liabilities	67.657	36	67.693	54.670	1	54.670	ı	ı	1
Total liabilities	560.125	12	581.440	998.695	(1,449)	1,015,303	630.382	1.714	644.700
Non-controlling interest						1.022			_
Net acquired assets	223.719	(17,720)	255.705	192.127	(24,479)	200.161	178.974	(7,626)	186.754
Cash flow hedges on purchase transaction			[2,498]			15.613			16.096
Residual value of goodwill			32.372			(22,292)			40.364

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	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	1	35.240	9.640	1	9.640	42.341	1	42.341
Investments and derivatives	499.162	1	499.162	204.494	(10,627)	193.867	129.629	1	129.629
Accounts receivable	1,874,289	(70,136)	1,804,153	848.011	(157)	847.855	118.096	1	118.096
Property, plant and equipment	35.202	(924)	34.248	11.554	(384)	11.169	5.167	1	5.167
Intangible assets	19.570	1	19.570	8.735	5.277	14.012	1.488	1	1.488
Identified intangible assets	1	1	242.323	ı		33.453		1	74.165
Other assets	282.078	(31,547)	250.531	36.560	629	37.189	41.978	(578)	41.400
Total assets	2,745,542	(102,637)	2,885,227	1,118,994	(5,262)	1,147,185	338.699	(578)	412.286
Liabilities									
Financial obligations		1	1	3.778		3.778		1	
Accounts payable	420.046	1	420.046	97.309	1	97.309	52.355	1	52.355
Contingent liabilities	1	1	1	18.603		18.603	1	1	
Technical reserves	1,513,849	1	1,513,849	899.891	(52,427)	847.464	187.965	225	188.190
Labor liabilities	1	1	1	1.910		1.910		1	
Deferred tax on identified intangible assets		1	63.610	1		13.381		1	18.541
Other liabilities	287.248	(229)	287.019	14.003	31.460	45.463	(25,798)	10.032	(15,767)
Total liabilities	2,221,143	(229)	2,284,524	1,035,492	(20,967)	1,027,907	214.522	10.256	243.319
Non-controlling interest			2.872			1.662			
Net acquired assets	524.398	(102,408)	597.831	83.502	15.704	117.615	124.177	(10,834)	168.967
Cash flow hedges on purchase transaction			7.095			11.141			19.088
Residual value of goodwill			143.169			93.650			100.820

akdown of the revenues provided by these recently acquired companie

	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
Profit or loss	(13,556)	24.630	(7,184)	(8,942)	5.610	4.768
For the entire reporting period						
Revenue from normal business activities	641.392	1,933,214	692.927	2,381,886	910.060	328.675
Profit or loss	(11,390)	30.571	(37,989)	49.162	6.856	11.732

Negative goodwill determined through the valuation of business combinations is recognized as income for the period in which the transaction is carried out.

In 2016, Suramericana SA recognized the initial amounts associated with the business combinations carried out as a result of having acquired RSA'.s operations in Latin America. Since at the end of the reporting period it has not been possible to definitely confirm the fair value of the insurance reserves held by these cash generating units (CGUs) and that IFRS 3 grants a maximum measurement period of one year for making the necessary adjustments to the initially recognized amounts, these figures are understood to be of a provisional nature and subject to change in 2017.

7.2. BUSINESS COMBINATIONS CARRIED OUT IN REPORTING PERIODS PRIOR TO 2015

On August 31, 2010, Suramericana S,A, acquired 100% of the voting rights of the acquired Seguros Suramericana de Panamá (formerly Seguros Banistmo S.A.) in Panama through the purchase of 1,000,000 shares for a total of USD 96,495,801. Through these business combinations, Suramericana S.A. expanded its coverage in Latin America, diversified its risk exposure and took advantage of the opportunities inherent to this new business, recognizing, in its financial statements, the identifiable assets acquired, the liabilities assumed and the noncontrolling interests that remained in the equity of these business combinations.

The corresponding goodwill was also recognized. Once the Company took over, it began to direct the operating and financial policies of this newly acquired business, thus driving its corporate strategy, enriching its corporate knowledge by exploring other markets and cultures, capitalizing on the expertise of the staff now joining the Group while reaping the benefits of its financial situation and performance .

Seguros Suramericana de Panama S.A. (formerly Seguros Banistmo S.A.), is an insurance company based in Panama, which was incorporated on May 31, 1957, according to the laws of the Republic of Panama and is licensed to operate in the insurance and reinsurance business in all branches of property and casualty as well as life insurance together with performance bonds.

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The breakdown of the fair value of the net assets acquired on August 31, 2015, and the corresponding goodwill is as follows:

	CARRYING VALUE OF THE ACQUIRED COMPANY	RECOGNIZED FAIR VALUE	FAIR VALUE OF THE ACQUIRED COMPANY
Amount allocated / cash consideration			297,204
Assets			
Cash and cash equivalents	75,958	-	75,958
Investments and derivatives	218,582	-	218,582
Loan portfolio	543	-	543
Accounts receivable	68,409	-	68,409
Property, plant and equipment	524	-	524
Intangible assets	-	41,298	41,298
Other assets	27,581	[916]	26,664
Total assets	391,596	40,382	431,977
Liabilities			
Accounts payable	37,193	-	37,193
Technical reserves	131,871	-	131,871
Deferred premiums	4,667	-	4,667
Other deferred items	2,142	-	2,142
Total liabilities	175,872	0	175,872
Net acquired assets	215,723	40,382	256,105
Goodwill obtained from the acquisition		41,099	41,099

In 2016, Suramericana S.A. concluded its review of the facts and circumstances that could somehow affect the provisional amounts recognized in its financial statements for the business combination corresponding to Seguros Banistmo Panama, now known as Seguros Suramericana Panamá S.A.. Also in August 2016, the maximum measurement term permitted by IFRS 3 expired and thus amounts recognized for this business combination are to be understood as definitive.

NOTE 8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for Grupo SURA and Subsidiaries are broken down as follows:

450	7.786
2,066,509	1,425,398
287.975	246.968
449.869	278.442
1,325,798	893.436
2.868	6.552
2016	2015
	2.868 1,325,798 449.869 287.975 2,066,509

(*) 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 - 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

RESTRICTION DETAILS	COUNTRY	TOTAL RESTRICTED CASH - 2015
Garnished securities	Dominican Republic	1.769
Garnished bank accounts	Colombia	5.891
Funds used to pay taxes to SUNAT	Peru	126
Total		7.786

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.

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

In the case of financial assets with short-term maturities (less than three months), such as demand deposits and savings accounts with no specific maturity, their carrying amounts approximate their fair values.

As for short-term receivables, which are measured at amortized cost, their carrying values correspond to a reasonable approximation of their fair values.

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 FAIR V		OTHER FINANCIAL ASSETS (CASH)	TOTAL
		P/L	Equity		
Cash and cash equivalents	-	-	-	2,066,509	2,066,509
Investments	107.174	2,933,046	3,156,252	-	6,196,471
Accounts receivable	5,093,771	-	-	-	5,093,771
Accounts receivable due from related parties (1)	89.249	-	-	-	89.249
Derivatives	-	56.562	-	-	56.562
Total current assets	5,290,194	2,989,608	3,156,252	2,066,509	13,502,563
NON-CURRENT					
		P/L	Equity		
Restricted cash (*)	-	-	-	450	450
Investments	16,110,942	1,894,574	1,996,254	-	20,001,770
Accounts receivable	328.085	-	-	-	328.085
Derivatives	-	574.531	-	-	574.531
Total non-current assets	16,439,027	2,469,105	1,996,254	450	20,904,836
Total financial assets	21,729,221	5,458,713	5,152,506	2,066,959	34,407,398

Year-end 2015

CURRENT	FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL FAIR V		OTHER FINANCIAL ASSETS (CASH)	TOTAL
		P/L	Equity		
Cash	-	-	-	1,425,398	1,425,398
Investments	-	6,218,640	-	-	6,218,640
Accounts receivable	2,576,673	-	-	-	2,576,673
Accounts receivable due from related parties (1)	89.009	-	-	-	89.009
Derivatives	-	123.827	-	-	123.827
Total current financial assets	2,665,682	6,342,467	-	1,425,398	10,433,547
NON-CURRENT					
		P/L	Equity		
Restricted cash	-	-	-	7.786	7.786
Investments	13,908,102	1,531,938	65.212	-	15,505,252
Accounts receivable	376.065	-	-	-	376.065
Derivatives	-	138.354	-	-	138.354
Total non-current financial assets	14,284,167	1,670,292	65.212	7.786	16,027,457
Total financial assets	16,949,849	8,012,759	65.212	1,433,184	26,461,004

[1] Accounts receivable due from related parties consist of outstanding dividends receivable from associates as shown below:

	2016	2015
Bancolombia S.A.	52.061	52.744
Inversiones Argos S.A.	16.469	15.416
Grupo Nutresa S.A.	20.145	18.781
Others	573	2.067
Total dividends receivable	89.249	89.009

The maturities of the financial obligations held at year-end are shown as follows:

Total	13,502,562	530.477	0,707,300	13,304,771	34,407,370
	12 E02 E/2	530.477	6,989,588	13,384,771	34,407,398
Other financial assets	58.120	36.398	169.024	367.550	631.093
Trade receivables	5,181,462	13.673	32.013	283.957	5,511,105
Investments	6,196,471	479.956	6,788,551	12,733,264	26,198,241
Cash	2,066,509	450	-	-	2,066,959
2016	LESS THAN 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL

Total	10,441,332	8,813,825	2,068,011	5,137,836	26,461,004
Other financial assets	123.827	13.019	2.928	122.407	262.181
Trade receivables	2,665,681	299.334	25.219	51.514	3,041,748
Investments	6,218,640	8,501,472	2,039,864	4,963,915	21,723,891
Cash	1,433,184	-	-	-	1,433,184
2015	LESS THAN 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL

The following shows these financial liabilities based on their fair value hierarchy:

Total	8,213,551	2,222,709	174.958	10,611,219
Other financial assets	489.368	141.725	-	631.093
Investments	7,724,183	2,080,984	174.958	9,980,125
2016	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL

2015	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments	6,382,911	1,359,283	73.596	7,815,790
Other financial assets	62.986	199.195	-	262.181
Total	6,445,897	1,558,478	73.596	8,077,971

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Details of how fair value is determined:

Level 1

Prices listed on active markets

Inputs for Level 1 consist of unadjusted prices listed 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.

Levels 2 and 3

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:

- » Listed prices for similar assets or liabilities on active markets;
- » Quoted prices for identical or similar assets or liabilities, but in markets that are not active 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
Time Deposits	Internal rate of return	Market internal rate of return

inancial assets on an individual country basis is shown as follows:

ARGENTINA	BERMUDA	BRAZIL	CHILE	COLOMBIA	CURACAO	SPAIN	HO- LLAND	MEXICO	PANAMA	PERU	DOMINI- CAN REP	EL SALVADOR	URUGUAY	TOTAL	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	1	312,936	9,412,007	8,189,544				2,368,616	452,582	4,339,795	65,336	281,498	226,689	26,198,241
Other financial assets		1		489,368	141,725				1		1			1	631,093
Trade and other receivables	553,536		217,755	1,494,706	2,081,447		1		304,810	176,583	321,418	106,863	86,257	167,730	5,511,105
	1,126,172	15,875	536,451	11,567,217	11,919,862	324	3,163	552	2,779,590	741,545	4,720,807	191,969	397,320	406,551	34,407,398
2016	ARGENTINA	BERMUDA	BRAZIL	CHILE	COLOMBIA	CURACAO	SPAIN	HOLLAND	MEXICO	PANAMA	PERU	DOMINICAN REP	EL SALVADOR	URUGUAY	TOTAL
Cash and cash equivalents	ı	1	1	109,822	886,740	20	1,635	2,438	106,411	101,343	187,308	16,106	19,693	1,638	1,433,184
Investments	1	1		6,881,450	7,439,403	1		1	2,328,809	463,911	4,202,527	65,643	281,599	60,549	21,723,891
Other financial assets	1	1		62,986	199,195	1		1	1		1	1	1	1	262,181
Trade and other receivables	,		,	186,713	2,048,720				50,747	168,687	380,828	94,838	94,964	16,251	3,041,748
		1	ı	7,240,971	10,574,058	20	1,635	2,438	2,485,967	733,941	4,770,663	176,587	396,256	78,438	26,461,004

9.1.1 Investments

Investments are broken down as follows

681.327 11.478 (1,155) (4,439)
11.478
681.327
2,021,887
1,345,151
4,300,486
3,369,156
2015

The movements recorded in the investment account are shown as follows:

Balance held at year-end 2014	16,374,659	
Additions	8,206,420	
Derecognitions	[4,817,793]	
Interest	699.346	
Valuations of financial assets (net)	757.430	
Valuations of equity investments (Note 26.3)	603	
Translation differences	503.226	
Balance held at year-end 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 held at year-end 2016	26,198,241	

9.1.2 Trade and other accounts receivable

The following is a breakdown of the accounts receivable account at year-end:

	2016	2015
Insurance business	4,049,497	1,812,928
Loan portfolio	304.233	361.915
Business checking accounts:	182.056	136.985
Interest	63	32
Commissions	124.820	109.953
Lease rentals	6.189	3.729
Sales of goods and services	8	156
Receivables	358.494	222.088
Judicial deposits	63.203	23.512
Advanced payments - contracts and suppliers	6.905	5.196
Employees	39.648	28.859
Client payments - housing	51.014	44.894
Client payments - consumer	280.319	231.220
Promissory bills of sale	9.012	-
Miscellaneous	174.602	133.180
General impairment provision	(811)	-
Impairment on other items of loan portfolio	(23,159)	(24,445)
Impairment (provision) trade receivables	(111,930)	(84,855)
Impairment (provision) insurance accounts receivable	(76,577)	(46,511)
Impairment (provision) consumer accounts receivable	(1,505)	[964]
Impairment (provision) other accounts receivable	(14,225)	(5,134)
	5,421,856	2,952,738

9.2. IMPAIRMENT TO FINANCIAL ASSETS

Impairment to financial assets is broken down as follows:

	2016	2015
Impairment - accounts receivable (Note 9.1.2)	228.207	161.909
Impairment - investments (Note 9.1.1)	2.189	5.594
	230.396	167.503

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The following table shows a reconciliation of the impairment sustained to financial assets:

	ACCOUNTS RECEIVABLE	INVESTMENTS	TOTAL
Balance held at January 01, 2015	139.315	3.029	142.344
Additions	20.580	-	20.580
Valuations and other adjustments	-	2.565	2.565
Recovered amounts	(1,370)	-	(1,370)
Exchange differences	3.384	-	3.384
Balance held at year-end 2015	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	(3,458)	(667)	(4,125)
Closing balance at year-end 2015	228.207	2.189	230.396

The following is a breakdown of impairment to financial assets based on their maturity:

2016	LESS THAN 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Impairment to accounts receivable	119.736	63.176	23.980	21.316	228.207
Impairment to investments	2.189	-	-	-	2.189
Total	121.925	63.176	23.980	21.316	230.396

2015	LESS THAN 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Impairment to accounts receivable	63.872	55.532	25.481	17.023	161.909
Impairment to investments	5.594	-	-	-	5.594
Total	69.466	55.532	25.481	17.023	167.503

9.3. FINANCIAL LIABILITIES

The table below shows the financial liabilities held by Grupo SURA:

Issued securities	23	6,038,924 12,418,696	3,637,504 7,640,218
Accounts payable to related parties	25	68.096	62.509
Trade and other payables	9.3.2	2,606,198	1,312,265
Other financial liabilities	9.3.1	3,705,478	2,627,940
	NOTE	2016	2015

Current and non-current financial liabilities are broken down as follows:

Year-end 2016

Financial liabilities	11,691,151	609.585	117.960	12,418,696
Total	6,534,773	587.933	86.253	7,208,958
Issued securities	6,038,924	-	-	6,038,924
inancial obligations (*)	488.965	-	-	488.965
Accounts payable	6.883	-	-	6.883
Derivatives (*)	-	587.933	-	587.933
Lease rentals (*)	-	-	86.253	86.253
NON-CURRENT				
Total	5,156,378	21.653	31.707	5,209,738
Financial obligations (*)	2,488,967	-	-	2,488,967
Accounts payable to related parties	68.096	-	-	68.096
Accounts payable	2,599,315	-	-	2,599,315
Derivatives (*)	-	21.653	-	21.653
Lease rentals (*)	-	-	31.707	31.707
CURRENT	LIABILITIES AT AMORTIZED COST	LIABILITIES AT FAIR VALUE	LEASE RENTALS	TOTAL
	FINANCIAL	FINANCIAL		

-

Year-end 2015

CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASE RENTALS	TOTAL
Lease rentals (*)	-	-	33.107	33.107
Derivatives (*)	-	46.360	-	46.360
Trade and other accounts payable	1,305,081	-	-	1,305,081
Accounts payable to related parties	62.509	-	-	62.509
Financial obligations (*)	911.835	-	-	911.835
Issued securities	224.293	-	-	224.293
Total	2,503,718	46.360	33.107	2,583,185
NON-CURRENT				
Lease rentals (*)	-	-	89.616	89.616
Derivatives (*)	-	207.579	-	207.579
Trade and other accounts payable	7.184	-	-	7.184
Financial obligations (*)	1,339,443	-	-	1,339,443
Issued securities	3,413,211	-	-	3,413,211
Total	4,759,838	207.579	89.616	5,057,033
Financial liabilities	7,263,556	253.939	122.723	7,640,218

The maturities of the financial obligations held at year-end are shown as follows:

Total	5,209,738	3,497,030	3,711,928	12,418,696
Bonds and securities	-	2,799,829	3,239,095	6,038,924
Financial obligations (*)	2,488,967	488.564	401	2,977,932
Other accounts payable	2,667,411	6.883	-	2,674,294
Derivatives (*)	21.653	126.796	461.137	609.586
Lease rentals (*)	31.707	74.958	11.295	117.960
2016	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL

2015	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Lease rentals (*)	33.107	89.616	-	122.723
Derivatives (*)	46.360	11.345	196.234	253.939
Other accounts payable	1,367,590	7.184	-	1,374,774
Financial obligations (*)	911.835	1,154,643	184.800	2,251,278
Bonds and securities	224.293	-	3,413,211	3,637,504
Total	2,583,185	1,262,788	3,794,245	7,640,218

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 Black-Scholes methodology.

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Financial liabilities per individual country are shown as follows:

Financial liabilities per individual country are shown as follows:

2016	ARGENTINA BERMUDA BRAZIL	BERMUDA	BRAZIL	CHILE	COLOMBIA	CURACAO	SPAIN	SPAIN HOLLAND MEXICO PANAMA	MEXICO	PANAMA	PERU	DOMINICAN REPUBLIC	EL SALVADOR	URUGUAY	TOTAL
Financial obligations (*)	,	,	,	, 	2,938,648	,	,	,	'		27,235	12,003	97	,	2,977,932
Derivatives (*)	1	1	ı	474,398	135,187			1		ı		ı		1	909,585
Lease rentals (*)				13,211	53,575					51,174				1	117,960
Trade and other accounts payable	196,395	140	125,206	935,004	848,326	16	108	76	189,006	69,107	83,304	73,481	39,894	46,117	2,606,198
Accounts payable to related parties	-		758	181	96,894		ı	1		163	1		66	[0]	960'89
Issued securities	1	1	ı		1,984,306	1,503,425		1		2,542,192	9,002		,	1	6,038,924
	196,396	140	125,964	1,422,793	6,026,935	1,503,441	108	76	189,006	2,662,636	119,542	85,484	40,039	46,117	12,418,696

2015	COLOMBIA	CHILE	MEXICO	PERU	URUGUAY	SPAIN	HOLLAND	CURACAO	EL SALVADOR	DOMINICAN	PANAMA	TOTAL
Financial obligations (*)	2,235,466	,	,	3,156			,		28	12,598		2,251,278
Derivatives (*)	168,821	85,118	1									253,939
Lease rentals (*)	53,387	16,018	1								53,318	122,723
Trade and other accounts payable	759,674	206,218	38,405	129,900	1,720	403	38	19	27,886	62,709	82,293	1,312,265
Accounts payable to related parties	62,015		1						104		390	62,509
Issued securities	1,109,676	1	1	9,392				1,574,294	1		944,142	3,637,504
	4,389,039	307,354	38,405	142,448	1,720	403	38	1,574,313	28,048	78,307	1,080,143	7,640,218

') forming part of a group of other financial liabilities that incluc erivatives and financial obligations.

9.3.1 Other financial liabilities

The other financial liabilities account is broken down as follows

	NOTE	2016	2015
Financial leasing arrangements	10	117.960	122.723
Derivatives	14	609.586	253.939
Financial obligations	9.3.1	2,977,932	2,251,278
		3,705,478	2,627,940

The movements recorded in the other financial liabilities account are shown as follows:

Balance held at year-end 2014	1,111,620
Loans received	1,934,452
Interest paid	[42,227]
Accrued interest	270.862
Loans paid	(898,900)
Valuations	43.155
Exchange differences	210.253
Overdrafts	(1,275)
Balance held at year-end 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	[318]
Balance held at year-end 2016	3,705,478

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Grupo SURA has not defaulted on any payments of principal, interest and other amount owing on its financial liabilities at year-end 2016 and 2015.

The maturities and description of the financial obligations held at year-end 2016 and 2015 are as follows:

ENTITY	INTEREST RATE	MATURITY	DEC 2016	DEC 2015
Banco de Bogotá S.A.	IBR + 3.17%	2017	90.931	-
Banco de Bogotá S.A.	IBR + 3.17%	2017	40.507	-
Banco de Bogotá S.A.	IBR + 3.26%	2017	124.989	-
BBVA Colombia SA	11.00%	2017	37.320	-
BBVA Colombia SA	CPI + 3.1%	2017	27.027	-
Davivienda S.A.	CPI + 2.1%	2017	106.105	-
Banco de Bogotá S.A.	IBR + 3.26%	2017	163.959	-
Banco de Bogotá S.A.	DTF + 3.69%	2017	69.749	-
Davivienda S.A.,	CPI + 2.7%	2017	12.255	-
Davivienda	CPI + 2.7%	2017	42.994	-
Corpbanca	CPI + 2.7%	2017	35.099	-
Corpbanca	DTF + 3.59%	2017	14.373	-
Corpbanca	CPI + 2.7%	2017	91.985	-
Davivienda	CPI + 3.4%	2017	45.461	-
Davivienda	CPI + 3.4%	2017	45.461	-
Banco de Bogotá S.A.	CPI + 2.75%	2017	20.189	-
Banco de Bogotá S.A.	CPI + 2.98%	2017	27.057	-
BBVA Colombia SA	LIBOR + 1.68%	2020	180.043	174.150
Davivienda Miami	6-mth LIBOR + 2.7%	2017	135.032	-
Bancolombia Panamá	Libor + 1.75%	2018	30.007	31.495
Bancolombia Panamá	7.70%	2020	138.288	188.968
Banco de Crédito del Perú	TEA 6,135%	2017	26.835	-
Security deposits	N/A	2020	401	-
COFIDE - Corparación Financiera de desarrollo	0.076027	2033	-	2.686
BTG Pactual Perú SAC		2020	-	161
Logicalis Andina SAC		2020	-	82
Alimentos y Bebidas Gourmet SAC		2020	-	50

ENTITY	INTEREST RATE	MATURITY	DEC 2016	DEC 2015
JLT Affinity Latam SAC		2019	-	88
Enagas Perú SAC		2024	-	88
Bancolombia S.A.	IBR + 1.42%	2016	-	124.864
Itaú BBA Colombia	DTF+1.2%	2016	-	28.392
Bancolombia S.A.	IBR + 1.42%	2016	-	75.505
Davivienda S.A.,	0,068	2016	-	12.450
Bancolombia S.A.	DTF+2.28%	2016	-	30.585
Banco de Bogotá	8.06%	2016	-	256.767
Davivienda S.A.,	LIBOR + 3.5%	2016	-	132.627
Banco Popular	1-mth IBR + 3,25	2017	36.025	-
Banco de Bogotá	DTF qtly in adv. + 3.25%	2017	25.102	-
Banco de Bogotá	DTF qtly in adv + 3.15%	2017	20.081	-
Banco Popular S.A	DTF qtly in adv + 3.14%	2017	15.328	2.042
Banco Popular	DTF qtly in adv. + 3.14%	2017	15.061	-
Banco AV Villas	DTF qtly in adv.+ 3.46%	2017	15.061	-
Banco de Occidente	DTF qtly in adv + 3.37%	2017	15.061	14.978
Helm Bank Panamá	3.35%	2017	12.003	12.598
Banco AV Villas	DTF E.A.R. + 3.70%	2017	11.043	-
Banco de Bogotá	DTF qtly in adv + 3.35%	2017	10.041	10.002
Banco Popular	DTF qtly in adv + 3.15%	2017	10.041	-
Others - checking account overdrafts	N/A	2017	6.975	2.172
Banco Popular	1-mth IBR + 3,25	2017	5.020	-
Banco AV Villas	DTF 3.51	2017	5.019	-
Banco Popular S.A	IBR + 3%	2017	4.000	-
Helm Bank Panamá	6-mth LIBOR + 1.77%	2017	1.511	-
Banco de Occidente	DTF qtly in adv. + 3.5%	2016	-	73.417
Banco Popular	DTF qtly in adv. + 3.14%	2016	-	55.964
Banco AV Villas	DTF qtly in adv. + 3.51%	2016	-	16.034
Bancolombia	DTF + 3.75%	2016	-	35.116
Banco de Bogotá	DTF qtly in adv + 3.69%	2016	-	15.330
Bancolombia S.A.	DTF qtly in adv + 1.40%	2016	-	4.014
Banco de Occidente S.A.	DTF qtly in adv + 3.00%	2016	-	3.000
Davivienda	6-mth LIBOR + 3.75%	2025	-	111.681
Helm Bank Panamá	6-mth LIBOR + 2.75%	2025	-	111.681

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ENTITY	INTEREST RATE	MATURITY	DEC 2016	DEC 2015
Helm Bank Panamá	6-mth LIBOR + 1.52%	2017	-	-
BBVA España	LIBOR + 1.25% /1.5%	2018	300.280	313.949
Bancolombia Panamá	LIBOR + 1.47%	2017	246.433	258.518
Citigroup Global Market	LIBOR + 0.45%	2017	220.977	-
Banco Davivienda S.A.	LIBOR + 1.50%	2017	136.237	142.607
Banco de Bogotá	CPI +2,93%	2018	289.664	-
Citigroup Global Market	LIBOR + 0.45%	2017	54.122	-
Bancolombia	8.06%	2017	-	641
Bancolombia	8.84%	2017	-	1.006
Helm	7.90%	2017	-	2.521
Bancolombia	11.02%	2017	1.004	-
Bancolombia	11.02%	2017	500	-
Bancolombia	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		2017	1.427	356
Coltefinanciera		2016	-	798
Bancolombia	28.92%	2017	34	27
Bancolombia	28.92%	2017	1	0
Bancolombia	IBR + 4.40%	2020	1.850	2.560
Bancolombia	IBR + 4.30%	2022	601	601
Bancolombia	IBR + 3.79%	2018	3.350	-
Bancolombia	IBR + 4.95%	2021	-	707
			2,977,932	2,251,278

9.3.2 Trade and other account payables

The following is a breakdown of the accounts payable account:

	2016	2015
Foreign reincurers, current account	771.499	280.364
Foreign reinsurers - current account		
Commissions	436.160	72.767
Others (*)	310.836	281.315
Suppliers	234.524	169.672
settled claims pending payment	146.475	72.204
Servicios	113.892	71.528
Ceding co-insurers - current account	103.365	19.064
nstallments on retirement pensions	87.897	82.404
Ceded premiums payable	47.959	16.251
Vithholding tax	46.366	26.533
ees	41.838	442
osyga	40.322	31.950
n collected premiums	24.062	24.710
Deposits- policies	22.844	23.054
bligations in favor of life insurance policy-holders	20.081	19.631
Incollected drawn checks	19.721	14.646
und members and beneficiaries	17.530	18.230
Pension funds	14.660	11.381
remiums receivable on ceded co-insurance	13.081	8.457
lealth care institutions	13.067	10.335
accepted co-insurers current account	12.679	3.221
lational Road Safety Fund	11.722	9.863
Vithholdings and payroll contributions	9.041	5.409
raffic accident settlements	8.469	10.000
lealth care entities	8.245	9.659
olicy applications	5.059	1.353
tate or government creditors	4.851	4.479
dvertising and publicity	4.613	-
Dividends due to life insurance policy-holders	4.112	2.337
ontributions to family welfare and apprentice institutes	3.832	3.474
ona seasons to fairing wedare and apprentice institutes	0.00L	0.474

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	2016	2015
Other deposits	1.790	1.663
National Fire-fighter Fund	1.039	1.181
Worker´s compensation fund	1.016	810
Employee fund	996	760
Worker´s compensation fund	533	412
Lease rentals	427	9
Accounts payable on joint operations	349	-
Sustainability rate for Ministry of Transport Registrations	341	249
Insurance policies	196	1.372
Labor unions	113	19
Legal	107	61
Maintenance and repairs	100	112
Foreign ceding companies - current account	88	700
Collections on automatic disenrollments	68	68
On other transactions	55	4
Colpensiones	54	47
Superintendencia Financiera de Colombia (Colombian Superintendency of Finance)	47	13
Cooperatives	35	16
Deposits retained from domestic reinsurers	29	34
Legal expense	5	1
Traveling expense	2	1
	2,606,198	1,312,265

NOTE 10. LEASE RENTALS

10.1. FINANCIAL LEASING ARRANGEMENTS

10.1.1 Financial obligations

The total value of financial leasing arrangements recorded as a liability at yearend is shown as follows:

	2016	2015
Current financial leasing arrangements	31.707	33.107
Non-current financial leasing arrangements	86.253	89.616
Total financial leasing arrangements (Notes 9.3.1)	117.960	122.723

Financial leasing arrangements are shown as follows:

FINANCIAL INSTITUTION	INTEREST RATE	MATURITY	2016	2015
Helm Bank	DTF + 2.9%	2019	2.823	3.524
Banco de Chile	0,43%-0,36%-0,42%	2020	5.418	-
Banco de Chile	0,45%-0,43%	2020	784	-
Banco de Chile	0.44%	2020	691	-
Banco de Chile	0,48%-0,42%	2020	5.024	5.052
Banco de Chile	0.38%	2020	1.296	1.505
Banco de Chile	2.81%	2020	-	687
Banco de Chile	2.91%	2020	-	646
Banco de Chile	2.93%	2020	-	4.708
Banco de Chile	2.93%	2020	-	1.222
Banco de Chile	2.81%	2020	-	236
Banco de Chile	2.91%	2020	-	176
Banco de Chile	2.93%	2020	-	1.263
Banco de Chile	2.93%	2020	-	321
Banco de Chile	UF+4,5%	2020	-	202

^(*) Miscellaneous trade payables mainly include installments on retirement pensions, uncollected drawn checks, mandatory road insurance settlements, premiums receivable on ceded coinsurance, insurance, etc..

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FINANCIAL Institution	INTEREST RATE	MATURITY	2016	2015
Leasing Bancolombia	DTF + 5,5 mthly in arrears	2018	955	1.207
Leasing Bancolombia	DTF + 5,5 mthly in arrears	2018	373	481
Leasing Bancolombia	DTF + 5,5 mthly in arrears	2018	1.124	1.433
Leasing Bancolombia	DTF + 5,5 mthly in arrears	2018	11.690	15.444
Leasing Bancolombia	DTF + 5,5 mthly in arrears	2018	8.433	11.237
Leasing Bancolombia	DTF + 5,5 mthly in arrears	2018	2.127	2.826
Leasing Bancolombia	DTF + 5,5 mthly in arrears	2018	849	1.088
Leasing Bancolombia	DTF + 5,5 mthly in arrears	2018	572	740
Leasing Bancolombia	DTF + 5,5 mthly in arrears	2019	935	1.198
Leasing Bancolombia	DTF + 5,5 mthly in arrears	2018	188	251
Leasing Bancolombia	0.68%	2017	170	327
_easing Bancolombia	0.69%	2017	19	34
_easing Bancolombia	0.22%	2017	11	33
Leasing Bancolombia	0.71%	2017	89	133
Leasing Bancolombia	0.85%	2017	23	38
Leasing Bancolombia	0.75%	2017	44	80
Leasing Bancolombia	0.89%	2017	96	155
Leasing Bancolombia	1.07%	2017	51	80
Leasing Bancolombia	1.49%	2017	17	29
Leasing Bancolombia	2.93%	2018	35	52
Leasing Bancolombia	1.06%	2018	121	166
Leasing Bancolombia	0.47%	2018	80	113
Leasing Bancolombia	0.72%	2018	90	127
_easing Bancolombia	1.13%	2018	177	244
_easing Bancolombia	0.51%	2018	66	88
_easing Bancolombia	0.78%	2018	801	1.400
Leasing Bancolombia	0.55%	2018	178	274
Leasing Bancolombia	1.09%	2018	57	84
Leasing Bancolombia	0.31%	2019	67	96

FINANCIAL INSTITUTION	INTEREST RATE	MATURITY	2016	2015
Leasing Bancolombia	0.58%	2019	18	26
Leasing Bancolombia	0.63%	2019	-	689
Leasing Bancolombia	0.62%	2016	-	134
Leasing Bancolombia	0.32%	2016	-	11
Leasing Bancolombia	0.66%	2016	-	43
Leasing Bancolombia	0.66%	2016	-	119
Leasing Bancolombia	0.18%	2016	-	17
Leasing Bancolombia	0.68%	2016	-	14
Leasing Bancolombia	0.70%	2016	-	27
Bancolombia	DTF-2.56	2016	-	4.141
IBM	DTF-2.56	2016	-	4.311
Occidente	DTF-2.56	2016	-	637
Renting Colombia	DTF-2.56	2016	-	62
Bancolombia	0.064216	2017	3.941	-
IBM	0.064216	2017	178	-
Occidente	6.42%	2017	1.803	-
Renting Colombia	6.42%	2017	46	-
Bancolombia	DTF-2.56	2017	-	173
Bancolombia	DTF-2.56	2017	39	-
Corficolombiana	7.89%	2031	15.286	-
Bancolombia Panamá	Libor + 3.25%	2019	51.174	53.318
			117.960	122.723

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10.1.2. Property, plant and equipment subject to financial leasing arrangements

The year-end carrying values of Grupo SURA's property, plant and equipment subject to financial leasing arrangements, are as follows:

	BUILDINGS	TRANS- PORT FLEET AND EQUIPMENT	IT EQUIP- MENT	FIXTURES AND ACCES- SORIES	MACHI- NERY AND MEDICAL EQUIPMENT	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)
Revaluations	-	-	-	-	-	-
Other changes	-	(3,057)	(20,377)	424	-	(23,010)
Book cost at year-end 2016	59.681	61.755	13.291	20.406	8.140	163.273
Accumulated depreciation and impairment						
Accumulated depreciation and impairment at January 01, 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)	(26,605)	(8,933)	(6,977)	(2,738)	(47,745)
Property, plant and equipment at year-end 2016	57.188	35.150	4.358	13.429	5.403	115.528

10.1.3 Leasing term

Below is a breakdown of Grupo SURA's financial leasing terms:

	PRESENT VALUE OF MINIMUM LEASE PAYMENTS - 2016	PRESENT VALUE OF MINIMUM LEASE PAYMENTS - 2015
Up to one year	29.233	33.107
From one to five years	82.359	89.616
More than 5 years	6.369	-
Total lease payments	117.960	122.723

10.1.4 The more significant financial leasing arrangements

The most significant financial leasing arrangements entered into by Grupo de Inversiones Suramericana corresponds to properties leased in Medellin, Bogota and Cali for the purpose of building clinics as well as for medical equipment.

Other significant arrangements include an aircraft lease through its subsidiary Planeco, with Bancolombia Panama and leasing of the One Plaza building where Grupo Sura 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

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.

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» Real estate leased for the operating and administrative headquarters of Enlace Operativo y Compuredes.

Operating leasing arrangements are shown as follows:

	MINIMUM LEASE PAYMENTS - 2016	MINIMUM LEASE PAYMENTS - 2015
Up to one year	4.822	40.443
From one to five years	2.946	77.406
More than 5 years	15	
Total lease payments	7.783	117.848

The following is a breakdown of the operating lease expense recorded by the companies that make up Grupo Sura.

	107.396	78.498
Inversiones y Construcciones Estratégicas	-	68
Sura Asset Management Corredora de Seguros S.A. de C.V.	-	4
Grupo Sura	-	90
Administradora de Fondo de inversión AFISA	656	-
Arus	782	1.970
AFAP Sura	1.465	-
Sura Asset Management	46.455	46.063
Suramericana	58.038	30.301
COMPANY	2016	2015

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.

Technical insurance reserves - reinsurers	2,656,756	581.124
Deposits - reinsurers	10.194	524
Reinsured unreported claims	78.889	22.763
Reinsured ongoing risk	1,198,577	109.830
Reinsured reported claims	1,369,096	448.007
	2016	2015

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.

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11.2. PREMIUMS

The net premiums obtained at year-end by Grupo SURA and Subsidiaries are as follows:

	2016	2015
Life insurance contracts	6,907,618	6,176,558
Non-life insurance contracts	5,775,627	2,293,558
Written premiums	12,683,244	8,470,116
Life insurance contracts- reinsurer portion	(186,613)	(175,510)
Non-life insurance contracts- reinsurer portion	[1,664,618]	(762,475)
Ceded premiums	(1,851,231)	(937,985)
Total net premiums	10,832,013	7,532,131

Premiums per individual country are as follows:

2016	COLOMBIA	CHILE	MEXICO	PERU	ARGENTINA	BRAZIL	URUGUAY	PANAMA	DOMINICAN REPUBLIC	EL SALVADOR	TOTAL
Gross premiums - Life insurance contracts	3,760,368	2,191,851	768'997	308,529	1	,	,	,	ı	179,976	6,907,618
Gross premiums - non- life insurance contracts	2,055,635	1,233,628	312,659	,	797,799	481,475	143,426	387,272	233,989	129,743	5,775,627
Written premiums	5,816,003	3,425,479	779,553	308,529	797,799	481,475	143,426	387,272	233,989	309,719	12,683,244
	(83,051)	(23,215)	(42,774)	(6,102)		ı	1	1	,	(31,472)	(186,613)
Premiums ceded to reinsurers on life insurance contracts	(619,411)	(580,926)	(85,311)		(103,473)	(42,987)	(16,772)	(75,488)	(121,062)	(19,189)	(1,664,618)
Premiums ceded to reinsurers on non-life insurance contracts	(702,462)	(604,141)	(128,084)	(6,102)	(103,473)	(42,987)	(16,772)	(75,488)	(121,062)	(50,661)	(1,851,231)
Ceded premiums	5,113,542	2,821,338	651,469	302,427	694,326	438,488	126,654	311,785	112,927	259,058	10,832,013
Gross premiums - Life insurance contracts	3,374,568	1,741,187	398,599	448,052	,	1	1	1	,	214,152	6,176,558
Gross premiums - non- life insurance contracts	1,753,824	1	ı	1	1	1	1	239,381	192,961	107,392	2,293,558
Written premiums	5,128,392	1,741,187	398,599	448,052		ı	1	239,381	192,961	321,544	8,470,116
Premiums ceded to reinsurers on life insurance contracts	(78,473)	(21,690)	(27,351)	(6,805)	,	1	1	1	,	(41,191)	(175,510)
Premiums ceded to reinsurers on non-life insurance contracts	(593,063)	1	,	ı		ı	1	(48,435)	(104,909)	(16,068)	(762,475)
Total net premiums	(671,536)	(21,690)	(27,351)	(6,805)		1	1	(48,435)	(104,909)	(57,259)	(937,985)
Total primas netas	4,456,856	1,719,496	371,249	441,247		٠		190,946	88,052	264,285	7,532,131

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CLAIMS RETAINED

-end 2015 and 2015 are as follows: incurred by Grupo SURA and Subsidiaries at yeared claims Retain

2016	COLOMBIA	CHILE	MEXICO	PERU	ARGENTINA	BRAZIL	URUGUAY	PANAMA	DOMINICAN	EL SALVADOR	TOTAL
Life Insurance	(2,299,337)	(645,810)	(169,487)	(256,414)	1	1		1	1	(91,432)	(3,462,479)
Non-life Insurance	(1,585,068)	(632,264)	(187,387)	1	(320,180)	(231,436)	(65,620)	(135,708)	(80,106)	(50,331)	(3,288,101)
Total claims	(3,884,404)	(1,278,074)	(356,873)	(256,414)	(320,180)	(231,436)	(65,620)	(135,708)	(80,106)	(141,763)	(6,750,579)
Life insurance	102.562	171		1	ı	1		1	1	47.231	149.965
Non-life Insurance	731.603	398.360	81.624	1	39.227	44.056	17.719	21.537	18.909	(3,356)	1,349,679
Reimbursed claims	834.166	398.532	81.624	1	39.227	44.056	17.719	21.537	18.909	43.876	1,499,644
Total retained claims	(3,050,239)	(879,543)	(275,250)	(256,414)	(280,953)	(187,381)	(47,901)	(114,171)	(61,197)	(97,888)	(5,250,935)
2015											
Life insurance	(1,850,741)	(410,828)	(143,382)	(206,845)		1		1	,	(152,544)	(2,764,340)
Non-life Insurance	(871,770)	1	1	1		1		(77,533)	[86,798]	(38,676)	(1,074,776)
Total claims	(2,722,511)	(410,828)	(143,382)	(206,845)	1			(77,533)	(86,798)	(191,220)	(3,839,116)
Life insurance	86.965	1	1	1		1		1	1	44.970	131.935
Non-life Insurance	237.894	1	1			1	1	17.100	41.082	2.395	298.472
Reimbursed claims	324.859	ı			ı			17.100	41.082	47.365	430.407
Total retained claims	(2,397,652)	(410,828)	(143,382)	(206,845)	1	1	٠	(60,432)	(45,716)	(143,855)	(3,408,710)

11.4. TECHNICAL RESERVES - INSURANCE CONTRACTS

Technical reserves

Items contained in the Technical Reserve Account fall into two (2) categories:

- » Claim reserves: these are provisions set up on the estimated costs of the claims that have occurred but have not been paid . This includes
- Loss reserve: the liabilities and direct settlement expense on reported claims. This reserve is set up on the date the policy-holder and / or beneficiary informs the Company of an insurance claim and this is subject to monthly recalculations.
- The Incurred But Not Reported (IBNR) claim reserve: set up on claims that have occurred, but have not been reported by the policy-holder and / or the beneficiary on the corresponding reporting date
- Reserves for future commitments: consisting of provisions set up on expected future commitments to policyholders. This includes:
- Mathematical insurance reserves (excluding life annuities): insurance reserves are calculated using the actuarial method applied to the current terms and conditions of the insurance contracts. This liability is determined as the sum of the present value of expected future earnings, claims and policy handling expense, options and guarantees, and the returns on investment corresponding to the assets underlying these liabilities, and that are directly related to the contract, less the discounted value of the expected premiums required to meet future payments based on the valuation assumptions used.
- Mathematical life annuity reserves: are calculated based on the present value of future earnings from the contract as well as the direct operating expenses that the company incurs upon paying its contractual obligations.
- » Unearned Premium Reserves: these are set up for short-term insurance (both group and individual) in which the premium payment frequency differs from the effective coverage term and therefore a premium has been received

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for a future risk, which must be provisioned. The provision is determined on the basis of paid premiums net of expense and is amortized over the term of coverage.

Life insurance deposit (savings) reserves or fund value reserves for insurance, unit linked, universal life (including flexible), and other products that include a deposit component.

Other reserves: Grupo SURA may recognize as "Other", those reserves which are not mentioned above and that are permitted according to current accounting policies and guidelines.

The Group's insurance companies are shown in the following table:

COMPANY	COLOM- BIA	CHILE	MEXICO	PERU	ARGEN- TINA	BRAZIL	URU- GUAY	PANAMA	DOMINI- CAN REPU- BLIC	EL SALVA- DOR
Life insurance										
Seguros de Vida Suramericana S.A.	Х									
Seguros de Riesgos Profesionales Suramericana S.A.	X									
Seguros de Vida Sura S.A.		Χ								
Seguros de Vida Sura México S.A. de C.V.			Χ							
Pensiones Sura S.A. de C.V.			Χ							
Asesuisa Vida S.A.										Χ
Seguros Sura S.A.				Χ						
Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.)		Х								
Non-life insurance										
Seguros Generales Suramericana S.A.	Х									
Seguros Suramericana Panamá S.A.								Χ		
Seguros Sura S.A.									Х	
Aseguradora Suiza Salvadoreña S.A.										Х
Seguros Sura, S.A de C.V. (formerly Royal & Sun Alliance Seguros (Mexico) S.A. de C.V.)			Χ							

COMPANY	COLOM- BIA	CHILE	MEXICO	PERU	ARGEN- TINA	BRAZIL	URU- GUAY	PANAMA	DOMINI- CAN REPU- BLIC	EL SALVA- DOR
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)					Х					
Atlantis Sociedad Inversora S.A.					Χ					
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Brazil) S.A.)						Χ				
Royal & Sun Alliance Seguros (Uruguay) S.A.							Χ			

Grupo SURA and Subsidiaries hold the following reserves:

993.283 1,665,638 133.218 458.941
993.283 1,665,638
993.283
· ·
5,752,020
3,932,620
11,682,279
2015

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Grupo SURA considers that adequate premiums are of crucial importance and therefore these are underpinned by 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:

	LIABILITIES -	ASSETS - INSURANCE	NET
	INSURANCE CONTRACTS	CONTRACTS	
At year-end 2014	14,294,607	439.913	13,854,694
Changes to reserves	1,838,637	141.211	1,697,426
Currency translation adjustments	2,794,184	-	2,794,184
Monetary correction adjustments	[61,449]	-	[61,449]
At year-end 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
At year-end 2016	25,989,614	2,656,756	23,332,859

Technical reserves held by each individual country are shown as follows:

YEAR	COLOM- BIA	CHILE	MEXICO	PERU	ARGENTI- NA	BRAZIL	URUGUAY	PANAMA	DOMINI- CAN REPUBLIC	EL SALVA- DOR	TOTAL
Year-end 2016	8,721,981	8,816,968	2,006,749	3,920,926	885.551	519.700	215.049	412.035	140.751	349.904	25,989,614
Year-end 2015	7,229,240	5,292,322	1,631,388	3,829,756	-	-	-	369.980	117.239	396.054	18,865,979

NOTE 12. INVENTORIES

Inventories are broken down as follows

	2016	2015
Merchandise not produced by the Company	185	1.990
Materials, spare parts and accessories	9.166	6.511
Other inventories (*)	4.484	3.637
	13.835	12.138

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) provides outsourced construction services as part of contractual arrangements. 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

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
Termination date:	2019/08/21	2017/12/31
Estimated contractual income	96	405
Incurred 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

» I. Colombia: Taxable income is subject to a 25% income tax rate, except for all those taxpayers that have been granted special rates as well as 10% occasional gains tax. Equality Income Tax (CREE in Spanish) is levied at a rate of 9% pursuant to that stipulated in Law 1739 passed December 2014. Law NUAL REPORT 2016

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1739 of 23 December 2014 provided for a surtax to be charged on equality income tax paid by eligible taxpayers for the years 2015, 2016, 2017 and 2018 of 5%, 6%, 8% and 9% per year, respectively.

- » II. Chile: In Chile, current tax legislation has provided for two separate regimes "capital income" and "employment income". The former consists of a First Category Tax which is mainly paid by businesses and legal persons. This tax was levied at a fixed rate of 20% in 2014 and 21% in 2015 on the tax base, which is calculated by adding or subtracting the amounts provided by law. The tax thus paid is imputable 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. Mexico: During fiscal year of 2016, the income tax rate in Mexico was 30% which was levied on all taxable income for the year. Workers also pay a rate of 10% on their taxable income.
- » IV. Peru: Law 30296 passed in 2014, promoting the country's economic recovery, provided for a gradual reduction in the income tax rate which in December 2014 stood at 30%. Thus, the tax rate for all subsequent years is shown as follows:

TAX YEARS	RATE	
2015	2016	28%
2017	2018	27%
2019 onwards	26%	

V. Uruguay: Corporate Income tax is levied at a rate of 25% on all corporate income obtained in Uruguay on any type of economic activity.

Corporate income in Uruguay is considered to be income sourced from business activities conducted, or goods or rights used for economic purposes in Uruguay, regardless of the nationality, domicile or residence of the parties involved in the aforementioned transactions or the place in which these are carried out. Income earned or received from abroad by a local taxpayer are not subject to this tax.

- VI. Panama: Income tax is determined on the actual income for the year. The income tax rate currently stands at 25%.
- VII. 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 28% for 2014 and 27% from 2015 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

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VIII. 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.

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IX. Brazil: In Brazil there is a tax category applicable on gross income and net income. Tax on gross income is levied at a rate of 4.65% after deducting claims paid, as stipulated in Law 9,718 of 1998.

On the other hand, net income is subject to a 15% income tax rate, plus 10% on the taxable portion of the tax base in excess of R \$ 240,000 per fiscal year in accordance with Decree 3,000 of 1999, There is also a social contribution levied at a rate of 20% on net income which shall remain in effect until yearend 2018, whereupon it shall be reduced to 15%, according to Law 13,169 of 2015

X. Argentina: During the fiscal year of 2016, the income tax rate in Mexico stood at 35% which was levied on all taxable income for the year.

13.2. CURRENT TAX

The following is a breakdown of the current tax assets and liabilities held at year-end:

Total current tax assets	587.073	332.191
Others	19.178	3.325
Equality income tax receivable	1	9.872
Contributions	93.905	90.665
Tax credits	65.477	14.855
Sales tax	65.878	32.677
Withholding tax	143.864	88.968
Local tax	29.060	26.125
Income and Ancillary Tax	169.710	65.704
Current tax assets		
	2016	2015

	2016	2015
Current tax liabilities		
Income and Ancillary Tax	428.996	337.581
Local tax	48.694	38.745
Equality income tax payable	2.598	1.968
Sales tax payable	247.284	61.263
Wealth Tax	20	0
Others	23.352	14.640
Total current tax liabilities	750.945	454.197

The following is a breakdown of the tax current balances held by each individual country:

Current tax, net	(60,310)	(58,238)	[41,496]	35.576	(18,686)	7.216	(13,892)	9.726	(16,581)	(6,705)	(482)	(163,872)
Current tax liabilities	341.659	170.840	143.565	2.925	35.145	-	24.797	2.655	16.697	12.181	482	750.945
Current tax assets	281.349	112.603	102.069	38.501	16.459	7.216	10.904	12.381	116	5.476	-	587.073
YEAR-END 2016	COLOMBIA	CHILE	MEXICO	PERU	ARGENTINA	BRAZIL	URUGUAY	PANAMA	DOMINICAN REPUBLIC	EL SALVADOR	SPAIN	TOTAL

2015	COLOMBIA	CHILE	MEXICO	PERU	URUGUAY	PANAMA	DOMINICAN REPUBLIC	EL SALVADOR	SPAIN	TOTAL
Current tax assets	176.631	91.766	20.626	23.004	236	6.578	-	9.247	4.103	332.191
Current tax liabilities	272.728	98.654	45.141	8.620	3.634	2.909	14.378	7.502	631	454.197
Current tax, net	(96,097)	(6,888)	(24,515)	14.384	(3,398)	3.669	(14,378)	1.745	3.472	(122,006)

13.3. DEFERRED TAX

The balance of deferred tax assets and liabilities at year-end is shown below:

DEFERRED TAX, NET 2016 2015 Financial assets 163.276 57.545 Employee benefits 35.404 25.780 Investments - 9.732 Intangibles 20.626 - Other non-financial assets - 68.413 Other liabilities 149.069 59.362 Financial liabilities 34.300 24.230 Tax losses 125.177 139.339 Property and equipment 42.454 4.831 Technical insurance reserves: 175.357 28.577 Total deferred tax assets 745.663 417.809			
Employee benefits 35.404 25.780 Investments - 9.732 Intangibles 20.626 - Other non-financial assets - 68.413 Other liabilities 149.069 59.362 Financial liabilities 34.300 24.230 Tax losses 125.177 139.339 Property and equipment 42.454 4.831 Technical insurance reserves: 175.357 28.577	DEFERRED TAX, NET	2016	2015
Investments - 9.732 Intangibles 20.626 - Other non-financial assets - 68.413 Other liabilities 149.069 59.362 Financial liabilities 34.300 24.230 Tax losses 125.177 139.339 Property and equipment 42.454 4.831 Technical insurance reserves: 175.357 28.577	Financial assets	163.276	57.545
Intangibles 20.626 - Other non-financial assets - 68.413 Other liabilities 149.069 59.362 Financial liabilities 34.300 24.230 Tax losses 125.177 139.339 Property and equipment 42.454 4.831 Technical insurance reserves: 175.357 28.577	Employee benefits	35.404	25.780
Other non-financial assets - 68.413 Other liabilities 149.069 59.362 Financial liabilities 34.300 24.230 Tax losses 125.177 139.339 Property and equipment 42.454 4.831 Technical insurance reserves: 175.357 28.577	Investments	-	9.732
Other liabilities 149.069 59.362 Financial liabilities 34.300 24.230 Tax losses 125.177 139.339 Property and equipment 42.454 4.831 Technical insurance reserves: 175.357 28.577	Intangibles	20.626	-
Financial liabilities 34.300 24.230 Tax losses 125.177 139.339 Property and equipment 42.454 4.831 Technical insurance reserves: 175.357 28.577	Other non-financial assets	-	68.413
Tax losses 125.177 139.339 Property and equipment 42.454 4.831 Technical insurance reserves: 175.357 28.577	Other liabilities	149.069	59.362
Property and equipment 42.454 4.831 Technical insurance reserves: 175.357 28.577	Financial liabilities	34.300	24.230
Technical insurance reserves: 175.357 28.577	Tax losses	125.177	139.339
	Property and equipment	42.454	4.831
Total deferred tax assets 745.663 417.809	Technical insurance reserves:	175.357	28.577
	Total deferred tax assets	745.663	417.809

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Total deferred tax liabilities	2,117,671	1,700,745
Technical reserves	165.610	72.466
Property and equipment	68.505	132.112
Intangibles	828.550	949.573
Provisions	-	12.595
Financial liabilities	52.729	45.290
Other liabilities	463.910	19.092
Investments	465.838	235.432
Financial assets	72.529	234.185
DEFERRED TAX LIABILITIES	2016	2015

2016	COLOMBIA	CHILE	MEXICO	PERU	ARGENTINA	BRAZIL	URUGUAY	PANAMA	DOMINICAN	EL SALVADOR	SPAIN - HOLLAND	TOTAL
Deferred tax assets												
Financial assets	82.470	17.402	50.097	1	4.376	3.176	3.351	1	1.310	1.096		163.276
Employee benefits	28.986	1.268	2.794		188	1.927	241					35.404
Intangibles	1.549	1.900	1.392		8.976	1	4.223		2.586			20.626
Other liabilities	47.104	20.445	10.658	908.9	9.232	53.854			1.276	194		149.069
Financial liabilities	9.953	12.586	11.761			1						34.300
Tax losses	8.075	77.210	4.936	7.461		22.870				4.625		125.177
Property and equipment	5.834	34.258	1691			1	1.672		1			42.454
Technical insurance reserves:	48.461	27.051		1	78.991			6.950	2.504	11.400		175.357
Total deferred tax assets	232.430	192.120	82.329	13.767	101.763	81.827	6.487	6.950	7.676	17.315		745.663
Deferred tax liabilities												
Financial assets	3.385	23.248	21.429	22.388	1.544	1	1	1	1	536		72.529
Investments	171.534	1		256.942	3.098	1	34.264	1	1	1		465.838
Other liabilities	1.526	425.172	1.460	22.679	1	1	6.102	6.972	1	1		463.910
Financial liabilities	52.729	1		1		1		1	1	1		52.729
Intangibles	52.170	343.751	322.120	1	59.628	7.783	18.928	7.743	1	16.427		828.550
Property and equipment	50.046	1	11.136	1.381	1.255	1		1.333	3.100	254		68.505
Technical insurance reserves:	99.920	704	25.850	1	36.549	1	2.443	144	1	1		165.610
Total deferred tax liabilities	431.310	792.873	381.995	303.390	102.074	7.783	61.737	16.193	3.100	17.217		2,117,671
Total deferred tax, net	(198,879)	(600,754)	(299,666)	(289,623)	(311)	74.044	(52,250)	(9,243)	4.576	86		(1,372,008)

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Deferred tax assets									
Financial assets	56.840			1		1	705	ı	57.545
Employee benefits	24.665		1	1	ı	1.115	1	ı	25.780
Investments	1				9.732	1	1	ı	9.732
Other non-financial assets	29.738	233	88	1.962	19.659	14.730	1.077	926	68.413
Other liabilities	35.438		1.006	706	6.951	1	14.195	698	59.363
Financial liabilities	24.230					1	1	ı	24.230
Tax losses	31.697	٠			70.287	36.603	290	463	139.340
Property and equipment	3.798					1	1	1.031	4.829
Technical reserves	3.305		12.046	2.486		10.740	1		28.577
Total deferred tax assets	209.711	233	13.140	5.352	106.629	63.188	16.267	3.289	417.809
Deferred tax liabilities									
Financial assets	280		1	1	198.886	31.573	1	3.446	234.185
Intangibles	37.954		9.173	3.023	48.259	101.309	11.171	2.280	213.169
Investments	219.814					1	15.618		235.432
Other liabilities			1		9.278	9.814	1		19.092
Financial liabilities	45.290					1	1		45.290
Provisions	4.158		1	1		1	8.437	ı	12.595
Goodwill			1	1	213.780	259.356	228.478	34.789	736.403
Property and equipment	49.710	10.187	159	2.261	57.078	7.392	5.326		132.113
Technical reserves					72.466	1			72.466
Total deferred tax liabilities	357.206	10.187	9.332	5.284	599.747	409.444	269.030	40.515	1,700,745
Total deferred tax, net	(147,495)	(9,954)	3.808	89	(493,118)	(346,256)	(252,763)	(37,226)	(1,282,936)

13.4. TAX RECOGNIZED THROUGH PROFIT AND LOSS FOR THE PERIOD

Current tax and deferred tax expense

Tax expense	430.249	569.487
Changes in tax rates	45.991	(159)
Sources / reversals of temporary differences	(31,053)	125.219
Deferred tax expense		
Current tax expense	415.311	444.428
	2016	2015

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.

13.5. TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME

The following table shows the balance of tax benefits with changes to the equity of the parent company:

	ACCR	UED	RESULTS FOR	THE PERIOD
	2016	2015	2016	2015
Cash flow hedges	(1,712)	(1,712)	[2,174]	(215)
Post-employment benefits	341	227	331	-
Financial assets at fair value with changes in OCI	(1,751)	-	(1,938)	-
Revaluations of property, plant and equipment	(6,629)	(318)	(7,305)	(209)
Total deferred tax, imputed to Other Comprehensive Income	(9,751)	(1,803)	(11,086)	(424)

13.6. RECONCILIATION OF EFFECTIVE TAX RATE

	ACCR	RUED	RESULTS FOR	THE PERIOD
	2016	2015	2016	2015
Cash flow hedges	(1,712)	(1,712)	(2,174)	(215)
Post-employment benefits	341	227	331	-
Financial assets at fair value with changes in OCI	(1,751)	-	[1,938]	-
Revaluations of property, plant and equipment	(6,629)	(318)	(7,305)	(209)
Total deferred tax, imputed to Other Comprehensive Income	(9,751)	(1,803)	(11,086)	(424)

	2016		2015	
Earnings before tax		2,101,907		1,893,428
Income tax based on local tax rates	37%	769.079	34%	638.273
Plus the tax effect corresponding to:				
Eliminations from consolidated income	16%	345.950	18.71%	354.180
Non-deductible expense	8%	162.432	8.01%	151.700
Tax revenues	11%	238.132	9.19%	173.981
Tax losses	1%	21.961	0.26%	5.015
Rate change adjustments	1%	23.636		12.394
Others	9%	179.796	0.00%	
Less the tax rate corresponding to:				
Tax exempt income	21%	451.544	16.28%	308.272
Tax-exempt dividends	12%	248.009	11.43%	216.502
Tax losses	0%	3.039	0.00%	-
Tax deductions	1%	25.188	0.08%	1.451
Rate change adjustments	0%	1.511	0.00%	-
Tax exempt income	12%	251.573	8.76%	165.875
Others (*)	16%	329.872	3.91%	73.956
Income tax	20%	430.249	29%	569.487

^(*) Corresponding mainly to deferred tax on adjustments made to the consolidated figures; deferred tax on the amortization of intangibles, and deferred tax on items recorded by the Chilean companies

13.7. MOVEMENTS IN THE DEFERRED TAX ACCOUNT

	YEAR-END 2016	YEAR-END 2015
Opening balance - net liabilities	1,282,936	1,079,581
Deferred tax expense recognized in the income accounts for the period	14.938	125.060
Income tax relating to components of Other Comprehensive Income	[7,732]	(1,803)
Increases (decreases) due to business combinations	16.356	-
Effect of changes in foreign exchange rates	65.510	80.098
Closing balance - net liabilities	1,372,008	1,282,936

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 in 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 2016 and 2015, 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:

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Derivatives	2016	2015	2016	2015	2016	2015	2016	2015
Type of instrument		Swap		Forward		Option		Total
Negotiated agreements								
Assets								
Interest rates	1.015	5.390	4	0	-	-	1.019	5.389
Exchange rate	12.497	69.978	18.199	-	99.850	109.934	130.546	179.912
Subtotal	13.512	75.368	18.203	0	99.850	109.934	131.565	185.301
Liabilities								
Interest rates	(29,950)	[11,345]	2	(17)	-	-	(29,949)	[11,362]
Exchange rate	(86,006)	[126,848]	(182)	(35,339)	[18,740]	-	(104,928)	(162,187)
Subtotal	(115,957)	(138,193)	(180)	(35,356)	(18,740)	-	(134,877)	(173,549)
Hedging agreements								
Assets								
Interest rates	-	-	-	-	-	-	-	-
Exchange rate	489.365	62.986	10.164	13.893	-	-	499.529	76.880
Subtotal	489.365	62.986	10.164	13.893	-	-	499.529	76.880
Liabilities								
Interest rates	-	-	-	-	-	-	-	-
Exchange rate	(474,400)	(69,370)	(307)	(11,021)	-	-	(474,708)	(80,391)
Subtotal	(474,400)	(69,370)	(307)	(11,021)	-	-	(474,708)	(80,391)
Total derivative assets	502.877	138.354	28.367	13.894	99.850	109.934	631.094	262.181
Total derivative liabilities	(590,357)	(207,563)	(487)	(46,377)	(18,740)	-	(609,584)	(253,940)
Net	(87,480)	(69,209)	27.880	(32,483)	81.110	109.934	21.509	8.241

The derivatives held by Grupo SURA and its Subsidiaries are normally traded on the local financial markets as well as "over the counter" on the international 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:

	ASSETS	LIABILITIES
Balance held at year-end 2014	49.776	(125,610)
Additions	312.272	(76,018)
Valuations	216.437	(37,695)
Financial asset maturities	(66,774)	-
Payments	(252,505)	243
Exchange differences	2.974	[14,842]
Balance held at year-end 2015	262.179	(253,923)
Additions	422.919	[399,677]
Valuations	(54,004)	48.694
Exchange differences	-	[4,679]
Balance held at year-end 2016	631.094	(609,585)

14.2 USING 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

Two of Grupo Sura's subsidiaries have recorded cash flow hedges:

 Seguros de Vida Sura S.A. Chile, a subsidiary of SURA Asset Management took out swaps in 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 creditor's life insurance, with life annuities representing the larger hedging flows.

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These agreements stipulate paying a fixed exchange rate in dollars (USD) and receiving a fixed value in UF (Unidades de Fomento - which is an inflationindexed 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.

2. For the purpose of hedging its cash flows against foreign exchange risk, Grupo SURA, through its subsidiary Suramericana S.A., decided to perform three deliverable forward operations on December 17 and 18, 2015. This had the specific purpose of counteract the effects of the revaluation of the pound sterling, the currency in which the acquisition of the Latin American operations of the RSA Insurance Group was denominated, which was considered a highly probable transaction given the contractual conditions agreed upon. A deliverable forward contract is settled at maturity with the delivery of the underlying asset, and is intended to cover the risks of market liquidity, that is to say, the buyer secures the advance purchase of the underlying asset. The terms and conditions of these three forwards were as follows:

GBP/USD Forwards

OPERATION	ENTITY	AMOUNT IN GBP	EFFECTIVE DATE	MATURITY DATE	DAYS	FW POINTS
Forward purchase	CITIBANK	48	12/17/2015	1/27/2016	41	0.0004
Forward purchase	CITIBANK	112	12/17/2015	2/25/2016	70	0.00038
Forward purchase	GOLDMAN SACHS	155	12/18/2015	3/29/2016	102	0.0005
Total		315				

Hedging operations averaged out at between GBP 48.000 and 155.000 with terms ranging from between 41 to 102 days. The aforementioned operations recorded an appraisal loss of COP 11,021 on December 31, 2015. At year-end 2015, all changes to hedging derivatives, as mentioned in this section, were recorded in equity under other comprehensive income, since the hedge had been fully effective

The company's functional and reporting currency is the Colombian peso (COP). The Company, in keeping with its ongoing expansion plans, signed an agreement to acquire the assets held by RSA Insurance Group (hereinafter RSA) in a total of 6 countries in Latin America. It was agreed that this transaction was to be settled using cash flows to be paid as due authorization was received from the respective regulatory authorities in each country; therefore, not all of the corresponding obligations shall fall due and payable at the same time. Furthermore, the price of this acquisition was set in pounds sterling (GBP), which means that Suramericana's payment obligation is denominated in GBP.

Suramericana decided to hedge the exchange rate risk relating to the payment of this transaction using derivatives; as part of this hedging strategy the maturity dates of the respective derivatives are aligned with the estimated purchase dates of the assets in each individual country.

Also, in order to gain the greatest possible benefit, the Company decided to separately hedge the risk of the pound to dollar exchange rate (GBP-USD) as well as the risk of the peso to dollar exchange rate (COP USD). This information refers to a partial hedge set up on the GBP / USD exchange rate, for which the Company wishes to use cash flow hedge accounting.

Recognition of the hedging instrument

To hedge the market risk associated with the GBP / USD exchange rate, the Company took out three deliverable forward currency contracts through which it is committed to purchase British pounds (GBP) and sell US dollars (USD) . The maturity dates of these forward contracts were aligned with best estimates regarding the final termination dates of said acquisitions, and these were to be renewed or brought forward based on the actual dates. Suramericana has designated these derivatives as foreign exchange hedges for the acquisition of the RSA assets.

Recognition of the hedged item

On September 8, 2015, the Company agreed to purchase RSA's Latin American assets, and therefore this acquisition has been designated as a hedged item based solely on the market risk associated with the exchange rate. While the entire agreement for said transaction was contained in a single legal document, it was agreed that the assets would be treated on an individual country basis, which is why the commitments that form part of this hedging relationship are evaluated separately. Thus, these hedging instruments shall be linked to the corresponding hedged items in the month that both commitments match, grouping them together based on that criterion.

The following are payment obligations agreed between the Company and RSA:

COUNTRY	VALUE OF THE OBLIGATION (GBP)	ESTIMATED PAYMENT DATE	ADDED PER MONTH (GBP)
Brazil	48.59	Feb 16	162.32
Colombia	47.38	Feb 16	
Mexico	66.35	Feb 16	
Chile	159.0	Mar 16	199.71
Argentina	40.71	Mar 16	
Uruguay	58.90	Apr 16	58.90
Total	420.93		420.93

^{*}Figures in millions of pounds sterling (GBP).

Recognition of the nature of the hedged risk

The Company intended to hedge the market risk associated with the GBP / USD exchange rate on the price of RSA's Latin American assets which is denominated in pounds sterling (GBP).

Hedge effectiveness

The effectiveness of the hedging instruments were measured using the Dollar-Offset method as follows: % effectiveness = Change in fair value of GBP/USD derivative

Change in fair value of item hedged in GBP (acquisiton commitments

Where:

The change in the fair value of the GBP / USD derivative corresponds to the change to their mark to market (MTM) prices brought about upon updating the spot rates, forward points and interest rate curves.

Changes in the fair value of the hedged item in GBP were changes brought about upon updating the acquisition commitments regarding the RSA assets based on changes in the spot rates, forward points and interest rate curves.

14.2.2 Net foreign investments

Grupo SURA's subsidiary Suramericana S.A. holds investments abroad which are exposed to the exchange risk 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, payable over a term of 10 years, based on their respective amortization schedule, in order to hedge its business abroad (this being Inversura Panama Internacional, plus a direct stake in Seguros Suramericana Panama) only for their face value, that is to say excluding debt service.

Identification 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 for a direct stake in its business abroad, specifically its business in Panama, solely in the amount of their principal, excluding debt service. Identification of the hedged item

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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 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, and the nominal value assigned as hedged.

Hedged items:

Foreign business unit	Net assets	% stake	Net hedged assets
Direct stake in foreign subsidiaries	199,851	100%	70
	Breakdown of net investment -	Suramericana S.A.'s direct stake	
Foreign business unit	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.

Identification of the nature of the hedged risk

The Company hedges the exchange rate risk on its foreign business operations.

Hedge effectiveness

The Company measures the effectiveness of hedging instruments as follows:

% effectiveness =

Change in exchange difference on the principal

Translation effect on foreign business operations

Where:

- » The exchange difference on the principal corresponds to the exchange difference brought about by updating hedging instruments based on changes to 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 the hedge 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 EFFECTI- VENESS	OFFSET (EFFECTI- VE 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

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NOTE 15. INVESTMENT PROPERTIES

Grupo SURA's investment properties are recorded at fair value and are broken down as follows:

	2016	2015
Land	298.429	214.732
Buildings	735.097	590.456
	1,033,526	805.188

The movements recorded in the investment property account are shown as follows:

	LAND	BUILDINGS	TOTAL
Investment properties at January 01, 2015	183.847	485.993	669.840
Acquisitions	-	54.456	54.456
Impairment losses to the recognized values of investment properties through profit or loss	-	(3,248)	(3,248)
Gains on adjustments to the fair values of investment properties	17.349	64.123	81.472
Transfers of investment properties from (to) inventories and real estate occupied by the owner	1.439	[9,094]	(7,655)
De-recognitions	-	(6,097)	(6,097)
Translation effect	12.097	4.323	16.420
Investment properties at year-end 2015	214.732	590.456	805.188
Acquisitions	107.045	127.201	234.246
Business combination acquisitions	1.883	3.235	5.118
Impairment losses to the recognized values of investment properties through profit or loss	-	-	-
(Losses) gains on adjustments to the fair values of investment properties	(2,509)	73.294	70.786
Transfers of investment properties from (to) inventories and real estate occupied by the owner	[13,132]	454	[12,679]
De-recognitions	(6,952)	(66,573)	(73,525)
Translation effect	(2,639)	7.031	4.392
Investment properties at year-end 2016	298.429	735.097	1,033,526

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 Leheigh University, Pennsylvania and Chemical Engineering from the Universidad de Antioquia; he is also a member of the Medellin Real Estate Exchange (Lonja de Propiedad Raíz de Medellín)
- » Gabriel Rodriguez Walker, ICA 3.114, Taxpayer's ID. No. 5.082.752-6, architect and independent appraiser registered with the Chilean Superintendency of Securities and Insurance (SVC in Spanish) and Guillermo Rosselot Iriarte, Taxpayer's ID. 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.
- » Luis E. Cubria Crespi, an architect with the firm Arq. Luis Cubria & Asociados, Taxpayer's Reg. No 213.526.280.012 in Uruguay.

Income on investment property

Lease income obtained from the Company's investment property at year-end is broken down as follows:

	2016	2015
Lease income	579	757
Investment appraisals (*)	78.338	83.650
Appraisal expense	-	[3,249]
Income on investment property	78.916	81.158

^[*] Realized and unrealized income from appraisal gains corresponding to Grupo SURA's investment properties is shown below:

	REALIZED	UNREALIZED	TOTAL
2016	5.370	73.546	78.916
2015	53.964	27.194	81.158

The movements recorded in the investment property account are shown as follows:

ASSET (*)	BALANCE HELD	RESTRICTIONS (YES/NO)	LEASED
Alsacia	106.371	No	Leased to third parties
Luterana Buildings	98.828	No	Leased to third parties
Suecia 211	73.564	No	Leased to third parties
Torre Apoquindo	68.646	No	Leased to third parties
Orquideas land	65.023	No	Leased to third parties
Orquideas Building	64.082	No	Leased to third parties
Millenium	55.548	No	Leased to third parties
Isidora Magdalena	47.032	No	Leased to third parties
Everfit Indulana land	33.753	No	Leased to third parties
Metropolitana Arequipa land	32.436	No	Not leased
Isidora Foster	31.431	No	Leased to third parties
Diez	30.121	No	Leased to third parties
Small Service	29.563	No	Leased to third parties
Seis	29.066	No	Leased to third parties
Pionero	28.747	No	Leased to third parties
Rivera Navarrete (Lutheran Church) land	27.042	No	Leased to third parties
Rivera Navarrete land (Costamar)	25.741	No	Not leased
San Juan de Lurigancho UTP land	24.499	No	Not leased
WTC	20.506	No	Leased to third parties
Paseo Las Palmas	16.620	No	Leased to third parties
Real 8 Building	15.253	No	Leased to third parties
Huancayo Maestro land	15.067	No	Leased to third parties
Huancayo Maestro	12.934	No	Leased to third parties
Mapfre Cercado Land	10.495	No	Leased to third parties
Tottus Callao Land	8.533	No	Leased to third parties
Las Bellotas	7.665	No	Leased to third parties
			•

ASSET (*)	BALANCE HELD	RESTRICTIONS (YES/NO)	LEASED
Real 8 land	7.164	No	Leased to third parties
Unimarc Mexico land	5.695	No	Leased to third parties
Santa Lucia -Rionegro land	4.760	No	Leased to third parties
Nueva Los Leones	4.444	No	Leased to third parties
Office 407, Torre Concasa, Bogotá, Colombia	3.664	No	Leased to third parties
Plaza Independencia Building (a)	3.637	No	Leased to third parties
Unimarc Mexico Project	3.535	No	Leased to third parties
Costamar Project	3.105	No	Not leased
Unimar Barranca land	3.020	No	Leased to third parties
Unimar Barranca	2.893	No	Leased to third parties
Mapfre Cercado Buildings	2.520	No	Leased to third parties
Pionero 2 (Office Nos. 402+404)	2.190	No	Leased to third parties
Plots Nos. 1, 3, 2 A, 2B	1.487	No	Leased to third parties
Coyancura	1.358	No	Leased to third parties
Office - Seguros Fenix Building, Cartagena, Colombia	1.270	No	Leased to third parties
Office No. 21	1.043	No	Leased to third parties
Bank branch premises	861	No	Leased to third parties
Office No. 101 C	484	No	Leased to third parties
Coronado Building	445	No	Leased to third parties
Premises and garages- Grupo Colombia Building, Pereira, Colombia	379	No	Leased to third parties
Parking facilities	310	No	Leased to third parties
Office - Camacol Building, Medellín, Colombia	132	No	Leased to third parties
Office - Camacol Building, Medellín, Colombia	122	No	Leased to third parties
Local food center #1	90	No	Leased to third parties
Local food center #4	80	No	Leased to third parties
Local food center #3	79	No	Leased to third parties
Local food center #2	79	No	Leased to third parties
San Lorenzo Building, Rosario.	69	No	Leased to third parties
Deposit 26	30	No	Leased to third parties
De las Medusas, Pinamar	14	No	Leased to third parties
República de Panamá - Wacs land	-	No	Leased to third parties
Wiese Wacs Headquarters	-	No	Leased to third parties
Total investment properties	1,033,526		

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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.

The parameters used for these appraisals are conservative compared to those observed on the market so as to allow for eventual market fluctuations.

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

Property, plant and equipment for each individual country are broken down as follows

	2016	2015
Land	274.135	227.140
Buildings	467.728	408.382
Vehicles	54.127	56.293
Office equipment	23.515	11.297
IT equipment	83.525	74.736
Fixtures and accessories	20.789	37.464
Other property and equipment	30.729	4.956
Construction in progress	43.564	34.037
Improved leasing rights	30.579	59.763
	1,028,690	914.068

as follows: Movements in Grupo SURA's property, plant and equipment account are

	Land	Buil- dings	Vehicles	Office equip- ment	IT equip- ment	Fixtures and acces-	Other property and equipment	Construction in progress	Improved leasing rights	Total
Cost										
Cost at January 1, 2015	222,068	389,963	82,008	29,467	188,371	57,492	28,946	52,549	20,877	1,054,741
Additions	3,850	28,033	4,612	4,076	37,471	902'9	8,294	24,586	7,754	125,381
Disposals (-)	(2,588)	(10,981)	(3,962)	(642)	(10,133)	(1,687)	٠	(12,680)	(9,848)	(52,824)
Revaluations	8,677		1	1					ı	8,677
Other changes	[4,864]	51,061	16,682	(2)	(21,785)	7,209	(21,767)	(30,418)	47,563	43,676
Book cost at year-end 2015	227,143	458,076	82,340	32,593	193,924	69,719	15,473	34,037	976,346	1,179,651
Accumulated depreciation and impairment										
Accumulated depreciation and impairment at January 01, 2015	1	(42,814)	(14,673)	(17,629)	(125,988)	(23,817)	(7,721)	ı	(8,246)	(240,888)
Depreciation for the period	[3]	(7,622)	(12,620)	(4,068)	(16,642)	(8,009)	(3,105)		(3,731)	(55,800)
Disposals (-)	•	1,446	1,744	23	34,930	1,875		ı	6,305	46,323
Other changes	1	(704)	[498]	378	(11,488)	(2,304)	309		[911]	(15,218)
Accumulated depreciation and impairment at year-end 2015	(3)	(769'67)	(26,047)	(21,296)	(119,188)	(32,255)	(10,517)		(6,583)	(265,583)
Property, plant and equipment at year-end 2015	227,140	408,382	56,293	11,297	74,736	37,464	4,956	34,037	59,763	914,068
Cost at January 1, 2016	227,143	458,076	82,340	32,593	193,924	69,719	15,473	34,037	976,399	1,179,651
Additions	22,398	28,517	8,958	13,915	39,907	4,774	9,281	18,344	16,231	162,324

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Disposals (-)	(27)	(17,100)	(5,872)	(6,661)	(38,315)	(273)	[683]	(10,465)	[63]	[79,461]
Revaluations (Note 26.1)		11,706	ı	ı	1	1	ı	ı	I	11,706
Other changes	24,621	48,846	098'8	21,436	26,643	(15,022)	25,001	1,648	(34,518)	107,515
Book cost at year-end 2016	274,135	530,045	94,285	61,283	222,159	59,198	49,071	43,564	47,995	1,381,735
Accumulated depreciation and impairment										
Accumulated depreciation and impairment at January 01, 2016	(3)	(769'67)	(26,047)	(21,296)	(119,188)	(32,255)	(10,517)	•	(6,583)	(265,583)
Depreciation for the period	ı	(9,285)	(11,417)	(3,477)	(26,103)	(4,731)	(7,554)		(8,574)	(71,141)
Disposals (-)	1	828	2,355	1,036	29,105	96	475	1	48	33,972
Other changes	က	[4,196]	(5,049)	(14,031)	(22,448)	(1,519)	[746]	ı	(2,307)	(50,293)
Accumulated depreciation and impairment at year-end 2016	1	(62,317)	(40,158)	(37,768)	(138,634)	(38,409)	(18,342)	ı	(17,416)	(353,045)
Property, plant and equipment at year-end 2016	274,135	467,728	54,127	23,515	83,525	20,789	30,729	43,564	30,579	1,028,690

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 sign of impairment to the value of Grupo SURA's property, plant 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 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 which could have an adverse affect on the Company.

NOTE 17. INTANGIBLE ASSETS

Intangible assets held by Grupo SURA at year-end 2015 and 2014 are broken down as follows:

	NOTE	2016	2015
Goodwill	16.1	4,506,162	4,280,774
Intangible assets other than goodwill	16.2	3,274,774	2,998,935
Deferred acquisition costs (DAC):	16.3	1,209,333	885.496
		4,484,107	3,884,431
		8,990,270	8,161,143

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17.1 GOODWILL

Goodwill is broken down as follows

		2016			2015	
Company	Cost	Impairment	Net	Cost	Impairment	Net
Acquisition of the ING operations (*)	3,671,348	-	3,671,348	3,868,745	-	3,868,745
AFP Horizonte	243.748	-	243.748	250.166	-	250.166
Seguros de Vida SURA Mexico S.A. de C.V. (formerly Primero Seguros de Vida S.A. de C.V.)	13.734	-	13.734	17.111	-	17.111
Compuredes S.A.	25.429	-	25.429	25.429	-	25.429
Aseguradora Suiza Salvadoreña S.A. (Asesuiza)	83.834	(23.100)	60.733	87.990	[24.247]	63.743
Seguros Sura S.A. (Dominican Republic)	13.797	-	13.797	14.481	-	14.481
Seguro Suramericana Panamá (formerly Banistmo)	50.374	-	50.374	41.099	-	41.099
Seguros Generales Suramericana S.A (formerly RSA Chile S.A.)	153.562	-	153.562	-	-	-
RSA Seguros Colombia S.A.	93.650	-	93.650	-	-	-
Seguros Sura S.A. (formerly RSA Seguros (Brasil) S.A.)	45.325	-	45.325	-	-	-
Seguros Sura (formerly RSA Seguros México)	28.375	-	28.375	-	-	-
RSA Uruguay	106.086	-	106.086	-	-	-
	4,529,263	(23.100)	4,506,162	4,305,021	(24.247)	4,280,774

 $[\]ensuremath{\left[*\right]}$ 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)
- » Corredora de Bolsa SURA S.A.(Chile) and Administradora General de Fondos S.A. (Chile)

Besides the business combinations carried out during the period, goodwill is adjusted on each closing date, since 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 individual country:

YEAR	CHILE	MEXICO	PERU	URUGUAY	COLOM- BIA	SALVA- DOR	DOM. REP	PANAMA	BRAZIL	TOTAL
2016	1,852,482	853.308	1,256,797	254.267	119.079	60.733	13.797	50.374	45.325	4,506,162
2015	1,665,860	1,027,757	1,289,891	152.513	25.429	63.744	14.481	41.099	-	4,280,774

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Movements in the Goodwill account are broken down as follows

	CONSOLIDATED
Cost at year-end 2014	3,765,132
Additions	41.099
Withdrawals	-
Exchange differences	498.790
Cost at year-end 2015	4,305,021
Impairment at year-end 2014	18.418
Additions	-
Withdrawals	-
Exchange differences	5.829
Impairment at year-end 2015	24.247
Net goodwill	4,280,774
Cost at year-end 2015	4,305,020
Additions	410.376
Withdrawals	-
Exchange differences	[186.133]
Cost at year-end 2016	4,529,263
Impairment at year-end 2015	24.245
Additions	-
Withdrawals	-
Exchange differences	(1.145)
Impairment at year-end 2016	23.100
Net goodwill	4,506,162

17.2 INTANGIBLE ASSETS OTHER THAN GOODWILL

Movements in Grupo Sura's intangible asset account are as follows:

	ACQUIRED TRADEMAR- KS	CUSTO- MER-RELA- TED INTANGIBLE ASSETS	SOFTWARE AND APPLICA- TIONS	RIGHTS	LICENSES AND FRAN- CHISES	OTHER INTANGIBLE ASSETS	TOTAL
Cost							
Cost at January 1, 2015	116.861	3,025,890	94.962	6.167	-	221	3,244,101
Business combinations (Note 7.1)	-	15.171	-	26.127	-	-	41.298
Additions	-	1.208	36.516	-	17.738	-	55.462
Disposals (-)	(658)	(663)	(51.575)	-	-	-	(52.896)
Exchange differences	13.218	372.367	14.110	616	-	-	400.311
Other changes	-	-	-	(206)	-	-	(206)
Book cost at year-end 2015	129.421	3,413,973	94.013	32.704	17.738	221	3,688,070
Accumulated depreciation and impairment at January 1, 2015	(7.056)	(397.336)	(58.940)	(1.155)	-		(464.487)
Amortizations	(1.336)	[139.488]	[14.083]	(2.975)	(15.387)		[173.269]
Additions	1.461	24	-	-	-	-	1.485
Disposals (-)	-	-	64.034	205	-	-	64.239
Exchange differences	(390)	(111.238)	(6.037)	712		(150)	(117.103)
Accumulated depreciation and impairment at year-end 2015	(7.321)	(648.038)	(15.026)	(3.213)	(15.387)	(150)	(689.135)
Intangible assets at year- end 2015	122.100	2,765,935	78.987	29.491	2.351	71	2,998,935
Cost							
Cost at January 01, 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)	(640)	-	(535)	(771)	(7.951)
Exchange differences	(5.543)	(225.868)	(20.068)	(752)	(10.986)	550	[262.667]

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	ACQUIRED	CUSTO- MER-RELA-	SOFTWARE		LICENSES	OTHER	
	TRADEMAR- KS	TED INTANGIBLE ASSETS	AND APPLICA- TIONS	RIGHTS	AND FRAN- CHISES	INTANGIBLE ASSETS	TOTAL
Book cost at year-end 2016	130.899	3,705,190	264.379	31.746	26.103	8.000	4,166,318
Accumulated depreciation and impairment							
Accumulated depreciation and impairment at January 1, 2015	(7.321)	(648.038)	(15.026)	(3.213)	(15.387)	(150)	(689.135)
Amortizations	(246)	(194.831)	(31.846)	(7.286)	(15.893)	(436)	(250.538)
Additions	77	26.318	(59.980)	-	-	83	(33.502)
Disposals (-)	2.215	-	188	-	[4.223]	(1.061)	(2.881)
Exchange differences	4.122	78.505	(22.914)	(1.739)	26.347	191	84.512
Accumulated depreciation and impairment at year-end 2016	(1.152)	(738.046)	(129.578)	(12.238)	(9.156)	(1.373)	(891.544)
Intangible assets other than goodwill at year-end 2016	129.747	2,967,144	134.801	19.508	16.947	6.627	3,274,774

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	11
AFP Integra (Peru) AFP Horizonte	17	13
Sociedad Agente de Bolsa Sura S.A. (Peru)	4	3

CLIENT RELATIONS	TOTAL USEFUL LIFE (YEARS)	REMAINING USEFUL LIFE (YEARS)
Seguros Suramericana S.A de (formerly Banistmo Panamá)	9	7.7
Aseguradora Suiza Salvadoreña S.A. Asesuisa (El Salvador)	14	9
Compuredes S.A. (Colombia)	66	12
RSA Seguros Brasil	5	4.2
RSA Seguros Chile	7	6.3
RSA Seguros Colombia	5	4.3
RSA Seguros Argentina	10.6	9.9
RSA Seguros México	4	3.4
RSA Seguros Uruguay	16	15.5
Affinity contracts		
RSA Seguros Brasil	3	2.2
RSA Seguros Chile	2.3	1.6
RSA Seguros Colombia	1.8	1.1
RSA Seguros Argentina	1.9	1.3
RSA Seguros México	1.7	1.2
RSA Seguros Uruguay	1.9	1.4
Non-competition rights		
Seguros Suramericana S.A de Panamá	5	3.7
Trademarks		
AFP Capital (Chile) (*)	Indefinite	Indefinite
AFP Integra (Perú) (*)	Indefinite	Indefinite
AFAP SURA S.A. (Uruguay)	1	-
AFP Integra (Peru) AFP Horizonte	3	-
RSA Seguros Argentina (*)	Indefinite	Indefinite
RSA Seguros 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 an indefinite useful lives, or if there is evidence of impairment. (See Note 19) Impairment of non-financial assets

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The following is a breakdown of trademarks at fair value with indefinite useful lives:

TRADEMARKS	COUNTRY	VALUATION CURRENCY	RATE	VALUE IN LOCAL CURRENCY	COP
ACG	Argentina	Argentinian peso	15.83	18	284.94
Answer	Argentina	Argentinian peso	15.83	22	348.26
RSA Seguros Argentina			40	633.2	
Hogar Master	Mexico	Mexican pesos	20.6	7.6	156.56
Top driver	Mexico	Mexican pesos	20.6	2.1	43.26
RSA Seguros México			9.7	199.82	
AFP Capital	Chile	USD	3,000.71	28.9	86.721
AFP Integra	Peru	USD	3,000.71	17.7	53.113

17.3 DEFERRED ACQUISITION COSTS (DAC)

The following shows the movements recorded with Deferred Acquisition Costs (DAC):

	ASSET MANAGEMENT	INSURANCE	TOTAL
At year-end 2014	450.021	216.315	666.337
Additions	99.028	205.836	304.864
Exchange differences	32.443	-	32.443
Amortization (Note 29.2)	-	[118.147]	(118.147)
At year-end 2015	581.492	304.004	885.496
Business combinations	-	1,014,141	1,014,141
Additions	168.298	562.046	730.344
Exchange differences	[61.938]	(2.367)	(64.305)
Amortizations (Note 29.2)	[148.083]	(1,208,260)	[1,356,343]
At year-end 2016	539.769	669.564	1,209,333

Deferred Acquisition Costs (DAC) for each individual country are as follows:

	2016	2015
Chile	355.265	186.972
Mexico	322.905	338.240
Colombia	213,005	213,157
Argentina	87.161	-
Brazil	77.866	-
Peru	46.168	47.154
Uruguay	31.886	9.127
El Salvador	30.584	30.821
Panama	27.799	44.167
Dominican Republic	16.695	15.858
	1,209,334	885,496

Restrictions

To date no restrictions have been placed on Grupo Sura's intangible assets

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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 2016	Year-end 2015
Activity:	Investing	Assets	5,282,383	3,294,845
Registered place of business:	Medellin	Liabilities	1,256,988	631.349
Country:	Colombia	Equity	4,025,395	2,663,496
Date of incorporation:	May 25, 1999	Earnings	396.151	345.848
		% stake	81.13%	81.13%

Inversura Panamá Internacional S.A.					
			Year-end 2016	Year-end 2015	
Activity:	Investing	Assets	407.788	395.567	
Registered place of business:	Panama City	Liabilities	-	-	
Country:	Panama	Equity	407.788	395.567	
Date of incorporation:	December 23, 2002	Earnings	(206)	(1.069)	
		% stake	81.13%	81.13%	

		Inversiones Sura Brasi	l S.A.S.	
			Year-end 2016	Year-end 2015
Activity:	Investing	Assets	238.865	100
Registered place of business:	Medellin	Liabilities	10	-
Country:	Colombia	Equity	238.855	100
Date of incorporation:	December 04, 2015	Earnings	(26)	-
		% stake	81.13%	81.13%

CORPORATE							
	Arus Holding S.A.S (fo	ormerly Integradora de S	Servicios Tercerizados S.A.)				
	Year-end 2016 Year-end 2015						
Activity:	Investing in personal and real estate property,	Assets	59.606	54.192			
Registered place of business:	Medellin	Liabilities	9	14			
Country:	Colombia	Equity	59.597	54.178			
Date of incorporation:	July 11, 2012	Net income	5.277	7.381			
		% stake	100.00%	100.00%			

Inversiones y Construcciones Estratégicas S.A.S				
			Year-end 2016	Year-end 2015
Activity:	Investing	Assets	140.480	135.113
Registered place of business:	Medellin	Liabilities	4.473	11.626
Country:	Colombia	Equity	136.007	123.487
Date of incorporation:	August 30, 2007	Earnings	12.994	23.425
		% stake	100.00%	100.00%

Grupo de Inversiones Suramericana Panamá S.A.				
			Year-end 2016	Year-end 2015
Activity:	Investing in negotiable securities	Assets	940.996	999.766
Registered place of business:	Panama City	Liabilities	890.453	922.919
Country:	Panama	Equity	50.543	76.847
Date of incorporation:	April 29, 1998	Earnings	[48.645]	(75.938)
		% stake	100.00%	100.00%

		Planeco Panamá S.A.		
			Year-end 2016	Year-end 2015
Activity:	Buying and selling personal property and real estate	Assets	35.120	43.934
Registered place of business:	Panama City	Liabilities	54.126	57.216
Country:	Panama	Equity	[19.006]	[13.282]
Date of incorporation:	December 12, 2012	Earnings	(9.281)	(8.140)
		% stake	95.28%	95.28%

		CORPORATE		
		Grupo Sura Finance	S.A.	
			Year-end 2016	Year-end 2015
Activity:	Company dedicated to any lawful activity in the Cayman Islands	Assets	2,516,711	922.924
Registered place of business:	Cayman Islands	Liabilities	2,542,259	944.153
Country:	Cayman Islands	Equity	(25.548)	[21.229]
Date of incorporation:	March 18, 2011	Earnings	(5.411)	(843)
		% stake	100.00%	100.00%
		Financia Expreso RSA	A.S.A.	
		•	Year-end 2016	Year-end 2015
Activity:	Investing and entering into loan agreements	Assets	5.569	-
Registered place of business:	Bogotá	Liabilities	136	-
Country:	Colombia	Equity	5.433	-
Date of incorporation:	July 15, 1970	Earnings	[4.221]	-
		% stake	81.11%	0.00%
		Santa María del Sol S	5.A.	
			Year-end 2016	Year-end 2015
Activity:	Investments	Assets	8.820	-
Registered place of business:	Buenos Aires	Liabilities	151	-
Country:	Argentina	Equity	8.669	-
Date of incorporation:	April 11, 1991	Earnings	(235)	-
		% stake	81.13%	0.00%
		Atlantis Sociedad Invers	ora S.A.	
			Year-end 2016	Year-end 2015
Activity:	Investments	Assets	4.787	-
Registered place of business:	Buenos Aires	Liabilities	86	-
Country:	Argentina	Equity	4.701	-
Date of incorporation:	June 26, 1992	Earnings	[124]	-
		% stake	81.13%	0.00%

		CORPORAT	E	
	Chilean Holding Sura	mericana SPA (forme	erly RSA Chilean Holding SpA)	
			Year-end 2016	Year-end 2015
Activity:	Investments	Assets	40.387	-
Registered place of business:	Santiago	Liabilities	43.520	-
Country:	Chile	Equity	(3.133)	-
Date of incorporation:	October 16, 2012	Earnings	[1.161]	-
		% stake	81.13%	0.00%
	Inversiones Suramericana	Chile I imitada (forme	erly Inversiones RSA Chile Limita	dal
	inversiones sur union leuriu	onic Emiliada (formic	Year-end 2016	Year-end 2015
Activity:	Investments	Assets	37.747	-
Registered place of business:	Santiago	Liabilities	-	-
Country:	Chile	Equity	37.747	-
Date of incorporation:	October 25, 2012	Earnings	(77)	-
		% stake	81.13%	0.00%
		Sura Asset Managen	nent S.A.	
			Year-end 2016	Year-end 2015
Activity:	Investing in personal and real estate property,	Assets	7,340,374	10,009,508
Registered place of business:	Medellin	Liabilities	1,626,766	1,265,898
Country:	Colombia	Equity	5,713,608	8,743,610
Date of incorporation:	September 15, 2011	Earnings	329.215	465.428
		% stake	78.71%	71.40%
	Activos E	stratégicos Sura A.M		
			Year-end 2016	Year-end 2015
Activity:	Holding Company	Assets	126	122
Registered place of business:	Medellin	Liabilities	2	2
Country:	Colombia	Equity	124	120

Earnings

% stake

4

78.71%

2

71.40%

Date of incorporation:

April 25, 2013

Activity:

Holding Company

Registered place of business:	Medellin	Liabilities	83	21
Country:	Colombia	Equity	5.553	(12)
Date of incorporation:	June 23, 2015	Earnings	2.165	(151)
		% stake	78.71%	71.40%
	Si	ura Asset Management I	España, S.L.	
			Year-end 2016	Year-end 2015
Activity:	Holding Company	Assets	4,673,470	5,128,807
Registered place of business:	Madrid	Liabilities	590	1.034
Country:	Spain	Equity	4,672,880	5,127,773
Date of incorporation:	September 28, 2011	Earnings	(1.280)	(21.650)
		% stake	78.71%	71.40%
	Grupo d	e Inversiones Surameri	cana Holanda B.V.	
			Year-end 2016	Year-end 2015
Activity:	Holding Company	Assets	Year-end 2016 4,487,674	Year-end 2015 4,922,639
Activity: Registered place of business:	Holding Company Amsterdam	Assets Liabilities		
Registered place of			4,487,674	4,922,639
Registered place of business:	Amsterdam	Liabilities	4,487,674	4,922,639 18
Registered place of business: Country:	Amsterdam Holland	Liabilities Equity	4,487,674 26 4,487,648	4,922,639 18 4,922,621
Registered place of business: Country:	Amsterdam Holland	Liabilities Equity Earnings	4,487,674 26 4,487,648 (229)	4,922,639 18 4,922,621 (230)
Registered place of business: Country:	Amsterdam Holland	Liabilities Equity Earnings	4,487,674 26 4,487,648 (229) 78.71%	4,922,639 18 4,922,621 (230)
Registered place of business: Country:	Amsterdam Holland	Liabilities Equity Earnings % stake	4,487,674 26 4,487,648 (229) 78.71%	4,922,639 18 4,922,621 (230)
Registered place of business: Country:	Amsterdam Holland	Liabilities Equity Earnings % stake	4,487,674 26 4,487,648 [229] 78.71%	4,922,639 18 4,922,621 (230) 71.40%
Registered place of business: Country: Date of incorporation:	Amsterdam Holland October 12, 2011	Liabilities Equity Earnings % stake Grupo Sura Chile Holdi	4,487,674 26 4,487,648 (229) 78.71% ngs I B.V. Year-end 2016	4,922,639 18 4,922,621 (230) 71.40% Year-end 2015
Registered place of business: Country: Date of incorporation: Activity: Registered place of	Amsterdam Holland October 12, 2011 Holding Company	Liabilities Equity Earnings % stake Grupo Sura Chile Holdi	4,487,674 26 4,487,648 (229) 78.71% Near-end 2016 1,921,166	4,922,639 18 4,922,621 (230) 71.40% Year-end 2015 2,107,650
Registered place of business: Country: Date of incorporation: Activity: Registered place of business:	Amsterdam Holland October 12, 2011 Holding Company Amsterdam	Liabilities Equity Earnings % stake Grupo Sura Chile Holdi Assets Liabilities	4,487,674 26 4,487,648 (229) 78.71% Near-end 2016 1,921,166 1.155	4,922,639 18 4,922,621 (230) 71.40% Year-end 2015 2,107,650 1.112
Registered place of business: Country: Date of incorporation: Activity: Registered place of business: Country:	Amsterdam Holland October 12, 2011 Holding Company Amsterdam Holland	Liabilities Equity Earnings % stake Grupo Sura Chile Holdi Assets Liabilities Equity	4,487,674 26 4,487,648 (229) 78.71% Negs I B.V. Year-end 2016 1,921,166 1.155 1,920,011	4,922,639 18 4,922,621 (230) 71.40% Year-end 2015 2,107,650 1.112 2,106,538

CORPORATE Sura Investment Management Colombia S.A.S

Assets

Year-end 2016

5.636

Year-end 2015

		CORPORATE		
	SUI	RA Asset Management	Chile S.A.	
			Year-end 2016	Year-end 2015
Activity:	Holding Company	Assets	2,832,127	2,653,978
Registered place of pusiness:	Santiago	Liabilities	15.282	21.115
Country:	Chile	Equity	2,816,845	2,632,863
Date of incorporation:	August 01, 2002	Earnings	132.621	217.563
		% stake	78.71%	71.40%
		Sura Data Chile S.	Δ	
		Juliu Butu Office S.	Year-end 2016	Year-end 2015
Activity:	Providing data processing services and leasing computer equipment.	Assets	9.440	6.906
Registered place of business:	Santiago	Liabilities	3.703	2.093
Country:	Chile	Equity	5.737	4.813
Date of incorporation:	August 01, 2002	Earnings	834	763
		% stake	78.71%	71.40%
	SU	IRA Servicios Profesion	nales S.A.	
			Year-end 2016	Year-end 2015
Activity:	Providing business consultancy and advisory services.	Assets	28.513	33.400
Registered place of business:	Santiago	Liabilities	15.344	23.496
Country:	Chile	Equity	13.169	9.904
Date of incorporation:	August 01, 2002	Earnings	3.089	3.150
		% stake	78.71%	71.40%
	9	Santa María Internacio		
			Year-end 2016	Year-end 2015
Activity:	Holding Company	Assets	6.786	7.468
Registered place of business:	Santiago	Liabilities	7	513
Country:	Chile	Equity	6.779	6.955
Date of incorporation:	October 17, 1994	Earnings	(316)	448

% stake

78.71%

71.40%

		CORPORATE		
	Gru	po Sura Latin American H	oldings B.V.	
			Year-end 2016	Year-end 2015
Activity:	Holding Company	Assets	351.601	386.595
Registered place of business:	Netherlands	Liabilities	(9)	(51)
Country:	Holland	Equity	351.610	386.646
Date of incorporation:	September 28, 1983	Earnings	(2.317)	[114]
		% stake	78.71%	71.40%
		SUAM Finance B.\		
			Year-end 2016	Year-end 2015
Activity:	Holding company for 144A/Reg S bonds issued in April 2014	Assets	1,440,665	1,511,797
Registered place of business:	Curacao	Liabilities	1,503,441	1,574,314
Country:	Curacao	Equity	(62.776)	(62.517)
Date of incorporation:	December 01, 2014	Earnings	(78.002)	[67.196]
		% stake	78.71%	71.40%

	Sura	Asset Management l	México S.A. de C.V.	
			Year-end 2016	Year-end 2015
Activity:	Holding Company	Assets	934.894	1,262,536
Registered place of business:	Mexico	Liabilities	3.745	2.234
Country:	Mexico	Equity	931.149	1,260,302
Date of incorporation:	April 17, 2013	Earnings	195.081	365.892
		% stake	78.71%	71.40%
		Sura Art Corporation	n S.A. de C.V.	
			Year-end 2016	Year-end 2015
Activity:	Collecting Mexican works of art.	Assets	41.101	51.355
Registered place of business:	Mexico D.F.	Liabilities	76	252
Country:	Mexico	Equity	41.025	51.103
Date of incorporation:	December 20, 2011	Earnings	8	207
		% stake	78.71%	71.40%

		CORPORAT	E	
		SURA Asset Manageme	nt Perú S.A.	
			Year-end 2016	Year-end 2015
Activity:	Holding Company	Assets	194.783	156.732
Registered place of business:	Lima	Liabilities	53.120	5.160
Country:	Peru	Equity	141.663	151.572
Date of incorporation:	July 04, 2013	Earnings	62.985	89.246
		% stake	78.71%	71.40%
	Sura Asset Managemer	nt Uruguay Sociedad de I	nversión S.A. (formerly Tublyr S.A.)	
			Year-end 2016	Year-end 2015

	Jul a Asset Managemen	Julia Asset Planagement of uguay Sociedad de Inversion S.A. (101 menty Tubity) S.A.)			
			Year-end 2016	Year-end 2015	
Activity:	Holding Company	Assets	207.274	211.126	
Registered place of business:	Uruguay	Liabilities	743	701	
Country:	Uruguay	Equity	206.531	210.425	
Date of incorporation:	July 02, 2013	Earnings	22.310	42.123	
		% stake	78.71%	71.40%	

MANDATORY PENSION FUND MANAGEMENT FIRMS

AFAP Sura S.A.				
			Year-end 2016	Year-end 2015
Activity:	Managing retirement savings funds.	Assets	89.833	84.182
Registered place of business:	Montevideo	Liabilities	18.659	19.182
Country:	Uruguay	Equity	71.174	65.000
Date of incorporation:	March 27, 1995	Earnings	38.818	36.304
		% stake	78.71%	71.40%

AFP Capital S.A.				
			Year-end 2016	Year-end 2015
Activity:	Managing pension funds.	Assets	2,794,219	2,615,518
Registered place of business:	Santiago	Liabilities	440.129	474.381
Country:	Chile	Equity	2,354,090	2,141,137
Date of incorporation:	January 16, 1981	Earnings	328.266	246.353
		% stake	78.48%	71.19%

Country:

Date of incorporation:

Peru

May 19, 1993

	MANDATORY P	ENSION FUND N	MANAGEMENT FIRMS	
		Afore Sura S.A. de	e C.V.	
			Year-end 2016	Year-end 2015
Activity:	Managing investment firms specializing in retirement savings funds	Assets	1,481,453	1,741,767
Registered place of business:	Mexico D.F.	Liabilities	272.381	249.047
Country:	Mexico	Equity	1,209,072	1,492,720
Date of incorporation:	December 17, 1996	Earnings	245.589	262.267
		% stake	78.71%	71.40%
		AFP Integra S.	A.	
			Year-end 2016	Year-end 2015
Activity:	Providing its pension fund management services	Assets	1,327,484	1,356,924
Registered place of business:	Lima	Liabilities	232.958	237.367

1,094,526

166.430

78.70%

1,119,557

164.297

71.40%

MANDATORY PENSION FUND MANAGEMENT FIRMS Corredores de Bolsa Sura S.A.				
Activity:	Purchasing and selling securities and providing brokerage services	Assets	91.121	90.541
Registered place of business:	Santiago	Liabilities	47.855	36.460
Country:	Chile	Equity	43.266	54.081
Date of incorporation:	February 04, 2008	Earnings	(13.722)	(940)
		% stake	78.71%	71.40%

Equity

Earnings

% stake

	Admini	stradora General de Fo	ndos Sura S.A.	
			Year-end 2016	Year-end 2015
Activity:	Managing investment and mutual funds.	Assets	46.946	28.452
Registered place of business:	Santiago	Liabilities	24.631	9.495
Country:	Chile	Equity	22.315	18.957
Date of incorporation:	July 09, 2008	Earnings	3.002	5.528
		% stake	78.71%	71.40%
	Sura	Investment Managemer	nt S.A. de C.V.	
			Year-end 2016	Year-end 2015
Activity:	Managing investment fund management firms.	Assets	51.738	59.491
Registered place of business:	Mexico D.F.	Liabilities	16.678	15.638
Country:	Mexico	Equity	35.060	43.853
Date of incorporation:	February 13, 1998	Earnings	(15.353)	(11.044)
		% stake	78.71%	71.40%
		Fondos Sura SAF S.	A.C.	
			Year-end 2016	Year-end 2015
Activity:	Managing investment and mutual funds.	Assets	17.077	11.067
Registered place of business:	Lima	Liabilities	13.113	5.832
Country:	Peru	Equity	3.964	5.235
Date of incorporation:	December 07, 2004	Earnings	(8.742)	(6.045)
		% stake	78.71%	71.40%
		Sociedad Agente de Bo	lsa S.A.	
			Year-end 2016	Year-end 2015
Activity:	Stock brokerage firm	Assets	9.858	3.260
Registered place of business:	Peru	Liabilities	966	90
Country:	Peru	Equity	8.892	3.170

	MANDATORY			
		Corredor de Bolsa SU	RA S.A.	
			Year-end 2016	Year-end 2015
Activity:	Providing brokerage services	Assets	3.196	1.469
Registered place of ousiness:	Montevideo	Liabilities	644	50
Country:	Uruguay	Equity	2.552	1.419
Date of incorporation:	December 01, 2014	Earnings	[1.324]	(254)
		% stake	78.71%	71.40%
		AFIGA GUDA GA		
		AFISA SURA S.A		V
	Managination		Year-end 2016	Year-end 2015
Activity:	Managing investments funds.	Assets	5.922	5.910
Registered place of ousiness:	Montevideo	Liabilities	2.162	1.727
Country:	Uruguay	Equity	3.760	4.183
Date of incorporation:	January 19, 2011	Earnings	(7.084)	(7.124)
		% stake	78.71%	71.40%
		LIFE INSURAN		
	50	eguros de Vida Suramer		
			Year-end 2016	Year-end 2015
Activity:	Personal Insurance	Assets	6,572,896	5,849,801
Registered place of business:	Medellin	Liabilities	5,359,707	4,714,880
Country:	Colombia	Equity	1,213,189	1,134,921
Date of incorporation:	August 04, 1947	Earnings	314.064	310.622
		% stake	81.13%	81.13%
	Seguros	de Riesgos Laborales S	uramericana S.A.	
			Year-end 2016	Year-end 2015
Activity:	Occupational Risk Management	Assets	2,151,408	1,836,520
Registered place of business:	Medellin	Liabilities	1,721,474	1,485,492
Country:	Colombia	Equity	429.934	351.028
Date of incorporation:	November 09, 1995	Earnings	179.125	131.001
		0/ - 1	24.424	** ****

% stake

81.13%

81.13%

		LIFE INSURAN	O L	
	Asesi	uisa Vida, S.A. Seguros d	de Personas	
			Year-end 2016	Year-end 2015
Activity:	Personal Insurance	Assets	367.556	408.645
Registered place of business:	San Salvador	Liabilities	294.714	347.543
Country:	El Salvador	Equity	72.842	61.102
Date of incorporation:	December 05, 2001	Earnings	27.889	11.309
		% stake	78.79%	78.79%
	Seguros de Vida Sura	americana S.A (formerly	y RSA Seguros de Vida S.A.)	
	00341004071440411		Year-end 2016	Year-end 2015
Activity:	Life insurance	Assets	56.818	-
Registered place of business:	Santiago	Liabilities	18.303	-
Country:	Chile	Equity	38.515	-
Date of incorporation:	November 21, 2012	Earnings	196	-
		% stake	81.13%	0.00%
		Seguros de Vida Sura	S A	
		Jegar os de vida sara	Year-end 2016	Year-end 2015
Activity:	Providing its insurance services, specifically life insurance and annuities.	Assets	8,661,920	6,348,976
Registered place of business:	Santiago	Liabilities	7,787,570	5,587,490
Country:	Chile	Equity	874.350	761.486
Country: Date of incorporation:	Chile January 12, 1989	Equity Earnings	874.350 45.942	761.486 31.884
-		. ,		
-		Earnings	45.942	31.884
-		Earnings	45.942 78.71%	31.884
Date of incorporation:		Earnings % stake	45.942 78.71%	31.884
Date of incorporation: Activity:		Earnings % stake	45.942 78.71% e C.V.	31.884 71.40%
-	January 12, 1989	Earnings % stake Pensiones Sura S.A. de	45.942 78.71% e C.V. Year-end 2016	31.884 71.40% Year-end 2015
Date of incorporation: Activity: Registered place of	January 12, 1989 Pension insurance	Earnings % stake Pensiones Sura S.A. de Assets	45.942 78.71% e C.V. Year-end 2016 1,607,754	31.884 71.40% Year-end 2015 1,663,434

LIFE	INSURANCE	

		LIFE INSU	RANCE		
Seguros de Vida SURA Mexico S.A. de C.V. (formerly Primero Seguros de Vida S.A. de C.V.)					
			Year-end 2016	Year-end 2015	
Activity:	Life insurance	Assets	181.876	132.765	
Registered place of business:	Mexico	Liabilities	142.014	121.652	
Country:	Mexico	Equity	39.862	11.113	
Date of incorporation:	December 01, 2014	Earnings	4.644	[4.669]	
		% stake	78.71%	71.40%	

Seguros Sura S.A. (formerly Invita)				
			Year-end 2016	Year-end 2015
Activity:	Providing life insurance and reinsurance	Assets	4,527,778	4,349,624
Registered place of business:	Lima	Liabilities	4,022,722	3,917,897
Country:	Peru	Equity	505.056	431.727
Date of incorporation:	March 01, 2000	Earnings	88.036	53.585
		% stake	54.54%	49.47%

SUAM Corredora de Seguros S.A. de C.V.					
			Year-end 2016	Year-end 2015	
Activity:	Providing insurance and reinsurance brokerage services	Assets	585	383	
Registered place of business:	San Salvador	Liabilities	102	65	
Country:	El Salvador	Equity	483	318	
Date of incorporation:	May 07, 2013	Earnings	184	108	
		% stake	78.71%	71.40%	

Disgely S.A.				
			Year-end 2016	Year-end 2015
Activity:	Selling merchandise and leasing goods, properties and services.	Assets	1.573	1.881
Registered place of business:	Montevideo	Liabilities	497	458
Country:	Uruguay	Equity	1.076	1.423
Date of incorporation:	December 01, 2014	Earnings	(2.049)	(1.115)
		% stake	78.71%	71.40%

LIFE INSURANCE Seguros Generales Suramericana S.A.					
					Year-end 2016 Year-end 2015
Activity:	Property And Casualty Insurance	Assets	3,478,392	2,551,982	
Registered place of business:	Medellin	Liabilities	2,694,227	2,111,066	
Country:	Colombia	Equity	784.165	440.916	
Date of incorporation:	December 12, 1944	Earnings	34.079	39.497	
		% stake	81.11%	81.13%	

Seguros Sura S.A.				
			Year-end 2016	Year-end 2015
Activity:	Insurance	Assets	295.929	277.323
Registered place of business:	Santo Domingo	Liabilities	258.142	227.277
Country:	Dominican Republic	Equity	37.787	50.046
Date of incorporation:	July 17, 1986	Earnings	(977)	(6.677)
		% stake	81.13%	81.13%

Seguros Suramericana Panamá S.A.				
			Year-end 2016	Year-end 2015
Activity:	Insurance	Assets	1,152,792	1,044,534
Registered place of business:	Panama City	Liabilities	520.922	501.693
Country:	Panama	Equity	631.870	542.841
Date of incorporation:	July 11, 1972	Earnings	35.941	17.556
		% stake	81.13%	81.13%

ACTIVITY:	Property And Casualty		Year-end 2016	Year-end 2015
ACTIVITY:	Property And Casualty			
11	Insurance	Assets	295.607	205.269
Registered place of business:	San Salvador	Liabilities	123.801	98.722
Country:	El Salvador	Equity	171.806	106.547
Date of incorporation:	November 14, 1969	Earnings	(3.009)	5.137
		% stake	78.79%	78.79%

LIFE INSURANCE						
			VANCE			
		Sura	W 1004	V 10045		
	In account of the		Year-end 2016	Year-end 2015		
Activity:	Insurance and re- insurance	Assets	15.891	-		
Registered place of business:	Hamilton	Liabilities	145	-		
Country:	Bermuda	Equity	15.746	-		
Date of incorporation:	December 08, 2015	Earnings	(770)	-		
		% stake	81.13%	0.00%		
	Seguros Sura S.A (fo	ormerly Royal & Su	ın Alliance Seguros (Brazil) S.A.)			
			Year-end 2016	Year-end 2015		
Activity:	Personal and casualty insurance	Assets	1,037,458	-		
Registered place of business:	Sao Pablo	Liabilities	786.060	-		
Country:	Brazil	Equity	251.398	-		
Date of incorporation:	August 31, 1973	Earnings	(7.184)	-		
		% stake	81.13%	0.00%		
	Seguros Sura S.A (for	merly Royal & Sun	Alliance Seguros (Argentina) S.A.)			
			Year-end 2016	Year-end 2015		
Activity:	General insurance	Assets	1,413,475	-		
Registered place of business:	Buenos Aires	Liabilities	1,235,661	-		
Country:	Argentina	Equity	177.814	-		
Date of incorporation:	July 13, 1912	Earnings	20.851	-		
		% stake	80.63%	0.00%		
	Aseg	uradora de Crédito	s y Garantías S.A.			
			Year-end 2016	Year-end 2015		
Activity:	Insurance, co-insurance and re-insurance in general for all types of risk	Assets	89.113	-		
Registered place of business:	Buenos Aires	Liabilities	70.096	-		
Country:	Argentina	Equity	19.017	-		
Date of incorporation:	March 20, 1959	Earnings	4.267	-		
		% stake	81.12%	0.00%		

		LIFE INSU	IRANCE	
	Seguros Generales S	uramericana S.A	(formerly RSA Seguros Chile S.A.)	
			Year-end 2016	Year-end 2015
Activity:	General insurance			
		3,558,386	-	
Registered place of business:	Santiago	Liabilities	2,764,570	-
Country:	Chile	Equity	793.816	-
Date of incorporation:	April 15, 1905	Earnings	(7.942)	-
		% stake	80.71%	0.00%
	Seguros Sura, S.A de C.V. (fo	rmerly Royal & S	Sun Alliance Seguros (Mexico) S.A. d	e C.V.)
			Year-end 2016	Year-end 2015
Activity:	General insurance	Assets	887.823	-
Registered place of business:	Federal District, Mexico	Liabilities	639.383	-
Country:	Mexico	Equity	248.440	-

Royal & Sun Alliance Seguros (Uruguay) S.A.				
			Year-end 2016	Year-end 2015
Activity:	Property And Casualty Insurance	Assets	595.153	-
Registered place of business:	Montevideo	Liabilities	307.134	-
Country:	Uruguay	Equity	288.019	-
Date of incorporation:	November 07, 1994	Earnings	4.768	-
		% stake	81.13%	0.00%

Earnings

% stake

Date of incorporation:

October 01, 1941

(13.556)

81.13%

0.00%

	H	EALTH CARE SERVI	CES		
EPS y Medicina Prepagada Suramericana S.A.					
			Year-end 2016	Year-end 2015	
Activity:	Organizing, guaranteeing and providing health care services	Assets	612.715	511.165	
Registered place of business:	Medellin	Liabilities	456.992	377.604	
Country:	Colombia	Equity	155.723	133.561	
Date of incorporation:	January 31, 1990	Earnings	22.162	20.925	
		% stake	65.82%	81.13%	

	Н	EALTH CARE	SERVICES		
Servicios de Salud IPS Suramericana S.A.					
			Year-end 2016	Year-end 2015	
Activity:	Providing medical, paramedical and dental services	Assets	71.681	61.061	
Registered place of business:	Medellin	Liabilities	62.863	53.484	
Country:	Colombia	Equity	8.818	7.577	
Date of incorporation:	December 19, 1996	Earnings	1.148	(1.634)	
		% stake	81.13%	81.13%	
	Dia	gnóstico y Asisteno	cia Médica S.A.		
			Year-end 2016	Year-end 2015	
Activity:	Providing health care services through diagnostic aids	Assets	79.390	74.480	
Registered place of business:	Medellin	Liabilities	54.859	55.205	
Country:	Colombia	Equity	24.531	19.275	
Date of incorporation:	February 24, 1994	Earnings	5.252	3.094	
		% stake	81.13%	81.13%	

		Habitat Adulto Mayor S,A,		
			Year-end 2016	Year-end 2015
Activity:	Providing health care services for the elderly	Assets	30.181	26.725
Registered place of business:	La Estrella	Liabilities	8.704	6.419
Country:	Colombia	Equity	21.477	20.306
Date of incorporation:	July 24, 2007	Earnings	1.171	832
		% stake	82.66%	73.23%

	01	UTSOURCING SERV	ICES	
		Arus S.A.		
			Year-end 2016	Year-end 2015
Activity:	Providing and marketing its telecommunication services, products and solutions	Assets	73.263	77.472
Registered place of business:	Medellin	Liabilities	47.436	54.866
Country:	Colombia	Equity	25.827	22.606
Date of incorporation:	August 16, 1988	Earnings	3.818	4.554
		% stake	100.00%	100.00%

Enlace Operativo S.A.				
			Year-end 2016	Year-end 2015
Activity:	Providing business process outsourcing (BPO) services	Assets	16.656	11.396
Registered place of business:	Medellin	Liabilities	4.612	2.213
Country:	Colombia	Equity	12.044	9.183
Date of incorporation:	May 31, 2006	Earnings	2.861	5.477
		% stake	100.00%	100.00%

OTHER SERVICES Operaciones Generales Suramericana S.A.S. Year-end 2016 Year-end 2015 Investing in personal and real estate property, Assets Activity: 131.972 103.715 Registered place of business: Medellin Liabilities 84.045 82.811 Country: Colombia Equity 47.927 20.904 [11.224] 6.370 Date of incorporation: July 24, 1964 Earnings % stake 81.13% 81.13%

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	OTHER SERVICES				
Servicios Generales Suramericana S.A.					
			Year-end 2016	Year-end 2015	
Activity:	Financing premiums for private individuals, providing employee loans and acting as agent for subsidiaries	Assets	464.883	453.724	
Registered place of business:	Medellin	Liabilities	208.373	165.637	
Country:	Colombia	Equity	256.510	288.087	
Date of incorporation:	December 06, 2002	Earnings	3.519	11.400	
		% stake	81.13%	81.13%	

	Consultoría en Gestión de Riesgos Suramericana S.A.S.				
			Year-end 2016	Year-end 2015	
Activity:	Consultancy firm with regard to comprehensive risk management	Assets	13.360	10.385	
Registered place of business:	Medellin	Liabilities	11.834	9.246	
Country:	Colombia	Equity	1.526	1.139	
Date of incorporation:	April 15, 1996	Earnings	386	(271)	
		% stake	81.13%	81.13%	

Servicios Generales Suramericana S.A. (Panamá)				
			Year-end 2016	Year-end 2015
Activity:	Inspecting, repairing, purchasing and selling all types of vehicles and their corresponding spare parts	Assets	588	452
Registered place of business:	Panama City	Liabilities	442	419
Country:	Panama	Equity	146	33
Date of incorporation:	August 02, 2012	Earnings	121	21
		% stake	81.13%	81.13%

		OTHER SERVICE	CES	
		Protección Garantizad		
		T TOTAL CONTROL CONTRO	Year-end 2016	Year-end 2015
Activity:	Insurance brokerage	Assets	5.920	-
Registered place of business:	Bogotá	Liabilities	2.794	-
Country:	Colombia	Equity	3.126	-
Date of incorporation:	November 10, 2005	Earnings	2.344	-
		% stake	41.36%	0.00%
	Serv	vicios y Ventas Compañ	nía Limitada	
			Year-end 2016	Year-end 2015
Activity:	Service provider	Assets	62	-
Registered place of business:	Santiago	Liabilities	75	-
Country:	Chile	Equity	(13)	-
Date of incorporation:	January 28, 1997	Earnings	-	-
		% stake	80.92%	0.00%
		SURA Real Estate S	.A.S.	
			Year-end 2016	Year-end 2015
Activity:	Management consultancy services, real estate activities with properties either leased or for own use.	Assets	1.096	-
Registered place of business:	Bogotá	Liabilities	641	-
Country:	Colombia	Equity	455	-
Date of incorporation:	February 09, 2016	Earnings	(2.948)	-
		% stake	55.09%	0.00%
		Asesores Sura S.A. d	le C.V.	
			Year-end 2016	Year-end 2015
Activity:	Providing financial services and products	Assets	9.202	9.439
Registered place of business:	Mexico D.F.	Liabilities	7.120	8.298
Country:	Mexico	Equity	2.082	1.141
Date of incorporation:	October 17, 2000	Earnings	1.170	529
		% stake	78.71%	71.40%

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		OTHER SERVICES		
	F	Promotora Sura AM S.A. de C.	<i>/</i> .	
			Year-end 2016	Year-end 2015
Activity:	Providing advertising and marketing services for any type of product	Assets	5.589	6.184
Registered place of business:	Mexico	Liabilities	3.870	4.325
Country:	Mexico	Equity	1.719	1.859
Date of incorporation:	October 23, 2013	Earnings	587	1.447
		% stake	78.71%	71.40%

	Hipotecaria Su	ra Empresa Admini	stradora Hipotecaria S.A.	
			Year-end 2016	Year-end 2015
Activity:	Providing mortgage loans and other financial services	Assets	15.370	20.190
Registered place of business:	Lima	Liabilities	2.395	6.335
Country:	Peru	Equity	12.975	13.855
Date of incorporation:	May 14, 2008	Earnings	(3.060)	(2.965)
		% stake	55.09%	49.98%

The figures shown for each subsidiary were taken from their separate financial statements.

Changes to Investment Stakes 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):
- » Dinámica IPS Zonas Francas S.A.S. was wound up at year-end 2016

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.

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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.

2015

At year-end 2015 the following changes were recorded to the Group's investment stakes

- » On September 18, 2015, Grupo Sura acquired 113,435 shares, corresponding to the entire stake held by JP Morgan SIG Holding in Sura Asset Management S.A.; thereby extending its entire stake to 71.4%. This transaction came to a total value of COP 794.360 million.
- » On August 31, 2015, Grupo de Inversiones Suramericana, through its subsidiary Suramericana S.A., acquired Seguros Banistmo S.. in Panama (now known as Seguros Suramericana Panamá) for a total value of COP 297.204
- » Servicios Sura SAC was wound up on July 31, 2015.
- » Negocios Financieros S.A. was taken over by Sura Asset Management Perú on July 1, 2015.
- » On June 26 2015, Sura Investment Management, a company investing in real estate and personal property, was set up for a total value of COP 140 million.
- » On June 2, 2015, Inverconsa S.A. de CV and Pensiones Sura Perú S.A. were wound up.
- » On April 7, 2015, Inversiones y Servicios Sura S.A. merged with another of the Group's subsidiaries, Sura S.A.

- Wealth Management Sura S.A. merged with Sura Asset Management Perú on March 31, 2015.
- » On March 23, 2015 Mexamlux S.A. merged with Sura Asset Management Mexico, another of Grupo Sura's subsidiaries.
- » Seguros Suramericana Panama merged with Seguros Suramericana S.A. on November 1, 2015
- » Dinámica IPS Zonas Francas S.A.S. became impaired at year-end 2015 See Note 19.1 Impairment of investments in subsidiaries.
- » In 2015, 2,297,201 shares in the subsidiary Hábitat Adulto Mayor S.A. were purchased for a value of COP 296 million.

18.2 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The balance of investments held in associates and joint ventures is broken down as follows:

	YEAR-END 2016	YEAR-END 2015
Investments in associates (see Note 18.2.1)	18,139,274	17,759,665
Joint ventures (see Note18.2.2)	5.054	-
Total investments accounted for using the equity method	18,144,328	17,759,665

	YEAR-END 2016	YEAR-END 2015
Income from associates via the equity method (Note 18.2.1)	1,033,882	810.913
Income from joint ventures via the equity method (Note 18.2.1)	3.755	[7]
Total income posted via the equity method from investments accounted for via the equity method	1,037,637	810.906

18.2.1 Investments in associates

Grupo Sura's associates at the end of the reporting period are listed as follows:

			Υ	EAR-END	2016		Year-end	2015
Name	Main business activity	Country	% stake	% voting rights	# shares	% stake	% voting rights	# shares
Grupo Bancolombia S.A. (*)	Universal banking	Colombia	24.44%	46.11%	235,039,870	26.49%	46.11%	254,738,751
Grupo Argos S.A.	Cement, energy, real estate and ports	Colombia	26.78%	35.56%	229,534,810	28.11%	35.65%	230,089,478
Grupo Nutresa S.A.	Processed food	Colombia	35.17%	35.17%	161,807,155	35.34%	35.34%	162,608,498
Administradora de Fondos 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%	261.342	49.00%	49.00%	261.342
Sodexo Colombia S.A.	Services	Colombia	35.00%	35.00%	1,604,015	35.0%	35.0%	1,604,015
Interejecutiva de Aviación S.A.S.1	Air transport management services	Colombia	-	-	-	33.00%	33.00%	1,300,000
Tipel S.A. 2	Construction services	Colombia	-	-	-	11.40%	11.40%	5,016,104
Promotora Nacional de Zona Franca S.A. 3	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 I S.A.	Pension and severance fund	Chile	22.60%	22.60%	62.401	22.60%	22.60%	62.401
Servicios de Administración Previsional S.A.	Voluntary funds	Chile	22.64%	22.64%	168.806	22.64%	22.64%	168.806
Fondos de Cesantías Chile II4	Pension and severance fund	Chile	-	-	-	29.40%	29.40%	167.580
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
Subocol S.A.	Selling spare parts for vehicle repairs	Colombia	50.00%	50.00%	492	50.00%	50.00%	492
Brinks de Colombia S.A.3	Transport	Colombia	18.62%	18.62%	3,377,445	18.62%	18.62%	3,377,445
Brinks de Colombia S.A.3	Transport	Colombia	18.62%	18.62%	3,377,445	18.62%	18.62%	3,377,445

(*) Voting rights: the percentage stake held carrying voting rights in Grupo Bancolombia S.A. at year-end 2015, December 31, 2014 and January 1, 2014 came to 46,11%, 45,59% and 44,68% respectively given the issue of non-voting preferred shares placed by this associate. 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) At year-end, 2016, reclassifications were made to joint ventures in the amount of COP 552. In April 2015, Grupo Sura purchased, through its subsidiary Inversiones y Construcciones Estratégicas, 1,300,000 shares worth COP 552 million in Internacional Ejecutiva de Aviación S.A.S., thus acquiring a 33% stake as well as joint control over this investment.

2) In May 2015 a 30% stake held in the Company, Tipiel S.A. was sold off, this consisting of a 1% stake in Techip for a total of 440,000 shares to the firm, Italy SPA. The remaining stake of 29% was sold to Ascona S.A.S. (consisting of 12.760.000 shares), this based on the share 's selling price. Once this investment was sold off, it was reclassified from an associate investment to a financial instrument with changes in equity.

More detailed information regarding the sale of Tipiel is provided below:

Loss on sale (Note 31)	(7.730)
Book value	27.730
Selling price	20.000

In 2016 this investment was reclassified to equity instruments in the amount of \$ 10,537.

3) In spite of not having more than a 20% stake in Brinks de Colombia S.A and Promotora Nacional de Zonas Francas. These investments are classified as associates, since Grupo Sura sits on the Board of directors of these companies and participates in the decisions to be made.

4] The 29.39% stake held in Administratora de Fondos de Cesantías de Chile S.A., which came to the equivalent of COP 1,995, was sold off in September 2016, as a result of having terminated the fund management contract for mandatory severance insurance as defined by Supreme Decree No. 65 issued in September 2013.

Balance of investments held in associates

The balance of investments held in associates is broken down as follows:

Total	18,139,274	17,759,665
Others	87.565	98.094
Administradora de Fondos de Pensiones y Cesantias Proteccón S.A.	1,045,581	1,023,590
Grupo Nutresa S.A.	4,716,733	4,611,737
Grupo Argos S.A.	4,952,061	4,779,890
Bancolombia S.A.	7,337,334	7,246,354
INVESTMENTS IN ASSOCIATES	2016	2015

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Financial information regarding associates and joint venturesThe assets, liabilities, shareholders´ equity and income for each of the associated companies included in Grupo Sura´s consolidated financial statements at year-end 2016 and 2015 are shown as follows:

YEAR-END 2016	COUNTRY	CURRENT ASSETS	NON-CU- RRENT ASSETS	CURRENT	NON- CU- RRENT LIABILITIES	EQUITY	REVE- NUES	NET	OTHER COMPRE- HENSIVE INCOME	COMPRE- HENSIVE INCOME
Bancolombia S.A.	Colombia	196,793,694	1	174,316,713	1	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	14552884	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	1	522.260		1,301,303	1	240.610	1	240.610
Sodexo Soluciones de Motivación S.A.	Colombia	137.928	3.361	138.581		2.709	24.461	305	ı	305
Sodexo Colombia S.A.	Colombia	98.220	8.002	94.974		11.248	463.951	8.797	ı	8.797
Interejecutiva de Aviación S.A.S.	Colombia	78.370	1	66.922	ı	11.448	48.551	7.551	ı	7.551
Inversiones DCV S.A.	Chile	14.397	ı	19	1	14.378	ı	3.030	ı	3.030
Servicios de Administración Previsional S.A.	Chile	92.681	1	33.309	1	59.372	ı	48.310	1	48.310
ARS Palic Salud S.A.	Dominican Republic	253.269	1	167.631	1	85.638	ı	23.478	1	23.478
Subocol S.A.	Colombia	3.174	1	1.752	1	1.422	1	(30)	1	(30)
Brinks de Colombia S.A.	Colombia	152.873	,	55.216	1	97.657		18.503	ı	18.503

YEAR-END 2015	COUNTRY	CURRENT	NON-CU- RRENT ASSETS	CURRENT	NON- CU- RRENT LIABILITIES	Εαυιτγ	REVE- NUES	NET	OTHER COMPRE- HENSIVE INCOME	COMPRE- HENSIVE INCOME
Bancolombia S.A.	Colombia	192,972,867	1	172,564,948	ı	20,407,919	9,133,922	2,608,898	1,477,473	4,086,371
Grupo Argos S.A.	Colombia	5,667,971	36,107,042	6,989,265	11,895,949	22,889,799	12,579,678	643.155	195.087	838.242
Grupo Nutresa S.A.	Colombia	2,542,873	10,635,179	2,249,102	2,886,106	8,042,844	7,945,417	430.819	(230.961)	199.858
Administradora de Fondo de Pensiones y Cesantías Protección S.A.*	Colombia	1,671,708	1	444.497		1,227,211	218.743	218.743	1	218.743
Inversiones DCV S.A.	Chile	11.700	1	ю	1	11.697	ı	1.833	ı	1.833
Servicios de Administración Previsional S.A.	Chile	90.550	1	17.747	1	72.803	1	27.618	1	27.618
Fondos de Cesantías Chile I S.A.	Chile	6.938	1	1	1	6.938	1	11	1	11
Fondos de Cesantías Chile II	Chile	72.091	1	12.006	1	980.09	ı	4.458	ı	4.458
ARS Palic Salud S.A.	Dominican Republic	230.694	ı	147.123	ı	83.572	1	18.711	ı	18.711
Subocol S.A.	Colombia	3.443	1	1.921	'	1.522	'	783	'	783

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Investments in Grupo Sura's associates, as listed on the Colombian Stock Exchange (BVC) produced year-end closing prices that were higher for 2016 compared to the previous year, thus showing a better performance as shown below:

	COLOMBIA	N PESOS PER SHARE	
Associate	2016	2015	Annual
			% Change
Bancolombia S.A.	25.220	20.980	20.20%
Inversiones Argos S.A.	19.280	16.200	19.00%
Grupo Nutresa S.A.	24.900	22.620	10.10%
Fondo de Pensiones y Cesantías Protección S.A. (*)	100.000	71.000	40.80%

Furthermore, the fundamentals pertaining to these issuers performed much better given their interesting growth prospects thanks to the plans carried out in recent years.

Furthermore, the shares of these associates are traded above the equity 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 their actual price is not a faithful indication of the Company's economic value. However, it is important to note that its weighted average listed price throughout 2016 came to COP 91.797 At year-end 2015 this investment was duly appraised, and no indications were found of any impairment to its carrying value in the Consolidated Financial Statements.

Movements with investments in associates

				ADMINISTRADORA DE		
	BANCOLOMBIA S.A.	GRUPO AR-	GRUPO NU-	FONDOS DE PENSIO-	OTHERS	TOTAL
		GOS S.A.	TRESA S.A.	NES Y CESANTÍAS		
				PROTECCIÓN S.A.		
Balance at year-end 2014	6,609,421	4,655,704	4,595,423	1,026,480	111.524	16,998,55
Additions	71.658	10.540	17.962		663	100.82
De-recognitions	(68.848)		-		(27.730)	(96.57
Equity method revenues	555.431	908	151.310	86.214	17.050	810.91
Change in equity	290.201	154.103	(77.902)	989	4.990	372.38
(-) Dividends	(211.509)	(41.365)	(75.056)	[64.869]	(3.052)	(395.85)
Others	-	-	-	(25.225)	(5.351)	(30.57
Balance at year-end 2015	7,246,354	4,779,890	4,611,737	1,023,590	98.094	17,759,66
Additions	-	-	-		-	
De-recognitions	[476.756]	(9.424)	[17.962]		(13.183)	(517.32
Equity method revenues	700.195	62.998	139.164	101.803	29.722	1,033,88
Change in equity	82,317.88	119.504	64.374	2.144	(4.079)	264.26
(-) Dividends	(214.777)	(908)	(80.580)	(81.956)	(21.091)	(399.31
Others	-				(1.898)	(1.89
Balance held at year- end 2016	7,337,334	4,952,061	4,716,733	1,045,581	87.565	18,139,27

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

On August 11, 2015 Sura Investment Management Colombia S.A.S (SIM) a subsidiary of Sura Asset Management Colombia, formed a joint venture with the company Credicorp Capital Holding Colombia S.A.S.

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The company that was formed as a result of this joint venture is called Unión Para La Infraestructura S.A.S. (UPI S.A.S.), in which SIM and CREDICORP each hold a 50% stake.

UPI S.A.S.'s business purpose is to provide investment advisory services with regard to the professional handling of investment funds with which to finance infrastructure projects. At the end of this reporting period, Unión Para La Infraestructura S.A.S. (UPI S.A.S.) is still at a pre operating stage.

Cost of joint venture investments

The following is a breakdown of the cost of these investments at year-end 2015:

	INTEREJECUTIVA	UPI	TOTAL
Balance at year-end 2015	-	-	-
Reclassifications1	552	-	552
Additions1	1.496	-	1.496
Equity method revenues	2.517	1.238	3.755
Change in equity	(749)	-	(749)
Closing balance at year-end 2015	3.816	1.238	5.054

1At year-end 2016, a reclassification to joint ventures in the amount of COP 552 was made. In 2016 Grupo Sura provided 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

Identifying signs of impairment is a key step in the appraisal process, as 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.

- Operating losses or negative cash flows for the current period compared to those budgeted.
- 2. Increased interest rates on investments and debt for the period. Information: Investments in inflation-indexed securities, agreed rates on bank loans.
- 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.
- 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.

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- 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 IPS Zona Franca S.A.S., that affected 100% of its carrying value, thereby providing grounds for this company to be liquidated. In December 2016, this Company was effectively wound up

At year-end 2015 and 2016, investments in the subsidiaries Sura Finance B.V. Grupo de Inversiones Suramericana Panama and Grupo Sura Finance showed shortfalls in terms of the revenues these provide that shall be covered by Grupo de Inversiones Suramericana with the possible winding up of these firms.

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:

- » 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)
- » 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 for the purpose of Sura Asset Management managing, controlling and projecting 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, as stipulated in the PPA, for 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: NNUAL REPORT 2016

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» Corredora de Bolsa Sura S.A. and Administradora General de Fondos Sura S.A.: 10 years

» AFP Capital S.A.: 5 years

Afore Sura S.A. de C.V: 5 years

» Sura Investment Management Mexico S.A. de C.V: 10 years

» AFP Integra S.A.: 5 years

» Fondos Sura SAF S.A.C.: 10 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: 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.

These cash flows were then converted to US dollars using the local exchange rate, so to achieve consistency with the discount rate applied, this stated in U.S. dollars.

Discount rate: Although the functional currency of each country corresponds to its local currency, future cash flows have been converted to nominal U.S. dollars for each projected period and discounted at a nominal rate in U.S. dollars after taxes. A discount rate in U.S. dollars was used because of a certain lack of data availability, as well as potential distortions from consistency problems with the existing data, thereby affecting estimated discount rates in these local currencies. These constraining factors consisted of: i) the absence of long-term benchmark rates of return in local currency; ii) market volatility; and iii) a lack of depth, diversification and liquidity on the capital markets, among other affecting factors.

The discount rates applied to the projections are based on the interest rates prevailing in each market, these ranging between $9.10\,\%$ and $10.10\,\%$ on an after-tax basis.

- Income Tax Rates: Projected cash flows were estimated after tax, for the purpose of preserving consistency with the estimated discount rates. Here, the tax rates that were applied to current earnings in each market at yearend 2016 were 24% in the case of Chile,30% in Mexico, 28% in Peru and 25% in Uruguay (See Note 25)...
- » 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:

» Forecasting Horizon: to estimate the value in use corresponding to trademarks their indefinite useful life was used, based on brand positioning and past experience, 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 **NUAL REPORT 2016**

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Capital and AFP Integra trademarks respectively, and then the present value of a perpetual flow of net royalties based on a 3.2% nominal growth in U.S. dollars 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 on their reserve requirements on 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.
 - » 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 flows 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 go from 24% at year-end 2014 reaching 27% by 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 Compuredes, 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.
- Here, the Company's historical financial statements in accordance with International Financial Reporting Standards (IFRS) were used as the basis.
- Projection 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 2016 and 2017 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 2017 is expected to be finally approved in January 2017.

- The economic projections were taken from the report "Projected Macroeconomics Table", as published by Bancolombia's Economic Research Department in October 2016.
- » 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: 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 2018, the Company's revenues are set to grow at the same rate as Colombia's Real GDP plus the projected inflation (CPI). The projected compound revenue growth rate between 2016 and 2021 comes 9.1%
- 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 80.2%.
- Administrative and Sales Expenses, excluding 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 2.92%.

Employee Benefits shall rise at the same rate as the expected CPI plus 2%.

- » 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 14.8%.
 - » The Average Cost of Debt before Taxes came to 12%.

- The Average WACC for the valuation period totaled 12.1%. Perpetuity was discounted at a rate of 12.3%.
- » A nominal growth in perpetuity of 6% is assumed.
- » Income Tax Rates: Projected cash flows were estimated after tax, for the purpose of preserving consistency with the estimated discount rates. Taxes are modeled independently and in the case of this business plan, payments for ordinary income tax are always made. The rates used were based on the recent tax reform.

Conclusion

For the purpose of preparing its consolidated financial statements, the Company carried out impairment tests on its acquired goodwill using the following analyzes and methodologies, so as to be able to confirm whether there was any evidence of impairment to the Cash Generating Unit (UGE) corresponding to ARUS S.A. (formerly known as Compuredes) and Enlace Operativo:

(i) A historical analysis of the Company's key performance indicators.

Based on the operating and financial aspects of the Company's business, along with the figures reported at November 30, 2016, the Company does not show any evidence of impairment to its key performance indicators compared to its historical performance.

(ii) Valuations using the discounted cash flow approach

In order to estimate a CGU's recovery value and based on the financial statements, a valuation was performed in Colombian pesos by estimating free cash flows and a perpetuity value and discounting at a weighted average cost of capital. The figure thus obtained was higher than that recorded by Arus Holding and Grupo Sura in their books, and thus no impairment was found to affect the goodwill of the investment in question..

(iii) Valuations using comparable multiples

A benchmarking exercise was conducted with companies belonging to the same sector so as to compare the aforementioned estimates with the range of values shown by their peers. Here we were able to conclude that

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said estimates remain within a reasonable range and there is no evidence of impairment.

Accordingly, the goodwill recorded in the Statement of Financial Position of both ARUS S.A. and Grupo Sura showed no signs of impairment.

Goodwill corresponding to Aseguradora Suiza Salvadoreña S.A. Asesuiza In 2013, 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 probing the existence of impairment in 2013, a loss of COP 9.392 was recorded, 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 made during 2016, were allocated in accordance with the Purchase Price Allocation (PPA) process, performed for each of the following Geographies:

- » Argentina
- Brazil
- » Chile
- » Colombia
- » Mexico
- » Uruquay

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, 2016, using the methodology defined by the Company which consisted of the following assumptions:
 - » The present value of estimated future cash flows that the Company expects to obtain were discounted at September 30, 2016.
 - » Projections of 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.
 - » Te capital costs defined by Suramericana S.A. were used for each company, including the discount rate on future flows.

Upon allocating the purchase price (PPA) for the business combination, the following brands were identified as intangible assets whose value is separate from goodwill and other assets:

The ACG and ANSWER brands acquired in Argentina, and the brands Hogar Master and Top Driver acquired in Mexico.

The estimated values of these trademarks were arrived at using the Relief from Royalties methodology, which consisted of:

1. Identifying future revenues that are directly attributable to these trademarks.

- 2. Estimating the trademarks' approximate royalties as would be acceptable to a licensee and licensor of the individual trademark, using two different sources.
- 3. Applying the royalty rate to projected future revenues corresponding to these trademarks in order to estimate the pre-tax savings resulting from the payment of royalties.
- 4. Applying income tax to pre-tax royalty savings.
- 5. Finally, the estimated value was arrived at after discounting after-tax royalty savings at a discount rate commensurate with the risks inherent to these trademarks, as well as any tax benefits relating to the property at present value.

Estimates used to measure the recoverable amount of CGUs:

Each of the reporting requirements, as stipulated in IAS 36 - Impairment of Assets, regarding the estimates used to measure the recoverable amount of the cash-generating units in terms of their value in use, are shown below:

» Key assumptions on which Senior Management has based its cash flow projections:

Impairment to goodwill is tested using a discounted free cash flow model. This model, which complies with industry-standardized financial and valuation methodologies, consists of future estimations of free cash flows to the shareholder for each of the companies in question, discounting at present value all those flows at 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 expenses, financial income, taxes, among other items, were projected over the next 5 years. 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 free cash flow used for the valuation.

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 strategic road map, as approved by the Board of Directors for 2017, as well as Senior Management's best estimates of future performance for the main financial and operating variables of business. In the case of the subsidiaries that were acquired from RSA in Latin America, historical pro forma financial statements were taken into account, as contained in the Information Memorandum provided by the seller during the acquisition process. This reflected the financial performance of the companies thus acquired, that was subsequently adjusted to cover the impact of intra-group transactions between each of these subsidiaries and their parent company, such as reinsurance operations, inter-company charges, and non-recurring items, among others.

Projected cash flow period used by Senior Management:

These projections were made based on the Operating Budget for 2017 and subsequently the statements of income, the balance sheet and the free cash flow for the years 2018-2022 were also projected. A projection period of five years was used, in addition to the budget corresponding to the current year, this being considered a reasonable period of time for the acquired operations to reach a greater level of maturity while adopting the strategic road map that Suramericana is deploying on a regional level. As of 2022, a terminal value was calculated based on the present value of the future flows increasing at a constant rate. This rate was determined based on the economic growth and inflation rates of each individual country.

The growth rate used to extrapolate the cash flow projections of cash flows 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 ALLIAI DEDORT 2014

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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 rise of the GDP of the host country and that each Suramericana subsidiary manages to maintain its respective market share.

» 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 geographies 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 for estimating fair value

Subsi- diary	Year-end	Currency Unit	Time horizon	Projection horizon	Present value for specific period	Present residual value	Total value	Discount rate	Income tax rate (1)	Macroeco- nomic assump- tions (1)	Flow growth rates (2)
Sura Argentina	Valuation at 9/30/2016	ARS	5 years	5 years	352	1.218	1.570	20.5%	40.0%	GDP Growth: 3.2% / Inflation: 11.3%	11.1%
SURA BRAZIL	Valuation at 9/30/2016	BRL	5 years	5 years	39	232	271	14.3%	45.0%	GDP Growth: 1.9% / Inflation: 5.2%	7.0%
SURA Chile	Valuation at 9/30/2016	CLP	5 years	5 years	49.614	220.745	270.359	9.8%	26.7%	GDP Growth: 2.3% / Inflation: 3.2%	6.1%
SURA México	Valuation at 9/30/2016	MXN	5 years	5 years	149	1.858	2.007	11.4%	30.0%	GDP Growth: 2.7% / Inflation: 3.6%	7.6%
Sura Uruguay	Valuation at 9/30/2016	UYU	5 years	5 years	989	1.996	2.984	15.5%	25.0%	GDP Growth: 2.8% / Inflation: 6.9%	9.5%
Sura Generales (3)	Valuation at 9/30/2016	COP	5 years	5 years	143	1.141	1.284	11.7%	36.9%	GDP Growth: 3.8% / Inflation: 3.9%	7.7%
Sura Panama	Valuation at 9/30/2016	USD	5 years	5 years	52	164	216	10.0%	16.6%	GDP Growth: 6.0% / Inflation: 2.1%	6.1%
Sura RD	Valuation at 9/30/2016	DOP	5 years	5 years	197	865	1.063	14.2%	31.6%	GDP Growth: 4.6% / Inflation: 3.9%	8.7%
Asesuisa	Valuation at 9/30/2016	USD	5 years	5 years	25.812	59.346	85.159	13.5%	35.3%	GDP Growth: 2.0% / Inflation: 1.9%	4.0%

Figures stated in millions of clients

⁽¹⁾ Average figures for the forecasting horizon.

⁽²⁾ Terminal growth rate.

⁽³⁾ In order to perform an impairment test on the goodwill corresponding to RSA Colombia, a valuation was performed on Seguros Generales Colombia given the merger that subsequently took place between these two companies.

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TRA- DE- MARKS	PROJECTION HORIZON	PROJECTED INCOME	MARKET ROYAL- TIES	BRAND ATTRIBU- TES (1)	TAXES
ACG	2016 - 2035	The percentage assumed with regard to income from this trademark came to 5.7% which is in line with the corresponding historic average.	1.54%	Market	250/
Answer	2016 - 2035	The percentage assumed with regard to income from this trademark came to 9.1% which is in line with the corresponding historic average.	1.16%	Stability Leadership International	35%
Hogar Master	2016 - 2035	The percentage assumed with regard to income from this trademark came to 3.0% which is in line with the corresponding historic average.	1.19%	scope Trends Support Protección	201/
Top driver	2016 - 2035	The percentage assumed with regard to income from this trademark came to 0.8% which is in line with the corresponding historic average.	1.33%		30%

[1] Based on the brand analysis methodology used by Deloitte Asesores y Consultores Ltda.

Conclusion

This valuation allowed us to conclude that the value of the corresponding goodwill is higher than that recorded in books as well as that calculated at the time the business combination was carried out. Consequently no evidence was found of any impairment in 2016 to the acquired RSA operations.

With regard to trademarks, we were also able to conclude that at the end of 2016, none of the trademarks showed any signs of impairment.

NOTE 20. EMPLOYEE BENEFITS

Grupo Sura's employee benefits are broken down as follows:

	NOTE	2016	2015
Short term	20.1	299.531	243.140
Long term	20.2	30.414	33.854
Post-employment	20.3	75.870	58.717
		405.816	335.711

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:

	2016	2015
Payroll due	2.365	4.496
Severance	37.849	30.750
Interest on severance payments	4.613	3.429
Vacation bonus	60.849	39.305
Legal bonuses	68	609
Extra-legal bonuses	287	33.236
Performance bonus	193.500	131.315
Total short-term benefits	299.531	243.140

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20.2 LONG TERM BENEFITS

The following table contains the long-term benefits provided by Grupo de Inversiones Suramericana:

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

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 governed by its own rules and regulations, as summarized below:

General terms and conditions: general policies, defined performance levels and procedures and governance .

Measurement system - performance indicators: it is essential to have an appropriate framework of performance indicators, ensuring that these are clearly defined, measurable and achievable. 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.
- 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:

	CON	MISSIONS
Period of service (years)	% Bonus	Average Minimum (basic monthly wages)
5	45%	9
10	45%	12
15	45%	14
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: this corresponds to the severance payments and interest thereon that the Company owes all those employees and sales personnel covered under the previous employment regime (Law 50, 1990)

The following are the long-term benefits offered by Grupo SURA:

Performance bonus Retroactive severance payments Productivity bonus	19.082 4.284 454	6.225
Performance bonus	19.082	20.000
	10.000	20.660
Seniority bonus	6.594	6.200
	2016	2015

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The movements recorded in Grupo SURA's long-term employee benefit account are shown as follows:

	PERFORMANCE BONUS	RETROACTIVE SEVERANCE PAYMENTS	SENIORITY BONUS	PRODUCTIVITY BONUS	TOTAL
Present value of obligations at January 1, 2015	14.802	4.736	5.840	316	25.694
Re-measurements	10.084	1.523	2.050	529	14.186
Financial assumptions	(155)	[34]	(407)	[14]	(610)
Plan-based payments	(3.543)	-	(1.283)	[62]	(4.888)
Upcoming payments	(528)	-	-	-	(528)
Present value of obligations at year-end 2015	20.660	6.225	6.200	769	33.854
Re-measurements	6.875	(1.925)	2.599	(55)	7.494
Financial assumptions	(59)	[16]	[233]	[11]	(319)
Plan-based payments	(8.394)	-	[1.964]	[248]	(10.606)
Derecognitions	-	-	(8)	[1]	[9]
Present value of obligations at year-end 2016	19.082	4.284	6.594	454	30.414

The main actuarial assumptions used to determine liabilities corresponding to defined long-term benefit plans are as follows:

	BONUS	BONUS BANK	SENIORIT	SENIORITY BONUS	RETROACTIVE PAYM	RETROACTIVE SEVERANCE PAYMENTS	PRODUCTIV	PRODUCTIVITY BONUS
	2016	2015	2016	2015	2016	2015	2016	2015
Discount rate (%)	*10-year ZCC rate in pesos	*10-year ZCC rate in pesos	*10-year ZCC rate in pesos	*10-year ZCC rate in pesos	*10-year ZCC rate in pesos			
How the discount rate is decided	Infovalmer	Infovalmer	Infovalmer	Infovalmer	!	!	-	1
Annual salary increase (%)	1	!	1	2%	CPI +1.5%	CPI +1.5%	%8	%8
Annual inflation rate (%) long term	3%	3%	3%	3%	Own turnover table	Own turnover table	Own turnover table	Own turnover table
Survival tables	Own turnover table	Own turnover table	Own turnover table	Own turnover table	Internal turnover table	Internal turnover table	Internal turnover Internal turnover table	Internal turnover table

The following table shows the sensitivity of 1% changes to the discount and inflation rates regarding the benefits corresponding to the bonus bank and seniority bonuses and retroactive severance payments:

		BONUS	BONUS BANK			SENIORI	SENIORITY BONUS		RETRO.	OACTIVE SEVER	ERANCE PAYMENTS	MENTS		PRODUCTIV	PRODUCTIVITY BONUS	
	Discou	Discount rate	Inflatio	Inflation rate	Discou	Discount rate	Salary	Salary increase	Discou	Discount rate	Salaryi	Salary increase	Discou	Discount rate	Salary increase	crease
	+1 Increase	-1Dis- count	+1 Increase	-1 Dis- count	+1 Increase	-1 Dis- count	+1 Increase	- 1 Dis- count	+1 Increase	-1 Dis- count	+1 Increase	-1 Dis- count	+1 Increase	-1 Dis- count	+1 Increase	-1 Dis- count
Present value of the obligation	18.900	19.269	19.208	18.957	6.177	6.739	6.878	6.333	4.263	4.306	4.306	4.263	441	470	484	434
Change due to the sensitivity of the variables	(182)	187	126	(125)	(417)	145	284	(261)	(21)	22	22	(21)	(13)	16	30	(20)

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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.

The following are the post-employment benefits offered by Grupo SURA:

	2016	2015
Retirement bonuses	60.198	42.943
Retirement pensions	15.672	15.774
	75.870	58.717

20.3.1 Defined benefit plans

The following table shows the movements corresponding to Grupo Sura's post employment benefits:

	RETIREMENT BONUSES	RETIREMENT PENSIONS	TOTAL
Value of the obligation at year-end 2014	37.065	16.563	53.628
Present service costs	1.379	-	1.379
Financial interest expense	2.422	918	3.340
Re-measurements	1.694	-	1.694
Actuarial gains or losses from changes in financial assumptions	[564]	230	(334)
Actuarial gains or losses from changes in actuarial assumptions (Note 26.2)	[544]	1.421	877

Previous costs of service	1.609	-	1.609
Plan-based payments	[118]	(3.358)	(3.476)
Value of the obligation at year-end 2015	42.943	15.774	58.717
Present service costs	12.398	-	12.398
Financial interest expense	3.128	1.069	4.197
Re-measurements	15.315	-	15.315
Actuarial gains or losses from changes in financial assumptions	3.063	884	3.947
Actuarial gains or losses from changes in actuarial assumptions (Note 26.2)	[729]	229	(500)
Plan-based payments	(5.240)	(2.284)	(7.524)
Other changes	[10.680]	-	(10.680)
Value of the obligation at year-end 2016	60.198	15.672	75.870

The main actuarial assumptions used to determine liabilities corresponding to defined benefit plans are as follows:

	EMPLOYEE RETIF	RETIREMENT PENSIONS		
	2016	2015	2016	2015
Discount rate [%]	10-year ZCC (*) rate in pesos: (6.94%)	10-year ZCC (*) rate in pesos: 8.7%	9.97	7.79%
Annual salary increase (%)	7.9%			3.50%
Future annual pension increase (%)			4.93	
Annual inflation rate (%) long term	3% - 3.50%	3.00%	4.93	3.50%
Survival tables	Own turnover table	Own turnover table	RV08(**)	RV08(**)

^(*) ZCC: Zero Coupon Curve in pesos (Government Rate)

^(**) Mortality tables for valid annuitants

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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
2017	2	9.407	8.786
2019	2	27.048	22.086
2021	1	18.408	13.003
2022	1	5.190	3.420
2025	1	5.898	3.155
2031	1	11.271	3.972
2032	1	14.016	4.367
2034	2	20.010	5.575
2035	2	34.718	9.093
2036	1	13.774	3.217
2037	1	16.679	3.873

Sensitivity Analysis

The following table shows the effect of 1% change in the inflation rate, a 1% change in the discount rate and a 1% increase in the future pension rate

Retirement pensions.

		RETIREMENT PENSION - 2016				RETIREMENT P	PENSION - 2015	
	Discou	ınt rate	Inflati	on rate	Discou	ınt rate	Inflati	on rate
	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease
Post-employment benefits	15.574	15.765	15.722	15.616	15.698	15.850	15.812	15.736
Change due to the sensitivity of the variables (*)	98	[94]	(51)	55	75	[77]	(39)	37

Retirement bonuses

		RETIREMENT	BONUS - 2016			RETIREMENT	BONUS - 2015	
	Discou	ınt rate	Inflati	on rate	Discou	ınt rate	Inflati	on rate
	+1 Increase	- 1 Discount	+1 Increase	- 1 Discount	+1 Increase	- 1 Discount	+1 Increase	- 1 Discount
Present value of the obligation	59.163	59.722	59.557	59.323	42.698	43.194	20.581	20.408
Change due to the sensitivity of the variables	(1,035)	[476]	[641]	(875)	(245)	251	[22,362]	(22,535)

[*] 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 on the statement of income before taxes for all the other variables.

20.3.2 Defined contribution plans

Grupo Sura's defined contribution plans were recognized in the income accounts for 2015 as an expense amounting to COP 59.799 for 2016 and COP 33,311 million for 2015.

20.4 EMPLOYEE BENEFIT EXPENSE

The following table shows a breakdown of the expense incurred with employee benefits for the years 2016 and 2015:

	2016	2015
Salaries and wages	[596.762]	(421.598)
Commissions	[196.631]	(177.449)
Bonuses	[193.204]	[142.762]
Other employee benefits	[128.524]	(105.385)
Integrated salary	[107.258]	(84.996)
Legal bonuses	(65.912)	(54.443)
Pension contributions	(59.799)	(33.311)

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	(1,638,771)	(1,227,944)
Operating risk	(2)	(56)
Trade union contributions	(63)	[42]
Representation expense	(74)	(85)
Sport and recreation expense	(392)	-
Sick and disability leave	(873)	(561)
Traveling expense	[1.081]	[674]
Interest on severance payments for agents	[1.239]	(1.105)
Collective bargaining subsidy	[1,437]	(1,344)
Interest on severance payments	(1.535)	(1.272)
Employee supplies and equipment	[1.961]	(1.943)
Overtime	(2.188)	(1.567)
Retirement Pensions	(4.144)	(918)
Transport subsidy	[4,492]	(4.003)
Insurance	(4.618)	(1.124)
Seniority bonus	[4.996]	(2.895)
Severance payments - agents	(7.966)	(7.166)
Meal subsidies	(15.806)	(7.928)
Personnel training	(16.045)	(13.375)
Extra-legal bonus	(17.527)	[14.679]
Employee profit-sharing plans	(19.945)	(7.026)
Severance	(23.709)	(19.822)
Vacation bonuses	(24.171)	(19.389)
Health care contributions	(28.954)	(25.623)
Contributions to family welfare and apprentice institutes	(30.189)	(23.988)
Indemnities	(33.867)	(22.545)

NOTE 21. OTHER NON-FINANCIAL ASSETS AND LIABILITIES

21.1 OTHER NON-FINANCIAL ASSETS

Other non-financial assets are broken down as follows:

	10.214
	18.214
-	1.437
5.082	889
23.570	47.063
68.359	17.112
112.492	-
2016	2015
	112.492 68.359 23.570 5.082

21.2. OTHER NON-FINANCIAL LIABILITIES

Other non-financial liabilities are broken down as follows:

11,627	7,616
22,338	17,777
72,058	46,078
204,546	150,736
180,636	173,057
2016	2015
	180,636 204,546 72,058

(1) Since Mandatory Pension Savings entail certain administrative costs, even when no fund management commissions or fees are received, it is important to note the rationale behind the recognition of the corresponding income is 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.

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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 in which the 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 therefore cannot be charged for the management of their funds and/or the pension payment, which is discounted using the AAA rated corporate bond rate with no prepayment option.

The following table contains the movements recorded in the DIL account:

	INSURANCE	FUND MANAGEMENT	TOTAL	
Balance held at year-end 2014	89.325	52.684	142.009	
Provision set up	174.689	54	174.743	
Amortizations (Note 29.1)	(152.872)	(2.937)	(155.809)	
Translation differences	5.414	6.701	12.115	
Balance held at year-end 2015	116.556	56.501	173.057	
Provision set up	305.074	399	305.473	
Amortizations (Note 29.1)	(291.992)	(1.169)	(293.161)	
Translation differences	[4.477]	(256)	[4.733]	
Balance held at year-end 2015	125.161	55.476	180.636	

(2) The commission costs thus recorded correspond to obligations owing to insurance brokers

(3) These include commissions received, payments from private individuals, cash surpluses, consortium and temporary business associations, and 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:

'		
Total provisions	247.267	78.392
	157.416	65.076
Other provisions	980	41.805
Provisions for lawsuits	156.436	23.271
NON-CURRENT		
	89.851	13.316
Other provisions	89.851	13.316
CURRENT	2016	2015

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 year-end 2014	75,342	42,423	117,765
Provisions and additions	9,001	18,472	27,473
Amounts used	(63.414)	[2.196]	(65.610)
Translation differences	2.342	(3.578)	[1.236]
Closing balance at year-end 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	171,579
Amounts used	-	[14.322]	[13.879]
Translation differences	(4.495)	386	(4.109)
Closing balance at year-end 2015	156.436	90.831	247.267

(*) Including provisions for dismantling costs as well as those relating to sick, disability and maternity leaves.

> The following is a breakdown of the provisions recorded per individual country:

	2016	2015
Brazil	119.355	-
Chile	58.541	4.882
Colombia	54.634	53.693
Mexico	9.463	13.461
Argentina	5.160	-
Uruguay	102	6.053
El Salvador	12	3
Peru	-	299
Total	247.267	78.392

In 2015, Sura Asset Management Colombia recovered a provision in the amount of COP 62.144 (USD 25,975) covering a bank guarantee taken out in 2013 in favor of Protección S.A.. The purpose of this provision was to cover eventual liabilities that could have arisen from a possible obligation to indemnify the fund members of Protección S.A., who formerly belonged to ING Colombia, whose funds had been invested in shares belonging to Interbolsa S.A., a company which was seized and wound up by the regulatory authorities.

Arus Holding S.A.S. also set up a provision for having dismantled and stripped the bank premises and corresponding equipment as part of an agreement with Banco Agrario, which is expected to expire in 2018. The corresponding transport and other services that were required for dismantling the equipment of a total of 800 branches belonging to the Banco Agrario, located in different parts of Colombia, were also estimated. given the fluctuations prevailing with the cost of such transport and additional items on the date these branches were dismantled and stripped.

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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 2016 these were considered as having a medium or low possibility of representing outflows for the Company.

Aseguradora Suiza Salvadoreña S.A is involved in an administrative litigation worth USD 1.3 million brought about by the Salvadorean Superintendency of with the Superintendence of Competition. This is considered to entail a possible payment. On July 22, evidence was heard and a written statement was presented offering sufficient legal arguments to show that there was no agreement between competitors The Company intends to appeal the resolutions issued by the directors of said Superintendency on April 17, 2014 and May 27, 2015, as part of a strategy to suspend the effects of such resolutions declaring these as being unlawful, which would consequently provide the grounds for annulling the fine imposed on said Company.

» On November 27, 2014 the Company was notified of Resolution No. 230-005278 issued by the Colombian Superintendency of Companies, imposing a fine in the amount of COP 886 for the late filing of a Colombian Replacement Investment Abroad Declaration, this as part of the restructuring which took place in 2011. The Company decided to challenge this fine and filed the corresponding appeal, in response to which this same Superintendency issued Resolution No.0301002903 notifying that said fine was reduced to COP 93; which was promptly paid on September 29, 2015.

On March 16, 2016 the Company was notified of an official settlement issued by the Colombian Tax Authorities (DIAN), relating to the Company's income tax returns for the fiscal years of 2009, 2010, 2011, 2012 and 2013, which consisted of amending the Company's own tax returns drawn up for said years. In response to this, the Company filed a petition for reconsideration, within the legal terms established for such, and this is currently going through the corresponding administrative channels, as stipulated by current legislation.

The Company's legal advisors, based on their analysis of the case, have concluded that the probability of obtaining an adverse ruling is remote.

NOTE 23. ISSUES OF SECURITIES

Below is a breakdown of the debt securities issued by Grupo Sura:

5,830,111	3,428,724
	208.780 3,637,504
	2016 5,830,111 208.813 6,038,924

(1) Bonds outstanding:

- » On June 22, 2016, Suramericana placed an issue of ordinary bonds on the local market, worth one billion pesos (COP 1,000,000), in the form of 4 series (for terms of 4, 7, 10 and 15 years) all at inflation-indexed rates with a quarterly interest payment frequency The proceeds from the placement of these ordinary bonds was totally (100%) allocated to substituting 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 Series C6 bearing 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) obtaining bids for 8.6 times the amount offered.

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- » On May 7, 2014, Grupo de Inversiones Suramericana S.A. issued on the local bond markets a total of COP 650.000 in ordinary notes divided up into four tranches, the first three earning CPI-indexed coupon rate payable every quarter and the fourth earning an IBR-indexed coupon rate payable on a monthly basis.
 - » A 5-year tranche for a total value of 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 matures 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

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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 bond market 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
 - \Rightarrow A 40-year tranche in the amount of COP 97.500 bearing an interest rate equal to the CPI + +6.98%.

(2) Preferred shares

On 29 November 2011, Grupo SURA placed an issue of 106,334,963 preferred shares worth COP 32,500 per share. Beginning on 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.

Approach used to measure preferred dividends:

Projecting the value of quarterly dividends

- The dividend paid In April 2012 came to COP 325 per share, corresponding to the payment due on December 2011 (1 month at COP 81 per share) and the first quarter of 2012 (COP 244 per quarter per share).
- » In 2014 a quarterly dividend was paid equal to a 3% E.A.R on the price of the issue.

- » In the specific case of January 2015, the Company paid the value corresponding to two months of the quarterly dividend at a 3% E.A.R + a onemonth dividend at a 0.5% E.A.R.
- » Since 2015, a quarterly dividend equal to a 0.5% E.A.R. has been paid on the value of this issue.

Discounting flows

In order to discount the flows of projected quarterly dividends, Grupo Sura used the CPI AAA curve (over 41 years) obtained from PIP Latam.

Perpetuity is assumed as of year 41 at a rate of 8.97% (based on the CPI AAA curve). No growth (gradient = 0) is assumed.

The result of this exercise is the sum of the present value of cash flows (quarterly dividends paid) until the year 41 plus the value of the perpetuity.

Movements in the Company's debt securities at year-end 2016 and 2015 are as follows:

Movements in the Company's debt securities at year-end 2016 and 2015 are as follows:	BONOS	ACCIONES PREFERENCIALES	TOTAL
Al 31 de diciembre de 2014	2,817,660	204,568	3,022,228
Reconocimiento de intereses	17,613	-	17,613
Pago de cuota	-	(12,960)	[12,960]
Intereses	[49,337]	17,172	(32,165)
Diferencia en cambio	642,788		642,788
Al 31 de diciembre de 2015	3,428,724	208,780	3,637,504
Adiciones	2,665,652	-	2,665,652
Pago de cuota	[146,102]	(17,280)	[163,382]
Intereses causados	154,758	17,313	172,071
Retiros	[223,361]	-	(223,361)
Diferencia en cambio	(49,559)	-	(49,559)
Al 31 de diciembre de 2016	5,830,111	208,813	6,038,924

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 year-end 2016 and 2015, respectively consisted of 575,372,223 shares.

	2016	2015
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.	106,334,963	106,334,963
Total shares	575,372,223	575,372,223

24.2. RESERVES

The reserves held by Grupo Sura are shown as follows:

	2016	2015
Statutory (1)	138.795	138.795
Occasional (2)	3,446,049	4,069,085
Total share capital	3,584,844	4,207,880

(1) Statutory Reserve

According to that provided by law, the Company must set up a statutory 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 reserves

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.

24.3. SUBSIDIARY RESTATEMENTS

The year-end figures for 2016, included the effect of having restated the financial statements of the subsidiary, Suramericana S.A. corresponding to 2015. These restatement adjustments covered the following:

- Deferred tax on the catastrophic reserve: under IFRS 4 the reserve set up for catastrophic risks is not recognized in the consolidated financial statements. However, the Companies offering earthquake insurance in Colombia recognized said reserves in their tax equity accounts which produced a consequent difference between the financial reporting and tax bases of such. In accordance with IAS 12, deferred tax liabilities associated with this difference in the consolidated financial statements should be recognized. This deferred tax had not previously been recognized since the difference was considered to be permanent. However, the Company upon reexamining its position believes that this difference could be reversed in the future.
- Whearned insurance premium reserve: in previous reporting periods and in order to comply with the principle of no offsetting principle stipulated in IFRS 4, the Company posted in its consolidated financial statements deferred assets corresponding to the capitalization of the policy issuance costs (DAC). This situation has been reexamined since it was considered that the recognition of this asset implies an error if the current risk reserve is not adjusted to the same extent, since it breaches the accounting principle of accrual and the proper association of income and expense relating to the Insurance contracts. This has had a consequent impact on the Company's subsidiaries in Colombia and Central America, since the ongoing risk reserve

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was set up discounting the policy issuance costs which includes accrued brokerage commissions. Here, we proceeded to increase the ongoing risk reserve and its corresponding deferred tax asset.

The consequent effect on Grupo Sura's Consolidated Financial Statements to 2016 is shown as follows:

	RESTATEMENT
Deferred tax assets	43.751
Net effect on assets	43.751
Technical reserves	216.316
Deferred tax liabilities	61.344
Net effect on liabilities	277.660
Other comprehensive income	[4.584]
Retained earnings	[184.837]
Non-controlling interest	[44.488]
Net effect on equity	(233.909)

This change had no effect on cash flows sourced from the Group's operating, investing and financing activities.

NOTE 25. SHAREHOLDER STRUCTURE, DIVIDENDS DECLARED AND PAID

See list of shareholders contained in Note 1 Reporting entity

The following table contains the dividends declared and paid on the cut-off date of the corresponding years.

Dividends payable at year-end 2014	67.896	
Ordinary dividends declared	197.934	
Preferred dividends declared	44.874	
Subtotal - dividends declared	242.808	
Payments of ordinary dividends	[193.804]	
Payments of preferred dividends	(54.391)	
Subtotal - dividends paid	(248.195)	
Dividends payable at year-end 2015 (See Note 9.3)	62.509	
Ordinary dividends	213.882	
Preferred dividends	48.489	
Subtotal - dividends declared	262.372	
Payments of ordinary dividends	[209.203]	
Payments of preferred dividends	[47.581]	
Subtotal - dividends paid	(256.785)	
Dividends payable at year-end 2016 (See Note 9.3.)	68.096	

Subsequent to the respective dates of the Statements of Financial Position, the Board of Directors proposed the following dividend distribution. These dividends have not been provisioned and do not affect income tax:

A 100% tax-exempt annual dividend for the shareholders of COP 488 per share on a total of 575,372,223 shares, which shall become immediately due and payable when declared by the General Assembly of Shareholders and shall be paid either in cash or in the form of preferred shares freed up by the Company, as the shareholder shall so choose.

In any event, said payment shall be made in a lump sum between April 21 and 30 of 2017.

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NOTE 26. COMPREHENSIVE INCOME

The following is a breakdown of comprehensive income:

		ACCUMULATED)	YE	AR
	2016	2015	2014	2016	2015
Asset revaluations	39.936	34.457	27.660	5.479	6.797
Re-measurement component of defined benefit plans	572	961	190	(388)	770
Equity investments measured at fair value through equity	(2.165)	[197]	319	[1.968]	(516)
Translation gains or losses on foreign operations	808.438	1,041,143	566.803	[232.705]	474.340
Cash flow hedges	4.994	(2.980)	(0)	7.974	(2.980)
Hedges for net investments abroad	2.744	[11.114]	-	13.858	(11.114)
Equity movements with investments in associates	1,059,450	796.114	428.317	263.336	367.797
	1,913,970	1,858,384	1,023,290	55.585	835.094

	NO N		2016			2015	
		Total	Other comprehensive income	Non-controlling interest - OCI	Total	Other comprehensive income	Non-controlling interest - OCI
Opening balance - other comprehensive income		2,295,258	1,858,384	436.874	1,304,947	1,023,290	281.657
Asset revaluations	26.1	4.404	5.479	(1.075)	8.468	6.797	1.671
Losses (gains) on actuarial plans (post-employment)	26.2	(169)	(388)	219	877	770	107
Financial assets at fair value through OCI	26.3	(2.767)	(1.968)	(662)	809	(516)	1.119
Exchange differences on investments in associates and subsidiaries	26.4	(426.670)	(232.705)	(193.965)	629.967	474.340	155.627
Cash flow hedges	26.5	9.834	7.974	1.859	(3.703)	(2.980)	(722)
Hedges for net investments abroad	26.6	17.081	13.858	3.223	(13.699)	(11.114)	(2.585)
Surplus via equity method from Associates	26.7	263.336	263.336		367.797	367.797	
Other comprehensive income		(134.952)	55.585	(190.537)	990.311	835.094	155.217
Closing balance - other comprehensive income from equity		2,160,306	1,913,970	246.336	2,295,258	1,858,384	436.874

26.1. COMPONENT: PROPERTY, PLANT AND EQUIPMENT USING THE REVALUATION APPROACH

The component corresponding to other comprehensive income from property, plant and equipment 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 in the fair value of property, plant and equipment are not reclassified to profit or loss for the period.

Carrying value at year-end 2014	27.660	
Net revaluation gains or losses on property, plant and equipment (See Note 15)	8.677	
Deferred tax	(209)	
Carrying value at year-end 2015	36.128	
Net revaluation gains or losses on property, plant and equipment (See Note 15)	11.709	
Deferred tax	(7.305)	
Carrying value at year-end 2016	40.532	

26.2. COMPONENT: RE-MEASUREMENTS OF DEFINED BENEFIT PLANS

The component corresponding to re-measurements of defined benefit plans represents the cumulative value of actuarial gains or losses The net value of these re-measurements are transferred to accrued earnings and not reclassified to the income accounts for the period.

Carrying value at year-end 2014	190
Post-employment benefits	877
Deferred tax	-
Carrying value at year-end 2015	1.067
Post-employment benefits	(500)
Deferred tax	331
Carrying value at year-end 2016	898

26.3. COMPONENT: EQUITY INVESTMENTS MEASURED AT FAIR VALUE THROUGH EQUITY

The component corresponding to other comprehensive income from 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 in the fair value of equity investments are not reclassified to profit or loss for the period, and include the portion corresponding to Grupo Sura with regard to the investments made in its subsidiaries.

Carrying value at year-end 2014	319
Net gains or losses resulting from changes in the fair value of equity investments [See Note 9.1.1.]	603
Deferred tax	-
Carrying value at year-end 2015	922
Net gains or losses resulting from changes in the fair value of equity investments (See Note 9.1.1.)	[829]
Deferred tax	(1.938)
Carrying value at year-end 2016	(1.845)

26.4. 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.

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Carrying value at year-end 2014	566.803
Gains or losses on translation differences	629.967
Carrying value at year-end 2015	1,196,770
Gains or losses on translation differences	[426.670]
Carrying value at year-end 2016	770.100

26.5. COMPONENT: CASH FLOW HEDGES

The component corresponding to other comprehensive income from 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 14.3.1 for more information regarding hedging arrangements)

Carrying value at year-end 2014	-
Cash flow hedges [3.48	38)
Deferred tax [21	5)
Carrying value at year-end 2015 (3.70	3)
Cash flow hedges 12.0	08
Deferred tax [2.17]	74)
Carrying value at year-end 2016 6.1	31

26.6. 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 14.3.2 for more information regarding hedging arrangements)

Carrying value at year-end 2014	-	
Hedges for net investments abroad	[13.699]	
Carrying value at year-end 2015	(13.699)	
Hedges for net investments abroad	17.081	
Carrying value at year-end 2016	3.382	

26.7. COMPONENT: EQUITY MOVEMENTS WITH INVESTMENTS IN ASSOCIATES

This component consists of equity changes to investments in associates upon applying the equity method. (For more information, see Note 18.2.1. Movements with investments in Associates

Carrying value at year-end 2014	428.317
Equity method - Associates	367.797
Carrying value at year-end 2015	796.114
Equity method - Associates	263.336
Carrying value at year-end 2016	1,059,450

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NOTE 27. NON-CONTROLLING INTEREST

Non-controlling interest corresponds to minority interest on the part of third parties in investments held in:

2016	% NON- CONTROLLING STAKE	MINORITY EQUITY	MINORITY NET
Sura Asset Management S.A.	21.29%	1,745,620	126.369
Suramericana S.A.	18.87%	760.802	75.422
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
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	227.194

2015	% NON- CONTROLLING STAKE	MINORITY EQUITY	MINORITY NET INCOME
Sura Asset Management S.A.	28.60%	2,541,314	139.298
Suramericana S.A.	18.87%	502.251	64.688
Seguros Sura Perú S.A.	30.71%	157.224	15.718
AFP Capital S.A.	0.29%	8.352	719
Habitat Adulto Mayor S,A,	26.77%	5.435	222
Hipotecaria SURA Empresa Administradora Hipotecaria EAH S.A.	30.00%	4.157	-886
Aseguradora Suiza Salvadoreña S.A. Asesuisa	2.89%	3.151	475
AFP Integra S.A.	0.00%	10	-
Asesuisa Vida, S.A. Seguros de Personas	0.00%	3	0
Seguros Sura S.A. (Dominican Republic)	0.01%	3	0
Planeco Panamá S.A.	4.72%	(627)	(384)
		3,221,272	219.850

The following shows non-controlling interest in relation to shareholders' equity

ACCOUNTS	2016	2015
Share capital	4.002	5.215
Reserves	247.038	223.188
Other comprehensive income (Note 26)	246.406	436.944
Net income for the period	227.194	219.850
Accumulated gains (losses)	2,009,958	2,336,075
	2,734,599	3,221,272

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 five reporting segments:

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- 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 is 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 provide voluntary pensions, life annuities and other savings products:
- 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

	CORPORATE	FUND MAN	IAGEMENT	INSU	JRANCE		SERVICES	
Entity		Mandatory Pensions	Voluntary Pensions	Life	Non-life	Health care	Outsour- cing	Others
Grupo de Inversiones Suramericana S.A.	Χ							
Suramericana S.A.	Χ							
Inversura Panamá Internacional S.A.	Χ							
Inversiones Sura Brasil S.A.S.	Χ							
Arus Holding S.A.S	Χ							
Inversiones y Construcciones Estratégicas S.A.S.	Χ							
Grupo de Inversiones Suramericana Panamá S.A.	Х							
Planeco Panamá S.A.	Χ							
Grupo Sura Finance S.A.	Χ							
Financia Expreso RSA S.A.	Χ							
Santa Maria del Sol S.A. (Argentina)	Χ							
Atlantis Sociedad Inversora S.A.	Χ							
Chilean Holding Suramericana SPA (Antes RSA Chilean Holding SpA)	Х							
Inversiones Suramericana Chile Limitada (Antes Inversiones RSA Chile Limitada)	Х							
Sura Asset Management S.A.	Χ							
Activos Estratégicos Sura A.M. Colombia S.A.S.	Χ							

	CORPORATE	FUND MAN	IAGEMENT	INSU	IRANCE		SERVICES	
Entity		Mandatory Pensions	Voluntary Pensions	Life	Non-life	Health care	Outsour- cing	Others
Sura Investment Management Colombia S.A.S	Χ							
SURA Asset Management España S.L.	Χ							
Grupo de Inversiones Suramericana Holanda B.V.	Х							
Grupo Sura Chile Holdings I B.V.	Χ							
SURA Asset Management Chile S.A.	Χ							
Sura Data Chile S.A.	Χ							
SURA Servicios Profesionales S.A.	Χ							
Santa María Internacional S.A. (Chile)	Χ							
Grupo Sura Latin American Holdings B.V.	Χ							
SUAM Finance B.V	Χ							
Sura Asset Management México S.A. de C.V.	Χ							
Sura Art Corporation S.A. de C.V.	Χ							
Sura Asset Management Perú S.A.	Χ							
Sura Asset Management Uruguay Sociedad de Inversión S.A. (Antes Tublyr S.A.)	Х							
AFAP Sura S.A.		Χ	Χ					
AFP Capital S.A.		Х	Χ					
Afore Sura S.A. de C.V.		Χ	Χ					
AFP Integra S.A.		Х	Х					
Corredores de Bolsa Sura S.A.			Χ					
Administradora General de Fondos Sura S.A.			Х					
Sura Investment Management S.A. de C.V.			Х					
Fondos Sura SAF S.A.C.			Х					
Sociedad Agente de Bolsa S.A.			Х					
Corredor de Bolsa SURA S.A.			Х					
AFISA SURA S.A.			Х					
Seguros de Vida Suramericana S.A. (Colombia)				Χ				
Seguros de Riesgos Laborales Suramericana S.A.				Χ				
Asesuisa Vida, S.A. Seguros de Personas				Χ				
Seguros de Vida Suramericana S.A (Antes RSA Seguros de Vida S.A.) (Chile)				Χ				
Seguros de Vida Sura S.A. (Chile)				Χ				
Pensiones Sura S.A. de C.V.				Χ				
Seguros de Vida SURA Mexico S.A. de C.V. (antes Primero Seguros de Vida S.A. de C.V.)				Х				

	CORPORATE	FUND MANAGEMENT		INSURANCE		SERVICES		
Entity		Mandatory Pensions	Voluntary Pensions	Life	Non-life	Health care	Outsour- cing	Others
Seguros Sura S.A. (Antes Invita) (Perú)				Χ				
SUAM Corredora de Seguros S.A. de C.V.				Χ				
Disgely S.A.				Χ				
Seguros Generales Suramericana S.A. (Colombia)					Χ			
Seguros Sura S.A. (República Dominicana)					Х			
Seguros Suramericana Panamá S.A.					Х			
Aseguradora Suiza Salvadoreña S.A. Asesuisa					Х			
Sura RE					Х			
Seguros Sura S.A (Antes Royal & Sun Alliance Seguros (Brasil) S.A.) (Brasil)					Χ			
Seguros Sura S.A (Antes Royal & Sun Alliance Seguros (Argentina) S.A.) (Argentina)					Χ			
Aseguradora de Créditos y Garantías S.A.					Х			
Seguros Generales Suramericana S.A (Antes RSA Seguros Chile S.A.) (Chile)					Χ			
Seguros Sura, S.A de C.V. (Antes Royal & Sun Alliance Seguros (México) S.A. de C.V.) (México)				Χ				
Royal & Sun Alliance Seguros (Uruguay) S.A.					Х			
EPS y Medicina Prepagada Suramericana S.A.						Χ		
Servicios de Salud IPS Suramericana S.A.						Χ		
Diagnóstico y Asistencia Médica S.A.						Χ		
Habitat Adulto Mayor S.A.						Χ		
Arus S.A.							Χ	
Enlace Operativo S.A.							Х	
Operaciones Generales Suramericana S.A.S.								Χ
Servicios Generales Suramericana S.A. (Colombia)								Х
Consultoría en Gestión de Riesgos Suramericana S.A.S.								Х
Servicios Generales Suramericana S.A. (Panamá)								Х
Protección Garantizada LTDA								Χ
Servicios y Ventas Compañía Limitada								Χ
SURA Real Estate S.A.S.								Χ
Asesores Sura S.A. de C.V.								Χ
Promotora Sura AM S.A. de C.V.								Χ
Hipotecaria Sura Empresa Administradora Hipotecaria S.A.								Χ

28.2. INFORMATION REGARDING OPERATING SEGMENTS

The Consolidated Income Statement at year-end 2016 is broken down by segment as follows:

	CORPORATE	FUND MANAGEMENT	GEMENT	INSURANCE	ANCE		SERVICES		ELIMINATIONS	TOTAL
		Mandatory Pensions	Voluntary Pensions	Life	Non-life	Health care	Outsourcing	Others		
Written premiums	1	ı	1,034,786	5,889,581	5,790,084	1	1	1	(31.206)	12,683,244
Ceded premiums	1		(5.654)	(187.507)	(1,674,726)	1	1	1	16.656	(1,851,231)
Retained premiums (net)			1,029,132	5,702,073	4,115,358	1			(14.550)	10,832,013
Commission income	119	1,722,388	164.754	13.748	284.684	72	286	4.942	(6.947)	2,184,046
Revenues on services rendered	7		11	742	9	2,563,756	206.843	155.921	(608.341)	2,318,945
Dividends	64.353	ı	1.885	14.253	637	0	1	4.588	ı	85.715
Investment income	139.865	13.179	14.142	922.686	120.755	8.053	347	52.571	(122.597)	1,182,002
Gains at fair value	(88.038)	92.269	66.932	476.554	131.471	16.530	1	1	[77]	715.642
Revenues via equity method from Associates	832,994	104.487	14.148	2.937	51.771	2.967	0	28.334	1	1,037,637
Earnings from sales of investments	67.635	3.105	39.760	24.577	1.363	26	1	_	ı	136.466
Income on investment property	2.932	338	7.585	65.687	9.738	1.573	1	1.529	(10.465)	78.916
Exchange difference (net)	163.296	3.693	(281)	(3.160)	8.122	(88)	524	(23)	ı	172.083
Other income	6.857	2.656	1.106	40.643	172.109	10.170	1.440	5.033	(10.159)	229.857
Total revenues	1,210,020	1,942,115	1,339,173	7,293,741	4,896,015	2,603,059	209.439	252.896	(773.136)	18,973,322
Total claims	1		(422.576)	(3,120,812)	(3,297,617)	1	1	1	90.425	(6,750,579)
Reimbursed claims	1			149.965	1,357,362	1	1	1	(7.682)	1,499,644

Retained claims	1		(422.576)	(2,970,847)	(1,940,255)	•	•		82.743	(5,250,935)
Reserves, net of insurance production		1	(643.175)	(1,788,795)	(382.673)	1	1		1	(2,814,643)
Costs of services rendered		1		(187.244)		(2,233,078)	(161.342)	(121.391)	398.708	(2,304,348)
Administrative expense	(198.129)	(158.599)	(39.870)	(417.409)	[563.249]	(185.618)	(8.105)	(41.187)	68.224	(1,543,942)
Employee benefits	(114.493)	(411.522)	(204.776)	(354.069)	(399.130)	(113.831)	(18.076)	(23.461)	288	(1,638,771)
Fees	(77.238)	(35.164)	(9.127)	(385.074)	(316.335)	(14.748)	(828)	(12.683)	92.733	(758.493)
Brokerage commissions	(20)	(140.410)	(47.070)	(356.638)	(924.690)	(4.325)	1	1	4.122	(1,469,061)
Amortizations	(108.268)	(41.960)	(4.647)	(3.750)	(91.607)	(206)	(81)	(20)		(250.538)
Depreciation	(10.355)	(18.155)	(4.453)	(7.566)	(16.175)	(7.758)	(5.813)	(867)		(71.141)
Otherexpense	(1)	1		(80.661)	(140.600)	(730)	1	(27)		(222.019)
Interest	(615.012)	(3.114)	(626)	(2.940)	(7.637)	(5.926)	(2.303)	(20.945)	125.924	(532.932)
Impairment	(6.887)	(131)	(138)	(10.014)	2.826	698	353	(1.469)		(14.592)
Total expense	(1,130,433)	(809.056)	(1,376,810)	(6,565,007)	(4,779,525)	(2,565,351)	(196.225)	(222.049)	773.041	(16,871,415)
Earnings before tax	79.586	1,133,059	(37.636)	728.734	116.490	37.708	13.214	30.847	(62)	2,101,907
Income tax	(155.362)	(208.804)	(14.643)	(29.275)	1.750	(2.006)	(6.535)	(12.374)	1	(430.249)
Net Income	(75.776)	924.255	(52.279)	699.459	118.240	32.702	6.679	18,472	(62)	1,671,658
Earnings - parent company	(79.526)	926.279	[44.798]	669.485	118.240	32.702	6.679	19.391	(203.989)	1,444,463
Earnings - non-controlling interest	3.750	(2.024)	(7.481)	29.974	1	1	1	(918)	203.894	227.194

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The Consolidated Income Statement at year-end 2015 is broken down by segment as follows:

2015	CORPORATE	FUND MANAGEMENT	GEMENT	INSURANCE	NCE		SERVICES		ELIMINATIONS	TOTAL
		Mandatory Pensions	Voluntary Pensions	Life	Non-life	Health care	Outsourcing	Others		
Written premiums	1	1	729.757	5,463,123	2,321,944	1	1	1	(44.708)	8,470,116
Ceded premiums	1		(3.052)	(179.003)	(785.275)	1	1	1	29.345	(937.985)
Retained premiums (net)			726.705	5,284,120	1,536,669	•		1	(15.363)	7,532,131
Commission income	117	1,653,985	144.154	14.248	138.892	14	1	3.264	(2.255)	1,952,419
Revenues on services rendered	9			554	,	2,120,242	193.962	126.308	[487.796]	1,953,275
Dividends	51.697		443	10.062	1.113	-	1	7.489	1	70.806
Investment income	57.367	27.271	134.171	879.870	74.180	7.261	1	41.778	(50.615)	1,171,283
Gains at fair value	(34.584)	72.848	(14.863)	89.560	17.138	4.451		30	1	134.580
Revenues via equity method from Associates	650.519	82.740	14.333	4.361	31.977	1.051		25.924	•	810.906
Earnings from sales of investments	8.644	2.594	56.945	4.833	(312)	6	1	0	1	72.713
Income on investment property	3.633	288	1.366	63.860	16.485	3.677	1	1.704	(9.853)	81.158
Exchange difference (net)	(50.702)	13.780	6.949	7.647	(6.005)	(677)	715	99	_	(28.000)
Other income	70.664	10.644	1.416	24.199	30.902	46.452	1.603	5.192	(10.549)	180.527
Total revenues	757.360	1,864,149	1,071,620	6,383,314	1,841,043	2,182,709	196.280	211.754	(576.431)	13,931,798
Total claims	1		(256.190)	(2,573,821)	(1,081,682)	1	1	1	72.577	(3,839,116)
Reimbursed claims	1	1	1	138.570	299.653	1	1	1	(7.817)	430.407
Retained claims			(256.190)	(2,435,251)	(782.029)	1		1	94.760	(3,408,710)
Reserves, net of insurance production	•		(578.900)	(1,829,316)	(91.949)	1	•	1	1	(2,500,165)

Costs of services rendered	(7)	1	1	(188.006)	1	(1,866,549)	(147.215)	(103.537)	322.138	(1,983,177)
Administrative expense	(157.307)	(141.653)	(51.462)	(347.592)	(213.453)	(159.554)	(10.075)	(33.166)	53.768	(1,060,494)
Employee benefits	(60.637)	(402.776)	(156.446)	(344.217)	(130.288)	(97.524)	(16.799)	(19.777)	520	(1,227,944)
Fees	(44.758)	(31.477)	(11.313)	(307.347)	(211.587)	(18.809)	(621)	(11.554)	80.452	(557.014)
Brokerage commissions	1	(115.683)	(28.159)	(301.209)	(221.667)	(4.543)	1			(671.261)
Amortizations	(120.558)	(38.009)	(5.045)	(2.308)	(5.723)	(206)	(1.348)	(71)		(173.269)
Depreciation	(8.640)	(16.009)	(2.699)	(7.080)	(8.028)	(6.392)	(6.291)	(661)		(55.801)
Other expense				(69.355)	(40.755)	(198)	1	(89)		(110.376)
Interest	(303.428)	(5.535)	(2.250)	(2.567)	(7.419)	(3.935)	(1.478)	(11.766)	52.106	(286.273)
Impairment	(1.161)	(223)	(404)	(6.379)	4.522	2.771	57	(3.068)	(1)	(3.887)
Total expense	(967.969)	(751.365)	(1,092,870)	(5,840,627)	(1,708,377)	(2,154,940)	(183.769)	(183.670)	573.743	(12,038,370)
Earnings before tax	99.09	1,112,784	(21.251)	542.687	132.666	27.770	12.511	28.084	(2.688)	1,893,428
Income tax	(231.669)	(273.350)	16.042	(21.775)	(40.052)	(5.417)	(3.446)	(9.821)	1	(569.487)
Net Income	(170.805)	839.434	(5.209)	520.913	92.614	22.353	9.065	18.264	(2.688)	1,323,941
Earnings - parent company	(185.144)	846.480	(7.010)	514.074	92.614	22.353	9.065	19.153	(207.494)	1,104,091
Earnings - non-controlling interest	14.339	(7.046)	1.801	6.839	1			(890)	204.806	219.850

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Inter-segment revenues are eliminated in the consolidation and are shown in the column "adjustments and eliminations". 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, Curacao, 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:

Total	18,973,322	13,931,798
Spain	[46]	44
Holland	(2)	11
The Bermudas	52	-
Dominican Republic	143.944	114.638
Uruguay	222.023	76.308
El Salvador	287.065	285.046
Panama	368.394	181.211
Brazil	499.693	-
Argentina	835.110	-
Peru	1,114,486	1,138,567
Mexico	1,614,833	1,259,068
Chile	4,009,553	2,823,895
Colombia	9,878,216	8,053,011
	2016	2015

The following table shows the distribution of assets on an individual country basis:

	2016	2015
Colombia	32,504,508	36,314,111
Chile	17,070,341	7,659,865

	67,817,041	55,533,106	
Curacao	324	1,124,040	
Holland	552	724	
Spain	3.163	2.379	
The Bermudas	15.891	-	
Dominican Republic	295.929	220.603	
El Salvador	611.432	481.517	
Uruguay	983.552	150.858	
Brazil	1,037,458	-	
Panama	1,092,798	1,407,412	
Argentina	1,503,107	-	
Mexico	5,229,700	2,991,650	
Peru	7,468,287	5,179,946	

The following table shows net income on an indivdual country basis:

	2016	2015
Colombia	949.803	702.928
Chile	306.424	286.100
Mexico	254.251	245.313
Peru	203.085	215.745
Uruguay	26.662	23.355
El Salvador	25.064	16.554
Argentina	24.759	-
The Bermudas	(770)	-
Dominican Republic	(977)	(6.677)
Spain	[1.280]	(23.159)
Holland	[2.698]	(608)
Brazil	[7.184]	-
Panama	[27.482]	[68.414]
Curacao	(78.002)	(67.196)
Total	1,671,658	1,323,941

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28.4. INCOME STATEMENT ON AN INDIVIDUAL COMPANY BASISThe following table shows the income figures obtained by Grupo de Inversiones Suramericana on an individual company basis:

2016	GRUPO SURA	SURAMERICANA AND SUBSIDIARIES	SURA ASSET MANAGEMENT AND SUBSIDIARIES	ARUS HOLDING AND SUBSIDIARIES	OTHERS	ELIMINATIONS AND ADJUSTMENTS	TOTAL
Written premiums	ı	9,767,107	2,918,231	ı	1	(2.094)	12,683,244
Ceded premiums		(1,779,426)	(71.805)	1	1		(1,851,231)
Retained premiums (net)		7,987,682	2,846,426		1	(2.094)	10,832,013
Commission income		299.012	1,885,039	286	24	(315)	2,184,046
Revenues on services rendered		2,138,383	17	206.843	8.673	(34.970)	2,318,945
Dividends	62.567	5.342	13.598	1	4.208	1	85.715
Investment income	(7.115)	591.834	595.369	353	1.562	1	1,182,002
Gains (losses) at fair value	(125.931)	507.694	322.276	ı	11.602	1	715.642
Gains (losses) via equity method - Associates	90.606	0.540	119.060	1	0	1	1,037,637
Gains (losses) on sale of investments	65.940	1.770	68.756	1	1	1	136.466
Income on investment property		3.590	72.432	1	2.899	(7)	78.916
Exchange difference (net)	143.648	25.384	3.467	524	(640)	1	172.083
Other income	177	213.488	14.592	1.440	437	(278)	229.857
Total revenues	1,048,322	11,783,718	5,941,032	209.445	28.465	(37.662)	18,973,322
Total claims		(5,695,781)	(1,058,866)	1	1	4.067	(6,750,579)
Reimbursed claims		1,499,644	1	1	,	1	1,499,644
Retained claims	•	(4,196,136)	(1,058,866)	ı	•	4.067	(5,250,935)

Reserves, net of insurance production	ı	(626.114)	(2,188,530)		1	1	(2,814,643)
Costs of services rendered	ı	(2,137,982)	1	(161.342)	(5.087)	63	(2,304,348)
Administrative expense	(41.133)	(1,143,132)	(372.809)	(8.120)	(10.727)	31.980	(1,543,942)
Employee benefits	(20.932)	(830.485)	(768.752)	(18.076)	(930)	104	(1,638,771)
Fees	(19.354)	(660.423)	(75.594)	(895)	(3.240)	1.013	(758.493)
Brokerage commissions	ı	(1,270,731)	(198.329)		1	1	(1,469,061)
Amortizations	(72)	(92.144)	(157.273)	(1.049)	1	1	(250.538)
Depreciation	(407)	(28.377)	(29.683)	(5.813)	(6.863)		(71.141)
Otherexpense	ı	(222.019)	1	ı	1	1	(222.019)
Interest	(140.878)	(100.599)	(165.678)	(2.303)	(123.474)	1	(532.932)
Impairment	ı	(12.220)	(2.725)	353	1	1	(14.592)
Total expense	(222.775)	(11,320,362)	(5,018,239)	(197.244)	(150.020)	37.226	(16,871,415)
Earnings (losses) before tax	825.546	463.356	922.793	12.201	(121.555)	(432)	2,101,907
Income tax	(61.538)	(61.697)	(305.685)	(6.552)	5.223	1	(430.249)
Earnings (losses), net	764.008	401.659	617.108	2.649	(116.331)	(432)	1,671,658
Earnings (losses) - parent company	764.380	399.694	593.436	5.277	(116.097)	(202.227)	1,444,463
Earnings (losses) - non-controlling interest	(372)	1.965	23.672	372	(235)	201.792	227.194

2015	GRUPO SURA	SURAMERICANA AND SUBSIDIARIES	SURA ASSET MANAGEMENT AND SUBSIDIARIES	ARUS HOLDING AND SUBSIDIARIES	OTHERS	ELIMINATIONS AND ADJUSTMENTS	TOTAL
Written premiums	1	5,884,032	2,587,838		'	(1.754)	8,470,116
Ceded premiums	1	(882.139)	(55.846)	1	1	1	(937.985)
Retained premiums (net)	ı	5,001,893	2,531,992	ı	1	(1.754)	7,532,131
Commission income		153.184	1,799,284	1	117	(165)	1,952,419
Revenues on services rendered	1	1,779,099	9	193.962	6.541	(26.333)	1,953,275
Dividends	19.809	15.465	3.661	1	31.870	1	70.806
Investment income	5.407	531.885	633.332	1	629	1	1,171,283
Gains (losses) at fair value	74.320	57.939	33.309	1	(30.989)	1	134.580
Gains (losses) via equity method - Associates	709.677	3.970	97.259	0	0	1	810.906
Gains (losses) on sale of investments	7.912	(284)	72.537	1	(7.147)	1	72.713
Income on investment property	1	15.445	62.114	1	3.599	1	81.158
Exchange difference (net)	(20.060)	20.326	(28.926)	715	(22)		(28.000)
Other income	205	90.259	88.636	1.605	70	(220)	180.527
Total revenues	797.271	7,668,878	5,293,205	196.282	4.634	(28.472)	13,931,798
Total claims	1	(3,080,893)	(761.055)	1	1	2.831	(3,839,116)
Reimbursed claims	1	430.407	1	1	1	1	430.407
Retained claims	1	(2,650,486)	(761.055)		•	2.831	(3,408,710)
Reserves, net of production	1	(322.442)	(2,177,723)	1	1	1	(2,500,165)
Costs of services rendered	1	(1,832,290)	1	(147.222)	(3.823)	158	(1,983,177)
Administrative expense	(29.688)	(711.898)	(331.320)	(10.087)	(1.924)	24.423	(1,060,494)
Employee benefits	(19.192)	(481.577)	(709.911)	(16.799)	[226]	96	(1,227,944)
Fees	(5.788)	(482.636)	(68.281)	(924)	(193)	538	(557.014)

Brokerage commissions	ı	(503.147)	(168.114)		1	1	(671.261)
Amortizations	(75)	(9.798)	(160.910)	(2.461)	(22)	1	(173.269)
Depreciation	(380)	(18.201)	(24.728)	(6.291)	(6.200)	1	(55.801)
Other expense	ı	(110.376)	1			1	(110.376)
Interest	(97.873)	(21.825)	(114.750)	(1.478)	(50.454)	108	(286.273)
Impairment	ı	8.692	(12.580)	57	(29)	1	(3.887)
Total expense	(152.997)	(7,135,985)	(4,529,373)	(184.935)	(63.233)	28.153	(12,038,370)
Earnings (losses) before tax	644.274	532.893	763.832	11.347	(58.599)	(319)	1,893,428
Income tax	(111.979)	(189.610)	(261.261)	(3.458)	(3.180)	,	(569.487)
Earnings (losses), net	532.295	343.283	502.572	7.889	(61.779)	(319)	1,323,941
Earnings (losses) - parent company	532.803	342.808	487.021	7.381	(61.617)	(204.305)	1,104,091
Earnings (losses) - non-controlling interest	(202)	475	15.551	202	(162)	203.986	219.850

NOTE 29. COMMISSION INCOME AND EXPENSE

29.1. COMMISSION INCOME

Grupo SURA's commission income is broken down as follows:

	2016	2015
Mandatory pension fund management commissions	1,733,823	1,662,455
Reinsurance income (DIL) (Note 21)	293.161	155.809
Other income (1)	90.128	69.082
Voluntary pension fund management commissions	66.934	65.074
	2,184,046	1,952,419

(1 Including income from managing client portfolios and rebates received.

Commission income for each individual country is shown as follows:

	2016	2015
Mexico	753.069	763.133
Chile	732.600	591.144
Peru	403.659	378.684
Colombia	151.892	121.512
Uruguay	80.289	66.082
Argentina	21.532	-
Dominican Republic	21.090	18.666
Panama	16.935	11.374
El Salvador	2.980	1.825
	2,184,046	1,952,419

29.2. COMMISSION EXPENSE

Brokerage commissions are broken down as follows

	2016	2015
Amortizations of deferred acquisition costs (DAC) (Note 17.3)	(1,356,343)	(118.147)
Social security insurance	[56.699]	(50.256)
Property, casualty and personal insurance	[43.644]	[486.895]
Mandatory insurance	(10.303)	[14.092]
Accepted co-insurance	(2.071)	(1.871)
	(1,469,061)	(671.261)

Brokerage expense for each individual country is broken down as follows:

	2016	2015
Colombia	[475.223]	(396.417)
Chile	[289.224]	[64.143]
Argentina	[184.962]	-
Mexico	[151.287]	(73.749)
Brazil	[146.110]	-
Panama	[67.860]	[26.228]
El Salvador	[64.760]	(52.640)
Peru	(30.651)	[29.206]
Dominican Republic	[30.222]	(27.863)
Uruguay	[28.762]	(1.016)
	(1,469,061)	(671.261)

NOTE 30. SERVICES RENDERED

Income and expenses for services rendered corresponds mainly to EPS Sura and the outsourcing firms belonging to Arus Holding

30.1. INCOME FROM SERVICES RENDERED

Grupo Sura's income from services rendered is broken down as follows:

	, , ,	,,
	2,318,945	1,953,275
Other community, social and personal services	76	55
Others	1.097	705
Corporate consultancy services	1.424	524
Telecommunications services	2.017	2.315
Sales of spare parts, components and accessories	3.891	4.452
Machinery and equipment leases	8.132	527
Wiring unit - related activities	19.312	16.219
Sales of machinery, office equipment and computer programs	25.347	35.425
Data processing	45.842	51.754
Income from heath care institutes (IPS)	70.023	58.583
Maintenance and repairs	78.860	68.176
Lab services	95.570	92.202
Income from health care providers (EPS)	1,967,352	1,622,336
	2016	2015

Income from services rendered on an individual country basis is shown as follows:

Peru	11	-
Mexico	7	6
Panama	593	377
El Salvador	748	554
Colombia	2,317,586	1,952,338
	2016	2015

30.2. COST OF SERVICES RENDERED

Grupo SURA's cost of services rendered is broken down as follows:

	(2,304,348)	(1,983,177)
Other community, social and personal services	(105)	[152]
Others	(251)	(22.739)
Worker's compensation fund	(9.787)	(8.588)
Maintenance and repairs	(10.398)	(9.501)
Sales of machinery, office equipment and computer programs	[20.796]	[25.417]
IT equipment and software consultancy services	[47.636]	[70.118]
Corporate consultancy services	(48.815)	(38.797)
Basic occupation risk prevention / awareness activities	[48.983]	[26.718]
Sales of spare parts, components and accessories	(59.919)	[53.124]
Occupational risk prevention / awareness services	(61.168)	[79.210]
Data processing	(95.001)	(53.485)
Cost of health care institute services (IPS)	(373.845)	(316.795)
Cost of health care provider services (EPS)	[1,527,644]	(1,278,534)
	2016	2015

Cost of services rendered for each individual country is shown as follows:

	2016	2015
Colombia	(2,303,897)	(1,982,838)
Panama	[451]	[339]
	(2,304,348)	(1,983,177)

NOTE 31. FINANCIAL INCOME AND EXPENSE

Financial income expense for Grupo Sura and Subsidiaries at year-end 2016 and 2015 is broken down as follows:

		2016			2015	
2014Increase in fair value of investments	1,539,448	1,136,222	Net	Income	Expense	Net
Currency forwards (peso/dollar)	98.310	(264.265)	1,182,002	1,555,501	(384.218)	1,171,283
Futures	[4]	-	172.083	152.010	(180.010)	(28.000)
Currency forwards (peso/dollar)	(4.315)	-	715.642	1,284,861	(1,150,281)	134.580
Currency swaps	(125.931)	74.320	85.715	70.806	-	70.806
2014Increase in fair value of investments	(791.867)	(811.698)	136.466	112.635	[39.922]	72.713
	715.641	134.579	(532.932)	-	(286.273)	[286.273]
	4,191,750	(2,432,774)	1,758,976	3,175,812	(2,040,704)	1,135,109

(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.

(2) Exchange differences include income and expense obtained from restating assets and liabilities in foreign currency.

(3) Gains and losses recorded at fair value were as follows:

2014Increase in fair value of investments	(791.867)	[811.698]
Currency swaps	[125.931]	74.320
Currency forwards (peso/dollar)	(4.315)	-
Futures	[4]	-
Currency forwards (peso/dollar)	98.310	(264.265)
2014Increase in fair value of investments	1,539,448	1,136,222
	2016	2015

[4] In 2016 dividend income included COP 62,567 million corresponding to the Group's investment in the associate Grupo Argos, given the surplus obtained after applying the equity method in 2015. Includes COP13,598 in dividend income corresponding to investments classified as financial instruments belonging to the real estate funds posted in the sub-consolidated statements of the Subsidiary Sura Asset Management as well as COP 9,551 from investments classified as financial instruments.

Dividend income for 2015 included that corresponding to Tipiel, totaling COP 24,840. This investment was recognized in 2013 and 2014 as an investment in an associate, but the stake held in this company was sold off in 2015 and it is now classified as an investment in financial instruments (See Note 18.2 Investments in Associates).

Dividend income for 2015 also included COP 19,809 million from the investment in the associate Grupo Argos, which was the surplus left over from the equity method applied in 2014, that is to say, the equity method applied in 2014 was lower than the dividends received in 2015.

(5) Gains and losses obtained from the sale of investments is shown as follows:

	2016	2015
Valuation gains on debt securities	120.696	103.810
Proceeds from sales of investments	67.576	8.783
Expense on sales of investments	(12.804)	(1.404)
Valuation expense on debt securities	(39.002)	(30.746)
Loss on sale of Tipiel (Note 18.2.1)	-	(7.730)
	136.466	72.713

(6) The following table shows a breakdown of interest expense:

(1)	THE FOLLOWING TABLE SHOWS A BREAKDOWN OF INTEREST EXPENSE:	2015
Créditos bancos	(341,599)	(226,683)
Intereses títulos emitidos	[180,154]	(47,755)
Otros intereses	(8,711)	[8,673]
Prima amortizada de cartera	(1,525)	(2,902)
Otros créditos	[941]	(241)
Moratorios en pago de mesadas pensionales	(2)	(20)
	(532,932)	(286,273)

	Argentina	Argentina Bermuda Brazil	Brazil	Chile	Colombia Curacao	Curacao	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Dividends	,	,	,	1.591	66.366		,	,	1.761	5.751	10.243	,	,	т	85.715
Investment income		52	ı	209.650	537.272	ı	0		158.121	3.465	238.259	7.620	17.058	10.503	1,182,002
Gains at fair value	61.485		29.076	139.203	325.704		٠		7.757	19.913	129.790		1	2.714	715.642
Earnings from sales of investments	1.702			44.655	66.581				6.732	11.201	5.592			т	136.466
Exchange difference (net)	(1.610)		(3.946)	(14.545)	188.244	(0)	[46]	[2]	6.716	(986)	(161)	47	(0)	(1.679)	172.083
Interest	(0)			(1.803)	(324.277)	(77.919)	(12)	(10)		(122.927)	(5.468)	(408)	(6)	(66)	(532.932)
	61.578	52	25.130	378.752	859.890	(77.919)	(2)	(12)	181.088	(83.533)	378.254	7.259	17.049	11.444	1,758,976

	Chile	Colombia	Curacao	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Dividends	1.140	62.311		ı	,		4.834	2.521				70.806
Investment income	298.032	522.617		7		108.063	259	222.284	5.449	11.348	3.223	1,171,283
Gains (Losses) at fair value	38.155	52.916		ı		1.083	(30.989)	70.150		0	3.265	134.580
Gains (losses) on sale of investments	78.240	(447)				(1.530)	583	(4.193)	40		20	72.713
Exchange difference (net)	28.804	(77.220)		37	11	13.029	(76)	4.009	410		2.998	(28.000)
Interest	(2.855)	(157.729)	(67.060)	(8)	(10)	(1.549)	(49.918)	(6.850)	(229)	(6)	(57)	(286.273)
	441.517	402.447	(67.060)	36	0	119.096	(75.307)	287.920	5.670	11.340	677.6	1,135,109

NOTE 32. OTHER INCOME AND EXPENSE

32.1. OTHER INCOME

Below is a breakdown of Grupo Sura's other income account:

	2016	2015
Reimbursements and recoveries	142.398	17.482
From policies	41.213	508
Reimbursed expense	10.744	12162
Reimbursed provisions	10.025	1815
Expense recognized by reinsurers	7.581	7.447
Default interest on late contribution payments	3.360	2.245
Demand deposits	3.079	2.718
Conditional trade discounts	2.833	2.410
Recognized interest	(1.355)	(936)
Equipment, furniture and office fixtures	(957)	(500)
From co-insurance management services	1.117	696
Recognized expense - ceding companies	(930)	(768)
Buildings	850	389
Recovered amounts, other than from operating risk policies	784	76
Vehicles	102	(20)
Reimbursements on occupational health	482	224
Other non-current assets held for sale	279	-
Joint venture activities	104	-
Computer equipment	(16)	(630)
Land	24	229
Claims	12	45
Mobilization equipment and machinery	7	2
Third parties	4	-
Recovered provisions [1]	-	62.144
Cancellations and/or eliminations of reinsurance income	-	(1.465)
Others	8.117	74.254
	229.857	180.527

(1) In December 2015, an analysis of the applicability of bank quarantee set up in 2013 in favor of Protección S.A. for the purpose of covering any obligations arising for said Company, regarding the shares that ING Colombia previously held in the now defunct stock brokerage firm, Interbolsa S.A., which was officially placed under the administration of the Colombian Superintendency of Finance. When ING Colombia subsequently merged with Protección the latter received said shares. Also the applicability of this contingency, as recorded in books, was also assessed given the likelihood of having to repay Protección's fund members at some stage for the loss of funds corresponding to the stake held in Interbolsa S.A. As a result of said analysis together and in the light of the confirmations received from the lawyers in charge of the case, the Company concluded that the probability of having to pay out compensation to Proteccion's fund members was uncertain and therefore the provision set up in 2014 the amount of COP 62.144 million (USD 25,975) was reversed and the corresponding bank guarantee was canceled in full. See Note 22.1 Provisions.

Other income on an individual country basis is shown as follows:

	2016	2015
Colombia	79.101	141.338
Argentina	57.674	-
Brazil	36.074	-
Mexico	29.201	4.035
Chile	9.832	13.347
El Salvador	7.220	7.034
Peru	3.286	6.381
Uruguay	3.199	432
Dominican Republic	2.261	2.022
Panama	2.008	5.939
	229.857	180.527

32.2 OTHER EXPENSE

Below is a breakdown of Grupo SURA's other expense account:

	(222,019)	(110,376)
Bonificaciones	(9)	(10)
Bienes inmuebles	(10)	(8)
Pérdidas por siniestros	(906)	(558)
Ingresos contratos no proporcionales	928	76
Costos contratos no proporcionales [1]	(222,022)	(109,876)
BELOW IS A BREAKDOWN OF GRUPO SURA'S OTHER EXPENSE ACCOUNT:	2016	2015

(1) Corresponding to the cost of reinsurance contracts in extending the agreed coverage.

Other expense on an individual country basis is shown as follows:

	2016	2015
Colombia	(119.405)	(86.369)
Chile	(69.296)	-
Dominican Republic	(11.118)	(10.371)
El Salvador	(11.110)	(9.367)
Panama	(8.705)	(4.269)
Mexico	(2.289)	-
Uruguay	(97)	-
	(222.019)	(110.376)

NOTE 33. ADMINISTRATIVE EXPENSE

Grupo SURA's administrative expense on an individual country basis at year-end 2016 and 2015 is shown as follows:

	2016	2015
Other taxes	167.099	72.160
Commissions	137.253	83.134
Advertising and publicity	116.235	81.136
Lease rentals	107.396	78.498
Wealth tax	88.335	100.880
Temporary services	88.059	72.613
Industry and Commerce tax	84.448	40.614
Maintenance and repairs	76.328	58.081
Office supplies and stationery	58.536	42.922
Public utilities	57.202	41.098
Electronic data processing	56.186	29.426
Fosyga	55.483	46.685

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Other entities and trade unions	52.552	49.176
Traveling expense	40.175	31.790
Cleaning and security guard services	38.496	23.013
Other selling expense	31.321	-
Financial transaction tax	23.988	17.589
Transport	22.593	18.129
Licenses	17.339	15.056
Retrofitting and installation expense	16.292	12.420
Superintendencia Financiera de Colombia (Colombian Superintendency of Finance)	14.783	13.824
Public relations	13.808	10.130
Insurance	13.363	8.790
Publications and subscriptions	13.091	7.519
National Road Safety Fund	11.722	9.863
Property tax	8.685	6.171
Donations	8.374	12.192
National Fire-fighter Fund	7.933	7.117
Fines, sanctions, indemnities, litigations, and lawsuits - operating risk	7.028	10.459
Representation expense	6.164	3.520
Operating risk	4.343	119
Legal expense	4.233	3.904
Banking expense	3.846	1.237
Fasecolda	3.180	2.708
Chamber of Commerce	27	25
Proceeds from sales of property and equipment	22	244
Others	88.024	48.252
Total	1,543,942	1,060,494

Grupo SURA's administrative expense at year-end 2016 and 2015 on an individual country basis is shown as follows:

Year	Colombia	Argentina	Chile	Mexico	Peru	Brazil	Panama	Uruguay	El Salvador	Domi- nican Repu- blic	The Bermu- das	Spain	Curacao	Total
2016	899.105	144.236	127.262	125.898	82.156	55.723	39.773	33.646	24.211	11.176	483	208	65	1,543,942
2015	771.100	-	58.245	99.035	62.846	-	23.594	13.393	20.191	10.289	-	1.738	63	1,060,494

NOTE 34. FEES

Grupo SURA's fee expense is broken down as follows:

	2016	2015
Insurance management services	313.488	253.012
Insurance sales promoters	65.574	-
Medical assistance	38.692	85.547
Statutory Auditor and external auditing staff	20.039	7.894
Insurance risk assessments	14.592	11.956
Financial consultancy services	13.889	7.377
Legal advisors	13.210	9.420
Sales and service commissions	6.723	3.853
Board of Directors	6.424	4.623
Pension insurance fund management	666	557
Trust arrangements	444	251
Property appraisals	109	75
Operating risk	91	-
Consultancy and advisory services	-	26.026
Health care promo fees	-	58.827
Exito insurance policy collection fees	-	1.144
Inspections	-	9.103
Others (*)	264.552	77.349
Total	758.493	557.014

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Fee income for each individual country is shown as follows:

Año	Colombia	Chile	México	Argentina	Panamá	Perú	Brasil	Uruguay	Rep. Dom	El Sálvador	España	Holanda	Islas Bermu- das	Curazao	Total
2016	596,994	53,741	28,809	22,405	19,827	11,161	10,681	8,776	2,144	1,989	1,015	593	340	18	758,493
2015	485,622	31,522	16,065	-	8,231	9,525	-	1,045	951	1,862	1,510	608	-	73	557,014

^(*) Corresponding mainly to technical inspection and evaluation expense for policy admission purposes.

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.

	2016	2015
Net income - parent company	1,444,463	1,104,091
Average weighted number of shares outstanding	469,037,260	469,037,260
Earnings per share (in Colombian pesos)	3,079.63	2,353.95

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:

	AVERAG	AVERAGE RATE		G RATE
	2016	2015	2016	2015
Colombian peso (COP/USD)	3,050.98	2,743.39	3,000.71	3,149.47
Chilean peso (CLP/USD)	676.45	654.24	669.79	716.94
Dominican peso (DOP/USD)	46.09	45.07	46.72	45.55
EURO (EUR/USD)	0.90	0.90	0.96	0.92
Mexican peso (MXN/USD)	18.69	15.87	20.60	17.36
Peruvian new sol (PEN/USD)	3.38	3.18	3.36	3.43
Uruguayan peso (UYU/USD)	30.14	27.29	29.35	29.93
Argentinian peso (ARP/USD)	14.77	-	15.83	-
Brazilian real (BRL/USD)	3.49	-	3.26	_

NOTE 37. RISK MANAGEMENT - OBJECTIVES AND POLICIES

The following information describes the main characteristics of the Companies' Risk Management Governance Framework as well as the more significant risks to which they 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.

37.1. RISK MANAGEMENT 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.

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 generate value through their interaction and thereby address the new challenges and opportunities of a 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 encouraging the sharing of best practices, risk management reporting and carrying out the projects required.

More specifically, in 2016, Suramericana acquired RSA's operations in Latin America, thereby extending the Group's multi-Latina status with presence in a total of nine countries. With this recent transaction came the challenge of incorporating the new operations acquired in Mexico, Colombia, Brazil, Chile, Argentina and Uruguay, in addition to those already existing in El Salvador, Panama, the Dominican Republic and Colombia.

In addressing this challenge, changes were made to the Corporate Governance function of Suramericana and its Subsidiaries, reinforcing the Risk Management Committees who report directly to their respective Boards of Directors, both on a local and corporate level. Parallel to this, the risk management function at subsidiary level was made that much more robust so as to be able to provide a strong local response in keeping with Suramericana´s overarching strategy

37.2. 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;

37.3. 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 function as well as handling third-party portfolios.

In 2016, the performance of the different Companies was affected by a slower rate of growth in Latin America. Factors such as the weaker-than-expected recovery in the United States and a stagnant global growth, weak trade, persistently low commodity prices throughout the year, rising fiscal risk and greater volatility prevailing on the financial markets, due to the recent presidential elections in the United States, affected the short-term economic prospects for the region.

In spite of the general slowdown with economic growth, in most cases, inflation remained above that targeted by the different Central Banks. This phenomenon was partly due to the depreciation affecting many of the region's currencies, due to recent elections and the expansive monetary policy that the United States is still upholding. Also declining prices of crude oil and other raw materials such as copper and soybeans affected foreign exchange flows in most countries.

In spite of this, inflation expectations in the case of Peru, Colombia, Chile and Brazil have gradually converged on the levels targeted by their Central Banks thanks to a tightening of monetary policy that began in late 2015. Also in the case of certain countries within the region, such as Argentina and Brazil internal factors relating to changes in government have had a fundamental economic and social effect.

The main financial risks are listed as follows This analysis takes into account credit, market (including currency, interest and inflation rates as well as prices) and liquidity risk.

37.3.1. 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 put into place for analyzing and monitoring both issuers and counter-parties, from the funds handled by the cash management departments, the portfolios held by our insurance companies as well as third-party funds, so as to mitigate the risk exposure at subsidiary level

37.3.1.1. Credit Risk Management - Cash Management Function

The cash management function belonging to Grupo SURA, Suramericana and Sura Asset Management, is governed by risk mitigation policies and guidelines to ensure that investments are always backed by issuers and / or fund management firms with adequate credit ratings. At December 31, 2016, 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.

37.3.1.2. Credit Risk Management with regard to 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 investment fund management firms.

The portfolios belonging to these insurance companies largely consist of fixed income securities, which entails significant exposure to Government 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 counter-parties, which were re-stated based on the maximum international sovereign ratings for each country: Argentina B-, Brazil BB, Chile AA-, Colombia BBB, El Salvador B-, Mexico BBB+, Peru BBB+, Panama BBB, the Dominican Republic BB- and Uruguay BBB.

The following table is a breakdown of fixed income financial assets at subsidiary level, based on their corresponding international credit ratings:

Fixed Income Assets classified according to their International Credit Ratings for 2016

Suramericana										Sura Asset Management		
	Argentina	Brazil	Chile	Colombia	El Salva- dor	Mexico	Panama	Dom. Rep.	Uruguay	Chile	Mexico	Peru
Sovereign Rating*	В	BB	AA-	BBB	В	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%	0.59
AA+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.69
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.59
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
А	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

Activos Renta Fija por Calificación Crediticia 2015 (Escala Internacional)

FIXED INCOME SECURITIES CLASSIFIED ACCORDING TO THEIR INTERNATIONAL CREDIT RATING- 2015							
	SURA Asset Management						nent
Suramericana	Sura Asset Management	Rep. Dom.	Salvador	Panamá	Chile	México	Perú
	Colombia	Dominican Republic	Salvador	Panama	Chile	Mexico	Peru
Sovereign Rating*	BBB	BB+	В	BBB	AA-	BBB+	BBB+
Sovereign	23.4%	46.0%	29.1%	44.8%	11.4%	88.1%	24.4%

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AAA	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%
AA+	0.0%	0.0%	1.9%	0.0%	0.0%	0.0%	0.6%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA-	0.3%	0.0%	1.7%	0.0%	14.9%	0.0%	0.5%
A+	0.1%	0.0%	1.0%	0.0%	9.4%	0.0%	0.6%
А	1.8%	0.0%	0.0%	0.8%	28.8%	1.1%	0.2%
Α-	1.2%	0.0%	0.7%	0.0%	24.2%	1.5%	2.7%
BBB+	1.7%	0.0%	0.0%	7.3%	6.7%	7.5%	27.9%
BBB	50.3%	0.0%	0.7%	13.3%	3.0%	1.8%	20.7%
BBB-	17.8%	0.0%	2.0%	1.8%	0.2%	0.1%	13.7%
BB+	1.6%	0.0%	2.6%	1.7%	0.0%	0.0%	2.0%
BB	0.3%	0.0%	0.0%	25.3%	1.2%	0.0%	0.5%
BB-	1.4%	0.0%	0.0%	1.2%	0.0%	0.0%	0.6%
Others	0.0%	54.0%	60.2%	3.8%	0.3%	0.0%	4.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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 following is a breakdown of this exposure, together with their international credit ratings held by the counterparties of derivatives currently held

DERIVATIVES - SURAMERICANA SEGUROS COLOMBIA 2016

Bank	International	Accet expective	Liability avpagura	Net position	
вапк	credit rating	Asset exposure	Liability exposure	Net position	
Banco de Bogotá	BBB	326.241	(317.411)	8.830	
Bancoldex	BBB	185.402	[179.959]	5.442	
BBVA Colombia	BBB	29.504	(29.110)	393	
CitiBank Colombia	BBB	27.792	(26.045)	1.747	
Banco Davivienda S.A.	BBB	49.287	[47.989]	1.298	
Total	618.225	(600.515)	17.710	17,710	

DERIVATIVES- SURAMERICANA SEGUROS COLOMBIA 2015

Donk	International	Accelowneeuro	Liability avecure	Not position	
Bank	credit rating	Asset exposure	Liability exposure	Net position	
Banco Davivienda S.A.	BBB	96.063	(99.178)	(3.115)	
Banco de Bogotá	BBB	133.529	(129.165)	4.364	

Total	2,110,557	(2,143,023)	(32.466)	(32,466)
JP Morgan Corporación Financiera	BBB	76.898	(75.517)	1.381
Goldman SACHS	BBB+	722.145	(726.930)	(4.785)
Corporación Financiera Colombiana	BBB	103.866	(99.014)	4.852
CitiBank Colombia	BBB+	745.754	(751.990)	(6.235)
BBVA Colombia	BBB	52.480	(62.970)	(10.491)
Bancoldex	BBB	9.915	(9.427)	488
Banco de Occidente S.A.	BBB	169.907	(188.832)	(18.925)

To date only the Suramericana Companies in Colombia deal with derivatives

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 2016

Bank	International	Asset expessive	Linhility avnagura	Not position
DdllK	credit rating*	Asset exposure	Liability exposure	Net position
Banco BBVA	A-	84.661	[82.521]	2.140
Banco BCI	А	181.578	(172.828)	8.751
Banco Santander	A+	223.125	(219.049)	4.077
Total		489.365	(474.398)	14.968

DERIVATIVES - SURA ASSET MANAGEMENT SEGUROS CHILE 2015

Pance	Credit Rating Banco Exposición Activa Exp		Exposición Pasiva	Posición Neta
BallCo	Internacional*	Exposicion Activa	Exposicion Fasiva	rosicion Neta
Banco Santander	AA-	42,518	[46,297]	(3,779)
Banco BCI	A+	20,472	(22,991)	(2,520)
Total		62,989	(69,288)	(6,299)

On the other hand, Seguros SURA Perú, one of Sura Asset Management's insurance companies, is exposed to credit risk given its investment in Negotiable Mortgage Securities (TCHN in Spanish).

The following table shows the maturity and debt balances corresponding to the mortgage loan portfolio . Also, based on the portfolio 's historic performance, the default rates, losses given default and the resulting expected loss are all calculated.

	MORTGAGE LOANS	S- SURA ASSET	MANAGEMENT SEG	UROS PERÚ 201	6
Portfolio	Unpaid balance	Probability of Default	Loss Given Default	Expected Loss	Expected Loss %
With no unpaid installments	191.808	1.1%	18.4%	376	0.2%
Between 1 and 2 unpaid installments	32.296	17.3%	20.2%	1.126	3.5%
Between 3 and 23 unpaid installments	19.636	100.0%	20.8%	4.081	20.8%
Between 24 and 35 unpaid installments	8.615	100.0%	27.9%	2.403	27.9%
More than 36 unpaid installments	5.798	100.0%	115.0%	6.667	115.0%
Total	258.152			14.654	5.7%

 $[\]ensuremath{^*}$ In millions of pesos at year-end 2016.

	DERIVATIVES -	5 – SURA ASSET MANAGEMENT SEGUROS PERÚ 2015				
Portfolio	Unpaid balance	Probability of Default	Loss Given Default	Expected Loss	Expected Loss %	
With no unpaid installments	242.865	1.1%	18.4%	803	0.2%	
Between 1 and 2 unpaid installments	29.828	17.3%	20.2%	1.826	3.5%	
Between 3 and 23 unpaid installments	25.801	100.0%	20.8%	6.201	20.8%	
Between 24 and 35 unpaid installments	4.838	100.0%	27.9%	1.506	27.9%	
More than 36 unpaid installments	3.175	100.0%	115.0%	3.651	115.0%	
Total	306.507			13.987	4.6%	

 $[\]ensuremath{^{*}}$ In millions of pesos at year-end 2015.

37.3.1.3. Credit Risk Management - Mortgage Loan Company in Peru

The corporate purpose of the Mortgage Loan Company is to place mortgage loans to be subsequently transferred to Seguros SURA Perú for the purpose of underpinning the latter's technical insurance reserves. The loan portfolio of this subsidiary has been closed and no further placements have been made, so the small residual portfolio handled at the present time shall be allowed to gradually elapse.

The following tables show a breakdown of mortgage loan portfolios held by this Company. This contains both the mortgage portfolio and the "Mi Vivienda" Statesponsored mortgage loans which are guaranteed by the Peruvian Government

	MORTGAGE LOANS - COMPAÑÍA HIPOTECARIA PERÚ 2016				
Portfolio	Unpaid balance	Probability of Default	Loss Given Default	Expected Loss	Expected Loss %
With no unpaid installments	1.164	1.1%	24.2%	3	0.3%
Between 1 and 2 unpaid installments	N/A	N/A	N/A	N/A	N/A
Between 3 and 23 unpaid installments	464	100.0%	22.1%	103	22.1%
Between 24 and 35 unpaid installments	150	100.0%	20.9%	31	20.9%
More than 36 unpaid installments	N/A	N/A	N/A	N/A	N/A
Total	1 770			127	7 70/

^{*} In millions of pesos at year-end 2016.

	MORTGAGE LOANS - COMPAÑÍA HIPOTECARIA PERÚ 2015				
Portfolio	Unpaid balance	Probability of Default	Loss Given Default	Expected Loss	Expected Loss %
With no unpaid installments	9.741	1.1%	24.2%	36	0.3%
Between 1 and 2 unpaid installments	550	N/A	N/A	25	N/A

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Between 3 and 23 unpaid installments	647	100.0%	22.1%	146	22.1%
Between 24 and 35 unpaid installments	N/A	100.0%	20.9%	N/A	20.9%
More than 36 unpaid installments	N/A	N/A	N/A	N/A	N/A
Total	10.939			206	1.9%

^{*} In millions of pesos at year-end 2015.

STAT	E-SPONSORED M	ORTGAGE LOAN	S - COMPAÑÍA HIPO	TECARIA PERÚ	2016
Portfolio	Unpaid balance	Probability of Default	Loss Given Default	Expected Loss	Expected Loss %
With no unpaid installments	2.090	0.0%	19.6%	-	0.0%
Between 1 and 2 unpaid installments	118	0.0%	22.7%	-	0.0%
Between 3 and 23 unpaid installments	N/A	N/A	N/A	N/A	N/A
Between 24 and 35 unpaid installments	156	100.0%	21.9%	34	21.9%
More than 36 unpaid installments	211	100.0%	115.0%	243	115.0%
Total	2.575			277	10.8%

^{*} In millions of pesos at year-end 2016.

STAT	E-SPONSORED M	ORTGAGE LOAN	S - COMPAÑÍA HIPO	TECARIA PERÚ	2015
Portfolio	Unpaid balance	Probability of Default	Loss Given Default	Expected Loss	Expected Loss %
With no unpaid installments	2.412	0.0%	19.6%	8	0.0%
Between 1 and 2 unpaid installments	N/A	0.0%	22.7%	N/A	0.0%
Between 3 and 23 unpaid installments	122	N/A	N/A	25	N/A
Between 24 and 35 unpaid installments	263	100.0%	21.9%	64	21.9%
More than 36 unpaid installments	N/A	100.0%	115.0%	N/A	115.0%
Total	2.797			97	3.5%

^{*} In millions of pesos at year-end 2015.

37.3.1.4. Credit risk management - Third Party Funds

With regard to SURA Asset Management's credit risk exposure in handling thirdparty funds, in keeping with its fiduciary duty, the Company's fund management function includes due diligence performed on all investees, including issuers, counter-parties 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 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 management 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.

37.3.1.5. Impairment of Assets and Accounts Receivable

Grupo Sura periodically tests for impairment and, whenever necessary, impairment losses are recognized in the corresponding account.

For more detailed information regarding impairment testing methods used in the case of financial, non-financial and reinsurance assets can be found in Note 8. Financial instruments and Note 18 Impairment of non-financial assets

37.3.2. Market Risk Management

This type of risk management focuses on how fluctuations in market prices affect the value of the portfolios handled as well as subsidiary revenues. Market Risk Management Systems have been deployed to identify, measure and monitor the exposure corresponding to the portfolios held by the insurance firms as well as the handling of these along with third party funds. These systems are composed of a set of policies, procedures, monitoring mechanisms and internal controls.

The impact of variables such as interest and exchange rates and asset prices on the Company's performance are also subject to periodic monitoring. Furthermore, in order to mitigate their volatility, the possibility of hedging such risk is determined.

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37.3.2.1. Market Risk Management - Subsidiary Cash Management Function

In the case of Grupo SURA, Sura Asset Management and Suramericana its market risk exposure is handled by their Cash Management Departments, these being responsible for monitoring currency and interest risks relating to the Group's indebtedness.

In 2016, currency forwards were taken out to hedge the currency risk inherent to the payment of the acquisition of RSA's Latin American operations. Furthermore, in order to finance this acquisition, Suramericana placed an issue of ordinary bonds worth COP 1 billion on the Colombian bond market. These all bear CPIindexed interest, thus entailing an exposure to both inflation and interest rates. For its part, Grupo SURA placed an issue of ordinary bonds worth COP 100,000 million on the Colombian bond market, maturing in 2020 and bearing CPIindexed interest It also placed an issue of ordinary bonds worth the equivalent of COP 1,650.39 million on the international market, through its subsidiary Grupo SURA Finance. This issue was placed in dollars (USD 550 million) for a term of 10 years. Bearing in mind that these issues of bonds are currency and inflationlinked, they represent a market risk for Grupo SURA.

37.3.2.2. Market Risk Management - Insurers' Portfolios

As for how this risk is handled by Suramericana with regard to the portfolios held by its Insurance companies, 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 measurements that are taken into account for this type of risk management 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 the liability profile of Sura Asset Management S.A., 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 market conditions (liquidity and depth) and the weight of the existing portfolio of investments (especially in relation to terms and accrual rates).

37.3.2.2.1. Currency exposure - insurers' portfolios

The following table shows the currency exposure to insurers' portfolios.

	ASSETS PER	TYPE OF CURRENCY	FOR EACH CO	UNTRY - 2016	
Country	Local currency*	Real local currency *	USD	Others	Total
		Surameri	cana		
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%
Dom. Republic	87.3%	0.0%	12.7%	0.0%	100.0%
Uruguay	76.2%	9.3%	14.5%	0.0%	100.0%
		Sura Asset Mar	nagement		
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%

	ASSETS PER TYPE	OF CURRENCY FOR	EACH INDIVIDU	JAL COUNTRY - 201	15
Country	Local currency*	Real local currency *	USD	Others	Total
		Suramer	icana		
Colombia	71.6%	13.9%	12.7%	1.8%	100.0%
El Salvador	0.0%	0.0%	100.0%	0.0%	100.0%
Panama	0.0%	0.0%	100.0%	0.0%	100.0%
Dom. Republic	76.5%	0.0%	23.5%	0.0%	100.0%
		Sura Asset Ma	nagement		
Chile	0.0%	99.9%	0.1%	0.0%	100.0%
Mexico	3.6%	96.2%	0.2%	0.0%	100.0%
Peru	31.1%	24.2%	44.7%	0.0%	100.0%

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This table includes Unit Linked funds (a product carrying both a insurance and a savings component offered by the insurance companies belonging to Sura Asset Management) since these are included in their financial statements, although the investment risk is borne by the policy-holder.

*Local currency: Colombia - COP, Panama - PAB, Dominican Republic- COP, 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

Analysis of exchange rate risk sensitivities - insurers' 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

The net result obtained is broken down as follows

	EXCHANGE RATE SENS	
(-10%) with the exchange rate	Impact on Pre-tax Earnings- 2016	Impact on Pre-tax Earnings- 2015
	Suramericana	
Argentina	[2,583]	N/A
Brazil	931	N/A
Chile	5.114	N/A
Colombia	[6,342]	[43,747]
El Salvador	-	N/A
Mexico	(3,580)	N/A
Panama	-	-
Dom. Rep.	[1,097]	[1,441]
Uruguay	(190)	N/A
Total	(7.747)	(45.188)
Sura Asset Management	(1,110)	(239)
Chile	(1.110)	(239)
Mexico	(91)	(179)
Peru	3.772	2.816
Total	2.571	2.397

Figures stated in COP millions

37.3.2.2.2. Interest rate exposure on insurers' portfolios

The following shows a breakdown of the exposure for the Fixed Income and Equity Assets belonging to the insurers' portfolios.

EXPOSURE FOR FIXED INCOME AND EQUITY ASSETS 2016 Fixed Income Securities **Equity Securities** Others Total Variable Fixed rate Subtotal Subtotal Country Local Foreign rate Suramericana 25.8% 39.1% 64.9% 35.1% 0.0% 35.1% 0.0% 100.0% Argentina 49.1% 49.1% 0.0% 1.8% 100.0% 98.2% 1.8% 0.0% Brazil 0.0% 100.0% Chile 100.0% 0.0% 100.0% 0.0% 0.0% 0.0% Colombia 33.6% 57.2% 90.9% 5.1% 4.0% 9.1% 0.0% 100.0% 0.0% 0.0% 100.0% 98.4% 1.6% 100.0% 0.0% 0.0% El Salvador 0.0% 0.0% 0.0% 0.0% 100.0% Mexico 100.0% 100.0% 0.0% 0.0% 0.0% 13.4% 0.0% 100.0% Panama 86.6% 86.6% 13.4% Dom. 97.0% 2.0% 98.9% 1.1% 0.0% 1.1% 0.0% 100.0% Republic 100.0% 0.0% 100.0% 0.0% 0.0% 0.0% 0.0% 100.0% Uruguay Sura Asset Management 0.0% 0.0% 0.0% 39.6% 100.0% Chile 60.4% 60.4% 0.0% 99.7% 0.0% 99.7% 0.0% 0.0% 0.0% 0.3% 100.0% Mexico Peru 82.9% 0.0% 82.9% 0.0% 0.3% 0.4% 16.7% 100.0%

		EXPOSURE	FOR FIXED	INCOME AN	ID EQUITY A	SSETS 201	5	
	Fixe	ed Income Secu	rities		Equity Securitie	es		
Country	Fixed rate	Variable rate	Subtotal	Local	Foreign	Subtotal	Others	Total
				Suramericana	1			
Colombia	33.1%	50.5%	83.6%	11.1%	5.4%	16.5%	0.0%	100.0%
El Salvador	98.4%	1.6%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Panama	96.0%	0.0%	96.0%	2.8%	1.2%	4.0%	0.0%	100.0%
Dom. Republic	98.6%	1.4%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
			Sura	a Asset Manage	ement			
Chile	57.4%	0.0%	57.4%	0.4%	0.0%	0.4%	42.2%	100.0%
Mexico	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Peru	85.9%	0.0%	85.9%	0.1%	0.4%	0.5%	13.6%	100.0%

Unit Linked funds are included in the case of Sura Asset Management, since they form part of the financial accounts of its insurance companies, insurers, although the investment risk is borne by the policy-holder.

Analysis of interest rate risk sensitivities - insurers' 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 valuated at market prices (at fair value) were considered for this interest rate sensitivity analysis. Those valued at amortized cost were not taken into account, since these are not subject to interest rate volatility. Neither were financial liabilities considered since these are recorded at amortized cost.

For each asset that was considered as part of this analysis, the modified duration was calculated and weighted based on its market value, for which a change of 10 bp was subsequently tested.

The net result between assets and liabilities, and their impact on pre-tax earnings is shown below.

INTEREST RATE SENSITIVITIES - MODIFIED DURATION METHOD

(+10pb) in Interest Rates	Impact on Pre-tax Earnings- 2016	Impact on Pre-tax Earnings- 2015
	Suramericana	
Argentina	[470]	N/A
Brazil	[173]	N/A
Chile	[7]	N/A
Colombia	[5.271]	(8.608)
El Salvador	[1]	(55)
Mexico	[8]	N/A

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Total	(6.451)	(9.577)
Uruguay	[86]	N/A
Dom. Rep.	[1]	-
Panama	[434]	[914]

Figures stated in COP millions

Sura Asset Management In the case of Sura Asset Management, the portfolios held by the insurance companies, through real currency denominated assets carry an exposure risk to interest and inflation rates.

The methodology used for analyzing this inflation rate sensitivity analysis took into account the real currency exposure corresponding to the asset and liability accounts of the respective company's balance sheet, examining the impact that a variation of +100 bp would have its pre-tax earnings

The net result obtained is broken down as follows

	INTEREST RATE SENSITIVITY - ALM MODEL 2016		
(+100bp) with the inflation rate	Impact on Pre-tax Earnings- 2016	Impact on Pre-tax Earnings- 2015	
	Sura Asset Management		
Chile	[8.440]	(7.934)	
Mexico	[601]	[746]	
Peru	914	993	
Total	[8.127]	(7.687)	

Figures stated in COP millions

37.3.2.2.3. 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. Equities are differentiated from 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.

	SENSITIV	ITY TO STOCK AND RE	AL ESTATE PRICES	
Impact on Pre-tax Earnings- 2016		Impact on Pre-ta	x Earnings- 2015	
Business Unit	(-10%) in Stock Prices	(-10%) in Real Estate Prices	(-10%) in Stock Prices	(-10%) in Real Estate Prices
		Suramericana		
Argentina	(856)	-	N/A	N/A
Brazil	[49]	-	N/A	N/A
Chile	[13]	-	N/A	N/A
Colombia	(41.456)	[31.631]	[64.363]	(22.910)
El Salvador	-	-	-	-
Mexico	[11]	-	N/A	N/A
Panama	(228)	-	(175)	0
Dom. Republic	[71]	-	-	-
Uruguay	-	-	N/A	N/A
Total	(42.684)	(31.631)	(64.538)	(22.910)

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Figures stated in COP millions

Sura Asset Management

SENSITIVITY TO STOCK AND REAL ESTATE PRICES					
	Impact on Pre-ta	x Earnings- 2016	Impact on Pre-tax Earnings- 2015		
Business Unit	(-10%) in Stock Prices	(-10%) in Real Estate Prices	(-10%) in Stock Prices	(-10%) in Real Estate Prices	
Sura Asset Management					
Chile	[214]	(57.651)	[174]	(53.590)	
Mexico	0	0	0	0	
Peru	(1.667)	(39.551)	(1.502)	(21.742)	
Total	(1.881)	(97.201)	(1.676)	(75.332)	

Figures stated in COP millions

The analyzes carried out did not consider the interdependent nature of the risks thus evaluated, therefore the impact of said risks could be considerably smaller.

37.3.2.2.4. 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.

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 pretax 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- 2016	Impact on Pre-tax Earnings- 2015		
-10% in Variable Valuations				
Chile	[34.673]	(39.685)		
Mexico	[24.723]	(21.530)		
Peru	[22.708]	(20.563)		
Uruguay	(245)	[221]		
Total	(82.349)	(81.999)		
+100 bp in Interest Rates				
Chile	[56.516]	(43.565)		
Mexico	[48.277]	(70.626)		
Peru	(15.445)	[13.867]		
Uruguay	(1.370)	(930)		
Total	(121.608)	(128.988)		
-10% depreciation in foreign currency				
Chile	(37.435)	[43.721]		
Mexico	[12.849]	5.269		
Peru	(27.307)	(27.975)		
Uruguay	[954]	(1.001)		
Total	(78.545)	(67.428)		

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.

37.3.2.2.5. 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 businesses, has provided seed capital for certain projects as mentioned below:

Pacific 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

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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 .

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 invests in a portfolio of fixed income instruments, issued by companies that are located in the member countries of the Pacific Alliance.

Given the nature of these investments, the invested capital is exposed to financial volatility risk in the form of currencies and fixed income rates.

Fondo de Infraestructura (Infrastructure Fund) This private equity fund was sent up as part of an alliance with Credicorp Capital for the purpose of investing in infrastructure projects throughout the region

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 year-end 2016, the payment of the aforementioned seed capital for this fund has not yet been made effective Given the respective type of investment, this capital shall be exposed to changes in the values of real estate projects as well as exchange rates, since these projects may well be located in different countries.

Sensitivity Analysis

The following sensitivity analysis was performed on the assets that make up the Pacific Alliance Variable Income and Fixed Income funds in which the seed capital was invested. No analyses were performed on the infrastructure and real estate funds, due to the insignificant amount of capital paid in so far.

VOLATILITY RISK FOR THE SEED CAPITAL INVESTED IN THE PACIFIC ALLIANCE VARIABLE INCOME FUND

Deviation	Impact on Pre-tax Earnings- 2016	Impact on Pre-tax Earnings- 2015
-10% in Variable Valuation		
Impairment to the value of Chilean variable income instruments	[1,280]	(1,752)
Impairment to the value of Colombian variable income instruments	[592]	(809)
Impairment to the value of Mexican variable income instruments	[3,149]	[3,303]
Impairment to the value of Peruvian variable income instruments	[1,242]	(607)
Total	(6,263)	(6,470)
-10% depreciation in foreign currency		
Depreciation of the Chilean peso	(1,280)	(1,752)
Depreciation of the Colombian peso	(592)	(809)
Depreciation of the Mexican peso	(3,149)	(3,303)
Depreciation of the Peruvian sol	[1,242]	(607)
Total	(6,263)	(6,470)

Figures stated in COP millions

VOLATILITY RISK FOR THE SEED CAPITAL INVESTED IN THE PACIFIC ALLIANCE FIXED INCOME FUND

Deviation	Impact on Pre-tax Earnings.
-10% in Fixed Income Appraisals	
Impairment to the value of Chilean variable income instruments	(320)
Impairment to the value of Colombian variable income instruments	[366]
Impairment to the value of Mexican variable income instruments	[839]
Impairment to the value of Peruvian variable income instruments	[183]
Total	(1,709)
-10% depreciation in foreign currency	
Depreciation of the Chilean peso	[320]
Depreciation of the Colombian peso	[366]
Depreciation of the Mexican peso	[839]
Depreciation of the Peruvian sol	[183]
Total	(1,709)

^{*} In millions of pesos at year-end 2016.

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In 2015, there were no sensitivities to be examined with the Pacific Alliance Fixed Income Fund given the absence of any exposure during said year.

These results did not take into account the interdependent nature of the risks thus assessed.

37.3.3. 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 2016, the Companies carried out important transactions that required an active handling of their liquidity.

Grupo SURA, increased its stake in Sura Asset Management for a value of USD 538 million.

Grupo SURA also capitalized Suramericana in the amount of COP 1,081.148 million for the acquisition of the RSA Latin American operations (in Chile, Argentina, Mexico, Brazil, Colombia and Uruguay). 69% of this transaction was financed by its shareholders, including Grupo Sura with the remaining 31% through an issue of ordinary bonds placed by Suramericana that came to COP 1 billion.

In order to finance these transactions and the payments due on the date of maturity of the bonds thus issued, Grupo Sura acquired the following debt:

- I) An issue of ordinary bonds placed on the Colombian securities market, worth COP 100,000 million and maturing in 2020.
- ii) An issue of ordinary bonds placed on the international markets through its subsidiary SURA Finance, worth USD 550 million and carrying a term of 10 years.
- iii) Other financial transactions.

37.3.3.1. Liquidity Risk Management - Insurers' Portfolios

The table below shows the maturities of financial assets at year-end 2016. In the case of Sura Asset Management, maturities are shown at their nominal value as well as the coupons of those securities held as part of its investment portfolio. In the case of Suramericana, the maturities of its portfolio securities are presented at market value.

ASSETS CLASSIFIED ON A	A # MONTHS TO	MATURITY BASIS - 2016 *
------------------------	---------------	-------------------------

				Surame	ricana				
Term (months)	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom.	Uruguay
0 to 1	22.823	151.910	41.715	969.510	47.140	27.914	100.907	25.236	25.414
1 to 3	141.937	3.871	46.866	202.273	41.204	0	2.704	6.398	17.205
3 to 12	24.382	63.431	119.379	884.520	88.225	6.439	35.689	17.220	111.314
0 to 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 RASIS - 2016 *

AJJETJ	ASSETS CLASSIFIED ON A W MONTHS TO MATORITI BASIS 2010				
	Sura Asset Management				
Term (months)	Chile	Peru	Mexico		
0 to 1	85.413	71.352	55.308		
1 to 3	50.315	63.780	2.668		
3 to 12	296.891	292.007	79.991		
0 to 12	432.619	427.139	137.967		

* In millions of pesos at year-end 2016

The following table shows the maturities of the insurance liabilities posted by the Companies at year-end 2016. These amounts correspond to liabilities for reported claims, incurred but not reported losses and estimated losses for the profile of flows corresponding to the mathematical reserves, as applicable.

LIABILITIES CLASSIFIED ON A # MONTHS TO MATURITY BASIS - 2016 *

				Surame	ricana				
Term (months)	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom.	Uruguay
0 to 1	31.047	43.622	36.938	96.766	6.207	9.470	18.093	2.338	27.907
1 to 3	60.516	86.147	51.501	253.219	12.290	14.175	16.328	4.627	6.796
3 to 12	93.186	21.102	74.320	656.187	39.323	12.227	38.737	17.033	410
0 to 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 - 2016 *

Sura Asset Management				
Term (months)	Chile	Peru	Mexico	
0 to 1	68.298	16.423	71.318	
1 to 3	50.709	39.206	14.403	
3 to 12	245.698	200.609	69.642	
0 to 12	364.706	256.237	155.364	

^{*} In millions of pesos at year-end 2016.

37.4. 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:

37.4.1. Technical Risk Management - Insurance Companies

The ain 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.

37.4.1.1. 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.

Suramericana

Compañía de Seguros de Suramericana in Colombia performs a sensitivity analysis on structural changes, which takes into account the effects on pre-tax earnings of changes to the most important parameters when valuing long-term commitments to its policy-holders.

It is important to note that these structural effects affect expectations for future years and consequently the value of long-term reserves covering insurance policies.

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Suramericana's Insurance Companies in Colombia					
Country	Risk	Impact on Pre-tax Earnings- 2016	Impact on Pre-tax Earnings- 201		
+ 30% increase in the Mortality Rate + 40% increase in the Morbidity Rate + 10% increase in the Longevity Rate	[48.816]	[66.278]			
		[62.170]	(90.957)		
		(32.448)	(30.110)		

Figures stated in COP millions

As for Workers' Compensation 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:

		SENSITIVITIES			
Suramericana - Workers´ Compensation Insurance Colombia					
Country	Risk	Impact on Pre-tax Earnings - 2016	Impact on Pre-tax Earnings - 2015		
Colombia	+ 3.5% increase in the Morbidity Rate	(8.883)	[16.686]		
	+ 10% increase in the Longevity Rate	(12.291)	[10.371]		

Figures stated in COP millions

Sura Asset Management

Sura Asset Management

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 Peru and 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 policyholders.

SENSITIVITIES Sura Asset Manageme

	Sura Asse	t Management	
Business Unit	Deviation	Impact on Pretax Earnings - 2016	Impact on Pretax Earnings - 2015
Chile	+10% en Mortalidad	[12,613]	[14,916]
Peru	+10% en Mortalidad	(5,969)	(6,257)
Mexico	+10% en Mortalidad	(1,017)	(688)
Total		(19,599)	(21,861)
Chile	+10% en Morbilidad	(5,025)	(5,135)
Peru	+10% en Morbilidad	-	-
Mexico	+10% en Morbilidad	-	-
Total		(5,025)	(5,135)
Chile	+ 10% en Longevidad	(74,700)	(55,015)
Peru	+ 10% en Longevidad	(71,020)	(70,164)
Mexico	+ 10% en Longevidad	(31,776)	(28,096)
Total		(177,496)	(153,274)

37.4.1.2. Risks relating to Underwriting, Charging 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.).

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, 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.

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Suramericana manages this risk using two approaches, the design and development of solutions, which defines the policies, processes and controls for the underwriting and pricing of products, and periodic monitoring for gauging whether the rate defined for a certain period covers future contractual obligations.

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.

In the case of Sura Asset Management the underwriting strategy is designed to avoid the risk of anti-selection and ensure that the corresponding charges take into account the real risk. There are also underwriting limits to ensure that the appropriate selection criteria is chosen.

Sensitivity analysis for the Property and Casualty Insurers

Compañía de Seguros Generales de Suramericana in Colombia performs a sensitivity analysis on the risk of accrued premiums and reserves for non-life insurance, following the guidelines defined in "QIS 5 Technical Specifications" under the Solvency Framework Directive.

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

The period covered by this analysis was from January to December 2016, and required taking the volume of premiums and the volume of reserves (Claim Reserves) as input for each line of business. Likewise, the standard deviations for assessing the risk to premiums and reserves, per line of business are taken from "QIS 5 Technical Specifications" under the Solvency Framework Directive.

The following table shows the impact on premiums and reserves, taking into account a correlation for both risks of 0.5, which represents the scope of the change in pre-tax earnings.

SENSITIVITIES					
Suramericana - Property and Casualty Insurance Colombia					
Risk	Impact on Pre-tax Earnings - 2016	Impact on Pre-tax Earnings - 2015			
Premiums	(67.877)	(41.398)			
Reserves	(12.375)	(9.230)			

Figures stated in COP millions

In the case of Suramericana, and for the rest of the property and casualty insurance operations acquired in 2016, a plan was drawn up in order to close gaps with the implementation of internal solvency models throughout 2017. These, in addition to quantifying the required capital, gauge the impact that a deviation in the accident rate would have, taking into account all the connections and correlations that this risk entails with other aspects of the organization.

Consequently, the sensitivity for new companies is presented as the consolidated result of a negative deviation with the retained incurred loss rate of 1%, however this impact is in no way indicative of the probability of this event occurring.

The total impact on pre-tax earnings, based on the corresponding financial statements at the end of November 2016, for Suramericana's property and casualty insurance companies in Argentina, Chile, Mexico and Uruguay is shown as follows:

	SENSITIVITIES			
Property and casualty insurance				
Company	Impact on Pre-tax Earnings			
Property and Casualty Insurance	[20.647]			

Actual claims vs. Previous Estimates for the Property and Casualty Insurance Companies

In order to evaluate how the claims reserves held by Compañía de Seguros Generales de Suramericana perform in terms of pay-outs, we estimated the percentage of the balances held in said reserves that was paid out 2016. Here the balances held in the claims reserves at year- end 2015 and the amounts paid out in 2016, corresponding to exposures existing prior to 2016.

This analysis covered only the solutions that take more than a year for the claims rate to be adequately gauged. In the case of the solutions corresponding to the RSA acquisition, the balances held in the corresponding reserves at year-end 2015 were used.

In terms of the balances held in the claims reserves set up at year-end 2015, 41% corresponded to pay-outs carried out in 2016.

In the case of Seguros Vida de Suramericana and Sura Asset Management, more detailed information regarding their technical reserves and their annual variations can be found in Note 10 Insurance Contracts and Note 10.4 Technical Reserves - Insurance Contracts.

37.4.1.3. Liability Adequacy Tests

In the case of Suramericana's Insurance Companies, liability adequacy tests were performed on their technical reserves, as periodically recorded, so as to determine whether they were adequate. In the event that the aforementioned tests 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 different companies.

Liability adequacy tests were performed on the technical reserves corresponding to the Insurance Companies belonging to Sura Asset Management, as periodically recorded, so as to determine whether these were sufficient in all their dimensions (technical assumptions, expense and discount rates). Here, the discount rate was compared to the potential returns obtained from their asset portfolios to ensure that the corresponding flows are sufficient to meet the commitments involving these reserves.

37.4.1.4. Reinsurance Risk

This refers to losses as a result of reinsurers defaulting on their obligations, since the Company must guarantee at all times that claims are duly paid. Therefore, in order to manage this risk, measures have been designed and implemented to prevent, mitigate and monitor this type of exposure. Said measures are based on quantitative and qualitative analyses of the reinsurers in question, the purpose of which is to assess their financial soundness as well as gauge their market position. This is carried out when the counter-party is first approved and continues through their permanent monitoring.

Furthermore, in accordance with asset impairment practices, accounts receivable from reinsurers and co-insurers are examined for impairment based on the incurred loss principle. Each company has drawn up its own impairment methodologies and models in compliance with the respective regulatory requirements and frameworks specific to each country.

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.

37.4.2. Risk Management - Pension Fund Management firms.

37.4.2.1. 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

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Figures stated in COP millions

Business Unit

Chile

Mexico

Peru

Total Chile

Mexico

Peru

Total

Uruguay

Uruguay

These results do not consider the interdependent nature of the risks thus assessed.

The following table shows the effects of Business Volatility Risk on Sura Asset

SENSITIVITIES

Sura Asset Management

(57.056)

(59.267)

(39.188)

(7.515)

(2.897)

[1.239]

(1.567)

(8) (5.711)

(163.026)

(54.947)

(75.112)

[40.448]

(6.827)

[2.689][1.933]

(778)

(5.405)

(5)

(177.334)

Management S.A.'s pension business.

Deviation

-10% in Management Commissions

-10% in Management Commissions

-10% in Management Commissions

-10% in Management Commissions

+10% in Transfers

+10% in Transfers

+10% in Transfers

+10% in Transfers

37.4.2.2. 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 return thresholds.

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.

	Su	ra Asset Management	
Business Unit	Deviation	Impact on Pre-tax Earnings - 2016	Impact on Pre-tax Earnings - 2015
Chile			
Fund A	Change of 1 bp in the minimum guaranteed return	[3.850]	[4.936]
Fund B	Change of 1 bp in the minimum guaranteed return	[4.294]	[4.822]
Fund C	Change of 1 bp in the minimum guaranteed return	(10.050)	[10.345]
Fund D	Change of 1 bp in the minimum guaranteed return	(5.806)	(5.319)
Fund E	Change of 1 bp in the minimum guaranteed return	[6.091]	(3.475)
Peru			
Fund 1	Change of 1 bp in the minimum guaranteed return	[1.792]	[1.940]
Fund 2	Change of 1 bp in the minimum guaranteed return	[10.231]	(9.670)
Fund 3	Change of 1 bp in the minimum guaranteed return	[2.116]	(2.191)
Uruguay			
Accumulation	Change of 1 bp in the minimum guaranteed return	[1.687]	(1.574)
Withdrawals	Change of 1 bp in the minimum guaranteed return	(302)	(236)

Figures stated in COP millions

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37.4.2.3. Volatility Risk on Provision for Deferred Income Liability (DIL)

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 liabilities, as set up by Sura Asset Management, this caused by fluctuating discount rates.

		SENSITIVITIES	
Business Unit	Deviation	Sura Asset Management Impact on Pre-tax Earnings - 2016	Impact on Pre-tax Earnings - 2015
Chile	- 100 bp in Interest Rates	(2.045)	(1.989)
Peru	- 100 bp in Interest Rates	(1.869)	(2.154)
Uruguay	- 100 bp in Interest Rates	[154]	(143)
Total		(4.068)	(4.285)

Figures stated in COP millions

These results do not consider the interdependent nature of the risks thus assessed.

37.4.3. 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.

SENSITIVITIES Sura Asset Management Impact on Pre-tax Earnings - 2016 Impact on Pre-tax Earnings - 2015												
							Business Unit	Deviation	Retail	Institutional	Retail	Institutional
							Chile	-10% in Management Commissions	(5.014)	(275)	(4.555)	0
Mexico	-10% in Management Commissions	(1.176)	(3.063)	(916)	(3.209)							
Peru	-10% in Management Commissions	[449]	(394)	(619)	0							
Uruguay	-10% in Management Commissions	0	0	0	0							
Total		(6.639)	(3.732)	(6.090)	(3.209)							

Figures stated in COP millions

These results do not consider the interdependent nature of the risks thus assessed.

37.5. RISK MANAGEMENT - BUSINESS GROUP

In order to further the Group's ability to anticipate events that could become a risk, in 2016, 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 Company shall continue working on identifying, quantifying and managing this risk.

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 a 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 specialized 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.

Possible regulations governing financial conglomerates: New regulations governing financial conglomerates are now being discussed in Colombia. These could well require greater coordination between the companies belonging to business groups with regard to issues such as corporate governance, risk management, capital requirements, etc.

Our Subsidiaries continue to reinforce the coordination function with all those countries where they are currently present, so as to capitalize on opportunities for working together in providing comprehensive services and creating new efficiencies.

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37.6. OPERATING RISK MANAGEMENT

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..

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.
- » Risk of Asset Laundering and the Financing of Terrorism: The Companies have appropriate risk management systems to address this type of exposure associated with funds produced by illegal activities. These systems include performing due diligence on suppliers, investors, clients, among other stakeholder groups, in addition to regular monitoring and follow-up activities.
- Risk of Fraud and Corruption: the Company has provisions and guidelines in place for managing events that could trigger such risk and consequently minimize the probability of these occurring and materializing as well their consequent impact. In 2016, existing guidelines were consolidated within an Anti-Fraud and Anti-Corruption Policy Framework governing the entire Sura Business Group.
- » Legal Risk -Compliance: 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.

NOTE 38. CAPITAL MANAGEMENT

Grupo Sura 's policy is to maintain a robust capital base so as to retain 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:

	2016	2015
Financial liabilities (Note 9.3)	9,744,402	6,265,444
Cash and cash equivalents (Note 8)	[2,066,959]	(1,433,184)
Net debt	7,677,443	4,832,260
Total equity (Note 24)	25,395,827	26,062,600
Adjusted net debt to equity ratio	30.23%	18.54%

⁽¹⁾ Net debt to equity

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NOTE 39. INVESTMENT COMMITMENTS

The following investment commitments are scheduled for 2017:

The Subsidiary, Habitat Adulto Mayor is in the process of building a new Old Aged People's home, Habitat Bernal.

- » Arus Holding S.A. holds investment commitments for the purchase of fixed assets for a value of COP 7.579 for renovating its technology.
- At year-end 2016, Sura Investment Management S.A.S held a debt commitment as a result of having invested in the direct financing contract for road infrastructure works in Colombia, through its participation in the syndicated loans of the fourth generation (4G) highway projects.

Sura Investment Management S.A.S is participating in the 4G fund, specifically in the "Infrastructure I - Private Debt Funding" initiative with a committed investment of USD 24,995, to be applied at any time during a period of 10 years as of the date on which the agreement was signed, that is to say December 10, 2015 and shall be disbursed at market rates.

- » In addition to the above, Sura Asset Management hold investment commitments for the following funds:
- Pacific 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.
- Pacific Alliance Fund Fixed Income: This Fund invests in a portfolio of fixed income instruments, issued by companies that are located in the member countries of the Pacific Alliance

- » Fondo de Infraestructura (Infrastructure Fund) This private equity fund was sent up as part of an alliance with Credicorp Capital for the purpose of investing in infrastructure projects throughout the region
- » Real Estate Fund This Fund is managed by the subsidiary SURA Real Estate, the purpose of which is to invest in real estate.

NOTE 40. RELATED PARTY DISCLOSURES

40.1. 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 2015:

- a) Companies under the direct or indirect control of Grupo SURA are listed in Note 18.1 Investments in Subsidiaries.
- b) Investments in associates and joint ventures

Grupo SURA's associates and joint ventures are listed in Note 18.2 - Investments in associates and Note 18.3. Joint Ventures

c) Grupo de Inversiones Suramericana's Shareholders:
 See list of shareholders contained in Note 1 REPORTING ENTITY

40.2. 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 recorded 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:

FROM	то	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 Mexico S.A. de C.V.	15	-	[87]	-

FROM	то	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
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
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. (formerly 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 Mexico 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
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)	-

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FROM	ТО	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
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
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

FROM	то	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Enlace Operativo S.A.	Seguros Generales Suramericana S.A.	-	-	-	9
Enlace Operativo S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	5
PS y Medicina Prepagada Suramericana S.A.	Arus S.A.	-	(878)	-	8.592
PS y Medicina Prepagada Juramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	10	(15)	[3]	156
PS y Medicina Prepagada Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	1.770	(2.677)	(52)	46.113
PS y Medicina Prepagada Suramericana S.A.	Enlace Operativo S.A.	-	(359)	(2)	4.021
PS y Medicina Prepagada Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	43	-	(70)	[324]
PS y Medicina Prepagada Suramericana S.A.	Seguros de Vida Suramericana S.A.	4	[11]	(112)	1.223
PS y Medicina Prepagada Juramericana S.A.	Seguros Generales Suramericana S.A.	-	(703)	(110)	1.118
PS y Medicina Prepagada Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	1.146	(12.920)	(1.040)	253.142
PS y Medicina Prepagada Suramericana S.A.	Servicios Generales Suramericana S.A.	-	[41]	-	-
ondos Sura SAF S.A.C.	AFP Integra S.A.	-	[24]	-	125
ondos Sura SAF S.A.C.	Seguros Sura S.A. (formerly Invita)	-	-	-	80
ondos Sura SAF S.A.C.	Sura Asset Management S.A.	-	[4]	-	48
Grupo de Inversiones Guramericana Holanda B.V.	Grupo Sura Chile Holdings I B.V.	1.134	-	-	-
Grupo de Inversiones Guramericana Holanda B.V.	Grupo Sura Latin American Holdings B.V.	(46)	-	-	-
Grupo de Inversiones Guramericana Holanda B.V.	Sura Asset Management España, S.L.	-	49	-	-
Grupo de Inversiones Guramericana Panamá S.A.	Grupo de Inversiones Suramericana S.A.	-	(11.073)	-	-
Grupo de Inversiones Guramericana Panamá S.A.	Grupo Sura Finance S.A.	7	(879.380)	-	52.226
Grupo de Inversiones Guramericana Panamá S.A.	Planeco Panamá S.A.	15	-	-	-
Grupo de Inversiones Guramericana S.A.	Grupo de Inversiones Suramericana Panamá S.A.	11.073	-	-	-
Grupo de Inversiones Guramericana S.A.	Grupo Sura Finance S.A.	60	[1,636,002]	-	65.967
Grupo de Inversiones Guramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	(24.113)	-	-
Grupo de Inversiones Guramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	18
Grupo de Inversiones	Seguros de Vida Suramericana			(2)	58

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FROM	то	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
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	-	-
Grupo Sura Latin American Holdings B.V.	Grupo Sura Chile Holdings I B.V.	6	-	-	-
Grupo Sura Finance S.A.	Grupo de Inversiones Suramericana Panamá S.A.	879.380	(7)	(52.226)	-
Grupo Sura 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. (formerly 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

Suramericana S.A.S. Suramericana S.A. -	FROM	ТО	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Suramericana S.A.S. Sura Asset management S.A. - -	Operaciones Generales Suramericana S.A.S.		-	(64.710)	-	3.717
Suramericana S.A.S. Suramericana S.A.S. Suramericana S.A.S. Suramericana S.A.S. Pensiones Sura S.A. de C.V. Afore Sura S.A. de C.V. - (210) - 1.12	Operaciones Generales Suramericana S.A.S.	Sura Asset Management S.A.	-	-	(3)	-
Pensiones Sura S.A. de C.V. Asesores Sura S.A. de C.V [210] - 1.12 Pensiones Sura S.A. de C.V. Promotora Sura AM S.A. de C.V [21] - 99 Pensiones Sura S.A. de C.V. Sura Investment Management S.A. de C.V [21] - 99 Pensiones Sura S.A. de C.V. Sura Investment Management S.A. de C.V [27] - 43 Planeco Panamá S.A. Grupo de Inversiones Suramericana Panamá S.A [15] - 99 Promotora Sura AM S.A. de C.V. Afore Sura S.A. de C.V [2,325] - 99 Promotora Sura AM S.A. de C.V. Pensiones Sura S.A. de C.V [2,325] - 99 Promotora Sura AM S.A. de C.V. Pensiones Sura S.A. de C.V 21 [95] - 99 Promotora Sura AM S.A. de C.V. Pensiones Sura S.A. de C.V 21 [95] - 99 Promotora Sura AM S.A. de C.V. Sura Investment Management S.A. de C.V [9,654]		Suramericana S.A.	-	-	[9]	-
Pensiones Sura S.A. de C.V. Promotora Sura AM S.A. de C.V (21) - 9 Pensiones Sura S.A. de C.V. Sura Investment Management S.A. de C.V (15) - 43 Pensiones Sura S.A. de C.V. Sura Investment Management S.A. de C.V (15) - 43 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. 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. Sura Investment Management S.A. de C.V. 21 - (95) Promotora Sura AM S.A. de C.V. Sura Investment Management S.A. de C.V. 22 - (9.654) Seguros de Riesgos Laborales Suramericana S.A (292) - (2.41 Seguros de Riesgos Laborales Suramericana S.A (292) - (2.41 Seguros de Riesgos Laborales Diagnóstico y Asistencia Médica Suramericana S.A. Seguros de Riesgos Suramericana S.A (1.426) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.426) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.426) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.426) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.426) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.426) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.426) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.426) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.426) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.426) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.426) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.5) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.5) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.5) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.5) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.5) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.5) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.5) - (7.69 Seguros de Riesgos Laborales Suramericana S.A (1.5) - (7.69 Seguros de Riesgos Laborales Suram	Pensiones Sura S.A. de C.V.	Afore Sura S.A. de C.V.	-	[147]	-	862
Pensiones Sura S.A. de C.V. Sura Investment Management S.A. de C.V. Sura Investment Management S.A. de C.V. Sura Investment Management S.A. de C.V. Sura Investment Management S.A. Suramericana Panamá S.A. Sura Investment Management S.A. de C.V. Sura Investment Management S.A. Suramericana S.A. Sura	Pensiones Sura S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(210)	-	1.123
Promotora Sura AM S.A. de C.V. S.A. de C.V. 4.	Pensiones Sura S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	(21)	-	95
Promotora Sura AM S.A. de C.V. Suramericana Panamá S.A. - (15) - (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 C.V. 21 - (95) Promotora Sura AM S.A. de C.V. Seguros de Vida SURA Mexico 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. Consultoría en Gestión de Riesgos Laborales Suramericana S.A. - (6.547) - (4.646) Seguros de Riesgos Laborales Suramericana S.A. Diagnóstico y Asistencia Médica S.A. 13 (209) (21) 1.42 Seguros de Riesgos Laborales Suramericana S.A. Enlace Operativo S.A. - (1.426) - 7.69 Seguros de Riesgos Laborales Suramericana S.A. Suramericana S.A. - (11) - 2 Seguros de Riesgos Laborales Suramericana S.A. Suramericana S.A. - (11) - 2 Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. - (19) - 97 Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Lab	Pensiones Sura S.A. de C.V.		-	(77)	-	430
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 Mexico S.A. de C.V. Seguros de Nida SURA Mexico S.A. de C.V. Seguros de Riesgos Laborales Suramericana S.A. Arus S.A. de C.V. Seguros de Riesgos Laborales Suramericana S.A. Seguros de R	Planeco Panamá S.A.		-	(15)	-	
Promotora Sura AM S.A. de C.V. Seguros de Vida SURA Mexico S.A. de C.V. Sura Investment Management S.A. Sura Investment S.A. Sura Investment Management S.A. Sura Investment Management S.A. Sura Investment Management S.A. Sura Investment Management Management Management Management Management Management Management Management S.A. Sura Investment Management Manage	Promotora Sura AM S.A. de C.V.	Afore Sura S.A. de C.V.	-	-	(2.325)	
S.A. de C.V. S.A. de C.V. Sura Investment Management S.A. de C.V. Sura Investment Management S.A. de C.V. Seguros de Riesgos Laborales Suramericana S.A. Consultoría en Gestión de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. Enlace Operativo S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Laboral	Promotora Sura AM S.A. de C.V.	Pensiones Sura S.A. de C.V.	21	-	(95)	
Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Laborales Consultoría en Gestión de Riesgos Suramericana S.A. Seguros de Riesgos Laborales Diagnóstico y Asistencia Médica S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Laborales Diagnóstico y Asistencia Médica S.A. Seguros de Riesgos Laborales S.A. Enlace Operativo S.A. Seguros de Riesgos Laborales EPS y Medicina Prepagada Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos	Promotora Sura AM S.A. de C.V.		101	-	[644]	
Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Laborales Enlace Operativo S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Laborales Sura S.A. de C.V. Asesores Sura S.A. de C.V. - (15) - (101) - (17,436) - (17,436) - (181) - (18	Promotora Sura AM S.A. de C.V.		2.164	-	(9.654)	
Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Riesgos Laborales Enlace Operativo S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Vida SURA Mexico S.A. de C.V. Afore Sura S.A. de C.V. Promotora Sura AM S.A. de C.V. Seguros de Vida SURA Mexico S.A. de C.V. Seguros de		Arus S.A.	-	[292]	-	2.41
Suramericana S.A. S.A. S.A. S.A. S.A. S.A. S.A. S.A. Seguros de Riesgos Laborales Suramericana S.A. Operaciones Generales Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Vida SURA Mexico Afore Sura S.A. de C.V. Asesores Sura S.A. de C.V. Seguros de Vida SURA Mexico S.A. de C.V. Promotora Sura AM S.A. de C.V. Seguros de Vida SURA Mexico S.A. de C.V. Seguros de Vida SURA Mexico Sura Asset Management México Sura Asset Management México			-	(6.547)	-	64.64
Seguros de Riesgos Laborales Suramericana S.A. Seguros de Vida SURA Mexico S.A. de C.V. Asesores Sura S.A. de C.V. Foguros de Vida SURA Mexico S.A. de C.V. Seguros de Vida SURA Mexico S.A. de C.V. Promotora Sura AM S.A. de C.V. Seguros de Vida SURA Mexico S.A. de C.V. Seguros de V			13	(209)	(21)	1.42
Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Vida SURA Mexico S.A. de C.V. Afore Sura S.A. de C.V. Seguros de Vida SURA Mexico S.A. de C.V. Seguros de Vida SURA Mexico S.A. de C.V. Promotora Sura AM S.A. de C.V. Seguros de Vida SURA Mexico Sura Asset Management México		Enlace Operativo S.A.	-	(1.426)	-	7.690
Suramericana S.A. Suramericana S.A. Suramericana S.A. Suramericana S.A. Seguros de Riesgos Laborales Seguros de Riesgos Laborales Suramericana S.A. Seguros de Vida SURA Mexico S.A. de C.V. Afore Sura S.A. de C.V. Seguros de Vida SURA Mexico Promotora Sura AM S.A. de C.V. Seguros de Vida SURA Mexico Sura Asset Management México Seguros de Vida SURA Mexico Sura Asset Management México			-	(43)	-	394
Suramericana S.A. S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Vida SURA Mexico S.A. de C.V. Afore Sura S.A. de C.V. Seguros de Vida SURA Mexico S.A. de C.V. Seguros de Vida SURA Mexico S.A. de C.V. Promotora Sura AM S.A. de C.V. Seguros de Vida SURA Mexico Sura Asset Management México Sura Asset Management México			-	(1)	-	2
Suramericana S.A. Suramericana S.A. Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. Seguros de Vida SURA Mexico S.A. de C.V. Afore Sura S.A. de C.V. Afore Sura S.A. de C.V. Seguros de Vida SURA Mexico S.A. de C.V. Asesores Sura S.A. de C.V. - (29) - 13 Seguros de Vida SURA Mexico S.A. de C.V. Fromotora Sura AM S.A. de C.V. Seguros de Vida SURA Mexico Sura Asset Management México			-	(19)	-	970
Suramericana S.A. Suramericana S.A (3.016) - 34.78 Seguros de Riesgos Laborales Servicios Generales Suramericana S.A (338) - 22 Seguros de Vida SURA Mexico S.A. de C.V (15) - 8 Seguros de Vida SURA Mexico Asesores Sura S.A. de C.V (29) - 13 Seguros de Vida SURA Mexico S.A. de C.V (101) - 64 Seguros de Vida SURA Mexico S.A. de C.V (101) - 64 Seguros de Vida SURA Mexico Sura Asset Management México - (7,436) -			-	-	-	195
Suramericana S.A. Suramericana S.A. - (338) - 22 Seguros de Vida SURA Mexico Afore Sura S.A. de C.V. - (15) - 8 Seguros de Vida SURA Mexico Asesores Sura S.A. de C.V. - (29) - 13 Seguros de Vida SURA Mexico Promotora Sura AM S.A. de C.V. - (101) - 64 Seguros de Vida SURA Mexico Sura Asset Management México - (7 436) (7 436)			-	(3.016)	-	34.78
Seguros de Vida SURA Mexico Sura Asset Management México			-	(338)	-	228
S.A. de C.V. (Asesores Sura S.A. de C.V (27) - 13 Seguros de Vida SURA Mexico S.A. de C.V (101) - 64 Seguros de Vida SURA Mexico Sura Asset Management México - (7 / / / / / / / / / / / / / / / / / /		Afore Sura S.A. de C.V.	-	(15)	-	8'
5.A. de C.V (101) - 64 Seguros de Vida SURA Mexico Sura Asset Management México - (7.436) -		Asesores Sura S.A. de C.V.	-	(29)	-	131
		Promotora Sura AM S.A. de C.V.	-	(101)	-	644
			-	(7.436)	-	

GRUPO SURA

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FROM	то	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Seguros de Vida SURA Mexico 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
Seguros Generales Suramericana S.A.	Aseguradora Suiza Salvadoreña S.A. Asesuisa	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)	-

FROM	ТО	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENS
Seguros Generales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	703	-	(1.118)	11
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.	-	-	-	7
Seguros Generales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	151	[7.690]	[669]	76.60
Seguros Generales Suramericana S.A.	Protección Garantizada LTDA	-	-	-	4.55
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)	3.33
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)	87
Seguros Generales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	8	(12)	(508)	679
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)	-	39
Seguros Sura S.A. (formerly Invita)	AFP Integra S.A.	40	-	(278)	3
Seguros Sura S.A. (formerly Invita)	Fondos Sura SAF S.A.C.	-	-	(80)	
Seguros Sura S.A. (formerly Invita)	Hipotecaria Sura Empresa Administradora Hipotecaria S.A.	409	-	(51)	1.10
Seguros Sura S.A. (formerly Invita)	Sociedad Agente de Bolsa S.A.	-	-	[62]	
Seguros Sura S.A. (formerly Invita)	Sura Asset Management S.A.	-	(23)	-	20
Seguros Sura S.A. (formerly Invita)	Sura Chile S.A.	-	(548)	(13)	83
Seguros Suramericana Panamá S.A.	Seguros Generales Suramericana S.A.	-	(9.389)	[879]	8.23
Seguros Suramericana Panamá S.A.	Servicios Generales Suramericana S.A. (Panamá)	183	(7)	-	
Servicios de Salud IPS	Arus S.A.		(76)	[41]	97

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FROM	ТО	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
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	-	-	-
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

FROM	ТО	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
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 (formerly RSA Seguros Chile S.A.)	-	(15)	-	
Sociedad Agente de Bolsa S.A.	Seguros Sura S.A. (formerly Invita)	-	-	-	62
Sura Art Corporation S.A. de C.V.	Afore Sura S.A. de C.V.	-	(7)	-	4,
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]	-	4.
Sura Asset Management México S.A. de C.V.	Seguros de Vida SURA Mexico S.A. de C.V.	7.436	-	-	
SURA Asset Management Perú S.A.	AFP Integra S.A.	-	-	-	6
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.	-	-	-	
Sura Asset Management S.A.	Seguros de Vida Suramericana S.A.	-	-	-	8
Sura Asset Management S.A.	Seguros Generales Suramericana S.A.	1.033	-	-	1.77
Sura Asset Management S.A.	Seguros Sura S.A. (formerly Invita)	23	-	[19]	(186
Sura Asset Management S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	1
Sura Asset Management S.A.	Servicios Generales Suramericana S.A.	-	(69)	-	27
Sura Asset Management S.A.	Sura Chile S.A.	-	[1.889]	-	3.15
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)	8.92
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)	3
Sura Chile S.A.	AFP Integra S.A.	1.338	-	(2.004)	

GRUPO SURA

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Sura Chile S.A. Seguros de Vida Sura S.A. Seguros Sura S.A. (formerly Invita) Sura Chile S.A. Sura Asset Management S.A. Sura Data Chile S.A. Sura Data Chile S.A. AFP Capital S.A. Sura Data Chile S.A. Seguros de Vida Sura S.A. Sura Data Chile S.A. Seguros de Vida Sura S.A. Sura Investment Management Colombia S.A.S Sura Investment Management	(3.071) - (5.546) 195 (819) - (3.229) 20 (339) - (3.681) - (363) - (1.877) 4
Sura Chile S.A. Seguros Sura S.A. (formerly Invita) Sura Chile S.A. Sura Asset Management S.A. Sura Data Chile S.A. Sura Data Chile S.A. Administradora General de Fondos Sura S.A. Sura Data Chile S.A. AFP Capital S.A. Sura Data Chile S.A. Corredores de Bolsa Sura S.A. Sura Data Chile S.A. Seguros de Vida Sura S.A. Sura Investment Management Colombia S.A.S Sura Investment Management S.A. Afore Sura S.A. de C.V. Sura Investment Management S.A. de C.V.	(819) - (3.229) 20 (339) - (3.681) - (363) - (1.877) 4 - 3
Sura Chile S.A. Sura Asset Management S.A. Sura Data Chile S.A. Sura Data Chile S.A. Sura Data Chile S.A. Administradora General de Fondos Sura S.A. Sura Data Chile S.A. AFP Capital S.A. Sura Data Chile S.A. Corredores de Bolsa Sura S.A. Sura Data Chile S.A. Seguros de Vida Sura S.A. Sura Investment Management Colombia S.A.S Sura Investment Management S.A. Sura Investment Management S.A. Afore Sura S.A. de C.V. Sura Investment Management S.A. de C.V.	(3.229) 20 (339) - (3.681) - (363) - (1.877) 4
Sura Data Chile S.A. Administradora General de Fondos Sura S.A. Sura Data Chile S.A. AFP Capital S.A. Corredores de Bolsa Sura S.A. Sura Data Chile S.A. Seguros de Vida Sura S.A. Sura Investment Management Colombia S.A.S Sura Investment Management S.A. de C.V.	(339) - (3.681) - (363) - (1.877) 4
Sura Data Chile S.A. Fondos Sura S.A. Fondos Sura S.A. Sura Data Chile S.A. AFP Capital S.A. Corredores de Bolsa Sura S.A. Sura Data Chile S.A. Seguros de Vida Sura S.A. Sura Investment Management Colombia S.A.S Sura Asset Management S.A. Sura Investment Management S.A. de C.V. Sura Investment Management Sura S.A. de C.V. Sura Investment Management Sura S.A. de C.V. Sura Investment Management	(3.681) - (363) - (1.877) 4
Sura Data Chile S.A. Corredores de Bolsa Sura S.A (1) Sura Data Chile S.A. Seguros de Vida Sura S.A (1) Sura Investment Management Colombia S.A.S Sura Asset Management S.A (71) Sura Investment Management S.A. de C.V. 284 (905) (1) Sura Investment Management S.A. de C.V (1) Sura Investment Management S.A. de C.V (1) Sura Investment Management S.A. de C.V (1) Sura Investment Management Pageigner Sura S.A. de C.V. 77	[363] - [1.877] 4 - 3
Sura Data Chile S.A. Seguros de Vida Sura S.A [1] Sura Investment Management Colombia S.A.S Sura Asset Management S.A [71] Sura Investment Management S.A. de C.V. 284 [905] [1] Sura Investment Management S.A. de C.V [1.477] Sura Investment Management S.A. de C.V [1.477]	(1.877) 4
Sura Investment Management Colombia S.A.S Sura Asset Management S.A (71) Sura Investment Management S.A. de C.V. 284 (905) (1 Sura Investment Management S.A. de C.V (1.477) Sura Investment Management S.A. de C.V (1.477)	- 3
Colombia S.A.S Sura Investment Management S.A. de C.V. Sura Investment Management Pensiones Sura S.A. de C.V. Total Investment Management Pensiones Sura S.A. de C.V. Sura Investment Management Pensiones Sura S.A. de C.V. Total Sura Investment Management Pensiones Sura S.A. de C.V. Sura Investment Management Pensiones Sura S.A. de C.V. Total Sura Investment Management Pensiones Sura S.A. de C.V. Total Sura Investment Management Pensiones Sura S.A. de C.V. Total Sura Investment Management Pensiones Sura S.A. de C.V.	
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S.A. de C.V. Sura Investment Management Page Sura S.A. de C.V. 777	(1.141) 4.062
	- 5.928
	[430] -
Sura Investment Management S.A. de C.V (2.164)	- 9.654
Sura Investment Management Seguros de Vida SURA Mexico S.A. de C.V. 7	[37] -
Sura S.A. AFP Capital S.A. 75 -	
Suramericana 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 5.A. 77 -	[646] -
Arus S.A. Enlace Operativo S.A. 2 -	
Arus S.A. EPS y Medicina Prepagada 878 - [8	

FROM	ТО	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
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]	-
Arus S.A.	Suramericana S.A.	2	-	(594)	-
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)	Aseguradora de Créditos y Garantías S.A.	146	-	(103)	(487)
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)	Atlantis Sociedad Inversora S.A.	-	-	(30)	-
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)	Santa María 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 (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)	-	(146)	-	589
Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.)	Chilean Holding Suramericana SPA (formerly RSA Chilean Holding SpA)	43.519	-	(1.350)	-
Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.)	Seguros de Vida Suramericana S.A (formerly RSA Seguros de Vida S.A.)	240	-	(883)	-
Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.)	Servicios y Ventas Compañía Limitada	15	-	-	-
Chilean Holding Suramericana SPA (formerly RSA Chilean Holding SpA)	Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.)	-	(43.520)	-	1.349
Seguros de Vida Suramericana S.A (formerly RSA Seguros de Vida S.A.)	Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.)	-	(240)	-	883
Protección Garantizada LTDA	Seguros Generales Suramericana S.A.	-	-	(4.557)	-
Santa María del Sol S.A.	Seguros Sura S.A (formerly 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 (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)	-	-	-	30
		2,783,334	(2,783,334)	(898.449)	898.449

		ACCOUNTS	ACCOUNTS		
FROM	Т0	RECEIVABLE	PAYABLE	INCOME	EXPENSE
Afore Sura S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(1.225)	-	6.934
Afore Sura S.A. de C.V.	Pensiones Sura S.A. de C.V.	179	-	[1.696]	-
Afore Sura S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	(805)	-	8.428
Afore Sura S.A. de C.V.	Seguros de Vida Sura México S.A. de C.V.	204	-	[167]	-
Afore Sura S.A. de C.V.	Sura Art Corporation S.A. de C.V. (Sura Art)	92	(561)	(83)	461
Afore Sura S.A. de C.V.	Sura Asset Management México S.A. de C.V.	94	-	(85)	-
Afore Sura S.A. de C.V.	Sura Chile S.A.	-	(1.627)	-	6.798
Afore Sura S.A. de C.V.	Sura Investment Management S.A. de C.V.	578	[169]	(6.875)	1.610
AFP Capital S.A.	Administradora General de Fondos Sura S.A.	-	-	[8]	[6]
AFP Capital S.A.	Corredores de Bolsa Sura S.A.	-	-	(120)	3.845
AFP Capital S.A.	SEGUROS DE VIDA SURA S.A.	-	[66]	[411]	5.899
AFP Capital S.A.	SURA DATA CHILE S.A.	-	-	-	6.443
AFP Capital S.A.	Sura Chile S.A.	-	-	(30)	16.491
AFP Integra S.A.	Fondos Sura SAF S.A.C.	25	-	(218)	-
AFP Integra S.A.	Hipotecaria Sura Eah	1.851	-	(13)	-
AFP Integra S.A.	Promotora Sura AM S.A. de C.V.	-	(38)	-	36
AFP Integra S.A.	Seguros Sura S.A.	4	-	(672)	514
AFP Integra S.A.	SURA Asset Management Perú S.A.	4.767	-	[64]	-
AFP Integra S.A.	Sura Asset Management S.A. (Sura-AM Colombia)	-	(761)	-	71
AFP Integra S.A.	Sura Chile S.A.	-	(524)	-	2.323
Aseguradora Suiza Salvadoreña S.A. Asesuisa	Asesuisa Vida, S.A. Seguros de Personas	717	(52)	(3.012)	-
Aseguradora Suiza Salvadoreña S.A. Asesuisa	Seguros Generales Suramericana S.A.	-	-	-	56
Asesuisa Vida, S.A. Seguros de Personas	Aseguradora Suiza Salvadoreña S.A. Asesuisa	52	(717)	-	3.012
Asesuisa Vida, S.A. Seguros de Personas	Seguros de Vida Suramericana S.A.	615	-	(6.818)	6.545
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Arus S.A.	-	(7)	-	132
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Diagnóstico y Asistencia Médica S.A.	-	-	(2)	2

FROM	ТО	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Consultoría en Gestión de Riesgos Suramericana S.A.S.	EPS y Medicina Prepagada Suramericana S.A.	6	-	(17)	15
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Operaciones Generales Suramericana S.A.S.	30	-	(28)	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	3.702	-	(48.650)	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	-	-	(1.000)	405
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros Generales Suramericana S.A.	556	-	(2.397)	28
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	-	-	-	84
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios Generales Suramericana S.A.	-	(643)	-	51
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Suramericana S.A.	13	-	(204)	-
Corredores de Bolsa Sura S.A.	Administradora General de Fondos Sura S.A.	-	-	(9.895)	68
Corredores de Bolsa Sura S.A.	AFP Capital S.A.	-	-	(3.862)	137
Corredores de Bolsa Sura S.A.	SEGUROS DE VIDA SURA S.A.	-	(6)	(779)	3.021
Corredores de Bolsa Sura S.A.	SURA DATA CHILE S.A.	-	-	-	536
Corredores de Bolsa Sura S.A.	Sura Chile S.A.	-	-	-	2.21
Diagnóstico y Asistencia Médica S.A.	Arus S.A.	-	(52)	-	483
Diagnóstico y Asistencia Médica S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	-	(2)	2
Diagnóstico y Asistencia Médica S.A.	EPS y Medicina Prepagada Suramericana S.A.	806	-	(37.286)	846
Diagnóstico y Asistencia Médica S.A.	Seguros de Riesgos Laborales Suramericana S.A.	98	-	[1.148]	20
Diagnóstico y Asistencia Médica S.A.	Seguros de Vida Suramericana S.A.	1.263	(6)	(14.796)	1.385
Diagnóstico y Asistencia Médica S.A.	Seguros Generales Suramericana S.A.	-	-	[1]	688
Diagnóstico y Asistencia Médica S.A.	Servicios de Salud IPS Suramericana S.A.	2.587	(6)	(28.229)	386
Diagnóstico y Asistencia Médica S.A.	Servicios Generales Suramericana S.A.	-	[144]	-	
Enlace Operativo S.A.	EPS y Medicina Prepagada Suramericana S.A.	302	-	[3.141]	1
Enlace Operativo S.A.	Seguros de Riesgos Laborales Suramericana S.A.	552	-	(5.384)	-
Enlace Operativo S.A.	Seguros de Vida Suramericana S.A.	-	-	-	32
Enlace Operativo S.A.	Seguros Generales Suramericana S.A.	-	-	-	3

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PS y Medicina Prepagada Arus S.A. Ar	FROM	ТО	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Suramericana S.A. Consultoria en Gestión de Consultoria en Gestión de Consultoria en Capital de Consultoria en Capital en Consultoria en Consultaria en Consultoria en Consultaria en Consultaria en Consultaria en Consultaria en Consultaria en Consultaria en	Enlace Operativo S.A.		-	-	-	2
Suramericana S.A. Riesgos Suramericana S.A.S. - (b) (15) 17 EPS y Medicina Prepagada Suramericana S.A. Diagnóstico y Asistencia Médica S.A. - (806) (2.798) 39.238 EPS y Medicina Prepagada Suramericana S.A. Enlace Operativo S.A. - (302) (11) 3.141 EPS y Medicina Prepagada Suramericana S.A. Operaciones Generales Suramericana S.A. - - (21) - EPS y Medicina Prepagada Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. - (161) (1101) (101) EPS y Medicina Prepagada Suramericana S.A. Seguros Generales Suramericana S.A. - (171) (401) 227 EPS y Medicina Prepagada Suramericana S.A. Servicios de Salud IPS Suramericana S.A. 733 (8.073) (1.055) 204.355 EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (171) - - EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11) - - EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11)	EPS y Medicina Prepagada Suramericana S.A.	Arus S.A.	-	(816)	-	7.063
Suramericana S.A. S.A. - (890) (2.778) 37.238	EPS y Medicina Prepagada Suramericana S.A.		-	(6)	(15)	17
Suramericana S.A. Effice Operativo S.A. - 1302/1 (1) 3.141 EPS y Medicina Prepagada Suramericana S.A. Operaciones Generales Suramericana S.A. - 2 (2) - 2 EPS y Medicina Prepagada Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. - (61) (101) [10] EPS y Medicina Prepagada Suramericana S.A. Seguros de Vida Suramericana S.A. - (191) [167] 1.158 EPS y Medicina Prepagada Suramericana S.A. Seguros Generales Suramericana S.A. - (27) (40) 227 EPS y Medicina Prepagada Suramericana S.A. Servicios de Salud IPS Suramericana S.A. 733 (8.073) (1.055) 204.355 EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. Suramericana S.A. - (236) EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. Suramericana S.A. - (11) EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. Suramericana S.A. - (11) EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. Suramericana S.A. - (11) - (21) </td <td>EPS y Medicina Prepagada Suramericana S.A.</td> <td></td> <td>-</td> <td>(806)</td> <td>(2.798)</td> <td>39.238</td>	EPS y Medicina Prepagada Suramericana S.A.		-	(806)	(2.798)	39.238
Suramericana S.A. Suramericana S.A.S.	, , ,	Enlace Operativo S.A.	-	(302)	[1]	3.141
Suramericana S.A. Suramericana S.A. - (61) (101) (101) EPS y Medicina Prepagada Suramericana S.A. Seguros de Vida Suramericana S.A. - (191) (167) 1.158 EPS y Medicina Prepagada Suramericana S.A. Seguros Generales Suramericana S.A. - (27) (40) 227 EPS y Medicina Prepagada Suramericana S.A. Servicios de Salud IPS Suramericana S.A. 733 (8.073) (1.055) 204.355 EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (236) - EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11) - EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11) - EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11) - EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11) - EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11) - - EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11) - (11)		•	-	-	[2]	-
Suramericana S.A. S.A. - (191) (167) (168) 1.158 EPS y Medicina Prepagada Suramericana S.A. - (27) (40) 227 227 EPS y Medicina Prepagada Suramericana S.A. - (27) (40) 227 227 EPS y Medicina Prepagada Suramericana S.A. Servicios de Salud IPS Suramericana S.A. - (236) (236) (236) EPS y Medicina Prepagada Suramericana S.A. Servicios Generales Suramericana S.A. - (11) (236) (236) EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11) (236) (236) EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11) (236) - (236) EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11) (236) - (236) EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (25) (218) - (218) Fondos Sura SAF S.A.C. AFP Integra S.A. - (11) (25) - (218) Fondos Sura SAF S.A.C. Seguros Sura Asset Management S.A. (112) - (10) - (10) Grupo de Inversiones Suramericana S.A. Grupo Sura Finance S.A. 8 (922.919) - (246.922) - (46.922) Grupo de Inversiones	, , ,		-	(61)	(101)	[10]
Suramericana S.A. Suramericana S.A. Suramericana S.A. 227 EPS y Medicina Prepagada Suramericana S.A. Servicios de Salud IPS Suramericana S.A. 733 (8.073) (1.055) 204.355 EPS y Medicina Prepagada Suramericana S.A. Servicios Generales Suramericana S.A. - (236) - - EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11) - - EPS y Medicina Prepagada Suramericana S.A. Suramericana S.A. - (11) - - Fondos Sura SAF S.A.C. AFP Integra S.A. - (25) - 218 Fondos Sura SAF S.A.C. Seguros Sura S.A. - (112) - 73 Fondos Sura SAF S.A.C. Sura Asset Management S.A. - (112) - 10 Grupo de Inversiones Sura AM Colombial - (112) - 10 Grupo de Inversiones Planeco Panamá S.A. 655 - - - Grupo de Inversiones Inversiones y Construcciones - (26.997) - 205	, , ,	9	-	(191)	[167]	1.158
Suramericana S.A. Fondos Sura SAF S.A.C. AFP Integra S.A. Fondos Sura SAF S.A.C. Seguros Sura S.A. Fondos Sura SAF S.A.C. Seguros Sura S.A. Sura Asset Management S.A. Sura Asset Management S.A. Sura Asset Management S.A. Suramericana S.A. Grupo de Inversiones Suramericana Panamá S.A. Grupo Sura Finance S.A. Branco Panamá S.A. Grupo de Inversiones Suramericana Panamá S.A. Fondos Sura SAF S.A.C. Suramericana S.A. Suramericana S.A			-	(27)	(40)	227
Suramericana S.A. AFP Integra S.A. AFP Integra S.A. AFP Integra S.A. Seguros Sura S.A. Sura Asset Management S.A. Sura Asset Management S.A. Sura Asset Management S.A. Fondos Sura SAF S.A.C. Sura Asset Management S.A. Sura Asset Management S.A. Fondos Sura SAF S.A.C. Sura Asset Management S.A. Suramericana S.A. Grupo de Inversiones Suramericana Panamá S.A. Grupo Sura Finance S.A. Branco Panamá S.A. Fondos Sura SAF S.A.C. Suramericana S.A. Branco Panamá S.A. Planeco Panamá S.A. Branco Panamá S.A. Fondos Sura SAF S.A.C. Suramericana S.A. Suramericana S.A			733	(8.073)	(1.055)	204.355
Suramericana S.A. Suramericana S.A. Fondos Sura SAF S.A.C. AFP Integra S.A. Fondos Sura SAF S.A.C. Seguros Sura S.A. Fondos Sura SAF S.A.C. Seguros Sura S.A. Fondos Sura SAF S.A.C. Sura Asset Management S.A. Fondos Sura SAF S.A.C. Fondos Generales Suramericana S.A. Fondos Generales Suramericana S.A. Fondos Generales Suramericana S.A. Suramericana S.A. Suramericana S.A. Suramericana S.A. Seguros Generales Suramericana S.A. Suramericana	EPS y Medicina Prepagada Suramericana S.A.		-	(236)	-	-
Fondos Sura SAF S.A.C. Seguros Sura S.A 73 Fondos Sura SAF S.A.C. Sura Asset Management S.A. (Sura-AM Colombia) - 110 Grupo de Inversiones Sura Banamá S.A. Grupo Sura Finance S.A. 8 (922.919) - 46.922 Grupo de Inversiones Suramericana Panamá S.A. Planeco Panamá S.A. 655	EPS y Medicina Prepagada Suramericana S.A.	Suramericana S.A.	-	[1]	-	-
Fondos Sura SAF S.A.C. Sura Asset Management S.A. [Sura-AM Colombia] Grupo de Inversiones Suramericana Panamá S.A. Grupo Sura Finance S.A. Braneco Panamá S.A. Planeco Panamá S.A. Grupo de Inversiones Suramericana Panamá S.A. Planeco Panamá S.A. Planeco Panamá S.A. Grupo de Inversiones Suramericana S.A. Grupo de Inversiones Seguros de Vida Suramericana S.A. Grupo de Inversiones Seguros Generales Suramericana S.A. Grupo de Inversiones Servicios de Salud IPS Suramericana S.A. Grupo de Inversiones Servicios Generales Suramericana S.A. Grupo de Inversiones Suramericana S.A.	Fondos Sura SAF S.A.C.	AFP Integra S.A.	-	(25)	-	218
Grupo de Inversiones Suramericana Panamá S.A. Planeco Panamá S.A. Suramericana S.A.	Fondos Sura SAF S.A.C.	Seguros Sura S.A.	-	-	-	73
Suramericana Panamá S.A. Grupo de Inversiones Suramericana Panamá S.A. Planeco Panamá S.A. Planeco Panamá S.A. Grupo de Inversiones Suramericana S.A. Estratégicas S.A.S. Grupo de Inversiones Suramericana S.A. Grupo de Inversiones Suramericana S.A. Grupo de Inversiones Suramericana S.A. Grupo de Inversiones Seguros de Vida Suramericana Suramericana S.A. Grupo de Inversiones Seguros Generales Suramericana S.A. Grupo de Inversiones Servicios de Salud IPS Suramericana S.A. Grupo de Inversiones Servicios Generales Suramericana S.A. Grupo de Inversiones	Fondos Sura SAF S.A.C.		-	[112]	-	10
Suramericana Panamá S.A. Grupo de Inversiones Suramericana S.A. Grupo de Inversiones Seguros de Vida Suramericana Suramericana S.A. Grupo de Inversiones Seguros Generales Suramericana S.A. Grupo de Inversiones Seguros Generales Suramericana S.A. Grupo de Inversiones Seguros Generales Suramericana S.A. Grupo de Inversiones Servicios de Salud IPS Suramericana S.A. Grupo de Inversiones Servicios Generales Suramericana S.A. Grupo de Inversiones Servicios Generales Suramericana S.A. Grupo de Inversiones Servicios Generales Suramericana S.A. Grupo de Inversiones	Grupo de Inversiones Suramericana Panamá S.A.	Grupo Sura Finance S.A.	8	[922.919]	-	46.922
Suramericana S.A. Estratégicas S.A.S.	Grupo de Inversiones Suramericana Panamá S.A.	Planeco Panamá S.A.	655	-	-	-
Suramericana S.A. Suramericana S.A.S. Grupo de Inversiones Seguros de Vida Suramericana S.A. S.A. Grupo de Inversiones Seguros Generales Suramericana S.A. Suramericana S.A. Grupo de Inversiones Servicios de Salud IPS Suramericana S.A. Grupo de Inversiones Servicios Generales Suramericana S.A. Grupo de Inversiones Servicios Generales Suramericana S.A. Grupo de Inversiones Suramericana S.A. Suramericana S.A. Grupo de Inversiones Suramericana S.A. Suramericana S.A. Grupo de Inversiones Suramericana S.A. Grupo de Inversiones Suramericana S.A. Grupo de Inversiones	•		-	(26.997)	-	205
Suramericana S.A. S.A. Grupo de Inversiones Suramericana S.A.	•		-	-	-	12
Suramericana S.A. Grupo de Inversiones Suramericana S.A. Suramericana S.A. Suramericana S.A. Suramericana S.A. Suramericana S.A. Grupo de Inversiones Suramericana S.A. Suramericana S.A. Suramericana S.A. Suramericana S.A. Suramericana S.A. Grupo de Inversiones Suramericana S.A.	•	9	-	-	-	69
Suramericana S.A. Suramericana S.A. Grupo de Inversiones Suramericana S.A.	•		-	-	-	284
Suramericana S.A. Suramericana S.A 36 Grupo de Inversiones Suramericana S.A (75)	•		-	-	-	22
	•		-	-	-	36
		Suramericana S.A.	-	-	(75)	-

FROM	то	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Grupo Sura Finance S.A.	Grupo de Inversiones Suramericana Panamá S.A.	922.919	(8)	[46.922]	-
Habitat Adulto Mayor S,A,	Seguros Generales Suramericana S.A.	-	-	-	37
Habitat Adulto Mayor S,A,	Servicios de Salud IPS Suramericana S.A.	-	-	-	3
Inversiones y Construcciones Estratégicas S.A.S.	Grupo de Inversiones Suramericana S.A.	26.997	-	(205)	-
Inversiones y Construcciones Estratégicas S.A.S	Seguros de Vida Suramericana S.A.	-	-	-	5
Inversiones y Construcciones Estratégicas S.A.S.	Seguros Generales Suramericana S.A.	-	-	(74)	-
Inversura Panamá Internacional S.A.	Seguros Sura S.A.	-	-	(54)	-
Operaciones Generales Suramericana S.A.S.	Arus S.A.	-	(6)	-	8
Operaciones Generales Suramericana S.A.S.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(30)	-	28
Operaciones Generales Suramericana S.A.S.	EPS y Medicina Prepagada Suramericana S.A.	-	-	-	2
Operaciones Generales Suramericana S.A.S.	Grupo de Inversiones Suramericana S.A.	-	-	[12]	-
Operaciones Generales Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	2	-	(13)	-
Operaciones Generales Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	142	-	(782)	125
Operaciones Generales Suramericana S.A.S.	Seguros Generales Suramericana S.A.	7.372	-	(65.300)	508
Operaciones Generales Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	2	(3)	(24)	20
Operaciones Generales Suramericana S.A.S.	Servicios Generales Suramericana S.A.	-	(70.668)	-	3.162
Operaciones Generales Suramericana S.A.S.	Sura Asset Management S.A.	-	-	(22)	-
Pensiones Sura S.A. de C.V.	Afore Sura S.A. de C.V.	-	(179)	-	1.696
Pensiones Sura S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(398)	-	2.490
Pensiones Sura S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	(31)	-	220
Pensiones Sura S.A. de C.V.	Sura Investment Management S.A. de C.V.	-	(85)	-	842
Planeco Panamá S.A.	Grupo de Inversiones Suramericana Panamá S.A.	-	(655)	-	-
Promotora Sura AM S.A. de C.V.	Afap Sura Sa.	62	-	(59)	-
Promotora Sura AM S.A. de C.V.	Afore Sura S.A. de C.V.	805	-	(8.428)	-
Promotora Sura AM S.A. de C.V.	AFP Integra S.A.	39	-	(37)	1

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FROM	ТО	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Promotora Sura AM S.A. de C.V.	Pensiones Sura S.A. de C.V.	31	-	(220)	-
Promotora Sura AM S.A. de C.V.	Seguros de Vida Sura México S.A. de C.V.	486	-	[1.425]	-
Promotora Sura AM S.A. de C.V.	Seguros Sura S.A.	126	-	[120]	-
Promotora Sura AM S.A. de C.V.	Sura Investment Management S.A. de C.V.	2.789	-	(18.465)	-
Seguros de Riesgos Laborales Suramericana S.A.	Arus S.A.	-	(356)	-	1.928
Seguros de Riesgos Laborales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(3.702)	-	48.650
Seguros de Riesgos Laborales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	-	(98)	(20)	1.148
Seguros de Riesgos Laborales Suramericana S.A.	Enlace Operativo S.A.	-	(552)	-	5.384
Seguros de Riesgos Laborales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	61	-	-	111
Seguros de Riesgos Laborales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	(2)	-	13
Seguros de Riesgos Laborales Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	(39)	-	906
Seguros de Riesgos Laborales Suramericana S.A.	Seguros Generales Suramericana S.A.	-	[11]	-	128
Seguros de Riesgos Laborales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	3	(2.458)	-	28.507
Seguros de Riesgos Laborales Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(310)	-	-
Seguros de Vida Suramericana S.A.	Arus S.A.	-	(56)	[27]	127
Seguros de Vida Suramericana S.A.	Asesuisa Vida, S.A. Seguros de Personas	-	(615)	(7.404)	7.678
Seguros de Vida Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	-	(405)	1.000
Seguros de Vida Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	6	(1.263)	(1.106)	14.516
Seguros de Vida Suramericana S.A.	Enlace Operativo S.A.	-	-	[32]	-
Seguros de Vida Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	191	-	(1.158)	167
Seguros de Vida Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	[69]	-
Seguros de Vida Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S	-	-	(5)	-
Seguros de Vida Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	[142]	(125)	782
Seguros de Vida Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	39	-	(906)	-

FROM	то	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Seguros de Vida Suramericana S.A.	Seguros Generales Suramericana S.A.	356	(10.151)	(3.332)	7.815
Seguros de Vida Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	4	(2.382)	(3.171)	31.560
Seguros de Vida Suramericana S.A.	Servicios Generales Suramericana S.A.	-	-	(308)	150
Seguros de Vida Suramericana S.A.	Sura Asset Management S.A.	8	-	[71]	-
Seguros de Vida Suramericana S.A.	Suramericana S.A.	-	[11]	[63]	-
Seguros Generales Suramericana S.A.	Arus S.A.	-	(293)	(120)	7.298
Seguros Generales Suramericana S.A.	Aseguradora Suiza Salvadoreña S.A. Asesuisa	-	-	(56)	-
Seguros Generales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(556)	(28)	2.397
Seguros Generales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	-	-	(688)	1
Seguros Generales Suramericana S.A.	Enlace Operativo S.A.	-	-	(3)	-
Seguros Generales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	27	-	(227)	40
Seguros Generales Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	(284)	-
Seguros Generales Suramericana S.A.	Habitat Adulto Mayor S,A,	-	-	[37]	-
Seguros Generales Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	-	-	74
Seguros Generales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	(7.372)	(508)	65.300
Seguros Generales Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	11	-	(128)	-
Seguros Generales Suramericana S.A.	Seguros de Vida Suramericana S.A.	10.151	(356)	(7.815)	3.332
Seguros Generales Suramericana S.A.	Seguros Sura S.A.	-	-	(39)	-
Seguros Generales Suramericana S.A.	Seguros Suramericana Panamá S.A.	26.530	-	(25.387)	1.107
Seguros Generales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	8	(8)	(363)	434
Seguros Generales Suramericana S.A.	Servicios Generales Suramericana S.A.	-	[4]	(1.851)	-
Seguros Generales Suramericana S.A.	Sura Asset Management S.A.	-	-	(1.325)	-
Seguros Generales Suramericana S.A.	Suramericana S.A.	1	-	(73)	-

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Seguros Sura S.A. Fondos Sura SAF S.A.C (71) [3] Seguros Sura S.A. Hipotecaria Sura Eah - [19] [114] 1.292 Seguros Sura S.A. Inversura Panamá Internacional S.A. Seguros Sura S.A. Promotora Sura AM S.A. de C.V [124] - 119 Seguros Sura S.A. Seguros Sura S.A. Seguros Generales Suramericana S.A. Seguros Sura S.A. Sociedad agente de valores SAB [4] Seguros Sura S.A. Seguros Sura S.A. Sura Asset Management S.A. Seguros Sura S.A. Seguros Suramericana Panamá Servicios Generales Suramericana S.A. Seguros Suramericana Panamá Servicios Generales	FROM	ТО	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Seguros Sura S.A. Hipotecaria Sura Eah - (19) (114) 1.292 Seguros Sura S.A. Inversura Panamá Internacional S.A. - - - - 54 Seguros Sura S.A. Promotora Sura AM S.A. de C.V. - (124) - 1179 Seguros Sura S.A. Seguros Generales Suramericana S.A. -	Seguros Sura S.A.	AFP Integra S.A.	-	[4]	(513)	671
Inversura Panamá Internacional S.A. Seguros Sura S.A. Promotora Sura AM S.A. de C.V. [124] - 1179	Seguros Sura S.A.	Fondos Sura SAF S.A.C.	-	-	(71)	(3)
Seguros Sura S.A. S.A. - - - 54 Seguros Sura S.A. Promotora Sura AM S.A. de C.V. - (124) - 117 Seguros Sura S.A. Seguros Sura S.A. Sociedad agente de valores SAB - - - (4) Seguros Sura S.A. Sura AM Colombial - (467) (21) 42 Seguros Sura S.A. Sura Chile S.A. - (26,530) (1,107) 25,387 Seguros Suramericana Panamá Seguros Generales - (26,530) (1,107) 25,387 Seguros Suramericana Panamá Servicios Generales - (26,530) (1,107) 25,387 Seguros Suramericana Panamá Suramericana S.A. - (14) (29) 539 Servicios de Satud IPS Arus S.A. - (14) (29) 539 Servicios de Satud IPS Consultoría en Gestión de Riesgos Suramericana S.A. - (14) (29) 539 Servicios de Satud IPS Diagnóstico y Asistencia Médica - (2,587) (385) 28,227 </td <td>Seguros Sura S.A.</td> <td>Hipotecaria Sura Eah</td> <td>-</td> <td>[19]</td> <td>[114]</td> <td>1.292</td>	Seguros Sura S.A.	Hipotecaria Sura Eah	-	[19]	[114]	1.292
Seguros Sura S.A. Seguros Generales Suramericana S.A. - - - - 39 Seguros Sura S.A. Sociedad agente de valores SAB -	Seguros Sura S.A.		-	-	-	54
Seguros Sura S.A. Suramericana S.A. -	Seguros Sura S.A.	Promotora Sura AM S.A. de C.V.	-	[124]	-	119
Seguros Sura S.A. Sura Asset Management S.A. (Sura-AM Colombia) - (467) (21) 42 Seguros Sura S.A. Sura Chile S.A. - (214) - 939 Seguros Suramericana Panamá S.A. Seguros Generales Suramericana S.A. - (26,530) (1.107) 25.387 Seguros Suramericana Panamá S.A. Servicios Generales Suramericana S.A. (Panamá) 188 (31) - - Servicios de Salud IPS Suramericana S.A. Arus S.A. - (14) (29) 539 Servicios de Salud IPS Suramericana S.A. Consultoría en Gestión de Riesgos Suramericana S.A. - - (84) - Servicios de Salud IPS Suramericana S.A. Diagnóstico y Asistencia Médica S.A. 6 (2.587) (385) 28.227 Servicios de Salud IPS Suramericana S.A. Enlace Operativo S.A. - - (2) - Servicios de Salud IPS Suramericana S.A. Suramericana S.A. Suramericana S.A. (204,355) 1.055 Servicios de Salud IPS Suramericana S.A. Suramericana S.A. (22) - Servicios de Salud IPS Suramericana S.A. <td>Seguros Sura S.A.</td> <td>3</td> <td>-</td> <td>-</td> <td>-</td> <td>39</td>	Seguros Sura S.A.	3	-	-	-	39
Seguros Sura S.A. Sura Chile S.A. - (467) (21) 42	Seguros Sura S.A.	Sociedad agente de valores SAB	-	-	-	[4]
Seguros Suramericana Panamá Seguros Generales Suramericana S.A. - [26,530] [1,107] 25,387 Seguros Suramericana Panamá Servicios Generales Suramericana S.A. 188 [31] - - Servicios de Salud IPS Suramericana S.A. Arus S.A. - [14] [29] 539 Servicios de Salud IPS Suramericana S.A. Consultoría en Gestión de Riesgos Suramericana S.A. - - - [84] - Servicios de Salud IPS Suramericana S.A. Diagnóstico y Asistencia Médica S.A. 6 [2,587] [385] 28,227 Servicios de Salud IPS Suramericana S.A. Enlace Operativo S.A. - - - [2] - Servicios de Salud IPS Suramericana S.A. EPS y Medicina Prepagada Suramericana S.A. 8,073 [733] [204,355] 1,055 Servicios de Salud IPS Suramericana S.A. Grupo de Inversiones Suramericana S.A. - - [22] - Servicios de Salud IPS Suramericana S.A. Suramericana S.A. - - [22] - Servicios de Salud IPS Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A.	Seguros Sura S.A.		-	(467)	[21]	42
SA. Suramericana S.A. - (12.830) (11.107) 29.387 Seguros Suramericana Panamá Servicios Generales 188 (31) - - S.A. Servicios de Salud IPS Arus S.A. - (14) (29) 539 Servicios de Salud IPS Consultoría en Gestión de Riesgos Suramericana S.A. - - - (84) - Servicios de Salud IPS Diagnóstico y Asistencia Médica Suramericana S.A. 6 (2.587) (385) 28.227 Servicios de Salud IPS Suramericana S.A. Enlace Operativo S.A. - - - (2) - Servicios de Salud IPS Suramericana S.A. EPS y Medicina Prepagada Suramericana S.A. 8.073 (733) (204.355) 1.055 Servicios de Salud IPS Suramericana S.A. Grupo de Inversiones Suramericana S.A. - - (22) - Servicios de Salud IPS Suramericana S.A. Habitat Adulto Mayor S.A. - - (3) - Servicios de Salud IPS Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. 2.458 (3) (28.507)	Seguros Sura S.A.	Sura Chile S.A.	-	(214)	-	939
S.A. Suramericana S.A. (Panamá) 188 (31)	Seguros Suramericana Panamá S.A.		-	(26.530)	(1.107)	25.387
Suramericana S.A. Arus S.A. Consultoría en Gestión de Riesgos Suramericana S.A.S. Servicios de Salud IPS Suramericana S.A. Suramericana S.A. Servicios de Salud IPS Suramericana S.A.	Seguros Suramericana Panamá S.A.		188	(31)	-	-
Suramericana S.A. Riesgos Suramericana S.A.S. Servicios de Salud IPS Suramericana S.A. Enlace Operativo S.A. Enlace Operativo S.A. EPS y Medicina Prepagada Suramericana S.A. Servicios de Salud IPS Suramericana S.A. Suram		Arus S.A.	-	(14)	(29)	539
Suramericana S.A. S.A. S.A. Servicios de Salud IPS Suramericana S.A. Surame			-	-	[84]	-
Enlace Operativo S.A. Enlace Operativo S.A. EPS y Medicina Prepagada Suramericana S.A. EPS y Medicina Prepagada Suramericana S.A. Servicios de Salud IPS Suramericana S.A. Servicios de Salud IPS Suramericana S.A. Servicios de Salud IPS Suramericana S.A. Habitat Adulto Mayor S.A, Francisco de Salud IPS Suramericana S.A. Servicios de Salud IPS Suramericana S.A. Surame			6	(2.587)	(385)	28.227
Suramericana S.A. Suramericana		Enlace Operativo S.A.	-	-	[2]	-
Suramericana S.A. Suramericana S.A. Suramericana S.A. Suramericana S.A. Servicios de Salud IPS Suramericana S.A.		, , , , , ,	8.073	(733)	(204.355)	1.055
Suramericana S.A. Habitat Adulto Mayor S,A, Servicios de Salud IPS Suramericana S.A. Suramericana S.A. Suramericana S.A. Suramericana S.A. Servicios de Salud IPS Suramericana S.A. Seguros de Riesgos Laborales Suramericana S.A. Servicios de Salud IPS Seguros de Vida Suramericana Suramericana S.A. Servicios de Salud IPS Suramericana S.A.			-	-	(22)	-
Suramericana S.A. Suramericana S.A.S. Servicios de Salud IPS Suramericana S.A.		Habitat Adulto Mayor S,A,	-	-	(3)	-
Suramericana S.A. Suramericana S.A. Servicios de Salud IPS		•	3	(2)	(20)	24
Suramericana S.A. S.A. Servicios de Salud IPS Suramericana S.A. Sura Asset Management S.A. Servicios de Salud IPS Suramericana S.A.			2.458	[3]	(28.507)	-
Suramericana S.A. Suramericana S.A. Suramericana S.A. Servicios de Salud IPS Suramericana S.A. Servicios de Salud IPS Suramericana S.A.		_	2.382	[4]	(31.560)	3.171
Suramericana S.A. Suramericana S.A. Suramericana S.A. Suramericana S.A (12) - Servicios de Salud IPS Suramericana S.A (13) -		9	8	(8)	(434)	363
Suramericana S.A. Suramericana S.A. Suramericana S.A. (12) (12) - (13) - (13)			3	(411)	[42]	-
Suramericana S A ISI -		Sura Asset Management S.A.	-	-	[12]	-
		Suramericana S.A.	-	-	(3)	-

FROM	ТО	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Servicios Generales Suramericana S.A.	Arus S.A.	-	[12]	-	12
Servicios Generales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	643	-	(51)	-
Servicios Generales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	144	-	-	-
Servicios Generales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	236	-	-	-
Servicios Generales Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	(36)	-
Servicios Generales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	70.668	-	(3.162)	-
Servicios Generales Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	310	-	-	-
Servicios Generales Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	-	(150)	308
Servicios Generales Suramericana S.A.	Seguros Generales Suramericana S.A.	4	-	-	1.851
Servicios Generales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	411	(3)	-	42
Servicios Generales Suramericana S.A.	Sura Asset Management S.A.	49	-	(108)	
Servicios Generales Suramericana S.A.	Suramericana S.A.	30.309	-	(220)	
Servicios Generales Suramericana S.A. (Panamá)	Seguros Suramericana Panamá S.A.	31	(188)	-	
Sura Asset Management España, S.L.	Seguros Sura S.A.	-	-	(139)	121
Sura Asset Management S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	22
Sura Asset Management S.A.	Seguros de Vida Suramericana S.A.	-	(8)	-	7
Sura Asset Management S.A.	Seguros Generales Suramericana S.A.	-	-	-	1.32
Sura Asset Management S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	12
Sura Asset Management S.A.	Servicios Generales Suramericana S.A.	-	[49]	-	108
Sura Chile S.A.	Administradora General de Fondos Sura S.A.	-	-	(1.838)	
Sura Chile S.A.	Afap Sura Sa.	56	(7)	(297)	Ę
Sura Chile S.A.	Afore Sura S.A. de C.V.	1.592	-	(6.784)	-
Sura Chile S.A.	AFP Capital S.A.	-	-	(16.503)	42
Sura Chile S.A.	AFP Integra S.A.	527	-	(2.323)	
Sura Chile S.A.	Corredores de Bolsa Sura S.A.	-	-	(2.211)	-

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FROM	ТО	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Sura Chile S.A.	SEGUROS DE VIDA SURA S.A.	-	(8)	(10.514)	311
Sura Chile S.A.	Seguros Sura S.A.	215	-	[949]	10
Sura Investment Management S.A. de C.V.	Afore Sura S.A. de C.V.	169	(578)	(1.610)	6.875
Sura Investment Management S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(1.787)	-	10.392
Sura Investment Management S.A. de C.V.	Pensiones Sura S.A. de C.V.	85	-	[842]	-
Sura Investment Management S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	(2.789)	-	18.465
Sura Investment Management S.A. de C.V.	Seguros de Vida Sura México S.A. de C.V.	7	-	(72)	-
Sura Investment Management S.A. de C.V.	Sura Art Corporation S.A. de C.V. (Sura Art)	-	(30)	-	24
Sura Investment Management S.A. de C.V.	Sura Asset Management México S.A. de C.V.	-	[141]	-	116
Suramericana S.A.	Arus S.A.	-	(33)	-	138
Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	[13]	-	204
Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	1	-	-	-
Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	-	75
Suramericana S.A.	Seguros de Vida Suramericana S.A.	11	-	-	63
Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(1)	-	73
Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	3
Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(30.309)	-	220
Administradora General de Fondos Sura S.A.	AFP Capital S.A.	-	-	-	14
Administradora General de Fondos Sura S.A.	Corredores de Bolsa Sura S.A.	-	-	[68]	9.895
Administradora General de Fondos Sura S.A.	SEGUROS DE VIDA SURA S.A.	119	(1.202)	8.121	10.226
Administradora General de Fondos Sura S.A.	SURA DATA CHILE S.A.	-	-	-	530
Administradora General de Fondos Sura S.A.	Sura Chile S.A.	-	-	-	1.838
Seguros de Vida Sura S.A.	Administradora General de Fondos Sura S.A.	1.202	[119]	[19.437]	1.090
Seguros de Vida Sura S.A.	AFP Capital S.A.	66	_	(5.319)	(170)

FROM	то	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	INCOME	EXPENSE
Seguros de Vida Sura S.A.	Corredores de Bolsa Sura S.A.	6	-	(2.954)	713
Seguros de Vida Sura S.A.	SURA DATA CHILE S.A.	22	-	(5)	3.266
Seguros de Vida Sura S.A.	Sura Chile S.A.	8	-	[249]	10.452
Sura Data Chile S.A.	Administradora General de Fondos Sura S.A.	-	-	(530)	-
Sura Data Chile S.A.	AFP Capital S.A.	-	-	(6.443)	-
Sura Data Chile S.A.	Corredores de Bolsa Sura S.A.	-	-	(536)	-
Sura Data Chile S.A.	SEGUROS DE VIDA SURA S.A.	-	[22]	(3.266)	5
AFAP Sura S.A.	Administradora De Fondos De Inversion S.A. Afisa Sura	-	-	-	222
AFAP Sura S.A.	Promotora Sura AM S.A. de C.V.	-	(62)	-	59
AFAP Sura S.A.	Sura Chile S.A.	-	[49]	-	293
Hipotecaria Sura Eah	AFP Integra S.A.	-	(1.851)	-	13
Hipotecaria Sura Eah	Seguros Sura S.A.	19	-	(1.292)	114
Asesores Sura S.A. de C.V.	Afore Sura S.A. de C.V.	1.225	-	(6.934)	-
Asesores Sura S.A. de C.V.	Pensiones Sura S.A. de C.V.	398	-	(2.490)	-
Asesores Sura S.A. de C.V.	Seguros de Vida Sura México S.A. de C.V.	-	[409]	(1.974)	-
Asesores Sura S.A. de C.V.	Sura Investment Management S.A. de C.V.	1.787	-	(10.370)	
Seguros de Vida Sura México S.A. de C.V.	Afore Sura S.A. de C.V.	-	[204]	-	167
Seguros de Vida Sura México S.A. de C.V.	Asesores Sura S.A. de C.V.	409	-	-	1.974
Seguros de Vida Sura México S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	[486]	-	1.425
Seguros de Vida Sura México S.A. de C.V.	Sura Asset Management México S.A. de C.V.	-	(25.414)	-	
Seguros de Vida Sura México S.A. de C.V.	Sura Investment Management S.A. de C.V.	-	(7)	-	72
Administradora De Fondos De Inversion S.A. Afisa Sura	Afap Sura Sa.	-	-	[222]	
SURA Asset Management Perú S.A.	AFP Integra S.A.	-	(4.767)	-	64
SURA Asset Management Perú S.A.	Sociedad agente de valores SAB	-	[16]	-	
Sura Asset Management México S.A. de C.V.	Afore Sura S.A. de C.V.	-	(94)	-	85
Sura Asset Management México S.A. de C.V.	Seguros de Vida Sura México S.A. de C.V.	25.393	-	-	
Sura Asset Management México S.A. de C.V.	Sura Investment Management S.A. de C.V.	141	-	(116)	

FROM

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Arus S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	7	-	[132]	-
Arus S.A.	Diagnóstico y Asistencia Médica S.A.	52	-	[483]	-
Arus S.A.	EPS y Medicina Prepagada Suramericana S.A.	816	-	(7.063)	-
Arus S.A.	Operaciones Generales Suramericana S.A.S.	6	-	(8)	-
Arus S.A.	Seguros de Riesgos Laborales Suramericana S.A.	356	-	(1.928)	-
Arus S.A.	Seguros de Vida Suramericana S.A.	56	-	(127)	27
Arus S.A.	Seguros Generales Suramericana S.A.	293	-	(7.298)	120
Arus S.A.	Servicios de Salud IPS Suramericana S.A.	14	-	(539)	29
Arus S.A.	Servicios Generales Suramericana S.A.	12	-	(12)	-
Arus S.A.	Suramericana S.A.	33	-	(138)	-
Sociedad agente de valores SAB	Seguros Sura S.A.	-	-	-	4
Sociedad agente de valores SAB	SURA Asset Management Perú S.A.	16	-	-	-
Sura Asset Management S.A. (Sura-AM Colombia)	AFP Integra S.A.	812	(20)	(103)	-
Sura Asset Management S.A. (Sura-AM Colombia)	Fondos Sura SAF S.A.C.	119	(8)	(70)	60
Sura Asset Management S.A. (Sura-AM Colombia)	GRUPO SURA	-	-	-	34
Sura Asset Management S.A. (Sura-AM Colombia)	Seguros Sura S.A.	488	-	(254)	211
Sura Art Corporation S.A. de C.V. (Sura Art)	Afore Sura S.A. de C.V.	563	[96]	(457)	83
Sura Art Corporation S.A. de C.V. (Sura Art)	Sura Investment Management S.A. de C.V.	30	-	(24)	-

1,172,714

ACCOUNTS

RECEIVABLE

TO

ACCOUNTS

PAYABLE

INCOME

(768.456)

768.456

(1,172,714)

EXPENSE

40.3. REMUNERATION OF KEY MANAGEMENT PERSONNEL

Senior management benefits

	2016	2015
Short-term employee benefits	87.888	73.408
Long-term employee benefits	158	370
Post-employment benefits	39.179	23.295
Termination benefits	-	-
Total	127.225	97.073

Transactions with members of the Board of Directors

	2016	2015
Accounts receivable due from directors (1)	3.652	1.836
Accounts payable to directors [1]	-	63.612

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(2) Corresponding to loans granted to directors at an agreed rate of 0.56%

Fees paid to Members of the Board of Directors

Board of Director fees are shown as follows:

	2016	2015
Board of Director fees	6.424	4.623

For the year ended 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 and Shareholder authorizations which established the following fees to be paid in 2015:

⁽³⁾ Corresponding to long-term and post-employment employee benefits

NOTE 41. EVENTS AFTER THE REPORTING PERIOD

On January 26, 2017, Mr. Fernando Ojalvo Prieto offered his resignation to Grupo Sura's Board of Directors as Chief Corporate Affairs Officer and Company Secretary, which shall become effective as of April 30, 2017.

On February 17, 2017 Grupo de Inversiones Suramericana S.A. announced a proposal for amending the Share Issuance and Placement Rules and Regulations corresponding to its Preferred Shares, as issued in 2011, which shall be submitted for the consideration of the shareholders at the upcoming Shareholders' Meeting be held next March 31. The purpose of this proposed amendment is to adjust said rules and regulations so as to bring them in line with market practice, and includes certain items that enhance the terms and conditions of these shareholders while providing the Company with greater flexibility for managing its capital structure.

On February 23, 2017, Grupo de Inversiones Suramericana S.A. carried out a Dutch auction of ordinary bonds worth COP 550 thousand million. These are to be offered in the form of three series, one for a 5-year term at a fixed rate, another for a 7 year term, at a CPI-indexed rate and the last for a 12- year term, also at a CPI-indexed rate.

NOTE 42. BOARD APPROVAL FOR THE COMPANY'S FINANCIAL **STATEMENTS**

Grupo Sura 's financial statements for the year ended 31 December 2016 were duly approved by the Board of Directors, as recorded in Minutes No. 254 of a Board meeting held on February 23, 2017, for their subsequent presentation to the Shareholders at their upcoming Annual Meeting, pursuant to that stipulated in the Colombian Code of Commerce.

Separate Financial Statements

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STATEMENT OF SENIOR MANAGEMENT'S RESPONSIBILITIES WITH REGARD TO THE ACCOUNTS

Senior Management is required to prepare financial statements, for each financial period, that fairly represent the Company's financial position, income accounts and cash flows at December 31, 2016, with comparative figures at December 31, 2015 In preparing those financial statements, Senior Management is required to:

» Select suitable accounting policies and then apply them consistently;

Ensure that the information thus presented, including the accounting policies applied, is relevant, reliable, comparable and understandable.

» Make judgments and estimates that are reasonable and prudent;

» State whether all applicable accounting standards have been followed, with any material departure from such duly disclosed and explained in the financial statements;

Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business.

Senior Management hereby confirms that the Company's accounts comply with the aforementioned requirements.

Senior Management is responsible for keeping adequate accounting records which disclose with reasonable accuracy the financial position of the Company at any time. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect instances of fraud and other irregularities.

LUIS FERNANDO SOTO SALAZAR

CERTIFICATION OF THE SEPARATE FINANCIAL STATEMENTS

We, the undersigned Legal Representative and Chief Accountant, under whose responsibility these separate financial statements were presented hereby certify: That the information contained in the Company's Statement of Financial Position at December 31, 2016 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, was duly verified and the corresponding figures were faithfully taken from books.

These statements, both explicit and implicit, are as follows:

» Existence: all assets and liabilities belonging to Grupo de Inversiones Suramericana S.A. duly exist at the cut-off date of said separate financial statements and all transactions therein included were carried out during this same period ending on the aforementioned date.

Integrity: all economic events on the part of the Company have been duly recognized..

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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.

Valuation: all items have been posted at their appropriate values.

Presentation and disclosure: all economic events have been correctly classified, described and revealed in these financial.

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, 2016 and December 31, 2015 do not contain any flaws, inaccuracies or errors that could prevent the Company's true financial position or operations from being fully known.

Chief Executive Officer

LUIS/FERNANDO SOTO SALAZAR Chief Accountant - Lic. No. 16951-T



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. at December 31, 2016 consisting of its Separate Statement of Financial Position at December 31, 2016 together with the corresponding Separate 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 financial statements according to Accepted Accounting and Financial Reporting Standards (NCIF) in Colombia as well as designing, implementing and maintaining the corresponding internal controls required for preparing and presenting the financial statements, so that these are free of any material misstatements due to fraud or error, 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 financial statements based on my audit work. I carried out my work in accordance with accepted International Auditing Standards in Colombia. These principles require that I adhere to all ethical requirements and plan and perform my audit work in order to obtain reasonable assurance that the financial statements do not contain any material misstatements

An audit of financial statements includes carrying out procedures in order to obtain evidence of the values 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 auditor considers the corresponding internal controls implemented by the Company for preparing and presenting its financial statements so as to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls 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 separate financial statements, that were faithfully taken from the Company's books, reasonably reflect in all material aspects the financial position of Grupo de Inversiones Suramericana S.A. for the fiscal year ended December 31, 2016, together with the results of its operations and cash flows for said year, in accordance with the Financial Reporting Standards accepted in Colombia.

Other matters

the separate financial statements of Grupo de Inversiones Suramericana S.A. for the fiscal year ended December 31, 2015 were audited by another statutory auditor who issued an unqualified opinion on such dated February 29, 2016.

Other legal and regulatory requirements

based on the scope of my audit, I did not learn of any situation indicating that the Company failed to comply 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; 3) keeping the correspondence and accounting vouchers; and 4) adopting measures regarding the Company's internal controls and the safekeeping of all property in its possession, belonging either to the Company or to third parties. Furthermore, the attached 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 circulation of endorsed invoices issued by vendors or suppliers.

I informed Senior Management of my recommendations regarding the Company's internal controls and other matters in a separate report.

Medellín, Antioquia February 24, 2017

MARIANA MILAGROS RODRÍGUEZ

Statutory Auditor – Lic. # 112752 – T

Appointed by Erpet & Young Audit S.A.S. TR

Appointed by Ernst & Young Audit S.A.S. TR-530

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GRUPO DE INVERSIONES SURAMERICANA S.A. SEPARATE STATEMENT OF FINANCIAL POSITION »

ATTACHMENT TO THE BALANCE SHEET AT DECEMBER 31, 2016

SECTION 446 OF THE CODE OF COMMERCE

Fees paid to Members of the Board of Directors

Senior Management salaries and social benefits

(Stated in thousands of Colombian pesos)

1 Amounts paid out to Senior Management

	3	
	Traveling and representation expense, bonuses, transport and other remunerations paid to Senior Management	
	No payments involving these items are directly paid to the incumbents since the Company defrays the expense required for the performance of 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 expenses.	
	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	18.191.944
3	Statutory Auditor and external auditing staff	633.329
4	Assets and liabilities abroad	
	Cash and banks USD 15,115	45.355.574
	Investments in other local or foreign companies	
	For more information please refer to the notes to the Separate Statement of Financial Position	25.309.744.876
5	Transfers of funds and other assets free of charge	5.000.000
6	Advertising expense	2.421.393
7	Representation expense	767.883

GRUPO DE INVERSIONES SURAMERICANA S.A. SEPARATE STATEMENT OF FINANCIAL POSITION »

PROPOSED DIVIDEND DISTRIBUTION

808.500

8.441.032

Based on the balance of the net income account as shown on the Company's Statement of Financial Position at year-end 2016, the following dividend distribution is proposed:

In the event that any shareholder should fail to clearly or opportunely given such instructions in writing with regard to receiving his or her dividend payment in cash, it shall be understood that they agree to receive said payment in the form of a stock dividend. This same shall apply to all those payment

instructions whose content is either incomplete or illegible.

Earnings before tax	\$	897.019.469.91
Less: Tax appropriations		-61.538.162.681
Income for the period		835.481.307.234
PROPOSED DISTRIBUTION OF DIVIDENDS		
1. PROPOSAL:		
A dividend per share of four hundred and eighty eight Colombian pesos (COP 488.00) per year which shall be totally (100%) tax exempt for the shareholder on a total of 575,372,223 ordinary and preferred shares, which shall accrue once said dividend is duly declared by the shareholders at their upcoming Annual Shareholders ' Meeting	280.780.217.901	
2. FORM AND DATE OF PAYMENT:		
Said dividend shall take the form of freed-up preferred shares or in cash, as the shareholder should so choose		
In any event, said payment shall be made in a lump sum between April 21 and 30 of 2017		
All those shareholders choosing to receive their dividends in cash should inform the Company of their decision in writing between March 31, and April 7, 2017, this through a payment instruction form that shall be made available beforehand. These instructions are to be given to the Company via the following means:		
i) at the upcoming Shareholders' Meeting to be held on the date, time and place indicated in the Notice of a Shareholders' Meeting given beforehand.		
ii) ii) at the Company Secretary´s Office, located at the following address: Carrera 43A # 5A - 113 piso 13, Medellin- Colombia		
iii) iii) in Fiduciaria Bancolombia´s offices located in the cities of Medellín, Bogotá, Cali and Barranquilla; or		
iv) directly on the Company´s website: www.gruposura.com.		

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4. THE FREEING UP OF PREFERRED SHARES

section 2 of this Dividend Distribution Proposal.

3. DIVIDEND PAYMENT IN THE FORM OF A LUMP SUM

The portion of preferred shares required to pay the dividends corresponding to all those shareholders who did not provide written instructions for receiving a cash payment, shall be freed up by the Company's Board of Directors, before April 20, 2017 at the latest, from the reserve of preferred shares that have been issued but not placed and thus are freely available to the Company.

The shareholders shall receive all of their dividends, either in the form of the Company's preferred shares or in cash (according to the option chosen), except when legal restrictions apply to their own

particular investment regime and they are thus prevented from receiving their dividends in the form of Company stock. In this case, the shareholder must provide legal arguments or reasons for such

limitation, And the Company, in turn, shall proceed to study each individual case so as to reach an appropriate way of proceeding with the corresponding dividend payment This in the term provided in

5. PRICE OF THE PREFERRED SHARES TO BE PAID OUT IN THE FORM OF DIVIDENDS

The price of the preferred shares required to be paid out in the form of dividends, as stipulated in this Dividend Distribution Proposal, shall be calculated as follows:

The average of the average daily price listed for said preferred shares during a period of sixty calendar (60) days Prior to the date on which the Annual Shareholders Meeting is scheduled to be held, that is to say, from January 29, 2017 To March 30, 2017, less a discount of four per cent (4%) on the average price thus obtained This average price shall be understood to be that set and listed by the Colombian Stock Exchange as published in its daily bulletin Should the calculation of the aforementioned sum produce an unpaid balance owing to the shareholder, said balance shall be paid in cash on the same date as the stock dividend, to which the shareholder is entitled, is paid.

6. OTHER TERMS AND CONDITIONS:

The dividend corresponding to the preferred shares freed up by the Company shall be paid to all those shareholders who retain their shares until the business day immediately preceding the beginning of the Company's ex-dividend period, that is to say, April 17, 2017, at the latest.

The dividend payment instruction forms for all those shareholders who sell or otherwise dispose of their shares after the end of the Annual Shareholders to be held on March 31, 2017 and before April 17, 2017 (the beginning of the ex-dividend period), shall be revoked even if said shareholders had previously instructed a cash dividend, and instead the new holders of said shares shall be entitled to

receive the Company's freed-up shares based on that stipulated in this Dividend Distribution Proposal. Attachment: payment instructions, available on the Company's website

Donations for social outreach projects

5.000.000.000.00

Reserve for the protection of investments

549.701.089.333,11

\$ 835.481.307.234.00 835.481.307.234.00

*Pursuant to Decree 4766 issued December 14, 2011, together with the amendment published on March 1, 2012 to the Rules and Regulations, governing the Colombian Stock Exchange any shares that are sold between the first business day of the dividend payment period corresponding to said shares

and the four [4] trading days immediately preceding said date, shall not confer dividends on the new holder, and accordingly the dividends accruing during this period and those that remain outstanding

shall invariably be for the account of the seller.

Medellín, February 17, 2015

EQUAL AMOUNTS

DAVID BOJANINI GARCÍA Legal Representative

GRUPO DE INVERSIONES SURAMERICANA S.A.

At December 31, 2016 (with comparative figures at year-end 2015)

(Stated in millions of Colombian pesos)

Trade and other accounts receivable

Intangible assets other than goodwill

Investments in related companies

Trade and other accounts payable

Accounts payable to related parties

Provisions for employee benefits

Accounts receivable due from related parties and

Cash and cash equivalents

Assets

Investments

associates Current tax assets

Other financial assets

Other non-financial assets

Investments in Subsidiaries

Deferred tax assets

Financial liabilities

Current tax liabilities

Other provisions

Issued securities

Total liabilities

Issued capital

Share premium

Reserves

Total equity

Accumulated earnings Other comprehensive income

Earnings for the period

Total equity and liabilities

The accompanying notes form an integral part of these financial statements,

Equity

Deferred tax liabilities

Total assets

Liabilities

Property and equipment

SEPARATE STATEMENT OF FINANCIAL POSITION »

NOTE

7

8.1.3

8.1

8.1.1

8.1.2.

9

10

11.1.

11.2.

8.28.21

8.2.3

8.2.2.

9

12

9

15

15

15

13.1.

8.2 / 14

9

YEAR-END 2016

451.443

23.091

99.899

61 291

123.526

40.176

14,395,418

10,891,236

26.134.505

1.311.689

1,727,010

123.394

32.132

266.258

986.781

113 693

4,597,600

107.882

3,307,663

11,754,545

472.258

5.059.076

835.481

21,536,905

26,134,505

36.643

47.412

246

767

YEAR-END 2015

221.228

21.512

86.941

25.021

185.302

17.451

14,899,559

8,445,212

23.944.310

726.418

61.532

88 976

46.536

28.630

247.997

1.109.673

124 614

107.882

3,307,663

11,737,265

1,030,676

4.602.459

21,509,934

23,944,310

723.988

2,434,376

41.594

242

72

176

LUIS FERNANDO SOTO SALAZAR Chief Accountant / Lic. No. 16951-T MARIANA MILAGROS RODRÍGUEZ

Statutory Auditor - Lic.112752-T

Appointed by Ernst & Young Audit S.A.S. TR-530

GRUPO DE INVERSIONES SURAMERICANA S.A. SEPARATE INCOME STATEMENT »

At year-end 2016 (with comparative figures for year-end 2015) (Stated in millions of Colombian pesos, except for basic earnings per share)

	NOTE	2016	2015
Dividends	11.1., 18	360.742	347.739
Investment income, net	18	(7,115)	5.407
Losses (gains) at fair value, net	18	(125,931)	74.320
Subsidiary earnings via equity method, net	11.2., 18	748.767	573.993
Earnings from sales of investments, net	18	65.940	7.912
Other income		179	280
Exchange difference (net)	19	143.648	(20,060)
Total revenues		1,186,230	989.591
Administrative expense	20	[41,263]	[29,822]
Employee benefits	12.4.	(20,990)	(19,260)
Fees	21	[19,634]	(6,009)
Amortizations		[72]	(75)
Depreciation	10	(407)	(380)
Interest	18	(206.845)	(98.078)
Total expense		(289.211)	(153.624)
Earnings before tax		897.019	835.967
Income tax	9	[61.538]	(111.979)
Net income		835.481	723.988
Earnings per share for the period	23	1.781	1.544

The accompanying notes form an integral part of these financial statements.

DAVID BOJANINI GARCÍA Legal Representative

LUIS FERNANDO SOTO SALAZAR Chief Accountant / Lic. No. 16951-T

MARIANA MILAGROS RODRÍGUEZ Statutory Auditor - Lic.112752-T Appointed by Ernst & Young Audit S.A.S. TR-530

GRUPO DE INVERSIONES SURAMERICANA S.A. SEPARATE STATEMENT OF COMPREHENSIVEINCOME »

At year-end 2016 (with comparative figures for year-end 2015) (Stated in millions of Colombian pesos)

	NOTE	2016	2015
Earnings for the period		835.481	723.988
Other comprehensive income, net of taxes as well as gains (losses) on equity investments	17	1.579	(3.355)
Other comprehensive income net of tax and losses (gains) on re-measurements of defined employee benefit plans	17	[1.041]	85
Total other comprehensive income that shall not be reclassified to profit or loss, net of tax		538	(3.270)
Share of other comprehensive income from subsidiaries posted via the equity method that shall be reclassified to profit or loss, net of tax	17	(558.956)	300.639
Total comprehensive income to be classified to profit or loss		(558.956)	300.639
Total other comprehensive income		(558.418)	297.369
Total comprehensive income		277.063	1,021,357

The accompanying notes form an integral part of these financial statements.

DAVID BOJANINI GARCÍA Legal Representative

LUIS FERNANDO SOTO SALAZAR Chief Accountant / Lic. No. 16951-T MARIANA MILAGROS RODRÍGUEZ

Statutory Auditor - Lic.112752-T

Appointed by Ernst & Young Audit S.A.S. TR-530

GRUPO DE INVERSIONES SURAMERICANA S.A. ESTADOS DE CAMBIOS EN EL PATRIMONIO SEPARADOS »

Año que terminó el 31 de diciembre de 2016 (con cifras comparativas por el año que terminó el 31 de diciembre de 2015) [Expresados en millones de pesos, excepto la utilidad neta por acción]

	NOTE	ISSUED	SHARE	ACCUMULATED EARNINGS	OTHER COMPREHENSI- VE INCOME	LEGAL RESERVE	OCCASIO- NAL RESERVE	EARNINGS FOR THE PERIOD	TOTAL SHAREHOL- DERS' EQUITY
At January 01, 2015		107.882	3,307,663	11,531,364	733.308	138.795	4,039,071	864.842	20,722,925
Other comprehensive income		1			297.368	٠	٠	1	297.368
Revenues from subsidiaries, via the equity method	17	1			300.639			,	300.639
Gains on equity investments	17			1	84			1	84
Gains from re-measurements of defined benefit plans 17				1	(3.355)			1	(3.355)
Earnings for the period		1		1	1			723.988	723.988
Total Net Comprehensive Income for the period				ı	297.368	٠	1	723.988	1,021,357
Transferred to accumulated income		1		864.842		٠		(864.842)	ı
Dividend distribution corresponding to 2014 as contained in the minutes of Shareholders' Meeting No. 20 held on 3/26/2015:									
Shareholder dividends (COP 422 per share)	16			(242.808)					(242.808)
Donations for social outreach projects	16	1		(4.500)		٠	٠	1	(4.500)
Reserve for the protection of investments	15			(424.593)		٠	424.593	1	
Minimum preferred dividends	16	1	1	12.960	1		1		12.960
At year-end 2015		107.882	3,307,663	11,737,265	1,030,676	138.795	4,463,664	723.988	21,509,934
Other comprehensive income		1		ı	(558.419)	٠	1		(558.419)
Revenues from subsidiaries via the equity method	17	1		ı	(558.956)		1		(558.956)
Gains on equity investments	17	٠			1.579				1.579
Gains from re-measurements of defined benefit plans	17	1		1	(1.041)				(1.041)
Earnings for the period								835.481	835.481

Total Net Comprehensive Income for the period					(558.418)		ı	835.481	277.063
Transferred to accumulated income		1	٠	723.988	1			(723.988)	1
Dividend distribution corresponding to 2015 as contained in the minutes of Shareholders' Meeting No. 21 held on 3/31/2016:									
Shareholder dividends (COP 456 per share)	16	1		(262.371)	1			ı	(262.371)
Donations for social outreach projects	16	1		(2.000)	1	٠			(5.000)
Reserve for the protection of investments	15	1		(456.617)	1		456.617		1
Minimum preferred dividends	16	1		17.280	1			ı	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

ued February 24, 2017) MARIANA MILAGROS RODRÍGUEZ Statutory Auditor - Lic.112752-T Appointed by Ernst & Young Audit S.A.S. TR-530 [Please refer to my Statutory Auditor's Report, i

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GRUPO DE INVERSIONES SURAMERICANA S.A. SEPARATE STATEMENT OF CASH FLOWS »

At year-end 2016 (with comparative figures for year-end 2015) (Stated in COP millions)

	NOTE	2016	2015
Earnings for the period		835.481	723.988
Adjustments to reconcile gains			
Adjustments for income tax expense		61.538	111.979
Adjustments for decreases in trade receivables		(591)	[43]
Adjustments for increases (decreases) in other accounts receivable corresponding to operating activities		(12.957)	39.535
Adjustments for increase in trade payables		(390.562)	(282.488)
Adjustments for decreases in other accounts payables corresponding to operating activities		1,638,034	20.352
Adjustments for depreciation and amortization expense		478	456
Adjustments for provisions		196.610	(133.767)
Adjustments for losses (gains) at fair value		45.445	(147.066)
Adjustments for retained earnings via the equity method		(748.767)	(573.993)
Other adjustments to reconcile gains		(2)	[68]
Total adjustments to reconcile gains		789.226	(965.104)
Net cash flows sourced from (used for) operating activities		1,624,707	(241.116)
Dividends paid	16	(257.442)	(248.442)
Dividends received from Associates	11.1	794.013	781.010
Reimbursed income tax (paid)		[37.691]	312
Net cash flows sourced from operating activities		2,123,588	291.764
Cash flows used for investing activities			
Cash flows from losing control over subsidiaries or other businesses	11.1	504.375	68.753
Cash flows used to obtain control over subsidiaries or other businesses	11.2	(2,865,606)	(894.425)
Proceeds from sales of property, plant and equipment		13	-
Purchases of property, plant and equipment		[23.145]	(176)
Cash receipts from futures, forwards, options and swaps		37.346	-
Cash flows used for financing activities			
Proceeds from loans		915.407	854.699

Loan repayments		(450.361)	(94.058)
Payments of financial lease liabilities		(404)	-
Interest paid		(22.328)	(21.229)
Donations		(5.000)	(4.500)
Net cash flows sourced from operating activities		437.313	734.912
Net increase in cash and cash equivalents before exchange rate effect	213.885	200.828	734,912
Effects of exchange rate fluctuations on cash and cash equivalents		16.330	9.791
Net increase in cash and cash equivalents		230.215	210.619
Cash and cash equivalents at beginning of the period		221.228	10.609
Efectivo y equivalentes al efectivo al principio del periodo		221,228	10,609
Efectivo y equivalentes al efectivo al final del periodo		451,443	221,228

The accompanying notes form an integral part of these financial statements.

DAVID BOJANINI GARCÍA Legal Representative

LUIS FERNANDO SOTO SALAZAR Chief Accountent - Lic. No. 16951-T 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 24, 2017)

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS »

(With comparative figures at year-end 2015)

(Stated in millions of Colombian pesos, except for exchange rates and share information).

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 Medellin, with all the corresponding accounting formalities duly completed by January 1, 1998. Its main registered place of business is Carrera 43A # 5A -113 piso 13 Edificio One Plaza in Medellin but it is entitled to set up branches, agencies, offices and representations 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 April 15 2102.

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 commercial paper or securities 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 as "Grupo Sura" is a Latin American company listed on the Colombian Stock Exchange and registered with the ADR- Level 1 program in the United States. It is also the only Latin American corporation from the miscellaneous 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. Group Sura's investments are classified in two categories: strategic or core – those pertaining to the financial, insurance, pension, savings and investment sectors; and portfolio – those found mainly in the processed food, cement and energy sectors.

The companies in which Grupo Sura invests (Suramericana S.A., Sura AM S.A., Bancolombia S.A., Nutresa S.A. and Inversiones 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 46.01% stake in the voting shares of Bancolombia (which is equal to 24.38% of its capital stock), where Grupo Sura is the largest shareholder, plus an 81.13% stake in Suramericana S.A., the Group's insurance holding company. The remaining 18.87% stake in Suramericana is owned by the German insurer Münchener Rückversicherungs-Gesellschaft Munich, more commonly known as "Munich Re." Grupo Sura also directly holds a 64.29% 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. SURA Asset Management S.A. is the Group's pension, savings and investment holding that operates throughout Latin America. The remaining 28.60% 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. and Celsia S.A. E.S.P.

Some of the above-mentioned companies also possess cross holdings within the Group, which at December 31, 2016 consisted of the following:

Bancolombia holds a 20.58% stake in Protección; Grupo Nutresa S.A. holds 10.32% of the total shares outstanding belonging to Grupo Sura and 12.66% of its voting shares along with 10.06% of the total shares outstanding belonging to Grupo Argos, accounting for 12.36% of the voting shares. Grupo Argos S.A. and subsidiaries, for their part, hold 33.67% of the voting shares of Grupo Sura and a stake of 9.83% in Grupo Nutresa.S.A.

OUR STRENGTHS

- 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 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 December 31, 2016, Grupo Sura 's shareholders' equity came to COP 21,536,905 million with a total debt-to-asset ratio of just 8.8%.

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 while 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. 5) Commitment to best practices, corporate governance and sustainable development. The Company first put into effect its Code of Good Corporate Governance in 2002 which was later amended in 2015, to include the recommendations contained in Colombia's Country Code (External Circular 028 of 2014 issued by the Colombian Superintendency OF Finance) and has published annual corporate governance reports since 2005. Our corporate governance is governed by principles of fairness, respect, responsibility and transparency together with a firm commitment 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

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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

In 2016, Grupo Sura made great efforts in strengthening its corporate role, as defined in its strategic road map, the purpose of which is to guide its relations with its core investments.

Clearly as we are able to achieve a greater level of coordination, identifying and harnessing existing synergies and working together in the spirit of our mutual interests, we shall be able to further the growth of our business, creating added value for our core investments and guaranteeing our sustainability over the long term.

Here, Grupo Sura 's strategic focus, as defined for the next few years, centers on providing added value and building trust. Growth shall consequently be driven by innovation, creating greater synergies as well as expanding and developing the different markets. The Group 's human talent, financial strength, sound corporate reputation and brand image as well as a management model, firmly based on our Corporate Governance principles, form the basis for this growth. Also, all these different facets of our performance must be enshrined in a corporate culture and philosophy shared by all, as well as a firm commitment to enhancing our business sustainability

- a). Our core investments The main companies that make up the Group's investment portfolio are all leading players on their respective markets. We plan to maintain our leadership in these markets by employing highly skilled individuals with specialized knowledge, offering superior products and solutions to our clients, investing in research and development for greater innovation, fostering customer loyalty by providing a combination of personalized service and high-quality products and services at competitive prices and ensuring that our companies continue to uphold our guiding principles of fairness, respect, responsibility and transparency.
- b). Expanding into selected international markets and driving the growth of all those companies that form part of our portfolio of strategic investments in the financial services, insurance, social security, pension fund and complementary services sectors. In driving our sustainable growth and expanding our business the Company has continued to adopt international practices and standards with regard to responsible investing. We are well aware that developing a business on a global level poses a series of risks and opportunities that require us to uphold responsible practices when it comes to investing. Today, we have put into a place a Group-wide general policy governing responsible investing on the part of our companies, who must apply all applicable environmental, social and good governance criteria when analyzing present and future investments.
- c). Maintaining and enhancing a strong, diversified and increasing stream of cash flows. By expanding our presence within the region, we seek to maintain and enhance the financial strength of our companies while diversifying our sources of revenues. In so doing, we aim to ensure that our dividend flows continue to be well diversified across various industries and countries, rising at similar or faster rates than in recent years. Also, and to ensure that our growth shall not hamper our strong credit position, we intend to continue with our long-term policy of maintaining conservative leverage levels.

BOARD OF DIRECTORS

Our Board of Directors, in keeping with our by-laws, consists of seven directors who are appointed at annual ordinary shareholders' meetings.

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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	POSITION
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	
Fabián Fernando Barona Cajiao	Chief Corporate Auditor	
Ricardo Jaramillo Mejía	Chief Corporate Finance Officer (CFO)	
Fernando Ojalvo Prieto	Chief Corporate Affairs Officer (CAO)	

BOARD COMMITTEES

The 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 is responsible for issues regarding the Board of Directors, Senior Management and the Company's Good Corporate Governance.

The 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.

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The 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.

Consisting of 3 members of the Board of Directors meeting at least four (4) times a year. It is responsible for creating and encouraging 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).

MAIN SHAREHOLDERS

The following table contains a breakdown of the Company's shareholder structure at year-end 2016, based on the data recorded in the Stock Ledger:

SHAREHOLDER	SHARES HELD	% STAKE
Grupo Argos S.A.	129,721,643	22.55%
Grupo Nutresa S.A.	59,387,803	10.32%
Fondo De Pensiones Obligatorias Porvenir Moderado	53,698,083	9.33%
Fondo de Pensiones Obligatorias Proteccion Moderado	46,742,019	8.12%
Cementos Argos S.A.	28,183,262	4.90%
Harbor International Fund	19,027,442	3.31%
Fondo De Pensiones Obligatorias Colfondos Moderado	17,156,090	2.98%
Oppenheimer Developing Markets Fund	16,843,317	2.93%
Colombiana De Comercio S.A. Corbeta and/or Alkosto S.A.	10,000,000	1.74%
Grupo Argos´ Foundation	9,649,348	1.68%
Fondo Bursatil Ishares Colcap	9,496,987	1.65%
Old Mutual Fondo De Pens. Obligatorias - Moderado	6,933,937	1.21%
Other shareholders with stakes of less than 1% [1]	168,532,292	29.29%
Total	575,372,223	100.00%

[1] Including 12,895 shareholders, who individually hold less than 1.0% of our common 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 SEPARATE 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 IFRS 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, 2013.

The following guidelines that the company applies are included in the aforementioned decrees and constitute exceptions to the IFRS as issued by the IASB:

- » Article 2.1.2. of Part 1 Book 2 of Decree 2420 of 2015 as later supplemented by Decree 2496 of 2015 and amended by Decree 2131 of 2016 requires that provided by Article 35 of Law 222 to be applied, namely that investments in subsidiaries must be recognized via the equity method in the separate financial statements, as opposed to that stipulated in IAS 27, that is to say at cost or at fair value.
- El artículo 4 del decreto 2131 de 2016 modificó la parte 2 del libro 2 del decreto 2420 de 2015 adicionado por el decreto 2496 de 2015 permitiendo al 31 de diciembre de 2016 la determinación de los beneficios post empleo por concepto de pensiones futuras de jubilación o invalidez, bajo los requerimientos de la NIC 19, sin embargo requiere la revelación del cálculo de los pasivos pensionales de acuerdo con los parámetros establecidos en el Decreto 1625 de 2016, artículos 1.2.1.18.46 y siguientes y, en el caso de conmutaciones pensionales parciales de conformidad con lo dispuesto en el numeral 5 del artículo 2.2.8.8.31 del Decreto 1833 de 2016, informando las variables utilizadas y las diferencias con el cálculo realizado en los términos del marco técnico bajo NCIF.

The Company also applies the following quidelines 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

The presentation of these financial statements in accordance with IFRS require estimates and assumptions to be made that affect the amounts reported and disclosed in said financial statements, without undermining the reliability of the reported information. Therefore, the real results recorded could differ from the figures thus estimated. Estimates and assumptions are constantly reviewed and recognized during the reporting period in which the review takes place should this affect the period in question or the period in which the review is carried out or in any future period should this affect both the present and future periods.

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.

2.3. PRESENTATION OF FINANCIAL STATEMENTS

Grupo Sura presents its Statement of Financial Position in order of liquidity.

As for its Statement of Comprehensive 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.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied upon preparing the Opening Separate Statement of Financial Position as well as the other separate financial statements prepared in accordance with the Financial Reporting and Accounting Standards accepted in Colombia (FRAS), unless otherwise indicated.

The following are the more significant accounting policies that Grupo Sura applied upon preparing its separate financial statements:

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3.1. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as appearing in the Statement of Financial Position and Cash Flow Statement 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.

3.2. 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.

This initial recognition consists of Grupo Sura measuring a financial asset at

fair value. In the case of assets carried at fair value, these amounts are reduced by the amount of expense incurred with the respective transaction, these being charged to an expense account. On the other hand, in the case of assets carried at amortized cost their corresponding transaction costs are added, since these form an integral part of the cost of the financial instrument in question and as such may be amortized over the instrument's lifetime title using the effective interest rate method.

Financial assets are recognized on the date the operation is completed. Likewise, the corresponding interest income is recognized in the same account as their appraised values.

Accounts receivable

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.

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. Credit losses incurred in the case of financial assets at amortized cost are measured at amounts equal to the credit losses incurred over the following 12-month period unless the risk of the financial instrument in question has increased significantly since it was initially recognized.

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.

Impairment to financial assets measured at amortized cost is posted in a separate account and this is not directly allocated to the instrument in question.

Financial liabilities

Upon their initial recognition, Grupo Sura measures its financial liabilities 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 at initial recognition said financial liabilities for subsequent measurement either at amortized cost or at fair value depending on the liability.

Liabilities at amortized cost are measured using the effective interest rate method.

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Gains and losses are recognized in the Statement of Comprehensive Income when liabilities are de-recognized as well as when amortized using the effective interest rate method, which is recorded as a financial cost in the Statement of Comprehensive Income.

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 has otherwise matured

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 sale are included under gains (losses) from financial operations in the Consolidated Statement of Comprehensive 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 with their unrealized gains and losses through profit or loss.

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.

Compound financial instruments

According to IAS 32, an issuer of a non-derivative financial instrument derivative should assess the corresponding terms and conditions for classifying this as a compound 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 transaction 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.

Transaction costs are to be distributed between the corresponding liability and equity components using a basis for their distribution that is both rational and consistent with similar transactions.

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.

3.3.TAX ASSETS AND LIABILITIES

This account includes the value of all mandatory taxes payable by the Company to the State, as calculated by means of the Company's own tax settlements based on the tax rates applicable to the fiscal period in question pursuant to all applicable tax legislation in Colombia on a nationwide or local basis

3.3.1.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 Colombian tax authorities. Income tax expense is recognized under current tax, based on comparing taxable income with book gains 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.

3.3.2.Deferred tax

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 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 is 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 assets and liabilities are offset if there is a legally enforceable right to do so and are collected by the same tax authority.

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.

3.3.2. Equality income tax (CREE in Spanish)

Equality income tax is paid by all corporations, companies and other legal entities that pay income and ancillary taxes so that the Government can create more jobs and invest in social development. The equality income tax rate stood at 9% until the tax year of 2016 (2015 – 8%)

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Equality income tax losses incurred as of the fiscal year of 2015 may be offset against the amount of equality tax payable, in accordance with that stipulated in Article 147 of the Tax Code

Any surplus obtained with the minimum equality income tax base applicable as of the fiscal year of 2015, may be offset against certain specific income pursuant to Section 1 of Article 22 of Law 1607 of 2012 within the following five years, as adjusted for tax purposes.

The same tax provisions as for ordinary income tax shall apply to equality income tax, such as transfer pricing and under-capitalization as well as rules and regulations regarding the recovery of deductions (these issued by means of Decree 2701 of 2013).

It shall be possible to take advantage of the discount for taxes paid abroad, as shown in the taxpayer's Equality Income Tax return, (this discount was formerly calculated as part of the income and ancillary tax return). This discount may not exceed the amount of equality income tax due as well as the surtax that taxpayers must pay on this same income.

It is not possible to offset the value to be paid in equality income tax and the corresponding surtax against credit balances with regard to other taxes. Neither it is possible to offset the credit balance due from equality income tax and corresponding surtax against payments or prepayments of other taxes, withholdings, and sanctions.

EQUITY INCOME TAX SURTAX (CREE IN SPANISH)

By means of Law 1739 of 2014, the equality income tax surcharge entered into full force and effect for the tax years of 2015 and 2016, this based on the rate therein stipulated for the different ranges of income.

This consists of a temporary surtax corresponding to the tax years of 2015 and 2016. However, taxpayers must pay 100% of its value in the form of an advance payment consisting of two annual installments within the term provided for such.

Taxpayers declaring incomes of more than COP 800 are subject to equality income tax (CREE in Spanish)

Despite being a surtax, it has the same tax base as the equality income tax, which must be calculated based on the provisions of Article 22 et seq of Law 1607 of 2012, as amended.

SURTAX RATE

LOWER LIMIT	UPPER LIMIT	RATE FOR 2015	RATE FOR 2016
0>=800	<800 onwards	(Tax Base- 800) * 5%	(Tax Base-800) * 6%

Law 1819 of 2016 abolished the equality income tax and corresponding surtax for the years 2017 and 2018 and in turn increased the general 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.

3.3.3 Wealth Tax

Currently applicable legislation provides for a temporary wealth tax for the fiscal years of 2015, 2016 and 2017 (for natural persons until 2018). This tax accrues on a yearly basis on the income statement, and must be paid by:

El impuesto debe ser pagado por:

- » Legal persons, de facto companies, private individuals, illiquid estates, and generally speaking all those paying income and ancillary taxes.
- » Foreign companies and entities, based on their net worth in Colombia, regardless of whether or not they pay income and ancillary taxes.
- » Foreign equity investors

This tax shall only accrue if at January 1, 2015, the taxpayer has a net worth equal to or higher than COP 1,000.

The respective tax base is calculated by taking the gross assets held at January 1st 2015, January 1st 2016 and January 1st 2017 (January 1st, 2018 for private individuals) and subtracting debts and amounts owing by the taxpayer on these same dates.

It is important to bear in mind the following aspects when determining the tax base:

For all taxpayers:

The equity value of shares, quotas or interests in domestic companies owned directly or through commercial trust funds or mutual funds, voluntary pension funds, voluntary insurance or individual life insurance companies is excluded from the tax base (amongst other values).

Currently applicable legislation also sets upper and lower limits for this tax base:

UPPER LIMIT (CAP)

LOWER LIMIT (FLOOR)

Should the net assets subject to this tax for the years 2016 and 2017 (2018 in the case of private individuals) be greater than those and 2017 (2018 in the case of private individuals) be lower than declared for the year 2015: The tax base for any of those years shall be the lesser of: (i) the tax base corresponding to 2015 plus 25% of the inflation rate corresponding to the year immediately preceding that in which such tax is declared; and (ii) the tax base determined for the year being declared.

Should the net assets subject to this tax for the years 2016 those declared for the year 2015: The tax base for any of those years shall be the greater of: (i) the tax base corresponding to 2015 minus 25% of the inflation rate corresponding to the year immediately preceding that in which such tax is declared; and (ii) the tax base determined for the year being declared.

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Las tarifas del impuesto para personas jurídicas residentes y no residentes son:

LOWER LIMIT	UPPER LIMIT	RATE FOR 2015	RATE FOR 2016	RATE FOR 2017
> 0	<2,000	(Tax base) * 0.20%	(Tax base) * 0.15%	(Tax base) * 0.05%
> = 2000	<3,000	(Tax base- 2,000) * 0.35% + 4	(Tax Base- 2000) * 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	Onwards	(Tax Base- 5000) * 1.15% + 22.5	(Tax Base- 5,000) * 1.00% + 15.5	(Tax Base- 5,000) * 0.40% + 6

Wealth tax is not deductible from income and ancillary tax or from Equality Income Tax, and its value cannot be offset against credit balances with respect to other taxes.

STRUCTURAL TAX REFORM

The following are the most important changes to the Colombian tax system for 2017 and subsequent years, as introduced by Law 1819 of December 29, 2016:

Taxpayers' net income may not be less than 3% of their net worth, on the last day of the immediately preceding taxable year. The rate applicable as of 2017 is set at 3.5%.

Income tax to be applied in the case of resident natural persons receiving declared tax-exempt dividends equal to more than 600 TVU (Tax Value Units) of up to 10%. The tax rate for taxed dividends is set at 35%.

Income tax for non-resident natural persons and legal entities on declared taxexempt dividends is set at 5%. This tax is set at 35% for taxed dividends

The equality income tax was abolished for the tax year of 2017 and instead the income and ancillary tax rate was increased to 34% for 2017 and to 33% as of the tax year of 2018

A 6% income and ancillary surtax was introduced for the year 2017 on net incomes of more than COP 800 million, with this dropping to 4% in 2018.

As of the tax year of 2017, international accounting standards shall be used to determine the amount of income and ancillary tax due for all those cases that are not regulated by Colombian legislation.

The Foreign Controlled Non - Resident Entity Regime was created in Colombia (ECE in Spanish) which consist of a series of anti - deferral rules and regulations for the purpose of applying income tax on the passive income obtained by said entities in the same year in which these accrue this in proportion to the stake or interests held.

The Value Added Tax rate was increased by 3 percentage points to 19% and is now applicable to the sale of intangibles relating to intellectual property, among other items that now are subject to this type of tax.

Financial Transaction Tax continues on a permanent basis.

The Sanction Application Regime has been modified and the term allowed for the tax authorities to officially accept tax returns was increased to (i) three years as of the deadline for presenting such or when filing an application for tax credits to be reimbursed; (ii) six years if the tax return was filed by a taxpayer subject to transfer prices; and (iii) twelve years if a tax loss was settled on the tax return, which may be deferred over three more years should this be offset over the last two years.

Sanctions and interest may be conciliated, that is to say an amnesty has been declared for all those persons with outstanding obligations with the customs, tax and exchange authorities.

3.4. 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.

Grupo Sura recognizes all those assets purchased for more than USD 700 as an item belonging to its property and equipment account, except for the IT-related assets, whose purchase cost is higher than USD 400. Purchase costs are measured based on the exchange rate applicable to the transaction in question and after deducting any discount or rebate obtained with said purchase.

When Grupo Sura decides to make large-scale purchases of similar assets, that is to say acquired on the same date and fulfilling the same conditions, this type of purchase is recorded provided it exceeds USD 100,000, based on the exchange rate applicable to the transaction in question and after deducting any discount or rebate obtained with said purchase.

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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 an orderly transaction between market players on the date the measurement is carried out.

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. Revaluation gains are usually recognized as other comprehensive income in the Statement of 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 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, plant 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, plant and equipment account are charged to profit and loss for the period.

Residual value

Grupo Sura assigns residual values to vehicles classified as for its administrative use these equal to 30% of the cost of acquiring the asset in question. For all other types of assets, a residual value of zero is posted.

Useful lives

Grupo Sura defined the following useful lives for its property and equipment:

between 80 and 100 years Buildings ____ Parking spaces _____ __ 60 to 100 years IT equipment _____ ___ 5 years Furniture and fixtures ______ 10 years Vehicles _ 8 to 10 years

Grupo Sura reviews the useful lives of all assets, at least at the end of each accounting period.

3.5. FAIR VALUE

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:

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The characteristics of the specific asset or liability as would market participants when pricing said asset or liability including, for example, the following:

Las características del activo o pasivo en la misma forma en que los participantes de mercado las considerarían para fijar el precio de dicho activo o pasivo, por ejemplo, los siguientes:

- » 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 non-financial liabilities

A fair value measurement supposes 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 as. 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).

3.6.INVESTMENTS

3.6.1. 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.

An amendment made to IAS 27 - Equity Method in Separate Financial Statements allows entities to use the equity method to account for subsidiaries, joint ventures and associates in its separate financial statements. Entities that have already implemented IFRS and choose to change to the equity method, must apply this change retrospectively.

3.6.2. 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.

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

Grupo SURA evidencia la influencia significativa a través de uno o varios de los siguientes aspectos:

- » 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;
- » By participating in the policy-making and decisions taken in terms of dividends and other distributions;
- » By performing 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:

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 are recognized through profit or loss.

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, 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 in profit or loss

3.7. IMPAIRMENT OF ASSETS

Grupo Sura must ensure that its operating assets, that is to say its property and equipment plus intangible assets, and investments are recorded at a value that does not exceed their recoverable value, that is to say, that their carrying amounts do not exceed the value that may be recovered through their continued use or sale. Should this be the case, Grupo Sura must recognize an impairment loss on value of the asset in question.

Grupo Sura examines on the closing dates of the Statements of Financial Position or the interim financial statements, whether there are signs of impairment. If any such indication exists, Grupo Sura proceeds to estimate the recoverable amounts.

3.8. 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.

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.

Post-employment benefits

Post-employment benefits are all those which are granted to employees after they leave the Company to enjoy their retirement. Similarly, and depending on the economic essence of the remuneration granted, these benefits could consist of defined contribution plans, under which the 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; or they could consist of defined 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.

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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.

Termination benefits are payments for early retirement or redundancy payments, and therefore only accrue when the employment relationship is completed. 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.

3.9. 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. The Company also classifies a contingent asset as arising

from past events and whose existence is confirmed by the occurrence or nonoccurrence 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.

3.10.CURRENCY

3.10.1. Functional and reporting currency

Grupo Sura's separate financial statements are presented in millions of Colombian pesos, rounded up or down to the nearest unit, the peso being the Group's functional and reporting currency,

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3.10.2. 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.

3.11. ORDINARY INCOME

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.

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The amount of income obtained from a transaction is usually decided between the Company and the buyer or 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.

3.12. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit or loss attributable to the holders of ordinary shares for the period in question by the weighted average number of shares outstanding during this same time frame.

NOTE 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND CAUSES OF UNCERTAINTY IN PREPARING THE FINANCIAL STATEMENTS

The preparation of the separate financial statements in accordance with FRAS requires Senior Management to make judgments, estimates and assumptions 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 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 equity accounts under other comprehensive income.

Any revaluation increase is recognized in other comprehensive income and accumulates in equity 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 is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus with regard to said asset.

The decrease thus recognized in other comprehensive income reduces the amount accumulated in equity as a revaluation surplus.

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 provided by these models is taken from observable markets where possible, but when this is not the case, a certain amount of judgment is required to determine their fair values. This includes weighing the corresponding liquidity, credit and volatility risks.

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Note 8 - Financial Instruments includes information regarding the assumptions made in measuring fair value.

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 taxable income and expense already recorded. Provisions are set up, based on reasonable estimates, with regard to possible findings produced by official audits performed by the tax authorities in each of the countries where the Company is present. 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, the Company's own strategies in terms of tax planning, together with the useful life and residual values of property, plant 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.

d). The probability of occurrence and the value of contingent or uncertain amounts of liabilities.

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) There is a likelihood of an outflow of resources embodying economic benefits being required in order to settle the obligation,
- c) The value of which can be reliably estimated.

e) 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.

Information regarding assumption and estimation uncertainties that pose a significant risk of producing a material adjustment for the year ended December 31, 2014, is included in the following notes:

Notes 12.2 and 12.3 - Long-term benefits and post-employment benefits: key actuarial assumptions $\frac{1}{2}$

Note 9 -Taxes: recognition of deferred tax assets, availability of future taxable profits to be used to offset losses obtained in prior periods

Discretionary judgment

Upon preparing Grupo Sura 's financial statements, its Senior Management is called on to make judgments that affect the values of the income, expense, assets and liabilities therein reported as well as contingent liabilities disclosed at the end of the reporting period in question.

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.

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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 amendments, to be applied retroactively (with certain exceptions during the corresponding transition period), provide for an exception to the requirement for consolidating entities that meet the definition of investment entities in accordance with IFRS 10 - Consolidated Financial Statements. This consolidation 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 is 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 do 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 principles for recognizing said liabilities as liens as contained in IAS 37 - Provisions, Contingent Liabilities and Contingent Assets have been applied, these being consistent with that stipulated in IFRIC 21.

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 2010-2012 annual improvements cycle, the IASB issued four amendments to a total of four standards, 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 first adopted IFRS prior to the reporting year of 2016.

NOTE 6. STANDARDS ISSUED BUT NOT YET EFFECTIVE

ACCEPTED ACCOUNTING AND FINANCIAL REPORTING STANDARDS IN COLOMBIA WHICH HAVE BEEN ISSUED BUT NOT YET IN FORCE

Section 3 of Article 2.1.2 of Book 2, Part 1 of Decree 2420 issued in 2015 and subsequently amended by Decrees 2496 of 2015 and 2131 of 2016 as well as Article 1 of Decree 2131 of 2016 include the standards that have been issued by the IASB and adopted In Colombia, but which are due to come into full force and effect after 2016.

New Accepted Accounting and Financial Reporting Standards in Colombia to be applied as of January 01, 2017 except for IFRS 9 and 15 applicable as of January 1, 2018

IFRS 9 - FINANCIAL INSTRUMENTS CLASSIFICATION AND MEASUREMENT

In July 2014, the IASB published the final version of IFRS 9 - Financial Instruments which was a compilation of all phases of its draft IFRS 9 project and replaces IAS 39 Financial Instruments: measurement and classification as well as all previous versions of IFRS 9. This new standard introduces new requirements for the classification, measurement and impairment of financial instruments as well as hedge accounting. IFRS 9 is applicable for the financial years beginning on or after 1 January 2018. Retroactive application is required, without the need to modify the comparative information already provided. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is allowed if the initial date of application is earlier than 1 February 2015.

IFRS 14 REGULATORY DEFERRAL ACCOUNTS

IFRS 14 is an optional standard that allows an entity, when adopting IFRSs for the first time and whose activities are subject to rate regulations, to continue to apply most of its prior accounting policies to its regulatory deferred accounts. Entities adopting IFRS 14 must present their regulatory deferred accounts as separate items on their statements of financial position and record the movements in said accounts as separate items on both their income and comprehensive income statement. This standard requires disclosures regarding the nature and risks associated with the entity's regulated rates, as well as the impacts of regulated rates on their financial statements. IFRS 14 is applicable to the fiscal years beginning on or after 1 January 2017.

IFRS ANNUAL IMPROVEMENTS CYCLE - 2010-2012

These improvements became effective as of July 01, 2014 and included the following amendments:

IFRS 15 - REVENUE FROM CONTRACTS WITH CLIENTS

IFRS 15 was published in May 2014 and established a new five-step approach for revenues obtained from contracts with clients. According to IFRS 15, revenue is recognized in an amount that reflects the consideration that an entity expects to be entitled to receive in exchange for transferring goods or services to a client. The principles underlying IFRS 15 represent a more structured approach for measuring and recording revenue.

This new standard is applicable to all entities and shall overturn all previous standards used to recognize said revenue. A full or partial retroactive application is required for periods beginning on January 1, 2018, but earlier application is permitted.

AMENDMENTS TO IFRS 11: ACCOUNTING FOR ACQUISITIONS OF INTERESTS IN JOINT OPERATIONS

Amendments to IFRS 11 require a joint operator to account for the acquisition of a stake in a joint venture, which constitutes a business, applying the relevant principles of IFRS 3 for the accounting of business combinations. These amendments also provide guidance for stakes previously held in the joint venture which are not re-measured when acquiring additional stakes as long as joint control is maintained. Furthermore, an exception was introduced to the scope of these amendments so that they do not apply when the parties that share joint control, come under the common control of an ultimate controlling company. These amendments apply to initial acquisitions of stakes in a joint operation as well as to acquisitions of any additional stakes in the same joint operation. These are to be applied prospectively for the fiscal years beginning on January 1, 2017, although earlier application is permitted.

AMENDMENTS TO IAS 16 AND IAS 38: CLARIFICATION OF ACCEPTABLE METHODS OF AMORTIZATION

These amendments provide clarification for when revenues reflect an expected pattern of future economic benefits to be obtained from a business (of which

the asset forms a part), rather than the economic benefits that are consumed by the use of the asset. Therefore, tangible fixed assets cannot be amortized using a revenue-based amortization method and can only be used in very limited circumstances to amortize intangible assets. These amendments are to be applied prospectively for periods beginning on or after 1 January 2017, although their earlier application is permitted.

AMENDMENTS TO IAS 16 AND IAS 41: BIOLOGICAL ASSETS RELATING TO AGRICULTURAL BEARER PLANTS

These amendments change the way of recording biological assets which are agricultural bearer plants. According to these new changes, the biological assets used to grow produce over several years no longer fall under the scope of IAS 41 and therefore must be recorded in accordance with IAS 16. After their initial recognition, these biological assets are measured at their amortized cost until maturity whereupon the cost or revaluation model is used. IAS 41 continues to be applied to the produce thus obtained which is to be measured at fair value less their selling costs. On the other hand, IAS 20 shall apply when receiving subsidies related to produce-bearing plants. These amendments must be applied retroactively for the years beginning on January 1, 2017, although their early application is permitted.

AMENDMENTS TO IAS 27: EQUITY METHOD IN SEPARATE FINANCIAL STATEMENTS

An amendment made to IAS 27 - Equity Method in Separate Financial Statements allows entities to use the equity method to account for their subsidiaries, joint ventures and associates in its separate financial statements. Entities that have already implemented IFRS and choose to change to the equity method, must apply this change retrospectively. Entities that apply IFRS for the first time and choose to use the equity method in their separate financial statements shall have to apply the aforementioned method as of the date they transitioned to IFRS. These changes must be applied for the years beginning on January 1, 2017, although their early application is allowed.

AMENDMENTS TO IFRS 10 AND IAS 28: SALE OR CONTRIBUTIONS OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATES OR JOINT VENTURES

These amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is either sold or contributed to an associate or joint venture. Said amendments stipulate that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture shall be recognized in its entirety. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, it is recognized only up to the interests of unrelated investors in the associate or joint venture. These amendments should be applied prospectively and are effective for periods beginning on or after January 1, 2017, with earlier adoption allowed.

ANNUAL IMPROVEMENTS CYCLE 2012-2014

These improvements are effective for annual periods beginning on or after January 1, 2017, with earlier adoption allowed. These include:

IFRS 5 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets (or disposal groups) are generally arranged either through being sold or distributed to their owners. This amendment clarifies that the change from one disposal method to another would not be considered a new disposal plan, but rather a continuation of the original plan. Therefore there is no interruption in the application of the requirements stipulated in IFRS 5. This amendment shall be applied prospectively.

IFRS 7 - Financial instruments Disclosures

(i) Servicing costs

This amendment clarifies that a servicing contract that includes a fee may constitute an ongoing involvement in a financial asset. An entity should evaluate the nature of the fee and the corresponding contract against the continuous involvement guide in IFRS 7 in order to assess whether such disclosures are required. Evaluations of which servicing contracts constitute a continuous involvement must be carried out retrospectively. However, the

disclosure requirement would not have to be provided for a period beginning before the annual period in which the entity applies the amendments for the first time.

(ii) Applicability of Amendments to IFRS 7 to the Condensed Interim Financial **Statements**

This amendment clarifies that clearing disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a material update of the information reported in the most recent annual report. This amendment shall be applied retrospectively.

IIAS 19 EMPLOYEE BENEFITS

This amendment provides clarification for the depth of the market for high-quality corporate bonds to be assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high-quality corporate bonds in the currency in question, government bond rates should be used. This amendment shall be applied prospectively.

IAS 34 INTERIM FINANCIAL INFORMATION

These amendments provide clarification as to the required interim disclosures being included either in the interim financial statements or incorporated by cross-referencing between different interim financial statements and wherever interim financial information is included (e.g. in management or risk reports). The other information contained in the interim financial information should be made available to users under the same conditions as the interim financial statements and at the same time. This amendment shall be applied retrospectively.

AMENDMENTS TO IAS 1 - DISCLOSURE INITIATIVE

Amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, the existing requirements of IAS 1. These amendments provide clarification as to:

- » The materiality requirements stipulated in IAS 1.
- » That specific line items in the statements of income and other comprehensive income as well in the statement of financial position can be disaggregated.

- » That entities are granted flexibility with regard to the order in which the notes to the financial statements are presented.
- » That the entity's share of the other comprehensive income (OCI) of associates and joint ventures that are accounted for using the equity method should be presented together in a single line and classified among those items to be reclassified or not to the income statement.

Furthermore, these amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position as well as the statements of income and other comprehensive income. These amendments became effective for annual periods beginning on or after January 1, 2017, with earlier adoption allowed.

AMENDMENTS TO IFRS 10, 12 AND IAS 28 - INVESTMENT **ENTITIES: APPLICATION OF THE CONSOLIDATION EXCEPTION**

These amendments address issues that have arisen with the application of the consolidation exception for investment entities under IFRS 10.

Amendments to IFRS 10 clarify that the exception for presenting the consolidated financial statements applies to the parent entity which in turn is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

On the other hand, amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity per se and which provides support services to the investment entity in question should be consolidated. All the other subsidiaries of an investment entity shall be measured at fair value. Amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments should be applied retrospectively and are effective for annual periods beginning on or after January 1, 2017, with earlier adoption allowed.

Article 1 of Decree 2131 of 2015 added Annex 1.2 to Decree 2420 of 2015. subsequently amended by Decree 2496 of 2015 adding amendments to IAS 7, IAS 12 and clarifications to IFRS 15

AMENDMENTS TO IAS 7

Disclosure Initiative: amendments to IAS 7 form part of the IASB disclosure initiative and require companies to disclose information that allows users of financial statements to assess changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. Upon initially applying this amendment, the company would not be obliged to include comparative information from previous periods.

AMENDMENTS TO IAS 12

Recognition of Deferred Tax Assets for Unrealized Losses: these amendments clarify how to record deferred tax assets for debt instruments measured at fair value.

AMENDMENTS TO IFRS 15:

Clarifications to IFRS 15 Revenues from Contracts with Clients: this amendment clarifies certain issues relating to client contracts, in order to provide a more uniform understanding of this standard by the various interested parties.

IFRS issued by the IASB but not adopted in Colombia

The IASB issued on January 13, 2016 a new standard IFRS 16 - Leases, which provides a comprehensive model for identifying lease agreements and how they are to be treated in the financial statements of both lessees and lessors. This replaces IAS 17 - Leases and their interpretive guidance.

Explanatory note:

The following standards which, although have not been amended, do not apply in the case of Grupo Sura since the Company does not carry out this type of operation:

- » IFRS 14 Regulatory Deferral Accounts
- » IFRS 11: Accounting for acquisitions of interests in joint operations
- » IAS 16 and IAS 41: Biological Assets Relating to Agricultural Bearer Plants
- » Amendments to IFRS 10 and IAS 28: Sale or Contributions of Assets between the Investor and its Associates or Joint Ventures
- v IFRS 5: Non-current Assets Held for Sale and Discontinued Operations

NOTE 7. CASH Current cash and cash equivalents are broken down as follows:

	2016	2015
Local currency	269.900	214.822
Cash	1	1
Checking accounts	335	240
Savings accounts	241.452	190.931
Fiduciary rights	28.112	23.650
Foreign currency	45.355	6.406
Cash	6	8
Checking accounts	45.349	6.398
Short-term investments	136.188	-
CDs	96.047	-
Repo rights on investments	40.141	-
Total cash and cash equivalents	451.443	221.228

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 Grupo Sura 's immediate cash needs, all of which bear interest at the applicable short-term lending rates. There are no restrictions on cash and cash equivalents.

NOTE 8. FINANCIAL INSTRUMENTS

ACTIVOS CUYO VALOR RAZONABLE SE APROXIMA AL VALOR EN LIBROS

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 APPROXIMATES THEIR CARRYING VALUE.

In the case of financial assets with short-term maturities (less than three months), such as demand deposits and savings accounts with no specific maturity, their carrying amounts approximate their fair value. In the case of other fixed-income instruments, adjustments are made to reflect the change in the required credit spread, since the instrument was initially recognized.

As for short-term receivables, which are measured at amortized cost, their carrying values correspond to a reasonable approximation of their fair value.

FINANCIAL INSTRUMENTS AT AN AGREED RATE

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. The estimated fair value of term deposits is based on discounted cash flows using current money market interest rates as well as those applicable to debt securities carrying similar risks and maturities

FAIR VALUE HIERARCHY

Financial assets and liabilities carried at fair value by Grupo Sura are classified based on a fair value hierarchy, as shown below

LEVEL 1 - PRICES LISTED ON ACTIVE MARKETS

Inputs for Level 1 consist of unadjusted prices listed 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

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:

- » Listed prices for similar assets or liabilities on active markets;
- » Listed prices for identical or similar assets or liabilities on inactive markets; and
- » Input data other than listed prices, i.e. interest or exchange rates

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.

FINANCIAL LIABILITIES WHOSE FAIR VALUE APPROXIMATES THEIR CARRYING VALUE.

In the case of short-term obligations their carrying amounts approximate their fair value.

Long term accounts payable normally become due and payable between one and two years. This means that their respective carrying values are reasonable approximations of their fair values.

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.

The following is a breakdown of the financial assets and liabilities held by Grupo Sura at year-end 2016 and 2015.

8.1. FINANCIAL ASSETS

The balance of the financial assets held by Grupo Sura is as follows:

Year-end 2016

CURRENT			SSETS AT FAIR LUE	FINANCIAL ASSETS AT AMORTIZED COST	OTHER FINANCIAL ASSETS (CASH)	TOTAL
	Note	Results	Equity			
Cash and cash equivalents	7	-	-	-	451.443	451.443
Accounts receivable		-	-	767	-	767
Accounts receivable due from related parties	8.1.1	-	-	99.899	-	99.899
Other financial assets	8.1.2	38.363	-	-	-	38.363
Total non-current assets		38.363	-	100.666	451.443	590.472

NON-CURRENT			SSETS AT FAIR LUE	FINANCIAL ASSETS AT AMORTIZED COST	OTHER FINANCIAL ASSETS (CASH)	TOTAL
		Results	Equity			
Investments	8.1.3	-	23.091	-	-	23.091
Other financial assets	8.1.2	85.163	-	-	-	85.163
Total non-current assets		85.163	23.091	-	-	108.254
Total financial assets		123.526	23.091	100.667	451.443	698.726

Year-end 2015

CURRENT	FINANCIAL ASSETS AT FAIR		FINANCIAL ASSETS	OTHER FINANCIAL	TOTAL	
CORRENT		VALUE		AT AMORTIZED COST		ASSETS (CASH)
	Note	Results	Equity			
Cash and cash equivalents	7	-	-	-	221.228	221.228
Accounts receivable		-	-	176	-	176
Accounts receivable due from related parties	8.1.1	-	-	86.941	-	86.941
Total non-current assets		-	-	87.117	221.228	308.345

NON-CURRENT			SSETS AT FAIR LUE	FINANCIAL ASSETS AT AMORTIZED COST	OTHER FINANCIAL ASSETS (CASH)	TOTAL
		Results	Equity			
Investments	8.1.3	-	21.512	-	-	21.512
Other financial assets	8.1.2	185.302	-	-	-	185.302
Total non-current assets		185.302	21.512	-	-	206.814
Total financial assets		185.302	21.512	87.117	221.228	515.159

Impairment to financial assets

The maturities of the financial obligations held at year-end are shown as follows:

Total	590.472	37.956	46.726	23.572	698.726
Other financial assets	38.363	37.956	46.726	481	123.526
Investments	-	-	-	23.091	23.091
Accounts receivable due from related parties	99.899	-	-	-	99.899
Accounts receivable	767	-	-	-	767
Cash	451.443	-	-	-	451.443
YEAR-END 2016	LESS THAN 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL

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		-	176
-	-	-	86.941
-	-	21.512	21.512
107.825	18.055	59.422	185.302
107.825	18.055	80.934	515.159
	107.825	107.825 18.055	21.512 - 107.825 18.055 59.422

LESS THAN 1 BETWEEN 1

BETWEEN 3 MORE THAN 5

Fair value hierarchy

Financial assets are classified, within the fair value hierarchy, as follows:

	LEVEL 1	LEVEL 2	TOTAL
Financial assets at fair value through equity	23.091	-	23.091
Derivatives at fair value	-	123.526	123.526
Total financial assets at year-end 2016	23.091	123.526	146.617
	LEVEL 1	LEVEL 2	TOTAL
Financial assets at fair value through equity	21.512	-	21.512
Derivatives at fair value	-	185.302	185.302
Total financial assets at year-end 2015	21.512	185.302	206.814

Movements in financial assets

	FINANCIAL ASSETS AT	FINANCIAL ASSETS AT	FINANCIAL ASSETS AT	OTHER	
	AMORTIZED COST	FAIR VALUE THROUGH	FAIR VALUE THROUGH	FINANCIAL	TOTAL
		PROFIT OR LOSS	EQUITY	ASSETS	
At year-end 2014	81.154	48.026	24.868	10.609	164.657
Additions	540.227	252.261	-	284.681	1,077,170
Financial asset valuations	-	204.293	(3.356)	-	200.937
Financial asset maturities	-	(66.774)	-	-	[66.774]
Disposals	(534.264)	(252.505)	-	(74.062)	[860.831]

At year-end 2015	87.117	185.302	21.512	221.228	515.159
Additions	1,567,085	-	-	964.399	2,531,484
Financial asset valuations	-	(3.466)	1.579	-	(1.887)
Financial asset maturities	-	(58.310)	-	-	(58.310)
Disposals	(1,553,536)	-	-	[734.184]	(2,287,720)
At year-end 2016	100.667	123.526	23.091	451.443	698.726

8.1.1 Accounts receivable due from related parties

Accounts receivable due from related parties consist of outstanding dividends receivable from associates and intercompany checking accounts between subsidiaries which are shown as follows:

	YEAR-END 2016	YEAR-END 2015
Bancolombia S.A.	52.063	52.744
Inversiones Argos S.A.	16.469	15.416
Grupo Nutresa S.A.	20.145	18.781
Total dividends receivable	88.677	86.941
Suramericana S.A.	90	-
Grupo de Inversiones Suramericana Panamá (1)	11.073	-
Grupo Sura Finance (1)	59	-
Total accounts receivable due from subsidiaries	11.222	-
Total current accounts receivable due from related parties and associates	99.899	86.941

⁽¹⁾ These amounts correspond to a receivable from Grupo Sura Finance and Grupo de Inversiones Suramericana Panamá for the acquisition of shares for \$ 59 and \$ 11.073 million, respectively.

8.1.2. Other financial assets

Investments are broken down as follows

ASSETS	YEAR-END 2016	YEAR-END 2015
Swaps(1)	13.512	75.368
Foreign exchange options	99.850	109.934
Foreign exchange forwards	10.164	-
Total assets corresponding to derivative transactions	123.526	185.302

⁽¹⁾ Interest rate swaps totaling COP 1,015 in 2016 and COP 5,390 in 2015 and exchange rate swaps for COP 12,497 in 2016 and COP 69,978 in 2015.

8.1.3 Investments

Financial assets at fair value through equity are broken down as follows:

	Y	EAR-END 201	6	Y	EAR-END 201	5
	# Shares	% Stake	Fair Value	# Shares	% Stake	Fair Value
Fogansa S.A.	176.000	0.29	-	176.000	0.29	-
Enka S.A.	1,973,612,701	16.76	23.091	1,973,612,701	16.76	21.512
Total			23.091			21.512

8.2. FINANCIAL LIABILITIES

Current and non-current financial liabilities are broken down as follows:

Year-end 2016

CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASE RENTALS	TOTAL
Other financial liabilities (*)	1,247,713	21.163	3.990	1,272,866
Accounts payable	36.642	-	-	36.642
Accounts payable to related parties	1,727,010	-	-	1,727,010
Total current liabilities	3,011,365	21.163	3.990	3,036,518
NON-CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	LEASE RENTALS	TOTAL
Other financial liabilities (*)	-	27.527	11.296	38.823
Issued securities	986.781	-	-	986.781
Total non-current liabilities	986.781	27.527	11.296	1,025,604
Total financial liabilities	3,998,147	48.690	15.286	4,062,122

(*) Financial liabilities, which include derivatives, leases and financial obligations are broken down in their current and non-current categories as follows:

	CURRENT	NON-CURRENT	TOTAL
Financial obligations	1,247,713	-	1,247,713
Lease rentals	3.990	11.296	15.286
Derivatives	21.163	27.527	48.690
	1,272,866	38.823	1,311,689

Year-end 2015

CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	TOTAL
Other financial liabilities (derivatives) (*)	-	11.344	11.344
Accounts payable	61.532	-	61.532
Accounts payable to related parties	88.976	-	88.976
Total current liabilities	150.508	11.344	161.852

NON-CURRENT	FINANCIAL LIABILITIES AT AMORTIZED COST	FINANCIAL LIABILITIES AT FAIR VALUE	TOTAL
Other financial liabilities (*)	715.074	-	715.074
Issued securities	1,109,673	-	1,109,673
Total non-current liabilities	1,824,747	-	1,824,747
Total financial liabilities	1,975,255	11.344	1,986,599

(*) Financial liabilities, which include derivatives, leases and financial obligations are broken down in their current and non-current categories as follows:

	CURRENT	NON-CURRENT	TOTAL
Financial obligations	-	715.074	715.074
Derivatives	11.344	-	11.344
	11.344	715.074	726.418

Movements in financial liabilities

The maturities of the financial obligations held at year-end are shown as follows:

Total	161.853	939.367	885.380	1,986,600
Bonds and securities		224.293	885.380	1,109,673
Financial obligations	-	715.074		715.074
Other accounts payable	150.508	-	-	150.508
Derivatives	11.345	-	-	11.345
2015	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Total	3,036,518	110.684	914.920	4,062,122
Bonds and securities	-	101.003	885.778	986.781
Financial obligations	1,247,713	-	-	1,247,713
Other accounts payable	1,763,652	-	-	1,763,652
Derivatives	21.163	9.681	17.846	48.690
Lease rentals	3.990	-	11.296	15.286
2016	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL

Fair value hierarchy

	LEVEL 2	
Derivatives	48.690	
Total Financial Liabilities at Year-End 2016	48.690	
	LEVEL 2	
Derivatives	11.345	
Total Financial Liabilities at Year-End 2015	11.345	

Comparison of fair value and book value

Financial liabilities whose fair value is different from their carrying amounts are broken down as follows:

	FAIR VALUE	BOOK VALUE
Bonds and securities	827.615	777.968
	827.615	777.968

Movements in financial liabilities

At year-end 2016	3,998,147	48.690	15.285	4,062,123
Payments	(3,319,916)	-	(404)	(3,320,320)
Financial liability valuations	[121.804]	37.346	376	(84.083)
Additions	3,336,513	-	15.313	3,351,826
At year-end 2015	4,103,354	11.345	-	4,114,699
Payments	(736.022)	-	-	(736.022)
Derecognitions	-	[243]	-	(243)
Financial liability valuations	59.523	11.588	-	71.111
Additions	3,599,502	-	-	3,599,502
At year-end 2014	1,180,351	-	-	1,180,351
	LIABILITIES AT AMORTIZED COST	AT FAIR VALUE THROUGH PROFIT OR LOSS	LEASE RENTALS	TOTAL
	FINANCIAL	FINANCIAL LIABILITIES		

8.2.1 Other financial liabilities

Corresponding to long-term financial obligations and swaps, which are shown below for the years ended December 31, 2016 and December 31 2015:

ENTITY	CURRENCY	RATE	TERM (DAYS)	2016	2015
BBVA España	USD	LIBOR + 1.25% /1.5%	1.006	300.280	313.949
Bancolombia Panamá	USD	LIBOR + 1.47%	641	246.433	258.518
Citigroup Global Market	USD	LIBOR + 0.45%	386	220.977	-
Banco Davivienda S.A.	USD	LIBOR + 1.50%	641	136.237	142.607
Banco de Bogotá	COP	CPI +2,93%	730	289.664	-
Citigroup Global Market	USD	LIBOR + 0.45%	385	54.122	-
Increase in financial obligations				1,247,713	715.074
Financial leasing arrangements	COP	7.89%	5.478	15.286	-
Subtotal - financial liabilities				1,262,999	715.074
Swaps				48.690	11.344
Total financial liabilities				1,311,689	726.418

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8.2.2. Accounts payable to related parties

Corresponding to short-term dividends declared at the Annual Shareholders' Meeting held March 31, 2016 as well as accounts payable due to Subsidiaries:

	YEAR-END 2016	YEAR-END 2015
Ordinary shares	54.773	50.761
Preferred shares	12.122	11.218
Sub-total	66.895	61.979
Current accounts payable to subsidiaries (See Note 26)	1,660,115	26.997
Total accounts payable to related parties	1,727,010	88.976

8.2.3 Trade and other accounts payable

Current trade payables are shown as follows:

	2016	2015	
Suppliers	643	325	
Accounts payable on investment purchases	33.634	60.123	
Others	2.366	1.084	
Total trade payables	36.643	61.532	

NOTE 9. TAXES

The following taxes are recognized on Grupo Sura 's Statement of Financial Position:

	NOTE	YEAR-END 2016	YEAR-END 2015
Current tax assets	9.1	61.291	25.021
Deferred tax assets	9.2	47.412	41.594
Current tax liabilities	9.1	123.394	46.536
Deferred tax liabilities	9.2	113.693	124.614

9.1. CURRENT TAX

a. Income tax recognized in the Statement of Financial Position

		YEAR-END 2016	YEAR-END 2015
	Withholding tax	37.396	406
	Income tax pre-payments	2.416	9.065
Assets	Advanced payment on Industry and Commerce tax	5.261	6.355
	Withheld sales tax	52	10
	Surplus tax	16.132	9.184
	Deductible taxes	34	2
	Total other current tax assets	61.291	25.021
	Income Tax	112.022	38.580
Liabilities	Industry and Commerce tax	11.297	7.940
	Withheld sales tax	72	14
	Withheld Industry and Commerce tax	3	2
	Total current tax liabilities	123.394	46.536

b. Tax recognized in the income accounts for the period

	VEAD THE COLL	V=15 = 115 001=
	YEAR-END 2016	YEAR-END 2015
Current tax expense	77.844	11.611
Deferred tax expense		
Sources / reversals of temporary differences	[18.131]	100.368
Exchange rate effect	1.825	-
Income tax expense	61.538	111.979

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.

c. Reconciliation of effective tax rate

	YEAR-END 2016		YEAR-E	ND 2015
	Rate	Balance	Rate	Balance
Earnings before tax		897.019		835.968
Income tax by applying the local tax rate	40.0%	358.679	39%	326.027
Tax effect of:		-		-
Non-deductible expense	6.0%	53.906	4%	36.651
Taxable dividends	7.8%	70.247	9%	74.414
Rate change adjustments	0.2%	1.826	0%	2.764
Non-income receipts	-2.9%	[26.376]	0%	[3.127]
Tax exempt income	-26.9%	(240.965)	-27%	[223.857]
Tax-exempt dividends	-24.5%	(219.463)	-16%	(135.618)
Presumptive income effect	5.0%	44.566	4%	34.725
Others	2.1%	19.118	0%	-
Income tax	6.9%	61.538	13.4%	111.979

d. Movements in the current tax account

The following is a breakdown of the Income and Ancillary tax balance due at year-end 2016:

Income and Ancillary Tax provision at year-end 2014	77.291
Income and Equality Income Tax declared for 2014	(50.322)
Provision	11.611
Income tax balance at year-end 2015	38.580
Equality Income Tax declared for 2015	[4.402]
Provision	77.844
Income tax balance at year-end 2016	112.022

The Company's income tax returns for the years 2014 and 2015 shall be considered settled within a term of two years as a general rule.

The following is a breakdown of the Industry and Commerce Tax account at yearend:

Estimated balance due at year-end 2014	8.752
Expense incurred for the year	5.542
Tax declared for 2014	(6.354)
Closing balance of provision at year-end 2015	7.940
Expense incurred for the year	8.618
Tax declared for 2015	[5.260]
Closing balance of provision at year-end 2016	11.297

e. Reconciliation between accounting income and taxable income

The following is the reconciliation between accounting income and taxable income as estimated at year-end:

A) TAXABLE INCOME AND EARNINGS:	20	016	2	015
	Income Tax	Equality Income Tax (CREE in Spanish)	Income Tax	Equality Income Tax (CREE in Spanish)
Earnings before tax	897.019	897.019	835.967	835.967
Accounting difference for tax purposes	(258.272)	(258.272)	(631.163)	(631.163)
Taxable income, before tax	638.747	638.747	204.804	204.804
Plus:	211,781	211,781	364,788	364,788
Non-deductible provisions that constitute temporary differences	8,619	8,619	5,542	5,542
Other taxable revenues	-	-	10,088	10,088
Non-deductible vehicle tax	28	28	22	22
Dividends from long-term controlling investments	-	-	207,363	207,363
Financial transaction tax	1,238	1,238	287	287
Other non-deductible expense	118,914	118,914	8,437	8,437
Losses - equity method	-	-	53,362	53,362
Miscellaneous expense	82,983	82,983	79,687	79,687
Less:	767,335	767,335	625,788	625,788
Industry and commerce tax	4,167	4,167	6,608	6,608
Profits from sales of investments	85,901	85,901	8,666	8,666
Other revenues not taken for tax purposes	86,588	86,588	52869	52869
Non-taxable dividends and participations	590,679	590,679	557,645	557,645

Taxable net income	83,194	83,194	-56,196	-56,196
Presumptive income	194,609	194,609	29,772	29,772
Income:				
Taxable net income	194,609		29,772	
Nominal tax rate: 25%	48,652		7,443	
Occasional Gains Tax	-		-	
Equality Income Tax (CREE in Spanish)				
Taxable net income	194,609		29,772	
Nominal tax rate	29,191		4,168	
Total income, occasional gains and equality income tax	77,844		11,611	

f. Tax losses

The following is a breakdown of tax losses and surplus presumptive income versus ordinary income duly adjusted for tax purposes:

TAX LOSSES	2016	2015
Sustained in		
2008	519	484
2009	364	340
2010	73.302	68.456
2011	582.730	544.201
2015	82.832	-
Total	739.747	613.480
Tax surpluses		
2011	34.183	31.923
2012	60.782	56.764
2013	56.418	52.688
2014	37	35
2015	11.921	-
Total	163.341	141.409
Total losses and surpluses	903.089	754.889

At year-end 2016, there were no recognized deferred tax assets relating to tax losses since the company does not pay tax on net income for which an asset is not recognized.

Current legislation, as applicable to the Company, provides for the following:

Surplus presumptive income versus ordinary income, duly readjusted for tax purposes, can be offset using the ordinary income obtained within a subsequent period of five years.

100% of the total amounts paid in the form of Industry and Commerce, including supplementary signage and billboard taxes, as well as land taxes may be deducted; whereas in the case of financial transaction tax only a 50% deduction is permitted.

Presumptive income is calculated based on 3% of net equity for the immediately preceding year.

The wealth tax paid by the Company in 2015 came to COP 3,786 and in 2016 the value of a wealth tax paid totaled COP 3,345

9.2. DEFERRED TAX

a. Movements in deferred tax balances

	17.403	(100.368)	(57)	(83.020)	41.594	(124.614)	
Dividends from Subsidiaries	-	(75.166)	-	(75.166)	-	(75.166)	
Tax losses / surpluses	27.527	-	-	27.528	27.528	-	
Financial obligations	[3.628]	(530)	-	(4.157)	-	(4.157)	
ICA tax provision	2.854	322	-	3.176	3.176	-	
Employee benefits	8.073	2.736	(57)	10.752	10.752	-	
Property and equipment	[149]	287	-	138	138	-	
Financial instruments	(17.274)	(28.017)	-	[45.291]	-	(45.291)	
	YEAR-END 2014	THROUGH PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	NET	DEFERRED TAX ASSETS	DEFERRED TA LIABILITIES	
	BALANCE AT RECOGNIZED	RECOGNIZED IN	BALANCE AT YEAR-END 2015				
	(83.020)	(16.306)	434	(66.280)	47.412	(113.693)	
Dividends from Subsidiaries	(75.166)	(16.753)	-	(58.413)	-	(58.413)	
Tax losses / surpluses	27.528	27.528	-	-	-	-	
Financial obligations	(4.157)	(6.591)	-	2.434	2.434	-	
ICA tax provision	3.176	1.833	-	1.343	1.343	-	
Employee benefits	10.752	480	434	10.706	10.706	-	
Property and equipment	138	6.010	-	(5.872)	-	(5.872)	
Financial instruments	(45.291)	(28.813)	-	[16.478]	32.930	(49.408)	
	YEAR-END 2015	THROUGH PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	NET	DEFERRED TAX ASSETS	DEFERRED TA	
	BALANCE AT	BALANCE AT RECOGNIZED F		BALANCE AT YEAR-END 2015			

NOTE 10. PROPERTY AND EQUIPMENT

The year-end property and equipment account is broken down as follows:

Total property and equipment	40.176	17.451
Accumulated depreciation	(1.531)	[1.127]
Cars, pick-up trucks and 4-wheel drives	1.618	1.381
Computer and communication equipment	476	377
Office equipment	2.272	585
Buildings and construction work	28.862	13.538
Construction in progress	5.796	-
Land	2.683	2.697
	2016	2015

Movements in Grupo Sura 's Property and Equipment account are as follows:

2016	LAND	BUILDINGS	VEHICLES	OFFICE EQUIPMENT	IT EQUIP- MENT	CONSTRUC- TION IN PROGRESS	TOTAL PROPERTY AND EQUIP MENT
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
Disposals (-)	[13]	-	-	-	-	-	[13]
Book cost at year-end 2016	2.683	28.862	1.618	2.272	475	5.796	41.707
Accumulated depreciation and impairment							
Accumulated depreciation and impairment at January 01, 2016		(405)	(382)	(159)	(180)	-	(1.126)
Depreciation for the period		(135)	[112]	[82]	[78]	-	[407]
Other changes		2	-	-	-	-	2
Accumulated depreciation and impairment at year-end 2016	-	(538)	[494]	[241]	(258)	-	(1.531)
Property, plant and equipment at year- end 2016	2.683	28.324	1.125	2.031	217	5.796	40.176
2016	LAND	BUILDINGS	VEHICLES	OFFICE EQUIPMENT	IT EQUIPMENT		PERTY AND
Cost							
Cost at January 1, 2015	2.696	13.538	1.307	522	338		18.402
Additions			74	63	39		176
Book cost at year-end 2015	2.696	13.538	1.381	585	377		18.578
Accumulated depreciation and impairment							

Property and equipment at year-end 2016	2.696	13.133	999	426	196	17.451
Accumulated depreciation and impairment at year-end 2015		405	382	159	181	1.127
Depreciation for the period		135	96	77	72	380
Accumulated depreciation and impairment at January 1, 2015		270	286	82	109	747

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 sign 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 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 which could have an adverse affect on the Company.
- » No evidence has been found that indicates that the economic performance of the asset is, or shall be, worse than expected going forward.

After analyzing all impairment indicators, no evidence was found of any such impairment being sustained by the Company's property, plant and equipment on the date of this report.

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NOTE 11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

11.1 INVESTMENTS IN ASSOCIATES

Overview of investments in associates

Grupo Sura 's associates on the date of this report are listed as follows:

		YEAR-END 2016			YEAR-END 2015		
Associate	Economic activity	% stake	% voting rights	# shares	% stake	% voting rights	# shares
Bancolombia S.A.	Universal banking	24.38%	46.01%	234,486,286	26.43%	46.00%	254,185,167
Grupo Argos S.A.	Cement, energy, real estate and ports	26.78%	35.56%	229,534,810	28.11%	35.65%	230,089,478
Grupo Nutresa S.A.	Processed food	35.17%	35.17%	161,807,155	35.34%	35.34%	162,608,498

Investments held in associates

The following is a breakdown of the attributed investment costs at year-end 2016 and 2015:

ASSOCIATE	YEAR-END 2016	YEAR-END 2015
Bancolombia S.A.	5,592,906	6,069,661
Grupo Argos S.A.	4,515,121	4,524,545
Grupo Nutresa S.A.	4,287,391	4,305,353
Total	14,395,418	14,899,559

Dividends received

Dividend income from the following issuers is broken down as follows: (for further information please refer to Note 18):

	YEAR-END 2016	YEAR-END 2015
Bancolombia	214.286	211.049
Grupo Argos	65.876	61.634
Grupo Nutresa	80.580	75.056
Total	360.742	347.739

Financial information regarding Grupo Sura 's associates

The following table shows a breakdown of the assets, liabilities, shareholder's equity and income for each of the associates included in the Company's consolidated financial statements at year-end 2016 and 2015:

YEAR-END 2016	COUNTRY	CURRENT ASSETS	NON-CU- RRENT ASSETS:	CURRENT LIABILITIES	NON- CU- RRENT LIABILITIES	EQUITY	REVENUES	NET INCOME	OTHER COMPREHEN- SIVE INCOME	COMPRE- HENSIVE INCOME	
Bancolombia S.A.	Colombia	196,793,694	-	174,316,713	-	22,476,981	11,208,757	2,954,947	(136,965)	2,817,982	URA
Grupo Argos S.A.	Colombia	6,311,642	38,644,950	7,827,461	13,827,517	23,841,614	14,552,884	1,132,002	(104,865)	1,027,136	0 S
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	GRUP
YEAR-END 2016	COUNTRY	CURRENT ASSETS	NON-CU- RRENT ASSETS:	CURRENT LIABILITIES	NON- CU- RRENT LIABILITIES	EQUITY	REVENUES	NET INCOME	OTHER COMPREHEN- SIVE INCOME	COMPRE- HENSIVE INCOME	
Bancolombia S.A.	Colombia	192,972,867	-	172,564,948	-	20,407,919	9,133,922	2,608,898	1,477,473	4,086,371	
Grupo Argos S.A.	Colombia	5,667,971	36,107,042	6,989,265	11,895,949	22,889,799	12,579,678	643,155	195,087	838,242	
Grupo Nutresa S.A.	Colombia	2,542,873	10,635,179	2,249,102	2,973,988	7,954,962	7,945,417	430,819	(230,961)	199,858	605

Grupo Sura 's associates are listed with the Colombian Stock Exchange and their shares are highly liquid. The corresponding stock prices at year-end 2016 and 2015 are shown as follows:

ASSOCIATE	YEAR-END 2016	YEAR-END 2015
Bancolombia S.A.	5,913,744	5,332,805
Inversiones Argos S.A.	4,425,431	3,727,450
Grupo Nutresa S.A.	4,028,998	3,678,204
Total	14,395,418	14,899,559

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Movements with investments in associates

	BANCOLOMBIA S.A.	GRUPO ARGOS S.A.	GRUPO NUTRESA S.A.	TOTAL
At year-end 2014	6,066,851	4,514,005	4,287,391	14,868,247
Additions	71.563	10.540	17.962	100.065
Derecognitions	[68.753]	-	-	(68.753)
At year-end 2015	6,069,661	4,524,545	4,305,353	14,899,559
Additions	234	-	-	234
Derecognitions	[476.989]	[9.424]	(17.962)	(504.375)
for 2016)	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 any issues warranting adjustments to such.

11.2. INVESTMENTS IN SUBSIDIARIES

Overview of Investments in Subsidiaries

The following table shows the subsidiaries over which Grupo Sura held direct control at year-end 2016 and 2015:

			% STAKE					
Company	Country	Economic activity	Year-end 2016	Year-end 2015	Date of Incorporation			
Sura Asset Management S.A.	Colombia	Investing	78.71%	71.40%	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	Investments	100%	100%	30/08/2007			
Grupo de Inversiones Suramericana Panamá S.A.	Panama	Investments	100%	100%	29/04/1998			
Grupo Sura Finance S.A.	Cayman Islands	Any lawful activity in the Cayman Islands	100%	100%	18/03/2011			
Suramericana S.A.	Colombia	Investments	81.13%	81.13%	25/05/1999			

Investments held in associates

The following is a breakdown of Grupo Sura's investments in its Subsidiaries, as posted via the equity method at year-end 2016 and 2015:

COMPANY	YEAR-END 2016	YEAR-END 2015
Sura Asset Management S.A.	7,422,995	6,106,708
ARUS Holding S.A.S.	57.412	52.192
ARUS S.A.	3.169	3.000
Enlace Operativo S.A.	691	489
Inversiones y Construcciones Estratégicas S.A.S.	136.007	123.488
Suramericana S.A.	3,270,962	2,159,335
Total	10,891,236	8,445,212

Subsidiary related and associated parties

The assets, liabilities, shareholders' equity and income for each of the subsidiaries included in the financial statements at year-end 2016 and 2015 are shown as follows:

YEAR-END 2016	ASSETS	LIABILI- TIES	EQUITY	NET INCO- ME	OTHER COMPRE- HENSIVE INCOME
Sura Asset Management S.A.	26,809,228	18,311,286	8,497,942	593.436	(407.463)
Arus Holding S.A.S.	59.606	8	59.597	5.277	(0)
ARUS S.A.	73.263	47.436	25.827	3.818	-
Enlace Operativo S.A.	16.656	4.612	12.044	2.861	-
Inversiones y construcciones Estratégicas	140.480	4.473	136.007	12.994	(655)
Grupo de Inversiones Suramericana Panamá S.A.	649.743	890.453	(240.710)	[13.421]	2.827
Grupo SURA Finance S.A.	2,516,711	2,542,259	(25.548)	(5.411)	1.092
Suramericana S.A.(*)	22,821,925	18,777,702	4,044,224	399.694	(2.923)

^{*}Figures taken from the Consolidated Financial Statements

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YEAR-END 2015	ASSETS	LIABILI- TIES	EQUITY	NET INCO- ME	OTHER COMPRE- HENSIVE INCOME
Sura Asset Management S.A.(*)	24,753,114	15,698,318	9,054,796	487.021	606.193
Arus Holding S.A.S.	54.192	13	54.178	7.381	-
ARUS S.A.	74.529	51.804	22.725	4.244	-
Enlace Operativo S.A.	10.787	2.261	8.527	4.821	-
Inversiones y Construcciones Estratégicas	135.113	11.625	123.487	23.425	(670)
Grupo de Inversiones Suramericana Panamá S.A.	696.152	922.919	(226.768)	[47.422]	(170.117)
Grupo Sura Finance S.A.	922.924	944.153	(21.229)	(843)	(4.995)
Suramericana S.A.(*)	13,207,614	10,542,833	2,664,781	342.808	92.694

^{*} Figures taken from the Consolidated Financial Statements

Equity method applied to subsidiaries

The following is a breakdown of the profit or loss obtained from subsidiaries via the equity method at year-end 2016 and 2015.

SUBSIDIARY	YEAR-END 2016	YEAR-END 2015
SUBSIDIARY	YEAR-END 2016	YEAR-END 2015
SURA Asset Management S.A.	424.882	313.102
Arus Holding S.A.S.	5.084	7.111
ARUS S.A.	207	230
Enlace Operativo S.A.	164	277
Inversiones y construcciones Estratégicas	12.994	23.423
Grupo de Inversiones Suramericana Panamá S.A.	[13.421]	[47.422]
Grupo SURA Finance S.A.	(5.411)	[843]
Suramericana S.A.	324.268	278.115
Total	748.767	573.993

Movement with investments in subsidiaries

The movement of investments held in subsidiaries is broken down as follows:

	ASSETS	LIABILITIES	INCOME STATEMENT	OTHER COMPREHENSIVE INCOME
Opening balance at January 1, 2015	6,951,164	(126.877)	-	732.420
Purchases (1)	794.160	98.411	-	-
Reimbursed premiums	(207.984)	(3.015)	-	-
Dividends	[195.320]	12.043	-	-
Change in equity	480.933	[180.294]	-	300.639
Income (expense) via equity method	622.259	[48.266]	573.993	-
Closing balance at December 31, 2015	8,445,212	(247.997)	573.993	1,033,059
Purchases (2)	2,840,205	25.167	-	-
Reimbursed premiums	[161.091]	-	-	-
Dividends	[433.271]	-	-	-
Change in equity	(567.418)	8.460	-	(558.958)
Income (expense) via equity method	767.599	[18.832]	748.767	-
Usufruct - Panama	-	(33.057)	-	-
Closing balance at December 31, 2015	10,891,236	(266.259)	1,322,760	474.101

(1) On September 18, 2015, Grupo Sura acquired 113,435 shares, corresponding to the entire stake held by JP Morgan SIG Holding in Sura Asset Management S.A.; thereby extending its entire stake to 71.4%.

[2] On March 01, 2016, Grupo Sura acquired the shares held by General Atlantic Coöperatief U.A. in Sura Asset Management S.A. for a total value of COP 1,758,647 million; thereby extending its entire stake to 78.71%. On December 12, 2016, Grupo Sura subscribed a total of 25,428 shares in Suramericana S.A. for a value of COP 1,081,558 million and remained with the same stake as previously held in this Company.

IMPAIRMENT OF INVESTMENTS IN SUBSIDIARIES

Identifying signs of impairment is a key step in the appraisal process, as 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.

 Operating losses or negative cash flows for the current period compared to those budgeted.

- 2. Increased interest rates on investments and debt for the period. Information: Investments in inflation-indexed securities, agreed rates on bank loans.
- 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.
- 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.
- 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 not the case then the recoverable amount of the asset in question must be estimated.

At year-end 2016 and 2015, investments in the subsidiaries Sura Finance B.V. Grupo de Inversiones Suramericana Panamá and Grupo Sura Finance showed a shortfall in terms of their net income that shall be covered by Grupo de Inversiones Suramericana with the possible winding up of these firms. Consequently a provision was set up to cover said deficit (please refer to Note 13.1).

Restrictions

Grupo Sura enjoys unrestricted access to its assets and / or the right to settle its liabilities.

NOTE 12 EMPLOYEE BENEFITS

Grupo Sura 's employee benefits are broken down as follows:

	NOTE	YEAR-END 2016	YEAR-END 2015
Short-term benefits	12.1	4.187	4.661
Long-term benefits	12.2	3.528	3.311
Post-employment benefits	12.3	24.417	20.658
Total employee benefits		32.132	28.630

12.1. Short-term benefits

Grupo Sura '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.

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- 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:

	YEAR-END 2016	YEAR-END 2015
Severance	99	102
Interest on severance payments	11	12
Vacation bonus	414	1.079
Extra-legal bonuses	279	556
Performance bonuses (*)	3.384	2.912
Total short-term benefits	4.187	4.661

^(*) Corresponding to a performance bonus which is paid out between March and April of the following year.

The following table contains the long-term benefits provided by Grupo Sura:

» 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.

YEARS OF SERVICE	DAYS SALARY
5	18
10	29
15	34
20, 25, 30 and 35	44

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 governed by its own rules and regulations, as summarized below:

General terms and conditions: general policies, defined performance levels and procedures and governance

Measurement system - performance indicators: it is essential to have an appropriate framework of performance indicators, ensuring that these are clearly defined, measurable and achievable. These indicators are decided at the beginning of each year in keeping with the Company's strategic planning, along with the various activities and human 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.

The following are the long-term benefits offered by Grupo Sura:

BENEFIT	YEAR-END 2016	YEAR-END 2015
Bonus bank	3.478	3.243
Seniority bonus	50	68
Total	3.528	3.311

Movements in employee benefits are as follows:

	BONUS BANK	SENIORITY BONUS	TOTAL BENEFITS
Present value of obligations on January 1, 2015	5.681	56	5.737
Re-measurements	1.156	12	1.168
Financial assumptions	(27)	-	(27)
Plan-based payments	(120)	-	(120)
Upcoming payments	[3.447]	-	(3.447)
Present value of obligations at year-end 2015	3.243	68	3.311
Re-measurements	1.194	26	1.220
Financial assumptions	(11)	(2)	(13)
Plan-based payments	(948)	(33)	(981)
Derecognitions	-	[9]	[9]
Present value of obligations at year-end 2015	3.478	50	3.528

Main assumptions used for actuarial calculation purposes

The main actuarial assumptions used to determine liabilities corresponding to defined benefit plans are as follows:

	BONUS	BONUS BANK		TY BONUS
	2016	2015	2016	2015
Discount rate (%)	*10-year ZCC rate in pesos	*10-year ZCC rate in pesos	*10-year ZCC rate in pesos	*10-Year ZCC rate in pesos
How the discount rate is decided	Infovalmer	Infovalmer	Infovalmer	Infovalmer
Annual salary increase (%)				5%
Annual inflation rate (%) long term	3%	3%	3%	3%
Survival tables	Own turnover table	Own turnover table	Own turnover table	Own turnover table

^{*}ZCC: Zero Coupon Curve in pesos (Government Rate)

Sensitivity analysis (2016) of 1% change in the discount rate, inflation rate

	BONU	S BANK - EI	MPLOYEE P	AYROLL	SENIORITY BONUS			
	Discount rate		Inflation rate		Discount rate		Salary increase	
	Increase of +1%	Discount of -1%						
Present value of the obligation	3.445	3.511	3.500	3.455	48	53	53	48

12.3. POST-EMPLOYMENT BENEFITS

Post-employment benefits are retirement bonuses that Grupo Sura pays to its pensioned executives.

Movements in this category of employee benefit are as follows:

Opening balance at January 1, 2015	18.940
Present value of obligations	662
Present cost of service	1.197
Actuarial losses from changes in financial assumptions	[141]
Present value of obligations at year-end 2015	20.658
Interest	1.506
Present cost of service	778
Benefits paid	[1.178]
Actuarial gains from changes in financial assumptions	2.653
Present value of obligations at year-end 2016	24.417

The main actuarial assumptions used to determine liabilities corresponding to defined benefit plans are as follows:

	2016	2015
Discount rate (%)	6.94%	7.73%
Annual salary increase (%)	7.9%	6.0%
Annual inflation rate [%]	3.5%	3.5%
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Colombian sovereign bond rates are used for calculating the discount on the post-employment benefit liability.

The following table shows the effect of fluctuating inflation rates on the discount rate:

Discount rate

	DISCOUNT RATE	CURRENT VALUE	% CHANGE	CURRENT COST OF 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

Inflation rate

	INFLATION RATE	CURRENT VALUE	% CHANGE	CURRENT COST OF SERVICES
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

The weighted average duration of the retirement benefit obligation is 2,024 years. 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
2017	1	4.569	4.273
2019	1	24.827	20.301
2035	1	13.058	3.649

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12.4. EMPLOYEE BENEFIT EXPENSE

The following table shows a breakdown of the expense incurred with employee benefits for the years 2016 and 2015:

	2016	2015
Bonuses	(8.158)	[5.642]
Integrated salary	(8.116)	(7.207)
Salaries and wages	(1.425)	[1.313]
Extra-legal bonus	(836)	(1.179)
Contributions to family welfare and apprentice institutions	(636)	(561)
Pension contributions (*)	(574)	(515)
Personnel training	(325)	(739)
Health care contributions	(308)	(266)
Other employee benefits	(158)	(157)
Severance	[136]	(127)
Legal bonuses	(135)	(129)
Vacation bonus	[81]	(1.336)
Overtime	(69)	[62]
Sick and disability leave	(15)	[14]
Interest on severance payments	[14]	[13]
Indemnities	[4]	-
	(20.990)	(19.260)

^(*) Balance corresponds to post-employment benefits that form part of defined contribution plans.

NOTE 13. PROVISIONS

13.1. PROVISIONS FOR CONTINGENCIES

Provisions for contingencies are broken down as follows:

Company	2016	2015
Grupo de Inversiones Suramericana Panamá	240.710	226.768
Gruposura Finance	25.548	21.229
Total	266.258	247.997

The balance of these provisions corresponds to recognized contingencies due to deficits posted by the subsidiaries, Grupo de Inversiones Suramericana Panama and Grupo Sura Finance. (Note 11.2).

These deficits were recognized based on the equity method applied on the wholly-owned stakes (100%) held in both companies, along with the degree of administrative dependence on these companies.

13.2. OTHER CONTINGENCIES

On November 27, 2014 the Company was notified of Resolution No. 230-005278 issued by the Colombian Superintendency of Companies, imposing a fine in the amount of COP 886 for the late filing of a Colombian Replacement Investment Abroad Declaration, this as part of the restructuring which took place in 2011. The Company decided to challenge this fine and filed the corresponding appeal, in response to which this same Superintendency issued Resolution No.0301002903 notifying that said fine was reduced to COP 93; which was promptly paid on September 29, 2015.

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On March 16, 2016 the Company was notified of an official settlement issued by the Colombian Tax Authorities (DIAN), relating to the Company's income tax returns for the fiscal years of 2009, 2010, 2011, 2012 and 2013, which consisted of amending the Company's own tax returns drawn up for said years. In response to this, the Company filed a petition for reconsideration, within the legal terms established for such, and this is currently going through the corresponding administrative channels, as stipulated by current legislation.

The Company's legal advisors, based on their analysis of the case, have concluded that the probability of obtaining an adverse ruling is remote.

NOTE 14. ISSUES OF SECURITIES

Below is a breakdown of the securities issued by Grupo Sura:

	2016	2015
Bonds outstanding (1)	777.968	900.893
Preferred shares (2)	208.813	208.780
Total securities issued	986.781	1,109,673

(1) Bonds:

On November 25, 2009, Grupo de Inversiones Suramericana S.A. placed an issue of ordinary bonds on the local markets worth COP 250,000, these divided up into three tranches all earning CPI-indexed coupon rates payable on a quarterly basis, as shown below:

- 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
- iii) a 40-year tranche in the amount of COP 97,500 bearing an interest rate equal to the CPI + 6.98%.

On May 7, 2014, Grupo de Inversiones Suramericana S.A. placed an issue of ordinary bonds on the local markets worth COP 650,000,000, these 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

- i) a 5 year-tranche for a total value of COP 03,278 bearing an interest rate equal to the CPI+ 3.24%;
- ii) a 9-year tranche totaling COP 223,361 bearing an interest rate equal to the CPI + 3.08%;
- iii) a 16-year tranche in the amount of COP 100,000 bearing an interest rate equal to the CPI + 4.15%; and
- iv) a 2-year tranche for a total value of COP 223,361 bearing an IBR-indexed interest rate + 1.20%. This latter tranche matures in May of 2016.

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 Series C6 bearing an interest rate equal to the CPI 3.55% and maturing in 2020.

2 Preferred shares:

On 29 November 2011, Grupo Sura placed an issue of 106,334,963 preferred shares 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.

Approach used to measure preferred dividends:

Projecting the value of quarterly dividends

- » The dividend paid In April 2012 came to COP 325 per share, corresponding to the payment due on December 2011 (1 month at COP 81 per share) and the first quarter of 2012 (COP 244 per quarter per share).
- » In 2014 a quarterly dividend was paid equal to a 3% E.A.R on the price of the issue.

- » In the specific case of January 2015, the Company paid the value corresponding to two months of the guarterly dividend at a 3% E.A.R + a onemonth dividend at a 0.5% E.A.R.
- » Since 2015, a guarterly dividend equal to a 0.5% E.A.R. has been paid on the value of this issue.

Discounting flows

In order to discount the flows of projected quarterly dividends, Grupo Sura used the CPI AAA curve (over 41 years) obtained from PIP Latam.

Perpetuity is assumed as of year 41 at a rate of 8.97% (based on the CPI AAA curve). No growth (gradient = 0) is assumed.

The result of this exercise is the sum of the present value of cash flows (quarterly dividends paid) until the year 41 plus the value of the perpetuity.

Movements in the Company's debt securities at year-end 2016 and 2015 are broken down as follows:

PREFERRED SHARES	TOTAL
204.568	1,102,825
-	-
(12.960)	(12.960)
17.172	19.808
208.780	1,109,673
-	100.000
(17.280)	(17.279)
17.313	17.748
-	[223.361]
208.813	986.781
	204.568 - (12.960) 17.172 208.780 - (17.280) 17.313 -

NOTE 15. SHAREHOLDERS' EQUITY

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 year-end 2016 and 2015, respectively consisted of 575,372,223 shares.

	2016	2015
Authorized share capital	600,000,000	600,000,000
Subscribed and paid-in capital		
Ordinary shares bearing a nominal value	469,037,260	469,037,260
Preferred, non-voting shares	106,334,963	106,334,963
Total shares	575,372,223	575,372,223
Subscribed and paid-in capital (nominal value)	107.882	107.882
Total share capital	107.882	107.882

RESERVES

The reserves held by Grupo Sura are shown as follows:

	2016	2015
Legal reserve	138.795	138.795
Occasional reserve	4,920,281	4,463,664
Total technical reserves	5,059,076	4,602,459

LEGAL 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.

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.

NOTE 16. 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 2014	67.624	
Ordinary dividends declared	197.934	
Preferred dividends declared	44.873	
Subtotal - dividends declared	242.807	
Payments on ordinary shares	[194.056]	
Payments on preferred shares	(54.390)	
Others	(6)	
Dividends payable at year-end 2015 (See Note 8.2.2)	61.979	
Ordinary dividends declared	213.882	
Preferred dividends declared	48.489	
Subtotal - dividends declared	262.371	
Payments on ordinary shares	(209.860)	
Payments on preferred shares	[47.581]	
Others	[14]	
Dividends payable at year-end 2016 (See Note 8.2.2)	66.895	

Subsequent to the respective dates of the Statements of Financial Position, the Board of Directors proposed the following dividend distribution. These dividends have not been provisioned and do not affect income tax:

A 100% tax-exempt dividend for the shareholder of COP 488 per share on a total of 575,372,223 shares, which shall become immediately due and payable when

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declared by the General Assembly of Shareholders and shall be paid either in cash or in the form of preferred shares freed up by the Company, as the shareholder shall so choose.

In any event, said payment shall be made in a lump sum between April 21 and 30 of 2017.

NOTE 17. COMPREHENSIVE INCOME

Grupo Sura 's other comprehensive income is broken down as follows:

	ACCUN	MULATED (E	QUITY)	OTH COMPREI INCO	HENSIVE
	2016	2015	2014	2016	2015
Net gains or losses resulting from changes in the fair value of equity investments (1)	(1.079)	(2.658)	697	1.579	(3.355)
Net gains or losses resulting from investments in subsidiaries, via the equity method (2)	474.102	1,033,059	732.420	(558.956)	300.639
Post employment benefits (3)	[1.143]	275	190	(1.474)	141
Related income tax (or equivalent) [3]	378	-	-	433	(56)
Total other comprehensive income	472.258	1,030,676	733.308	(558.418)	297.369

^[1] The component corresponding to other comprehensive income from 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 in the fair value of equity investments are not reclassified to profit or loss for the period. Including the portion corresponding to Grupo Sura with regard to the investments made in its subsidiaries.

NOTE 18. INCOME AND EXPENSE

Income (expense) is shown as follows:

	2016	2015
Income via the equity method(Note 11.2)	748.767	573.993
Dividends (Note 11.1)	360.742	347.739
Derivative losses (1)	(125.931)	74.320
Investment income, net	(7.115)	5.407
Income from fair value of investments	65.940	7.912
Total	1,042,403	1,009,371

Financial income (expense) is broken down as follows:

	2016	2015
Exchange difference (Note 19)	143.648	(20.060)
Interest	(206.845)	(98.078)
Total	(63.197)	(118.138)

⁽¹⁾ Corresponding to net income on swap valuations, as shown in Note 8.1 Financial Assets - Section a and Note 8.2 Financial Liabilities.

The following is the balance of income and expense on valuations of options, forwards and swaps:

	2016	2015
Income from valuations of swaps, options and forwards	105.549	74.320
Expense incurred with valuations of swaps, options and forwards	[231.480]	-
Total	(125.931)	74.320

⁽²⁾ Corresponding to the variation with the equity method applied to Grupo Sura 's subsidiaries.

⁽³⁾ Re-measurements of defined benefit plans represent the accumulated value of actuarial gains and losses, excluding amounts of net interest on the net defined benefit liability. The net value of these re-measurements are transferred to accrued earnings and not reclassified to the income accounts for the period.

NOTE 19. EXCHANGE DIFFERENCES

The following is the balance of the exchange difference account:

	2016	2015
Exchange difference income	253.574	-
Exchange difference expense	[109.926]	(20.060)
Total	143.648	(20.060)

The following is the balance of the exchange difference account:

	2016	2015
Cash	(16.330)	(9.791)
Certificates of Deposit	(11.561)	-
Deposits on share subscriptions	[642]	19.230
Accounts receivable	[4.217]	346
Financial liabilities and other obligations	176.439	(29.847)
Suppliers	[41]	2
	143.648	(20.060)

The increase in exchange differences compared to the previous year is due to the following:

- » Dollar-denominated Certificates of Deposit that entailed an exchange difference of COP (11,561).
- » A loan granted by Grupo Sura Finance on February 29, 2016, which included an exchange difference of COP 140,570 on a loan of USD 540 million.
- » Loans with other financial entities with a total exchange difference of COP 35,869 on loans worth USD 317 million.

NOTE 20. ADMINISTRATIVE EXPENSE

The following table shows a breakdown of the Administrative Expense account:

	2016	2015
Others	16.202	1.598
Industry and Commerce tax	8.619	5.542
Transport	4.881	2.818
Wealth tax	3.345	4.563
Advertising and publicity	2.421	2.633
Banking services	1.861	810
Civil Liability	1.146	1.204
Membership and maintenance fees	1.102	2.161
Traveling expense	916	687
Representation expense	768	1.038
Sanctions and fines*	2	6.768
Total	41.263	29.822

^{*} Corresponding to corrections made to the tax returns for the years 2009, 2010 and 2011 at the request of the Colombian Tax Authorities, see Note 13.2.

NOTE 21. FEE EXPENSE

Fee expense is shown below:

	2016	2015
Consultancy and advisory services	17.995	3.431
Board of Directors	809	666
Statutory Auditor and external auditing staff	463	394
Legal advisors	367	1.518
Total	19.634	6.009

NOTE 22. INTEREST

The following table contains the movements recorded in the DIL account:

	2016	2015	
Issued securities	112.981	92.887	
Financial liabilities	93.371	4.613	
Fiduciary rights	493	578	
	206.845	98.078	

The liabilities bearing this interest are recognized at amortized cost. See Note 8.2 Financial Liabilities

NOTE 23. EARNINGS PER SHARE

Basic earnings per share are 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.

	2016	2015
Earnings for the period	835.481	723.988
Outstanding shares	469,037,260	469,037,260
Earnings per share (in Colombian pesos)	1.781	1.544

NOTE 24. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND **POLICIES**

Grupo Sura is exposed to three types of risk, namely market, credit and liquidity.

Grupo Sura 's risk management function handles both its own inherent risk, such as those relating to its business model and strategy, as well as the risks to its investments. Since the latter are handled by each business unit, being in mind their degree of experience and expertise in this respect, Grupo Sura focuses on developing appropriate means of liaisoning with its subsidiaries, in terms of monitoring their risk profiles and the manner in which they handle their exposure.

RISK MANAGEMENT SYSTEM - GOVERNANCE FRAMEWORK

Grupo SURA considers risk management to be a dynamic and interactive process, which forms an essential part of its strategy while providing support to its decision-making process. Understanding risks as opportunities, setting up new businesses, exploring new geographies, enhancing human talent, among other factors, all form an essential part of the Company's risk management function.

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The Company's risk management function is governed by the SURA Business Group's Risk Management Policy Framework as well as its Internal Risk Management Manual, which stipulates the responsibilities of the Board of Directors, the Risk Management Committee and Senior Management with regard to the Risk Management System and dictates the Company's scope of action in this respect.

The main risks addressed by the Company's risk management function, fall into the following three categories:

24.1. FINANCIAL RISK MANAGEMENT

The region's financial markets and economies all have a consequent effect on the Company's results, its capital structure and, generally speaking, the performance of its portfolio investments. This is why the Company monitors its exposure to credit, market and liquidity risk.

In 2016, the Company's performance was affected by a slower rate of growth in Latin America. Factors such as the weaker-than-expected recovery in the United States and a stagnant global growth, weak trade, persistently low commodity prices throughout the year, rising fiscal risks and greater volatility prevailing on the financial markets, due to the recent presidential elections in the United States, affected the short-term economic prospects for the region.

In spite of the general slowdown with economic growth, in most cases, inflation remained above that targeted by the different Central Banks. This phenomenon was partly due to the depreciation affecting many of the region's currencies, due to recent elections and the expansive monetary policy that the United States is still upholding. Also declining prices of crude oil and other raw materials such as copper and soybeans affected foreign exchange flows in most countries.

The following shows how the main financial risks were each handled:

24.1.1. 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, the Group's Cash Management area has issued guidelines to facilitate the analysis and monitoring of issuers and counterparties, ensuring that the Company's investments are always backed by issuers and / or management firms with adequate creditworthiness.

At year-end 2016, Grupo Sura 's short-term investments were mostly concentrated in liquid collective portfolios managed by firms offering the highest credit quality, as well as savings accounts and checking accounts.

In view of the credit risk inherent to derivatives, the Company chose local and international banks with adequate credit ratings as counterparties.

For a more detailed breakdown of the Company's financial assets, see Note 8.1. Financial assets

Other non-material assets for the Company are employee loans and accounts receivable as well as other accounts bearing a low credit risk.

Impairment of assets and accounts receivable

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. A breakdown of the accounting policies applied, including impairment measurement can be found in Note 3.7.

24.1.2. Market Risk Management

This type of risk management focuses on how fluctuations in market prices affect the Company's revenues or the value of its investments.

Grupo Sura's exposure to market risk consists of the following factors and activities:

» Cash Management through Company's exposure to collective portfolios and issuers of fixed income instruments; these activities do not represent significant market risk due to their nature as low volatility assets.

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» 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.

In the specific case of financial liabilities acquired in dollars and tied to the LIBOR rate, the Company upholds a hedging strategy with the aim of reducing possible impacts caused by increases in their interest rates in the United States and the possible risks of the Colombian peso depreciating further against the dollar.

For a more detailed breakdown of the Company's financial debt and derivatives, please refer to Note 8.1 Financial Assets and Note 8.2 Financial Liabilities.

Sensitivity Analysis

The following sensitivity analysis measures the impact on the Company's pretax earnings caused by the exchange rate exposure of dollar-denominated loans and derivatives.

These sensitivity analyses were drawn up on the basis of simulated variations of +/- 10% with the dollar exchange rate, compared to the year-end rate for 2016, and represent the amounts in which the pre-tax earnings would vary, should these occur.

EXCHANGE RATE COP 3000.71 PER US DOLLAR	IMPACT ON EARNINGS BEFORE TAXES VERSUS A + 10% CHANGE IN THE EXCHANGE RATE	IMPACT ON EARNINGS BEFORE TAXES VERSUS A -10% CHANGE IN THE EXCHANGE RATE
Financial liabilities	(258.505)	258.505
Derivatives	203.863	(197.818)
Cash	14.137	[14.137]
Net	(40.505)	46.549

^{*} In millions of pesos at year-end 2016. The corresponding impact was analyzed based on pretax earnings.

24.1.3. Liquidity Risk Management

Liquidity risk refers to the Company's ability to produce sufficient funds to meet its obligations and run its business.

Grupo Sura 's efforts in managing this risk are in keeping with its short and long term liquidity management strategy based in turn on the policies and quidelines issued by the Board of Directors and Senior Management addressing cyclical and structural factors so as to ensure compliance with its 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 Company's liquidity position and anticipate the measures required for their proper management.

Also, and in order to address certain specific situations, the Company maintains at its disposal lines of credit from various financial institutions, as well as shortterm, highly liquid investments that can be readily sold off, as well as other sources of additional liquidity.

In 2016, 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 USD 538 million as well as additional capitalization for Suramericana in the amount of COP 1,081,558, for the purpose of financing the acquisition of RSA.

These transactions required the company to acquire extra debt, such as the placing an issue of ordinary bonds on the Colombian bond market due in 2020 for a total of COP 100,000 as well as another issue of ordinary bonds through its subsidiary Grupo SURA Finance, worth USD 550 million and for a term of 10 years.

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Furthermore, in 2016 a payment of ordinary bonds upon these reaching maturity was also carried out in the amount of COP 223,361. The funds required for this payment were also covered by the previous issues placed and other banking operations.

The Company also holds investments in assets for the purpose of managing liquidity. These investments are shown below:

2016	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Financial assets held for managing liquidity risk	540.120	-	23.091	563.211
2015	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Financial assets held for managing liquidity risk	303.912	-	21.512	325.424

For a more detailed breakdown, please refer to Note 8.1 Financial Assets.

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Likewise, the following are the maturities of the Company's financial obligations:

YEAR 5 YEARS Lease rentals 3.990 - 11.295 Derivatives 21.163 27.527 -	15.285 48.690 1,763,653 1,247,713
Derivatives 21.163 27.527 -	48.690 1,763,653
	1,763,653
Other accounts payable 1,763,653	
	1,247,713
Financial obligations 1,247,713	
Bonds and securities - 101.003 885.778	986.781
Total 3,036,520 128.530 897.073	4,062,123
2015 LESS THAN 1 BETWEEN 1 AND MORE THAN 5 YEAR 5 YEARS YEARS	TOTAL
Derivatives 11.345	11.345
Other accounts payable 150.508	150.508
Financial obligations - 715.074	715.074
Bonds and securities 224.293 885.380	1,109,673
Total 161.853 939.366 885.380	1,986,599

For a more detailed breakdown, please refer to Note 8.2 Financial Liabilities

Operating Risk Management

This type of risk has to do with events that prevent the Company's normal operations as relating to people, technology and processes. In Grupo SURA these risks are handled mainly by analyzing the exposure inherent to the Group's processes and projects, for the purpose of proposing strategies in order to mitigate its impact.

This type of risk is handled from the following standpoints:

» Business Continuity Risk: Grupo Sura has a response plan as well as a financial and reputational crisis management function, which form an integral part of the Group's business continuity management function.

With regard to operating events, the Company is developing a project for implementing response plans with regard to interruptions in critical internal processes and those contracted from third parties.

- » Risk of Fraud and Corruption: the Company has provisions and guidelines in place for managing events that could trigger such risk and consequently minimize the probability of these occurring and materializing as well their consequent impact. In 2016, existing guidelines were consolidated within in an Anti-Fraud and Anti-Corruption Policy Framework governing the entire Sura Business Group.
- Risk of Asset Laundering and the Financing of Terrorism: Also, the Group has a Comprehensive System for Preventing and Controlling Asset Laundering and the Financing of Terrorism (ALFT) which sets out procedures to prevent the Group from being used without its consent or knowledge, for concealing, insuring, managing and investing monies obtained from illicit activities. Such procedures include due diligence with our suppliers, investors, among other stakeholders, as well periodic monitoring and follow-ups, especially with regard to international black lists.
- » Legal Risk -Compliance: With respect to legal risk, Grupo Sura implements external and general guidelines issued by the respective oversight authority, as well as those issued internally by its Board of Directors.

The Company has a Compliance Department, which is primarily responsible for handling the Compliance function, thereby ensuring that commitments are met, throughout the Group.

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Regulatory risk: Regulatory risk management is a strategic function for Grupo SURA, considering that its main investments belong to highly regulated sectors governed by ever- changing regulatory regimes.

In 2017, the Company shall continue preparing for possible legislative changes involving a greater degree of regulation for financial conglomerates, as well as monitoring possible regulatory reforms in terms of tax, insurance, banking and pensions throughout the region.

NOTE 25. CAPITAL MANAGEMENT

Grupo Sura 's policy is to maintain a robust capital base so as to retain 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.

Senior Management tries to maintain a balance between higher returns obtained with higher levels of credit along with the advantages and assurance provided by a sound capital position. Return on equity for 2016 came to 4.04% whereas for 2015 it stood at 3.48%.

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 (financial liabilities and issued securities) 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 strives to maintain said ratio below 25%. Grupo Sura 's adjusted net debt to equity ratio at year-end was as follows:

	2016	2015
Total financial assets	2,298,470	1,836,091
Cash and cash equivalents	[451.443]	[221.228]
Net debt	1,847,027	1,614,863
Total shareholders' equity	21,536,905	21,509,934
Adjusted net debt to equity ratio	8,576%	7,508%

NOTE 26. RELATED PARTY DISCLOSURES

Grupo Sura 's related parties consist of its subsidiaries, key management personnel and entities over which key management personnel may exercise control as well as employee post-employment benefits.

The following is a breakdown of Grupo Sura 's related parties at year-end 2016 and 2015:

- a) Companies under the direct or indirect control of Grupo Sura are listed in Note 11.2 Investments in Subsidiaries.
- b) Companies in which Grupo Sura holds a direct and indirect stake through its subsidiaries:

COMPANY	TYPE OF ENTITY	2016	2015	COUNTRY	FUNCTIONAL CURRENCY
Grupo de Inversiones Suramericana	Holding Company		Parent (Company Stater	nents
Activos Estratégicos Sura A.M. Colombia S.A.S.	Holding Company	78.71%	71.40%	Colombia	Colombian peso
Sura Investment Management Colombia S.A.S	Holding Company	78.71%	71.40%	Colombia	Colombian peso
Sura Asset Management España, S.L.	Holding Company	78.71%	71.40%	Spain	Euros
Grupo de Inversiones Suramericana Holanda B.V.	Holding Company	78.71%	71.40%	Holland	Euros
Grupo Sura Chile Holdings I B.V.	Holding Company	78.71%	71.40%	Holland	Euros
SURA Asset Management Chile S.A.	Holding Company	78.71%	71.40%	Chile	Chilean peso
Sura Data Chile S.A.	Providing data processing services and leasing computer equipment.	78.71%	71.40%	Chile	Chilean peso
SURA Servicios Profesionales S.A.	Providing business consultancy and advisory services.	78.71%	71.40%	Chile	Chilean peso
Santa María Internacional S.A.	Holding Company	78.71%	71.40%	Chile	Chilean peso
Grupo Sura Latin American Holdings B.V.	Holding Company	78.71%	71.40%	Holland	Euros
SUAM Finance B.V	Holding company for 144A/Reg S bonds issued in April 2014	78.71%	71.40%	Curazao	Dollar
Sura Asset Management México S.A. de C.V.	Holding Company	78.71%	71.40%	Mexico	Mexican peso

COMPANY	TYPE OF ENTITY	2016	2015	COUNTRY	FUNCTIONAL CURRENCY
Sura Art Corporation S.A. de C.V.	Collecting Mexican works of art.	78.71%	71.40%	Mexico	Mexican peso
SURA Asset Management Perú S.A.	Holding Company	78.71%	71.40%	Peru	Soles
Sura Asset Management Uruguay Sociedad de Inversión S.A. (formerly Tublyr S.A.)	Holding Company	78.71%	71.40%	Uruguay	Uruguayan Peso
AFAP Sura S.A.	Managing retirement savings funds.	78.71%	71.40%	Uruguay	Uruguayan Peso
AFP Capital S.A.	Managing pension funds.	78.48%	71.19%	Chile	Chilean peso
Afore Sura S.A. de C.V.	Managing investment firms specializing in retirement savings funds	78.71%	71.40%	Mexico	Mexican peso
AFP Integra S.A.	Providing its pension fund management services	78.70%	71.40%	Peru	Soles
SURA Real Estate S.A.S.	Management consultancy services, real estate activities with properties either leased or for own use.	55.09%	0.00%	Colombia	Colombian peso
Asesores Sura S.A. de C.V.	Providing financial services and products	78.71%	71.40%	Mexico	Mexican peso
Promotora Sura AM S.A. de C.V.	Providing advertising and marketing services for any type of product	78.71%	71.40%	Mexico	Mexican peso
Hipotecaria Sura Empresa Administradora Hipotecaria S.A.	Providing mortgage loans and other financial services	55.09%	49.98%	Peru	Soles
Seguros de Vida Sura S.A.	Providing insurance, both life and annuities	78.71%	71.40%	Chile	Chilean peso
Pensiones Sura S.A. de C.V.	Pension insurance	78.71%	71.40%	Mexico	Mexican peso
Seguros de Vida SURA Mexico S.A. de C.V. (formerly Primero Seguros de Vida S.A. de C.V.)	Life insurance	78.71%	71.40%	Mexico	Mexican peso
Seguros Sura S.A. (formerly Invita)	Providing life insurance and reinsurance	54.54%	49.47%	Peru	Soles
SUAM Corredora de Seguros S.A. de C.V.	Providing insurance and reinsurance brokerage services	78.71%	71.40%	El Salvador	Dollar
Disgely S.A.	Selling merchandise and leasing goods, properties and services.	78.71%	71.40%	Uruguay	Uruguayan Peso
Corredores de Bolsa Sura S.A.	Purchasing and selling securities and providing brokerage services	78.71%	71.40%	Chile	Chilean peso
Administradora General de Fondos Sura S.A.	Managing investment and mutual funds.	78.71%	71.40%	Chile	Chilean peso
Sura Investment Management S.A. de C.V.	Managing investment fund management firms.	78.71%	71.40%	Mexico	Mexican peso

COMPANY	TVDE OF ENTITY	201/	2015	COUNTRY	FUNCTIONA
COMPANY	TYPE OF ENTITY	2016	2015	COUNTRY	CURRENCY
Fondos Sura SAF S.A.C.	Managing investment and mutual funds.	78.71%	71.40%	Peru	Soles
Sociedad Agente de Bolsa S.A.	Stock brokerage firm	78.71%	71.40%	Peru	Soles
Corredores de Bolsa SURA S.A.	Providing brokerage services	78.71%	71.40%	Uruguay	Uruguayan Pes
AFISA SURA S.A.	Managing investments funds.	78.71%	71.40%	Uruguay	Uruguayan Pes
Inversura Panamá Internacional S.A.	Investing	81.13%	81.13%	Panama	Dollar
Inversiones Sura Brasil S.A.S.	Investing	81.13%	81.13%	Colombia	Colombian pes
Financia Expreso RSA S.A.	Investing and entering into loan agreements	81.11%	0.00%	Colombia	Colombian pes
Santa María del Sol S.A.	Investments	81.13%	0.00%	Argentina	Argentinian pes
Atlantis Sociedad Inversora S.A.	Investments	81.13%	0.00%	Argentina	Argentinian pes
Chilean Holding Suramericana SPA (formerly RSA Chilean Holding SpA)	Investments	81.13%	0.00%	Chile	Chilean peso
Inversiones Suramericana Chile Limitada (formerly Inversiones RSA Chile Limitada)	Investments	81.13%	0.00%	Chile	Chilean peso
Seguros Generales Suramericana S.A.	Property And Casualty Insurance	81.11%	81.13%	Colombia	Colombian pes
Seguros Sura S.A.	Insurance	81.13%	99.99%	Dominican Republic	Dominican pes
Seguros Suramericana Panamá S.A.	Insurance	81.13%	100.00%	Panama	Dollar
Aseguradora Suiza Salvadoreña S.A. Asesuisa	Property And Casualty Insurance	81.13%	97.11%	El Salvador	Dollar
Sura	Insurance and re- insurance	81.13%	0.00%	Bermuda	Dollar
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Brazil) S.A.)	Personal and casualty insurance	81.13%	0.00%	Brazil	Brazilian rea
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)	General insurance	80.63%	0.00%	Argentina	Argentinian pe
Aseguradora de Créditos y Garantías S.A.	Insurance, co-insurance and re-insurance in general for all types of risk	81.12%	0.00%	Argentina	Argentinian pe
Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.)	General insurance	80.71%	0.00%	Chile	Chilean peso
Seguros Sura, S.A de C.V. (formerly Royal & Sun Alliance Seguros (Mexico) S.A. de C.V.)	General insurance	81.13%	0.00%	Mexico	Mexican peso
Royal & Sun Alliance Seguros (Uruguay) S.A.	Property And Casualty Insurance	81.13%	0.00%	Uruguay	Uruguayan Pe
Operaciones Generales Suramericana S.A.S.	Investing in personal and real estate property,	81.13%	81.13%	Colombia	Colombian pes
Servicios Generales Suramericana S.A.	Investing in personal property especially shares, quotas or holdings	81.13%	81.13%	Colombia	Colombian pe

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COMPANY	TYPE OF ENTITY	2016	2015	COUNTRY	FUNCTIONAL CURRENCY
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Consultancy firm with regard to comprehensive risk management	81.13%	81.13%	Colombia	Colombian peso
Servicios Generales Suramericana S.A. (Panamá)	Inspecting, repairing, purchasing and selling all types of vehicles and their corresponding spare parts	81.13	81.13%	Panama	Dollar
Protección Garantizada LTDA	Insurance brokerage	41.36%	0.00%	Colombia	Colombian peso
Servicios y Ventas Compañía Limitada	Service provider	80.92%	0.00%	Chile	Chilean peso
EPS y Medicina Prepagada Suramericana S.A.	Organizing, guaranteeing and providing health care services	81.13%	81.13%	Colombia	Colombian peso
Servicios de Salud IPS Suramericana S.A.	Providing medical, paramedical and dental services	81.13%	81.13%	Colombia	Colombian peso
Diagnóstico y Asistencia Médica S.A.	Providing health care services through diagnostic aids	81.13%	81.13%	Colombia	Colombian peso
Seguros de Vida Suramericana S.A.	Personal Insurance	81.13%	81.13%	Colombia	Colombian peso
Seguros de Riesgos Laborales Suramericana S.A.	Occupational risk management	81.13%	81.13%	Colombia	Colombian peso
Asesuisa Vida, S.A. Seguros de Personas	Personal Insurance	81.13%	73.23%	El Salvador	Dollar
Seguros de Vida Suramericana S.A (formerly RSA Seguros de Vida S.A.)	Life insurance	81.13%	0.00%	Chile	Chilean peso
Suramericana S.A.	Investing	81.13%	81.13%	Colombia	Colombian peso
Inversiones y Construcciones Estratégicas S.A.S.	Investing	100.00%	100.00%	Colombia	Colombian peso
Grupo de Inversiones Suramericana Panamá S.A.	Investing in negotiable securities	100.00%	100.00%	Panama	Dollar
	9	100.00% 95.28%	100.00% 95.28%	Panama	Dollar Dollar
S.A.	Buying and selling personal property and real		95.28%		
S.A. Planeco Panamá S.A.	securities Buying and selling personal property and real estate Company dedicated to any lawful activity in the	95.28%	95.28%	Panama Cayman	Dollar
S.A. Planeco Panamá S.A. Grupo Sura Finance S.A.	Buying and selling personal property and real estate Company dedicated to any lawful activity in the Cayman Islands Investing in personal and	95.28%	95.28%	Panama Cayman Islands	Dollar Dollar
S.A. Planeco Panamá S.A. Grupo Sura Finance S.A. Sura Asset Management S.A.	securities Buying and selling personal property and real estate Company dedicated to any lawful activity in the Cayman Islands Investing in personal and real estate property, Providing health care	95.28% 100.00% 78.71%	95.28% 100.00% 71.40%	Panama Cayman Islands Colombia	Dollar Dollar Colombian peso
S.A. Planeco Panamá S.A. Grupo Sura Finance S.A. Sura Asset Management S.A. Habitat Adulto Mayor S,A,	securities Buying and selling personal property and real estate Company dedicated to any lawful activity in the Cayman Islands Investing in personal and real estate property, Providing health care services for the elderly Investing in personal and	95.28% 100.00% 78.71% 82.66%	95.28% 100.00% 71.40% 73.23%	Panama Cayman Islands Colombia Colombia	Dollar Dollar Colombian peso Colombian peso
S.A. Planeco Panamá S.A. Grupo Sura Finance S.A. Sura Asset Management S.A. Habitat Adulto Mayor S,A, Arus Holding S.A.S	Buying and selling personal property and real estate Company dedicated to any lawful activity in the Cayman Islands Investing in personal and real estate property, Providing health care services for the elderly Investing in personal and real estate property, Providing and marketing its telecommunication services, products and	95.28% 100.00% 78.71% 82.66% 100.00%	95.28% 100.00% 71.40% 73.23% 100.00%	Panama Cayman Islands Colombia Colombia	Dollar Dollar Colombian peso Colombian peso Colombian peso

- c) Members of Board of Directors: see Note 1.

 It is the responsibility of the members of Grupo Sura 's Board of Directors to issue guidelines and make key decisions, which in some cases are those issued by its Head Office in Colombia.
- d) Directors: see Note 1

The following table shows the total value of transactions conducted by Grupo Sura with its related parties during the corresponding reporting period:

Accounts receivable

	2016	2015
Grupo Sura Panamá	11.073	-
Suramericana S.A.	90	-
Grupo Sura Finance	60	-
	11.223	-

Accounts payable:

	2016	2015
Grupo Sura Finance (1)	1,620,383	-
Inversiones y Construcciones Estratégicas (1)	22.673	26.821
Interest - Grupo Sura Finance (1)	15.619	-
Interests - Inversiones y Construcciones Estratégicas1	1.440	176
	1,660,115	26.997

⁽¹⁾ These accounts payable, plus interest, consist of current intercompany trade payables.

Transactions with related parties were carried out on an "arms-length" basis, that is to say, based on normal market terms and conditions

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Non-operating expense

	2016	2015
Grupo Sura Finance	65.967	-
Seguros Generales Suramericana	345	284
Seguros de Vida Suramericana	58	69
Servicios Generales Suramericana	45	36
Operaciones Generales Suramericana	18	-
IPS Servicios de Salud	2	22
Inversiones y Construcciones Estratégicas	-	204
Compuredes	-	12
	66.435	627

Non-operating revenue

	2016	2015
Seguros de Vida Suramericana	1.871	-

Senior management benefits

	2016	2015
Short-term employee benefits	8.441	7.301
Post-employment benefits	24.407	20.658
	32.848	27.959

Other related parties

	2016	2015
Board of Director fees	809	666

NOTE 27. EVENTS AFTER THE REPORTING PERIOD

On January 26, 2017, Mr. Fernando Ojalvo Prieto offered his resignation to Grupo Sura's Board of Directors as Chief Corporate Affairs Officer and Company Secretary, which shall become effective as of April 30, 2017.

On February 17, 2017 Grupo de Inversiones Suramericana S.A. announced a proposal for amending the Share Issuance and Placement Rules and Regulations corresponding to its Preferred Shares, as issued in 2011, which shall be submitted for the consideration of the shareholders at the upcoming Shareholders' Meeting be held next March 31. The purpose of this proposed amendment is to adjust said rules and regulations so as to bring them in line with market practice, and includes certain items that enhance the terms and conditions of these shareholders while providing the Company with greater flexibility for managing its capital structure.

On February 23, 2017, Grupo de Inversiones Suramericana S.A. carried out a Dutch auction of ordinary bonds worth COP 550 thousand million. These are to be offered in the form of three series, one for a 5-year term at a fixed rate, another for a 7 year term, at a CPI-indexed rate and the last for a 12- year term, also at a CPI-indexed rate.

NOTE 28. BOARD APPROVAL FOR THE COMPANY'S FINANCIAL **STATEMENTS**

Grupo Sura 's financial statements for the year ended 31 December 2016 were duly approved by the Board of Directors, as recorded in Minutes No. 254 of a Board meeting held on February 23, 2017, for their subsequent presentation to the Shareholders at their upcoming Annual Meeting, pursuant to that stipulated in the Colombian Code of Commerce.

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Carrera 11 No. 98-07 Piso 3, Edificio Pijao Bogotá, Colombia Tel: +57 1 4847000 Fax: +57 1 4847474

Independent assurance report on Grupo de Inversiones Suramericana S.A. Sustainablility Report for 2016

To **Grupo de Inversiones Suramericana S.A.** management office:

Scope

As Grupo de Inversiones Suramericana S.A. (hereinafter Grupo Sura S.A.) requested, we performed verification procedures to "Sustainability Report for 2016 of Grupo de Inversiones Suramericana S.A." (hereinafter sustainability report for 2016). The objective of this assurance engagement is to obtain a limited assurance level regarding to accuracy of assertions and data related to sustainable performance and coverage of important material issues within the report.

Our responsibility performing assurance activities is solely with **Grupo Sura S.A.** management office in accordance with procedures agreed with them, therefore, we don't accept or assume any other responsibility for other purpose or to any other person or organization. Any reliance that third parties may place on the Sustainability Report for 2016 is entirely at its own risk.

Grupo Sura S.A. management office is responsible for preparation of Sustainability Report for 2016, information therein and its supporting evidence. This responsibility includes design, implementation and maintenance of internal controls relevant for preparing a sustainability report free of considerable misstatements, select and apply appropriate reporting principles and use measure and estimation methods under

several and reasonable circumstances. Our responsibility is to broadcast an independent verification statement based in applied procedures on our verification.

Limitations of our assurance engagement

The limitations of our assurance engagement are as follows:

- Independent statements made by third parties within texts in Sustainable Report for 2016 related with Grupo Sura S.A. sustainable performance were not included in the scope of the assurance engagement.
- Neither materiality nor relevant issues correspondence with material aspects are included in the scope of the verification.

The scope of our work does include information reported by **Grupo Sura S.A.**, in order to confirm the response from material performance indicators listed at the end of this document including GRI indicators, company-own indicators and DJSI indicators. Moreover, we check the Disclosures of Management Approach - DMA that corresponds to each material aspect identified by **Grupo Sura S.A.**

Assurance statement criteria

We have carry out the revision performance according to:



- Guidelines for sustainable memories elaboration according to Global Reporting Initiative (GRI) on it's version 4.0.
- Verification standard ISAE3000 (International Standard on Assurance Engagements ISAE 3000) established by International Auditing and Assurance Board (IAASB) from International Federation of Accountants (IFAC).

We believe these criteria are suitable according to the purpose of our assurance engagement.

Performed procedures

Our procedures were design in order to:

- Review that information and presented data on Sustainable Report for 2016 were properly supported by appropriate evidence on each scenario.
- Determine that Sustainable Report for 2016 has been developed according to GRI guide principles on its 4.0 version and with Financial Services Sector Supplement regarding to information reported by Grupo Sura S.A.
- Confirm the conformity option declared by Grupo Sura S.A. on Sustainable Report for 2016 according to GRI guide on its 4.0 version.
- Confirm the tracking of reported information in material indicators by Grupo Sura S.A. on Sustainable Report for 2016.

Developed verifying procedures were the followings:

- Interviews with professionals of Corporate Responsibility management office in order to know and understand the elaboration procedure of Sustainable Report for 2016, moreover with reporting leaders of Grupo Sura S.A. for obtaining information about activities undertaken related with reported matters and information collected systems that were used.
- Review of important quantitative and qualitative information regarding with material indicators included in Sustainable Report for 2016 according to magnitude and nature of responses on each indicator.

The scope on these verification is substantially lower than reasonable assurance engagement, and therefore also the level of assurance provided. The present report in no case will be understood as an audit report.

Conclusions

Based on performed procedures and according with terms of reference for the assurance engagement, we provide the following conclusions regarding to Sustainable Report for 2016, which must be read altogether with the objective and limitations of assurance engagement, as described before:

- We are not aware of aspects related with Grupo Sura S.A. performance that has been excluded form verified indicators of Sustainable Report for 2016.
- We are not aware of important aspects excluded of Grupo Sura S.A. judgments regarding to content on Sustainable Report for 2016.

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- We are not aware of important misstatements on assertions performed by Grupo Sura S.A. management office on Sustainable Report for 2016.
- Nothing has come to our attention that causes us to believe that information and data posted by Grupo Sura S.A. on Sustainable Report for 2016 were not correctly presented.
- Nothing has come to our attention that causes us to believe that Grupo Sura S.A. Sustainable Report for 2016 has not been developed according with GRI guide for Sustainable Report development on its 4.0 version.
- Nothing has come to our attention that causes us to believe that "Core" accordance option declared by Grupo Sura S.A. fails to meet the requirements established for that level on GRI guide on its 4.0 version.

Verified performance indicators:

Material aspect	GRI related aspect	Indicators (GRI, DJSI, Own)
Innovation and new business	Direct economic consequences	EC8
Integral service offer	Doesn't have GRI related aspect	Own. Has an attention or contacting point as communicatio n channel with the maximum government authority for investors. Own. Informs to its shareholders about

Material aspect	GRI related aspect	Indicators (GRI, DJSI, Own)
		procedures with which they can be able to protect their rights. Own. Number of request and issues regarding to shareholders requiring company's society.
	Economic performance	EC1
Financial strengthening	Doesn't have GRI related	DJSI 1.2.2 Own. The company includes ESG aspects in their investment decisions.
Reputation strengthening and branding	aspect	Own. SURA total brand awareness in the countries where it operates.
	Customer's health and safety	PR5
	Doesn't have GRI related aspect	DJSI 1.3.4. DJSI 1.7.2
Corporate government	Regulatory compliance	EN29 S08 PR9
	Anti- corruption	S05
	Activism through shareholding	FS10



Material aspect	GRI related aspect	Indicators (GRI, DJSI, Own)
Human resource and business	Doesn't have GRI related aspect	Own. Number of total employs, by age ranks, gender, contract type and antiquity. Own. Investment in training and development programs. Own. Employ's training and development programs.
development	Employment	LA1 LA3
	Entertainment and education	LA11
	Occupational health and safety	DJSI 3.6.4 LA5 LA6
	Presence on the market	EC5
	Mechanisms for labor complaint	LA16
	Energy	EN3
	Water	EN8
Search for the	Emissions	DJSI 2.3.7 EN15 EN16 EN17
group growth on the supply chain.	Effluent and wastes	EN23
	Doesn't have GRI related aspect	Own. Number of national and international suppliers in each

Material aspect	GRI related aspect	Indicators (GRI, DJSI, Own)
		subsidiary company. Total amount paid to national suppliers in each subsidiary company.
	No discrimination	HR3
	Locales communities	S01
	Doesn't have GRI related aspect	Own. Social investments of SURA business group. Own. Number of beneficiary people with social investment programs. Own. Voluntary
		work hours and number of volunteers.

Ernst & Young Audit S.A.S.

Mauricio Coral

Independent Public Accountant

TP 18954-T

Bogotá D.C., Colombia April 11, 2017

GRI G4 Index





GRI GENERAL INDICATORS »

INDICATOR	GENERAL STANDARD DISCLOSURES	PAGE/RESPONSE	OMMISSIONS	EXTERNAL ASSURANCE
Strategy ar	nd Analysis			
G4.1	Statement from the most senior decision-maker of the organization about the importance of sustainability to the organization.	Page 6-7	Not applicable	Yes
G4.2	Description of key impacts, risks, and opportunities.	Page 55-59	Not applicable	Yes
Organizatio	onal Profile			
G4.3	Report the name of the organization.	Page 12	Not applicable	Yes
G4.4	Report the primary brands, products, and services.	Page 12	Not applicable	Yes
G4.5	Report the location of the organization's headquarters.	Carrera 43 A # 5 A – 113 Medellín, Colombia	Not applicable	Yes
G4.6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainable topics covered in the report.	Page 21 The company operates in 11 countries: Mexico, Dominican Republic, El Salvador, Panama, Colombia, Peru, Brazil, Argentina, Chile, Uruguay and Guatemala. This includes branches and subsidiaries of Grupo SURA's strategic investments: Suramericana, SURA Asset Management, and Bancolombia.	Not applicable	Yes
G4.7	Nature of ownership and legal form.	Page 12, 22, 91	Not applicable	Yes
G4.8	Markets served (including geographic breakdown, sectors served, and types of customers).	Page 12, 18	Not applicable	Yes
G4.9	Report the scale of the organization, including: - Number of employees. - Total number of operations. - Net sales or net revenues. - Quantity of products or services provided.	Page 20-21	Not applicable	Yes
G4.10	Report the following labor information: - Total number of employees by employment contract and gender. - Total number of employees by region and gender.	Page 131	Not applicable	Yes
G4.11	Report the percentage of total employees covered by collective bargaining agreements.	Grupo SURA does not have syndicated employees or employees covered by collective bargaining agreements. Information for Suramericana and SURA Asset Management is reported in Page 134	Not applicable	Yes
G4.12	Describe the organization's supply chain.	Describe the organization's supply chain. Page 140	Not applicable	Yes

INDICATOR	GENERAL STANDARD DISCLOSURES	PAGE/RESPONSE	OMMISSIONS	EXTERNAL ASSURANCE
G4.13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Grupo SURA increased its share in SURA Asset Management after purchasing 7.3% from General Atlantic (Page 37).	Not applicable	Yes
G4.14	Describe how the precautionary approach or principle is addressed by the organization.	Page 55-59	Not applicable	Yes
G4.15	List externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Page 155-164	Not applicable	Yes
G4.16	List memberships of associations (such as industry associations) and/or national or international organizations backed by the organization.	Page 8, 9	Not applicable	Yes
Identified M	Material Aspects and Boundaries			
G4.17	List all entities included in the organization's consolidated financial statements and report whether any entity is not covered in the sustainability report.	Page 170	Not applicable	Yes
G4.18	Explain the process for defining the report content and the aspect boundaries.	Pages 6-7, 60-61 The relevance of this information is derived from an analysis based on the Implementation Manual for the Preparation of Sustainability Reports, in its G4 version from the Global Reporting Initiative (GRI). In light of the material aspects, risk analysis, corporate strategy, and inputs derived from the reviewing of the sustainability context in which the businesses invested in by Grupo SURA operate.	Not applicable	Yes
G4.19	List all the material aspects identified in the process of defining report content.	Pages 62-64	Not applicable	Yes
G4.20	For each material aspect, report whether it is material for the whole organization. Otherwise, indicate which aspect is not material for any entity within the organization.	Material aspects within Grupo Empresarial SURA include: 1. Innovation and new business 2. Geographic Expansion and New Market Development 3. Comprehensive Range of Services. 4. Development of human talent and corporate culture 5. Financial performance 6. Brand and reputation strengthening 7. Corporate Governance 8. The pursuit of shared growth in the value chain	Not applicable	Yes

NIPO SURA

				EXTERNAL
INDICATOR	GENERAL STANDARD DISCLOSURES	PAGE/RESPONSE	OMMISSIONS	ASSURANCE
G4.21	For each material aspect, report whether it is material outside the organization.	Material aspects outside the organization include: 1. Innovation and new business 2. Geographic Expansion and New Market Development 3. Comprehensive Range of Services 4. Development of human talent and corporate culture 5. Financial performance 6. Brand and reputation strengthening 7. Corporate Governance 8. The pursuit of shared growth in the value chain	Not applicable	Yes
G4.22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	The report does not contain restatements of information provided in the previous year's report.	Not applicable	Yes
G4.23	Significant changes from previous reporting periods in the scope, coverage, or valuation methods applied in the report.	For some indicators of human talent, environment, suppliers and tax payment, the information presented includes the results of Grupo Empresarial SURA, that is, Grupo SURA and its affiliates Suramericana and SURA Asset Management. The scope of each indicator is specified in each chapter.	Not applicable	Yes
Stakeholde	r Engagement			
G4.24	Provide a list of stakeholder groups engaged by the organization.	Page 65	Not applicable	Yes
G4.25	Report the basis for identification and selection of stakeholders with whom to engage.	Page 65	Not applicable	Yes
G4.26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Pages 27, 65	Not applicable	Yes
G4.27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Pages 62-64	Not applicable	Yes

This report covers the period of time from

January 1 to December 31, 2016.

Not applicable

Yes

Report Profile

Reporting period for information provided.

G4.28

EXTERNAL INDICATOR GENERAL STANDARD DISCLOSURES PAGE/RESPONSE **OMMISSIONS ASSURANCE** G4.29 Date of most recent previous report. March, 2016 Not applicable Yes G4.30 Reporting cycle (Annual, Biannual). Annual Not applicable Yes Provide the contact point for questions Fernando Ojalvo Prieto e-mail: G4.31 Not applicable Yes regarding the report or its contents. fojalvo@gruposura.com.co Report the "in accordance" option the This report was prepared based on GRI organization has chosen and the GRI G4.32 Not applicable and G4 guidelines, and meets the Core Yes methodology (Core-Comprehensive). methodology. Report the GRI Content Index. Report the organization's policy or practice There is external assurance for the report G4.33 with regard to seeking external assurance from Ernst & Young. The Audit Report is Not applicable found on pages 9, 637-640. for the report. Governance Report the governance structure of the organization, including committees of the highest governance body. Identify any G4.34 Pages 14-17, 93-105 Not applicable committees responsible for decisionmaking on economic, social, and environmental matters. Report the process for delegating authority The authority appointed to manage for economic, environmental, and social G4.35 sustainable matters is delegated to the Not applicable Yes matters from the highest governance body Vice President of Corporate Affairs. to senior executives and other employees. Report whether the organization has appointed an executive-level position or The authority appointed to manage positions with responsibility for economic, G4.36 sustainable matters is delegated to the Not applicable environmental, and social matters, and Vice President of Corporate Affairs. whether post holders report directly to the highest governance body. Processes for consultation with stakeholders are coordinated by the Report processes for consultation between Management of Corporate Responsibility, stakeholders and the highest governance Management of Communications body on economic, environmental, and G4.37 and Corporate Communications and Not applicable social topics. If consultation is delegated, Corporate Identity, and Management of describe to whom and any feedback Investor Relations. Results are presented processes to the highest governance body. by these areas to the highest governance Report the composition of the highest governance body and its committees by: - Executive or non-executive - Independence - Tenure on the governance body G4.38 - Gender Pages 93-103 Not applicable - Membership of minorities - Competences relating to economic, social, and environmental impacts

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GRUPO SUI

INDICATOR	GENERAL STANDARD DISCLOSURES	PAGE/RESPONSE	OMMISSIONS	EXTERNAL ASSURANCE
G4.39	Report whether the Chair of the highest governance body is also an executive officer (if so, explain his or her function within the organization and the reasons for this arrangement).	Page 15	Not applicable	Yes
G4.40	Report the nomination and selection process for the highest governance body and its committees. Keep in mind the criteria used for selection, including: - Whether and how diversity is considered. - Whether and how independence is considered. - Whether and how experience relating to economic, social, and environmental topics is considered. - Whether and how shareholders are involved.	Page 112 https://www.gruposura.com/Style%20 Library/bootstrap3/Corporativo/Archivos/ Codigo-Buen-Gobierno-Diciembre-2015. pdf	Not applicable	Yes
G4.41	Report processes implemented to ensure conflicts of interest are avoided in the highest governance body.	Page 103 https://www.gruposura.com/Style%20 Library/bootstrap3/Corporativo/Archivos/ Codigo-Buen-Gobierno-Diciembre-2015. pdf	Not applicable	Yes
G4.42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value, or mission statements, strategies, policies, and goals related to economic, social, and environmental impacts.	The Regulations of the Board of Directors sets forth the responsibilities of the Directors, and the role of the Board of Directors - See Item 2.2, section a. https://www.gruposura.com/Corporativo/Directivos/Documents/Reglamento-Junta-Directiva.pdf	Not applicable	Yes
G4.43	Reportar las medidas tomadas para Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, social, and environmental factors.	Page 99	Not applicable	Yes
G4.44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, social, and environmental matters. Report whether such evaluation is independent or not, and its frequency.	Pages 102, 103	Not applicable	Yes
G4.45	Report the highest governance body's role in the identification and management of economic, social, and environmental impacts, risks, and opportunities.	According to the Regulations of the Board of Directors, the duty of the Directors is to "guide, reshape, and revise the strategy, the primary projects, the risks policy, the budgets and business plans, to set performance goals and sustainability indicators, and track major investments". In addition, The Committee of Audit, Risks, and Finances is charged with reviewing impacts, risks, and economic opportunities. The Committee of Corporate Governance is charged with reviewing the impacts, risks, and opportunities of social and environmental matters. The management report is presented in full by the Board of Directors.	Not applicable	Yes

INDICATOR	GENERAL STANDARD DISCLOSURES	PAGE/RESPONSE	OMMISSIONS	EXTERNAL ASSURANCE
G4.46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, social, and environmental matters.	According to the Regulations of the Board of Directors, the duty of the Directors is to "guide, reshape, and revise the strategy, the primary projects, the risks policy, the budgets and business plans, to set performance goals and sustainability indicators, and track major investments". In addition, The Committee of Audit, Risks, and Finances is charged with reviewing impacts, risks, and economic opportunities. The Committee of Corporate Governance is charged with reviewing the impacts, risks, and opportunities of social and environmental matters. The management report is presented in full by the Board of Directors.	Not applicable	Yes
G4.47	Report the frequency of the highest governance body's review of economic, environmental, and social impacts, risks, and opportunities.	The Committee of Risks, the highest governance body responsible for revising ESG matters, meets twice a year	Not applicable	Yes
G4.48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.	The Company President is responsible for reviewing the annual report.	Not applicable	Yes
G4.49	Report the processes for communicating critical concerns to the highest governance body.	Page 101	Not applicable	Yes
G4.50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanisms used to address and resolve them.	The Board of Directors addressed, among others, the following matters: - Strategy and primary action plans - Risk management and control systems - Corporate Governance - Succession plans - Accounting, financial, and management reports, including the independent audit report - Compliance with laws and relevant standards - Accountability of non-financial information - Financial information	Not applicable	Yes
G4.51	Report the remuneration policies for the highest governance bodies and senior executives: - Performance-based fixed or variable pay Equity-based fixed or variable pay Bonuses of fixed or variable pay Termination payments. Report how the remuneration of the board of directors and senior executives takes into account the fulfillment of economic, social, and environmental goals.	Page 14, 98-99	Not applicable	Yes

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INDICATOR	GENERAL STANDARD DISCLOSURES	PAGE/RESPONSE	OMMISSIONS	EXTERNAL ASSURANCE
G4.52	Report the process for determining remuneration. Report whether remuneration consultants are involved in its determination.	Pages 98-99, 112 The Assembly of Shareholders determines remuneration. No remuneration consultants are involved in its determination.	Not applicable	Yes
G4.53	If applicable, report how stakeholders' views are taken into account regarding remuneration, including the results of votes on remuneration policies and proposals.	Pages 98-99 The Assembly of Shareholders approves the compensation of the Board of Directors.	Not applicable	Yes
G4.54	Report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees.	Not reported.	This information is not reported given its confidential nature.	Yes
G4.55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual compared to the median percentage increase in annual total compensation for all employees.	Not reported.	This information is not reported given its confidential nature.	Yes
Ethics and	Integrity			
G4.56	Describe the organization's values, principles, standards, and norms of behavior such as codes of conduct and codes of ethics.	Pages 89, 206, 537-538	Not applicable	Yes
G4.57	Report the internal and external mechanisms for seeking advice on ethical behavior and organization integrity, such as helplines or advice lines.	Page 89	Not applicable	Yes
G4.58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, such as reporting to senior executives, whistleblowing mechanisms or hotlines.	Page 89	Not applicable	Yes

GRI SPECIFIC INDICATORS »

MATERIAL ASPECTS	GRI ASPECT	INDICATORS (GRI, DJSI, OWN)	RESPONSE/PAGE	OMMISSIONS	EXTERNAL ASSURANCE
		MATERIAL ASPEC	TS		
Innovation and New Business	Enfoque de gestión	G4-DMA	Pages 68, 69	Not applicable	Yes
Responding to and overcoming challenges and opportunities related to generating growth and value through Innovation.	Indirect economic consequences	EC8: Significant indirect economic impacts and their scope.	Pages 69-73	Not applicable	Yes
Geographic Expansion and Market Development	Management focus	G4-DMA	Pages 84-85		Yes
Developing new market, expansion, and business opportunities	No GRI aspect related	G4-DMA	Pages 84-85	Not applicable	Yes
Comprehensive Range of Services	Management focus	G4-DMA: Chapter on comprehensive range of services	Pages 80-81		Yes
Consolidating a high- quality comprehensive range of services		Own. The organization briefs its shareholders about		Not applicable	
Protecting and guaranteeing the integrity of customers/users		procedures with which they can effectively protect their rights.	nvestor Relations Management Pages 107-108	Not applicable	Yes
Constructing and maintaining a long-	No GRI aspect related	Own. The organization has a point of contact available to investors that serves as a communications channel with the highest governance body	The organization has an area responsible for investor contact and services. Page 107	Not applicable	Yes
term relationship with clients/users, based on the generation of value		Own. Number of requests made by shareholders to the organization, and topics on which requests have been made	Page 108	Not applicable	Yes
Development of Human Talent and Business Development	Management focus	G4-DMA	Pages 130-131		Yes
Attracting, developing,	No GRI aspect	Own. Total number of employees by age range, gender, type of employment contract, seniority.	Pages 131-133	Not applicable	Yes
and building loyalty with the best talent		Own. Investment in training and development programs.	Page 134	Not applicable	Yes
		Own. Collaborator training and development programs.	Page 134	Not applicable	Yes

	MATERIAL ASPECTS	GRI ASPECT	INDICATORS (GRI, DJSI, OWN)	RESPONSE/PAGE	OMMISSIONS	EXTERNAL ASSURANCE
	Attracting, developing, and building loyalty with the best talent	employees, rate employee hires, a turnover by age, region. Employment ting, developing, tilding loyalty the best talent LA3. Return to we retention rates at	LA1. Total number of employees, rate of new employee hires, and employee turnover by age, gender, and region.	Pages 131-133 Turnover rate is specified by subsidiary and country below country/# retirements men/# retirements women/ total turnover	Omission: Turnover by age range not listed. Number of hires not listed.	Yes
GRUPO SURA				Grupo SURA Colombia/5/7/22.85% Suramericana Colombia/423/836/11.44% Brazil/23/23/13.73% Argentina/65/44/14.51% México/33/22/14.98% Chile/39/45/14.58% Uruguay/1/11.83% Rep. Dom./13/14/10.98% Panamá/21/33/15.36% Total fuerza de ventas/283/438/36,47% Sura AM Total administrators /195/313/14.71% Total sales force/945/1121/35.67%		
			LA3. Return to work and retention rates after parental leave, by gender.	100% of employees that received maternal and paternal leave returned to work after the completion of the regulatory leave period.	Not applicable	Yes
		Training and Education	LA11. Percentage of employees receiving regular performance and career development reviews, by gender.	100% of employees	Not applicable	Yes

MATERIAL ASPECTS	GRI ASPECT	INDICATORS (GRI, DJSI, OWN)	RESPONSE/PAGE	OMMISSIONS	EXTERNAL ASSURANCE
		3.6.4 Total number of days lost due to absenteeism (including, but not limited to, long-term illnesses and short-term injuries).	Total days lost: Grupo SURA 177 Suramericana 77,028 SURA AM: 64,150	Not applicable	e Yes
		LA5. Percentage of total workforce represented in joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	100% of workers are represented in health and safety committees (this applies to Grupo Sura and its subsidiaries in Colombia) for other countries, similar occupational health and safety practices are carried out in formats appropriate to each country.	Not applicable	e Yes
Guaranteeing personal safety, integrity, and health	Occupational health and safety	LA6. Rates of absenteeism, occupational illnesses, lost days, and number of work-related fatalities, by region and by gender.	Rates of absenteeism: Grupo SURA 2,145.45 Suramericana Argentina: 443 Brazil: 1,172 Chile: 8,933 Colombia: 2,689 El Salvador: 741 México: 1,299 Rep. Dom.: 1,946 Uruguay: 4,108 SURA AM 5,534 Total days lost: Grupo SURA 177 Suramericana 77,028 SURA AM: 64,150 Number of work-related fatalities: No fatalities were reported.	Omission: Total ab- senteeism is calcula- ted without differentiation by cause or gender.	Yes

MATERIAL ASPECTS	GRI ASPECT	INDICATORS (GRI, DJSI, OWN)	RESPONSE/PAGE	OMMISSIONS	EXTERNAL ASSURANCE
Strengthening a corporate culture	Market Presence	EC5. Ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation.	Page 135	Not applicable	Yes
in coherence with company principles	Whistleblowing mechanisms	LA16. Number of complaints for reported, revised and resolved labor impact through formal complaint mechanisms.	No labor grievances were received by the Coexistence Committee.	Not applicable	Yes
Financial Performance	Management focus	G4-DMA	Pages 122-127, 170		Yes
Assuring the strategic allocation of capital	_ Economic performance	EC1: Direct economic value generated and distributed.	Direct Economic Value Generated: -Revenues COP 18,973,322 Economic Value Distributed: - Operating expenses COP 10,369,926 - Employee wages and benefits COP 1,638,771 - Payments to providers of capital COP 532,932 - Payments to governments (taxes) COP 2,036,000 - Community investments COP 25,602 Economic Value Retained	: Not applicable	Yes
Effectively managing capital structure			COP 4,370,091* *Consolidated financial statements of Grupo Empresarial SURA and Fundación SURA		
Integrating risk management and ESG opportunities within investment criteria.	No GRI aspect related	1.2.2. Regular evaluation and effective assurance of risk strategy.	Pages 55-59	Not applicable	Yes
		Own. The company includes ESG aspects in its investment decisions. Yes, the company has a responsible investment policy in place.	Page 154	Not applicable	Yes
		https://www.gruposura.com/ Polticas/Politica-Inversion- Responsable.pdf			

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MATERIAL ASPECTS	GRI ASPECT	INDICATORS (GRI, DJSI, OWN)	RESPONSE/PAGE	OMMISSIONS	EXTERNAL ASSURANCE
Brand and Reputation Management	Management focus	G4-DMA	Pages 116-117		Yes
Strengthening the positioning of the SURA brand and of the companies in accordance with set attributes	No GRI aspect related	Own: Total knowledge of the SURA brand in the countries where it operates.	Pages 117-118	Not applicable	Yes
Reputation management	Customer Health	PR5. Results from surveys measuring customer	Pages 117-118	Omission: Brand tracking results are in- cluded, which	Yes
Responsibly managing relationships with stakeholders in a consistent manner	and Safety	satisfaction.	. ages 177 110	contain certain elements of customer satisfaction.	100
Corporate Governance	Management focus	G4-DMA	Page 88		Yes
Having a solid corporate governance, consistent with company contexts	No GRI aspect	1.3.4 Mechanisms to guarantee the effectiveness of codes of conduct (for example, the compliance system) of the organization.	Pages 44-47	Not applicable	Yes
		1.7.2 Payment of taxes by countries.	Pages 152-153	Not applicable	Yes
	and regulatory compliance	EN29. Cost of significant fines and number of nonmonetary sanctions for not complying with environmental regulations.	No non-monetary sanctions or fines were received for not complying with environmental regulations.	Not applicable	Yes
Comply and manage legal and regulatory framework		S08. Monetary value of significant sanctions and fines and total number of nonmonetary sanctions due to not complying with laws and regulations.	See note 22.2 of Financial Statements. Pages 405-406	Not applicable	Yes
		PR9. Cost of the significant fines from not ing with regulations with regard to the supply and use of the organization's products and services.	There were no sanctions	Not applicable	Yes
	Anti-corruption	S05. Confirmed incidents of corruption and measures taken.	No incidents of corruption were reported.	Not applicable	Yes

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MATERIAL ASPECTS	GRI ASPECT	INDICATORS (GRI, DJSI, OWN)	RESPONSE/PAGE	OMMISSIONS	EXTERNAL ASSURANCE
Strengthening the corporate role of Grupo Empresarial SURA and its subholdings	Activism through shareholder participation	FS10. Percentage and number of companies within the portfolio with which the reporting company has interacted on environmental and social matters.	We have interacted with 100%.	Not applicable	Yes
The pursuit of shared growth in the value chain	Management focus	G4-DMA	Page 139		Yes
	Energy	EN3. Energy consumption within the organization.	Pages 146, 148 The indirect energy consumption of Grupo SURA was 634,212 M	Not applicable	e Yes
	Water	EN8. Total water consumption by source.	Pages 146, 148	Not applicable	Yes
Encouraging the control of environmental impact and promoting	Emissions	2.3.7 Total number of business trips by air, miles by land, etc.	Suramericana Mileage is only available for business trips made throug travel agencies. For other trips, information on fuel consumption and emission factor details are available. Corporate plane: 3,668,331 MJ Executive vehicles: 1,863,524 MJ Business trips by plane: Number of trips 25,687 Miles: 12,317,621.8		e Yes
resource efficiency		EN15. Greenhouse gases (Scope 1).	Pages 146, 148	Not applicable	Yes
		EN16. Energy indirect greenhouse gas emissions (Scope 2).	Pages 146, 148	Not applicable	Yes
		EN17. Other indirect greenhouse gas emissions (Scope 3).	Pages 146, 148	Not applicable	Yes
	Effluents and waste	EN23. Waste management	Page 148	Omission: Only the consump- tion indicator of the National Salvage Center [Centro Nacional de Salvamentos] is specified	Yes
Promoting participatory management in the	No GRI aspect	Own. Number of national and international suppliers in each subsidiary.	Page 142	Not applicable	Yes
supply and service delivery chain	related	Own. Total amount paid to national suppliers in each subsidiary.	Page 142	Not applicable	Yes

MATERIAL ASPECTS	GRI ASPECT	INDICATORS (GRI, DJSI, OWN)	RESPONSE/PAGE	OMMISSIONS	EXTERNAL ASSURANCE
Respecting human rights in the value chain	Anti- discrimination	HR3. Total number of discrimination incidents and measures taken.	No complaints of discrimination were receive in complaint channels.	d Not applicable	Yes
	Local communities	S01. Percentage of operations implementing local participation mechanisms, impact evaluation, and development programs.	100% of operations have social development projects Not applicable in place. Page 155.		Yes
Promoting well-being and competitiveness through participation in		Own. Grupo Empresarial SURA social investment	Pages 155-156	Not applicable	Yes
projects that have local and regional impact	No GRI aspect related	Own. Number of individuals benefited by social investment programs.	Pages 155-164	Not applicable	Yes
		Own. Volunteer hours, number of volunteers.	Pages 156, 161, 162	Not applicable	Yes



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