

Consolidated Financial Statements
At December 31, 2017 (with comparative figures at
December 31, 2016)

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CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

That the statements contained in the Company's Statement of Financial Position at December 31, 2017 as well as its Statements of Income and Other Comprehensive Income, Statement of Changes to Shareholders' Equity and Statement of Cash Flows for said year, as made available to our shareholders and third parties alike in accordance with applicable regulations, were duly verified

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

Existence: all assets and liabilities belonging to Grupo de Inversiones Suramericana S.A. duly exist at the cut-off date of said consolidated financial statements and all transactions therein included were carried out during this same period ending on the aforementioned date

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 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 statements.

Pursuant to Article 46 of Law 964 of 2005, in my capacity as legal representative of Grupo de Inversiones Suramericana S.A. the Financial Statements and other publicly-relevant reports related to the years ended December 31, 2017 and December 31, 2016 do not contain any flaws, inaccuracies or errors that could prevent the Company's true financial position or operations from being fully known.

DAVID EMILIO BOJANINI GARCIA
Chief Executive Officer

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

STATUTORY AUDITORS REPORT

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

Report on the Financial Statements

I have audited the attached separate financial statements of Grupo de Inversiones Suramericana S.A. consisting of its Statement of Financial Position at December 31, 2017 together with the corresponding Statements of Income, Comprehensive Income, Changes to Shareholders Equity, and Cash Flows for the fiscal year ending on the aforementioned date as well as the summary of significant accounting policies and other explanatory notes.

Senior Management Responsibilities with regard to the Financial Statements

The Company's Senior Management is responsible for the proper preparation and presentation of these separate financial statements according to Accepted Accounting and Financial Reporting Standards in Colombia (NCIF in Spanish) and for designing, implementing and maintaining the corresponding internal controls required for preparing and presenting these separate financial statements and ensuring that these remain free of any material misstatements due to either fraud or error, while selecting and applying the appropriate accounting policies as well as providing accounting estimates that are reasonable given the circumstances.

Auditor's responsibility

My responsibility is to express an opinion on these separate financial statements based on my audit work. I carried out my work in accordance with Accepted International Auditing Standards in Colombia, which oblige me to adhere to all ethical requirements and plan and perform my audit work in order to obtain reasonable assurance that the separate financial statements do not contain any material misstatements

An audit of financial statements includes carrying out procedures in order to obtain auditing evidence of the figures and disclosures included in the financial statements. The procedures thus selected depend on the auditor's professional judgment that includes an examination of the risk of material errors in the financial statements. Upon auditing this risk, the statutory auditor considers the corresponding internal controls implemented by the Company for preparing and presenting financial statements so as to design audit procedures that are appropriate under the circumstances. An audit also includes examining the accounting policies used and the more significant estimates made by Senior Management as well as the presentation of the financial statements as a whole.

I believe that the audit evidence thus obtained provides a reasonable basis for the opinion issued below.

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 Company's financial position at December 31, 2017, together with its operating results and cash flows for the year ended on the aforementioned date, this in accordance with Accepted Accounting and Financial Reporting Standards in Colombia.

Other Matters

The separate financial statements presented and prepared by Grupo de Inversiones Suramericana S.A. under Accepted Accounting and Financial Reporting Standards in Colombia for the fiscal year ended December 31, 2016, and which form part of the comparative information presented in conjunction with the attached separate financial statements, were also audited by myself, based on Accepted International Auditing Standards in Colombia, for which I issued an unqualified opinion on February 24, 2017

Yours sincerely,

Mariana Milagros Rodriguez
Statutory Auditor
Grupo de Inversiones Suramericana S.A.
Lic. No. 112752-T
Appointed by Ernst & Young Audit S.A.S. TR-530

February 26, 2018

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

At December 31, 2017 (with comparative figures at December 31, 2016)

(stated in COP millions)

	Note	2017	2016
Assets			
Cash and cash equivalents	8	1,588,289	2,066,959
Investments	9	26,926,217	26,198,241
Trade and other accounts receivable	9	6,213,746	5,412,844
Current accounts receivable from related parties and associates	9	39,726	89,249
Technical insurance reserves - reinsurers	11	3,214,320	2,659,751
Inventories	12	14,347	13,835
Current tax assets	13	235,212	412,725
Non-current assets held for sale		36,711	679
Other financial assets	14	145,709	631,093
Other non-financial assets	9	112,461	208,824
Investment properties	15	1,031,538	1,033,526
Property and equipment	16	1,154,229	1,037,702
Intangible assets other than goodwill	17	4,899,823	4,913,377
Goodwill	17	4,768,779	4,506,162
Investments accounted for using the equity method	18	18,833,942	18,144,328
Deferred tax assets	13	161,246	188,070
Total assets		69,376,295	67,517,365
Liabilities			
Other financial liabilities	9	2,206,051	3,705,478
Trade and other accounts payable	9	2,881,223	2,607,370
Accounts payable to related entities	9	2,378	68,096
Technical reserves	11	26,195,224	25,989,614
Current tax liabilities	13	546,820	575,425
Provisions for employee benefits	20	515,751	405,816
Other non-financial liabilities	21	980,323	923,470
Other provisions	22	286,230	247,267
Issued securities	9, 23	7,836,685	6,038,924
Deferred tax liabilities	13	1,699,049	1,560,078
Total liabilities		43,149,734	42,121,538

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

At December 31, 2017 (with comparative figures at December 31, 2016)

(stated in COP millions)

	Note	2017	2016
Equity			
Issued capital	24	109,121	107,882
Share issue premium		3,290,767	3,307,663
Net income for the period		1,256,254	1,444,463
Accumulated earnings		12,951,016	12,302,406
Other equity interests	26	2,770,259	1,913,969
Reserves	24	3,452,104	3,584,845
Equity attributable to the owners of the parent company		23,829,521	22,661,228
Non-controlling interests	27	2,397,040	2,734,599
Total equity		26,226,561	25,395,827
Total equity and liabilities		69,376,295	67,517,365

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

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 26, 2018)

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED INCOMESTATEMENTS

For year ended December 31, 2017 (with comparative figures for year ended December 31, 2016)
(Stated in millions of Colombian pesos, except for basic earnings per share)

	Notes	2017	2016
Written premiums	11	14,336,937	12,374,715
Ceded premiums	11	(2,355,413)	(1,851,038)
Retained premiums (net)		11,981,524	10,523,677
Commission income	29	2,342,755	2,155,599
Services rendered	30	2,809,297	2,318,925
Dividends	31	27,125	75,472
Investment income	31	967,461	970,985
Revenues at fair value	31	744,111	542,094
Revenues via equity method	18	1,061,236	1,037,637
Earnings from sales of investments	31	139,852	130,955
Income on investment property	15	71,656	63,336
Exchange difference (net)	31	(71,725)	170,631
Other revenues	32	388,458	286,367
Total revenues		20,461,750	18,275,678
Total claims	11	(8,339,265)	(6,494,165)
Reimbursed claims	11	1,840,205	1,499,644
Retained claims		(6,499,060)	(4,994,521)
Reserves, net of insurance production	11	(1,875,202)	(2,592,522)
Costs of services rendered	30	(2,653,114)	(2,184,160)
Administrative expense	33	(1,664,440)	(1,530,571)
Employee benefits	20	(1,836,040)	(1,595,172)
Fees	34	(745,413)	(755,492)
Brokerage commissions	29	(1,896,799)	(1,414,198)
Amortizations	8	(289,220)	(240,210)
Depreciation	8	(79,596)	(68,812)
Other expense	32	(416,355)	(332,658)
Interest	31	(638,707)	(530,103)
Impairment		(16,872)	(12,273)
Total expense		(18,610,818)	(16,250,692)

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED INCOME STATEMENTS

For year ended December 31, 2017 (with comparative figures for year ended December 31, 2016)
(Stated in millions of Colombian pesos, except for basic earnings per share)

	Notes	Year-end 2017	Year-end 2016
Earnings before tax		1,850,932	2,024,986
Income tax	13	(477,160)	(431,607)
Net earnings from continuing operations		1,373,772	1,593,379
Net earnings from discontinued operations	18.1	80,846	78,279
Net earnings		1,454,618	1,671,658
Earnings - parent company		1,256,254	1,444,463
Earnings - non-controlling interest	27	198,364	227,195
Earnings per share			
Net earnings per share	35	2,678	3,080

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

David Bojanini García
 Legal Representative

Luis Fernando Soto Salazar
 Chief Accountant
 Lic. No. 16951-T

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 February 26, 2018)

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOMES

For year ended December 31, 2017 (with comparative figures for year ended December 31, 2016)
(stated in COP millions)

	Notes	2017	2016
Earnings for the period		1,454,618	1,671,658
Other comprehensive income, losses incurred with equity investments, net of tax	26	(92)	(2,767)
Other comprehensive income, revaluation gains, net of tax	26	137,402	4,404
Other comprehensive income, losses incurred with remeasurements of defined employee benefit plans, net of tax	26	(11,740)	(169)
Total other comprehensive income that shall not be reclassified to profit or loss, net of tax		125,570	1,468
Gains (losses) on translation differences, net of tax	26	701,171	(426,670)
Loss on cash flow hedges, net of tax	26	3,233	9,833
Gains on derivatives hedging net investments abroad, net of tax	26	-	17,081
Share of other comprehensive income from associates and joint ventures posted via the equity method and to be reclassified to profit or loss, net of tax	26	121,520	263,336
Total other comprehensive income to be classified to profit or loss		825,924	(136,420)
Total other comprehensive income		951,494	(134,952)
Total comprehensive income		2,406,112	1,536,706
Comprehensive income attributable to:			
Controlling interest		2,114,141	1,500,049
Non-controlling interests		291,971	36,657

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

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 26, 2018)

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED STATEMENTS OF CHANGES TO SHAREHOLDERS EQUITY

For year ended December 31, 2017 (with comparative figures for year ended December 31, 2016)

(stated in COP millions)

	Issued capital	Share issue premium	Accumulated earnings	Other equity interests	Legal reserve	Occasional reserve	Earnings for the period	Equity attributable to the owners of the parent company	Non-controlling interest	Total equity
Balance held at January 01, 2016	107,882	3,307,663	12,255,428	1,858,384	138,795	4,069,085	1,104,091	22,841,327	3,221,272	26,062,599
Other equity interests	26			60,169				60,169	(190,538)	(130,369)
Property and equipment revaluation reserve				5,479				5,479	(1,075)	4,404
Adjustments on converting net investments abroad				(228,121)				(228,121)	(193,965)	(422,087)
Financial instruments with changes to other comprehensive income				(1,968)				(1,968)	(799)	(2,767)
Losses from re-measurements of defined employee benefit plans, net of tax				(388)				(388)	219	(169)
Revenues from associates via equity method recognized in equity				263,336				263,336	-	263,336
Cash flow hedges - derivatives				7,974				7,974	1,859	9,833
Hedges for net investments abroad				13,858				13,858	3,223	17,081
Earnings for the period							1,444,463	1,444,463	227,194	1,671,658
Total net comprehensive income for the period	-	-	-	60,169	-	-	1,444,463	1,504,633	36,656	1,541,289
Transferred to accumulated earnings			1,104,091				(1,104,091)	-		-
Distribution of dividends corresponding to 2015 based on authorization contained in the minutes of Shareholders' Meeting No. 21 held on March 31, 2016:								-		-
Dividends recognized as distributions to owners (COP 456 per share)			(262,372)					(262,372)		(262,372)
Donations for social outreach projects			(5,000)					(5,000)		(5,000)
Reserves for the protection of investments	24		(456,617)			456,617		-		-
Surplus paid on acquiring non-controlling interests	27					(1,079,652)		(1,079,652)	(681,869)	(1,761,521)
Minimum preferred dividends	25		17,280					17,280		17,280
Increases (decreases) due to other changes in equity			(165,567)					(165,567)	203,028	37,461
Restated figures for SURA Subsidiary	24.3		(184,837)	(4,584)				(189,421)	(44,488)	(233,909)
Balance held at year-end 2016	107,882	3,307,663	12,302,406	1,913,969	138,795	3,446,050	1,444,463	22,661,229	2,734,599	25,395,827

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For year ended December 31, 2017 (with comparative figures for year ended December 31, 2016)

(stated in COP millions)

	Issued capital	Share issue premium	Accumulated earnings	Other equity interests	Occasional reserve	Legal reserve	Earnings for the period	Equity attributable to the owners of the parent company	Non-controlling interest	Total shareholders' equity
Balance held at January 1, 2017	107,882	3,307,663	12,302,406	1,913,969	3,446,050	138,795	1,444,463	22,661,228	2,734,599	25,395,827
Share issue	1,239	209,189	-	-	-	-	-	210,428	99	210,527
Other comprehensive income	26	-	-	856,290	-	-	-	856,290	95,204	951,494
Revaluation surplus on property and equipment	-	-	-	111,897	-	-	-	111,897	25,505	137,402
Adjustments on converting net investments abroad	-	-	-	632,467	-	-	-	632,467	68,704	701,171
Financial instruments with changes to other comprehensive income	-	-	-	(1,275)	-	-	-	(1,275)	1,183	(92)
Losses from re-measurements of defined employee benefit plans, net of tax	-	-	-	(9,735)	-	-	-	(9,735)	(2,005)	(11,740)
Revenues from associates via equity method recognized in equity	-	-	-	119,923	-	-	-	119,923	1,597	121,520
Revenues from subsidiaries via equity method recognized in equity	-	-	-	-	-	-	-	-	-	-
Cash flow hedges - derivatives	-	-	-	3,013	-	-	-	3,013	220	3,233
Hedges for net investments abroad	-	-	-	-	-	-	-	-	-	-
Earnings for the period	-	-	-	-	-	-	1,256,254	1,256,254	198,364	1,454,618
Total net comprehensive income for the period	-	-	-	856,290	-	-	1,256,254	2,112,544	293,568	2,406,112
Transferred to accumulated earnings	-	-	1,444,463	-	-	-	(1,444,463)	-	-	-
Dividends recognized as distributions to owners (COP 488 per share)	-	-	(280,780)	-	-	-	-	(280,780)	(100,732)	(381,512)
Donations for social outreach projects	-	-	(5,000)	-	-	-	-	(5,000)	(821)	(5,821)
Reserves for the protection of investments	24	-	(549,701)	-	549,701	-	-	-	3	3
Surplus paid on acquiring non-controlling interests	27	-	-	-	(682,442)	-	-	(682,442)	(396,615)	(1,079,057)
Minimum preferred dividends	25	(226,085)	44,948	-	-	-	-	(181,137)	-	(181,137)
Increases (decreases) due to other changes in equity	-	-	(5,320)	-	-	-	-	(5,320)	(133,531)	(138,851)
Balance held at December 31, 2017	109,121	3,290,767	12,951,016	2,770,259	3,313,309	138,795	1,256,254	23,829,521	2,397,040	26,226,561

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

David Bojanini García
Legal Representative

Luis Fernando Soto Salazar
Chief Accountant
Lic. No. 16951-T

Mariana Milagros Rodríguez Statutory Auditor
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February 26, 2018)

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED STATEMENTS OF CASHFLOWS

For year ended December 31, 2017 (with comparative figures for year ended December 31, 2016)
(stated in COP millions)

	Note	2017	2016
Net income for the period		1,454,618	1,671,658
Adjustments to reconcile earnings			
Adjustments for income tax expense	13	477,160	431,607
Adjustments for financial costs		398,907	361,120
Adjustments for decreases (increases) in inventories		(512)	(1,697)
Adjustments for decreases (increases) in accounts receivable corresponding to the insurance business		(610,021)	(2,457,137)
Adjustments for decreases in trade receivables		(194,879)	3,032
Adjustments for increases in other accounts receivable corresponding to operating activities		45,597	(57,210)
Adjustments for increase in trade payables		61,535	301,919
Adjustments for increase in accounts payable corresponding to the insurance business		212,318	993,186
Adjustments for increases (decreases) in other accounts payables corresponding to operating activities		(151)	158,675
Adjustments for depreciation and amortization expense	8	538,901	1,627,729
Adjustments for impairment losses recognized through profit or loss for the period.		16,872	12,273
Adjustments for provisions		136,651	238,480
Adjustments for unrealized foreign currency losses		(1,270,069)	498,647
Adjustments for gains at fair value	8	(819,242)	(566,398)
Adjustments for retained earnings via the equity method	18	(1,061,236)	(1,037,637)
Changes to non-financial assets and liabilities	19	84,728	403,767
Adjustments for losses (gains) on disposals of non-current assets		(435)	12,327
Investments measured at amortized cost	19	(1,095,819)	(1,108,710)
Changes to insurance reserves		(348,959)	5,045,008
Total adjustments to reconcile income		(3,428,654)	4,858,981
Net cash flows sourced from (used for) operating activities		(1,974,036)	6,530,639
Dividends received from associates	25	495,338	456,282
Income tax paid	13	(204,395)	(312,927)
Net cash flows sourced from operating activities		(1,683,093)	6,673,994
Cash flows sourced from (used for) investing activities			
Cash flows from losing control over subsidiaries or other businesses	18.2.1	-	517,324
Cash flows used to obtain control over subsidiaries or other businesses	8	(1,082,705)	(1,763,569)
Other cash receipts on sales of equity or debt securities issued by other entities	8	12,390,342	4,230,763
Other payments for purchasing equity or debt securities from other entities	9.1.1.	(10,567,069)	(8,260,019)
Proceeds from sales of property, plant and equipment	16	78,318	36,477
Purchases of property and equipment	16	(126,013)	(162,324)
Proceeds from sales of intangible assets	17	135,423	60,433
Purchases of intangible assets	17	(298,233)	(3,322,942)
Proceeds from sales of other long-term assets	15	430,372	-
Purchases of other long-term assets	15	(324,109)	(239,364)
Payments on futures, forwards, options and swaps	14	(44,196)	(23,242)
Cash receipts from futures, forwards, options and swaps	14	86,158	58,310
Dividends received on financial instruments	9	607	4,841
Interest received	9	638,696	144,185
Net cash flows sourced from (used for) investing activities		1,317,591	(8,719,127)

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

For year ended December 31, 2017 (with comparative figures for year ended December 31, 2016)
(stated in COP millions)

	Note	2017	2016
Net cash flows sourced from financing activities			
Proceeds from share issue	23	29,390	17,279
Proceeds from loans	23	4,680,171	6,415,497
Loan repayments	23	(3,774,474)	(3,281,201)
Payments of financial lease liabilities	23	(949)	-
Dividends paid	25	(447,079)	(388,462)
Interest paid	9	(560,919)	(180,703)
Donations		(5,821)	(5,000)
Net cash flows sourced from financing activities		(79,681)	2,577,410
Increase (decrease) in net cash and cash equivalents before effect of exchange rate fluctuations		(445,183)	532,277
Effects of exchange rate fluctuations on cash and cash equivalents			
Effects of exchange rate fluctuations on cash and cash equivalents		(33,487)	101,498
Net increase in cash and cash equivalents		(478,670)	633,775
Cash and cash equivalents at beginning of the period	8	2,066,959	1,433,184
Cash and cash equivalents at the end of period	8	1,588,289	2,066,959

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

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 26, 2018)

GRUPO DE INVERSIONES SURAMERICANA S.A.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31st 2017 (with comparative figures at year-end 2016)
(Stated in millions of Colombian pesos, except for basic earnings per share)

NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A. was incorporated as a result of being spun off from Compañía Suramericana de Seguros S.A., by means of Public Deed No. 2295 drawn up December 24, 1997 before the Notary Public No. 14 of the Circuit of 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. 43ª # 5ª – 113 Piso 15. The Company is entitled to set up branches, agencies, and offices in other parts of the country as well as abroad, should its Board of Directors so decide. The Company is legally authorized to carry on its business purpose until 2097.

Its business purpose is to invest in personal and real estate property, and may do so in the form of shares, stakes or holdings in companies, entities, organizations, funds and any other legally-permitted mechanism that allows for the investment of funds. Likewise, it may invest in securities or instruments yielding either a fixed or variable income, regardless of whether these are listed on a public stock exchange. In any case, the corresponding issuers and/or investees may belong to either the public or private sectors, both at home or abroad.

The Company's reporting period shall follow that of the normal calendar year, ending on December 31. The Company comes under the exclusive oversight of the Colombian Superintendency of Finance ("Superintendencia Financiera de Colombia"), since it is listed as an issuer of securities with the Colombian National Registry of Securities (Registro Nacional de Valores y Emisores).

Corporate Profile:

Grupo de Inversiones Suramericana S.A. (*hereinafter referred to in conjunction with its subsidiaries as "Grupo SURA"*) is a multi-Latina listed on the Colombian Stock Exchange and registered with the ADR- Level 1 program in the United States. It is also the only Latin American company from the Diversified Financial Service Sector to be admitted to the *Dow Jones Sustainability Index (DJSI)*, which tracks companies who have become global benchmarks thanks to the best practices they have adopted from the economic, environmental and social standpoints. In 2016, the DJSI awarded Grupo SURA its "Bronze Class" distinction as the company upholding the second highest sustainability standards, in its respective sector, on a worldwide level. Group Sura's investments are classified in two categories: its strategic or core investments – those pertaining to the financial, insurance, pension, savings and investment sectors; and its portfolio investments – those found mainly in the processed food, cement, energy, port services and real estate sectors.

Grupo SURA's investee companies (Suramericana S.A., Sura Asset Management S.A., Bancolombia S.A., Grupo Nutresa S.A. and Grupo Argos S.A.) have continued to strengthen their presence in different parts of Latin America, the United States and to a lesser degree in Asia.

The Group's interests in the Financial Services sector includes a 46.11% stake in the voting shares of Bancolombia (which is equal to 24.44% of its capital stock), where Grupo Sura is the largest shareholder. It also holds an 81.13% stake in Suramericana S.A., the Group's insurance holding company. The remaining

18.87% of Suramericana is owned by the German insurer Münchener Rückversicherungs-Gesellschaft Munich Re, commonly known as “Munich Re.” Grupo SURA also directly holds a 76.47% stake in SURA Asset Management Colombia S.A.’s share capital as well as another 7.11% stake through its subsidiary, Grupo de Inversiones Suramericana Panamá S.A. Both companies are dedicated to the Latin American pension, savings and investment sectors. The remaining 16.42% stake in Sura Asset Management S.A.’s share capital belongs to other local and international shareholders.

The Group’s investments in the processed food segment of the local industrial sector include a 35.17% stake in Grupo Nutresa S.A., the largest processed foods conglomerate in Colombia where Grupo Sura is also the largest shareholder.

Grupo Sura’s interests in the cement, concrete, energy, port services, coal-mining and real estate sectors include a 35.56% stake in the voting shares of Grupo Argos S.A. (equal to 26.78% of its share capital) where again Grupo Sura is the majority shareholder. Grupo Argos is in turn the controlling shareholder of Cementos Argos, S.A., Celsia S.A. E.S.P. And Odinsa. S.A.

Grupo Sura’s main business activities are described in further detail in Note 28 - Operating Segments

Our Strengths

- 1) *Grupo Sura holds equity interests in several companies who in turn own leading companies in Colombia, Mexico, El Salvador, the Dominican Republic, Panama, Peru, Chile Guatemala, Uruguay, Brazil and Argentina.* Grupo SURA has invested in well established companies mainly in the financial service, insurance, health care, occupational risk, pension fund and complementary service sectors, and to a lesser extent in several industrial sectors, including food processing, cement and ready-mix concrete, energy, port services, coal-mining and real estate.
- 2) *Robust stream of sound cash flows diversified across different countries and sectors.* Grupo Sura derives most of its cash flows from dividends received from a diversified group of companies operating across various industries and countries within Latin America. In recent years, these companies have consistently paid out dividends, which have been increasing by at least the rate of inflation as measured by the Consumer Price Index (CPI)
- 3) *Sound Statement of Financial Position to support Grupo SURA’s ongoing expansion.* At year-end 2017, Grupo Sura’s consolidated shareholders’ equity came to COP 26,226,561 million with a total debt-to-asset ratio of just 38%. Grupo Sura has historically financed its expansion primarily with operating cash flows and the proceeds from sales of non-strategic assets. Here it is important to add that at the end of last year, the Company’s indebtedness was substantially low given the size of its portfolio of investments.
- 4) *Multi-product, multi-segment and multi-channel business model.* Grupo Sura has increased its market share in the Latin American financial services sector by developing an integrated business model, allowing us to take full advantage of the synergies existing between our different banking, insurance and pension fund businesses, while accessing a wider customer base, creating greater customer loyalty and at the same time strictly complying with all applicable regulations in each country and abiding by all legal restrictions. Our integrated business model represents a true competitive advantage for our different companies while creating a significant entry barrier that protects us from the competition

- 5) *Commitment to best practices, corporate governance and sustainable development.* Our Corporate Governance Code was first introduced in 2002 and we have been publishing annual corporate governance reports since 2005. Our corporate governance is governed by principles of fairness, respect, responsibility and transparency together with a firm 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

Grupo SURA has just undergone a period of international expansion from which it has achieved a robust stream of cash flows, thus strengthening the financial position of its Companies and diversifying at the same time the sources of its revenues not only from a variety of industries but also from different countries. At the same time, the Company has and shall continue to ensure that its ongoing growth does not affect its good credit standing by maintaining a conservative policy for its long-term leverage.

2017 was a year that posed major challenges, leading Grupo SURA to embark on an in-depth review of the Organization's strategic planning, an initiative we call "Evolution 2030" whose scope includes the entire Business Group. We are fully aware that the world is changing at an exponential rate and that our portfolio investments must respond at this same pace so as to be able to remain relevant in the future

The Company has now begun a stage in which it is further consolidating its recently acquired operations so as to enhance their profitability and ensure their sustainability over time. For this reason it is essential that not only do we continue to work together as a group so as to achieve a sound financial position with regard to our different stakeholder groups but also that we maximize the growth of our investments in the financial service sectors so as to be able to conquer new markets, reach out and better attend different segments of the population who now have greater purchasing power as well as to get to know our current and potential clients, using data from the latest analytics, artificial intelligence and other emerging technologies so as to enhance our value-added offering.

The main goals of this new stage of consolidation were:

- To align and build shared purposes so as to achieve better results;
- Refocus our work plan for consolidating, optimizing and furthering the profitability of our portfolio business;

- Detect opportunities and risks beyond our current sphere of business so as to create new businesses; and,
- Provide support for the transformation of our business going forward.

Among the new definitions drawn up, we have framed a new purpose for the entire business group: *To create a greater level of well-being and sustainable development for people, organizations and society at large.* This new purpose is supported by six pillars that shall define the prioritization of our future plans and projects.

Strategic pillars:

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

Culture is a set of characteristics that ensure consistency with regard to the Organization's philosophy, principles, leadership and management style, forming our own way of doing things on an everyday basis

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

Entrepreneurship is being able to create new businesses and ventures that help to drive the sustainability of our portfolio. This entails speeding up the introduction of new companies within the Organization's investment portfolio.

- Internal and External Partnerships: internal and external alliances, synergies and articulation processes that make us more competitive and efficient with regard to our shared purpose of creating greater well-being and sustainable development, while creating added value for all the parties involved.
- Knowledge: this is defined as the holistic understanding of our industry, through a systematic analysis and overview of our environment and emerging trends, as well as the articulation of organizational information and learnings, so as to be able to improve our decision-making, anticipate changes and trends and keep us relevant over time, and in so doing help us fulfill our corporate vision and aspirations.
- Reputation and Trust: this is the result of fulfilling our value promise, based on good practices and our ethical principles, while being able to forge long-term relationships with our stakeholders.
- Financial Resource Management: this is the optimal coordination of the Group's financial resource cycle which consists of:
 - o Obtaining the required funds and defining an adequate capital structure.
 - o Allocating capital based on the established criteria and in accordance with the Business Group's strategy.
 - o Pro-actively handling our investments, monitoring and measuring these so as to ensure our ability to provide added value.

All of this has led the Company to focus on identifying the specific capabilities it needs to develop or strengthen our human talent, financial resources, sustainability practices, technology, process design, corporate governance and reputation and brand management. All this forms part of a continuous search for added value that now provides a much broader scope to our newly defined corporate purpose, *Creating Greater Well-being and Sustainable Development*, so that Grupo SURA may become increasingly more useful for society in general.

Senior Management

Our Board of Directors, in keeping with our by-laws, consists of seven directors who are appointed at annual ordinary shareholders’ meetings.

The current members of the Board of Directors were appointed to serve for a two-year period by the shareholders at their annual shareholder’s meeting held on March 31, 2016. The term of each of the current board members expires in March 2018. They may also be appointed to serve additional periods without any restriction whatsoever until they reach the age of 72

The following table sets forth certain information regarding the current members of our Board of Directors:

<u>Name</u>	<u>Position</u>
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:

<u>Name</u>	<u>Position</u>
David Bojanini García	Chief Executive Officer
Juan Carlos Llanos	Chief Corporate Auditor
Ricardo Jaramillo Mejía	Chief Corporate Finance Officer
Tatiana María Orozco de la Cruz	Chief Corporate Affairs Officer
Juan Luis Múnera Gómez	Chief Corporate Legal Officer

Board Committees

Sustainability and Corporate Governance Committee:

Consisting of 3 members of the Board of Directors with the Company’s Chief Executive Officer attending these meetings by invitation. This Committee meets at least twice (2) a year and reports directly to the Board of Directors and Senior Management on all those matters regarding Company’s Sustainability Good Corporate Governance.

Appointments and Remuneration Committee:

Consisting of 3 members of the Board of Directors meeting at least twice (2) a year. This Committee is responsible for providing guidelines in terms of the Company's human talent as well as the corresponding development and retention strategies, drawing up succession plans, evaluating the performance of the Chief Executive Officer and Senior Management performance, setting guidelines for the fees paid to members of the Board of Directors as well as the remuneration corresponding to Senior Management which is based on their performance both individually as well as collectively.

Risk Management Committee

Consisting of 3 members of the Board of Directors meeting at least twice (2) a year. This Committee is responsible for the Company's risk management function, including analyzing and assessing the handling of the Company's normal risk exposure, in terms of limits, risk profile, profitability and capital map; submitting to the Board the Company's proposed risk management policy; providing the Board with proposals regarding delegation rules for approving various types of risk.

Also, this Committee is officially responsible for the sustainability issues affecting the Company, such as evaluating and monitoring social, environmental and political trends that could potentially affect the Company and its subsidiaries, and the results obtained by all; monitoring the performance of both the Company and its subsidiaries in the environmental, economic, social and reputational aspects; monitoring the handling and mitigation of risks of a financial nature; and reviewing non-financial information that the Company makes available to the market.

The Audit and Finance Committee:

Consisting of 3 independent members of the Board of Directors meeting at least four (4) times a year. It is responsible for creating and encouraging a supervisory culture throughout the Company. The responsibilities of this Committee are enshrined in Article 37, paragraph b. of the Company's Bylaws as well as in the Rules and Regulations governing this Committee, which can be found on the Company's website (www.gruposura.com).

Principal Shareholders

The following table contains a breakdown of the Company's shareholder structure at year-end 2017, based on the data duly recorded in the Stock Ledger:

Shareholder	No. shares	Value (COP)	% stake
Grupo Argos S.A.	130,990,706	24,560,757,375	22.51%
Grupo Nutresa S.A.	59,387,803	11,135,213,063	10.20%
Fondo de Pensiones Obligatorias Colfondos Moderado	54,569,596	10,231,799,250	9.38%
Fondo de Pensiones Obligatorias Colfondos Moderado	50,589,397	9,485,511,938	8.69%
Cementos Argos S.A.	26,751,424	5,015,892,000	4.60%
Harbor International Fund	24,751,142	4,640,839,125	4.25%
Fondo de Pensiones Obligatorias Colfondos Moderado	17,419,468	3,266,150,250	2.99%
Openheimer Developing Markets Fund	13,206,870	2,476,288,125	2.27%
Fondo Bursatil Ishares Colcap	11,484,837	2,153,406,938	1.97%

Grupo Argos' Foundation	10,666,767	2,000,018,813	1.83%
Colombiana de Comercio S.A. Corbeta y/o Alkosto S.A.	10,000,000	1,875,000,000	1.72%
Old Mutual Fondo de Pensiones Obligatorias – Moderado	7,534,891	1,412,792,063	1.29%
Abu Dhabi Investment Authority J.P. Morgan	6,989,392	1,310,511,000	1.20%
Minority shareholders (1)	157,635,255	29,556,610,313	27.09%
Total shares	581,977,548	109,120,790,251	100.00%

(1) Including shareholders, who individually hold less than 1.0% of Grupo SURA's ordinary and preferred stock

Our ordinary shares are traded on the Colombian Stock Exchange (BVC) under the ticker symbol "GRUPOSURA", and our Level 1 American Depositary Receipts ("ADRs") are traded on the Over-the-Counter-Market ("OTC Market") in the United States under the symbol "GIVSY." Our preferred shares, on the other hand, trade on both the Colombian Stock Exchange (BVC) under the ticker symbol "PFGRUPSURA") as well as on the OTC market in the United States in the form of ADRs Level 1 under the symbol "GIVPY".

NOTE 2. BASIS FOR PREPARING THE FINANCIAL STATEMENTS

2.1. Compliance Statement

These consolidated financial statements have been prepared in accordance with Financial Reporting and Accounting Standards (FRAS), as provided by Law 1314 of 2009, which in turn were regulated by the Unified Regulatory Decree 2420 of 2015 and subsequently amended by means of Decrees 496 of 2015 as well as 2131 of 2016. These FRAS are based on International Financial Reporting Standards (IFRS), together with their corresponding interpretations as issued by International Accounting Standards Board (IASB), these corresponding to their officially translated versions in Spanish which were approved by the aforementioned body on December 31, 2015.

The following guidelines that are applied by the Company are included in the decrees listed below and constitute exceptions to the IFRS as issued by the IASB:

- Article 4 of Decree 2131 of 2016 amended Part 2 of Book 2 of Decree 2420 of 2015, and was later supplemented by Decree 2496 of 2015, allowing as of December 31, 2016 for post-employment benefits in the form of future retirement or disability pensions to be determined pursuant to that stipulated in IAS 19. This nevertheless requires disclosing the calculation used for pension liabilities in accordance with that laid out in Decree 1625 of 2016, namely in Articles 1.2.1.18.46 et seq. and, in the case of partial pension swaps, in accordance with the provisions contained in paragraph 5 of article 2.2.8.8.31 of Decree 1833 of 2016, reporting the variables used and the differences resulting from the calculation made based on the technical framework under IFRS.

The Company also applies the following guidelines in accordance with applicable legislation and other regulations in Colombia:

- External Circular 036 of 2014 issued by the Colombian Superintendency of Finance, which provides instructions on how to post adjustments made to the opening balance sheets in the case of all those companies coming under the oversight of this Superintendency, or the parent companies of entities subject to such oversight. Besides containing recommendations relating to the adjustments to be made by entities subject to the oversight of the Colombian Superintendency of Finance, this same Circular also addresses how adjustments arising from the impairment of financial assets are to be

posted in books. Likewise, it requires that IFRS preparers, in the case of entities coming under the oversight of said Superintendency, set up provisions for the assets received either in payment or in the form of restitution, regardless of how they are classified in books, this pursuant to instructions contained in Chapter III of the Basic Accounting and Financial Circular. Under IFRS, these assets are posted based on their specific classification in accordance with IAS 16 or IFRS 5, as applicable.

2.2. Basis of measurement

These consolidated financial statements have been prepared on a historic cost basis, except for the following major items included in the Statement of Financial Position.

Financial instruments measured at fair value
Investment properties measured at fair value
Assets and liabilities measured at cost or amortized cost

Financial assets and liabilities measured at fair value correspond to those classified as assets and liabilities at fair value through profit or loss, together with equity investments measured at fair value through equity as well as all derivatives, assets and liabilities that are designated as hedged items as part of hedging arrangements measured at fair value. Here, the corresponding carrying values are adjusted based on changes to their fair value attributable to the hedged risk.

These consolidated financial statements have been reported in Colombian pesos with figures stated in millions of Colombian pesos rounded up or down to the nearest integer, except for basic earnings per share and the Colombian representative market exchange rate quoted in Colombian pesos and other foreign currency (i.e. US dollars, euros, Chilean pesos, Dominican pesos Mexican pesos, New Sols, Argentinian pesos Brazilian reals and Uruguayan pesos).

2.3. Accounting policy updates.

Grupo SURA's Board of Directors, upon a recommendation from the Audit and Finance Committee, approved an update to the accounting policies governing Financial Instruments and Intangible Assets, so as to extend their scope with regard to that required by IFRS 9 and IAS 38, respectively.

Fair value with changes in other comprehensive income

With regard to the Group's Financial Assets Policy, this update shall allow debt instruments to be carried on the "Other Comprehensive Income Statement" specifically in the equity accounts. This has no impact whatsoever on these financial statements since said update only applies to new debt instruments taken out.

We believe it important to implement this classification as part of our investment portfolios since we hold this type of instrument based on the approximate terms and rates of the corresponding liabilities for each of the corresponding tranches, and which also serve to capitalize on any changes in market conditions this for the purpose of increasing the profitability of our portfolio and meeting the cash flow needs of our insurance business.

This model shall provide the Company with a greater level of flexibility when managing its investments, since it has the two-fold objective of obtaining contractual cash flows, but also of eventually disposing of the financial assets in question so as to potentially benefit from changes in market conditions. The sales value and expected selling frequency of the financial assets covered by this model is greater than those of the amortized cost model.

Intangible assets

With regard to the Group's Intangible Assets Policy, this update shall allow for the capitalization of intangible assets for administrative (technological) use, which shall in turn produce an increase in the intangible assets held by all those Companies belonging to the SURA Business Group that are currently implementing SAP.

These updates shall take effect as of 2018.

2.4. Presentation of the Financial Statements

Grupo Sura presents its Statement of Financial Position in order of liquidity.

As for its Statement of Income, income and expense are not offset, unless this is permitted or required by any accounting standard or interpretation thereof, as stipulated in Grupo SURA's policies.

2.5. Consolidation Principles

Subsidiaries

The consolidated financial statements include the financial statements of both Grupo SURA and its Subsidiaries at December 31, 2017 at December 31, 2016 and for the years ending on said dates. Grupo SURA consolidates the assets, liabilities and financial results of all those entities over which it exerts control

A subsidiary is an entity that comes under the direct or indirect control of any of the companies that make up Grupo SURA. Control exists when any of the companies have the power to direct the subsidiary's activities, these being, generally speaking operating and financing activities, in order to obtain benefits from such activities and at the same time is exposed, or is entitled, to variable returns from said subsidiary.

Grupo SURA's consolidated financial statements are presented in Colombian pesos, which is the functional and reporting currency of the parent company, Grupo SURA. Each of Grupo SURA's subsidiaries determines its own functional currency and draws up its financial statements using said currency.

To facilitate subsequent consolidation, subsidiary financial statements are prepared according to Grupo SURA's accounting policies and are included in the consolidated financial statements as of the date said subsidiaries were acquired and until whenever Grupo SURA should no longer exert control over such.

All intra-group assets, liabilities, equity, income, costs, expense and cash flows are eliminated upon preparing these consolidated financial statements.

When Grupo SURA no longer exerts control over a subsidiary, any residual stake retained in such is measured at fair value, and any gains or losses produced are recognized through profit and loss for the period.

Investments in Associates

An associate is an entity over which Grupo Sura exerts significant influence in terms of its financial and operating policy decisions without actually achieving total or joint control.

When first acquired, any surplus obtained between the cost of acquiring the associate and the share obtained in terms of the net fair value of the identifiable assets, liabilities, and contingent liabilities assumed by the associate or joint venture is posted as goodwill. Goodwill includes the investment's carrying value.

The associate's income, assets and liabilities are recorded in the consolidated financial statements using the equity method. The equity method is applied as of the date the associate is first acquired and ends whenever significant influence is no longer exerted over the entity in question.

The share of the earnings or losses obtained or incurred by the associate is shown in the income statement net of tax and non-controlling interest in the associate's or joint venture's subsidiaries, whereas the share of any changes directly recognized in the associate's equity or other comprehensive income accounts are shown in the consolidated statements of changes to shareholders' equity and other comprehensive income.

Cash dividends received from the associate are recognized by reducing the carrying value of this investment.

Grupo Sura periodically analyzes whether there are any signs of impairment and, whenever necessary, impairment losses are recognized for the corresponding investment in the associate. Impairment losses are recognized in profit or loss for the period and are calculated as the difference between the recoverable amount of the associate or joint venture, this being the higher of its value in use or its fair value less selling costs, and its corresponding carrying amount.

When significant influence is no longer exerted over the associate, Grupo Sura measures and recognizes any residual investment that remains at fair value. The difference between the carrying amount of the associate (taking into account the relevant items of other comprehensive income) and the fair value of the retained residual investment, along with the value obtained from its sale, is recognized in profit or loss.

Joint Ventures

A joint venture is recognized when the contractual arrangement is structured through a separate vehicle to which rights are conferred on the net assets of such arrangement and not on the assets and obligations relating to said arrangement.

In the case of a joint venture, the stake held in such must be recognized in the consolidated financial statements as an investment and accounted for using the equity method in accordance with the Investments in Associates and Joint Ventures accounting policy.

Non-controlling interest

Non-controlling interest in the net assets belonging to the consolidated subsidiaries are shown separately in Grupo SURA's equity accounts. The income and other comprehensive income obtained during the period is also allocated to both controlling and non-controlling interests.

Any other stakes in subsidiaries sold or purchased by non-controlling interests, which in no way imply a loss of control over the entity in question, are directly recognized in equity.

2.6. Reclassifications

Some of the figures and disclosures corresponding to the year ended December 31, 2016, as presented in these financial statements for comparison purposes, may vary from the information published at the aforementioned cut-off date, due to new accounting concepts being created as well as certain

reclassifications and adjustments, that were made as a result of the internal audit and review carried out by Senior Management on the financial statements corresponding to year-end 2016, as were previously submitted for the consideration and approval of the shareholders at their Annual Ordinary Meeting held on March 31, 2017. Grupo Sura's Senior Management considers that these adjustments do not affect the reasonability of the previously published information.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied upon preparing the Opening Consolidated Statement of Financial Position as well as the other consolidated financial statements in accordance with the Financial Reporting and Accounting Standards accepted in Colombia (FRAS), unless otherwise indicated.

3.1. Business combinations and goodwill

A business combination is a transaction or other arrangement through which the acquiring party obtains control over one or more businesses.

Grupo SURA considers business combinations to be all those transactions involving the merger of two or more entities or economic units into one single entity or group of entities.

Business combinations are accounted for using the acquisition method. The identifiable assets acquired and the liabilities and contingent liabilities taken over from the acquired company are recognized at fair value on the date of their acquisition, and the corresponding acquisition costs are recognized through profit and loss for the period, with the respective goodwill recorded as an asset in the consolidated statement of financial position.

The consideration transferred for said business combination is measured as the added value at fair value, of the assets handed over, the liabilities incurred or taken over and the equity interests issued by Grupo SURA, including any contingent consideration in order to gain control over the acquired entity.

Goodwill is measured as the difference between the value of the consideration transferred, the fair value of any non-controlling interest, and wherever applicable, the fair value of any stake previously held in the acquired entity, on the one hand and the net identifiable assets acquired and the liabilities and contingent liabilities taken over on the date the entity is acquired. Any gains or losses resulting from measuring any previous stake held may be recognized through profit and loss for the period in question, or in the other comprehensive income statements, as required. It is possible that the acquiring party may have recognized changes in the value of the stake held in the acquired entity in the other comprehensive income accounts corresponding to prior reporting periods. Should this be the case, the value thus recorded in other comprehensive income must be recognized on the same basis that would have applied had the acquiring company directly divested the previous stake in the acquired entity's equity. Should the consideration thus transferred be lower than the fair value of the net assets belonging to the acquired entity, the difference is directly recognized in profit and loss as of the date acquired.

On the date when each business combination is acquired, Grupo SURA must decide whether to measure the non-controlling interest as a proportional share of the identifiable assets acquired, and the liabilities and contingent liabilities taken over from the acquired entity or at fair value.

Any contingent consideration for a business combination qualifies as a liability or an equity interest and is recognized at fair value on the date this is acquired. Subsequent changes to the fair value of a contingent consideration qualifying as a financial liability are recognized through profit or loss or other comprehensive income and when qualifying as an equity interest this is not remeasured but rather subsequently calculated and recognized in equity. If the consideration does not qualify as a financial liability, it is measured in accordance with applicable IFRS.

Goodwill acquired as part of a business combination is allocated, on the acquisition date, to the cash-generating units belonging to Grupo SURA which are expected to benefit from the business combination in question, irrespective of whether the other assets or liabilities of the acquired entity are assigned to those units.

In the event that this goodwill forms part of a cash-generating unit and subsequently part of said unit's operations are sold off, the goodwill associated with the operations thus disposed of, is included in the carrying amount of said operations when determining the gain or loss on their disposal. Goodwill that is consequently de-recognized is determined based on the percentage of the operation that is sold off, which is equal to the ratio between its carrying value and the carrying value of the cash-generating unit.

3.2. Cash and cash equivalents

Cash and cash equivalents as appearing in the Statement of Financial Position and Statement of Cash Flows include cash in hand and banks, highly liquid investments and money market transactions that are readily convertible into cash and subject to an insignificant risk of changes to their value, with maturities of three months or less from the date of their acquisition.

3.3. Financial instruments

Financial assets

Grupo Sura initially recognizes its financial assets at fair value for subsequent measurement at amortized cost or fair value depending on the business model used to manage said financial assets and the specific characteristics of the contractual cash flows obtained from the instrument in question.

The effective interest rate method is used to measure financial assets at amortized cost if the asset is held as part of a business model for obtaining contractual cash flows and the contractual terms of such provide for cash flows, on specific dates, consisting solely of payments of principal and interest on the amount of principal outstanding. Notwithstanding the foregoing, Grupo SURA has irrevocably determined that its financial assets are to be measured at fair value through profit or loss.

Financial assets are recognized on the date the transaction is completed and are recorded in the same account where their valuation is posted, in the case of all those assets measured at fair value.

Accounts receivable from customers and the insurance business

For the purpose of measuring accounts receivable Grupo Sura opted for a business model based on their contractual cash flows, which is why these are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

Financial assets other than those measured at amortized cost

Financial assets, other than those measured at amortized cost, are measured at fair value, which includes investments in equity instruments that are not held for sale.

Cash dividends received from these investments are recognized in the income statement as profit or loss for the reporting period.

Financial assets measured at fair value are not subject to impairment tests, since their fair value reflects their corresponding valuation.

Impairment of financial assets at amortized cost

In the case of assets recognized at amortized cost, impairment is assessed using the incurred credit loss model at the end of the reporting period. Grupo Sura recognizes the value of changes to credit losses incurred as an impairment gain or loss.

A single financial asset or group of such shall be considered impaired and have sustained a loss to its value if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the asset's initial recognition (a "loss event") and when such loss event (or events) have an impact on the estimated future cash flows of the financial asset(s) in question and can be reliably estimated.

Grupo Sura's Business Model

Fair value

Grupo Sura's structural portfolio includes certain alternate investments which by their nature do not meet the requirements for classifying these at amortized cost and therefore must be classified at fair value and posted through profit and loss. These include, without being limited to, fixed income securities with prepayment options, private equity funds and structured products, among others. This type of investment may be acquired for the purpose of underpinning liabilities and maintaining these for an extended period of time, which is why they may form part of the Company's structural portfolio.

Fair value through Other Comprehensive Income (OCI)

Upon initially recognizing equity instruments in other companies that are not held for trading, Grupo Sura may irrevocably choose to record these at fair value through Other Comprehensive Income (OCI), which means that changes in their value as a result of subsequent measurements shall not affect the Company's statements of income but rather its statement of changes to shareholders' equity.

Financial liabilities

Upon initially recognizing its financial liabilities, Grupo SURA measures these at fair value less the transaction costs that are directly attributable to the acquisition or issue of the financial liability in question and then proceeds to classify these for subsequent measurement either at amortized cost or at fair value depending on the liability.

The de-recognition of a financial liability is recognized through profit and loss as well as when amortized using the effective interest rate method, which is recorded as a financial cost through profit and loss.

Financial instruments that contain both a liability and an equity component (compound financial instruments) are recognized and accounted for separately. The liability component is determined by the fair value of future cash flows and the residual value is assigned to the equity component.

De-recognition

A financial asset, or a portion thereof, is de-recognized from the Statement of Financial Position when it is sold, transferred or otherwise matures or when Grupo Sura loses control over the contractual rights or cash flows pertaining to said instrument. A financial liability, or a portion thereof, is de-recognized from the Statement of Financial Position when the contractual obligation is settled, paid or otherwise matures.

Offsetting financial instruments

Financial assets and financial liabilities are offset and their net amounts are recognized in the Consolidated Statement of Financial Position if, and only if (i) there is, at the present time, a legally enforceable right to offset such recognized values, and (ii) the holder of such intends to settle these at their net values or realize the assets and settle the liabilities simultaneously.

Derivatives

Changes to the fair value of derivative contracts held for trading purposes are included under “fair value gains” on the Consolidated Statement of Income. Certain derivatives that are incorporated in other financial instruments (embedded derivatives) are treated as separate derivatives when their risk and characteristics are not closely related to the host contract and they are not recorded at fair value.

When a derivative contract is first signed, Grupo Sura must classify this as a derivative instrument held for trading or hedging purposes.

Certain derivative transactions that are not eligible to be accounted for as hedging derivatives are treated and reported as derivatives held for trading purposes, even though they provide an effective hedge for managing risk positions.

Hedge accounting:

Hedged items:

In the case of Grupo Sura, a hedged item may consist of a recognized asset or liability, an unrecognized firm commitment, a highly probable transaction or a net investment in a foreign operation.

Types of hedging arrangements:

Grupo Sura's hedging arrangements consist of the following:

- Fair value hedges: these address the Company's exposure to changes to the fair value of a recognized asset or liability or an unrecognized, firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and that could affect profit or loss.

- Cash flow hedges: these address the Company's exposure to changes in its cash flows due to a specific risk relating to the recognized asset or liability or a highly probable transaction that could affect profit or loss.
- Hedges of net investments in foreign currency: these address the exchange rate risk on the Company's net investments in foreign currency. The hedged item is the difference resulting from converting and integrating the amounts posted in the financial statements.

Measuring effectiveness

The decision to apply hedge accounting is based on considerations regarding expectations of future hedging effectiveness (prospective), the purpose of which is to ensure that there is sufficient evidence to support an expectation of a highly effective hedge, as well as an assessment of its actual effectiveness (retrospective).

A hedge is considered as being highly effective only if it meets both of the following conditions:

- a. At the start of the hedging arrangement, and during subsequent periods, the effectiveness of the hedging instrument is expected to fall within a range of between 80% and 125%.
- b. The actual results of the hedging instrument fall between a range of 80% to 125%.

Measurement

Grupo Sura initially measures its hedging instruments at fair value. One of the distinguishing features of derivatives are that their fair values are zero on the date of their initial recognition, except for some options. Any subsequent measurements of hedging instruments are at fair value. The best evidence of fair value is quoted prices in an active, orderly market.

Recognition:

Fair value hedges:

If, during the period, a fair value hedge fulfills the corresponding documentation requirements, it is recorded as follows:

- a. The gain or loss obtained from remeasuring the hedging instrument at fair value is recognized through profit and loss for the period.
- b. The gain or loss on the hedged item attributable to the hedged risk should be duly adjusted for the carrying amount of the hedged item and subsequently recognized through profit and loss for the period. This applies even if the hedged item is measured at cost.

Cash flow hedges

- a. The separate component of equity relating to the hedged item is adjusted so that it is equal (in absolute terms) to the lesser of:
 - a. The cumulative gain or loss on the hedging instrument from the inception of the hedging instrument.
 - b. The cumulative change in the fair value (present value) of the expected future cash flows from the hedged item from the inception of the hedging instrument.
- b. Any remaining gain or loss from the hedging instrument or the designated component of this same instrument (that is not an effective hedge) must be recognized through profit and loss for the period.

- c. If the Company's documentary risk management strategy, as governing a particular hedging relationship, excludes a specific component of the gain or loss or related cash flows on the hedging instrument from the corresponding assessment of the hedge's effectiveness, the component of the gain or loss thus excluded must be recognized through profit and loss for the period.

On the other hand, if, during the period, a cash flow hedge fulfills the corresponding documentation requirements, it is recorded as follows:

- The portion of the gain or loss obtained from a hedging instrument that is determined to be an effective hedge, must be recognized in other comprehensive income.
- The ineffective portion of the gain or loss obtained from a hedging instrument must be recognized through profit and loss for the period.

Hedges for net investments in foreign currency

Hedge accounting can be applied only to exchange differences arising between the functional currency of the foreign operation and the functional currency of the controlling entity.

The hedged item can be the value of net assets equal to or lower than, the carrying value of the net assets of the foreign operation as posted in the consolidated financial statements of the controlling entity.

Compound financial instruments

According to IAS 32, an issuer of a non-derivative financial instrument should assess the corresponding terms and conditions for classifying this as a 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.

Subsequent measurement of a financial liability in the form of a compound financial instrument

Grupo de Inversiones Suramericana S.A. measures its financial liabilities at amortized cost subsequent to their initial recognition

3.4. Insurance activities

Under IFRS 4, an insurance company may continue using non-uniform accounting policies for all those insurance contracts belonging to its subsidiaries (as well as deferred acquisition costs and related intangible assets). Although IFRS 4 does not relieve the Group of certain implications inherent to the criteria set out in paragraphs 10 to 12 of IAS 8.

More specifically, the Company:

- Shall not recognize provisions for future claims as a liability when these arise as a result of nonexistent insurance contracts at the end of the corresponding reporting period (such as catastrophe or equalization reserves).
- Shall perform liability adequacy tests.
- Shall remove an insurance contract liability (or a portion thereof) from its statement of financial position when, and only when, the contract expires or when the obligation specified in the contract is discharged or canceled or expires.
- Shall not offset (i) reinsurance assets against the related insurance liabilities, or (ii) income or expense from reinsurance contracts against the income or expense corresponding to the related insurance contracts.
- Shall take into consideration whether any impairment has occurred with its reinsurance assets.

An insurance risk is significant only if an insured event may give rise to the insurance company having to pay out a significant value in added benefits, under any scenario. Additional benefits refer to amounts that exceed those that would have been paid if the event in question had not occurred. A significant risk analysis is performed on a contract-by-contract basis.

Based on the specific characteristics of our products, our portfolio was classified under insurance contracts. It is important to note that once a contract is classified as an insurance contract, it remains in this category for the rest of its term, even when the corresponding insured risk becomes significantly lower.

Permitted practices and policies include mandatory liability adequacy tests and impairment tests on reinsurance assets. Prohibited practices include setting up catastrophe reserves, maintaining or setting up contingent or equalization reserves and offsetting reinsurance assets and liabilities

Products classified under IFRS 4 - Insurance Contracts

Grupo Sura took into account the following criteria contained in IFRS 4 upon classifying its insurance portfolios:

Insurance Contracts: are all those contracts where the company (the insurer) has accepted significant insurance risk from the counter-party (the policy holder) by agreeing to pay compensation in the case of any uncertain future event adversely affecting the policy holder. A significant insurance risk is considered to exist when the benefits to be paid out, should the insured event occur, differ to a substantial extent from those that would otherwise be paid out in the absence of such. Insurance contracts include those that transfer the inherent financial risk, providing the insured risk component is more significant.

Investment contracts: are those contracts where the policy holder transfers significant financial risk as opposed to insurance risk. The definition of financial risk includes the risk of a future change in one or any combination of the following variables: interest rates, prices of financial instruments, commodity prices, foreign exchange rates, price indexes or rates, credit risk or credit risk indexes or any other non-financial variables, as long as the variable is not specific to one of the parties to the contract.

Reinsurance and coinsurance operations

Reinsurance operations

Grupo SURA considers reinsurance as a contractual relationship between an insurance and a reinsurance company, in which the former transfers all or a portion of the risks assumed with its policyholders to the latter.

Ceded reinsurance premiums are recorded based on the corresponding terms and conditions of the applicable reinsurance contracts and using the same criteria as for direct insurance contracts.

Ceded reinsurance contracts do not relieve Grupo SURA of any of its obligations with policyholders. Grupo SURA does not offset reinsurance assets against liabilities arising from insurance contracts and these are recorded separately in the statement of financial position.

Coinsurance operations

Grupo SURA considers coinsurance as mutual arrangement agreed between two or more insurers for covering the same risk; with regard to co-insurance contracts the responsibility of each insurer with regard to the policy holders is limited to its percentage stake in the arrangement itself.

Grupo SURA recognizes in its Statement of Financial Position, the balance obtained from its coinsurance operations based on the percentage stake held in the agreed insurance arrangement.

Impairment of reinsurance and coinsurance assets

Grupo SURA shall only consider a reinsurance and coinsurance asset to be impaired, for which it shall reduce its carrying value and recognize the corresponding effects in the income for the period, if, and only if:

- As a result of an event that occurred after the initial recognition of the reinsurance asset in question, there is objective evidence that the cedant may not receive all the amounts that it is owed based on the terms and conditions of the contract; and
- That the event in question has an effect that can be reliably measured based on the amounts that the cedant shall receive from the reinsurance company.

Reinsurance assets are examined for impairment at least once a year so as to be able to opportunistically detect any event that could impair the value of such. Triggers may include legal disputes with third parties, changes to the Company's capital structure and surplus levels, changes to the counter-party's credit risk rating as well as past experience with collecting amounts due from the respective reinsurance companies. In the case of Grupo SURA's insurance companies no impairment has been found with regard to their reinsurance assets.

Insurance liabilities

Insurance liabilities in the case of Grupo SURA consist of its best estimates of future payments to be made on the risks assumed as part of its insurance obligations; which are measured and recognized through technical reserves: Grupo SURA's reserves include the following:

- a. Ongoing Risk Reserve: this is set up for fulfilling future obligations arising from commitments undertaken based on policies in full force and effect on the date the corresponding calculations are made. The ongoing risk reserve is composed of the unearned premium reserve as well as the insufficient premium reserve.

The unearned premium reserve represents the portion of premiums written on policies in full force and effect as well as premiums written on policies beginning on future dates.

The insufficient premium reserve supplements the unearned premium reserve, to the extent that premiums are not sufficient to cover the ongoing risk and non-accrued expense;

- b. Mathematical Reserve: providing for the payment of individual life insurance obligations and those with level premiums or paid out in the form of annuities.
- c. Insufficient Asset Reserve: set up to compensate for any shortfall with regard to covering expected flows of liabilities that make up the mathematical reserve consisting of the insurer's asset flows;
- d. Pending Claims Reserve: providing for the payment of claims incurred once reported or to ensure coverage of those that have not been reported on the date this reserve is calculated. The pending claims reserve consists of both the reported and the incurred but not reported claim reserves.

The reported claims contain the amount of funds that the insurer must allocate to meet payments of claims incurred once these have been reported, and the corresponding expense, on the date this reserve is calculated.

The incurred but not reported claims reserve represents the estimated amount of funds that the insurer must allocate to meet payments of future claims incurred but not reported, at the date this

reserve is calculated, along with other claims for which the insurer does not have sufficient information;

- e. **Embedded derivatives:** embedded derivatives pertaining to insurance contracts are recorded separately if these are not considered as closely relating to the host insurance contract and that does not meet the definition of an insurance contract.

These embedded derivatives are recorded separately under financial instruments and are measured at fair value through profit or loss.

- f. **Liability adequacy tests**

The technical provisions recorded in the financial statements are tested at least once a year, in order to determine their adequacy based on projections of all future cash flows from existing contracts. If as a result of these tests they are found to be inadequate, these are adjusted against income.

Future contractual cash flows are used to perform these adequacy tests, which are measured based on the best estimates available. Cash flows include both assets and liabilities over time and are discounted based on the rate of return corresponding to the portfolio of investments underpinning the Company's provisions and reinvestment.

The methodology used to perform these reserve adequacy tests and obtain the corresponding assumptions include the following:

- Projecting contractual cash flows using assumptions based on the best estimates available at the time these are forecast. Assumptions are periodically reviewed and approved by the Models and Assumptions Committee as well as the Company's Risk Management Department.
- Drawing up return rate scenarios (based on the investment-divestiture intentions of each of the Company's Subsidiaries)
- Discounting flows from obligations (in order to obtain the current value of these same).
- Calculating the 50th percentile of the present values and comparing these to the carrying values of reserves. In the case of Mexico and Peru, where contracts have no optionality (they are symmetrical), cash flows are projected symmetrically. However, in the case of Chile, which has non-symmetrical contracts (for example: flexible contracts with guaranteed rates), stochastic projections are drawn up so as to proceed to calculate the 50th percentile.

The assumptions used to gauge the reserve adequacy tests that are performed include the following:

Operating Assumptions:

- Exit rates, partial surrenders, collection factors (non-applicable in the case of life annuities): an experience-based analysis is periodically performed so as to be able to include the most recent behavioral patterns within the corresponding assumption. Analyses are performed on families of similar products.
 - Operating Expense: operating expense assumptions are reviewed every year taking into account the best estimated expense (based on portfolio volume and levels of expenditure).

The Company's annual strategic road map forms an important tool for gauging these assumptions.

- Mortality tables: the Company draws up its own tables for its life annuity portfolio, while for the rest of its life insurance portfolio, since it does not have enough experience for building its own tables, the assumptions used are based on the mortality tables provided by the reinsurer.
- Financial assumptions: the reinvestment model provides scenarios for rates of return based on updated assumptions from the market and investment standpoints at the end of the reporting period. The assumptions obtained from the reinvestment model include:
 - Scenarios for Government Zero Coupon Rates; used in conjunction with the spread index to value the assets held for investment / reinvestment purposes.
 - Projected Spread Index: applicable to zero coupon rates
 - Multiplicative Spread Factor.
 - Depreciation Factor: applicable to real estate and equity securities
 - Projected Asset and Liability Flows
- g. **Favorable Experience Dividend (FED):** Grupo SURA accounts for future payments of favorable experience in terms of claims and continuity, as agreed at the start of the corresponding insurance contracts by recognizing a provision for such.

Deferred income liabilities (DIL)

These correspond to the deferral of income from fund members to cover maintenance expense and a level of profit, in the periods in which those members become non-contributors or pensioners who by law cannot be charged for the management of their funds and/or pension payments, while, from the tax standpoint, this income is recognized in full for the year in which it is obtained.

Deferred acquisition costs-DAC

These correspond to the deferral of costs incurred in acquiring new clients for insurance contracts and pensions funds. International standards provide for recognizing amortizable intangible assets that represent the right of the company to benefit from the handling of investments belonging to its fund members, and this is amortized to the extent that the company recognizes the income due for the period in which a client maintains his or her investment with the company

Deferred acquisition costs are directly related to the issuing of insurance contracts which provide contractual rights for obtain economic benefits while the corresponding service is being rendered.

3.5. Inventories

Grupo Sura recognizes its inventories as of the date on which the risks and rewards inherent to the ownership of such begin to take effect.

These inventories are measured on two separate occasions: their initial measurement is first recognized at cost and then any subsequent measurements performed at the end of the reporting period are be recognized at the lower of their cost or net realizable value.

Initial inventory measurements

Grupo Sura initially measures its inventories as follows:

Purchase price plus import costs plus non-refundable taxes paid plus transport costs less discounts or rebates.

Subsequent inventory measurements

In the case of those products that are to be sold or marketed, Grupo Sura performs all subsequent measurements at the lower of their cost and net realizable value.

Grupo Sura recognizes its inventories when these are sold at their carrying values, along with the related expense incurred for the period in which the corresponding income is recognized, for which it applies the weighted average cost method.

Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or set of assets that are closely interrelated or interdependent in terms of their design, technology and function, or with regard to their ultimate purpose or use.

Revenues received on ordinary activities as part of construction contracts are measured as the fair value of the consideration received or pending receipt.

When the revenue and costs of a construction contract can be reliably estimated, these are recognized either as revenue or expense, in terms of the stage of completion reached in terms of the contractual activity at the end of the reporting period in question.

The company uses the percentage completion method to recognize construction contracts, based on which contractual revenues are recognized as such in profit and loss for the period and in the “services rendered” account throughout the various accounting periods in which the contract is carried out. Contractual costs are usually recognized as an expense in the income accounts during the period in which the corresponding construction work is carried out.

3.6. Taxation

Each subsidiary is liable to pay the taxes, rates and contributions due on both a nationwide as well as local level, this based on the tax structures of each of the countries in which Grupo SURA’s Subsidiaries operate, together with their respective rules and regulations governing the different types of business operations that each subsidiary carries out.

Income tax

Current

Current income tax assets and liabilities for the current period are measured based on the amounts expected to be either recovered from or paid to the tax authorities. Income tax expense is recognized under current tax, based on comparing taxable income with book profits or losses subject to the income tax rate levied for the current year and in accordance with the provisions set out in Colombian tax legislation. The tax rates and regulations on which these values are based are those that are in full force and effect at the end of the reporting period in question.

Deferred Charges

Deferred income tax is calculated on temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences as well as for the future offsetting of unused tax credits and tax losses to the extent that there is sufficient future taxable income against which said tax can be offset. Deferred tax is not discounted.

Deferred tax assets and liabilities are not recognized if the temporary differences arising from the initial recognition of an asset or liability forming part of a transaction that does not constitute a business combination and at the time of the transaction said deferred tax items affect neither book profits nor the taxable gains or losses; and in the case of deferred tax liabilities when these arise as a result of the initial recognition of goodwill.

Deferred tax liabilities with regard to investments in subsidiaries, associates and interests in joint ventures are not recognized when the timing of the reversal of temporary differences can be controlled and it is probable that these differences shall not be reversed in the near future. On the other hand, deferred tax assets with regard to investments in subsidiaries, associates and interests in joint ventures are recognized only to the extent that it is probable that the temporary differences shall be reversed in the near future and there is likely to be sufficient future taxable income against which these deductible differences can be charged.

The carrying amount of deferred tax assets is reviewed at the close of each reporting period and are reduced to the extent that it is no longer probable that sufficient taxable income shall be available to offset all or part of the deferred tax asset. Unrecognized deferred tax assets are reassessed at the close of each reporting period and are recognized to the extent that it is probable that there shall be sufficient future taxable income to cover such.

Deferred tax assets and liabilities are measured based on the tax rates projected for the period in which the asset is realized or the liability is paid, based on the tax rates and regulations that were either approved or due to be approved on or near the respective filing date.

Deferred tax is recognized in profit or loss, except for those items that are recognized either as other comprehensive income or directly in the equity accounts.

Current income tax assets and liabilities also are offset if they relate to the same tax authority and the holder intends to settle these at their net values or realize the asset and simultaneously settle the corresponding liability.

Grupo Sura offsets deferred tax assets with deferred tax liabilities if, and only if:

- a) There is a legally-recognized right to offset the amounts recognized for these items, as granted by the corresponding tax authority; and
- b) The deferred tax assets and the deferred tax liabilities are related to the income tax due to the same tax authority on the part of:
 1. The same entity or taxpayer; or
 2. different entities or taxpayers that intend to either offset current tax assets and liabilities at their net amounts, by simultaneously realizing the assets and paying the corresponding liabilities, in each of the future periods in which significant amounts of deferred tax assets or liabilities are expected to be paid or recovered.

3.7. Pre-paid expense

These represent disbursements for future expense and are recognized through profit and loss when the corresponding goods or services are received.

3.8. Non-current Assets Held for Sale and Discontinued Operations

Non-current assets and groups of assets for subsequent disposal are classified as held for sale if their carrying amount shall be recovered through a sale transaction, rather than through their continued use; these assets or groups of assets are presented separately, as current assets and liabilities, in the statement of financial position for the lesser of their book value or fair value less selling costs and are not depreciated or amortized as of the date of their classification.

This condition is met if the asset or group of assets are available, in their current condition, for immediate sale, or when the sales transaction is highly probable and is expected to be completed within the year following the classification date.

Grupo Sura considers discontinued operations as being those that have been disposed of or classified as held for sale and may well: (i) consist of a line of business or a geographical area of separate major operations; (ii) form part of a single coordinated plan to dispose of a line of business or a geographical area of separate operations; or (iii) be a subsidiary acquired for the exclusive purpose of reselling it later on.

Income, costs and expenses arising from a discontinued operation are presented separately from those relating to continuing operations, as a single line item after income tax, on the consolidated statement of comprehensive income for the current reporting period as well as the previous period for comparative purposes, even though Grupo SURA may well retain a non-controlling interest in the subsidiary in question after being sold off.

3.9. Investment properties

Grupo SURA has defined its investment properties as land and buildings held for the purpose of earning income through operating leasing arrangements or obtaining capital gains

Grupo SURA initially measures its investment properties at cost, that is to say including all expense that directly relates to acquiring this type of asset.

For all subsequent measurements of such, Grupo Sura uses the fair value approach, based on the price that would be obtained if the Company were to sell the asset as part of a transaction that would otherwise have taken place between market participants on the date the measurement is carried out.

The fair value of these properties was determined based on observable market transactions, based on the nature of the property in question (land and buildings) that are similarly purchased and sold on their respective markets, in compliance with the valuation model set out in IFRS 13 - Fair Value Measurement. (Please refer to Note 15 - Investment Properties)

Any increases or decreases to the value of Grupo SURA's investment property produced by changes to its fair value must be recognized through profit and loss.

Consequently, Grupo Sura assesses whether there are any changes to the use of an asset classified as investment property, and should this be the case, these assets are reclassified or transferred to another group of assets on Grupo SURA's financial statements. Assessments must also be performed to decide whether an asset classified as an operating asset still continues to meet the conditions to be classified as an investment property.

De-recognitions or withdrawals

Grupo de Inversiones Suramericana S.A. de-recognizes an investment property when it is sold or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal or when the property is handed over as part of financial leasing arrangements.

Any gains or losses produced upon withdrawing or disposing of an investment property is recognized through profit or loss when the asset is withdrawn from books or disposed of..

3.10. Property and equipment

Grupo Sura has defined as its property and equipment (P & E) all those tangible assets that will be used in more than one accounting period and that are expected to be recovered through their use as opposed to their sale.

Grupo Sura includes in the initial cost of such property and equipment all those costs incurred in their acquisition or construction while these are made ready for use.

After initially recognizing real estate property (land and buildings) Grupo Sura proceeds to subsequently measure these using the revaluation approach, that is to say at fair value, which is the price that would be obtained were it to sell the asset as part of a transaction carried out between market participants on the date the measurement is carried out. The fair value of the Company's property and equipment was determined by independent expert appraisers with a well-known professional capacity and experience.

For all other types of property and equipment the cost model is used.

At least every four years Grupo Sura commissions property appraisals to be performed on said property so as to ensure that the carrying value of these assets does not differ materially from their fair value. Appraisal gains are usually recognized through profit and loss as other comprehensive income while the equity component is separately accounted for as a "revaluation surplus".

Declines in the prices of assets must be posted as a lower value of the balance of the other comprehensive income account, should this exist, if not directly through profit and loss.

Depreciation

Grupo Sura depreciates its property and equipment using the straight-line method for all types of assets, except for land. Land and buildings are separable assets and are accounted for separately, even when they are acquired together.

Depreciation begins when the assets are situated in their location and are ready to be operated; and ceases on the date the asset is classified as held for sale or as an investment property measured at fair value, in accordance with applicable accounting policies.

Grupo Sura de-recognizes its property and equipment when this is sold off or when no future economic benefits are expected to be obtained from their use or disposal. Any gains or losses arising from the de-recognition of any item belonging to the property and equipment account are charged to profit and loss for the period.

Useful lives

Grupo Sura defined the following useful lives for its property and equipment:

Buildings	between 20 and 100 years
IT equipment	between 3 and 10 years
Medical equipment	between 6 and 17 years
Furniture and fixtures	between 6 and 10 years
Vehicles	between 4 and 10 years
Improvements to third-party property	The lowest of the term of the contract or the useful life of such.

Grupo Sura reviews the useful lives of all assets, at least at the end of each accounting period.

3.11. Intangible assets

An intangible asset is an identifiable, non-monetary asset with no physical appearance, which is expected to generate economic benefits over more than one accounting period. Intangible assets separately acquired are initially measured at cost. The cost of intangible assets acquired through business combinations is posted at fair value on their respective acquisition dates. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment.

The useful lives of intangible assets are defined as finite or indefinite. Intangible assets with finite useful lives are amortized linearly over their useful economic life and periodically evaluated to determine whether there exists any impairment to such, whenever there are signs of such. The amortization period and method used for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful lives or the expected flows of future economic benefits of these intangible assets are accounted for by changing the amortization period or method, as appropriate, and treating these as changes to accounting estimates. The amortization expense of intangible assets with finite useful lives is recognized through profit and loss.

Intangible assets with indefinite useful lives are not amortized but are tested every year to determine whether they have suffered any impairment to their value, either individually or at the level of the cash-generating unit to which they were assigned. Assets classified as having indefinite useful lives are reviewed on a yearly basis in order to determine whether this is still appropriate, if not, the change in their useful lives from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognizing an intangible asset are measured as the difference between the value obtained from its sale or disposal and its carrying amount, and this is recognized through profit and loss when the asset in question is de-recognized.

3.12. Investments

3.12.1. Subsidiaries

A subsidiary is an entity that comes under the direct or indirect control of any of the companies that make up Grupo Sura's portfolio. Control exists when any of the companies have the power to direct the subsidiary's activities, these being, generally speaking operating and financing activities, in order to obtain benefits from such activities and at the same time is exposed, or is entitled, to variable returns from said subsidiary.

3.12.2. Associates and joint ventures

An associate is an entity over which Grupo Sura exerts significant influence in terms of its financial and operating policy decisions without actually achieving total or joint control.

Grupo Sura exerts significant influence when it has the power to intervene in the financial or operating decisions of another company without achieving total or joint control. Grupo Sura is presumed to exert significant influence when:

- It directly or indirectly holds 20% or more of the voting power of the company in question, unless there is clear evidence that such influence does not exist through its governing bodies; or
- Although it may directly or indirectly hold less than 20% of the voting power of the company in question, there is clear evidence that such influence effectively exists through its governing bodies; or

Grupo Sura exerts significant influence through one or more of the following:

- By being a member of the governing body of either the Company or the associate;
- Participating in the policy-making and decisions taken in terms of dividends and other distributions;
- Carrying out material transactions with the associate;
- By exchanging Senior Management personnel; or
- By providing essential technical information.

Investments are initially recognized at cost and are subsequently measured using the equity method.

When an investment is first acquired, Grupo Sura must post the difference between the cost of investment and the portion corresponding to Grupo Sura as the net fair value of identifiable assets and liabilities of the associate, as follows:

- If the portion of the fair value of the associate's identified assets and liabilities is less than the value of their acquisition, this produces a higher value that forms part of the cost of the investment; or
- If the portion of the fair value of the associate's identified assets and liabilities is higher than the value of their acquisition, this is considered a purchase on favorable terms and the difference is recognized as income for the period.

Cash dividends received from the associate or joint venture are recognized as a lower value of the investment in question.

Grupo SURA periodically analyzes whether there are any signs of impairment and, whenever necessary, impairment losses are recognized for the corresponding investment in the associate or joint venture. Impairment losses are recognized in profit or loss for the period and are calculated as the difference between

the recoverable amount of the associate or joint venture, this being the higher of its value in use or its fair value less selling costs, and its corresponding carrying amount.

When significant influence is no longer exerted over the associate or joint control over the joint venture, Grupo Sura measures and recognizes any residual investment that remains at fair value. The difference between the carrying amount of the associate or joint venture (taking into account the relevant items of other comprehensive income) and the fair value of the retained residual investment, including the value obtained from its sale, is recognized through profit and loss

3.13. Impairment of non- financial assets

At each reporting date, Grupo SURA assesses whether there is any indication of an impairment to the value of a non-financial asset. Grupo SURA estimates the recoverable amount of the asset or cash-generating unit, when it detects any signs of impairment to such, or every year as part of its annual reviews of goodwill, intangible assets with indefinite useful lives and those that are not yet made ready for use.

The recoverable value of an asset corresponds to the higher of (i) its fair value less selling costs, whether or not this is an asset or a cash-generating unit, and (ii) its value in use. An asset's recoverable value is determined on an individual basis, except when the asset in question does not produce cash flows that are largely separate from those from other assets. When the carrying value of an asset or a cash-generating unit exceeds its recoverable value, the asset is considered as impaired and its carrying value is reduced to its recoverable value.

Upon calculating an asset's value in use, its estimated cash flows, whether from the asset or the cash-generating unit, are discounted at their present value by applying the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The valuation approach is used to determine the fair value less selling costs of this type of asset.

Impairment losses corresponding to continuing operations are posted through profit and loss, specifically in the expense accounts corresponding to the 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.

3.14. Fair value

This is the price that would have been received or paid should the asset or liability have been sold or otherwise transferred by participants of an orderly market on the date the asset or liability is measured. The fair value of all financial assets and liabilities are determined at the date on which the financial statements are drawn up, for their subsequent recognition or disclosure on the notes accompanying said financial statements.

Fair value hierarchy is defined as follows:

- 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).

3.15. Lease rentals

Whether an arrangement is or contains a lease is based on the essence of the agreement at its inception date, if fulfilling such agreement depends on using a specific asset or group of assets, or if the agreement grants a right to use the asset(s) in question.

Leases are classified as finance and operating leases. A lease is considered to be of a financial nature when substantially all of the risks and benefits inherent to ownership of the leased asset is transferred to the lessee, otherwise, it is classified as an operating lease.

Assets leased under financial leasing arrangements are shown as assets in the Statement of Financial Position at the beginning of the lease agreement and recognized at the fair value of the leased asset or the present value of the minimum lease payments, whichever is lower.

Assets leased under finance leasing arrangements are depreciated over the useful life of the asset in question using the straight-line method. However, should there be no reasonable certainty that Grupo SURA would retain ownership at the end of the term of the corresponding leasing arrangement, the asset is depreciated over its estimated useful life or during the term of the lease, whichever is the lesser. Lease payments are divided upon between interest and payments of principal. Finance charges are recognized in the income statement.

Operating lease payments, including incentives received are recognized linearly over the term of the lease as expense through profit and loss.

Leases classifying as financial leasing arrangements are recognized in the property and equipment account using the measurement criteria, as defined for that group of assets in the accounting policy governing property and equipment.

Grupo Sura considers that if a lease does not classify as a financial leasing arrangement it should be classified as an operating leasing arrangement and all rentals paid on said leased assets shall be recognized as an expense in the income accounts.

3.16. Employee benefits

Employee benefits include all amounts that Grupo Sura pays its workers in exchange for their services. Employee benefits are classified as short-term, post-employment, long-term and / or termination benefits.

Short-term benefits

These are benefits (other than termination benefits) that are expected to be completely settled within a 12-month period following the end of the annual reporting period in which the employees provide their corresponding services. These short-term benefits are recognized to the extent that employees provide their services for the amounts expected to be paid. Changes to the value of these short-term benefits are offset against profit and loss for the period

Long-term benefits

The long-term benefits include all types of remuneration owing to the employee, after a 12-month period following the end of the annual reporting period in which the employees provide their corresponding services. Here, Grupo Sura measures the surplus or deficit obtained from the long-term employee benefit plan using the post-employment benefit approach both for estimating the corresponding obligation as well as the assets pertaining to the plan; thereby arriving at the value of the net defined benefit by finding the deficit or surplus produced by the obligation.

Liabilities corresponding to long-term employee benefits are recognized as follows:

- a) The present value of the defined benefit obligation at the end of the reporting period;
- b) Less the fair value, at the end of the reporting period, of the assets assigned to the benefit plan (if any) with which the obligations are settled directly.

Changes to the value of these long-term benefits are recognized through profit and loss for the period

Post-employment benefits

Post-employment benefits are all those which are granted to employees after they leave the Company to enjoy their retirement. Grupo Sura's post-employment benefits consist of the following:

- 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 employee benefit plans, where Grupo Sura has a legal or implicit obligation to pay such benefits, and which require the use of actuarial calculations, in order to recognize the defined benefit obligation based on actuarial assumptions.

Actuarial gains and losses on defined employee benefit plans are recognized in the other comprehensive income accounts, other changes in the valuation of defined benefits are recognized in the income statement.

Benefits classified as long term and post-employment are discounted using the sovereign bond rates of each of the countries where Grupo Sura is present, bearing in mind the dates of the flows from which Grupo Sura expects to make such disbursements. These rates are used given the absence of benchmark rates corresponding to high quality corporate bonds.

Termination benefits

Termination benefits are payments for early retirement or redundancy payments, and therefore only accrue when the employment relationship is finalized. Grupo Sura recognizes termination benefits as a liability as

well as an expense when the benefits thus offered cannot be withdrawn due to contractual issues or when recognizing restructuring costs.

3.17. Provisions and contingencies

Provisions are recognized when Grupo Sura has a present legal or implicit obligation as a result of a past event and there is the likelihood of an outflow of resources embodying economic benefits being required in order to settle the obligation, the value of which can be reliably estimated. If these conditions are not met, a provision should be recognized.

Grupo Sura recognizes provisions in its Statement of Financial Position using its best estimates of the expenditure required, i.e. the value to be paid in order to settle the obligation for the reporting period in question, bearing in mind the risks and uncertainties affecting said estimates.

Grupo Sura considers that a provision must be set up when there is more than a 50% probability of incurring a loss.

Grupo Sura recognizes, measures and discloses the provisions arising in connection with contracts made for valuable consideration, restructurings, contractual and litigation proceedings, as long as there is high probability that the Company shall have incurred in an obligation and must settle such.

Grupo Sura defines a contingent liability as being an obligation arising from past events and whose existence is confirmed by the occurrence or non-occurrence of uncertain future events, or as a present obligation that arises from past events but is not recognized since a) it is unlikely that satisfying the corresponding obligation shall require an outflow of resources embodying economic benefits; or b) the value of the obligation cannot be reliably measured. The Company classifies a contingent asset as arising from past events and whose existence is confirmed by the occurrence or non-occurrence of uncertain future events.

Since contingent assets and liabilities stem from unexpected events and there is no certainty of obtaining future economic benefits from such, they are not recognized in the Statement of Financial Position until they actually materialize.

3.18. Operating segments

An operating segment is a unit belonging to Grupo SURA that engages in business activities from which it may earn revenues and/or incur costs and expense, for which financial information is made available and whose operating performance is regularly reviewed by Grupo SURA's maximum governing body in making operating decisions, deciding on how resources are to be allocated to the different segments as well as assessing their performance.

The financial information pertaining to these operating segments is drawn up using the same accounting policies as those used to prepare Grupo SURA's consolidated financial statements.

3.19. Income

Grupo SURA recognizes ordinary revenue when the corresponding risk or benefit is duly transferred; that is to say, when the corresponding service is rendered or when the respective goods are delivered, to the extent that it is probable that the economic benefits shall flow to Grupo SURA and that said revenue can be reliably

measured. Revenue is measured based on the fair value of the consideration received or pending receipt, excluding taxes or other obligations. Discounts are recorded as a lesser value of the income received.

The following specific recognition criteria must also be met before proceeding to record income

Revenues relating to activities performed during the normal course of business are recognized based on the degree to which the transaction is completed during the respective reporting period. Revenues from a transaction can be reliably estimated providing all and every one of the following conditions are met:

- The amount of revenue from ordinary business activities can be reliably measured;
- There is a probability that the entity shall receive economic benefits associated with the transaction in question;
- The extent to which the transaction in question at the end of the reporting period in question can be reliably measured, and
- The costs already incurred with the transaction can be reliably measured along with the remaining costs to be incurred until the transaction is completed.

Grupo SURA estimates the extent to which the service is provided as follows:

- The proportion of services performed compared to the total extent of the services agreed upon.
- The proportion of costs incurred and paid compared with the total amount of estimated costs. For this purpose, the costs incurred up to the present time include the costs incurred with the service provided up to said date; and with regard to the total estimated costs of the transaction itself, only the cost of the services that have been or shall be provided are included

Measuring income

Grupo Sura measures income by estimating the fair value of the consideration received or pending receipt.

The amount of income obtained from a transaction is usually decided between the Company and the buyer or the user of the asset in question.

For the Company, in almost all cases, this consideration is usually paid in the form of cash or cash equivalents and the amount of revenue corresponds to the amount of cash or cash equivalents received or pending receipt.

The following specific recognition criteria must also be met before income can be recognized as such.

3.19.1. Income from written premiums

Income from written premiums is recognized when the corresponding policies are issued, except for those whose terms have not yet begun or which exceed a 12-month period, in which case said income accrues on the date the corresponding term begins or the year following the beginning of the term. Income from accepted reinsurance premiums accrue when the corresponding account statements from the reinsurance firms are received.

Unearned premiums are calculated separately for each individual policy in order to cover the remaining portions of written premiums.

3.19.2. Revenues from the Workers' Compensation Subsidiary

The Workers' Compensation subsidiary must estimate the value of all mandatory contributions bearing in mind the number of workers that were affiliated during all or part of the period (incoming and outgoing), the wages on which contributions are calculated and the type of risk addressed, as reported on the last payment settlement or affiliation form. Should the employer not report any incident, the estimated value of the corresponding contributions cannot be lower than that contained on the last payment settlement form.

3.19.3. Dividend income

Grupo Sura recognizes dividend income when it is entitled to receive such, which is usually when the dividends are first declared, except when the dividend represents a recovery of the cost of the investment. No dividend income is recognized when payment is made to all shareholders in the same proportion as the stakes held in the corresponding issuer.

3.19.4 Commission income

Commissions are generally recognized when the corresponding service is rendered. Those corresponding to negotiating or participating in the negotiations of transactions with a third party such as disposals of purchased shares or other securities acquired or purchases or sales of business enterprises, are recognized when the underlying transaction is completed.

Fees corresponding to portfolio management or management consultancy and other services are recognized based on the applicable service contract when the service is rendered.

Asset management fees relating to investment funds and contractual investment rates are recognized on a proportional basis over the period in which the service is provided. The same principle applies in the case of wealth management, financial planning and custodial services performed continuously for a prolonged period of time. The rates charged and paid between banks in payment of services, are classified as fee and/or commission income and expense

3.19.5 Investment income

Interest accruing on financial assets measured at their amortized cost are recognized through profit and loss based on their projected flows, as contractually defined.

3.19.6 Income from the Health Care Subsidiaries

The health care companies belonging to Grupo Sura, who is a delegated member of the Colombian Solidarity and Guarantee Fund and therefore responsible for receiving contributions for the Mandatory Health Plan receive a set value per capita for providing health care services for each member. This is called Capitation Payment Unit - CPU, which is increased every year by the Colombian National Health and Social Security Board and the corresponding revenues are duly recognized. Consequently, the Company records as income the aforementioned Capitation Payment Unit - CPU for the health care services provided as recognized by the Colombian General Health Care and Social Security System based on each service settlement statement once this has passed the corresponding clearance process.

Income from prepaid health care contracts accrue as their contractual terms elapse.

3.20. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to the holders of shares outstanding for the period in question by the weighted average number of ordinary shares outstanding

during this same time frame, this bearing in mind that the dividends corresponding to the Company's preferred shares are posted as a liability.

3.21. Currency

3.21.1. Functional currency

The amounts reported in the financial statements of each of Grupo SURA entities are stated in the currency of the primary economic environment (the functional currency) of the country where each entity operates. The functional and reporting currency of the consolidated financial statements belonging to Grupo SURA is the Colombian pesos, which is the currency of the primary economic environment of the country where it operates, as well as being the currency with influences the Group's spending and revenue structure.

Grupo SURA's consolidated financial statements are presented in millions of Colombian pesos, rounded up or down to the nearest unit.

3.21.2. Foreign Currency

Foreign currency transactions are initially recorded using the exchange rate applicable to the functional currency on the date of the corresponding transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate of the functional currency prevailing at the close of the reporting period; non-monetary items that are measured at fair value are translated using the exchange rates applicable on the dates when their fair value is determined and non-monetary items measured at historic cost are translated using the exchange rates applicable on the dates of the original transactions.

All exchange differences are recognized in the income statement except for exchange differences arising from the translation of foreign operations and the application of hedge accounting recognized in the other income accounts; even the disposal of a foreign based business enterprise is recognized through profit and loss for the period.

Upon drawing up Grupo SURA's consolidated financial statements, assets and liabilities held abroad, including goodwill, and any adjustment made to the fair value of the assets and liabilities arising from said acquisition, are converted to Colombian pesos using the exchange rate applicable on the closing date of the corresponding reporting period. Income, costs, expense and cash flows are translated using average exchange rates for the reporting period in question, and equity is converted using history rates.

3.22 Events After the Reporting Period

Grupo SURA has defined the following circumstances as events occurring after the reporting period

Events occurring after the reporting period that entail adjustments

Grupo SURA must adjust the figures recorded in its financial statements to show the effect that any event occurring after the end of the reporting period could have in terms of additional adjustments to be made, providing these occur prior to the date on which these financial statements are approved by Grupo SURA's Board of Directors.

Events occurring after the reporting period that do not entail adjustments

Grupo SURA does not have to amend the figures stated in its financial statements as a result of this type of event. However, if the event is materially important for Grupo SURA the nature of the event itself must be

disclosed and its financial effects estimated or failing that a statement as to the impossibility of making such an estimate.

Ownership dividends or surpluses.

Grupo SURA must abstain from recognizing as a liability on its financial statements, any dividends or surpluses agreed upon subsequent to the reporting period.

Going concern assumption

Grupo Sura prepares its financial statements based on a going concern assumption, provided that, after the respective reporting period Senior Management does not decide or state its intention wind up or cease to perform its business activities or that there is no other alternative but to proceed with one of the aforementioned courses of action.

3.23. Related parties

The following are considered related parties:

1. The companies that make up the **SURA Business Group** (hereinafter "the Companies").
2. The **associated companies**. This only applies to transactions that are considered **unusual** (that is to say, outside of the Company's normal course of business) as well as having a **material** importance. In any event, all such recurring transactions must be carried out under normal market conditions and recognized in full on the financial statements. For the purposes of this document, the definition of associated companies, as contained in the Group's Accounting Policy for Investments in Associates, shall apply.
3. The members of the Boards of Directors (both principal and alternate members).
4. The Legal Representatives, excluding Judicial Representatives and Attorneys.
5. Members of Senior Management, specifically, the first two tiers of the Organization (including executive auditing directors and corporate secretaries).
6. Close relatives of the members of the Boards of Directors and Senior Management as well as Legal Representatives, that is to say, their respective spouses or permanent companions and relatives within the first degree of consanguinity, the first degree of affinity or by adoption.

This policy shall not apply to transactions that do not involve providing goods or services between the parties involved; that is to say, all collaborative activities, synergies or joint developments among the Companies, in the interest of the SURA Business Group's unity of purpose and direction

In keeping with International Accounting Standards, and since each of the Group's companies are individually responsible for identifying transactions between related parties as relating to their different lines of business, our present policy shall include at least all those transactions between related parties that concern

- Purchases or sales of products
- Purchases or sales of real estate and other assets.
- Loans between companies that are in full force and effect at the cut-off date of the respective reporting period.
- Leases, for which contracts are formally drawn up.

- Services provided or received for which there exists a contractually-established remuneration and/or reciprocity.
- Transfers corresponding to when a company develops a service or product or carried out research exclusively for another entity and for which there exists a contractually-established remuneration and/or reciprocity.
- Transfers made in accordance with financing agreements (including loans and equity contributions made either in cash or in kind).
- The granting of collateral guarantees and sureties.
- Liabilities that are settled on behalf of the entity, or by the entity on behalf of a related party.
- Other commitments and contracts where there exists reciprocity and remuneration.
- Transactions (including remuneration and benefits) with members of the Boards of Directors and Legal Representatives as well as Senior Management executives, these corresponding to the first two tiers of the Organization, that is to say, staff at the Companies' highest hierarchical levels, who are responsible for the normal course of business of their companies, being in charge of devising, executing and controlling their corporate goals and strategies; these including auditors and company secretaries. (When transactions are carried out with the company where the senior manager works).
- Transactions between the company for which one of the aforementioned senior managers works, together with their spouses or permanent companions, or their family members within the first degree of consanguinity, the first of affinity or by adoption
- Dividends declared

Transaction materiality

All transactions between related parties must be carried out on an arm's length basis based on principles of transparency, fairness and impartiality.

For the purposes of determining materiality, the following factors shall be taken into account:

- Compliance with all legal, accounting and tax rules and regulations in all those jurisdictions where we are present.
- The particular terms and conditions agreed on with minority shareholders.
- The value of the transaction in question, which shall be regulated by the Companies' own specific policies or procedures.
- Whether the transaction was not carried out under competitive market conditions, for whatever reason.
- The fact that the transaction was disclosed to the regulatory or oversight authorities.
- Whether it required being reported to Senior Management and / or the Board of Directors.

The transaction shall be considered as having a material importance should one of the aforementioned factors apply for at least one of the Companies involved in such.

NOTE 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND CAUSES OF UNCERTAINTY IN PREPARING THE FINANCIAL STATEMENTS

The preparation of the consolidated financial statements in accordance with FRAS requires Senior Management to make judgments, estimates and 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 shall only be recognized in the Other Comprehensive Income accounts to the extent of any credit balance existing in the revaluation surplus account with regard to the asset in question. The decrease recognized in Other Comprehensive Income reduces the amount accruing as a revaluation surplus in the equity accounts.

The fair values of land and buildings are based on periodic appraisals carried out by qualified outside appraisal firms as well as internally by the Group's own professional staff.

b) Fair value of financial instruments

When the fair value of financial assets and liabilities recorded in the Statement of Financial Position is not obtained from active markets it is determined using valuation methods that include the cash flow discount model. The information that appears in these models is taken from observable markets where possible, but when it is not, a certain amount of judgment is required for determining the respective fair values. This includes weighing the corresponding liquidity, credit and volatility risks.

c) Taxes

There is a certain degree of uncertainty regarding the interpretation of complex tax regulations, the modifications made from time to time to such as well as the measurement and timing of future taxable income. Given the wide range of international trade relations and the complex long-term horizons contained in contractual agreements, differences may well arise between the results actually obtained and the estimates and assumptions used for calculating such, as well as future changes to the latter. This may require

future adjustments to be made to the taxable income and expense already recorded. The Company establishes provisions, based on reasonable estimates, to cover the possible consequences of any audits performed by the tax authorities of the respective counties in which it operates. The scope of these provisions is based on several factors, including the Company's past experience with previous audits conducted by the tax authorities on the taxpayer entity.

Deferred tax assets are recognized for unused tax losses, to the extent that it is probable that taxable profits shall be available to offset such losses. Senior Management is also required to exercise its judgment in determining the value of the deferred tax asset to be recognized, based on the likely timing and level of future taxable profits as well as the Company's own strategies in terms of tax planning,

d) Impairment to goodwill

Determining whether goodwill is impaired requires estimating the value in use of the cash generating units to which goodwill has been allocated. This requires Senior Management to estimate the expected future cash flows from the cash-generating unit in question and an appropriate discount rate to calculate the present value of the aforementioned value in use. In the event of future real cash flows being lower than expected, an impairment loss could occur

e) The useful life and residual values of property and equipment as well as intangible assets.

Grupo SURA reviews the useful lives of all property and equipment as well as intangible assets, at least at the end of each accounting period. The effects of changes to the estimated useful life of an asset are recognized prospectively over its remaining life.

f) The probability of occurrence and the value of contingent or uncertain amounts of liabilities.

Grupo Sura recognizes a provision when the following conditions are met:

- It has a present obligation (legal or implicit) as a result of a past event
- There is a likelihood of an outflow of resources embodying economic benefits being required in order to settle the obligation, the value of which can be reliably estimated.

g) Employee benefits

The measurement of post-employment and defined benefit obligations includes determining key actuarial assumptions on which the value of these liabilities is based. Key assumptions include discount and inflation rates, salary and wage increases among others.

The rate corresponding to the Type B Sovereign Bonds issued by the Colombian Government is used to discount employee benefits at the end of the reporting period, since this rate reflects the currency in which the post-employment benefits are paid as well as other defined benefits, together with their estimated duration. This rate provides a better indication of market returns.

h) Technical reserves - insurance contracts

Reserves for insurance and annuity contracts are recognized on the basis of the best estimate assumptions. Also, like all insurance contracts, these are subject to annual liability adequacy tests, which reflects Senior Management's best estimates of future cash flows. In the event these reserves prove to be insufficient, the assumptions used are updated and remain locked-in until the next review or until these prove insufficient, whichever occurs the earliest.

As described in the section corresponding to Deferred Acquisition Costs, certain expenses are deferred and amortized over the lifetime of the contracts. In the event that the assumptions regarding future contractual

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 unit-linked fund units, obligations are determined based on the value of the assets underlying the provisions as well as those arising from the value of each of the funds where the policies are deposited.

i) Impairment to financial assets

In order to calculate impairment to this type of asset the Company must estimate the future cash flows that are expected from the corresponding single or group of financial assets.

j) Stakes held in other entities

A subsidiary is an entity that comes under the control of any of the companies that make up Grupo SURA's portfolio. Control exists when any of the companies have the power to direct the subsidiary's activities, these being, generally speaking operating and financing activities, in order to obtain benefits from such activities and at the same time is exposed, or is entitled, to variable returns from said subsidiary.

An associate is an entity over which Grupo Sura exerts significant influence in terms of its financial and operating policy decisions without actually achieving total or joint control.

A joint venture is an arrangement over which two or more parties exercise joint control.

The investments that Grupo Sura classifies as subsidiaries, associates or joint ventures is based on the fact that it exerts significant control or influence or holds joint control, that is to say, it has the power to intervene

in the financial or operational decisions of this other company. In cases where Grupo Sura does not have the percentage stake required to classify an investment in a specific category, it may still be classified in this category when the Company is duly represented as a member of the investment's governing body which in turn allows it to exercise control

Information regarding assumption and estimation uncertainties that pose a significant risk of producing a material adjustment at year-end 2017 and 2016 are included in the following notes:

- Nota 7. Business combinations: acquired subsidiaries, fair value provisionally measured
- Nota 11. Insurance Contracts: assumptions for calculating reserves.
- Nota 13. Taxes: availability of future taxable profits to be used to offset losses obtained in prior periods
- Note 18 Investments in subsidiaries: assumptions used to determine the degree of control held over subsidiaries
- Nota 19. Impairment to the value of assets: key assumptions for calculating an asset's recoverable value, including the recoverability of development costs.
- Note 22. Provisions and contingent liabilities: recognizing and measuring provisions and contingencies: key assumptions relating to the probability and magnitude of an outflow of economic resources; and
- Notes 20.2 Long-term benefits and Note 20.3 Defined benefits: key actuarial assumptions;

The following notes also include additional information regarding assumptions made for the purpose of measuring fair value:

- Nota 9. Financial instruments
- Nota 15. Investment properties

Discretionary judgments

Information concerning critical judgments made when applying accounting policies and which significantly affect the amounts recognized in the financial statements is shown as follows:

- Note 11. Insurance contracts: determining whether Grupo Sura acts as agent or principal with regard to insurance contracts.
- Note 15. Investment properties: classification of investment properties
- Note 18. Investments in Subsidiaries, Associates and Joint Ventures: determining whether control over subsidiaries duly exists, including a review of the pension funds managed by Grupo Sura.
- Note 10. Leases: determining whether an agreement contains a lease; classification of leasing arrangements.
- Note 29. Commission income and expense: determining whether the Group acts as an agent in a specific transaction as opposed to the principal

NOTE 5. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended accounting standards and interpretations

The Group has applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2016.

The nature and impact of each new standard and/or amendment are described below:

Amendments to IFRS 10, IFRS 12 and IAS 27: Investment entities

These changes, to be applied retroactively (with certain exceptions during the transition period), provide for

an exception to the requirement for consolidating all those entities that meet the definition of investment entities under IFRS 10 Consolidated Financial Statements. The above-mentioned exception requires that investment entities record their subsidiaries at fair value through profit or loss. These changes had no impact whatsoever on the Group, since none of the Group's entities are classified as an investment entity under IFRS 10.

Amendments to IAS 32: Offsetting financial assets and financial liabilities

These amendments, to be applied retroactively, clarify the meaning of “currently has a legally enforceable right of set-off” as well as the criteria for determining the settlement process to be used when the realization of the financial asset and the settlement of a financial liability does not occur simultaneously. These changes had no impact on the Group, as none of the Group entities have any settlement arrangements.

Amendments to IAS 39: Novation of derivatives and continuation of hedge accounting

These amendments, to be applied retroactively, provide exemptions that allow for hedge accounting to be continued when a derivative, designated as a hedging instrument, is novated, providing this meets certain criteria. These modifications have had no impact whatsoever on the Group, since no changes have been made to its derivatives during the current or prior years.

IFRIC 21 - Liens

IFRIC 21 provides guidance for entities to recognize a liability as a lien when the activity, as defined in the corresponding legislation, is carried out entailing the payment of this same activity. In the case of liens that become due and payable when a certain amount is reached, the IFRIC interpretation clarifies that the liability should not be recorded until the aforementioned threshold is reached. IFRIC 21 is to be applied retroactively. This interpretation has had no impact on the Group whatsoever, since in previous years the recognition principles contained in IFRS 9 Financial Instruments are consistent with those stipulated in IFRIC 21, that is to say liabilities are recognized upon qualifying as a lien when all those assumptions provided by law are met.

IFRS annual improvements cycle - 2010-2012

In its 2010-2012 annual improvements cycle, the IASB issued seven amendments to a total of six standards, which included an amendment to IFRS 13 - Fair Value Measurement. The amendment to IFRS 13 became immediately effective and therefore has to be applied to the years beginning on January 1, 2016. The accompanying “Basis for Conclusions” provides guidance in the case of accounts receivable and payable in the short term that do not carry an interest rate, which can now be recorded as the amounts contained in the respective invoices when the effect of any discount offered is immaterial. This amendment to IFRS 13 had no impact whatsoever on the Group.

IFRS annual improvements cycle - 2011-2013

In its 2011-2013 annual improvements cycle, the IASB issued four amendments, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. This amendment to IFRS 1 became immediately effective and therefore has to be applied to the years beginning on January 1, 2016. The accompanying “Basis for Conclusions” provides guidance for when an entity may choose to apply a rule in force or a new standard that has not yet become mandatory, but may also be applied beforehand, provided that each such rule is consistently applied in the years when the company presents its first financial statements. This amendment to IFRS 1 had no impact whatsoever on the Group, since it did not implement IFRS for the first time in said year.

NOTE 6. STANDARDS ISSUED BUT NOT YET EFFECTIVE**Accepted Accounting and Financial Reporting Standards in Colombia which have been issued but are not yet in force**

All those standards and their interpretations, which have so far been issued but have not entered into full force and effect for consequent application, are listed below. The Group shall adopt these standards on their respective effective date, pursuant to the corresponding decrees issued by the Colombian authorities.

IFRS 9 - Financial Instruments Classification and Measurement

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaced IAS 39 "Financial Instruments: Recognition and Measurement" and all previous versions of IFRS 9. This standard formed part of the Annex corresponding to Decree 2496 of 2015, which was subsequently amended by Decree 2131 of 2016, and entered into full force and effect for periods beginning on or after 1 January 2018 with earlier application permitted.

IFRS 9 includes three aspects of accounting for financial instruments: classification and measurement, impairment and hedge accounting. Retrospective application is required, but the presentation of comparative information is not mandatory, except for hedge accounting, for which the requirements are applied prospectively, with some exceptions.

The Group plans to adopt this new Standard on the established effective date. A detailed assessment was carried out in 2017 on the impact of the three main aspects of IFRS 9. This was based on the information available at that time and consequently may be subject to changes in the light of any new supported and reasonable information that should become available during the year when IFRS 9 is applied.

a. Classification and measurement

The Group does not foresee any significant impact on its statement of financial position as a result of applying the classification and measurement requirements stipulated IFRS 9. We expect to continue measuring all financial assets at fair value, in the same way as they are measured today, that is to say, at fair value.

Shares of non-listed companies shall be held over the mid-term. No impairment losses, on account of these investments, have been recognized during previous reporting periods. The Group shall apply the option of presenting changes in fair value on its Other Comprehensive Income Statement, and therefore, the application of IFRS 9 shall not have any significant impact.

Loans and accounts receivable are held until the contractual cash inflows or outflows are produced, these corresponding to payments of principal and interest only. The Group analyzed the characteristics of the contractual cash flows pertaining to these instruments and concluded that they meet the criteria for measuring these at amortized cost under IFRS 9. Consequent, the reclassification of these instruments is not required.

b. Impairment

Due to IFRS 9 coming into full force and effect as of January 1, 2018, Grupo Sura and its Subsidiaries must adopt a new methodology for calculating impairment due to expected or prospective losses which shall replace that used for impairment relating to incurred losses as established in the previous standard IAS 39, which was effective until December 31, 2017.

Grupo Sura defines guidelines and methodologies for subsidiaries to calculate impairment to each financial instrument held, and consolidates the results thereby produced. As defined in IFRS 9, these methodologies recognize impairment as the expected or prospective loss sustained with financial assets, on the basis of a 12-month or lifetime approach to the instrument in question. Both approaches shall be applied based on the type of instrument itself and the credit conditions offered by the counterparty.

With regard to accounts receivable due from clients, our subsidiaries use the general or 12-month approach considering the nature of the policies in place and the cancellations associated with these. An impairment percentage is calculated based on available historical information for each level of default rate, which is then applied prospectively right from the outset and then is updated over time.

In the case of accounts receivable corresponding to reinsurance contracts, Grupo Sura, as a general rule, reviews the individual financial strength of each reinsurer and then proceeds to estimate the impairment percentage associated with each of these. Each subsidiary, based on the characteristics of its own markets may consider the payment agreements already established. The percentages are generally updated for all subsidiaries on an annual basis.

Given the volume transacted through co-insurance agreements, impairment is not a significant item, and furthermore the corresponding accounts receivable represent a minor percentage of total accounts receivable; each subsidiary uses the criteria obtained from the client receivables model.

Finally, in the case of portfolio investments, the financial strength of each counterparty is analyzed using the Credit Risk Management procedures implemented by each subsidiary as well as the probabilities of default published by international risk rating agencies so as to maintain a prospective approach to this calculation. Finally, the Company has estimated that, given the nature of its investments and accounts receivable, any adjustment to the provision or loss upon applying the expected methodology would be reflected as follows, considering the impacts associated with deferred tax.

Impact on Equity from Impairment to Accounts Receivable

Country	Impairment			
	Client Receivables	Re-insurance Receivables	Co-insurance Receivables	Investment portfolio
Argentina	2,213	(551)	-	-
Brazil	-	(115)	(315)	-
Chile	(550)	67	383	-
Colombia	(4,095)	(910)	(1,536)	390
El Salvador	436	(1,574)	5	127
Mexico	937	(21)	-	-
Panama	4,130	(595)	(68)	-
Dominican Republic	(1,332)	(612)	(76)	(162)
Uruguay	581	-	-	-
Total	2,321	(4,311)	(1,607)	355
Released provision, net	(3,242)			

c. Hedge Accounting

Bearing in mind that IFRS 9 does not change the general principles of how an entity must recognize its hedges, applying the hedging requirements stipulated in IFRS 9 shall not have any significant impact on the financial statements.

d. Other adjustments

In addition to the adjustments described above, upon adopting IFRS 9, other items pertaining to the financial statements such as deferred taxes, investments in associates and joint ventures, shall also be adjusted, as necessary. Exchange differences produced by converting transactions abroad shall also be adjusted.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was first issued in May 2014 and subsequently amended in April 2016 by the IASB. This standard was included in Decree 2496 of 2015 and its amendment was later included in Decree 2131 of 2016, becoming effective as of January 1, 2018. This standard sets out a five-step model framework for recognizing revenue from contracts with customers. Under IFRS 15, revenue is recognized in an amount that reflects the consideration the entity expects to be entitled to receive in exchange for providing a service or transferring goods to a customer.

The new standard governing this type of revenue replaces all the requirements previously established for recognizing revenue under IFRS. A full retrospective or modified retrospective approach is required for annual reporting periods beginning on or after January 1, 2018. The Group plans to adopt this new standard on the aforementioned date using the modified retrospective application method. In 2017, the Company carried out an analysis of the impact that the application of this new standard would have.

Revenues from Grupo SURA's subsidiaries are sourced mainly from the insurance business (which is excluded from the scope of IFRS 15), as well as from their fund management activities. According to this analysis, the impact on the Group's insurance companies would only be felt on a filling level.

Approximately 1% of the Group's consolidated revenues correspond to the services segment, including outsourcing where we foresee an impact from the application of IFRS 15, since services are provided in the form of packages that include equipment and services.

a. Sales of goods

In the case of client contracts, in which the sale of a piece of equipment is the only performance obligation, there would be no impact on earnings after IFRS 15 is adopted. The recognition of income occurs when control of the asset is transferred to the client.

i. Variable consideration

At the present time, the Group recognizes revenues from the sale of goods measured at fair value in the amount of the consideration received or the account receivable, including their refunds and discounts. Should it not be possible to measure these revenues reliably, the Group defers recognition until the uncertainty is resolved. Such provisions give rise to a variable consideration under IFRS 15, which must be estimated at the beginning of the contract and subsequently updated.

IFRS 15 requires that any estimate of the variable consideration be limited in order to prevent surplus revenues being recognized.

- *Refund rights*

Under IFRS 15, because the contracts allow the customer to return the products, the consideration received by the customer is variable. The Group has decided to use the expected value method to estimate the goods that shall be returned taking into account that this method better predicts the amount of variable consideration to which the Group shall be entitled. The Group applies the requirements of IFRS 15 in limiting the estimated amounts of variable consideration so as to determine the value of said consideration to be included in the price of the transaction. Under IFRS 15, the Group shall separately present a liability for refunds and an asset for the right to recover the products thus sold to a customer on its statement of financial position.

- *Volume Rebates*

Grupo Sura does not record revenues from this type of transaction.

- *Obligations for Guarantees*

The Group generally grants guarantees for general repairs but does not offer extended guarantees as part of contractual arrangements with clients. Therefore, the existing guarantees shall continue to be recorded based on IAS 37, in accordance with current practice.

- *Loyalty Programs*

Grupo Sura does not recognize revenues from this type of transaction.

b. Revenues on services rendered

Insurance Companies

Property and casualty insurance

The car, household and fire solutions includes a component of services that do not correspond to insurance risks such as: transport due to injury or illness, travel and accommodation expense for a family member, travel expense due to the death of a family member, transport in the event of death, a professional driver, urgent message transmission, tow trucks, accommodation and transport due to car damage, accommodation and transport due to car theft, mobile workshop and locksmith services, localization and dispatch of spare parts, an appointed driver, assistance with traffic authorities, telephone assistance for traffic procedures, plumbing and electrical repairs, locksmith services, replaced window glass, security services, traveling expense in the case of breakdowns, legal assistance via helpline all of which are additional performance obligations under the requirements of IFRS 15. This is why the Company must assign a portion of the cost of complementary insurance services to the value of the premium received.

Based on the analyzes carried out, Grupo Sura concluded the following:

- That the reporting period would be adjusted so that premium revenues would be reduced by the same value corresponding to the cost of the complementary insurance services provided. Furthermore, the value of the complementary insurance services provided does not exceed 5% of the total premiums received. The Company believes that the application of IFRS 15 shall only affect the presentation of the financial statements and the amounts therein disclosed, since revenues from complementary services shall be recognized during the policy's term of coverage.

- The revenues obtained and allocated to the insurance business shall not be impacted upon adopting IFRS 15.

The Group decided to use the practical solution put forward in IFRS 15, and shall not adjust the value of the consideration for the pledged service so as to be able to account for the effects of a significant financing component tied to its contracts, when and as expected, at the beginning of the contract, since the time frame between when the Company transfers the goods or services pledged to the client and when the client subsequently pays for said goods or services is one year or less. Therefore, in the case of short-term advance payments, the amount of these payments shall not be adjusted even when the effect of the financing component is significant.

- These filing requirements represent a significant change in current practice and significantly increase the amounts to be disclosed in the financial statements. Many of the disclosure requirements of IFRS 15 are new and the Company has concluded that the impacts of some disclosure notes shall require additional efforts to be made on a process level.
- The Company concluded that the application of IFRS 15 shall not have any significant effect on the criteria used for recognizing and measuring revenues. The Company shall continue, in 2018, to evaluate its internal controls, changes to its systems and the updating of its policies and procedures so as to be able to unbundle the complementary service component from its insurance activities and thus be able to disclose the required information.
- The Company does not expect any changes, as a result of adopting this standard, to be made to other items included in its financial statements such as current tax, deferred items, assets held for sale and their corresponding liabilities, after tax gains or losses from discontinued operations for the year, investments in associates and joint ventures, as well as its share in the earnings or losses of said investments. However, should these be affected they shall be adjusted as necessary.

Life Insurance

The Company's main corporate purpose is to provide individual life insurance and reinsurance policies, based on the types and branches of insurance expressly authorized by law.

The following are some of the aspects and impacts obtained as a result of an evaluation carried out by the Company:

- The group life health care, classic collective health care, the global collective health care and the individual group health care solutions include a service component that does not correspond to insurance risks these being the EMI paramedic service, the Assist card and odontological treatments which constitute additional performance obligations under the requirements of IFRS 15. This is why the Company must assign a portion of the costs of these complementary insurance services to value of the premium received.

Outsourcing companies

The services provided by outsourcing companies are sold through separate contracts with clients or bundled with the sale of items of equipment. The Group currently records equipment and services as separate deliverables and allocates an amount for each deliverable using the relative fair value approach.

The Group evaluated the implications of IFRS 15 so that upon being adopted, the current reporting period would be adjusted so that revenues from sales of assets would increase by COP 586 due to reassigning a portion of the contractual consideration, which under IAS 18 and IAS 11 was previously allocated to installation services. The effect on previous reporting periods would consist of an increase of COP 639 in the opening balance of retained earnings

The Group concluded that services are delivered over time, taking into account that the client simultaneously receives and consumes the benefits of such. At the present time, revenues and accounts receivable are recognized, even though the total amount of the consideration to be paid depends on the services being successfully delivered.

c. Equipment Received from Clients

Sometimes the Group receives assets from clients as part of the services it provides. This equipment is recognized as property and equipment at fair value under IFRIC 18 "Transfer of assets by customers", with a corresponding increase in deferred revenue.

IFRS 15 requires that the fair value of these in-kind payments, received or expected to be received from the client, be included in the price of the corresponding transaction. The Group has concluded that upon adopting IFRS 15 this would have no effect on the amounts recognized for equipment received from clients.

d. Advance Payments Received from Clients

Generally-speaking, the Group only receives short-term advance payments from its clients. These advance payments are recorded under accounts payable, however, sometimes, the Group may receive long-term advance payments. Under its current accounting policy, the Group records these advance payments as deferred revenues that form part of non-current liabilities on its statement of financial position. No interest is calculated on long-term advance payments under the current policy.

Under IFRS 15, the Group must determine whether its contracts contain a significant financial component. However, the Group decided to use the practical solution put forward in IFRS 15, and shall not adjust the value of the consideration for the pledged service so as to be able to account for the effects of a significant financing component tied to its contracts, when and as expected, at the beginning of the contract, since the time frame between when the Company transfers the goods or services pledged to the client and when the client subsequently pays for said goods or services is one year or less. Therefore, in the case of short-term advance payments, the amount of these payments shall not be adjusted even when the effect of the financing component is significant.

e. Considerations in the case of an agent or principal

An analysis was carried out on whether the fund management firms act in a capacity as agent or principal. In the corresponding contracts, the Group does not consider that the principal is responsible for satisfying the client's expectations. The Group does not assume any risk before or after the service is provided to the client, bearing in mind that the fund management service is only rendered when the client has approved the purchase and when the fund directly takes over its mandate.

IFRS 15 requires the Group to evaluate whether it controls the specific goods or services before these are transferred to the client. The Group has determined that it does not control these goods before they are transferred and, therefore, acts as an agent in these contracts.

f. Presentation and Disclosure Requirements

The requirements for presentation and disclosure of the new standard are more detailed than those contained in the previous standard. These filing requirements represent a significant change in current practice and significantly increase the amounts to be disclosed in the financial statements. Many of the disclosure requirements of IFRS 15 are new and the Group has concluded that the impact of some of these requirements shall be significant. More specifically, the Group expects that the notes to the financial statements shall be expanded due to having to disclose significant judgments applied in determining the transaction price for contracts that include variable considerations, as well as the manner in which the transaction price is to be distributed between the corresponding performance obligations and the assumptions used to estimate the independent selling price for each performance obligation. In addition to the above, more detailed disclosures must be made as a result of significant judgments used to evaluate all those contracts where the Group has concluded that (i) it acts as an agent rather than a principal; (ii) there is a significant financing component; and (iii) service guarantees are granted. Furthermore, and as required by IFRS 15, the Group shall unbundle the revenues recognized from contracts with clients, classifying these in the form of the nature, amount and timing of the revenues thus received as well as the degree of uncertainty affecting these and whether cash flows are affected by economic factors. Information regarding the relationship between the disclosed amounts of unbundled revenues and the revenues received from each reporting segment shall also be disclosed. In 2018 the Group shall continue to test the systems, internal controls, policies and procedures so as to gather and disclose the required information.

Amendments to IAS 7 - Disclosures

This amendment was included in Annex 1.2 to Decree 2420 of 2015, by means of Decree 2131 of 2016, which came into full force and effect as of January 1, 2018. This forms part of the IASB's disclosure initiative and requires the Group to disclose information that allows the users of its financial statements to evaluate changes in liabilities arising from financing activities, including changes that may or may not have arisen due to inflows or outflows of cash. Upon initially applying this amendment, companies would not be obliged to include comparative information from previous periods. The application of this amendment shall result in additional disclosures being included in the Group's financial statements.

Recognition of deferred tax assets for unrealized losses - Amendments to IAS 12

This amendment was included in Annex 1.2 to Decree 2420 of 2015, by means of Decree 2131 of 2016, which came into full force and effect as of January 1, 2018. This amendment establishes the need for a company to consider whether the current tax laws restrict the sources of taxable profits against which deductible temporary differences can be offset. It also provides guidance on how a company should determine its future taxable profits and explain the circumstances in which taxable profits may include recovered assets in amounts greater than their corresponding book values.

Companies should apply these amendments retrospectively, however, at the time when amendments are initially applied, the change in the opening balance of shareholders' equity for the first comparative period could be recognized in the opening balance of the retained earnings account (or in another equity account, as appropriate) without distributing the change between the opening balance of retained earnings and other components of equity. Should the Group avail itself of this exemption, it must duly disclose this fact. We do not expect this amendment to have any impact on the Group.

IFRS 16: Lease rentals

IFRS 16 was issued by the IASB in January 2016 and replaces IAS 17, IFRIC 4, SIC 15 and SIC 27. This standard establishes the principles for recognizing, measuring, presenting and disclosing leases and requires lessees to account for all their leases using the same model of balance sheet as used to recognize financial leases under IAS 17. The standard includes two recognition exemptions for lessees: the leasing of low-value assets (for example, personal computers) and short-term leases (that is to say, leases carrying terms of less than 12 months). At the beginning of the lease, the lessee shall recognize a liability for the payment of lease rentals (lease liability) and an asset that would represent the right to use the underlying asset during the term of the lease (the right-of-use asset). Lessees must recognize the interest expense accruing on the lease liability separately from the depreciation expense on the right-of-use asset.

Lessees must also remeasure the lease liability when certain events arise (for example, a change in the term of the lease, a change in future rentals as a result of a change in the index or rate used to determine such rentals). The lessee shall generally recognize the amount of the remeasured lease liability as an adjustment to the right-of-use asset.

Accounting by lessors under IFRS 16 is not subject to any substantial amendments with respect to that made under IAS 17. Lessors shall continue to classify all their leases using the same classification principles as stipulated in IAS 17 and applied to both financial and operating leases.

IFRS 16 also requires lessees and lessors to include more extensive disclosures than those included under IAS 17. This standard has not as yet been introduced in the Colombian accounting framework by means of any decree to date. The Group is currently evaluating the potential effect of this standard on its financial statements.

IFRS 17: Insurance Contracts

In May 2017, the IASB issued IFRS 17, a new comprehensive accounting standard for measuring, recognizing presenting and disclosing insurance contracts. Once it becomes effective, IFRS 17 shall replace IFRS 4, as issued in 2005. IFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as certain guarantees and financial instruments with discretionary participation features. This standard includes few exceptions.

The general objective of this standard is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Contrary to the requirements of IFRS 4, which are primarily aimed at protecting previous local accounting policies, IFRS 17 provides a comprehensive model for these contracts, including all relevant issues. At the core of this standard is a general model, supplemented by:

- A specific adaptation for insurance contracts with direct participation features (variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-term contracts

IFRS 17 has not as yet been introduced in the Colombian accounting framework by means of any decree to date. The Group is currently evaluating the potential effect of this standard on its financial statements.

Transfers of Investment Property— Amendments to IAS 40

These amendments provide guidance for when a company must transfer properties, including properties under construction or investment properties. These amendments establish that a change in use occurs when

the property begins to meet or fails to meet the definition of investment property and there is evidence of such change. A simple change in the intended use of the property on the part of Senior Management does not constitute evidence of a change in the actual use of the property in question. Companies must apply these amendments prospectively on any changes to the use of such property occurring as of the reporting period in which these amendments come into full force and effect. Companies must reevaluate the classification of their property on the aforementioned date and, wherever applicable, reclassify this to reflect the conditions existing at that time. These amendments have not as yet been introduced in the Colombian accounting framework by means of any decree to date. The Group shall apply these amendments on their corresponding effective dates, however, bearing in mind that the Group maintains these classifications up to date, we do not expect this to have any effect on our financial statements.

Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2

These amendments were issued by the IASB in response to three main areas of concern: the effects of the conditions for the irrevocability of the concession in measuring share-based payment transactions agreed on in cash, the classification of share-based payment transactions with net settlement characteristics for tax withholding obligations and recognizing when a modification to the terms and conditions of share-based payment transactions changes its classification from cash-settled to equity-settled.

Upon adoption, companies are required to apply these amendments without restating prior periods, but retrospective application is allowed if the companies are eligible for all three amendments and meet other criteria.

Grupo SURA does not record this type of transaction therefore this amendment does not apply to any of the companies belonging to the Group.

IFRS annual improvements cycle - 2014-2016 (issued in December 2016)

These improvements include:

IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Elimination of Short Term Exemptions for First Time Adopters

The short-term exemptions included in paragraphs E3-E7 of IFRS 1 were eliminated because they have already served their purpose. This standard has not as yet been introduced in the Colombian accounting framework by means of any decree to date and therefore is not applicable to the Group.

IAS 28 "Investments in Associates and Joint Ventures" - Clarifications that the measurement of investments in an associate or a joint venture at fair value through profit or loss must be carried out on an investment-by-investment basis

These amendments clarify the following:

- When the entity is a venture capital organization, or other qualifying entity, it may elect when initially recognizing each of its investments, whether to measure said investments in associates or joint ventures at fair value through profit or loss.
- Should an entity, that is not an investment entity, have any interests in an associate or joint venture that constitutes an investment entity, then the former entity may, upon applying the equity method, choose

to accumulate the corresponding measurements at fair value applied by the latter investment entity to its associates or joint ventures. This election is done separately for each investment, on the earliest of the date on which the investment entity is initially recognized; the date on which the associate or joint arrangement becomes an investment entity; and the date on which the investment entity is recognized which investment associate or joint venture becomes a parent.

These amendments, to be applied retrospectively, have not as yet been introduced into the Colombian accounting framework by any decree to date. These amendments are not applicable to the Company.

Application of IFRS 9 “Financial Instruments” with IFRS 4 “Insurance Contracts” - Amendments to IFRS 4

These amendments address the problems encountered in applying the new financial instrument standard, IFRS 9, prior to implementing the IFRS 17 Insurance Contracts, which replaces IFRS 4. Here two options are introduced for entities that issue insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. A company may choose the overlay approach when it adopts IFRS 9 and apply this approach retroactively apply that approach to the financial assets that it should designates upon transitioning to IFRS 9. The Group currently restates comparative information to reflect the overlay approach and elected to re-state comparative information when applying IFRS 9.

IFRIC 22 - Transactions in foreign currency and advanced consideration

This interpretation clarifies that, the exchange rate to be used when initially recognizing an asset, expense or revenue (or portion thereof) when de-recognizing a non-monetary asset or a non-monetary liability relating to an advanced consideration, shall be that applicable on the transaction date, this being the date on which the entity initially recognizes the non-financial asset or liability for which the advanced consideration was initially recognized. If there are multiple payments or pre-payments, the entity must determine the date of the transactions corresponding to each payment. Companies can apply these amendments either retrospectively or prospectively for all assets, income and expenses that come under the scope of this standard, providing these were recognized as of:

- i. The beginning of the reporting period in which the company applies the interpretation for the first time, or
- ii. The beginning of the previous reporting period, to be presented as comparative information in the financial statements for the period in which this interpretation is applied for the first time.

This standard has not as yet been introduced in the Colombian accounting framework by means of any decree to date. Bearing in mind that the Group's current practice is in keeping with this interpretation, the Group does not expect this standard to have any effect on its financial statements.

IFRIC 23 Uncertainty Over Income Tax Treatments

This interpretation addresses the recording of income tax when there is uncertainty regarding tax treatments that in turn affects the application of IAS 12. This does not apply to taxes or charges outside the scope of IAS 12, nor does it specifically include the interest and sanction requirements relating to uncertain tax treatments. This interpretation deals with the following:

- When the entity considers uncertain tax treatments separately

- The assumptions made by the entity regarding the corresponding authorities examining these tax treatments.
- The manner in which the entity determines taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and losses and tax rates.
- The manner in which the entity considers changes in events and circumstances.

A company must determine whether to evaluate each uncertain treatment either independently or collectively and must use the approach that best predicts the manner in which these uncertainties are to be resolved.

This standard has not as yet been introduced in the Colombian accounting framework by means of any decree to date. Bearing in mind that the Group operates in a complex tax environment, the application of this interpretation may affect its financial statements and disclosures. Furthermore, the Group must deploy certain processes and procedures in order to obtain the information that is needed so as to apply this interpretation in a timely manner.

NOTE 7. BUSINESS COMBINATIONS

7.1. Business combinations carried out in the present reporting period (2017)

On May 23, 2017, the subsidiary Hábitat Adulto Mayor S.A., which provides assisted living facilities for the elderly, acquired the assets of the Inversiones el Ciruelo, a geriatric home dedicated to the care of the elderly.

The Purchase Price Allocation (PPA) for this transaction was calculated in keeping with IFRS, more specifically IFRS 3 - Business Combinations. For the purpose of this analysis, the Company adopted the definition of fair value as contained in IFRS 13 - Fair Value Measurement.

IFRS 13 stipulates that fair value measurements must be based on the highest and best use of the asset on the part of market participants must be used, considering its physically possible, legally permissible and financially feasible use on the date this is measured.

The methodology used for determining the PPA (Purchase Price Allocation) was based on FRAS guidelines, in particular those concerning:

- IFRS 3 - Business Combinations
- IFRS 13-Fair Value Measurement
- IFRS 9 - Financial Instruments
- IAS 39 - Financial Instruments: Recognition and Measurement

Accordingly, we proceeded to measure the fair value of the identifiable assets acquired, the liabilities assumed, and the shares issued in the acquired company. For this purpose, an analysis was performed on the items involved in the transaction itself, bearing in mind the following:

Thus, Senior Management identified the following intangible assets to be recognized separately from goodwill: The client list consisted of Ciruelo’s data base which shall now form part of Habitat. This client list was classified as an intangible asset with a finite useful life.

The following table summarizes the PPA corresponding to the Ciruelo acquisition:

Description	Value
Property and equipment	109

Advance payments	58
Inventories	18
Accounts receivable	157
Client list (See Note 17.2)	1,413
Improvements to property and equipment	1,213
Amortization - client list	(79)
Depreciation of property and equipment	(27)
Accounts payable	(10)
Withholding tax	(103)
	2,749
Value Paid.	4,036
Goodwill (see Note 17.1)	1,287

The amount of deferred tax corresponding to this transaction comes to COP 43 million at the cut-off date.

7.2. Business combinations carried out in reporting periods prior to 2016

On September 8, 2015, Suramericana S.A, signed an agreement for acquiring the Latin American operations of RSA Insurance Group plc, for approximately USD 614 million (1.9 billion Colombian pesos), these consisting of the following companies:

Suramericana on February 29, 2016 through Inversiones Sura Brasil S.A. acquired 99.9997% of the shares belonging to the insurance company, Royal & Sun Alliance Seguros (Brazil), (now known as Seguros Sura S.A.).

Royal & Sun Alliance Seguros Colombia - RSA: on March 31, 2016, Suramericana acquired a 98.8309% stake in the share capital of this insurance company. Also, through this same acquisition, a stake of 98.8875% was indirectly obtained in Financia Expreso RSA S.A. a company dedicated to investing in personal property and real estate as well as other activities along with a 50.4227% stake in Protección Garantizada Ltda., an insurance brokerage.

On August 1, 2016, upon obtaining prior authorization from the Colombian Superintendency of Finance in the form of Resolution No. 0889 dated July 14, 2016, the company Royal & Sun Alliance Seguros S.A. (RSA) was taken over by Seguros Generales Suramericana S.A., the Group's insurance and reinsurance subsidiary in Colombia.

Royal & Sun Alliance Seguros Argentina - RSA: on April 30, 2016 Suramericana acquired a stake of 99.35% in this insurance company along with a 100% stake in Atlantis Sociedad Inversora S.A. a company engaged in investing in personal property and real estate as well as other activities, another 100% stake in Santa María del Sol S.A., also dedicated to investing in personal property and real estate as well as other activities and indirectly acquired a 99.99% stake in the insurance company Aseguradora de Créditos y Garantías.

Royal & Sun Alliance Seguros Chile - RSA: on April 30, 2016 Suramericana acquired 99.96% of the share capital of this insurance company, as well as a 100% stake in RSA Chilean Holding SpA, (now known as Chilean Holding Suramericana SPA), a company engaged in investing in personal property and real estate as well as other activities, another 100% stake in Inversiones RSA Chile Limitada, (now known as Inversiones Suramericana Chile Limitada), a company engaged in investing in personal property and real estate as well as other activities, and indirectly obtained a 100% stake in the insurance company, RSA Seguros de Vida S.A. together with a 100% stake in Servicios y Ventas Compañía Limitada.

Royal & Sun Alliance Seguros Mexico - RSA (now known as Seguros Sura, S.A. de C.V.): on May 31, 2016 Suramericana acquired a 100% stake in the share capital of this insurance firm.

Royal & Sun Alliance Seguros Uruguay S.A., on June 30, 2016 Suramericana acquired a 100% stake in the share capital of this insurance firm.

In 2015 and 2016, Suramericana recorded administrative expense on the integration of these recently acquired companies, this consisting on consultancy fees on the paperwork required, the expense of changing to the new brand as well as traveling expense on the part of HQ staff to the various countries. The total amount of expense thus incurred is broken down as follows:

Acquisition expense	Total value:	Period
Integration expense (with RSA)	48,225	2016
Integration expense (with Banistmo Panamá)	5,732	2015

Identifying and recording intangible assets and goodwill

The Purchase Price Allocation (PPA) for the aforementioned transactions was carried out pursuant to IFRS, specifically IFRS 3 - Business Combinations. For the purpose of this analysis, the Company adopted the definition of fair value as contained in IFRS 13 - Fair Value Measurement.

IFRS 13 stipulates that fair value measurements must be based on the highest and best use of the asset on the part of market participants must be used, considering its physically possible, legally permissible and financially feasible use on the date this is measured.

The methodology used for determining the PPA (Purchase Price Allocation) was based on FRAS guidelines, in particular those concerning:

- IFRS 3 - Business Combinations
- IFRS 4 - Insurance Contracts
- IFRS 13 - Fair Value Measurement
- IFRS 9 - Financial Instruments
- IAS 39 - Financial Instruments: Recognition and Measurement

Accordingly, we proceeded to measure the fair value of the identifiable assets acquired, the liabilities assumed, and the shares issued in the acquired company. For this purpose, an analysis was performed on the items involved in the transaction itself, bearing in mind the following:

- i. Investment valuations
- ii. Accounts receivable valuations
- iii. Fixed asset valuations
- iv. Reinsurance asset valuations
- v. Appraisals of reserves at fair value and adequacy tests.
- vi. Accounts payable valuations
- vii. Identifying, recognizing and estimating the market value of intangible assets on the date the acquisition was performed.
- viii. Calculating goodwill

ix. Calculating deferred tax.

Thus, Senior Management identified the following intangible assets to be recognized separately from goodwill:

- **VOBA (Value of Business Acquired):** is an intangible asset that particularly applies to the insurance industry. This intangible asset corresponds to customer/client lists in the case of non-insurers. This type of asset has been duly identified and recognized in the corresponding valuations since it is a separable intangible asset that generates future economic benefits, control is exerted and it can be reliably measured. The valuation method used was the excess income approach adjusted for the insurance sector (Multi-Period Earnings).

- **Affinity contracts.** An affinity contract is an exclusive contractual relationship between two companies, that is entered into for the purpose of expanding the reach of the products and services offered through a mutual partnership.

An Affinity agreement with these companies provides the acquired companies with the economic benefits relating to the indirect sale of their insurance products (e.g. group and individual life, personal accident, fire and car insurance). These benefits are recognizable, separable, and measurable and therefore should be measured. Because the expiry dates and renewal policies vary according to each individual contract, a finite life was considered for these benefits, this based on their respective contractual descriptions.

- **Software:** this intangible represents the Company’s own information system that was developed in-house. Software is an information tool that has a recognizable, measurable and separable value.
- **Trademarks:** a trademark is defined as any word, name, symbol or device, or combination thereof, adapted and used by a company to identify and manage the business, goods or services offered and / or to distinguish it from its competitors. Trademarks were included in the PPA because they have a recognizable, measurable and separable value.
- **Operating licenses:** this intangible represents the right to operate a company in a certain market. RSA Mexico holds a single license to operate two companies (Vida y Generales). The Mexican regulatory authorities currently do not grant licenses to operate Vida and Generales under the same corporate name.

The following table provides a summary of the corresponding Purchase Price Allocation (PPA):

	Mexico			Argentina			Brazil		
	Carrying value of the acquired company	Recognized fair value	Fair value of the acquired company	Carrying value of the acquired company	Recognized fair value	Fair value of the acquired company	Carrying value of the acquired company	Recognized fair value	Fair value of the acquired company
Amount allocated / cash consideration			293,575			162,256			211,022
Assets									
Cash and cash equivalents	15,933	-	15,933	208,264	-	208,264	1,660	-	1,660
Investments and derivatives	283,512	-	283,512	309,106	-	309,106	264,829	-	264,829
Inventories	-	-	-	-	-	-	-	-	-
Accounts receivable	315,845	-	315,845	625,869	(7,452)	618,417	397,094	-	397,094
Property and equipment	42,860	-	42,860	8,412	-	8,412	6,792	-	6,792
Intangible assets	12,209	(980)	11,229	15,782	(12,000)	3,782	66,525	(11,044)	55,481
Identified intangible assets	-	72,520	72,520	-	51,592	51,592	-	28,011	28,011
Other assets	113,484	(16,727)	96,757	23,389	(6,477)	16,912	72,456	4,927	77,383
Total assets	783,843	54,813	838,656	1,190,822	25,663	1,216,485	809,356	21,894	831,250
Liabilities									
Accounts payable	122,551	(24)	122,527	228,658	(1,449)	227,209	220,656	259	220,915
Technical reserves	369,917	-	369,917	715,367	-	715,367	409,726	1,455	411,181
Deferred tax on identified intangible assets	-	21,756	21,756	-	18,057	18,057	-	12,605	12,605
Other liabilities	67,657	36	67,693	54,670	-	54,670	-	-	-
Total liabilities	560,125	21,768	581,893	998,695	16,608	1,015,303	630,382	14,319	644,701
Non-controlling interest						1,022			1.
Net acquired assets	223,718	33,045	256,763	192,127	9,055	200,160	178,974	7,575	186,548
Cash flow hedges on purchase transaction			(5,498)			15,613			16,096
Residual value of goodwill			31,314			(22,291)			40,570

	Chile			RSA Colombia			Uruguay		
	Carrying value of the acquired company	Recognized fair value	Fair value of the acquired company	Carrying value of the acquired company	Recognized fair value	Fair value of the acquired company	Carrying value of the acquired company	Recognized fair value	Fair value of the acquired company
Amount allocated / cash consideration			733,905			200,125			250,700
Assets									
Cash and cash equivalents	35,240	-	35,240	9,640	-	9,640	42,341	-	42,341
Investments and derivatives	499,162	-	499,162	204,494	(10,627)	193,867	129,629	-	129,629
Inventories	-	-	-	-	-	-	-	-	-
Accounts receivable	1,874,289	(70,136)	1,804,153	848,011	(156)	847,855	118,096	-	118,096
Property and equipment	35,202	(954)	34,248	11,554	(385)	11,169	5,167	-	5,167
Intangible assets	19,570	-	19,570	8,735	5,277	14,012	1,488	-	1,488
Identified intangible assets	-	242,323	242,323	-	33,453	33,453	-	74,165	74,165
Other assets	282,078	(31,547)	250,531	36,560	629	37,189	41,978	(578)	41,400
Total assets	2,745,541	139,686	2,885,227	1,118,994	28,191	1,147,185	338,699	73,587	412,286
Liabilities									
Financial obligations	-	-	-	3,778	-	3,778	-	-	-
Accounts payable	420,046	-	420,046	97,309	-	97,309	52,355	-	52,355
Contingent liabilities	-	-	-	18,603	-	18,603	-	-	-
Technical reserves	1,513,849	-	1,513,849	899,891	(52,427)	847,464	187,965	225	188,190
Labor liabilities	-	-	-	1,910	-	1,910	-	-	-
Deferred tax on identified intangible assets	-	63,610	63,610	-	13,381	13,381	-	18,541	18,541
Other liabilities	287,248	(229)	287,019	14,003	31,460	45,463	(25,798)	10,032	(15,766)
Total liabilities	2,221,143	63,381	2,284,524	1,035,494	(7,586)	1,027,908	214,522	28,798	243,320
Non-controlling interest			2,872			1,662			-
Net acquired assets	524,398	76,305	597,831	83,500	35,777	117,615	124,177	44,789	168,966
Cash flow hedges on purchase transaction			7,095			11,141			19,088
Residual value of goodwill			143,169			93,651			100,822

Breakdown of the revenues provided by these recently acquired companies:

	Mexico	Argentina	Brazil	Chile	RSA Colombia	Uruguay
	2016	2016	2016	2016	2016	2016
From the date of acquisition to the end of the present reporting period						
Revenue from normal business activities	445,343	1,018,104	613,865	1,840,655	730,201	184,792
Gains (losses),	(13,556)	24,630	(7,184)	(8,942)	5,610	4,768
From the beginning of the annual reporting period until the present reporting period						
Revenue from normal business activities	641,392	1,933,214	692,927	2,381,886	910,060	328,675
Gains (losses),	(11,390)	30,571	(37,989)	49,162	6,856	11,732

Negative goodwill, calculated through the measurement of business combinations was recognized as income for the period in which the transaction was carried out.

In 2016, Suramericana S.A. recognized the initial amounts associated with the business combinations carried out as a result of having acquired RSA's operations in Latin America, with regard to which it is worthwhile noting that at the end of that reporting period it had not been possible to definitely confirm the fair value of the insurance reserves held by these cash generating units (CGUs) and bearing in mind that IFRS 3 grants a maximum measurement period of one year for making the necessary adjustments to the initially recognized amounts. The aforementioned table show the final figures, which were duly adjusted in 2017,

NOTE 8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for Grupo SURA and Subsidiaries are broken down as follows:

	2017	2016
Cash and cash equivalents	8,064	2,868
Domestic banks	910,333	1,325,797
Foreign banks	310,103	449,869
Cash equivalents (*)	344,943	287,975
Cash and cash equivalents	1,573,443	2,066,509
Restricted cash	14,846	450
Cash and cash equivalents posted in the Statement of Cash Flows	1,588,289	2,066,959

(*) Including checks, special investment funds, fiduciary rights and other cash equivalents.

Restricted cash

Restricted cash at the end of the reporting period is broken down as follows:

Restriction details	Country	Total restricted cash - 2017
Garnished securities	Dominican Republic	309
Commission-related hedge funds - Foreign Brokerage Firm	Peru	826
Institutional Pension Funds (See Note 20)	Colombia	13,711
Total		14,846

Restriction details	Country	Total restricted cash - 2016
Garnished bank accounts	Colombia	321
Funds used to pay taxes to SUNAT	Peru	98
Commission-related hedge funds - Foreign Brokerage Firm	Peru	31
Total		450

Bank accounts bear interest at variable rates based on daily bank deposit rates. Short-term loans are issued for periods of between one day and three months depending on the immediate cash needs of Grupo Sura and its Subsidiaries, all of which bear interest at the applicable short-term lending rates.

Explanatory Cash Flow Notes:

The following is a breakdown of some of the cash flow balances held:

Depreciation and Amortization

Amortizations	2017	2016
Amortization expense (See income statement)	(289,220)	(240,210)
Amortization costs (Note 30.2)	(1,083)	(1,031)
Other items	(254)	(9,297)
Total amortizations (Note 17)	(290,557)	(250,538)
Depreciation		
Depreciation expense (See income statement)	(79,596)	(68,812)
Depreciation costs (Note 30.2)	(557)	(176)
Other items	285	1.
Total depreciation (Note 16)	(79,868)	(68,987)
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Movements to DAC	(168,476)	(1,308,204)
Balance held	(538,901)	(1,627,729)

Cash flows used to obtain control over subsidiaries or other businesses

	2017	2016
Acquired associates (Note 18.2.1.)	3,648	-
Acquired minority interests (see statement of changes to shareholders equity)	1,079,057	1,761,521
Other items	-	2,048
Total acquired subsidiaries and associates	1,082,705	1,763,569

Other cash receipts on sales of equity or debt securities belonging to other entities

	2017	2016
Sale of investments (Note 9.1.2.)	(12,250,490)	(3,883,419)
Gains on sale of investments (Note 31)	(139,852)	(130,955)
Other items	-	(216,389)
Total acquired subsidiaries and associates	(12,390,342)	(4,230,763)

NOTE 9. FINANCIAL INSTRUMENTS

The methodologies and assumptions used to determine the value of financial instruments not recorded at fair value in the financial statements (i.e., items at amortized cost as well as loans and accounts receivable) are as follows.

Assets whose fair value is approximated to their book value

For short-term financial assets (maturing in less than three months), demand deposits and savings accounts with no specific maturity, the carrying amounts in books are approximated to their fair value. In the case of fixed income securities carrying terms of more than three months, these are measured and their carrying values are adjusted to reflect the change in their initial measurements.

Financial instruments at agreed rates

The fair value of fixed income assets measured at amortized cost is calculated by comparing the market interest rates when they were first recognized with current market rates for similar financial instruments.

Financial liabilities whose fair value is approximated to their book value

In the case of short-term obligations, their carrying amounts approximate their fair value.

With regard to loans bearing variable interest rates, their carrying amounts correspond to approximations of their fair values. As for loans bearing fixed interest rates, the market interest rates for similar loans do not differ to a significant degree, therefore, their carrying amounts correspond to reasonable approximations of their fair value.

9.1. Financial assets

The following table shows a breakdown of current and non-current financial assets:

Year-end 2017

Current	Financial assets at amortized cost	Financial assets at fair value		Cash and cash equivalents	Total
		Results	Equity		
Cash and cash equivalents (Note 8)	-	-	-	1,573,443	1,573,443
Investments	29,298	8,388,845	24,529	-	8,442,672
Accounts receivable	6,119,629	-	-	-	6,119,629
Accounts receivable due from related parties (1)	39,726	-	-	-	39,726
Derivatives	-	22,001	-	-	22,001
Total current financial assets	6,188,653	8,410,846	24,529	1,573,443	16,197,471

Non-current	Financial assets at amortized cost	Financial assets at fair value	Cash and cash equivalents	Total
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	Results		Equity		
Restricted cash (Note 8)	-	-	-	14,846	14,846
Investments	14,907,394	3,527,065	49,086	-	18,483,545
Accounts receivable	94,117	-	-	-	94,117
Derivatives	-	123,708	-	-	123,708
Total non-current financial assets	15,001,511	3,650,773	49,086	14,846	18,716,216
Total financial assets	21,190,164	12,061,619	73,615	1,588,289	34,913,687

Year-end 2016

Current	Financial assets at amortized cost	Financial assets at fair value		Cash and cash equivalents	Total
		Income	Equity		
Cash and cash equivalents (Note 8)	-	-	-	2,066,509	2,066,509
Investments	107,174	2,933,046	3,156,252	-	6,196,472
Accounts receivable	5,084,758	-	-	-	5,084,758
Accounts receivable due from related parties (1)	89,249	-	-	-	89,249
Derivatives	-	56,562	-	-	56,562
Total current financial assets	5,281,181	2,989,608	3,156,252	2,066,509	13,493,550

Non-current	Financial assets at amortized cost	Financial assets at fair value		Cash and cash equivalents	Total
		Income	Equity		
Restricted cash (Note 8)	-	-	-	450	450
Investments	16,110,942	1,894,573	1,996,254	-	20,001,769
Accounts receivable	328,086	-	-	-	328,086
Derivatives	-	574,531	-	-	574,531
Total non-current financial assets	16,439,028	2,469,104	1,996,254	450	20,904,836
Total financial assets	21,720,209	5,458,712	5,152,506	2,066,959	34,398,386

(1) Accounts receivable due from related parties consist of outstanding dividends receivable from associates as shown below:

	2017	2016
Grupo Nutresa S.A.	21,601	20,145
Inversiones Argos S.A.	17,789	16,469
Others	336	574
Bancolombia S.A.	-	52,061
Total dividends receivable	39,726	89,249

The maturities of the financial obligations held at year-end are shown as follows:

2017	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Cash and cash equivalents	1,573,443	12,987	-	1,859	1,588,289

Investments	8,442,672	239,281	3,310,342	14,933,922	26,926,217
Trade receivables	6,159,355	6,413	25,169	62,535	6,253,472
Other financial assets	22,001	60,266	122	63,320	145,709
Total	16,197,471	318,947	3,335,633	15,061,636	34,913,687

2016	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Cash and cash equivalents	2,066,509	450	-	-	2,066,959
Investments	6,196,471	479,955	6,788,551	12,733,264	26,198,241
Trade receivables	5,172,450	13,673	32,013	283,957	5,502,093
Other financial assets	58,120	36,399	169,024	367,550	631,093
Total	13,493,550	530,477	6,989,588	13,384,771	34,398,386

The following shows these financial liabilities based on their fair value hierarchy:

2017	Level 1	Level	Level	Total
Investments	9,356,911	2,567,380	65,234	11,989,525
Other financial assets	63,443	82,266	-	145,709
Total	9,420,354	2,649,646	65,234	12,135,234

2016	Level 1	Level	Level	Total
Investments	7,724,183	2,080,984	174,958	9,980,125
Other financial assets	489,368	141,725	-	631,093
Total	8,213,551	2,222,709	174,958	10,611,218

Details of how fair value is determined:

Level 1 - Prices quoted on active markets

Inputs for Level 1 consist of unadjusted prices quoted on active markets for identical assets and liabilities. An active market is one in which transactions for the asset or liability in question occur frequently providing sufficient volume on which to provide pricing information

This level includes investments and derivatives, with stock exchange listed prices, that are classified as highly liquid securities.

Level 2 - Modeling with input data from observable markets

Level 2 inputs are those other than quoted prices belonging to Level 1 that are observable for the asset or liability in question, either directly or indirectly. Inputs for Level 2 include:

- Prices quoted for similar assets or liabilities on active markets;

- Prices quoted for identical or similar assets or liabilities, but on non-active markets; and input data other than quoted prices, e.g. interest rates and terms

Level 3 - Modeling with unobservable inputs

Inputs for Level 3 are unobservable for the asset and liability in question. These can be used to determine fair value when observable inputs are not available. These valuations reflect assumptions that the business unit makes based on other market participants i.e. earnings on non-listed shares.

The following table shows the valuation techniques used to determine the fair values corresponding to Level 3 of the fair value hierarchy, together with the non-observable variables used in the valuation models:

Description	Valuation approaches	Non-observable variable
Assets		
Negotiable or designated		
Low-liquidity shares	Attributed cost	Market price
Fixed-Term Deposits	Internal rate of return	Market rate

Financial assets on an individual country basis is shown as follows:

Year-end 2017	Argentina	Bermuda	Brazil	Chile	Colombia	Curaçao	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Cash and cash equivalents	27,068	20,228	5,655	185,341	955,138	542	2,155	249	156,598	72,348	63,706	18,139	70,127	10,995	1,588,289
Investments	612,573	13,644	276,673	11,617,109	9,409,569	-	-	-	2,978,304	521,842	915,714	69,042	264,708	247,039	26,926,217
Other financial assets	-	-	-	63,443	82,266	-	-	-	-	-	-	-	-	-	145,709
Trade and other receivables due from related parties	587,788	5,271	397,301	1,802,639	2,567,617	-	-	-	292,997	163,534	42,257	120,360	91,393	182,315	6,253,472
	1,227,429	39,143	679,629	13,668,532	13,014,590	542	2,155	249	3,427,899	757,724	1,021,677	207,541	426,228	440,349	34,913,687

Year-end 2016	Argentina	Bermuda	Brazil	Chile	Colombia	Curaçao	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Cash and cash equivalents	23,398	15,875	5,759	171,137	1,507,146	324	3,163	552	106,164	112,380	59,594	19,770	29,565	12,132	2,066,959
Investments	549,238	-	312,936	9,412,007	8,189,545	-	-	-	2,368,616	452,582	4,339,795	65,336	281,498	226,688	26,198,241
Other financial assets	-	-	-	489,368	141,725	-	-	-	-	-	-	-	-	-	631,093
Trade and other receivables due from related parties	553,536	-	217,755	1,494,706	2,072,435	-	-	-	304,810	176,583	321,418	106,863	86,257	167,730	5,502,093
	1,126,172	15,875	536,450	11,567,218	11,910,851	324	3,163	552	2,779,590	741,545	4,720,807	191,969	397,320	406,550	34,398,386

9.1.1. Investments

Investments are broken down as follows

	2017	2016
Domestic issuers	15,949,742	14,228,565
TES government bonds	3,906,573	4,666,556
Foreign issuers	4,281,075	4,782,579
Legal reserve requirement (pension funds) - investments at fair value through profit and loss	2,323,177	1,943,249
Other securities issued by the Colombian Government	433,318	531,332
Others	32,938	48,149
Impairment of equity investments through Other Comprehensive Income (Note 9.2)	(276)	(567)
Impairment (Note 9.2)	(330)	(1,622)
	26,926,217	26,198,241

The movements recorded in the investment account are shown as follows:

Balance at December 31, 2015	21,723,891
Additions	8,260,019
De-recognitions	(3,883,419)
Interest	(144,185)
Valuations of financial assets (net)	725,048
Valuations of equity investments (Note 26.3)	(829)
Translation differences	(482,284)
Balance held at year-end 2016	26,198,241
Additions	10,567,068
De-recognitions	(12,250,490)
Interest	(638,696)
Impairment	(9,591)
Valuations of financial assets (net)	794,980
Valuations of equity investments (Note 26.3)	(91)
Dividends received	(607)
Valuation at amortized cost	955,968
Translation differences	1,309,435
Balance held at December 31, 2017	26,926,217

9.1.2. Trade and other accounts receivable

The following is a breakdown of the accounts receivable account at year-end:

	2017	2016
Insurance business	4,649,207	4,049,496
Receivables	408,092	358,494
Client payments - consumer	327,326	280,319
Judicial deposits	276,110	63,203

	2017	2016
Miscellaneous	250,801	174,603
Business checking accounts:	205,438	182,056
Commissions	139,498	124,820
Employees	58,569	39,648
Client payments - housing	54,334	51,014
Loan portfolio	38,441	304,233
Lease rentals	12,848	6,189
Advanced payments - contracts and suppliers	12,297	6,905
Stock Brokerage firm	5,108	-
Interest	1,050	63
Impairment on other items of loan portfolio	(221)	(23,159)
General impairment	(573)	(812)
Impairment accounts receivable - consumer	(1,836)	(1,505)
Impairment other accounts receivable	(23,483)	(16,867)
Impairment insurance accounts receivable	(69,961)	(76,307)
Impairment trade receivables	(129,299)	(109,557)
Sales of goods and services	-	8
	6,213,746	5,412,844

9.2. Impairment to financial assets

Impairment to financial assets is broken down as follows:

	2017	2016
Impairment to accounts receivable	225,373	228,207
Impairment to investments	606	2,189
	225,979	230,396

The following table shows a reconciliation of the impairment sustained to financial assets:

	Accounts receivable	Investments	Total
Balance held at January 01, 2016	161,909	5,594	167,503
Impairment additions for the period	92,102	32	92,134
Valuations and other adjustments	3,497	-	3,497
Recovered amounts	(25,842)	(2,770)	(28,612)
Exchange differences	(3,459)	(667)	(4,126)
Closing balance at year-end 2016	228,207	2,189	230,396
Impairment additions for the period	65,071	1	65,072
Valuations and other adjustments	(19,100)	-	(19,100)
Recovered amounts	(49,135)	(1,493)	(50,628)
Exchange differences	330	(91)	239
Closing balance - December 31, 2017	225,373	606	225,979

The following is a breakdown of impairment to financial assets based on their maturity:

	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Impairment to accounts receivable	81,187	68,118	33,743	42,325	225,373
Impairment to investments	606	-	-	-	606
Total	81,793	68,118	33,743	42,325	225,979

9.3. Financial liabilities

The table below shows the financial liabilities held by Grupo SURA:

	Note	2017	2016
Other financial liabilities	9.3.1.	2,206,051	3,705,478
Trade and other account payables	9.3.2.	2,881,223	2,607,370
Accounts payable to related parties	25	2,378	68,096
Issued securities	23	7,836,685	6,038,924
		12,926,337	12,419,868

Current and non-current financial liabilities are broken down as follows:

Year-end 2017

Current	Financial liabilities at amortized cost	Financial liabilities at fair value	Lease rentals	Total
Lease rentals (*)	-	-	36,479	36,479
Derivatives (*)	-	1,893	-	1,893
Accounts payable	2,881,191	-	-	2,881,191
Accounts payable to related parties	2,378	-	-	2,378
Other financial liabilities (*)	1,037,090	-	-	1,037,090
Total	3,920,659	1,893	36,479	3,959,031

Non-current	Financial liabilities at amortized cost	Financial liabilities at fair value	Lease rentals	Total
Lease rentals (*)	-	-	63,334	63,334
Derivatives (*)	-	168,794	-	168,794
Accounts payable	32	-	-	32
Other financial liabilities (*)	898,461	-	-	898,461
Issued securities	7,836,685	-	-	7,836,685
Total	8,735,178	168,794	63,334	8,967,306

Financial liabilities	12,655,837	170,687	99,813	12,926,337
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Year-end 2016

Current	Financial liabilities at amortized cost	Financial liabilities at fair value	Lease rentals	Total
Lease rentals (*)	-	-	31,707	31,707
Derivatives (*)	-	21,653	-	21,653
Accounts payable	2,600,487	-	-	2,600,487
Accounts payable to related parties	68,096	-	-	68,096
Financial obligations (*)	2,488,967	-	-	2,488,967
Total	5,157,550	21,653	31,707	5,210,910

Non-current	Financial liabilities at amortized cost	Financial liabilities at fair value	Lease rentals	Total
Lease rentals (*)	-	-	86,253	86,253
Derivatives (*)	-	587,933	-	587,933
Accounts payable	6,883	-	-	6,883
Financial obligations (*)	488,965	-	-	488,965
Issued securities	6,038,924	-	-	6,038,924
Total	6,534,772	587,933	86,253	7,208,958
Financial liabilities	11,692,322	609,586	117,960	12,419,868

The maturities of the financial obligations held at year-end are shown as follows:

2017	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Lease rentals (*)	36,479	52,553	10,781	99,813
Derivatives (*)	1,893	79,974	88,820	170,687
Other accounts payable	2,881,191	32	-	2,881,223
Accounts payable to related parties	2,378	-	-	2,378
Financial obligations (*)	1,037,090	890,107	8,354	1,935,551
Bonds and securities	-	546,889	7,289,796	7,836,685
Total	3,959,031	1,569,555	7,397,751	12,926,337

2016	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Lease rentals (*)	31,707	74,958	11,295	117,960
Derivatives (*)	21,653	126,796	461,137	609,586
Other accounts payable	2,600,487	6,883	-	2,607,370
Accounts payable to related parties	68,096	-	-	68,096
Financial obligations (*)	2,488,967	488,564	401	2,977,932
Bonds and securities	-	2,799,829	3,239,095	6,038,924
Total	5,210,910	3,497,030	3,711,928	12,419,868

These financial liabilities at fair value correspond to derivatives classified in Level 2 of the fair value hierarchy. The majority of these are valued by discounting their present value at market rates or using the Black-Scholes methodology.

Financial liabilities per individual country are shown as follows:

Year-end 2017	Argentina	Bermuda	Brazil	Chile	Colombia	Curaçao	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Financial obligations (*)	-	-	-	42,236	1,787,166	-	-	-	-	47,331	46,834	11,942	42	-	1,935,551
Derivatives (*)	-	-	-	42	170,645	-	-	-	-	-	-	-	-	-	170,687
Lease rentals (*)	-	-	-	10,877	41,054	-	-	-	-	47,882	-	-	-	-	99,813
Trade and other account payables	217,723	23,486	120,351	1,035,528	1,038,386	9	-	-	146,751	66,974	55,231	77,388	46,564	52,832	2,881,223
Accounts payable to related parties	1	-	743	-	1,535	-	-	-	-	-	-	-	99	-	2,378
Issued securities	-	-	-	-	3,809,137	1,496,386	-	-	-	2,531,162	-	-	-	-	7,836,685
	217,724	23,486	121,094	1,088,683	6,847,923	1,496,395	-	-	146,751	2,693,349	102,065	89,330	46,705	52,832	12,926,337

2016	Argentina	Bermuda	Brazil	Chile	Colombia	Curaçao	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Financial obligations (*)	-	-	-	-	2,938,648	-	-	-	-	-	27,235	12,003	46	-	2,977,932
Derivatives (*)	-	-	-	474,398	135,188	-	-	-	-	-	-	-	-	-	609,586
Lease rentals (*)	-	-	-	13,211	53,575	-	-	-	-	51,174	-	-	-	-	117,960
Trade and other accounts payable	196,395	140	125,206	935,004	849,498	16	108	94	189,006	69,107	83,304	73,481	39,894	46,117	2,607,370
Accounts payable to related parties	1	-	758	181	66,894	-	-	-	-	163	-	-	99	-	68,096
Issued securities	-	-	-	-	1,984,306	1,503,425	-	-	-	2,542,192	9,001	-	-	-	6,038,924
	196,396	140	125,964	1,422,794	6,028,109	1,503,441	108	94	189,006	2,662,636	119,540	85,484	40,039	46,117	12,419,868

(*) forming part of a group of other financial liabilities that includes leases, derivatives and financial obligations.

9.3.1. Other financial liabilities

The other financial liabilities account is broken down as follows

	Note	2017	2016
Financial leasing arrangements	10	99,813	117,960
Derivatives	14	170,687	609,586
Financial obligations	(1)	1,935,551	2,977,932
		2,206,051	3,705,478

The movements recorded in the other financial liabilities account are shown as follows:

Balance at December 31, 2015	2,627,940
Loans received	4,176,502
Interest paid	(180,703)
Accrued interest	142,827
Loans paid	(2,911,539)
Valuations	(175,375)
Exchange differences	26,143
Overdrafts	(317)
Balance held at year-end 2016	3,705,478
Loans received	2,689,365
Interest paid	(132,845)
Accrued interest	143,879
Loans paid	(4,281,512)
Leasing payments	(949)
Valuations of derivatives	63,449
Exchange differences	19,186
Balance held at December 31, 2017	2,206,051

Grupo SURA had not defaulted on any payments of principal, interest and other amount owing on its financial liabilities at year-end 2017 and 2016.

- (1) The maturities and description of the financial obligations held at year-end 2017 and 2016 are as follows:

Financial institution	Interest rate	Maturity	2017	2016
BBVA España	LIBOR + 1.25% /1.5%	2020	298,974	300,280
Banco de Bogotá S.A.	IBR + 2.40%	2019	287,705	289,664
Bancolombia S.A.	IBR + 2.24%	2020	227,396	-
Bancolombia S.A.	IBR + 2.18%	2020	200,343	-
Banco de Bogotá S.A.	CPI + 2.85%	2018	159,999	160,001
BBVA S.A.	7.70%	2020	104,491	138,288
Banco de Bogotá S.A.	DTF + 1.39%	2018	91,501	90,000
Overdrafts / Repos	0.00%	N/A	80,920	6,975
Banco de Bogotá S.A.	IBR + 1.78%	2018	61,999	-
Banco de Crédito del Perú	TEA 2,090%	2018	46,837	-

Financial institution	Interest rate	Maturity	2017	2016
Banco Popular S.A	IBR + 2.0%	2018	36,068	36,025
Banco de Bogotá S.A.	IBR+1.78%	2018	34,999	35,000
Banco de Bogotá S.A.	N/A	2018	33,880	-
Bancolombia Panamá	LIBOR + 0.9%	2018	29,618	-
Banco de Bogotá S.A.	3 mth IBR + 3.21%	2018	25,133	25,102
Banco Popular S.A	CPI + 4%	2018	25,133	-
Banco de Bogotá S.A.	3 mth IBR + 2.80%	2018	20,106	20,081
Bancolombia S.A.	1 mth IBR + 2.0%	2018	15,080	-
Itaú Corpbanca Colombia S.A	CPI + 4%	2018	15,080	-
Bancolombia S.A.	1 mth IBR + 2.05%	2018	15,080	-
Itaú Corpbanca Colombia S.A	3.35%	2018	11,941	-
Banco Popular S.A	1 mth IBR + 3%	2018	11,361	15,328
Bancolombia S.A.	1 mth IBR + 2.0%	2018	11,057	-
Bancolombia S.A.	1 mth IBR + 2.14%	2018	10,053	-
Bancolombia S.A.	1 mth IBR + 2.85%	2018	10,053	-
Banco Popular S.A	1 mth IBR + 2.0%	2018	10,053	15,061
Bancolombia Panamá	LIBOR + 0.9%	2018	8,970	-
Bancolombia S.A.	IBR + +3.20%	2018	7,003	-
Banco de Bogotá S.A.	N/A	2018	5,225	16,390
Banco Popular S.A	CPI + 4%	2018	5,027	-
Banco Av Villas S.A.	1 mth IBR + 3.20%	2018	5,026	-
Bancolombia S.A.	8.58%	2022	4,522	-
Bancolombia S.A.	IBR + +3.30%	2018	4,519	-
Banco Popular S.A	CPI + 4%	2018	4,012	-
Bancolombia S.A.	IBR + +3.79%	2018	3,352	3,352
Bancolombia Panamá	LIBOR + 0.9%	2018	2,992	-
Bancolombia Panamá	LIBOR + 0.95%	2018	2,400	-
Bancolombia Panamá	LIBOR + 0.8%	2018	1,792	-
Bancolombia Panamá	LIBOR + 0.95%	2018	1,559	-
Bancolombia S.A.	7.01%	2018	1,506	-
Bancolombia S.A.	IBR + +4.40%	2020	1,336	1,850
Factoring Bancolombia	N/A	2018	902	-
Bancolombia S.A.	IBR + +4.30%	2022	511	601
Bancolombia S.A.	33.39%	2018	17	-
Bancolombia S.A.	30.91%	2018	12	-
Bancolombia S.A.	33.39%	2018	7	-
Bancolombia S.A.	33.39%	2018	1	-
Banco Av Villas S.A.	DTF qtly in adv.+ 3.46%	2017	-	15,061
Banco de Occidente S.A	DTF qtly in adv + 3.37%	2017	-	15,061
Helm Bank Panamá S.A	3.35%	2017	-	12,003
Banco Av Villas S.A.	DTF E.A.R. + 3.70%	2017	-	11,043
Banco de Bogotá S.A.	DTF qtly in adv + 3.35%	2017	-	10,041

Financial institution	Interest rate	Maturity	2017	2016
Banco Popular S.A	DTF qly in adv + 3.15%	2017	-	10,041
Banco Popular S.A	1-mth IBR + 3,25	2017	-	5,020
Banco Av Villas S.A.	DTF EAR 3.51	2017	-	5,019
Banco Popular S.A	1 mth IBR + 3%	2017	-	4,000
Helm Bank Panamá S.A	6-mth LIBOR + 1.77%	2017	-	1,511
Bancolombia Panamá	LIBOR + 1.47%	2017	-	246,433
Citigroup Global Market	LIBOR + 0.45%	2017	-	220,977
Davivienda S.A.	LIBOR+ 1.50%	2017	-	136,237
Citigroup Global Market	LIBOR + 0.45%	2017	-	54,122
Bancolombia Panamá	LIBOR+ 1.68%	2017	-	180,043
Bancolombia Panamá	6-mth LIBOR + 2.7%	2018	-	135,032
Davivienda Miami	LIBOR+ 1.75%	2017	-	30,007
Alimentos y Bebidas Gourmet SAC	0.00%	2020	-	48
Huawei del Perú S.A.C.	0.00%	2020	-	75
Kennedys Law Perú Soc. Civil de Resp Ltd.	0.00%	2020	-	33
Gallagher Jao Corredores de Reaseugros S.A.	0.00%	2020	-	72
Mapfre Perú	0.00%	2020	-	171
Banco de Bogotá S.A.	IBR + 3.17%	2017	-	87,000
Banco de Bogotá S.A.	IBR + 3.17%	2017	-	39,999
Banco de Bogotá S.A.	IBR + 3.26%	2017	-	124,601
BBVA S.A.	11%	2017	-	36,999
BBVA S.A.	CPI + 3.1%	2017	-	27,000
Davivienda S.A.	CPI + 2.1%	2017	-	103,467
Banco de Bogotá S.A.	DTF + 3.69%	2017	-	69,001
Davivienda S.A.	CPI + 2.7%	2017	-	12,201
Davivienda S.A.	CPI + 2.7%	2017	-	42,799
Itaú Corpbanca Colombia S.A	DTF + 3.59%	2017	-	14,001
Davivienda S.A.	CPI + 3.4%	2017	-	44,999
Davivienda S.A.	CPI + 3.4%	2017	-	44,999
Banco de Bogotá S.A.	CPI + 2.75%	2017	-	20,000
Banco de Bogotá S.A.	CPI + 2.98%	2017	-	27,000
Banco de Crédito del Perú	TEA 6,135%	2017	-	26,835
Bancolombia S.A.	11.02%	2017	-	1,004
Bancolombia S.A.	11.02%	2017	-	500
Bancolombia S.A.	11.02%	2017	-	2,008
Helm Bank	11.28%	2017	-	2,501
Helm Bank	10.80%	2017	-	2,002
Helm Bank	10.80%	2017	-	1,502
Factoring Bancolombia	N/A	2017	-	1,425
Bancolombia S.A.	28.92%	2017	-	34
Bancolombia S.A.	28.92%	2017	-	7
			1,935,551	2,977,932

9.3.2. Trade and other accounts payable

The following is a breakdown of the accounts payable account:

	2017	2016
Foreign reinsurers - current account	885,825	771,499
Commissions	400,811	343,083
Suppliers	277,097	234,524
Others*	273,931	310,839
Settled claims pending payment	160,278	146,475
Commissions	116,045	93,078
Installments on retirement pensions	108,804	87,897
Ceded co-insurance- current account	100,653	103,365
Services	93,877	92,561
Withholding tax	48,796	47,538
Deposits- policies	45,962	22,844
Obligations in favor of life insurance policy-holders	45,738	20,081
Ceded premiums payable	44,779	47,959
Fosyga	40,988	40,322
Uncollected drawn checks	25,590	19,721
On collected premiums	25,185	24,062
Fund members and beneficiaries	19,202	17,530
Services	17,627	21,332
Fees	16,783	41,838
Pension funds	16,245	14,660
Health care institutions	14,148	13,067
National Road Safety Fund	11,438	11,722
Advertising and publicity	10,575	4,613
Withholdings and payroll contributions	10,401	9,041
Traffic accident settlements	9,735	8,469
Policy applications	8,355	5,059
Premiums receivable on ceded co-insurance	7,896	13,081
Health care entities	7,665	5,812
State or government creditors	5,758	4,851
Other deposits	5,367	1,790
Deposits retained from domestic reinsurers	5,133	29
Accepted co-insurance current account	4,406	12,679
Contributions to family welfare and apprentice institutes	4,390	3,832
Dividends due to life insurance policy-holders	4,321	4,112

	2017	2016
Employee fund	1,192	996
Colpensiones	1,086	953
National Fire-fighter Fund	987	1,039
Lease rentals	861	427
Cooperatives	692	35
Worker's compensation fund	607	533
Foreign ceding companies - current account	534	88
Sustainability rate for Ministry of Transport Registrations	365	341
Insurance	343	196
Accounts payable on joint operations	266	349
Legal	161	107
Labor unions	122	113
Maintenance and repairs	102	100
Collections on automatic disenrollments	68	68
Traveling expense	14	2
Other trade associations	10	-
On other transactions	8	55
Legal expense	1	5
Superintendencia Financiera de Colombia (Colombian Superintendency of Finance)	-	47
Worker's compensation fund	-	1,016
Health care entities	-	1,535
	2,881,223	2,607,370

(*) Miscellaneous trade payables mainly include installments on retirement pensions, uncollected drawn checks, insurance, etc.

NOTE 10. LEASES

10.1. Financial leasing arrangements

10.1.1. Financial obligations

The total value of financial leasing arrangements recorded as a liability at year-end is shown as follows:

	2017	2016
Current financial leasing arrangements	32,488	40,449
Non-current financial leasing arrangements	67,325	77,511
Total financial leasing arrangements (Notes 9.3.1)	99,813	117,960

Financial leasing arrangements are shown as follows:

Financial institution	Interest rate	Maturity	2017	2016
Bancolombia Panamá	LIBOR + 3.25%	2019	47,882	51,174

Financial institution	Interest rate	Maturity	2017	2016
Corficolombiana	7.89%	2031	14,771	15,286
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2018	7,198	11,690
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2018	5,170	8,433
Itaú	DTF + 2.9%	2019	3,837	2,824
Banco de Chile	2.93%	2020	2,754	4,321
Banco de Chile	1.80%	2020	2,557	3,823
Banco de Occidente S.A.	6.42%	2019	1,933	1,803
Banco de Chile	1.80%	2020	1,778	1,593
Bancolombia S.A.	0.064216	2021	1,665	3,941
Banco de Bogotá S.A.	2.93%	2020	1,459	702
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2018	1,315	2,127
HP Financial Services Colombia LL	-	2019	1,167	-
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2018	726	1,304
Banco de Chile	2.93%	2020	713	1,140
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2018	665	955
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2019	628	935
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2019	575	849
Banco de Chile	2.81%	2020	385	534
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2019	377	188
Banco de Chile	2.91%	2020	376	507
Banco de Bogotá S.A.	2.93%	2020	373	154
Banco de Bogotá S.A.	2.81%	2020	278	249
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2019	250	374
Banco de Bogotá S.A.	2.91%	2020	206	186
Leasing Bancolombia S.A.	1%	2019	144	801
Leasing Bancolombia S.A.	DTF + 5,5 mthly in arrears	2019	115	572
Leasing Bancolombia S.A.	1%	2019	99	177
Leasing Bancolombia S.A.	1%	2019	77	178
Leasing Bancolombia S.A.	1%	2019	71	121
Leasing Bancolombia S.A.	1%	2019	50	90
Leasing Bancolombia S.A.	0%	2019	45	80
Leasing Bancolombia S.A.	1%	2019	42	66
Leasing Bancolombia S.A.	0%	2019	36	67
Renting Colombia S.A.S	6.42%	2018	28	46
Leasing Bancolombia S.A.	1%	2018	27	57
Bancolombia S.A.	DTF-2.56	2019	20	39
Leasing Bancolombia S.A.	3%	2018	11	35

Financial institution	Interest rate	Maturity	2017	2016
Leasing Bancolombia S.A.	1%	2019	10	19
Leasing Bancolombia S.A.	1%	2017	-	170
Leasing Bancolombia S.A.	1%	2017	-	19
Leasing Bancolombia S.A.	0%	2017	-	11
Leasing Bancolombia S.A.	1%	2017	-	89
Leasing Bancolombia S.A.	1%	2017	-	23
Leasing Bancolombia S.A.	1%	2017	-	44
Leasing Bancolombia S.A.	1%	2017	-	96
Leasing Bancolombia S.A.	1%	2017	-	51
Leasing Bancolombia S.A.	1%	2017	-	17
			99,813	117,960

10.1.2. Property and equipment subject to financial leasing arrangements

The year-end carrying values of Grupo SURA's property and equipment subject to financial leasing arrangements, are as follows:

2017

	Buildings	Transport equipment	Office equipment	Fixtures and accessories	Medical equipment and machinery	Total
Cost						
Cost at January 1, 2017	59,681	61,755	13,291	20,406	8,140	163,273
Additions	-	-	1,939	-	-	1,939
Disposals (-)	(4,190)	-	(2,838)	-	(1,535)	(8,563)
Other changes	66	3,057	(148)	2,208	-	5,183
Book cost at year-end 2017	55,557	64,812	12,244	22,614	6,605	161,832
Accumulated depreciation and impairment						
Accumulated depreciation and impairment at January 1, 2017	(2,493)	(26,605)	(8,933)	(6,977)	(2,738)	(47,746)
Depreciation for the period	(641)	(6,869)	(3,454)	-	-	(10,964)
Disposals (-)	799	-	-	(2,397)	188	(1,410)
Other changes	85	3,794	2,823	(1,069)	-	5,633
Accumulated depreciation and impairment at December 31, 2017	(2,250)	(29,680)	(9,564)	(10,443)	(2,550)	(54,487)
Property and equipment at year-end 2017	53,307	35,132	2,680	12,171	4,055	107,345

2016

	Buildings	Transport fleet and equipment	IT equipment	Fixtures and accessories	Medical equipment and machinery	Total
Cost						
Cost at January 1, 2015	107,935	64,812	39,659	19,874	9,609	241,889
Additions	15,324	-	39	108	-	15,471
Disposals (-)	(63,578)	-	(6,031)	-	(1,469)	(71,078)
Other changes	-	(3,057)	(20,377)	424	-	(23,010)

Book cost at year-end 2016	59,681	61,755	13,290	20,406	8,140	163,272
Accumulated depreciation and impairment						
Accumulated depreciation and impairment at January 1, 2015	(2,656)	(20,832)	(29,266)	(4,557)	(2,768)	(60,078)
Depreciation for the period	(85)	(6,869)	787	(2,346)	-	(8,512)
Disposals (-)	248	-	-	-	30	278
Other changes	-	1,095	19,546	(75)	-	20,566
Accumulated depreciation and impairment at year-end 2016	(2,493)	(26,606)	(8,933)	(6,978)	(2,738)	(47,745)
Property and equipment at year-end 2016	57,188	35,149	4,357	13,428	5,402	115,526

10.1.3. Breakdown of minimum lease payments

Grupo SURA's financial leasing terms are listed as follows:

	Minimum lease payments - 2017	Present value of minimum lease payments - 2017	Interest expense - 2017	Present value of minimum lease payments - 2016
Up to one year	36,657	32,488	4,169	40,449
From one to five years	62,882	56,140	6,742	71,143
More than 5 years	13,022	11,185	1,838	6,368
Total lease payments	112,561	99,813	12,749	117,960

10.1.4. The more significant financial leasing arrangements

The most significant financial leasing arrangements entered into by Grupo de Inversiones Suramericana correspond to medical equipment as well as properties leased in Medellin, Bogota and Cali for the purpose of building clinics.

Other significant arrangements include an aircraft lease through its subsidiary Planeco, with Bancolombia Panama and leasing the One Plaza building where Grupo Sura has located its new HQ.

Grupo de Inversiones Suramericana also leases computer and communications equipment, through its subsidiaries Compuredes and Enlace Operativo order to cover service agreements with clients as well as for their own use. Software programs and licenses are also leased under financial leasing arrangements

The following is a breakdown of the most significant financial lease arrangements and their corresponding balances, as included in the income statement.

Contract	Description	Value recorded in the income accounts (other than contingent lease payments)	Contingent lease payments included in the income accounts
9887076	Lease obligation	4,555	380
9880667	Lease obligation	3,726	310
9892557	Lease obligation	3,074	256
9887136	Lease obligation	2,538	211

999633	Airplane lease	2,045	85
9886128	Lease obligation	1,778	148
9887135	Lease obligation	1,763	147
49539	Leased building in Medellin	1,740	915
50733	Leased offices in One Plaza	1,651	125
158315	Banco Agrario Juniper / expedited check point infrastructure	1201	---
49952	Leased building in Calle 100 in Bogota	1,055	726
9890393	Lease obligation	955	80
158878	Banco Agrario Juniper / expedited check point infrastructure	581	---
180110411	Rent-back arrangements Applus 18	377	---
49954	Leased building in Cali	265	193
118404-3	Lease obligation	227	19
126184-1	Lease obligation	221	18
COL168-09	Appendix - framework agreement with Public Prosecutor's Office	160	---
180110410	Internal rent-back arrangements 16, Internal Technology ARUS	145	---
167732	Equipment, servers, networking services for OTIS	128	---
92027	Leased AutoSura building in Medellin	123	79
9886271	Lease obligation	102	9
148832	Resonador and Tac Sao Paulo	47	23
145108	Lab equipment	19	12
		28,476	3,736

10.2. Operating leasing arrangements

The more significant operating leasing arrangements include:

- The real estate property belonging to the Sura branch in el Poblado, Salud Sura Sao Paulo, IPS Sura Sandiego, IPS Sura los Molinos, the Autosura warehousing facilities in Medellín as well as the Metropolitan Business Center Building.
- Real estate leased for the operating and administrative headquarters of Enlace Operativo y Compuredes.

Minimum operating lease payments are shown as follows:

	Minimum lease payments	
	2017	2016
Up to one year	44,010	4,822
From one to five years	65,391	2,946
More than 5 years	65,527	15
Total lease payments	174,928	7,783

The following is a breakdown of the operating lease expense recorded by the companies that make up Grupo Sura.

	2017	2016
Suramericana (Consolidated)	74,678	58,038
Sura Asset Management (Consolidated)	49,252	48,593
Arus (Consolidated)	7,057	5,568
Hábitat Adulto Mayor	369	-
Grupo de Inversiones Suramericana	316	61
Inversiones y Construcciones Estratégicas S.A.S	2	-
	131,674	112,260

Restrictions

To date there are no restrictions as to the operating and financial leasing arrangements held by Grupo SURA with regard to dividend distributions, additional debt or new leasing agreements.

NOTE 11. INSURANCE CONTRACTS

11.1. Technical insurance reserves - reinsurers

Reinsurance

Reinsurance assets represent the benefits obtained from insurance contracts at the closing date of the Statement of Financial Position.

	2017	2016
Reinsured reported claims	1,796,816	1,369,095
Reinsured ongoing risk	1,297,282	1,201,572
Reinsured unreported claims	119,113	78,889
Deposits - reinsurers	1,109	10,195
Technical insurance reserves - reinsurers	3,214,320	2,659,751

Grupo SURA has diversified its insurance risk by operating in different industries and having a broad presence on the international markets.

Grupo SURA applies a set of procedures and limits so as to be able to control the degree to which its insurance risk is concentrated. Reinsurance arrangements are commonly used to mitigate the risk arising from any concentration or accumulation of insurance guarantees that exceed the maximum accepted levels.

The insurance companies belonging to Grupo SURA have transferred part of the risk of their insurance contracts to reinsurance companies so as to be able to share out future claims.

11.2. Premiums

The net premiums obtained at year-end by Grupo SURA and Subsidiaries are as follows:

	2017	2016
Life insurance contracts	6,896,139	6,599,089
Non-life insurance contracts	7,440,798	5,775,626

Written premiums	14,336,937	12,374,715
Life insurance contracts- reinsurance portion	(245,540)	(180,511)
Non-life insurance contracts- reinsurance portion	(2,109,873)	(1,670,527)
Ceded premiums	(2,355,413)	(1,851,038)
Total net premiums	11,981,524	10,523,677

Accrued premiums for each individual country are shown as follows:

Year-end 2017	Life insurance contracts	Non-life insurance contracts	Written premiums	Life insurance contracts-reinsurance portion	Non-life insurance contracts-reinsurance portion	Ceded premiums	Total net premiums
Argentina	-	1,212,273	1,212,273	-	(140,928)	(140,928)	1,071,345
Bermuda	-	25,760	25,760	-	(25,757)	(25,757)	3
Brazil	-	544,326	544,326	-	(70,597)	(70,597)	473,729
Chile	1,894,742	1,694,820	3,589,562	(31,670)	(731,313)	(762,983)	2,826,579
Colombia	4,517,276	2,229,280	6,746,556	(172,494)	(751,920)	(924,414)	5,822,142
Mexico	293,613	615,684	909,297	-	(136,611)	(136,611)	772,686
Panama	-	424,554	424,554	-	(64,938)	(64,938)	359,616
Dominican Republic	-	250,214	250,214	-	(136,938)	(136,938)	113,276
El Salvador	190,508	140,788	331,296	(41,376)	(23,241)	(64,617)	266,679
Uruguay	-	303,099	303,099	-	(27,630)	(27,630)	275,469
	6,896,139	7,440,798	14,336,937	(245,540)	(2,109,873)	(2,355,413)	11,981,524

Year-end 2016	Life insurance contracts	Non-life insurance contracts	Written premiums	Life insurance contracts-reinsurance portion	Non-life insurance contracts-reinsurance portion	Ceded premiums	Total net premiums
Argentina	-	797,797	797,797	-	(103,473)	(103,473)	694,324
Brazil	-	481,475	481,475	-	(48,896)	(48,896)	432,579
Chile	2,191,850	1,233,628	3,425,478	(23,215)	(580,926)	(604,141)	2,821,337
Colombia	3,958,831	2,055,637	6,014,468	(125,825)	(619,411)	(745,236)	5,269,232
Mexico	268,432	312,659	581,091	-	(85,311)	(85,311)	495,780
Panama	-	387,272	387,272	-	(75,487)	(75,487)	311,785
Dominican Republic	-	233,989	233,989	-	(121,062)	(121,062)	112,927
El Salvador	179,976	129,743	309,719	(31,471)	(19,189)	(50,660)	259,059
Uruguay	-	143,426	143,426	-	(16,772)	(16,772)	126,654
	6,599,089	5,775,626	12,374,715	(180,511)	(1,670,527)	(1,851,038)	10,523,677

11.3. Retained claims

Retained claims incurred by Grupo SURA and Subsidiaries at year-end 2017 and 2016 are as follows:

Year-end 2017	Life insurance	Non-life Insurance	Total claims	Life insurance	Non-life Insurance	Reimbursed claims	Total retained claims
Argentina	-	549,882	549,882	-	(5,538)	(5,538)	544,344
Brazil	-	304,943	304,943	-	(87,664)	(87,664)	217,279
Chile	1,006,121	1,244,372	2,250,493	(529)	(843,534)	(844,063)	1,406,430
Colombia	2,767,686	1,493,540	4,261,226	(151,363)	(512,745)	(664,108)	3,597,118
Mexico	107,967	342,897	450,864	-	(101,339)	(101,339)	349,525
Panama	-	153,976	153,976	-	(35,638)	(35,638)	118,338
Dominican Republic	-	102,827	102,827	-	(41,841)	(41,841)	60,986
El Salvador	93,362	46,607	139,969	(37,391)	(1,696)	(39,087)	100,882
Uruguay	-	125,085	125,085	-	(20,927)	(20,927)	104,158
	3,975,136	4,364,129	8,339,265	(189,283)	(1,650,922)	(1,840,205)	6,499,060

Year-end 2016	Life insurance	Non-life Insurance	Total claims	Life insurance	Non-life Insurance	Reimbursed claims	Total retained claims
Argentina	-	320,180	320,180	-	(39,227)	(39,227)	280,953
Brazil	-	231,436	231,436	-	(44,056)	(44,056)	187,380
Chile	645,810	632,264	1,278,074	(171)	(398,360)	(398,531)	879,543
Colombia	2,373,017	1,585,068	3,958,085	(102,563)	(731,603)	(834,166)	3,123,919
Mexico	95,806	187,387	283,193	-	(81,624)	(81,624)	201,570
Panama	-	135,708	135,708	-	(21,537)	(21,537)	114,171
Dominican Republic	-	80,106	80,106	-	(18,909)	(18,909)	61,197
El Salvador	91,432	50,331	141,763	(40,427)	(3,448)	(43,875)	97,888
Uruguay	-	65,620	65,620	-	(17,719)	(17,719)	47,901
	3,206,065	3,288,100	6,494,165	(143,161)	(1,356,483)	(1,499,644)	4,994,521

The Group's insurance companies are shown in the following table:

	Colombia	Chile	Mexico	Peru	Argentina	Brazil	Uruguay	Panama	Dominican Republic	El Salvador
Life insurance										
Seguros de Vida Suramericana S.A.	X									
Seguros de Riesgos Profesionales Suramericana S.A.	X									
Seguros de vida Sura S.A.		X								
Seguros de Vida Sura México S.A. de C.V.			X							
Pensiones Sura S.A. de C.V.			X							
Asesuisa Vida S.A.										X
Seguros Sura S.A.				X						
Seguros de Vida S.A.		X								
Non-life insurance										
Seguros Generales Suramericana S.A.	X									

Seguros Suramericana Panamá S.A.			X
Seguros Sura S.A.			X
Aseguradora Suiza Salvadoreña S.A.			X
Afore Sura S.A. De C.V.	X		
Seguros Sura S.A.		X	
Atlantis Sociedad Inversora S.A.		X	
Seguros Sura S.A.		X	
Seguros Sura S.A.			X

Grupo SURA and Subsidiaries hold the following reserves:

	2017	2016
Mathematical reserve	11,287,760	13,215,886
Reserve for unearned premiums	8,103,252	7,140,327
Reserve for non-reported claims (IBNR)	1,585,659	1,392,739
Reserve for reported claims	4,772,739	3,828,052
Special reserves	161,815	133,620
Other reserves	283,999	278,990
Total technical insurance reserves	26,195,224	25,989,614

Grupo SURA considers that adequate premiums are of crucial importance and therefore additional support is provided in the form specific IT applications.

The treatment of benefits, as well as the adequacy of provisions, are basic principles of insurance management. Technical provisions are estimated by the actuarial staff based in the different countries.

The movement and effects on measuring insurance and reinsurance liabilities are presented below:

	Insurance liabilities	Assets - insurance contracts	Net
At December 31, 2015	18,865,979	581,124	18,284,855
Changes to reserves	4,674,928	1,022,093	3,652,835
Additions - business combinations	3,147,521	1,058,922	2,088,599
Currency translation adjustments	(865,907)	(4,880)	(861,027)
Monetary correction adjustments	167,093	(503)	167,596
Reclassifications	-	2,995	(2,995)
At year-end 2016	25,989,614	2,659,751	23,329,863
Changes to reserves	3,372,124	608,319	2,763,805
Currency translation adjustments	710,338	2,797	707,541
Monetary correction adjustments	131,478	-	131,478
De-recognized insurance operation Seguros SURA Perú	(4,008,330)	(56,547)	(3,951,783)
At December 31, 2017	26,195,224	3,214,320	22,980,904

Technical reserves held by each individual country are shown as follows:

	2017	2016
Chile	11,196,089	8,816,968
Colombia	9,756,956	8,721,983
Mexico	2,612,360	2,006,747
Argentina	988,860	885,551
Brazil	452,988	519,700
Panama	446,716	412,035
El Salvador	343,865	349,904
Uruguay	230,394	215,049
Dominican Republic	150,013	140,751
Bermuda	16,983	-
Peru	-	3,920,926
Total	26,195,224	25,989,614

NOTE 12. INVENTORIES

Inventories are broken down as follows

	2017	2016
Merchandise not produced by the Company	483	185
Materials, spare parts and accessories	8,556	9,166
Other inventories*	5,308	4,484
Total	14,347	13,835

The Company uses the weighted average method to determine the cost of its inventories.

(*) Including other contracts being performed, hospital inventories, etc.

Restrictions

The Company's inventories have not been pledged as collateral for its liabilities and there are no restrictions as to their eventual sale or disposal.

Construction contracts

Grupo Sura, through its subsidiary Arus Holding S.A.S., (formerly Integradora de Servicios Tercerizados) draws up construction contracts for providing its outsourced services. The assets held in inventory that are used to render these services come under the scope of IAS 11 Construction Contracts. The following is an overview of this Subsidiary's more significant construction contracts

Year-end 2017

Product	Networks and cabling
Customer	Colombia Telecomunicaciones S.A. E.S.P.
Project	C-R006-12 - Access Control
Start date:	2016/07/06
Delivery date:	2019/08/21
Estimated contractual revenues	96
Incurring costs and expense	(39)
Cost of completing the contract	-
Estimated contractual costs and expense	(76)
Estimated earnings	20
Degree of completion	51%
Revenues based on degree of completion	51
Accrued revenues	4

Year-end 2016

Product	Networks and cabling	Networks and cabling
Customer	Colombia Telecomunicaciones S.A. E.S.P.	Colombia Telecomunicaciones S.A. E.S.P.
Project	C-R006-12 - Access Control	C-R079-10 Fiscalía Telefónica's HQ
Start date:	2016/07/06	2016/11/20
Delivery date:	2019/08/21	2017/12/31
Estimated contractual revenues	96	405
Incurring costs and expense	(37)	(48)
Cost of completing the contract	-	(274)
Estimated contractual costs and expense	(76)	(322)
Estimated earnings	20	84
Degree of completion	49%	15%
Revenues based on degree of completion	47	60
Accrued revenues	35	6

NOTE 13. TAXES

13.1. Applicable rules and regulations

Current tax provisions as applicable to Grupo SURA, its domestic subsidiaries as well as its foreign-based subsidiaries in Chile, Peru, Argentina, Brazil, Uruguay, Mexico, Panama, Dominican Republic, El Salvador and Spain, stipulate the following nominal income tax rates for 2017 and 2016:

Country	2017	2016	Country	2017	2016
Colombia	40%	40%	Mexico	30%	30%
Chile	25.5%	22.5%	Panama	25%	25%
Peru	29.5%	28%	Dominican Rep	27%	27%
Argentina	35%	35%	Republic	25%	25%
Brazil	45%	45%	El Salvador	25%	25%
Uruguay	25%	25%	Spain	25%	28%

- I. **Colombia:** taxable income is subject to a 25% income tax rate as well as 10% occasional gains tax., except for all those taxpayers that have been granted special rates. A new income tax for equity (CREE) was created in 2013. This tax was levied until December 31, 2016, on the amount of gross income obtained less non-income receipts, costs, deductions, tax exempt income and occasional gains tax, at a rate of 9%.

Law 1739 of 2014 provided for a surtax to be charged on equality income tax, to be paid on a temporary and incremental basis beginning with 5% for 2015, and 6% for 2016, this applicable to taxable bases of COP 800 million or more.

Law 1819 of 2016 abolished the equality income tax and corresponding surtax for the years 2017 and 2018 and in turn increased the income tax rate to 34% for 2017 and 33% for subsequent years by creating an income and ancillary surtax of 6% and 4% for the tax years of 2017 and 2018, respectively, the latter surtax to be applied to tax bases of COP 800 million onwards.

- II. **Chile:** current tax legislation in this part of the world provides for two separate regimes the "capital income" regime on the one hand and the "employment income" regime on the other. The former consists of a First Category Tax which is mainly paid by businesses and legal persons. When Law No. 20,780 was passed in September 2014 and later Law No. 20,899 in February 2017 this gave rise to two new tax systems: the attributed income regime carrying a tax rate of 25% as of 2017, and the partially integrated income regime subject to a tax rate of 25.5% for 2017 and another 27% for 2018 and subsequent years. The partially integrated income regime shall be that which shall apply on a general level, however, certain taxpayers may choose the attributed income regime. The tax rate for 2015 was 24% of the tax base, which is calculated by adding or reducing items as provided by law. The tax thus paid can be charged against Global Complementary Tax, which is levied on the total amount of income received by natural persons residing in the country; or Additional Tax, which is levied on income generated in Chile, by all natural and legal persons residing outside the country, as applicable.

III. **Peru:** the income tax rate at year-end 2017 and 2016 came to 29.5% of taxable income after calculating employee profit sharing interests, which, in accordance with current regulations, are calculated, in the Company's specific case, by applying a rate of 5% on net taxable income.

IV. **Brazil:** in Brazil there is a tax category applicable on gross income and net income.

- a) Tax on gross income is levied at a rate of 4.65% after deducting claims paid, as stipulated by Law 9,718 of 1998.
- b) Taxes on net income are levied at a rate of 15%, in the form of income tax, plus 10% on the portion that exceeds R \$ 240,000 of taxable income for each tax year.

Furthermore, there is a social contribution tax levied on net income at a rate of 20% tariff in effect until December 2018, this pursuant to Decree 3,000 of 1999. This rate shall be wound down to 15%, over the next couple of years, in accordance with Law 13,169 of 2015.

V. **Argentina:** there are three taxation tiers in this part of the world: national, provincial and municipal taxes. Income tax is levied at the current rate of 35% on estimated taxable income. Law 27,430 passed on December 29, 2017 introduced amendments to the Argentinian Income Tax legislation, including a 30% tax rate for limited companies for tax years beginning on or after January 1st 2018 until December 31st, 2019 whereupon its shall be reduced to 25% for the following years. Dividends are also taxed at rates of 7% and 13% respectively for the aforementioned years

Tax is also levied on gross income, for which the corresponding tax base consists of premiums net of cancellations, lease rentals, financial income and other taxable income. Deductions: claims paid net of recoveries, reinsurance and reserves for on-going risk and pending claims, are taxed at a rate of 5.5%.

VI. **Mexico:** income tax is directly levied on the amount of income obtained, that is to say the difference between income and the deductions allowed for the tax year in question. This tax must be paid on a monthly basis (as part of the annual amount of tax due) to the Mexican Tax Authorities, or the offices authorized by the Federal Entities. For the tax year 2017, Mexico's income tax rate came to 30%. Workers also pay a rate of 10% on their taxable income.

VII. **Panama:** in accordance with current tax regulations, retained earnings on the part of local insurance companies, that are duly registered according to Panamanian legislation, would be subject to a complementary tax of 4% as well as a dividend tax of 10%, once these retained earnings are distributed in the form of dividends, less the 4% complementary tax previously withheld and paid.

Law No. 8 passed on March 15, 2010, eliminated the so-called Alternate Income Tax Calculation (CAIR in Spanish) and replaced this with another form of presumptive income taxation that obliges any legal entity producing revenues in excess of B / .1,500,000 , to determine the corresponding tax base the greater of the following amounts: (a) net taxable income calculated using the ordinary method as stipulated in the Panamanian Tax Code and net taxable income that results from applying a tax rate of 4.67% to the total amount of taxable income. This Law also amended the general income tax rates with the Panamanian insurance companies paying a rate of 25% in income tax.

Any legal entity that incurs a loss as a result of calculating the amount of tax due using the presumptive method or, upon applying said presumptive method, its effective tax rate exceeds the tax rates applicable for the tax year in question, may request the Panamanian Inland Revenue to authorize them to calculate the amount of tax due using the traditional method.

- VIII. Dominican Republic:** the Tax Code in this country, as amended, provides for an income tax either on the net taxable income base or 1% of the assets subject to tax, whichever is the greater. Income tax rates pursuant to that stipulated in Law 253-12 were 27% for 2017 and 27% from 2016 onwards. This law also introduced important changes for related party transactions as well as the obligation to include transactions carried out with domestic related entities in transfer pricing studies and the corresponding declarations for this type of transaction. It also included the concept of non-deductible expense, thin capitalization applicable also to debts with foreign entities, where the debt-equity ratio cannot exceed 3 to 1
- IX. El Salvador:** companies who are incorporated and duly existing in El Salvador pay income tax on income earned in that country, according to the Income Tax Law, contained in Legislative Decree No. 134 issued December 18, 1991 which has been in full force and effect since January 1992 Pursuant to this law, all legal persons, whether they are domiciled in El Salvador or not, must calculate the amount of income tax payable at a rate of thirty per cent (30%), except for companies which have obtained taxable income less than or equal to one hundred fifty thousand dollars (US 150,000.00) in which case a tax rate of twenty-five per cent (25%) shall apply, excluding from this calculation all income subject to final withholding income tax based on the percentages prescribed by law.
- X. Uruguay:** the main taxes levied in this part of the world, pursuant to current tax regulations, that is to say, Updated Text first issued in 1996 (Headings 4, 6, 10, 14,7 and 8), are Income Tax, Wealth Tax, VAT as well as Personal and Non-Resident Income Tax. The corresponding tax rates are 25% for Income Tax, 1.5% for Wealth Tax, 22% VAT and between 7% and 12% in the case of Persona and Non-Resident Income Tax. On the other hand, insurance companies pay income tax at rates that vary between 5% and 7% depending on the portfolio (Heading 6 of Updated Text first issued in 1996) and the Uruguayan Blood Tax levied at a rate of 2% on written premiums.
- XI. Bermuda:** there are no taxes on profits, income, dividends or capital gains in this part of the world neither are there any tax withholdings. Profits may accrue but there is no obligation to pay dividends. Should any direct taxes be applied, there is the possibility of entering into legal stability arrangements with the local government thereby affording protection until the year 2035. Although there are no taxes levied on corporate income, investment income sourced from abroad may be subject to PAYG withholding tax. The interest accruing on deposits in foreign currency are tax exempt.
- XII. Spain**
With the enactment of Law 27 on 27 November, 2014 new changes were introduced to Spain's corporate tax regime, the more relevant being the following:

Corporate Tax Regime Applicable to Foreign Securities Holding Companies

This regime allows Foreign Securities Holding Companies ("FSHC") to apply the exemption method on income obtained from stakes held in non-resident entities that meet certain requirements.

One of the main changes introduced by this new tax reform was to increase the minimum investment held to 20 million euros (from the previous 6 million euros) in order to qualify for said tax regime in the case when said entities do not hold a minimum stake of 5%.

However, this new reform does not apply to those entities that were already applying the regime accorded to Foreign Securities Holding Companies ("FSHC") for the tax years prior to January 1, 2016 and had been complying with the previous limit of 6 million euros in the stake held in its investee companies.

Tax Rate

The standard 30% rate shall be gradually reduced over a period of two years to 25%

In 2016: 28%

In 2017: 25%

13.2. Current tax

The following is a breakdown of the current tax assets and liabilities held at year-end:

	2017	2016
Current tax assets		
Income and complementary tax	39,627	135,085
Local tax	11,337	23,799
Withholding tax	5,386	26,845
Sales tax	74,956	49,660
Tax credits	64,801	64,252
Contributions	23,200	93,905
Equality income tax receivable	850	-
Others	15,055	19,179
	235,212	412,725

	2017	2016
Current tax liabilities		
Income and complementary tax	202,528	258,902
Local tax	29,188	43,382
Equality income tax payable	-	2,592
Sales tax payable	278,145	247,177
Wealth tax	6	20
Others	36,965	23,352
	546,820	575,425
Current tax, net	311,608	162,700

The following is a breakdown of the tax balances held by each individual country:

Year-end 2017	Argentina	Bermuda	Brazil	Chile	Colombia	Spain	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Current tax assets	4,095	-	4,090	83,745	98,209	-	19,255	9,471	1,767	-	930	13,650	235,212
Current tax liabilities	25,151	-	10,784	253,258	115,025	-	58,615	2,883	23,093	18,618	9,780	29,613	546,820

	21,056	-	6,694	169,513	16,816	-	39,360	(6,588)	21,326	18,618	8,850	15,964	311,608
Year-end 2016	Argentina	Bermuda	Brazil	Chile	Colombia	Spain	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Current tax assets	7,793	-	7,216	112,603	115,806	-	102,069	12,381	38,501	-	5,452	10,904	412,725
Current tax liabilities	26,479	4	-	170,840	174,886	482	143,564	2,655	2,925	16,581	12,212	24,797	575,425
	18,686	4	(7,216)	58,237	59,080	482	41,495	(9,726)	(35,576)	16,581	6,760	13,893	162,700

13.3. Tax recognized through profit and loss for the period

Current tax and deferred tax expense

	2017	2016
Current tax expense	(408,625)	(415,312)
Deferred tax expense		
Sources / reversals of temporary differences	(68,535)	(16,295)
Changes in tax rates		
Tax expense	(477,160)	(431,607)

Grupo Sura considers that the accrued tax liabilities shown are adequate for all tax years still open for review, this based on its evaluation of many factors, including interpretations of applicable tax laws and prior experience.

13.4. Effective tax rates

	2017	2016
Earnings before tax	1,850,932	2,024,986
Income tax based on local tax rates	33% (617,675)	38% (769,079)
Plus the tax effect corresponding to:		
Eliminations from consolidated income	22% (400,307)	17% (345,950)
Non-deductible expense	11% (197,147)	8% (162,432)
Tax revenues	14% (258,344)	12% (238,132)
Tax losses	5% (89,719)	1% (21,961)
Amortization of intangibles	0% (4,017)	0% -
Rate change adjustments	1% (18,764)	1% (23,636)
Inflation effect	3% (53,835)	0% -
Others	2% (43,738)	9% (179,796)
Less the tax effect corresponding to:		
Tax exempt income	(24%) 451,045	(22%) 451,544
Tax-exempt dividends	(19%) 346,032	(12%) 248,009
Tax losses	(1%) 17,073	0% 3,039
Amortization of intangibles	(1%) 23,208	(1%) 12,724
Tax deductions	0% 2,521	(1%) 25,188
Rate change adjustments	0% 3,457	0% 1,511

	2017		2016	
Tax exempt income	(11%)	209,855	(12%)	251,573
Eliminations from consolidated income	(2%)	42,301	0%	-
Others	(6%)	110,893	(16%)	315,788
Income tax	26%	(477,161)	21%	(431,609)

13.5. Deferred tax

The balance of deferred tax assets and liabilities at year-end is shown below:

	2017			2016		
	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Financial assets	(11,811)	50,593	(62,404)	9,038	52,127	(43,089)
Employee benefits	4,641	-	4,641	7,397	-	7,397
Investments	316	226,980	(226,664)	599	174,092	(173,493)
Intangibles	(2,822)	1,138,743	(1,141,565)	(9,292)	1,027,876	(1,037,168)
Other non-financial assets	(423)	(401)	(22)	-	1,825	(1,825)
Other liabilities	37,312	(218,411)	255,723	57,066	(53,028)	110,094
Financial liabilities	32	431,635	(431,603)	1,387	297,943	(296,556)
Tax losses	130,981	16,138	114,843	121,905	42,124	79,781
Property and equipment	(4,608)	64,038	(68,646)	(8,310)	10,214	(18,524)
Technical insurance reserves:	7,628	(10,266)	17,894	8,280	6,905	1,375
	161,246	1,699,049	(1,537,803)	188,070	1,560,078	(1,372,008)

The following is a breakdown of the tax balances held by each individual country:

Deferred tax - 2017	Colombia	Chile	Mexico	Peru	Argentina	Brazil	Uruguay	Panama	Dominican Republic	El Salvador	Total
Intangibles	(10,861)	(377,452)	(417,024)	-	(52,456)	(6,679)	(12,215)	(6,042)	2,797	(16,617)	(896,549)
Investments	(247,397)	-	-	(224,937)	(850)	-	(32,915)	-	(3)	-	(506,102)
Other liabilities	7,581	(440,167)	112,553	(15,646)	9,040	33,968	(5,842)	-	1,306	41	(297,166)
Property and equipment	(64,683)	(3,981)	(18,547)	(1,422)	(2,305)	-	2,288	(1,475)	(4,195)	(226)	(94,546)
Technical insurance reserves:	(81,271)	40,969	(31,381)	-	46,948	-	(3,070)	(255)	3,420	11,581	(13,059)
Financial Liabilities	951	14,223	15,208	-	-	-	-	-	-	279	30,661
Employee benefits	29,957	8,035	1,748	-	498	-	212	-	-	-	40,450
Financial assets	60,258	(9,336)	18,222	(33,555)	2,323	4,081	1,728	-	1,103	135	44,959
Tax losses	24,327	64,348	13,813	8,627	-	42,434	-	-	-	-	153,549
Deferred tax assets (liabilities), net	(281,138)	(703,361)	(305,408)	(266,933)	3,198	73,804	(49,814)	(7,772)	4,428	(4,807)	(1,537,803)

Deferred tax - 2016	Colombia	Chile	Mexico	Peru	Argentina	Brazil	Uruguay	Panama	Dominican Republic	El Salvador	Total
Intangibles	(50,621)	(341,851)	(320,728)	-	(50,652)	(7,783)	(14,705)	(7,743)	2,586	(16,427)	(807,924)
Investments	(171,534)	-	-	(256,942)	(3,098)	-	(34,264)	-	-	-	(465,838)
Other liabilities	45,579	(404,727)	9,198	(16,373)	9,232	53,854	(6,102)	(6,972)	1,276	194	(314,841)

Property and equipment	(44,212)	34,258	(10,446)	(1,381)	(1,255)	-	1,672	(1,333)	(3,100)	(254)	(26,051)
Financial liabilities	(42,776)	12,586	11,761	-	-	-	-	-	-	-	(18,429)
Technical insurance reserves:	(51,459)	26,348	(25,850)	-	42,441	-	(2,443)	6,806	2,504	11,400	9,747
Employee benefits	28,986	1,268	2,794	-	188	1,927	241	-	-	-	35,404
Financial assets	79,085	(5,846)	28,668	(22,388)	2,832	3,175	3,351	-	1,310	560	90,747
Tax losses	8,075	77,210	4,936	7,461	-	22,870	-	-	-	4,625	125,177
Deferred tax assets (liabilities), net	(198,877)	(600,754)	(299,667)	(289,623)	(312)	74,043	(52,250)	(9,242)	4,576	98	(1,372,008)

Deferred tax on unused tax credits and losses:

The balance of deferred tax on tax losses was incurred by our companies in Colombia, Chile, Mexico, Peru and Brazil, with the Brazilian subsidiary showing a balance of COP 42,435. These tax credits have no statute of limitations, that is to say that they do not expire according to Brazil's tax regulations. According to a study carried out by the Company, this tax credit shall be recovered as of 2019.

Tax credits in the case of Mexico mainly accrued between 2008 and 2011 and have a 10-year term of validity.

Tax credits in Chile corresponded to the Companies Seguros de Vida, Holding Spa and Inversiones Chile Ltda. These accrued between 2013 and 2016 and have no expiry term according to applicable tax regulations in Chile.

In the case of Colombia, the deferred tax asset produced by a tax loss sustained by Seguros Generales Suramericana S.A. was due to the possibility of offsetting tax losses with tax surpluses that the Company was entitled to do at the end of 2017.

Unrecognized Deferred Tax Assets

The Group recorded tax losses of \$ 65 thousand million, mainly with its subsidiaries in Mexico and Peru. Furthermore, Colombia, recorded \$ 48 thousand million in tax credits, as relating to tax discounts.

The aforementioned items do not present a credit balance for deferred taxes, with Senior Management having concluded that there is a low probability of recovering these amounts in Mexico and Peru, and in the case of Colombia, current tax regulations restrict the use of tax credits.

At year-end 2017, no deferred tax assets were recorded as relating to tax losses since Grupo SURA does not pay tax on net income and therefore no tax asset was recognized.

13.6. Movements in the deferred tax account

	2017	2016
Opening balance - net liabilities	1,372,008	1,282,936
Deferred tax expense recognized in the income accounts for the period	68,536	14,938
Income tax relating to components of Other Comprehensive Income	34,278	7,732
Increases (decreases) due to business combinations	404	16,356

Effect of changes in foreign exchange rates				62,577		50,046
Closing balance - net liabilities				1,537,803		1,372,008
		Accrued		Movement		
	2017	2016	2015	2017	2016	
Cash flow hedges	(2,970)	(1,711)	(1,712)	(1,259)	1	
Post-employment benefits	860	341	227	519	114	
Financial instruments at fair value with changes in OCI	(1,751)	(1,751)	-	(0)	(1,751)	
Revaluations of property and equipment	(40,168)	(6,629)	(318)	(33,539)	(6,311)	
Total deferred tax, charged to Other Comprehensive Income	(44,029)	(9,751)	(1,803)	(34,278)	(7,948)	

NOTE 14. DERIVATIVES

14.1. Hedging assets

Grupo SURA uses derivatives such as swaps, forwards and options to hedge its exposure to foreign exchange and interest rates, cash flows and its net investments abroad. These derivatives are initially recognized (on the date the corresponding contract is entered into) and later (when their value is updated) at their fair values.

Any gain or loss arising from changes to the fair value of derivatives are directly charged to income, except for the effective portion that may be generated from hedges of cash flows and net investments abroad, which are posted in other comprehensive income and subsequently reclassified to income when the hedged item affects other comprehensive income.

At year-end 2017 and 2016, Grupo SURA held derivatives that were recorded in books as financial assets and financial liabilities, based on their respective positive or negative fair values

The balance of the derivative financial assets held by Grupo SURA and Subsidiaries is as follows:

	2017	2016	2017	2016	2017	2016	2017	2016
	Swap		Forward		Option		Total	
Assets								
Hedging agreements								
Interest rate	5,458	1,015	-	-	-	-	5,458	1,015
Exchange Rate	29,071	12,497	5,612	18,202	42,145	99,850	76,827	130,549
	34,529	13,512	5,612	18,202	42,145	99,850	82,285	131,564
Hedging agreements								
Exchange Rate	63,424	489,365	-	10,164	-	-	63,424	499,529
Total assets	97,953	502,877	5,612	28,366	42,145	99,850	145,709	631,093
Liabilities								
Hedging agreements								
Interest rate	-	2,388	-	-	-	-	-	2,388
Exchange Rate	105,002	27,562	1,206	489	13,828	18,740	120,036	46,791
	105,002	29,950	1,206	489	13,828	18,740	120,036	49,179
Hedging agreements								
Exchange Rate	50,652	560,405	-	-	-	-	50,651	560,407

Total derivative liabilities	155,654	590,355	1,206	489	13,828	18,740	170,687	609,586
Net position	(57,701)	(87,478)	4,406	27,877	28,317	81,110	(24,978)	21,507

The derivatives held by Grupo SURA and its Subsidiaries are normally traded on the domestic financial markets as well as on the international Over The Counter (OTC) markets. Derivatives carry net favorable or unfavorable terms and conditions (assets or liabilities, respectively) as a result of fluctuations with foreign exchange rates or market interest rates as well as other variables relating to their respective terms and conditions. Total fair values corresponding to the assets and liabilities that these derivatives represent may vary significantly from time to time.

The following are the movements recorded with the derivative account:

	Long position	Short position	Net position
Balance held at year-end 2015	262,178	253,924	8,254
Additions	422,919	399,677	23,242
Valuations (*)	(54,004)	(48,694)	(5,310)
Exchange differences	-	4,679	(4,679)
Balance held at year-end 2016	631,093	609,586	21,507
Additions	56,088	11,892	44,196
Payments	(602,148)	(515,990)	(86,158)
Valuations (*)	57,874	63,449	(5,575)
Exchange differences	2,802	1,750	1,052
Balance held at December 31, 2017	145,709	170,687	(24,978)

(*) Balance includes the following items:

	2017	2016
Realized gains paid (**)	41,024	(2,459)
Valuations - Comprehensive Income accounts (Notes 14.2.1, 14.2.2 and 26)	4,270	29,088
Valuations - Income accounts (Note 31)	(50,869)	(31,939)
	(5,575)	(5,310)

(**) Payments made on derivative gains.

14.2 Hedge accounting

In drawing up its own risk management policies, some of the subsidiaries belonging to Grupo SURA have used hedge accounting in preparing their financial statements in accordance with the following:

14.2.1 Cash flow hedges

Grupo Sura took out the following cash flow hedge:

Seguros de Vida Sura S.A. a subsidiary of SURA Asset Management has been taking out swaps since 2015 as part of a strategy designed to protect its international fixed income investments (bonds issued in USD earning a fixed rate of interest) against prevailing market volatility.

These investments were made to hedge liabilities with regard to life annuities, individual life (excluding unit-linked insurance) and group credit life insurance, with life annuities representing the larger flows.

These agreements stipulate paying a fixed exchange rate in dollars (USD) and receiving a fixed value in UF (Unidades de Fomento - which is an inflation-indexed monetary unit in Chile), in order to protect against the exchange rate risk to fixed income securities held in foreign currency as well as the inflation risk to UF-indexed liabilities.

14.2.2. Net foreign investments

In 2017, Grupo Sura did not enter into any hedging arrangements regarding its net investments abroad. Grupo SURA's subsidiary Suramericana S.A. holds investments abroad which are exposed to the exchange rate risk with regard to the functional currency of these operations stated in US dollars against the Grupo SURA's own functional currency in Colombia which is the Colombian peso.

On August 24 and 26, 2015 Suramericana received from Helm Bank Panama and Davivienda Panama two loans for USD 35 million each, these payable over a term of 10 years, according to their respective amortization schedule. These loans were taken out in order to hedge its business abroad (this being Inversura Panama Internacional, plus a direct stake in Seguros Suramericana Panama) for their nominal values only, that is to say excluding debt service.

Recognition of the hedging instrument

As part of its intention to hedge its business abroad, on October 1, 2015, and based on the documentation required by IAS 39, the Company formally designated the loans granted by Helm Bank Panama and Davivienda Panama, as hedging instruments covering its direct stake in its business abroad, specifically its business in Panama, solely in the amount of their principal, excluding debt service.

Recognition of the hedged item

Based on that stipulated in IFRIC 16 Hedges of a Net Investment in a Foreign Operation, a hedged item can be an amount of net assets equal to or lower than the carrying value of the net assets of the foreign business, as reported in the consolidated financial statement.

Therefore, Suramericana S.A. considered that on the effective date of this hedge the aforementioned value was that corresponding to the net investment in the foreign business, taken as a partially hedged item, with the nominal value assigned to such as the hedged item.

Hedged items:

Business abroad	Net assets	% stake	Net hedged assets
Direct stakes held in foreign subsidiaries	199.851	100%	70

Breakdown of net investment - Suramericana S.A.'s direct stake			
Business abroad	Net assets	% stake	Net hedged assets
Inversura Panamá Internacional	128.048	100%	70

Seguros Suramericana S.A.	776	0.79%
Seguros Suramericana de Panamá S.A. (Banistmo)	71.028	100%
Total	199.852	100%

On October 1, 2015, the Company consolidated a 100% stake held in Seguros Suramericana S.A. through the 99.21% stake held then in its Subsidiary Inversura Panama, which in turn was and is wholly owned (100%) by Suramericana. On December 31, 2015 Suramericana held a 23% direct stake in Seguros Suramericana S.A., consolidating the remaining 77% stake through Panama Inversura.

Identifying the nature of the hedged risk

The Company hedges the exchange rate risk on its foreign business operations.

Hedge effectiveness

The Company shall measure the effectiveness of hedging instruments as follows:

% effectiveness ----- change in the exchange difference on principal owing

Translation effect of foreign business operations on the period in question.

$$\% \text{ de eficacia} = \frac{\text{Variación de la diferencia en cambio del principal de la deuda}}{\text{Efecto del periodo por conversión del negocio en el extranjero}}$$

Where:

- The exchange difference on the principal corresponds to the exchange difference brought about by updating hedging instruments based on fluctuations with the exchange rate; and
- The translation effect on foreign business operations corresponds to the exchange difference obtained by translating the profit and loss as well as financial position pertaining to the foreign business operation by continuously applying the rules contained in paragraph 23 of IAS 21.

The subsidiary, Suramericana, has decided to measure the effectiveness of these hedges based on the exchange rate risk corresponding to the net investment abroad, as assessed on a quarterly basis. The following table shows the results obtained on the hedge effectiveness test performed on December 31, 2015:

Period	Rate	Percentage hedged. (Asset)	Effectiveness. Translating hedged value (asset)	Effectiveness. Translating hedging instrument	Hedge effectiveness	Compens. (effective hedge value)
October	2,897.83	35.03%	(13,172)	(13,224)	100.40%	(13,224)
November	3,142.11	34.96%	16,962	17,100	100.81%	17,100
December	3,149.47	33.99%	1,093	515	100.15%	515
			4,883	4,391	89.91%	4,391

NOTE 15. INVESTMENT PROPERTIES

Grupo SURA's investment properties are recorded at fair value and are broken down as follows:

	2017	2016
Land	102,125	298,429
Buildings	929,413	735,097
	1,031,538	1,033,526

The movements recorded in the investment property account are shown as follows:

	Land	Buildings	Total
Investment properties at December 31, 2015	214,733	590,455	805,188
Acquisitions	107,045	127,201	234,246
Business combination acquisitions	1,883	3,235	5,118
Impairment losses on investment properties through profit or loss	-	-	-
(Losses) gains on adjustments to the fair values of investment properties	(2,509)	63,324	60,815
Transfers of investment properties from (to) inventories and real estate occupied by the owner	(13,132)	454	(12,678)
De-recognitions	(6,952)	(66,573)	(73,525)
Translation effect	(2,639)	17,001	14,362
Investment properties at December 31, 2016	298,429	735,097	1,033,526
Acquisitions	21,080	302,746	323,826
Business combination acquisitions	-	-	-
Impairment losses on investment properties through profit or loss	-	(36)	(36)
Gains on adjustments to the fair values of investment properties	4,564	29,883	34,447
Transfers of investment properties from (to) inventories and real estate occupied by the owner	(1,895)	(3,034)	(4,929)
De-recognitions	(224,526)	(205,846)	(430,372)
Translation effect	4,473	70,603	75,076
Investment properties at December 31, 2017	102,125	929,413	1,031,538

Appraisers

Grupo SURA's investment properties are appraised by the following experts:

- J Elkin Ruiz Propiedad Raíz, holding degrees in Civil Engineering from the Universidad Nacional, Plant Design from Lehigh University, Pennsylvania and Chemical Engineering from the Universidad de Antioquia; he is also a member of the Medellin Real Estate Exchange (Lonja de Propiedad Raíz de Medellín)
- Banco Ciudad in Argentina.
- Tribunal Fiscal de la Nación, Argentina (Argentinian Tax Court)
- Property appraisals and inspections carried out by the firm, Istmo, S.A (Avaistmo), Panama City, Panama. A firm with a 10-year track record in the property appraisal market
- Real Source an independent appraisal firm registered with the Chilean Superintendency of Securities and Insurance (SVC in Spanish) and Guillermo Rosselot Iriarte, Taxpayer's Reg. No. 6.874.683-3,

architect and independent appraiser also registered with the Chilean Superintendency of Securities and Insurance.

- Jesús José Gómez Cabrera, an engineer with the firm Regner Basurco Jimenez – Consultant Engineers, registered with the Peruvian Engineers Association (Reg # 49108), Technical Inspection Center RD No 082-2014-Housing /VMCS-DNC, as well as the Peruvian Superintendency of Banking and Insurance (Resolution No 6293-2013).

Income on investment property

Lease income obtained from the Company's investment property at year-end 2017 and 2016 is broken down as follows:

	2017	2016
Lease income	36,842	2,242
Gains or losses on sales of investment properties	367	279
Valuations	34,447	60,815
Income from investment property	71,656	63,336

The movements recorded in the investment property account are shown as follows:

Asset (*)	2017	2016	Restrictions (Yes/No)	Leased
Nueva las Condes	212,951	-	No	Yes
Torre Santa María	124,395	-	No	Yes
Alsacia	120,048	106,371	No	Yes
Torre Apoquindo	85,807	68,646	No	Yes
Suecia 211	82,207	73,564	No	Yes
Millenium	66,264	55,548	No	Yes
Isidora Magdalena	53,069	47,032	No	Yes
Isidora Foster	35,746	31,431	No	Yes
Diez	34,591	30,121	No	Yes
Everfit Indulana land	34,176	33,753	No	Yes
Small Service	34,059	29,563	No	Yes
Seis	33,025	29,066	No	Yes
Pionero	32,463	28,747	No	Yes
WTC	23,059	20,506	No	Yes
Paseo Las Palmas	19,905	16,620	No	Yes
Las Bellotas	9,606	7,665	No	Yes
Santa Lucía -Rionegro land	8,440	4,760	No	Yes
Nueva Los Leones	4,605	4,444	No	Yes
Building and parking space - Sura Tower	3,796	-	No	Yes
Pionero 2 (Office Nos. 402+404)	2,473	2,190	No	Yes
Coyancura	1,527	1,358	No	Yes
Land (aliquot) Sura Tower	1,408	-	No	Yes
Plots Nos. 1, 3, 2 A, 2B	1,333	1,487	No	Yes

Asset (*)	2017	2016	Restrictions (Yes/No)	Leased
San Martin 876	1,298	-	No	Yes
Bank branch premises	1,086	861	No	Yes
San Lorenzo 876	1,067	69	No	Yes
Office No. 101 C	611	484	No	Yes
P.H. World Trade Center, Hotel Sercotel Princess H-501	504	-	No	Yes
Premises and garages- Grupo Colombia Building, Pereira, Colombia	353	379	No	Yes
P.H. Suite, Hotel Coronado Edif. E H-205	328	445	No	Yes
Plot of land - Cerro Azul Hacienda Country Club	303	-	No	Yes
Parking facilities	180	310	No	Yes
Office - Camacol Building, Medellín, Colombia	159	254	No	Yes
Mar Del Plata	153	-	No	Yes
Local food center # 1	101	90	No	Yes
Local food center # 2	94	79	No	Yes
Local food center # 4	91	80	No	Yes
Local food center # 3	89	79	No	Yes
Agüero	80	-	No	Yes
Velez Sarsfield 30Cba	46	-	No	Yes
Deposit 26	28	30	No	Yes
Av.V.Fertil/Medusas Uf -6- Pinama	12	-	No	Yes
Pampayastasud.	2	-	No	Yes
Luterana Buildings	-	98,828	No	Yes
Orquideas land	-	65,023	No	Yes
Orquideas Building	-	64,082	No	Yes
Metropolitana Arequipa land	-	32,436	No	Yes
Rivera Navarrete (Lutheran Church) land	-	27,042	No	Yes
Rivera Navarrete land (Costamar)	-	25,741	No	Yes
San Juan de Lurigancho UTP land	-	24,499	No	Yes
Real 8 Building	-	15,253	No	Yes
Huancayo Maestro land	-	15,067	No	Yes
Huancayo Maestro	-	12,934	No	Yes
Mapfre Cercado Land	-	10,495	No	Yes
Tottus Callao Land	-	8,533	No	Yes
Real 8 land	-	7,164	No	Yes
Unimarc Mexico land	-	5,695	No	Yes
Office 407, Torre Concasa, Bogotá, Colombia	-	3,664	No	Yes
Plaza Independencia Building (a)	-	3,637	No	Yes
Unimarc Mexico Project	-	3,535	No	Yes
Costamar Project	-	3,105	No	Yes
Unimar Barranca land	-	3,020	No	Yes
Unimar Barranca	-	2,893	No	Yes
Mapfre Cercado Buildings	-	2,520	No	Yes
Office - Seguros Fenix Building, Cartagena, Colombia	-	1,270	No	Yes
De Las Medusas, Pinamar, Buenos Aires, Argentina	-	14	No	Yes
Office No. 21	-	1,043	No	Yes

Asset (*)	2017	2016	Restrictions (Yes/No)	Leased
Total investment properties	1,031,538	1,033,525		

Fair Value Hierarchy

All investment properties are classified as belonging to Level 2 in terms of fair value hierarchy. The accounting method used for both years was the market approach.

The fair values arrived at, as a result of the appraisals performed, are supported by market evidence and represent the values for which the asset could be purchased and sold between knowledgeable informed buyers and sellers on an arm's length basis on the date on which such property is appraised, this in accordance with that stipulated by the International Valuation Standards Council (IVSC) as well as IFRS 13 - Fair Value Measurement. Properties are appraised every year and the corresponding gains or losses at fair value are recorded through profit and loss.

Restrictions

Grupo SURA and Subsidiaries are not in any way restricted with regard to disposing of or selling their investment properties, neither do they have any contractual obligations to purchase, construct or develop investment property or carry out repairs or maintenance work and / or build property extensions.

NOTE 16. PROPERTY AND EQUIPMENT

The property and equipment belonging to Grupo de Inversiones Suramericana in each individual country are broken down as follows

	2017	2016
Land	334,369	274,135
Buildings	525,482	467,728
Vehicles	50,517	54,127
Office equipment	34,836	23,515
IT equipment	92,791	83,525
Fixtures and accessories	17,724	20,789
Other property and equipment	32,937	30,729
Construction in progress	30,114	43,564
Improved leasing rights	35,459	39,590
	1,154,229	1,037,702

Movements in Grupo SURA's property and equipment account are as follows:

	Land	Buildings	Vehicles	Office equipment	IT equipment	Fixtures and accessories	Other property and equipment	Construction in progress	Improved leasing rights	Total
Cost										
Cost at January 1, 2017	273,368	535,706	91,229	66,629	222,159	62,557	48,094	34,761	47,995	1,382,498
Additions	1,214	30,234	8,833	8,765	47,378	525	6,922	14,958	8,589	127,418
Disposals (-)	(6,378)	(53,589)	(6,301)	(3,555)	(22,482)	(21,828)	(387)	(779)	(673)	(115,972)
Revaluations (Note 26.1)	80,613	97,855	-	-	-	-	-	-	-	178,468
Exchange differences	1,988	1,368	(351)	325	917	-	(34)	8	(464)	3,757
Other changes	(8,089)	(13,912)	172	321	5,193	4,786	-	(18,834)	8,373	(21,990)
Book cost at year-end 2017	342,716	597,662	93,582	72,485	253,165	46,040	54,595	30,114	63,820	1,554,179
Accumulated depreciation and impairment										
Accumulated depreciation and impairment at January 1, 2017	-	(62,316)	(36,608)	(37,945)	(138,617)	(34,019)	(17,365)	-	(17,926)	(344,796)
Depreciation for the period (Note 8)	-	(12,495)	(9,930)	(5,349)	(29,422)	(5,016)	(7,882)	-	(9,784)	(79,878)
Disposals (-)	-	5,493	3,354	2,985	14,640	13,043	366	-	-	39,881
Impairment for the period	(1,654)	(1,129)	-	(10)	(130)	-	(218)	-	-	(3,141)
Exchange differences	-	(401)	106	(474)	(758)	-	32	-	397	(1,098)
Other changes	(6,693)	(1,332)	13	3,144	(6,087)	(2,324)	3,409	-	(1,048)	(10,918)
Accumulated depreciation and impairment at year-end 2017	(8,347)	(72,180)	(43,065)	(37,649)	(160,374)	(28,316)	(21,658)	-	(28,361)	(399,950)
Property and equipment at year-end 2017	334,369	525,482	50,517	34,836	92,791	17,724	32,937	30,114	35,459	1,154,229
Cost at January 1, 2016										
Cost at January 1, 2016	227,143	458,076	82,340	32,593	193,924	69,719	15,473	66,346	34,037	1,179,651
Additions	22,398	28,517	8,958	13,915	39,907	4,774	9,280	16,231	18,344	162,324
Disposals (-)	(27)	(17,100)	(5,873)	(6,661)	(38,315)	(273)	(683)	(63)	(10465)	(79,460)
Revaluations (Note 26.1)	-	11,709	-	-	-	-	-	-	-	11,709
Other changes	24,621	48,843	8,860	21,436	26,643	-15,022	25,001	(33,756)	1,648	108,274
Book cost at year-end 2016	274,135	530,045	94,285	61,283	222,159	59,198	49,071	48,758	43,564	1,382,498
Accumulated depreciation and impairment										
Accumulated depreciation and impairment at January 01, 2016	(3)	(49,694)	(26,047)	(21,296)	(119,188)	(32,255)	(10,517)	(6,583)	-	(265,583)
Depreciation for the period (Note 8)	-	(9,285)	(11,417)	(3,477)	(23,949)	(4,731)	(7,554)	(8,574)	-	(68,987)
Disposals (-)	-	858	2,355	1,036	29,105	96	475	47	-	33,972
Other changes	3	(4,196)	(5,049)	(14,031)	(24,602)	(1,519)	(746)	5,942	-	(44,198)
Accumulated depreciation and impairment at year-end 2016	-	(62,317)	(40,158)	(37,768)	(138,634)	(38,409)	(18,342)	(9,168)	-	(344,796)
Property and equipment at year-end 2016	274,135	467,728	54,127	23,515	83,525	20,789	30,729	39,590	43,564	1,037,702

After analyzing all impairment indicators, no evidence was found of any such impairment being sustained by the Company's property and equipment on the date of this report.

There are no restrictions relating to property and equipment.

- At the end of the period, an analysis was performed to determine whether there was any signs of impairment to the value of Grupo Sura's property and equipment, and it was confirmed that: during the period in question, the market value of these same assets had not decreased more than expected with the passage of time or through the normal use of such.
- No significant changes in their value are expected due to situations that could have an adverse effect on the Company.
- There is no evidence of these assets having become obsolete or suffering any physical deterioration.
- No changes are expected in the near future with regard to how assets are used and that could have an adverse effect on the Company.

NOTE 17. INTANGIBLE ASSETS

Intangible assets held by Grupo SURA at year-end 2017 and 2016 are broken down as follows:

	Note	2017	2016
Goodwill	17.1	4,768,779	4,506,162
Cerro Azul Hacienda Country Club Plot of Land No. B-26	17.2	3,149,755	3,274,773
Deferred acquisition costs (DAC):	17.3	1,750,068	1,638,604
Total intangible assets other than goodwill		4,899,823	4,913,377
Total intangible assets including goodwill		9,668,602	9,419,539

17.1 Goodwill

Goodwill is broken down as follows

Name of Company	2017			2016		
	Cost	Impairment	Net	Cost	Impairment	Net
Acquisition of the ING operations (*)	3,909,070	-	3,909,070	3,671,348	-	3,671,348
AFP Horizonte	250,951	-	250,951	243,747	-	243,747
Seguros de Vida Sura México, S.A. de C.V. (formerly Primero Seguros de Vida S.A. de C.V.)	14,419	-	14,419	13,734	-	13,734
Arus S.A.	25,429	-	25,429	25,429	-	25,429
Aseguradora Suiza Salvadoreña S.A. (Ase-suiza)	83,367	(22,973)	60,394	83,834	(23,100)	60,734
Seguros Sura S.A. (Dominican Republic)	13,720	-	13,720	13,797	-	13,797
Seguro Suramericana Panamá (formerly Banistmo)	50,094	-	50,094	50,374	-	50,374
Seguros Generales Suramericana S.A (formerly RSA Chile S.A.)	168,462	-	168,462	153,562	-	153,562
Seguros Colombia S.A.	93,650	-	93,650	93,650	-	93,650
Seguros Sura S.A. (formerly RSA Seguros (Brasil) S.A.)	44,636	-	44,636	45,325	-	45,325
Seguros Sura (formerly RSA Seguros México)	28,763	-	28,763	28,375	-	28,375
Seguros Sura S.A. de C.V. Uruguay	107,904	-	107,904	106,087	-	106,087
El Ciruelo	1,287	-	1,287	-	-	-

4,791,752 (22,973) 4,768,779 4,529,262 (23,100) 4,506,162

(*) Including goodwill paid upon acquiring the following companies:

- AFP Capital S.A. (Chile)
- Afore SURA S.A. de C.V. (Mexico)
- AFP Integra S.A. (Peru)
- AFAP SURA S.A. (Uruguay)
- SURA Investment Management Mexico S.A. de C.V. (Mexico)
- Fondos SURA SAF S.A.C. (Peru)
- Corredora de Bolsa SURA S.A.(Chile) and Administradora General de Fondos S.A. (Chile)

In addition to including the business combinations carried out during the period, goodwill is adjusted on each closing date, this in accordance with that provided in paragraph 47 of IAS 21, namely that goodwill must be stated in the same functional currency of foreign country where the company is based, and then converted into the reporting currency using the exchange rate applicable on the closing date of the respective reporting period.

The following shows a breakdown of goodwill by each individual country:

	2017	2016
Chile	2,032,227	1,852,482
Peru	1,293,946	1,256,797
Mexico	894,774	853,308
Uruguay	258,622	254,266
Colombia	120,365	119,080
Panama	63,814	64,171
El Salvador	60,395	60,733
Brazil	44,636	45,325
Total	4,768,779	4,506,162

Movements in the Goodwill account are broken down as follows

	Consolidated
Cost at January 1, 2016	4,305,020
Additions	410,375
Withdrawals	-
Exchange differences	(186,133)
Cost at December 31, 2016	4,529,262
Impairment at January 1, 2016	(24,245)
Additions	-
Withdrawals	-
Exchange differences	1,145
Impairment at December 31, 2016	(23,100)
	-
Net goodwill - 2016	4,506,162

Cost at January 1, 2017	4,529,262
Additions	1,287
Withdrawals	-
Exchange differences	261,203
Cost at December 31, 2017	4,791,752
Impairment at January 1, 2017	(23,100)
Additions	-
Withdrawals	-
Exchange differences	127
Impairment at December 31, 2017	(22,973)
Net goodwill - 2017	4,768,779

17.2 Intangible assets other than goodwill

Movements in Grupo Sura's intangible asset account are as follows:

	Acquired trademarks	Customer-related intangible assets	Software and applications	Rights	Licenses and franchises	Other intangible assets	Total
Cost							
Cost at January 1, 2016	129,421	3,413,973	94,013	32,704	17,738	221	3,688,070
Business combinations	9,236	457,898	142,167	-	19,886	1,236	630,423
Additions	-	62,972	48,908	-	-	6,765	118,645
Disposals (-)	(2,215)	(3,790)	(641)	-	(535)	(771)	(7,952)
Exchange differences	(5,543)	(225,868)	(20,068)	(752)	(10,986)	550	(262,667)
Other changes	-	5	-	(206)	-	-	(201)
Book cost at year-end 2016	130,899	3,705,190	264,379	31,746	26,103	8,001	4,166,318
Accumulated depreciation and impairment							
Accumulated depreciation and impairment at January 1, 2016	(7,321)	(648,038)	(15,026)	(3,213)	(15,387)	(150)	(689,135)
Amortizations for the period (Note 8)	(246)	(194,831)	(31,846)	(7,286)	(15,893)	(436)	(250,538)
Additions	77	26,318	188	-	-	83	26,666
Disposals (-)	2,215	-	(59,980)	-	4,223	1,061	(52,481)
Exchange differences	4,123	78,503	(22,914)	(1,739)	17,901	(1,931)	73,943
Accumulated depreciation and impairment at year-end 2016	(1,152)	(738,048)	(129,578)	(12,238)	(9,156)	(1,373)	(891,545)
Intangible assets other than goodwill at year-end 2016	129,747	2,967,142	134,801	19,508	16,947	6,628	3,274,773
Cost							
Cost at January 1, 2017	130,899	3,705,190	264,379	31,746	26,103	8,001	4,166,318
Business combinations	-	1,413	-	-	-	-	1,413
Additions	-	11,573	113,681	-	427	-	125,681
Disposals (-)	-	(138,676)	(41,430)	-	-	(1,279)	(181,385)
Exchange differences	14,966	197,267	24,879	(5,653)	(6,724)	1,084	225,819
Other changes	-	779	1	-	-	-	780

Book cost at year-end 2016	145,865	3,777,546	361,510	26,093	19,806	7,806	4,338,626
Accumulated depreciation and impairment							
Accumulated depreciation and impairment at January 1, 2017	(1,152)	(738,048)	(129,578)	(12,238)	(9,156)	(1,373)	(891,545)
Amortizations for the period (Note 8)	-	(228,526)	(55,361)	(5,167)	(1,245)	(278)	(290,577)
Additions	-	-	-	-	-	-	-
Disposals (-)	-	36,536	17,504	-	-	-	54,040
Exchange differences	(7,110)	(44,146)	(19,694)	5,492	4,249	420	(60,789)
Accumulated depreciation and impairment at year-end 2017	(8,262)	(974,184)	(187,129)	(11,913)	(6,152)	(1,231)	(1,188,871)
Intangible assets other than goodwill at year-end 2017	137,603	2,803,362	174,381	14,180	13,654	6,575	3,149,755

The following are the useful lives corresponding to the more representative intangible assets

	Client relations	Total useful life (years)	Remaining useful life (years)
	AFP Capital S.A. (Chile)	27	22
	Corredora de Bolsa Sura S.A. and Administradora General de Fondos S.A. (Chile)	10	5
	Seguros de Vida SURA S.A. (Chile)	14	9
	AFP Integra (Peru)	30	25
	Wealth Management SURA S.A. (Peru)	4	-
	AFAP Sura S.A. (Uruguay)	23	18
	Afore Sura S.A. De C.V. (Mexico)	27	22
	Seguros Sura S.A. (Peru)	15	10
	AFP Integra (Peru) AFP Horizonte	17	12
	Sociedad Agente de Bolsa Sura S.A. (Peru)	4	2
	Seguros Suramericana S.A de (formerly Banistmo Panamá)	9	6.7
	Aseguradora Suiza Salvadoreña S.A. Asesuisa (El Salvador)	14	8
	Arus S.A. (Colombia)	5.5	1
	Seguros Sura S.A. Brasil	5	3.2
	Seguros Sura S.A. (Peru)	7	5.3
	Seguros Sura S.A. (Peru)	5	3.3
	Seguros Sura S.A. (Peru)	11	8.9
	Seguros SURA in México	4	2.4
	AFAP Sura S.A. (Uruguay)	16	14.5
	Client List - El Ciruelo	3	2.5
	Affinity contracts		
	Seguros Sura S.A. Brasil	3	1.3
	Seguros Sura S.A.	2.3	0.7
	Seguros Sura S.A. Colombia	1.8	0.2
	Seguros Sura S.A. Argentina	1.9	0.4
	Seguros SURA in México	1.7	0.3
	Seguros Sura S.A. Uruguay	1.9	0.5
	Non-competition rights		
	Seguros Suramericana S.A de Panamá	5	3.7

Trademarks *		
AFP Capital S.A. (Chile)		Indefinite
AFP Integra (Peru)		Indefinite
AFAP SURA S.A. (Uruguay)	1	-
AFP Integra (Peru) AFP Horizonte	3	-
Seguros Sura S.A. Argentina		Indefinite
Seguros Sura S.A. México		Indefinite

(*) These assets have an indefinite useful life since, once the Purchase Price Allocation (PPA) was drawn up, it was not possible to determine a foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Each year Grupo Sura evaluates whether these intangible assets continue to have indefinite useful lives, or whether there is evidence of impairment. (See Note 19. Impairment of non-financial assets)

The following is a breakdown of trademarks at fair value with indefinite useful lives:

Trademarks	Country	Valuation currency	Value in local currency	Total
ACG	Argentina	Argentinian pesos	18	2,898
Answer	Argentina	Argentinian pesos	22	3,542
Seguros Argentina			40	6,440
Hogar Master	Mexico	Mexican pesos	8	1,177
Top driver	Mexico	Mexican pesos	2	321
Seguros México			10	1,498
AFP Capital	Chile	USD	29	86,872
AFP Integra	Peru	USD	14	42,849

17.3 Deferred acquisition costs (DAC)

The following shows the movements recorded with Deferred Acquisition Costs (DAC):

	Asset management	Insurance	Total
At December 31, 2015	581,492	304,004	885,496
Business combinations	-	1,406,488	1,406,488
Additions	168,298	562,047	730,345
Exchange differences	(63,857)	(2,366)	(66,223)
Amortizations (Note 29.2)	(146,164)	(1,171,338)	(1,317,502)
At year-end 2016	539,769	1,098,835	1,638,604
Additions	164,868	1,664,115	1,828,984
De-recognitions	(8,778)	-	(8,778)
Exchange differences	35,571	29,073	64,644
Amortizations (Note 29.2)	(171,441)	(1,601,944)	(1,773,385)
At December 31, 2017	559,989	1,190,079	1,750,068

Deferred Acquisition Costs (DAC) for each individual country are as follows:

	2017	2016
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Mexico	697,135	392,325
Chile	491,772	215,700
Colombia	219,662	752,774
Argentina	117,953	97,144
Brazil	57,567	78,132
Uruguay	40,333	27,450
Peru	36,124	-
El Salvador	35,282	30,584
Panama	33,937	27,799
Dominican Republic	18,414	16,696
Bermuda	1,889	-
Total	1,750,068	1,638,604

Restrictions

To date no restrictions have been placed on Grupo Sura's intangible assets

NOTE 18. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

18.1. Subsidiaries

Grupo SURA's subsidiaries, at the end of the reporting period, are listed as follows:

CORPORATE				
Suramericana S.A.				
			Year-end 2017	Year-end 2016
Activity:	Investing	Assets	5,692,263	5,282,383
Registered place of business:	Medellin	Liabilities	1,201,762	1,256,988
Country:	Colombia	Equity	4,490,501	4,025,395
Date of incorporation:	May 25, 1999	Net income	504,888	396,151
		% stake	81.13%	81.13%
Inversura Panamá Internacional S.A.				
			Year-end 2017	Year-end 2016
Activity:	Investing	Assets	374,310	407,788
Registered place of business:	Panama City	Liabilities	5	-
Country:	Panama	Equity	374,305	407,788
Date of incorporation:	December 23, 2002	Net income	(2,192)	(206)
		% stake	81.13%	81.13%
Inversiones Sura Brasil S.A.S.				
			Year-end 2017	Year-end 2016
Activity:	Investing	Assets	238,882	238,865
Registered place of business:	Medellin	Liabilities	1	10
Country:	Colombia	Equity	238,881	238,855
Date of incorporation:	December 4, 2015	Net income	(874)	(26)
		% stake	81.13%	81.13%
Arus Holding S.A.S.				
			Year-end 2017	Year-end 2016
Activity:	Investing in personal and real estate property,	Assets	69,369	59,606
Registered place of business:	Medellin	Liabilities	3	9
Country:	Colombia	Equity	69,366	59,597

Date of incorporation:	July 11, 2012	Net income	7,768	5,277
		% stake	100.00%	100.00%

Inversiones y Construcciones Estratégicas S.A.S

			Year-end 2017	Year-end 2016
Activity:	Investing	Assets	155,106	140,480
Registered place of business:	Medellin	Liabilities	5,484	4,473
Country:	Colombia	Equity	149,622	136,007
Date of incorporation:	August 30, 2007	Net income	10,226	12,994
		% stake	100.00%	100.00%

Grupo de Inversiones Suramericana Panamá S.A.

			Year-end 2017	Year-end 2016
Activity:	Investing in negotiable securities	Assets	972,795	940,996
Registered place of business:	Panama City	Liabilities	923,068	890,453
Country:	Panama	Equity	49,727	50,543
Date of incorporation:	29/04/1998	Net income	(25,762)	(48,645)
		% stake	100.00%	100.00%

Planeco Panamá S.A.

			Year-end 2017	Year-end 2016
Activity:	Buying and selling personal property and real estate	Assets	29,298	35,120
Registered place of business:	Panama City	Liabilities	55,807	54,126
Country:	Panama	Equity	(26,509)	(19,006)
Date of incorporation:	December 12, 2012	Net income	(7,525)	(9,281)
		% stake	95.28%	95.28%

Grupo Sura Finance S.A.

			Year-end 2017	Year-end 2016
Activity:	Any lawful activity in the Cayman Islands	Assets	2,502,571	2,516,711
Registered place of business:	Cayman Islands	Liabilities	2,531,229	2,542,259
Country:	Cayman Islands	Equity	(28,658)	(25,548)
Date of incorporation:	March 18, 2011	Net income	(3,217)	(5,411)
		% stake	100.00%	100.00%

Financia Expreso RSA S.A.

			Year-end 2017	Year-end 2016
Activity:	Investing and entering into loan agreements	Assets	3,319	5,569
Registered place of business:	Bogotá	Liabilities	18	136
Country:	Colombia	Equity	3,301	5,433
Date of incorporation:	July 15, 1970	Net income	(3,429)	(4,221)
		% stake	81.12%	81.11%

Santa María del Sol S.A.

			Year-end 2017	Year-end 2016
Activity:	Investments	Assets	7,449	8,820
Registered place of business:	Buenos Aires	Liabilities	19	151
Country:	Argentina	Equity	7,430	8,669
Date of incorporation:	April 11, 1991	Net income	77	(235)
		% stake	81.13%	81.13%

Atlantis Sociedad Inversora S.A.

			Year-end 2017	Year-end 2016
Activity:	Investments	Assets	4,028	4,787
Registered place of business:	Buenos Aires	Liabilities	15	86

Country:	Argentina	Equity	4,013	4,701
Date of incorporation:	June 26, 1992	Net income	24	(124)
		% stake	81.13%	81.13%

Chilean Holding Suramericana SPA (formerly RSA Chilean Holding SpA)

			Year-end 2017	Year-end 2016
Activity:	Investments	Assets	44,926	40,387
Registered place of business:	Santiago de Chile	Liabilities	50,280	43,520
Country:	Chile	Equity	(5,354)	(3,133)
Date of incorporation:	October 16, 2012	Net income	(1,774)	(1,161)
		% stake	81.13%	81.13%

Inversiones Suramericana Chile Limitada (formerly Inversiones RSA Chile Limitada)

			Year-end 2017	Year-end 2016
Activity:	Investments	Assets	41,465	37,747
Registered place of business:	Santiago de Chile	Liabilities	228	-
Country:	Chile	Equity	41,237	37,747
Date of incorporation:	October 25, 2012	Net income	(160)	(77)
		% stake	81.13%	81.13%

Sura Asset Management S.A.

			Year-end 2017	Year-end 2016
Activity:	Investing in personal and real estate property,	Assets	7,180,525	7,340,374
Registered place of business:	Medellin	Liabilities	1,599,686	1,626,766
Country:	Colombia	Equity	5,580,839	5,713,608
Date of incorporation:	15/09/2011	Net income	221,154	329,215
		% stake	83.58%	78.71%

Activos Estratégicos Sura A.M. Colombia S.A.S.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	131	126
Registered place of business:	Medellin	Liabilities	2	2
Country:	Colombia	Equity	129	124
Date of incorporation:	April 25, 2013	Net income	5	4
		% stake	83.58%	78.71%

Sura Investment Management Colombia S.A.S

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	6,685	5,636
Registered place of business:	Medellin	Liabilities	407	83
Country:	Colombia	Equity	6,278	5,553
Date of incorporation:	June 23, 2015	Net income	1,180	2,165
		% stake	83.58%	78.71%

Sura Asset Management España, S.L.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	5,331,043	4,673,470
Registered place of business:	Madrid	Liabilities	619	590
Country:	Spain	Equity	5,330,424	4,672,880
Date of incorporation:	September 28, 2011	Net income	(967)	(1,280)
		% stake	83.58%	78.71%

Grupo de Inversiones Suramericana Holanda B.V.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	5,120,196	4,487,674

Registered place of business:	Amsterdam	Liabilities	43	26
Country:	Holland	Equity	5,120,153	4,487,648
Date of incorporation:	October 12, 2011	Net income	(306)	(229)
		% stake	83.58%	78.71%

Grupo Sura Chile Holdings I B.V.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	2,592,886	1,921,166
Registered place of business:	Amsterdam	Liabilities	1,384	1,155
Country:	Holland	Equity	2,591,502	1,920,011
Date of incorporation:	July 7, 1993	Net income	(505)	(152)
		% stake	83.58%	78.71%

SURA Asset Management Chile S.A.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	3,208,846	2,832,127
Registered place of business:	Santiago de Chile	Liabilities	21,228	15,282
Country:	Chile	Equity	3,187,618	2,816,845
Date of incorporation:	August 1, 2002	Net income	90,209	132,621
		% stake	83.58%	78.71%

Sura Data Chile S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing data processing services and leasing computer equipment.	Assets	10,256	9,440
Registered place of business:	Santiago de Chile	Liabilities	3,537	3,703
Country:	Chile	Equity	6,719	5,737
Date of incorporation:	August 1, 2002	Net income	394	834
		% stake	83.58%	78.71%

SURA Servicios Profesionales S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing business consultancy and advisory services.	Assets	34,989	28,513
Registered place of business:	Santiago de Chile	Liabilities	18,002	15,344
Country:	Chile	Equity	16,987	13,169
Date of incorporation:	August 1, 2002	Net income	2,351	3,089
		% stake	83.58%	78.71%

Santa María Internacional S.A.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	-	6,786
Registered place of business:	Santiago de Chile	Liabilities	-	7
Country:	Chile	Equity	-	6,779
Date of incorporation:	October 17, 1994	Net income	-	(316)
		% stake	0.00%	78.71%

Grupo Sura Latin American Holdings B.V.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	-	351,601
Registered place of business:	Netherlands	Liabilities	-	(9)
Country:	Holland	Equity	-	351,610
Date of incorporation:	September 28, 1983	Net income	-	(2,317)
		% stake	0.00%	78.71%

SUAM Finance B.V

			Year-end 2017	Year-end 2016
Activity:	Holding company for 144A/Reg S bonds issued in April 2014	Assets	1,432,862	1,440,665
Registered place of business:	Curaçao	Liabilities	1,496,394	1,503,441
Country:	Curaçao	Equity	(63,532)	(62,776)
Date of incorporation:	December 1, 2014	Net income	(73,364)	(78,002)
		% stake	83.58%	78.71%

Sura Asset Management México S.A. de C.V.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	1,002,420	934,894
Registered place of business:	Mexico D.F.	Liabilities	177	3,745
Country:	Mexico	Equity	1,002,243	931,149
Date of incorporation:	April 17, 2013	Net income	229,637	195,081
		% stake	83.58%	78.71%

Sura Art Corporation S.A. de C.V.

			Year-end 2017	Year-end 2016
Activity:	Collecting Mexican works of art.	Assets	38,902	41,101
Registered place of business:	Mexico D.F.	Liabilities	81	76
Country:	Mexico	Equity	38,821	41,025
Date of incorporation:	December 20, 2011	Net income	171	8
		% stake	83.58%	78.71%

SURA Asset Management Perú S.A.

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	286,011	194,783
Registered place of business:	Lima	Liabilities	64,388	53,120
Country:	Peru	Equity	221,623	141,663
Date of incorporation:	July 4, 2013	Net income	133,147	62,985
		% stake	83.58%	78.71%

Sura Asset Management Uruguay Sociedad de Inversión S.A. (formerly Tublyr S.A.)

			Year-end 2017	Year-end 2016
Activity:	Holding Company	Assets	218,779	207,274
Registered place of business:	Uruguay	Liabilities	4,025	743
Country:	Uruguay	Equity	214,754	206,531
Date of incorporation:	July 2, 2013	Net income	25,559	22,310
		% stake	83.58%	78.71%

MANDATORY / VOLUNTARY

AFAP Sura S.A.

			Year-end 2017	Year-end 2016
Activity:	Managing retirement savings funds.	Assets	102,116	89,833
Registered place of business:	Montevideo	Liabilities	21,382	18,659
Country:	Uruguay	Equity	80,734	71,174
Date of incorporation:	March 27, 1995	Net income	44,989	38,818
		% stake	83.58%	78.71%

AFP Capital S.A.

			Year-end 2017	Year-end 2016
Activity:	Managing pension funds.	Assets	3,334,661	2,794,219
Registered place of business:	Santiago de Chile	Liabilities	582,530	440,129
Country:	Chile	Equity	2,752,131	2,354,090
Date of incorporation:	January 16, 1981	Net income	292,234	328,266

% stake 83.33% 78.48%

Afore Sura S.A. de C.V.

		Year-end 2017	Year-end 2016
Activity:	Managing investment firms specializing in retirement savings funds	Assets	1,512,587 1,481,453
Registered place of business:	Mexico D.F.	Liabilities	216,568 272,381
Country:	Mexico	Equity	1,296,019 1,209,072
Date of incorporation:	December 17, 1996	Net income	257,279 245,589
		% stake	83.58% 78.71%

AFP Integra S.A.

		Year-end 2017	Year-end 2016
Activity:	Providing its pension fund management services	Assets	1,402,909 1,327,484
Registered place of business:	Lima	Liabilities	249,423 232,958
Country:	Peru	Equity	1,153,486 1,094,526
Date of incorporation:	May 19, 1993	Net income	181,830 166,430
		% stake	83.58% 78.70%

CLIENTS

Corredores de Bolsa Sura S.A.

		Year-end 2017	Year-end 2016
Activity:	Purchasing and selling securities and providing brokerage services	Assets	138,860 91,121
Registered place of business:	Santiago de Chile	Liabilities	77,695 47,855
Country:	Chile	Equity	61,165 43,266
Date of incorporation:	February 4, 2008	Net income	(2,595) (13,722)
		% stake	83.58% 78.71%

Administradora General de Fondos Sura S.A.

		Year-end 2017	Year-end 2016
Activity:	Managing investment and mutual funds.	Assets	82,698 46,946
Registered place of business:	Santiago de Chile	Liabilities	49,829 24,631
Country:	Chile	Equity	32,869 22,315
Date of incorporation:	July 9, 2008	Net income	7,764 3,002
		% stake	83.58% 78.71%

Sura Investment Management S.A. de C.V.

		Year-end 2017	Year-end 2016
Activity:	Managing investment fund management firms.	Assets	63,350 51,738
Registered place of business:	Mexico D.F.	Liabilities	15,881 16,678
Country:	Mexico	Equity	47,469 35,060
Date of incorporation:	February 13, 1998	Net income	(14,586) (15,353)
		% stake	83.58% 78.71%

Fondos Sura SAF S.A.C.

		Year-end 2017	Year-end 2016
Activity:	Managing investment and mutual funds.	Assets	13,663 17,077
Registered place of business:	Lima	Liabilities	4,751 13,113
Country:	Peru	Equity	8,912 3,964
Date of incorporation:	December 7, 2004	Net income	(6,111) (8,742)
		% stake	83.58% 78.71%

Sociedad Agente de Bolsa S.A.

Year-end 2017 Year-end 2016

Activity:	Stock brokerage firm	Assets	12,011	9,858
Registered place of business:	Peru	Liabilities	941	966
Country:	Peru	Equity	11,070	8,892
Date of incorporation:	September 25, 2015	Net income	(3,458)	(4,980)
		% stake	83.58%	78.71%

Corredor de Bolsa SURA S.A.

			Year-end 2017	Year-end 2016
Activity:	Providing brokerage services	Assets	8,272	3,196
Registered place of business:	Montevideo	Liabilities	3,122	644
Country:	Uruguay	Equity	5,150	2,552
Date of incorporation:	December 1, 2014	Net income	(6,038)	(1,324)
		% stake	83.58%	78.71%

AFISA SURA S.A.

			Year-end 2017	Year-end 2016
Activity:	Managing investments funds.	Assets	7,155	5,922
Registered place of business:	Montevideo	Liabilities	2,241	2,162
Country:	Uruguay	Equity	4,914	3,760
Date of incorporation:	January 19, 2011	Net income	(4,621)	(7,084)
		% stake	83.58%	78.71%

Sura Asset Management Argentina S.A.

			Year-end 2017	Year-end 2016
Activity:	Managing investments funds.	Assets	26	-
Registered place of business:	Buenos Aires	Liabilities	26	-
Country:	Argentina	Equity	-	-
Date of incorporation:	October 11, 2017	Net income	(18)	-
		% stake	83.58%	0.00%

VIDA

Seguros de Vida Suramericana S.A.

			Year-end 2017	Year-end 2016
Activity:	Personal Insurance	Assets	7,253,468	6,572,896
Registered place of business:	Medellin	Liabilities	5,839,942	5,359,707
Country:	Colombia	Equity	1,413,526	1,213,189
Date of incorporation:	August 4, 1947	Net income	351,110	314,064
		% stake	81.13%	81.13%

Seguros de Riesgos Laborales Suramericana S.A.

			Year-end 2017	Year-end 2016
Activity:	Occupational Risk Management firm	Assets	2,634,197	2,151,408
Registered place of business:	Medellin	Liabilities	2,095,313	1,721,474
Country:	Colombia	Equity	538,884	429,934
Date of incorporation:	November 9, 1995	Net income	186,316	179,125
		% stake	81.13%	81.13%

Asesuisa Vida, S.A. Seguros de Personas

			Year-end 2017	Year-end 2016
Activity:	Personal Insurance	Assets	369,422	372,181
Registered place of business:	San Salvador	Liabilities	287,273	299,339
Country:	El Salvador	Equity	82,149	72,842
Date of incorporation:	December 5, 2001	Net income	18,923	27,889
		% stake	81.13%	81.13%

Seguros de Vida Suramericana S.A (formerly RSA Seguros de Vida S.A.)			Year-end 2017	Year-end 2016
Activity:	Life insurance	Assets	76,949	56,818
Registered place of business:	Santiago de Chile	Liabilities	34,662	18,303
Country:	Chile	Equity	42,287	38,515
Date of incorporation:	November 21, 2012	Net income	33	196
		% stake	81.13%	81.13%

Seguros de Vida Sura S.A.			Year-end 2017	Year-end 2016
Activity:	Providing its insurance services, specifically life insurance and annuities.	Assets	10,323,517	8,661,920
Registered place of business:	Santiago de Chile	Liabilities	9,203,966	7,787,570
Country:	Chile	Equity	1,119,551	874,350
Date of incorporation:	January 12, 1989	Net income	53,961	45,942
		% stake	83.58%	78.71%

Pensiones Sura S.A. de C.V.			Year-end 2017	Year-end 2016
Activity:	Pension insurance	Assets	2,030,137	1,607,754
Registered place of business:	Mexico D.F.	Liabilities	1,895,032	1,502,049
Country:	Mexico	Equity	135,105	105,705
Date of incorporation:	May 12, 1997	Net income	24,633	29,637
		% stake	83.58%	78.71%

Seguros de Vida Sura México, S.A. de C.V. (formerly Primero Seguros de Vida S.A. de C.V.)			Year-end 2017	Year-end 2016
Activity:	Life insurance	Assets	270,155	181,876
Registered place of business:	Mexico D.F.	Liabilities	230,058	142,014
Country:	Mexico	Equity	40,097	39,862
Date of incorporation:	December 1, 2014	Net income	(1,808)	4,644
		% stake	83.58%	78.71%

Seguros Sura S.A. (formerly Invita)			Year-end 2017	Year-end 2016
Activity:	Providing life insurance and reinsurance	Assets	-	4,527,778
Registered place of business:	Lima	Liabilities	-	4,022,722
Country:	Peru	Equity	-	505,056
Date of incorporation:	March 1, 2000	Net income	-	88,036
		% stake	0.00%	54.54%

SUAM Corredora de Seguros S.A. de C.V.			Year-end 2017	Year-end 2016
Activity:	Providing its insurance and reinsurance brokerage services	Assets	733	585
Registered place of business:	San Salvador	Liabilities	87	102
Country:	El Salvador	Equity	646	483
Date of incorporation:	May 7, 2013	Net income	164	184
		% stake	83.58%	78.71%

Disgely S.A.			Year-end 2017	Year-end 2016
Activity:	Selling merchandise and leasing goods, properties and services.	Assets	2,148	1,573
Registered place of business:	Montevideo	Liabilities	168	497
Country:	Uruguay	Equity	1,980	1,076

Date of incorporation:	December 1, 2014	Net income	(617)	(2,049)
		% stake	83.58%	78.71%

Non-life

Seguros Generales Suramericana S.A.

			Year-end 2017	Year-end 2016
Activity:	Property and Casualty Insurance	Assets	3,750,880	3,478,392
Registered place of business:	Medellin	Liabilities	2,870,049	2,694,227
Country:	Colombia	Equity	880,831	784,165
Date of incorporation:	December 12, 1944	Net income	77,079	34,079
		% stake	81.12%	81.11%

Seguros Sura S.A.

			Year-end 2017	Year-end 2016
Activity:	Seguros	Assets	313,228	295,929
Registered place of business:	Santo Domingo	Liabilities	272,548	258,142
Country:	Dominican Republic	Equity	40,680	37,787
Date of incorporation:	July 17, 1986	Net income	676	(977)
		% stake	81.13%	81.13%

Seguros Suramericana Panamá S.A.

			Year-end 2017	Year-end 2016
Activity:	Seguros	Assets	1,169,686	1,152,792
Registered place of business:	Panama City	Liabilities	547,873	520,922
Country:	Panama	Equity	621,813	631,870
Date of incorporation:	July 11, 1972	Net income	48,104	35,941
		% stake	81.13%	81.13%

Aseguradora Suiza Salvadoreña S.A. Aseuisa

			Year-end 2017	Year-end 2016
Activity:	Property and Casualty Insurance	Assets	304,142	295,607
Registered place of business:	San Salvador	Liabilities	123,856	123,801
Country:	El Salvador	Equity	180,286	171,806
Date of incorporation:	November 14, 1969	Net income	361	(3,009)
		% stake	81.13%	81.13%

Sura RE Ltd.

			Year-end 2017	Year-end 2016
Activity:	Insurance and re-insurance	Assets	57,468	15,891
Registered place of business:	Hamilton	Liabilities	42,276	145
Country:	Bermuda	Equity	15,192	15,746
Date of incorporation:	December 8, 2015	Net income	(462)	(770)
		% stake	81.13%	81.13%

Sura SAC Ltd.

			Year-end 2017	Year-end 2016
Activity:	Insurance and re-insurance	Assets	1,904	-
Registered place of business:	Hamilton	Liabilities	933	-
Country:	Bermuda	Equity	971	-
Date of incorporation:	July 26, 2017	Net income	(13)	-
		% stake	81.13%	0.00%

Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Brazil) S.A.)

			Year-end 2017	Year-end 2016
Activity:	Personal and casualty insurance	Assets	1,050,691	1,037,458

Registered place of business:	Sao Pablo	Liabilities	804,552	786,060
Country:	Brazil	Equity	246,139	251,398
Date of incorporation:	August 31, 1973	Net income	(155)	(7,184)
		% stake	81.13%	81.13%

Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)

			Year-end 2017	Year-end 2016
Activity:	General insurance	Assets	1,446,021	1,413,475
Registered place of business:	Buenos Aires	Liabilities	1,250,744	1,235,661
Country:	Argentina	Equity	195,277	177,814
Date of incorporation:	July 13, 1912	Net income	29,155	20,851
		% stake	80.67%	80.63%

Aseguradora de Créditos y Garantías S.A.

			Year-end 2017	Year-end 2016
Activity:	Insurance, co-insurance and re-insurance in general for all types of risk	Assets	87,275	89,113
Registered place of business:	Buenos Aires	Liabilities	73,930	70,096
Country:	Argentina	Equity	13,345	19,017
Date of incorporation:	March 20, 1959	Net income	(3,270)	4,267
		% stake	81.12%	81.12%

Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.)

			Year-end 2017	Year-end 2016
Activity:	General insurance	Assets	4,196,792	3,558,386
Registered place of business:	Santiago de Chile	Liabilities	3,325,728	2,764,570
Country:	Chile	Equity	871,064	793,816
Date of incorporation:	April 15, 1905	Net income	(3,595)	(7,942)
		% stake	80.71%	80.71%

Seguros Sura, S.A de C.V. (formerly Royal & Sun Alliance Seguros (Mexico) S.A. de C.V.)

			Year-end 2017	Year-end 2016
Activity:	General insurance	Assets	1,432,476	887,823
Registered place of business:	Mexico D.F.	Liabilities	1,119,239	639,383
Country:	Mexico	Equity	313,237	248,440
Date of incorporation:	October 1, 1941	Net income	(7,082)	(13,556)
		% stake	81.13%	81.13%

Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)

			Year-end 2017	Year-end 2016
Activity:	Property and Casualty Insurance	Assets	602,676	595,153
Registered place of business:	Montevideo	Liabilities	331,371	307,134
Country:	Uruguay	Equity	271,305	288,019
Date of incorporation:	November 7, 1994	Net income	13,545	4,768
		% stake	81.13%	81.13%

Plans

EPS y Medicina Prepagada Suramericana S.A.

			Year-end 2017	Year-end 2016
Activity:	Organizing, guaranteeing and providing health care services	Assets	721,194	612,715
Registered place of business:	Medellin	Liabilities	524,958	456,992
Country:	Colombia	Equity	196,236	155,723
Date of incorporation:	January 31, 1990	Net income	31,823	22,162
		% stake	81.13%	81.13%

Servicios de Salud IPS Suramericana S.A.			Year-end 2017	Year-end 2016
Activity:	Providing medical, paramedical and dental services	Assets	89,141	71,681
Registered place of business:	Medellin	Liabilities	75,537	62,863
Country:	Colombia	Equity	13,604	8,818
Date of incorporation:	December 19, 1996	Net income	1,660	1,148
		% stake	81.13%	81.13%

Diagnóstico y Asistencia Médica S.A.			Year-end 2017	Year-end 2016
Activity:	Providing health care services through diagnostic aids	Assets	82,334	79,390
Registered place of business:	Medellin	Liabilities	50,348	54,859
Country:	Colombia	Equity	31,986	24,531
Date of incorporation:	February 24, 1994	Net income	5,986	5,252
		% stake	81.13%	81.13%

Habitat Adulto Mayor S.A.			Year-end 2017	Year-end 2016
Activity:	Providing health care services for the elderly	Assets	50,075	30,181
Registered place of business:	La Estrella	Liabilities	21,884	8,704
Country:	Colombia	Equity	28,191	21,477
Date of incorporation:	July 24, 2007	Net income	1,187	1,171
		% stake	82.66%	82.66%

OUTSOURCING

Arus S.A.

Arus S.A.			Year-end 2017	Year-end 2016
Activity:	Providing and marketing its telecommunication services, products and solutions	Assets	84,104	73,263
Registered place of business:	Medellin	Liabilities	53,073	47,436
Country:	Colombia	Equity	31,031	25,827
Date of incorporation:	August 16, 1988	Net income	5,204	3,818
		% stake	100.00%	100.00%

Enlace Operativo S.A.

Enlace Operativo S.A.			Year-end 2017	Year-end 2016
Activity:	Providing data processing services in the form of outsourcing	Assets	20,293	16,656
Registered place of business:	Medellin	Liabilities	4,968	4,612
Country:	Colombia	Equity	15,325	12,044
Date of incorporation:	May 31, 2006	Net income	3,281	2,861
		% stake	100.00%	100.00%

OTHERS

Operaciones Generales Suramericana S.A.S.

Operaciones Generales Suramericana S.A.S.			Year-end 2017	Year-end 2016
Activity:	Investing in personal and real estate property,	Assets	127,864	131,972
Registered place of business:	Medellin	Liabilities	74,119	84,045
Country:	Colombia	Equity	53,745	47,927
Date of incorporation:	July 24, 1964	Net income	(8,278)	(11,224)
		% stake	81.13%	81.13%

Servicios Generales Suramericana S.A.

Year-end 2017 Year-end 2016

Activity:	Investing in personal property especially shares, quotas or holdings	Assets	506,017	464,883
Registered place of business:	Medellin	Liabilities	240,956	208,373
Country:	Colombia	Equity	265,061	256,510
Date of incorporation:	December 6, 2002	Net income	11,045	3,519
		% stake	81.13%	81.13%

Consultoría en Gestión de Riesgos Suramericana S.A.S.

			Year-end 2017	Year-end 2016
Activity:	Providing its advisory services with regard to comprehensive risk management	Assets	14,995	13,360
Registered place of business:	Medellin	Liabilities	12,676	11,834
Country:	Colombia	Equity	2,319	1,526
Date of incorporation:	April 15, 1996	Net income	293	386
		% stake	81.13%	81.13%

Servicios Generales Suramericana S.A. (Panamá)

			Year-end 2017	Year-end 2016
Activity:	Inspecting, repairing, purchasing and selling all types of vehicles and their corresponding spare parts	Assets	419	588
Registered place of business:	Panama City	Liabilities	263	442
Country:	Panama	Equity	156	146
Date of incorporation:	August 2, 2012	Net income	11	121
		% stake	81.13%	81.13%

Protección Garantizada LTDA

			Year-end 2017	Year-end 2016
Activity:	Insurance brokerage	Assets	2,479	5,920
Registered place of business:	Bogotá	Liabilities	889	2,794
Country:	Colombia	Equity	1,590	3,126
Date of incorporation:	November 10, 2005	Net income	1,555	2,344
		% stake	49.73%	41.36%

Servicios y Ventas Compañía Limitada

			Year-end 2017	Year-end 2016
Activity:	Service provider	Assets	-	62
Registered place of business:	Santiago de Chile	Liabilities	-	75
Country:	Chile	Equity	-	(13)
Date of incorporation:	January 28, 1997	Net income	-	-
		% stake	0.00%	80.92%

SURA Real Estate S.A.S.

			Year-end 2017	Year-end 2016
Activity:	Management consultancy services, real estate activities with properties either leased or for own use.	Assets	3,426	-
Registered place of business:	Bogotá	Liabilities	2,383	-
Country:	Colombia	Equity	1,043	-
Date of incorporation:	February 9, 2016	Net income	588	-
		% stake	58.50%	55.09%

Asesores Sura S.A. de C.V.

			Year-end 2017	Year-end 2016
Activity:	Providing financial services and products	Assets	11,175	9,202
Registered place of business:	Mexico D.F.	Liabilities	8,516	7,120
Country:	Mexico	Equity	2,659	2,082
Date of incorporation:	October 17, 2000	Net income	660	1,170

		% stake	83.58%	78.71%
Promotora Sura AM S.A. de C.V.				
			Year-end 2017	Year-end 2016
Activity:	Providing advertising and marketing services for any type of product	Assets	6,734	5,589
Registered place of business:	Mexico D.F.	Liabilities	3,851	3,870
Country:	Mexico	Equity	2,883	1,719
Date of incorporation:	October 23, 2013	Net income	1,086	587
		% stake	83.58%	78.71%
Hipotecaria Sura Empresa Administradora Hipotecaria S.A.				
			Year-end 2017	Year-end 2016
Activity:	Providing mortgage loans and other financial services	Assets	-	15,370
Registered place of business:	Lima	Liabilities	-	2,395
Country:	Peru	Equity	-	12,975
Date of incorporation:	May 14, 2008	Net income	-	(3,060)
		% stake	0.00%	55.09%

The figures shown for each subsidiary were taken from their separate financial statements.

Changes to Subsidiary Stakes 2017

- On April 4, 2017, a total of 127,464 shares held by IFC in Sura Asset Management S.A. were purchased for a value of \$ 1,079,056 million, thereby extending the Group's overall stake by 4.8717%.

On July 26, 2017 the company SURA SAC Ltda was formed. Suramericana holds a 100% direct stake in the share capital of this segregated accounts company, domiciled in Bermuda. The initial value of this investment came to USD 200,000.

- The firm Servicios y Ventas Compañía Ltda was wound up and therefore as of 2017 a 100% impairment was recorded against its value.

- The company Inversiones Sura Brasil SAS was wound up in December 2017. This Company had been previously dissolved and in the process of being wound up as evidenced in Minutes No. 05 of an Extraordinary Shareholders' Meeting held on November 29, 2017, with its current status being reported to the Brazilian Chamber of Commerce on December 21, 2017.

Highlights at Subsidiary Level - 2017

Divestiture of Seguros de Vida Sura México

On November 15, Suramericana S.A. entered into a share purchase agreement for the purpose of acquiring, both directly and indirectly, all those outstanding shares belonging to the Mexican Insurance firm, Seguros de Vida SURA SA, which is currently owned by the Group's pension, savings and investment management subsidiary, SURA Asset Management S.A. in Mexico. These shares shall be transferred for a total of USD

20,598,943.93, that is to say, \$61.467 million Colombian pesos, once due authorization is obtained from the Mexican National Insurance and Bonding Commission.

Divestiture of Seguros Sura Perú and Hipotecaria Sura

In May 2017, a sales agreement was signed with Intercorp for 100% of the share capital belonging to both Seguros Sura Perú and Hipotecaria Sura. Here, Sura Asset Management sold to Intercorp a 69.3% stake in Seguros Sura Perú and its subsidiary Sura Asset Management Peru sold a 100% stake held in Hipotecaria Sura.

This decision came after analyzing the new regulatory situation in Peru and how this affects the Company's business in this country. Consequently, the Company preferred to concentrate its efforts on AFP Integra, the pension management subsidiary which is at an important capital accumulation stage with regard to its fund members as well as driving the savings, investment and asset management business in this part of the world.

Seguros Sura Perú and Hipotecaria Sura was effectively sold off on October 1, 2017, whereupon Intercorp took over.

The following table shows how gains from the sale of discontinued operations were calculated:

	Component
Selling price (revenue from sale)	562,619
Book value (cost of sale)	(416,162)
Exchange difference expense	(75,439)
Revenues via equity method from Seguros SURA Perú	9,828
Gains from sale of discontinued operations	80,846
Current tax	(23,092)
Net gain	57,753

It is important to note that this company was excluded from the Business Group's scope of consolidation for this past reporting period, and that during the last consolidation period the following items were included in the Statement of Financial Position under revenues from discontinued operations:

	Value
Non-current assets held for sale	4,761,321
Investments (Portfolio)	4,143,402
Investment properties	272,051
Accounts receivable	345,868
Liabilities relating to assets held for sale	4,124,248
Technical insurance reserves:	4,031,988
Others	92,260
Discontinued Operations, Net	637,072

Cash flows relating to this transaction are shown as follows

	2017	2016
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Operating activities		
Earnings from sales of subsidiaries	(148,081)	-
Reclassified to other equity interests due to sale of subsidiary	(76,274)	-
Net cash flows used for operating activities	(224,355)	(16,354)
Investment activities		
Decrease in investments in subsidiaries	(420,768)	-
Proceeds from sale of subsidiaries	568,849	-
Net cash flows used for investing activities	148,081	(147,962)
Net cash flows used for financing activities	-	24,015
Net cash inflow	148,081	(140,301)

2016

- Dinámica IPS Zonas Francas S.A.S. was wound up at year-end 2016
- By June, the Royal & Sun Alliance companies had been included in the consolidation after receiving due authorization from the local regulatory authorities. (See Note 7 - Business Combinations):
- On March 31, 2016, Suramericana acquired ownership control over Royal & Sun Alliance Seguros Colombia.
- On February 29, 2016, Suramericana acquired control over Royal & Sun Alliance Seguros (Brazil).
- On April 30, 2016, Suramericana acquired control over Royal & Sun Alliance Seguros Argentina.
- On May 31, 2016, Suramericana acquired control over Royal & Sun Alliance Seguros México - RSA.
- On April 30, 2016, Suramericana acquired control over Royal & Sun Alliance Seguros Chile - RSA.
- On July 01, 2016, Suramericana acquired control over Royal & Sun Alliance Seguros Uruguay – RSA.
- On June 1, 2016 Grupo Sura acquired 191,198 shares belonging to Sura Asset Management S.A. from General Atlantic for a total of COP 1,758,647, thereby increasing Grupo Sura's stake from 71.4% to 78.7%.
- In April and June 2016, Inversiones y Construcciones Estratégicas acquired 2,908,153 and 6,519,063 shares in Habitat Adulto Mayor S.A. For COP 507 and COP 1,153 million respectively, which is equal to stakes of 2.45% and 5.49% in this entity.
- On March 17, 2016, Inversiones y Construcciones Estratégicas acquired 484,258 shares in Habitat Adulto Mayor S.A. for COP 68, which is equal to a 0.41% stake in said entity.
- On March 16, 2016, Sura Re was incorporated in the Bermudas. This Company is licensed to carry out insurance and reinsurance operations and whose shareholder is Suramericana S.A. The corporate

purpose of this newly created company is to drive reinsurance efficiencies for all operations and leveraging new product development based on the Group's Trend and Risk Management Model.

- On February 9, 2016, the Group's subsidiary, Sura Investment Management set up a new company called Sura Real Estate S.A.S. with Grupo Sura holding a 55.09% stake. The main business activity of this newly-created company is to provide its management consultancy services and carry out real estate activities on properties either leased or for own use.

18.2 Investments accounted for using the equity method

The balance of investments held in associates and joint ventures is broken down as follows:

	2017	2016
Investments in Associates	18,829,782	18,139,274
Joint Ventures	4,160	5,054
Total investments accounted for using the equity method	18,833,942	18,144,328

	2017	2016
Revenues via equity method	1,060,919	1,033,897
Income from the equity method applied to joint ventures	317	3,740
Total income posted via the equity method from investments accounted for via the equity method	1,061,236	1,037,637

18.2.1 Investments in associates

Grupo Sura's associates at the end of the reporting period are listed as follows:

Name	Main business activity	Country	2017			2016		
			% stake	% voting rights	# shares	% stake	% voting rights	# shares
Associates:								
Grupo Bancolombia S.A. (*)	Universal banking	Colombia	24.44%	46.11%	235,039,870	24.44%	46.11%	235,039,870
Grupo Argos S.A. (*)	Cement, energy, real estate and ports	Colombia	26.78%	35.56%	229,534,810	26.78%	35.56%	229,534,810
Grupo Nutresa S.A.	Processed food	Colombia	35.17%	35.17%	161,807,155	35.17%	35.17%	161,807,155
Administradora de Fondo de Pensiones y	Pension and severance fund	Colombia	49.36%	49.36%	12,541,088	49.36%	49.36%	12,541,088

Cesantías Protección S.A.								
Sodexo Soluciones de Motivación S.A.	Services	Colombia	49.00%	49.00%	310,342	49.00%	49.00%	310,342
Sodexo Colombia S.A.	Services	Colombia	35.00%	35.00%	1,604,015	35.00%	35.00%	1,604,015
Promotora de proyectos ¹	Logistic services	Colombia	16.77%	16.77%	5,769,024	16.77%	16.77%	5,769,024
Inversiones DCV S.A.	Shareholder register management services	Chile	34.82%	34.82%	3,431	34.82%	34.82%	3,431
Fondos de Cesantías Chile II	Pension and severance fund	Chile	29.40%	29.40%	570,000	29.40%	29.40%	570,000
Servicios de Administración Previsional S.A.	Voluntary funds	Chile	22.64%	22.64%	168,806	22.64%	22.64%	168,806
ARS Palic Salud S.A.	Managing and selling health care plans	Dominican Republic	30.00%	30.00%	247,665	30.00%	30.00%	247,665
Subocol S.A.	Selling spare parts for vehicle repairs	Colombia	50.00%	50.00%	40,700	50.00%	50.00%	40,700
Brinks de Colombia S.A. ¹	Transport	Colombia	18.62%	18.62%	3,377,445	18.62%	18.62%	3,377,445
Acsendo S.A.S. ²	Investments	Colombia	25.8%	18.62%	63,570	-	-	-
Joint Ventures:								
Interejecutiva de Aviación S.A.S.	Air transport management services	Colombia	33.00%	33.00%	1,500,000	33.00%	33.00%	1,500,000
Unión Para La Infraestructura S.A.S.	Fund	Colombia	50.00%	50.00%	150	50.00%	50.00%	150

(*) **Voting rights:** the percentage stake carrying voting rights held in Grupo Bancolombia S.A. at December 31, 2017 and December 31, 2016 came to 46,11% and 35,56% respectively given the issue of non-voting preferred shares which these associates placed on the market. In the case of the other investments held by Grupo SURA in the aforementioned associates, the percentage stake held is equal to the voting rights accorded.

¹ In spite having just a 20% stake in Brinks de Colombia S.A., this investment is classified as one held in an associate, since Grupo Sura sits on its Board of Directors and has a say in the decisions made by the latter governing body.

² Investment firm acquired in 2017.

Balance of investments held in associates

The balance of investments held in associates is broken down as follows:

Investments in Associates	2017	2016
Bancolombia S.A.	7,788,286	7,337,334
Grupo Argos S.A.	4,917,510	4,952,061
Grupo Nutresa S.A.	4,913,993	4,716,733

Administradora de Fondos de Pensiones y Cesantías Protección S.A	1,120,041	1,045,581
Others	89,954	87,565
Total	18,829,783	18,139,274

Financial information regarding Grupo SURA's associates (Issuers of Securities)

The assets, liabilities, shareholders' equity and income for each of the associated companies included in Grupo Sura's consolidated financial statements at year-end 2017 and 2016 are shown as follows:

2017

Associates	Country	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Earnings	Other comprehensive income	Comprehensive income
Bancolombia S.A.*	Colombia	203,908,211		179,478,661		24,429,550	11,220,216	2,475,827	470,110	2,945,937
Grupo Argos S.A.*	Colombia	6,750,119	40,816,318	7,107,746	16,153,054	24,305,637	14,572,084	905,088	330,935	1,236,023
Grupo Nutresa S.A.*	Colombia	2,685,577	11,623,900	1,954,961	3,404,335	8,950,181	8,695,604	424,340	396,661	821,001
Administradora de Fondo de Pensiones y Cesantías Protección S.A. *	Colombia	2,086,574	-	624,348	-	1,462,226	-	343,319	-	343,319
Sodexo Servicios de Beneficios e Incentivos Colombia S.A.	Colombia	142,540	-	135,790	-	6,750	-	161	-	161
Sodexo Colombia S.A.	Colombia	112,227	-	95,730	-	16,496	-	14,141	-	14,141
Inversiones DCV S.A.	Chile	19,787	-	579	-	19,208	-	3,630	-	3,630
Servicios de Administración Previsional S.A.	Chile	108,239	-	44,829	-	63,410	-	51,135	-	51,135
ARS Palic Salud S.A.	Dominican Republic	271,459	-	178,564	-	92,895	-	26,118	-	26,118
Subocol S.A.	Colombia	3,720	-	2,416	-	1,304	-	(30)	-	(30)
Brinks de Colombia S.A.	Colombia	150,453	-	60,808	-	89,645	-	16,032	-	16,032
Ascendo S.A.S	Colombia	11,881	758	3,348	89	9,201	5,698	(8,302)	-	(8,302)

Joint Ventures	Country	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Earnings	Other comprehensive income	Comprehensive income
Interejecutiva de Aviación S.A.S.	Colombia	118,168	-	109,159	-	9,009	-	(2,439)	-	(2,439)
Unión para la Infraestructura S.A.S.	Colombia	4,888		2,572		2,316		2,211		2,211

2016

	Country	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Earnings	Other comprehensive income	Comprehensive 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
Grupo Argos S.A.*	Colombia	6,311,642	38,644,950	7,287,461	13,827,517	23,841,614	14,552,884	1,132,002	(104,865)	1,027,136
Grupo Nutresa S.A.*	Colombia	2,559,775	11,139,779	2,113,963	3,198,716	8,386,875	8,676,640	399,691	177,017	576,708

Administradora de Fondo de Pensiones y Cesantías Protección S.A.*	Colombia	1,823,563	-	522,260	-	1,301,303	-	240,610	-	240,610
Sodexo Soluciones de Motivación S.A.	Colombia	137,928	3,361	138,581	-	2,709	24,461	305	-	305
Sodexo Colombia S.A.	Colombia	98,220	8,002	94,974	-	11,248	463,951	8,797	-	8,797
Interejecutiva de Aviación S.A.S.	Colombia	78,370	-	66,922	-	11,448	48,551	7,551	-	7,551
Inversiones DCV S.A.	Chile	14,397	-	19	-	14,378	-	3,030	-	3,030
Servicios de Administración Previsional S.A.	Chile	92,681	-	33,309	-	59,372	-	48,310	-	48,310
ARS Palic Salud S.A.	Dominican Republic	253,269	-	167,631	-	85,638	-	23,478	-	23,478
Subocol S.A.	Colombia	3,174	-	1,752	-	1,422	-	(30)	-	(30)
Brinks de Colombia S.A.	Colombia	152,873	-	55,216	-	97,657	-	18,503	-	18,503

* Figures taken from the Consolidated Financial Statements

Investments in Grupo Sura's associates, as listed on the Colombian Stock Exchange (BVC) produced year-end closing prices that were higher for 2017 compared to the previous year, thus showing a better performance as shown below:

Associate	2017	2016	Change
Bancolombia S.A.	29,980	25,220	18.87%
Inversiones Argos S.A.	20,880	19,280	8.30%
Grupo Nutresa S.A.	27,820	24,900	11.73%
Fondo de Pensiones y Cesantías Protección S.A. (*)	87,349	75,017	16.44%

The fundamentals of these issuers performed much better given their interesting growth prospects thanks to the plans and investments carried out in recent years.

Furthermore, the shares of these associates are traded above the carrying values that appear on the Company's consolidated books.

(*) In spite of the fact that the Protección share is listed on the Colombian stock market, it classifies as having low liquidity which means that its actual price is not a faithful indication of the issuer's economic value.

Movements with investments in associates

	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	Administradora de Fondos de Pensiones y Cesantías Protección S.A.	Others	Total
At January 1, 2016	7,246,354	4,779,890	4,611,737	1,023,590	98,094	17,759,665
De-recognitions	(476,756)	(9,424)	(17,962)		(13,183)	(517,324)
Equity method revenues	700,195	62,998	139,164	101,803	29,737	1,033,897

Change in equity	82,318	119,504	64,374	2,144	(4,079)	264,261
(-) Dividends	(214,777)	(908)	(80,580)	(81,956)	(21,091)	(399,312)
Others	-	-	-	-	(1,913)	(1,913)
Balance held at year-end 2016	7,337,334	4,952,061	4,716,733	1,045,581	87,565	18,139,274
Additions	-	-	-	-	3,648	3,648
Equity method revenues	639,023	87,174	147,770	151,843	35,109	1,060,919
Change in equity	35,311	(58,727)	135,894	10,955	(2,227)	121,206
(-) Dividends	(223,382)	(62,998)	(86,405)	(88,338)	(29,215)	(490,338)
Others	-	-	-	-	(4,926)	(4,926)
Balance held at December 31, 2017	7,788,286	4,917,510	4,913,993	1,120,041	89,954	18,829,783

Restrictions and Commitments:

At the end of the reporting period, there were no restrictions or commitments encumbering Grupo SURA's investments in its associates.

18.2.2 Joint Ventures

Cost of joint venture investments

The following is a breakdown of the cost of these investments at year-end 2017 and 2016:

	Interejecutiva	Unión para la Infraestructura S.A.S.	Total
At January 1, 2016	-	-	-
Reclassifications	552	-	552
Additions	1,496	-	1,496
Revenues obtained via the equity method	2,517	1,238	3,756
Change in equity	(749)	-	(750)
At January 1, 2017	3,816	1,238	5,054
Reclassifications	-	(137)	(137)
Revenues obtained via the equity method	(813)	1,130	317
(-) Dividends	-	(1,074)	(1,074)
Balance held at December 31, 2017	3,003	1,157	4,160

¹ In 2017, these joint ventures were updated with regard to the equity method applied. On December 31, 2016, a reclassification to joint ventures in the amount of COP 552 was made. Grupo Sura also provided in this same year a capitalization through its subsidiary Inversiones y Construcciones Estratégicas consisting of 200,000 shares worth COP 1,496 million pesos in Internacional Ejecutiva de Aviación S.A.S.

At the end of this reporting period there were no restrictions encumbering the Group's investments in joint ventures.

NOTE 19. IMPAIRMENT OF NON-FINANCIAL ASSETS

19.1. Impairment of Investments in Subsidiaries and Associates

Identifying signs of impairment is a key step when assessing investments, since this defines the need to conduct an impairment test.

According to that set out in IAS 36- Paragraph 9: an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

According to that set out in IAS 36, "Impairment of Assets". The subsidiaries belonging to Grupo de Inversiones Suramericana, have to consider the following facts and circumstances to determine whether there are signs of impairment, or not.

1. Operating losses or negative cash flows for the current period compared to those budgeted.
2. Increased interest rates on investments and debt for the reporting period in question. Information: investments in inflation-indexed securities, agreed rates on bank loans.
3. Significant changes to the IT environment, defined as the risk relating to losses caused by technology (hardware or software) or the use of the same. Information: important declines in production due to technology risks or substantial exposure to hackers.
4. Significant changes to the legal environment that give rise to losses in the form of sanctions, fines or lawsuits due to a failure to comply with regulations or contractual obligations.
5. Significant changes in the regulatory environment. These refer to the negative implications that changes to the local regulatory framework may have on a company. These may be: mortality tables or taxes such as Equality Income Tax.
6. Changes in the competitive environment. Information: the amount of market share lost (based on growth and loss rates), new or more aggressive competition or cut-throat sales quotas.
7. Significant changes in the manner or to the extent that the cash generating unit (CGU) is used or is expected to be used.
8. Significant reduction in the use of installed capacity
9. Additional indebtedness.
10. Absence or significant reduction, as opposed to a mere fluctuation, in the demand or need for the services provided by the asset.

Annual assessments are performed to see whether an impairment exists with the Group's investments to rule out the aforementioned signs of such. If this is the case then the recoverable amount of the asset in question must be estimated.

In 2015, the following impairment occurred with Grupo de Inversiones Suramericana's investments in subsidiaries, namely with Dinámica IPS Zona Franca S.A.S., that affected 100% of its carrying value, thereby providing grounds for this company to be wound up. In December 2016, this Company was effectively wound up

At year-end 2017 and 2016, investments in the subsidiaries Sura Finance B.V. Grupo de Inversiones Suramericana Panama and Grupo Sura Finance showed shortfalls in terms of revenues which shall be covered by Grupo de Inversiones Suramericana with the possible winding up of these subsidiaries.

19.2 Impairment to Goodwill

Goodwill acquired through the purchase of the ING Latin American assets.

Goodwill acquired through business combinations as well as trademarks with indefinite useful lives have been allocated to the following cash generating units (CGUs) for the purpose of performing individual impairment tests:

- 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 México 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, through which Sura Asset Management manages, controls and projects its business throughout the region.

Sura Asset Management S.A. and Subsidiaries performed impairment tests during the year, the results of which showed no indication of any impairment either to goodwill or to trademarks with indefinite useful lives.

For the purposes of allocating the consolidated goodwill to each of the CGUs, the fair value equity method was applied. This allocation was based on reasonable values stipulated at the end of the opening balance sheet (as relating to the PPA) during the 12-month period following the acquisition.

Also, certain trademarks have been associated to the business of the two CGUs, namely the AFP Capital trademark belonging to AFP Capital S.A. as well as the AFP trademark belonging to AFP Integra S.A.

Methodology for Estimating Value in Use: the value in use for the Group's CGUs was estimated using the income approach.

General assumptions used in applying the income approach: the calculation of the value in use for all CGUs is sensitive to the following assumptions:

- *Time horizon*: the time horizon of the projection corresponding to the estimated duration of the CGUs analyzed. For more information see below:
- *Forecasting horizon*: based on the current macroeconomic conditions and the general characteristics and maturity of the different CGUs in question as well as all available information, we have considered the following specific forecasting horizons:
 - ·Corredora de Bolsa Sura S.A. and Administradora General de Fondos Sura S.A.: 5 years
 - ·AFP Capital S.A.: 5 years
 - ·Afore Sura S.A. de C.V: 5 years
 - ·Sura Investment Management México S.A. de C.V: 5 years
 - ·AFP Integra S.A.: 5 years
 - ·Fondos Sura SAF S.A.C.: 5 years

- AFAP Sura S.A: 5 years

Generally speaking, it is understood that the CGUs in question shall achieve a degree of business maturity with the consequent stabilization of their cash flows.

- *Residual value*: since the CGUs in question are expected to continue operating and generating positive cash flows beyond the forecasting horizon, as mentioned above, the perpetual performance of said CGUs was estimated. This value is known as the residual or terminal value

In order to estimate the residual value, standardized cash flows were projected in perpetuity, duly adjusted according to the same growth expectations defined in the guidelines suggested in the applicable standard.

- *Year-end cut-off date*: the cut-off date corresponding to the fiscal year on which the CGU's financial projections were estimated on the date the analysis was performed, that is to say December 31, which coincides with the closing date of the financial statements of the legal entities pertaining to said CGUs.
- *Currency Unit*: Sura Asset Management S.A. and Subsidiaries have estimated their cash flows in the functional currency of each of their markets, in keeping with that stated in the applicable standards.
- *Discount rate*: projected cash flows at current values are discounted at nominal discount rates in the local currency of each CGU, considering inflation variables and own risk premiums for each CGU according to its country.

The discount rates applied as part of these projected cash flows include consider the cost of equity (Ke) for each CGU, including 10-year US Treasury yields, the risk premium for the equity markets (Equity Risk Premium), the country risk, the beta of the sector, and the difference between long-term local inflation and that expected for the US economy. In the light of the above, the discount rates used range between 8.3% and 13.0% depending on the corresponding country and sector.

- - *Income tax rates*: projected cash flows are estimated after tax. Here, the tax rates that were applied to current earnings in each market at December 31, 2017 were 25% in the case of Chile, 30% in Mexico, 29.5% in Peru and 25% in Uruguay (See Note 13).
- - *Macroeconomic Assumptions*: financial projections for the CGUs in question, have been prepared based on macroeconomic variables projected by external sources of information.

The following assumptions were used for the impairment tests performed on trademarks:

- *Projection Horizon*: to estimate the value in use corresponding to trademarks their indefinite useful life was used, based on the brand positioning and track records, as well as the market focus of each CGU. Therefore, a specific projection was drawn up over a 5-year time frame for the AFP Capital and AFP Integra trademarks respectively, and then the present value of a perpetual stream of net royalties based on nominal increases in U.S. dollars of 3.1% for AFP Capital and 3.6% for AFP Integra was projected over the long term on stabilized cash flows.

- *Projected Income*: to estimate the value in use of the AFP Capital and AFP Integra trademarks, operating income from both companies was used. This corresponds to commission income and returns from their legal reserves for both their mandatory and voluntary pension business.
- *Market royalties and trademark attributes*: The market royalty rate was estimated for the purposes of applying the Relief from Royalty methodology. Also, in order to define the royalties corresponding to these trademarks, an estimated range of market royalties was taken as a basis, bearing in mind the trademark's relative strength and positioning based on the following attributes:
 - Momentum: the current status and potential for future growth of both trademarks were taken into account.
 - Brand recognition: the degree of brand awareness or "top of the mind" of both trademarks was evaluated based on market research.
 - Brand loyalty: the degree of client loyalty towards the trademarks was evaluated according to market research.
 - Market share the brands' market shares were evaluated on the Chilean and Peruvian markets, this based on market research.
 - Longevity: brand seniority on the Chilean and Peruvian markets were evaluated, based on market research.

Based on the above procedures, royalties of 1.05% were estimated for the trademarks AFP Capital and AFP Integra respectively.

Taxes

For the purpose of calculating after-tax streams of royalties, the tax rates current in each country were used. In the case of Chile, after a recent tax reform was introduced, the tax rate shall rise to 27.0% between 2017 and 2018. Peru's tax rate shall go from 28% in 2016 to 29.5% in 2017 onwards this being the proportional rate applicable to the subsidiaries in Chile and Peru, respectively.

Goodwill corresponding to Arus (formerly Compuredes) and Enlace Operativo

Upon preparing its consolidated financial statements, the Company conducted an impairment test of the goodwill acquired through business combinations of cash-generating units (CGU), in this case Enlace Operativo and Arus, so as to verify whether any impairment had been sustained.

General assumptions for estimating fair value

The calculation of the value in use for all CGUs is sensitive to the following assumptions:

- The Company's valuation using the Discounted Free Cash Flow method.
- For this purpose, the Company's historical financial statements in accordance with International Financial Reporting Standards (IFRS) were used as the basis.

- *Forecasting horizon:* based on the current macroeconomic conditions and the general characteristics and maturity of the different cash-generating units in question as well as all available information, we have set the specific forecasting horizon over a period of five years:
Generally speaking, it is understood that at the end of said period, the cash-generating units in question shall achieve a degree of business maturity with the consequent stabilization of their cash flows.
- The year-end figures for 2017 and 2018 are based on the budget drawn up by the Company’s Senior Management and subsequently submitted for the approval of its Board of Directors. The budget for 2018 is expected to be finally approved in January 2018.
- The economic projections were taken from the “Projected Macroeconomics Table”, as published by Bancolombia’s Economic Research Department in October 2017.
- *Residual value:* since the cash-generating units Enlace Operativo and Arus are expected to continue operating and generating positive cash flows beyond the forecasting horizon, the Group has estimated a growth to perpetuity of 3% This value is known as the residual or terminal value
- *Year-end cut-off date:* the cut-off date corresponding to the fiscal year on which the financial projections were estimated for the cash-generating units, Enlace Operativo and Compuredes for the purpose of this analysis, that is to say December 31, coincides with the closing date of the financial statements of the legal entities pertaining to said cash-generating units.
- *Revenues:* as of 2019, the company's revenues shall rise at the same pace as that of the Colombian economy (Real GDP) plus the projected inflation rate (CPI). The compound growth rate for projected revenues between 2019 and 2022 comes to 9.9%
- *Costs and expense:* selling costs, excluding Depreciation and Amortization (D & A), were projected as a proportion of revenues in accordance with Senior Management’s budget for 2017, this based on a constant proportion of 76.9%.
- Administrative and selling expense: excluding depreciation and amortization were projected as a proportion of revenues in accordance with Senior Management’s budget for 2018, this based on a constant proportion of 3.4%.
Employee Benefits shall rise at the same rate as the expected CPI plus 2%. There shall be a significant increase in this account for 2018, due to the amount of new staff required in order to meet current growth expectations as well as certain managerial positions that remained vacant in 2017.
- Working capital Working capital is modeled in keeping with historical trends, that is to say, using the number of turnover days for each account these calculated as the average number of turnover days between 2016 and 2017.
 - Receivables: 110 days
 - Inventories 13days
 - Suppliers: 46 days
- *Capex and non-cash charges:* the Company must invest in fixed and intangible assets to meet the needs of its clients. Consequently, CAPEX and intangible assets were projected as a proportion of sales, based on the figures for 2017.

- An investment in property and equipment corresponding to 6.7% of sales was assumed.
- An investment in intangible assets corresponding to 1.3% of sales was assumed.

Depreciation was projected as a proportion of property and equipment based on the budgeted figures drawn up by Senior Management for 2018.

Amortizations were projected as a proportion of the balance of the Company's intangible asset account based on the budgeted figures drawn up by Senior Management for 2018.

- *Discount and perpetuity rates:* for valuation purposes, a moving WACC was used, duly adjusted to the Company's capital structure:
 - The average Cost of Equity for the valuation period was 13.5%.
 - The Average Cost of Debt before Taxes came to 12%.
 - The Average WACC for the valuation period totaled 12.4%. Perpetuity was discounted at a rate of 12.4%.
 - A nominal growth in perpetuity of 6% is assumed.
- *Income Tax Rates:* taxes are modeled independently and in the case of this business plan, ordinary income tax payments are always made.
The rates used were based on the recent tax reform.

Conclusion

- Based on a review of the data presented at year-end 2017, no changes were observed to the indicators that could imply an impairment to the Company's recoverable value.
- Based on the cash flows analyzed, the Company's recoverable value of the company is higher than the value carried in books by both Arus and Grupo SURA.
- Upon comparing this cash flow analysis with comparable multiples of company value for the sector, the valuation arrived at is clearly within a prudent range and therefore confirms the absence of any impairment as previously concluded.
- Given the sensitivity analysis performed on the projected cash flows, we can safely say that there is enough room with regard to our valuation assumptions to state that there is no evidence of impairment to the Company's recoverable value.

Goodwill corresponding to Aseguradora Suiza Salvadoreña S.A. Ase-suiza

In 2012, Suramericana S.A. acquired Seguros Sura S.A. in the Dominican Republic and Aseguradora Suiza Salvadoreña S.A. in El Salvador. These acquisitions were carried out through a business combination that resulted in goodwill being recorded by Suramericana S.A. Annual reviews are carried out to check for impairment to these intangible assets

Methodology used for calculating impairment.

- Amount allocated: t The Company's Value in Use
- Acquired net assets at their carrying values
- Surplus allocated: the amount allocated less acquired net assets at their carrying values
- Total intangible assets: the value of the Company's intangible assets

Conclusion:

After testing for impairment in 2013, a loss of COP 9.392 was recorded (COP 22,973 at year-end 2017), which has been increasing gradually every year given exchange rate fluctuations, since this intangible was recorded in the foreign company's functional currency, and subsequently translated into the reporting currency using the exchange rate applicable at the end of the reporting period. See Note 17.1 - Intangible Assets, Goodwill

Goodwill acquired through the purchase of the RSA Latin American assets.

The goodwill acquired through business combinations for the acquisitions and mergers carried out in 2016, were allocated in accordance with the Purchase Price Allocations (PPAs) performed for each of the following countries:

- Argentina
- Brazil
- Chile
- Colombia
- Mexico
- Uruguay

Methodology used for calculating impairment.

Calculating Value in Use (the Company's value): a valuation was performed on each of the companies at September 30, 2017, according to the methodology defined by the Company which consisted of the following assumptions:

- The present value of estimated future dividend flows that the Company expects to obtain were discounted at September 30, 2017.
- Projected future flows were based on the short-term planning approved by the Board of Directors and on the medium and long-term assumptions made by Senior Management.
- The capital costs defined by Suramericana S.A. were used for each company, including the discount rate on future flows.

Finally, a new increase in value was calculated for each company, by means of the following formula:

Increase in value = Company value – book value (tangibles and intangibles)

$$\text{Plusvalía} = \text{Valor compañía} - \text{Valor en libros (tangible e intangible)}$$

All the companies which were analyzed produced a recoverable value which was higher than the value goodwill carried when the business combinations were performed. Consequently, no impairment was posted in 2017 for any of the operations of Suramericana S.A.

Estimates used to measure the recoverable amount of CGUs:

In keeping with that stipulated in IAS 36 - Impairment of Assets, the following are the reporting disclosures we are required to make regarding the estimates used to measure the recoverable amount of the cash-generating units in terms of their value in use.

- **Key assumptions on which Senior Management has based its cash flow projections:**
Impairment to goodwill is tested using a discounted dividend model. This model, which complies with industry-standardized financial and valuation methodologies, consists of future estimated dividends for each of the companies in question, discounting these dividend flows at their present value using a rate that reflects the estimated risk to these same.

These projections were based on the detailed budgets prepared by each country's Senior Management for 2017. Indicators such as growth in premiums, claims, commissions, administrative expense, financial income, taxes, among others, are projected for each of the following 8 years, with the exception of Compañía de Seguros Generales in Colombia where a 4-year projection period was applied. The main balance sheet accounts as well as the capital requirements of each company were also projected so as to arrive at the amount of dividend flows used for the valuation.

- **Description of the approach used by Senior Management to determine the value assigned to each key assumption:**

The projection assumptions used for each company take into account historical averages, the latest figures reported by each subsidiary, assumptions based on the Company's strategic planning, as approved by the Board of Directors for 2018, as well as Senior Management's best estimates of future performance for the main financial and operating variables of business.

For the newly acquired subsidiaries, their historical financial statements audited under the local accounting standards and reported to the corresponding oversight authorities are used, since these reflect the financial performance of the acquired operations.

- **Projected cash flow period used by Senior Management:**

These projections were made based on the Operating Budget for 2018 and subsequently the statements of income, the balance sheet and the free cash flows for the years 2019-2026 were also projected; with the exception of Seguros Generales in Colombia for which a projection period of four years was used, that is to say 2019 to 2022. In addition to the budget corresponding to the present year and estimates made at year-end 2017, a projection period of eight years was used since this was considered a reasonable period of time for the acquired operations to reach a greater level of maturity while adopting Suramericana's strategic planning initiative on a regional level. In the case of Seguros Generales in Colombia, beginning in 2022, a terminal value was calculated based on the present value of future flows rising at a constant rate which was in turn based on the nominal economic growth of each country as well as the financial growth potential of each subsidiary, this understood as being its terminal ROE multiplied by the rate of reinvested earnings for the last projected year for each operation.

- **The growth rate used to extrapolate projected dividends beyond the period covered, is explained below:**

The growth rates in premiums written during the specific projection period reflect factors such as the historical growth of each subsidiary, the historical growth of the insurance industry in each country, as well as the projected nominal economic growth estimated for each of the individual countries. During this period, compound annual growth rates in the case of income were various points higher than the respective economic growth rates, considering the insurance industry's low penetration levels in all those markets where Suramericana is present. The terminal growth rate used for calculating perpetuity assumes that the insurance industry shall grow in keeping with the GDP growth of each country and that each Suramericana subsidiary manages to maintain its respective market share.

- **The discount rate applied to cash flow projections:**

The discount rates used were arrived at using the Capital Asset Pricing Model (CAPM), which takes into account variables such as the risk-free rate, the equity market risk premium, and the specific risk exposure pertaining to the insurance segments in which each subsidiary participates. Furthermore, country risk premiums were taken into account for each of the countries in question as well as the

corresponding risk of devaluation, as measured by long-term inflation differentials, bearing in mind that the discount rates obtained are stated nominally in local currency.

Assumptions used for testing goodwill for impairment.

The following is a breakdown of the assumptions used to calculate value in use:

Subsidiary	Year-end	Currency Unit	Forecasting horizon	Discount rate	Macroeconomic assumptions (1)	Flow growth rates (2)
Argentina	Valuation at 9/30/2017	ARS	10 years	24.03%	GDP Growth: 3.0% / Inflation: 9.8%	9.7%
Brazil	Valuation at 9/30/2017	BRL	10 years	13.87%	GDP Growth: 2.3% / Inflation: 4.1%	6.9%
Chile	Valuation at 9/30/2017	CLP	10 years	9.27%	GDP Growth: 2.8% / Inflation: 3.0%	6.1%
Mexico	Valuation at 9/30/2017	MXN	10 years	11.32%	GDP Growth: 2.5% / Inflation: 3.7%	6.1%
Uruguay	Valuation at 9/30/2017	UYU	10 years	14.35%	GDP Growth: 3.2% / Inflation: 6.5%	7.5%
Colombia	Valuation at 9/30/2017	COP	6	11.16%	GDP Growth: 2.8% / Inflation: 3.9%	6.8%
Panama	Valuation at 9/30/2017	USD	10 years	10.56%	GDP Growth: 5.0% / Inflation: 2.3%	6.5%
Dominican Republic	Valuation at 9/30/2017	DOP	10 years	13.42%	GDP Growth: 4.5% / Inflation: 4.0%	8.2%
El Salvador	Valuation at 9/30/2017	USD	10 years	12.21%	GDP Growth: 2.0% / Inflation: 1.9%	5.5%

(1) Average figures during the forecasting horizon.

(2) Terminal growth rate.

Goodwill corresponding to El Ciruelo

According to the qualitative and quantitative analyzes used to identify signs of impairment to the goodwill of Habitat Adulto Mayor S.A. given the recent purchase of the El Ciruelo living facilities for the elderly, we can conclude that there are no signs of impairment nor was any evidence found on which this could be argued.

NOTE 20. EMPLOYEE BENEFITS

Grupo Sura 's employee benefits are broken down as follows:

	Note	2017	2016
Short term	20.1	372,895	293,762
Long term	20.2	51,881	33,393
Post-employment	20.3	90,975	78,661
		515,751	405,816

20.1 Short-term benefits

Grupo de Inversiones Suramericana's short-term benefits include:

- a) Mandatory social security and employment benefits: accruing on a monthly basis according to the legal regulations of each country. Payments are made in accordance with applicable legislation.
- b) Short-term Performance Incentives: accruing on a monthly basis using estimated percentages of performance compliance. These are paid every year in March to all those employees entitled to such incentives, after being evaluated in terms of their achieving the predefined targets and to the extent that corporate objectives have been attained
- c) Other employee benefits: including vacation and Christmas bonuses, as well as extra-legal seniority bonuses that are recognized as expense as the service or benefit is provided.

Short-term benefits are broken down as follows:

	2017	2016
Payroll due	3,940	2,365
Severance	42,269	32,838
Interest on severance payments	5,111	4,613
Vacation bonus	61,201	66,137
Legal bonuses	709	68
Extra-legal bonuses	368	287
(Current) bonuses and others	259,297	187,454
Total short-term benefits	372,895	293,762

20.2 Long term benefits

The following table contains the long-term benefits provided by Grupo de Inversiones Suramericana:

- 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 based on a range of measurable, clear and reachable performance indicators These indicators are decided at the beginning of each year in keeping with the Company's strategic planning, along with the various activities and skills required to achieve the Company's goals. This includes the corresponding measurement period, performance assessments and monitoring as well as any adjustments required to the indicators thus defined.

Payment system: this is conditional on fulfilling the performance indicators set and obtaining the approval of the Appointment and Remuneration Committee. The remuneration framework is defined according to each level.

- 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:

Commissions		
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: in accordance with Colombian labor legislation, employees who were hired before Law 50 of 1990 came into full force and effect, are entitled to receive, at the end of their employment contract, one month's salary for each year of service as well as a proportional amount per fraction of a year in the form of severance, for whatever reason for which their employment contract was terminated, including: retirement, disability, death, etc. This benefit is paid when the employee leaves their employment and is based on the amount of wages or salary earned. This severance payment can be distributed prior to whenever the employee leaves their employment should the employee so request, without this being an obligation on the part of the employee.

When the aforementioned legislation, Law 50 of 1990, came into full force and effect the Colombian government allowed companies to transfer their severance obligations to private pension funds, providing the employee agreed to this arrangement.

The following are the long-term benefits offered by Grupo SURA:

	2017	2016
Seniority bonus	25,344	8,724
Retroactive severance payments	10,358	5,011
Productivity bonus	811	456
Bonus bank	15,368	19,202
Total short-term benefits	51,881	33,393

The movements recorded in Grupo SURA's long-term employee benefit account are shown as follows:

	Bonus bank	Retroactive severance payments	Seniority bonus	Productivity bonus	Total
Present value of obligations at January 1, 2016	17,749	5,874	8,353	769	32,745
Re-measurements	6,995	(712)	2,652	(54)	8,881
Seniority costs	-	-	104	-	104
Interest expense	(60)	(151)	(203)	(11)	(425)
Plan-based payments	(5,482)	-	(2,138)	(248)	(7,868)

Effect recognized through profit or loss	-	-	38	-	38
Exchange differences	-	-	(82)	-	(82)
Present value of obligations at year-end 2016	19,202	5,011	8,724	456	33,393
Re-measurements	-	5,982	13,463	360	19,805
Seniority expense	1,530	867	4,702	155	7,254
Interest expense	198	-	38	-	236
Plan-based payments	(6,202)	(1,502)	(1,948)	(160)	(9,812)
Effect recognized through profit or loss	640	-	113	-	753
Exchange differences	-	-	252	-	252
Present value of obligations at year-end 2017	15,368	10,358	25,344	811	51,881

The main actuarial assumptions used to determine liabilities corresponding to defined long-term benefit plans are as follows:

	Bonus bank		Seniority bonus		Retroactive severance payments		Productivity bonus	
	2017	2016	2017	2016	2017	2016	2017	2016
Discount rate (%)	3.06%	10-year ZCC rate in pesos	3,06% / 6,69% - 9,00%	10-year ZCC rate in pesos /6.69% - 9.00%	3.06%	10-year ZCC rate in pesos	3.06%	10-year ZCC rate in pesos
Annual salary increase (%)	N/A	---	2018: 5.5%2019 to 2021: 5.0%2022 onwards 4.50%	---	4.5%	CPI +1.5%	4.50%	8%
Annual inflation rate (%) long term	2017: 4.0%2018 to 2020: 3.50%2021 onwards: 3.0%	3%	2017: 3.5% - 4.0%2018 to 2020: 3.50%2021 onwards: 3.0%	3%	4.0%	Own turnover table	4.00%	Own turnover table
Survival tables	Own turnover table / Annuities - 08	Own turnover table	---	Own turnover table	AM - 08	Internal turnover table	AM - 08	Internal turnover table

The following table shows the sensitivity of a 0.5% change to the discount rate as well as a 0.5% increase in the salary / wages paid on the seniority bonuses and retroactive severance due:

	Bonus bank		Seniority bonus				Retroactive severance payments				Productivity bonus			
	Discount rate		Discount rate		Salary increase		Discount rate		Salary increase		Discount rate		Salary increase	
	Increase of +0.50%	Discount of -0.50%	Increase of +0.5%	Discount of -0.5%	Increase of +0.5%	Discount of -0.5%	Increase of +0.5%	Discount of -0.5%	Increase of +0.5%	Discount of -0.5%	Increase of +0.5%	Discount of -0.5%	Increase of +0.5%	Discount of -0.5%
Present value of the obligation	15,288	15,449	24,205	26,670	26,797	23,977	10,100	10,628	10,819	9,913	794	831	862	766
Change due to the sensitivity of the variables	(5.33)	5.39	369	(281)	(122)	123	258	(270)	(460)	446	18	(19)	(50)	46

20.3 Post-employment benefits

The following table contains the post-employment benefits provided by Grupo de Inversiones Suramericana:

- Retirement bonus: corresponding to a lump sum which the Company provides members of its senior management when these retire
- Retirement pensions: this payment is awarded to all those employees who reach retirement age and is directly paid by the Company.

Article 4 of Decree 2131 of 2016 amended Part 2 of Book 2 of Decree 2420 of 2015, and was later supplemented by Decree 2496 of 2015, allowing as of December 31, 2016 for post-employment benefits in the form of future retirement or disability pensions to be determined pursuant to that stipulated in IAS 19. This required disclosing in the notes to the financial statements the calculation used for pension liabilities in accordance with that laid out in Decree 1625 of 2016, and, in the case of partial pension commutations in accordance with the provisions contained in Decree 1833 of 2016, reporting the variables used and the differences resulting from the calculation made based on the technical framework introduced by Decree 2420 of 2015, which was later amended by Decree 2496 of 2015 as well as any other amendments thereto. The variables used in calculating retirement pensions based on these latest legislative provisions, are shown as follows.

The following are the post-employment benefits offered by Grupo SURA:

	2017	2016
Retirement bonus	70,330	62,989
Retirement Pensions	20,645	15,672
	90,975	78,661

20.3.1 Defined employee benefit plans

The following table shows the movements corresponding to Grupo Sura's post-employment benefits:

	Retirement bonus	Retirement Pensions	Total
Present value of obligations at January 1, 2016	42,820	15,774	58,594
Re-measurements	11,564	-	11,564
Interest	3,203	1,068	4,271
Present seniority cost	12,344	-	12,344
Benefits paid	(5,241)	(2,054)	(7,295)
Actuarial gains	2,223	884	3,107
Exchange differences	36	-	36
Other changes	(3,960)	-	(3,960)
Present value of obligations at year-end 2016	62,989	15,672	78,661
Re-measurements	3,059	4,456	7,515
Interest	4,109	832	4,941
Current seniority cost	2,371	-	2,371
Benefits paid	(6,102)	(2,023)	(8,125)
Other costs	1,873	(8,454)	(6,581)
Actuarial gains (Note 17)	2,016	10,232	12,248
Exchange differences	15	(70)	(55)
Present value of obligations at year-end 2017	70,330	20,645	90,975
Plan assets at fair value (Note 8)	(13,711)	-	(13,711)
Present value of obligations at year-end 2017	56,619	20,645	77,264

The main actuarial assumptions used to determine liabilities corresponding to defined benefit plans are as follows:

	Employee retirement bonus		Retirement pension	
	2017	2016	2017	2016
Discount rate (%)	3.06% -5.51%	10-Year ZCC (*) rate in pesos: 6.94%	3.27%	9.97%
Annual salary increase (%)	4.0% - 5.09%	7.9%		-----
Future annual pension increase (%)	---	---	4.00%	4.93%
Annual inflation rate (%) long term	3,50%-4,0%	3% - 3.50%	4.00%	4.93%
Survival tables	Own turnover table	Own turnover table	AM - 08	AM08(**)

(*) ZCC: Zero Coupon Curve in pesos (Sovereign Rate)

(**) Annuitant Mortality tables:

The maturity profile of the defined benefits based on the corresponding payment schedule is shown as follows:

Year	Number of employees entitled to benefits during the year	Value of the expected benefit accruing for the year (in current Colombian pesos)	Present value of the expected benefit for the year
2018	1	4,883	4,603
2019	2	26,521	23,781
2021	1	17,495	13,811
2022	1	4,960	3,691
2025	1	5,471	3,409
2031	1	9,322	3,988
2034	1	8,952	3,277
2035	3	37,021	12,824
2036	1	11,602	3,390
2037	1	11,128	3,411

Sensitivity Analysis

The following table shows the effect of 0.5% change in the inflation rate, a 0.5% change in the discount rate and a 0.5% increase in the future pension rate

Retirement bonus

Discount rate	Current value	Change
Current study	70,329	
Increase in the discount rate	69,810	520
Decrease in the discount rate	70,758	(429)

Inflation rate	Current value	Change
Current study	70,329	
Increase in the CPI	61,678	8,651
Decrease in the CPI	61,366	8,963

Retirement pensions

	Retirement pensions			
	Discount rate		Salary increase	
	Increase of +0.5%	Discount of -0.5%	Increase of +0.5%	Discount of -0.5%
Present value of the obligation	20,031	21,302	21,345	19,985
Change due to the sensitivity of the variables (*)	615	(656)	(700)	660

(*) The effect of this change corresponds to a greater or lesser value of the obligation in question with its respective balancing entry in other comprehensive income before taxes should the sensitivity analysis be performed on the actuarial variables or in the case of all the other variables, on earnings before tax.

20.3.2 Defined contribution plans

Grupo Sura's defined contribution plans were recognized in the income accounts for 2017 as an expense amounting to COP 89,722 million (2016: COP 59,799 million)

20.4 Employee benefit expense

The following is a breakdown of employee benefit expense at year-end 2017 and 2016:

	2017	2016
Salaries and wages	(662,273)	(580,471)
Commissions	(210,706)	(201,468)
Bonuses	(199,594)	(172,660)
Integrated salary	(128,624)	(107,258)
Pension contributions	(89,722)	(59,799)
Other employee benefits (*)	(83,978)	(109,470)
Legal bonuses	(76,128)	(60,270)
Vacation bonus	(49,014)	(40,325)
Health care contributions	(45,282)	(38,896)
Extra-legal bonus	(43,694)	(26,391)
Indemnities	(38,191)	(33,867)
Contributions to family welfare and apprentice institutes	(37,005)	(30,189)
Severance	(28,806)	(20,334)
Vacation bonuses	(28,728)	(24,171)
Meal subsidies	(20,328)	(15,806)
Employee profit-sharing plans	(18,600)	(17,819)
Personnel training	(15,765)	(15,856)
Severance payments - agents	(9,441)	(7,966)
Seniority bonus	(8,253)	(4,996)
Employee supplies and equipment	(7,851)	(1,937)
Retirement Pensions	(7,702)	(4,144)

	2017	2016
Insurance	(7,017)	(7,941)
Transport subsidy	(5,178)	(4,253)
Overtime	(2,940)	(2,187)
Retirement bonus	(2,896)	-
Interest on severance payments	(2,031)	(1,535)
Collective bargaining subsidy	(1,737)	(1,437)
Sick and disability leave	(1,562)	(873)
Interest on severance payments	(1,200)	(1,239)
Traveling expense	(1,050)	(1,081)
Sport and recreation expense	(465)	(394)
Representation expense	(201)	(74)
Trade union contributions	(44)	(63)
Operating risk	(34)	(2)
	(1,836,040)	(1,595,172)

(*) Including employee welfare and assistance expense

NOTE 21. OTHER NON-FINANCIAL ASSETS AND LIABILITIES

21.1 Other non-financial assets

Other non-financial assets are broken down as follows:

	2017	2016
Pre-paid expense ¹	39,379	37,962
Non-proportional reinsurance expense ²	28,044	16,031
Works of art	35,491	38,419
Others	9,547	116,412
Total	112,461	208,824

¹ Mainly insurance

² Non-proportional reinsurance limits claim expense as well as retained exposure to catastrophes

21.2 Other non-financial liabilities

Other non-financial liabilities are shown as follows:

	2017	2016
Deferred reinsurance commissions (1)	649,505	612,903
Obligations due to insurance brokers	217,070	204,546
Others (2)	35,340	43,495
Surpluses from premiums	27,026	22,338
Advance payments received	26,367	8,459
Prepaid income received	24,896	31,655
Consortiums and temporary unions	119	74
	980,323	923,470

(1) Including reinsurance commissions as well as deferred commission income corresponding to fund management firms.

Reinsurance commissions correspond to commission expense or payments to insurance brokers for securing new business, this called client acquisition expense

Deferred Commission Income Liabilities (DIL)

Since Mandatory Pension Savings entail certain administrative costs, even when no fund management commissions are received, it is important to establish the rationale behind income recognition so as to be able to ensure the financing of these costs over time. For this reason, a Provision for Deferred Income Liabilities (DIL) is set up.

The purpose of DIL is to be able to defer income over all those periods in which fund members become non-contributors or pensioners who by law cannot be charged for the management of their funds and/or pension payments.

This is because when fund members become non-contributors they do not generate any income to meet the costs. Consequently, this provision remains in place while the company collects the corresponding amounts and is released as future costs are incurred.

Methodology for Calculating DIL

This provision is calculated at least every quarter, in the currency in which the Company's collections and obligations are denominated. In the case of all those subsidiaries where this provision is calculated on an inflation-indexed unit of account, said provision is re-stated in the country's local currency using the applicable exchange rate between the currency in question and the inflation-index unit rate on the closing date of the balance sheet or at the end of each month.

This provision is calculated on the basis of the estimated cost of non-contributing fund members as well as members who have already been pensioned off and who cannot be charged for the management of their funds and/or the pension payment, discounted using the AAA rated corporate bond rate with no prepayment option.

The following table contains the movements recorded in the DIL account:

	Reinsurance commissions	Deferred commission income liabilities (DIL)	Total
Cost at January 1, 2016	116,556	56,501	173,057
Business combinations	398,090	-	398,090
Provision set up	305,074	407	305,481
Exchange differences	(1,376)	(262)	(1,638)
Amortizations	(260,918)	(1,169)	(262,087)
Deferred reinsurance commission expense at year-end 2016	557,426	55,477	612,903
Provision set up	375,337	735	376,072
Exchange differences	15,784	3,324	19,108
Amortizations	(358,206)	(372)	(358,578)
Deferred reinsurance commission expense at year-end 2017	590,341	59,164	649,505

- (2) Including commissions received, client payments, cash surpluses, consortiums and temporary unions, as well as income received for third parties.

NOTE 22. PROVISIONS AND CONTINGENT LIABILITIES

22.1 Provisions

The following shows the current and non-current provisions set up by Grupo SURA:

Current	2017	2016
Other provisions	44,496	89,851
Provisions for litigation and lawsuit expense	10,217	-
	54,713	89,851
Non-current		
Provisions for litigation and lawsuit expense	230,783	156,436
Other provisions	734	980
	231,517	157,416
Total provisions	286,230	247,267

The following is a reconciliation of the provisions set up on lawsuits and litigations brought or defended by Grupo Sura on the reporting date:

	Lawsuits and litigations (*)	Other provisions (**)	Total
Closing balance at December 31, 2015	23,271	55,121	78,392
Provisions and additions	12,830	2,454	15,284
New provisions for business combinations	124,830	47,192	172,022
Amounts used	-	(14,322)	(14,322)
Translation differences	(4,495)	386	(4,109)
Closing balance at December 31, 2016	156,436	90,831	247,267
Provisions and additions	114,757	3,547	118,304
Amounts used	(63,923)	(49,356)	(113,279)
Reclassified non-current assets held for sale	(83)	-	(83)
Translation differences	33,813	208	34,021
Closing balance at year-end 2017	241,000	45,230	286,230

(*) Including:

- A contingency provision set up by Afore Sura S.A. de C.V. in Mexico for a fine relating to a lawsuit filed by the Mexican Federal Commission of Economic Competition ("COFECE"), this as part of an administrative procedure against "absolute monopolistic practices relating to the workers' pension fund management market". This provision amounted to an approximate total of COP 20.888 million and was recognized in 2017.

- Grupo de Inversiones Suramericana S.A. recently received rulings corresponding to the appeals for reversals filed by the Company. These rulings effectively confirmed the amounts proposed by said tax authorities in its revised official assessment. These appeals for reversal filed by the Company were based on differences in interpretation with the Colombian Tax Authorities, with regard to the Company's tax returns for the years 2009, 2010, 2011 and 2013, a situation that was opportunely announced to the market in the form of Relevant Information published on March 23, 2016.

Based on that provided by Law 1819 of 2016 (the latest tax reform), the Company is currently analyzing whether to proceed with a reconciliation proceeding with the Colombian Tax Authorities, with regard to the value stipulated in said rulings, that is to say, COP 37.666 million, for which a provision was included in Company's financial statements having paid a total of COP 34.196 million. This reconciliation proceeding shall be subject to the rules and regulations issued by the Colombian Government with regard to this latest tax reform. The aforementioned procedure would allow for a solution to be worked out with regard to the differences held with the Colombian Tax Authorities without this in any way implying that the Company would have to accept any responsibility whatsoever, since it continues to uphold its position with regard to the interpretation of the tax rule giving rise to the difference. The current provision comes to COP 3.470.

(**) Including decommissioning provisions for COP 733, as well as disability, billing claims, and maternity leave expense for COP 44,497.

The following is a breakdown of the provisions recorded per individual country:

	2017	2016
Brazil	196,574	119,355
Colombia	51,447	54,634
Mexico	31,962	9,463
Chile	2,244	58,541
Uruguay	2,074	102
Argentina	1,894	5,160
El Salvador	27	12
Panama	8	-
Total	286,230	247,267

22.2 Contingent liabilities

- Contingencies corresponding to eventual or remote litigations are those that are considered as having a medium or low likelihood of obtaining an unfavorable ruling, this based on a legal analysis of the probabilities of success.

At year-end 2017, the following litigations were considered as the most significant in terms of unfavorable rulings being issued

- Seguros Sura S.A. de C.V. in Mexico City, Mexico, is involved in a lawsuit with Zapatería Super S.A. of C.V. of Mexico, for an estimated COP 7,891, this for a fire that broke out at a Soriana de Torreón

store. Zapaterías Super acts as a third party requiring payment for damages. The probable payment date has not as yet been set.

- Labor lawsuits pursuing redundancy payments filed against Seguros Sura S.A. in Argentina for an estimated value of \$ 2,155 as well as EPS and Medicina Prepagada Suramericana S.A for an estimated value of \$ 1,054

Collateral

AFP Integra must set up a guarantee in favor of the Peruvian Banking, Insurance and Pension Fund Superintendency by means of a joint, unconditional, irrevocable and automatically enforceable letter of guarantee from any reputable local or foreign bank at the beginning of each calendar quarter for an amount no less than 0.5 per cent of the value of each Fund, less the value of the legal reserve as calculated on the last day of the previous quarter and for a term of at least 95 calendar days. At year-end 2017 and 2016, these bank guarantee letters totaled USD 277,512 million and USD 256,624 million respectively.

NOTE 23. ISSUES OF SECURITIES

Below is a breakdown of the securities issued by Grupo SURA:

	Year-end 2017	Year-end 2016
Bonds outstanding (1)	7,385,933	5,830,111
Preferred shares (2)	450,752	208,813
	7,836,685	6,038,924

(1) Bonds outstanding:

- On June 22, 2016, Suramericana placed an issue of ordinary bonds on the local markets worth one billion Colombian pesos (COP 1,000,000). This issue was divided up into 4 series (for terms of 4, 7, 10 and 15 years) and carried CPI indexed rates with quarterly payments of interest. The proceeds obtained from this issue of Ordinary Bonds shall be entirely (100%) used to replace Suramericana's financial liabilities.
- On March 31, 2016, Grupo de Inversiones Suramericana S.A placed an issue of ordinary bonds on the local markets worth COP 100.000, pertaining to the C6 Series and carrying an interest rate equal to the CPI + 3.55% and maturing in 2020.
- In April 2014, SURA Asset Management, through its subsidiary, Sura Asset Management Finance B.V., placed an issue of bonds worth USD 500 million at a fixed, 10-year rate of 4.875% (T+230 bp) for which a bid-to-cover of 8.6 was obtained.
- On May 7, 2014, Grupo de Inversiones Suramericana S.A. placed a total of COP 650,000 in ordinary bonds on the local markets this divided up into four tranches, the first three earning CPI-indexed coupon rates payable every quarter and the fourth earning an IBR-indexed coupon rate payable on a monthly basis.
 - o A 5-year tranche totaling COP 103,278 bearing an interest rate equal to the CPI + +3.24%;
 - o A 9-year tranche totaling COP 223,361 bearing an interest rate equal to the CPI + +3.08%;

- A 16-year tranche for a total value of COP 100.000 bearing an interest rate equal to the CPI+ 4.15%; and;
 - a 2-year tranche for a total value of COP 223.361 bearing an IBR-indexed interest rate + 1.20%. This latter tranche matured in May of 2016.
- On May 11, 2011, our subsidiary, Grupo SURA Finance placed on the international capital markets an issue of ordinary bonds worth USD 300 million, or COP 578,049 million for a term of ten (10) years. This issue was guaranteed in its entirety by Grupo de Inversiones Suramericana S.A, in its capacity as Parent Company.
 - On November 25, 2009, Grupo de Inversiones Suramericana S.A. issued on the local markets a total of COP 250,000 in ordinary bonds divided up into three tranches all earning CPI-indexed coupon rates payable on a quarterly basis:
 - A 10-year tranche for a total value of COP 54,500 bearing an interest rate equal to the CPI+ +4.40%;
 - A 20-year tranche totaling COP 98.000 bearing an interest rate equal to the CPI + +5.90%; and
 - A 40-year tranche in the amount of COP 97.500 bearing an interest rate equal to the CPI + +6.98%.

Below is a breakdown of the securities issued by Grupo Sura:

Term	Date of issue	Expiration Date	Amortized cost		Fair value	
			Year-end 2017	Year-end 2016	Year-end 2017	Year-end 2016
4 years	May 7, 2016	May 7, 2020	100,651	101,003	102,881	101,417
5 years	May 7, 2014	May 7, 2019	104,346	104,216	105,475	105,936
9 years	May 7, 2014	May 7, 2023	225,327	225,075	234,022	228,157
10 years	May 7, 2014	May 7, 2024	54,431	54,480	56,508	57,145
16 years	May 7, 2014	May 7, 2030	100,809	100,727	106,678	101,017
20 years	November 25, 2009	November 25, 2029	96,281	96,678	117,657	111,211
40 years	November 25, 2009	November 25, 2049	95,289	95,788	135,781	122,732
5 years	February 23, 2017	February 23, 2022	194,515	-	199,402	-
7 years	February 23, 2017	February 23, 2024	165,936	-	167,735	-
12 years	February 23, 2017	February 23, 2029	191,456	-	194,972	-
10 years	May 18, 2011	May 18, 2021	897,169	901,121	963,381	964,818
10 years	April 29, 2016	April 29, 2026	1,634,001	1,641,071	1,794,022	1,735,957
4 years	June 22, 2016	June 22, 2020	147,376	147,642	150,336	148,531
7 years	June 22, 2016	June 22, 2023	255,780	256,510	267,953	259,961
10 years	June 22, 2016	June 22, 2026	303,892	304,860	322,245	312,630

15 years	June 22, 2016	June 22, 2031	287,517	288,513	308,437	289,484
6 years	April 17, 2014	April 17, 2024	1,496,387	1,512,427	1,592,778	1,529,885
10 years	April 11, 2017	April 14, 2027	1,034,770	-	1,056,018	-
			7,385,933	5,830,111	7,876,281	6,068,881

(2) Preferred shares

On 29 November 2011, Grupo SURA placed an issue of 106,334,963 preferred shares each worth COP 32,500; as of the corresponding date of issue and for a period of 3 years thereafter, a quarterly dividend of 3% E.A.R. was paid on the value of said issue. As of 2015 a quarterly dividend of 0.5% E.A.R. was paid on the issue's total value.

On March 31, 2017, the Company's General Assembly of Shareholders granted their approval to amending the rules and regulations governing the preferred shares issued and placed in 2011 whereby the minimum preferred dividend to be paid was set 1% of the Subscription Price of said Preferred Shares (as stipulated below), providing this exceeds the dividend declared for the Company's ordinary shares. Should this not be the case, the preferred dividend shall be set at the same value as the ordinary dividend.

For this purpose, the Subscription Price shall be understood to mean the Subscription Price corresponding to any placement of preferred shares on the part of the Company corresponding to the most recent primary market transaction carried out, as approved by the General Assembly of Shareholders, including, but not limited to, issues and public offerings, private issues, credit capitalizations, payments of scrip dividends, among other items. In no event shall this be understood to mean the Subscription Price corresponding to the prices of preferred shares traded on the secondary market. The General Assembly of Shareholders at their Annual Meetings are responsible for deciding on the manner in which these preferred dividends are to be paid and the corresponding payment dates, based on the same terms and conditions applicable to the dividends corresponding to ordinary shares

Payment of preferred dividends shall take precedence over those of ordinary shares.

Consequently, on March 31, 2017, the Company's Board of Directors, set the subscription price for said preferred shares at thirty-five thousand nine hundred and seventy-three Colombian pesos (COP 35,973) which shall be provided to their shareholders as dividend payments in the form of shares

Movements with the Company's debt securities at year-end 2017 and 2016 are as follows:

	Bonds	Preferred shares	Total
At Year-End 2015	3,428,724	208,780	3,637,504
Additions	2,665,652	-	2,665,652
Installment payments	(146,102)	(17,280)	(163,382)
Accrued interest	154,758	17,313	172,071
Withdrawals	(223,361)	-	(223,361)
Exchange differences	(49,560)	-	(49,560)
At year-end 2016	5,830,111	208,813	6,038,924
Additions (*)	1,574,469	214,125	1,788,594

Accrued interest	437,008	32,134	469,142
Interest payments	(423,754)	(4,320)	(428,074)
Payments	(8,952)	-	(8,952)
Exchange differences	(22,949)	-	(22,949)
At December 31, 2017	7,385,933	450,752	7,836,685

(*) Additions to preferred shares included the value recorded in both the equity and liability accounts due to this transaction

NOTE 24 SHAREHOLDERS' EQUITY

24.1. Issued capital

The Company's authorized capital consists of 600,000,000 shares each with a nominal value of COP 187.50. Its subscribed and paid-capital at December 31, 2017 and December 31, 2016 consisted of 575,372,223 shares.

	2017	2016
Authorized share capital	600,000,000	600,000,000
Subscribed and paid-in capital		
Ordinary shares at a nominal value of COP 187.50.	469,037,260	469,037,260
Non-voting, preferred shares at a nominal value of COP 187.50.	112,940,288	106,334,963
Total shares	581,977,548	575,372,223
Subscribed and paid-in capital (nominal value)	109,121	107,882

See list of shareholders contained in Note 1 Reporting Entity

24.2. Reserves

The reserves held by Grupo Sura are shown as follows:

	2017	2016
Legal (1)	138,795	138,795
Occasional (2)	5,469,982	4,920,282
Catastrophic risk reserve (3)	(2,156,673)	(1,474,232)
Total reserves	3,452,104	3,584,845

(1) Statutory Reserve:

According to that provided by law, the Company must set up a legal reserve, appropriating 10% of each year's net profits until 50% of the value of the Company's subscribed capital is reached. This reserve may be reduced to less than 50% of the total value of its subscribed capital, providing it is used to wipe out losses that exceed the amount of undistributed profits. This reserve may not be used to either pay dividends or

cover expense or losses incurred during the entire time the Company remains in possession of undistributed profits.

⁽²⁾ Occasional reserve:

Should the Company's Shareholders so decide at their Annual General Meeting, this reserve may be increased beyond fifty per cent (50%) of the Company's subscribed capital, in which case this may be used for any purpose that the Company's shareholders should so determine.

³ Catastrophic risk reserve:

Although this reserve is recognized as a liability on the separate financial statements of the insurance companies that come under the oversight of the Colombian Superintendency of Finance, it is not permitted under the Financial Reporting and Accounting Standards (FRAS) accepted in Colombia for the preparation and presentation of consolidated financial statements and therefore this reserve has been eliminated from the liability account

NOTE 25. DIVIDENDS, DECLARED AND PAID

The following table contains the dividends paid and declared at the cut-off date of the separate financial statements.

Dividends payable at year-end 2015	62,509
Ordinary dividends declared	213,883
Preferred dividends declared	48,489
Subtotal - dividends declared	262,372
Payments of ordinary dividends	(209,203)
Payments of preferred dividends	(47,581)
Subtotal - dividends paid	(256,784)
Dividends payable at year-end 2016 (See Note 9.3.)	68,096
Ordinary dividends declared	329,621
Preferred dividends declared	51,891
Subtotal - dividends declared	381,512
Payments of ordinary dividends	(383,223)
Payments of preferred dividends	(64,007)
Subtotal - dividends paid	(447,230)
Dividends payable at year-end 2017 (See Note 9.3.)	2,378

NOTE 26. OTHER COMPREHENSIVE INCOME

The following is a breakdown of other comprehensive income:

	Note	Year-end 2017			Year-end 2016		
		Total	Other comprehensive income	Non-controlling interest - OCI	Total	Other comprehensive income	Non-controlling interest - OCI
Opening balance - other comprehensive income		2,157,599	1,913,969	243,630	2,295,257	1,858,384	436,873
Asset revaluations	26.1	137,402	111,897	25,505	4,404	5,479	(1,075)
Losses (gains) on actuarial plans (post-employment)	26.2	(11,740)	(9,735)	(2,005)	(169)	(388)	219
Financial assets at fair value with changes in OCI	26.3	(92)	(1,275)	1,183	(2,767)	(1,968)	(799)
Exchange differences on investments in associates and subsidiaries	26.4	701,171	632,467	68,704	(429,376)	(232,706)	(196,670)
Cash flow hedges	26.5	3,233	3,013	220	9,833	7,974	1,859
Hedges for net investments abroad	26.6	-	-	-	17,081	13,858	3,223
Surplus via equity method from Associates	26.7	121,520	119,923	1,597	263,336	263,336	-
Other comprehensive income		951,494	856,290	95,204	(137,658)	55,585	(193,243)
Closing balance of other comprehensive income - equity		3,109,093	2,770,259	338,834	2,157,599	1,913,969	243,630

26.1. OCI component: property using the revaluation approach

The component of other comprehensive income corresponding to property measured using the revaluation approach represents the cumulative value of gains or losses at fair value less the amounts transferred to accumulated net income and those used in applying impairment tests or recording losses in value. Changes to their fair values are not reclassified to profit or loss for the period. (See Note 15 - Property and Equipment)

	Component	Non-Controlling Interest	Total
Carrying value at December 31, 2015	34,457	10,612	45,069
Net property revaluation gains or losses	12,107	(398)	11,709
Deferred tax	(6,628)	(677)	(7,305)
OCI for previous period	5,479	(1,075)	4,404
Other adjustments	-	40	40
Carrying value at December 31, 2016	39,936	9,577	49,513
Net property revaluation gains	145,436	33,032	178,468
Deferred tax	(33,539)	(7,527)	(41,066)
OCI for the period	111,897	25,505	137,402
Carrying value at December 31, 2017	151,833	35,082	186,915

26.2. OCI Component: remeasurements of defined employee benefit plans

The component corresponding to remeasurements of defined employee benefit plans represents the cumulative value of actuarial gains or losses. The net value of these re-measurements is transferred to accrued earnings and not reclassified to the income accounts for the period. (See Note 20.3.1 Defined employment benefit plans).

	Component	Non-controlling interests	Total
Carrying value at December 31, 2015	961	107	1,068
Post-employment benefits	(730)	229	(501)
Deferred tax	342	(10)	332
OCI for previous period	(388)	219	(169)
Carrying value at December 31, 2016	573	326	899
Post-employment benefits	(10,254)	(1,993)	(12,247)
Deferred tax	519	(12)	507
OCI for the period	(9,735)	(2,005)	(11,740)
Carrying value at December 31, 2017	(9,162)	(1,679)	(10,841)

26.3. OCI Component: equity investments measured at fair value through equity

The component of other comprehensive income corresponding to equity investments measured at fair value through profit or loss represents the cumulative value of gains or losses at fair value less the amounts transferred to the accumulated earnings when these investments are finally sold. Changes to the fair value of equity investments are not reclassified to profit or loss for the period. This also includes the portion corresponding to Grupo SURA with regard to the investments made in its subsidiaries. (See Note 9.1.1. Investment Breakdown)

	Component	Non-controlling interest	Total
Carrying value at December 31, 2015	(197)	593	396
Net gains or losses resulting from changes to the fair value of equity investments (1)	(216)	(614)	(830)
Deferred tax	(1,752)	(185)	(1,937)
OCI for the period	(1,968)	(799)	(2,767)
Carrying value at December 31, 2016	(2,165)	(206)	(2,371)
Net gains or losses resulting from changes to the fair value of equity investments (1)	(1,275)	1,183	(92)
Carrying value at December 31, 2017	(3,440)	977	(2,463)

26.4. OCI Component: translation gains or losses on foreign operations

The component corresponding to translation differences represents the cumulative value of exchange differences obtained from converting the earnings and net assets from foreign operations as well as any gains or losses obtained from hedging arrangements on net investments abroad into Grupo SURA's reporting currency. The cumulative translation differences are reclassified to profit and loss for the period, either partially or totally, when obtained by the foreign operation and include the portion corresponding to Grupo Sura with regard to the investments made in its associates and joint ventures.

	Component	Non-controlling Interest	Total
Carrying value at December 31, 2015	1,041,143	428,655	1,469,798
Gains or losses on translation differences	(232,706)	(196,670)	(429,376)
Carrying value at December 31, 2016	808,437	231,985	1,040,422
Gains on translation differences	632,467	68,704	701,171
Carrying value at December 31, 2017	1,440,904	300,689	1,741,593

26.5. OCI Component: cash flow hedges

The component of other comprehensive income corresponding cash flow hedges represents the cumulative value of the effective portion of gains or losses from changes to the fair value of the hedged items, as part of a cash flow hedging arrangement. The cumulative value of these gains or losses are reclassified to profit and loss for the period, if and when the hedged transaction affects the income accounts for the period, or when the highly probable transaction is no longer expected to occur, or when this is included, as a portion of its carrying value, in a non-financial hedged item. (See Note 14.2.1 for more information regarding hedging arrangements)

	Component	Non-controlling Interest	Total
Carrying value at December 31, 2015	(2,980)	(508)	(3,488)
Cash flow hedges	9,685	2,322	12,007
Deferred tax	(1,711)	(463)	(2,174)
OCI for previous period	7,974	1,859	9,833
Carrying value at December 31, 2016	4,994	1,351	6,345
Cash flow hedges	4,270	342	4,612
Deferred tax	(1,257)	(122)	(1,379)
OCI for the period	3,013	220	3,233
Carrying value at December 31, 2017	8,007	1,571	9,578

26.6. OCI Component: hedges of net investments abroad

This component of other comprehensive income includes the portion of the gain or loss of the hedging instrument that is determined as being the hedge. (See Note 14.2.2 for more information regarding hedging arrangements)

	Component	Non-controlling Interest	Total
Carrying value at December 31, 2015	(11,114)	(2,585)	(13,699)
Hedges for net investments abroad	13,858	3,223	17,081
Carrying value at December 31, 2016	2,744	638	3,382
Hedges for net investments abroad	-	-	-
Carrying value at December 31, 2017	2,744	638	3,382

26.7. OCI Component: equity movements with investments in associates

This component consists of changes to equity regarding investments in associates upon applying the equity method. (For more information, see Note 18.2.1. Movements with Investments in Associates)

	Component	Non-controlling interest	Total
Carrying value at December 31, 2015	796,114	-	796,114
Equity method - Associates	263,336	-	263,336
Carrying value at December 31, 2016	1,059,450	-	1,059,450
Equity method - Associates	119,923	1,597	121,520
Carrying value at December 31, 2017	1,179,373	1,597	1,180,970

NOTE 27. NON-CONTROLLING INTEREST

Non-controlling interest corresponds to minority interest on the part of third parties in the following subsidiaries:

Year-end 2017	% Non-Controlling Stake	Minority equity	Minority net income
Sura Asset Management S.A.	16,423%	1,524,876	100,894
Suramericana S.A.	18,870%	847,003	95,345
AFP Capital S.A.	0,292%	9,861	779
Aseguradora Suiza Salvadoreña S.A. Asesuisa	2,889%	5,979	557
Habitat Adulto Mayor S.A.	17,338%	4,888	206
Seguros Generales Suramericana S.A. (formerly RSA Seguros Chile S.A.)	0,518%	4,512	(19)
Seguros Sura S.A. (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)	0,567%	1,107	165
Protección Garantizada LTDA	38,701%	615	602
Seguros Generales Suramericana S.A. (Colombia)	0,016%	136	13
AFP Integra S.A.	0,000%	11	1
Asesuisa Vida, S.A. Seguros de Personas	0,004%	4	1
Seguros Sura S.A. (formerly Royal & Sun Alliance Seguros (Brazil) S.A.)	0,000%	1	-
Financia Expreso RSA S.A.	0,047%	1	(1)
Aseguradora de Créditos y Garantías S.A.	0,007%	1	-
Seguros Sura S.A. (Dominican Republic)	0,002%	1	-
Sura Real Estate S.A.S	30,000%	(705)	176
Planeco Panamá S.A.	4,718%	(1,251)	(355)
		2,397,040	198,364

Year-end 2016	% Non-Controlling Stake	Minority equity	Minority net income
Sura Asset Management S.A.	21.29%	1,745,620	126,369
Suramericana S.A.	18.87%	760,802	75,423
Seguros Sura Peru S.A.	30.71%	202,317	24,591
AFP Capital S.A.	0.29%	9,382	882
Aseguradora Suiza Salvadoreña S.A. Asesuisa	2.89%	5,453	718
Seguros Generales Suramericana S.A. (formerly RSA Seguros Chile S.A.)	0.52%	4,112	(41)
Habitat Adulto Mayor S.A.	17.34%	3,724	203

Hipotecaria Sura Empresa Administradora Hipotecaria EAH S.A.	30.00%	2,975	(918)
Protección Garantizada LTDA	49.02%	1,533	1,149
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.)	0.62%	1,105	130
Seguros Generales Suramericana S.A.	0.03%	218	10
AFP Integra S.A.	0.00%	11	1
Asesuisa Vida, S.A. Seguros de Personas	0.00%	3	1
Seguros Sura S.A. (Dominican Republic)	0.00%	2	-
Financia Expreso RSA S.A.	0.03%	2	(1)
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Brazil) S.A.)	0.00%	1	-
Aseguradora de Créditos y Garantías S.A.	0.01%	1	-
Planeco Panamá S.A.	4.72%	(897)	(438)
Sura Real Estate S.A.S	30.00%	(1,765)	(884)
		2,734,599	227,195

The following shows non-controlling interest in relation to shareholders' equity

	Year-end 2017	Year-end 2016
Share Capital	4,399	4,002
Reserves	346,548	247,038
Other comprehensive income	338,834	243,630
Net income for the period	198,364	227,195
Accumulated gains (losses)	1,508,895	2,012,734
	2,397,040	2,734,599

NOTE 28. OPERATING SEGMENTS

28.1. Segment reporting

For management purposes, Grupo SURA is organized into business units based on the services they provide. These are divided up into the following reporting segments:

1. Insurance: including all those companies that insure against risk and that are responsible for guaranteeing or paying out indemnities for all or part of the damages sustained when certain adverse situations arise.

1.1. Life: including all those companies that insure against personal risk

1.2. Non-life: these are insurance companies that ensure against all types of risk, other than personal risk

2. Fund management

2.1. Mandatory pensions: the main business activity of this segment is to collect and manage the amounts employees pay into their individual mandatory retirement savings accounts as well as managing and paying all those benefits required by the local pension systems

2.2. Voluntary savings: the main business activity of this sub-segment is to provide voluntary pensions, life annuities and other savings products:

3. Corporate This segment contains holding companies whose main business purpose is to acquire different investment vehicles. Other services are reported that are not directly related to Grupo SURA's core business but nevertheless complement the range of services provided.

4. Services

4.1. Outsourcing: this segment includes all those companies that provide their services and sell products and services in the areas of telecommunications and information processing.

4.2. Health care: including all those companies dedicated to providing mandatory health care services as well as pre-paid health care and medical plans.

4.3. Others: other services are reported that are not directly related to Grupo SURA's core business but nevertheless complement the range of services provided.

The highest decision-making authority with regard to these operating segments are the chief finance officers of both Grupo SURA and its subsidiaries, who are in charge of separately overseeing their operating results for the purpose of deciding on how to allocate resources and gauge overall segment performance.

Segment performance is evaluated based on the corresponding operating earnings or losses before tax and these are measured in a consistent fashion with the operating earnings and losses recorded on the consolidated financial statements.

The following table shows how these operating segments are divided up within the Organization

Entity	Corporate	Fund Management		Insurance		Services		
		Mandatory Pensions	Voluntary Pensions	Life	Non-life	Health care	Outsourcing	Others
Grupo de Inversiones Suramericana S.A.	X							
Suramericana S.A.	X							
Inversura Panamá Internacional S.A.	X							
Inversiones Sura Brasil S.A.S.	X							
Arus Holding S.A.S.	X							
Inversiones y Construcciones Estratégicas S.A.S.	X							
Grupo de Inversiones Suramericana Panamá S.A.	X							
Planeco Panamá S.A.	X							
Grupo SURA Finance S.A.	X							
Financia Expreso RSA S.A.	X							
Santa Maria del Sol S.A. (Argentina)	X							
Atlantis Sociedad Inversora S.A.	X							
Chilean Holding Suramericana SPA (formerly RSA Chilean Holding SpA)	X							
Inversiones Suramericana Chile Limitada (formerly Inversiones RSA Chile Limitada)	X							
Sura Asset Management S.A.	X							
Activos Estratégicos Sura A.M. Colombia S.A.S.	X							
Sura Investment Management Colombia S.A.S	X							
Sura Asset Management España, S.L.	X							
Grupo de Inversiones Suramericana Holanda B.V.	X							
Grupo Sura Chile Holdings I B.V.	X							
SURA Asset Management Chile S.A.	X							
Sura Data Chile S.A.	X							
SURA Servicios Profesionales S.A.	X							

Entity	Corporate	Fund Management		Insurance		Services		
		Mandatory Pensions	Voluntary Pensions	Life	Non-life	Health care	Outsourcing	Others
Santa Maria Internacional S.A. (Chile)	X							
Grupo Sura Latin American Holdings B.V.	X							
SUAM Finance B.V	X							
Sura Asset Management México S.A. de C.V.	X							
Sura Art Corporation S.A. de C.V.	X							
SURA Asset Management Perú S.A.	X							
Sura Asset Management Uruguay Sociedad de Inversión S.A. (formerly Tublyr S.A.)	X							
AFAP Sura S.A.		X	X					
AFP Capital S.A.		X	X					
Afore Sura S.A. de C.V.		X	X					
AFP Integra S.A.		X	X					
Corredores de Bolsa Sura S.A.								X
Administradora General de Fondos Sura S.A.								X
Sura Investment Management S.A. de C.V.								X
Fondos Sura SAF S.A.C.								X
Sociedad Agente de Bolsa S.A.								X
Corredor de Bolsa SURA S.A.								X
AFISA SURA S.A.								X
Sura Asset Management Argentina S.A.								X
Seguros de Vida Suramericana S.A. (Colombia)					X			
Seguros de Riesgos Laborales Suramericana S.A.					X			
Asesuisa Vida, S.A. Seguros de Personas					X			
Seguros de Vida Suramericana S.A (formerly RSA Seguros de Vida S.A.) (Chile)					X			
Seguros de Vida Sura S.A. (Chile)					X			
Pensiones Sura S.A. de C.V.					X			
Seguros de Vida Sura México, S.A. de C.V. (formerly Primero Seguros de Vida S.A. de C.V.)					X			
Seguros Sura S.A. (formerly Invita) (Peru)					X			
SUAM Corredora de Seguros S.A. de C.V.					X			
Disgely S.A.					X			
Seguros Generales Suramericana S.A. (Colombia)						X		
Seguros Sura S.A. (Dominican Republic)						X		
Seguros Suramericana Panamá S.A.						X		
Aseguradora Suiza Salvadoreña S.A. Asesuisa						X		
Sura RE						X		
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Brasil) S.A.) (Brazil)						X		
Seguros Sura S.A (formerly Royal & Sun Alliance Seguros (Argentina) S.A.) (Argentina)						X		
Aseguradora de Créditos y Garantías S.A.						X		
Seguros Generales Suramericana S.A (formerly RSA Seguros Chile S.A.) (Chile)						X		
Seguros Sura, S.A de C.V. (formerly Royal & Sun Alliance Seguros (Mexico) S.A. de C.V.) (Mexico)						X		
Seguros Sura S.A.(formerly) Royal and Sun Alliance Seguros S.A.) (Uruguay)						X		
EPS y Medicina Prepagada Suramericana S.A.							X	
Servicios de Salud IPS Suramericana S.A.							X	
Diagnóstico y Asistencia Médica S.A.							X	
Habitat Adulto Mayor S.A.							X	
Arus S.A.								X
Enlace Operativo S.A.								X
Operaciones Generales Suramericana S.A.S.								X
Servicios Generales Suramericana S.A. (Colombia)								X

Entity	Corporate	Fund Management		Insurance		Services		
		Mandatory Pensions	Voluntary Pensions	Life	Non-life	Health care	Outsourcing	Others
Consultoría en Gestión de Riesgos Suramericana S.A.S.								X
Servicios Generales Suramericana S.A. (Panamá)								X
Protección Garantizada LTDA								X
Servicios y Ventas Compañía Limitada								X
SURA Real Estate S.A.S.								X
Asesores Sura S.A. de C.V.								X
Promotora Sura AM S.A. de C.V.								X
Hipotecaria Sura Empresa Administradora Hipotecaria S.A.								X

28.2. Information regarding operating segments

The following is a breakdown by segment of Grupo SURA's Consolidated Income Statement at December 31, 2017:

Year-end 2017	Corporate	Fund management		Insurance			Services		Eliminations	Total
		Mandatory Pensions	Voluntary Savings	Life	Non-life	Health care	Outsourcing	Others		
Written premiums	-	-	900,849	6,015,834	7,478,175	-	-	-	(57,921)	14,336,937
Ceded premiums	-	-	(1,359)	(247,836)	(2,142,175)	-	-	-	35,957	(2,355,413)
Retained premiums (net)	-	-	899,490	5,767,998	5,336,000	-	-	-	(21,964)	11,981,524
Commission income	982	1,761,286	207,049	17,288	352,518	118	456	9,038	(5,980)	2,342,755
Revenues on services rendered	-	-	-	904	9	3,132,343	222,882	175,836	(722,677)	2,809,297
Dividends	19,199	-	2,034	670	304	-	-	4,918	-	27,125
Investment income	21,432	11,346	11,948	827,065	96,847	1	846	-	(2,024)	967,461
Revenues at fair value	(91,571)	202,206	88,977	286,442	243,519	14,513	-	-	25	744,111
Revenues via equity method from Associates	2,657,265	161,966	10,217	7,184	41,703	3,470	-	34,185	(1,854,754)	1,061,236
Gains on sale of investments	26,898	8,023	84,861	12,205	7,837	30	-	(2)	-	139,852
Income on investment property	7,159	221	6,972	51,627	13,275	1,510	-	1,959	(11,067)	71,656
Exchange difference (net)	(76,739)	(6,806)	525	(844)	12,249	(37)	(41)	(32)	-	(71,725)
Other revenues	152,210	4,006	(550)	122,607	183,592	18,782	763	65,651	(158,603)	388,458
Total revenues	2,716,835	2,142,248	1,311,523	7,093,146	6,287,853	3,170,730	224,906	291,553	(2,777,044)	20,461,750
Total claims	-	-	(688,844)	(3,387,093)	(4,375,912)	-	-	-	112,584	(8,339,265)
Reimbursed claims	-	-	-	195,502	1,653,600	-	-	-	(8,897)	1,840,205
Retained claims	-	-	(688,844)	(3,191,591)	(2,722,312)	-	-	-	103,687	(6,499,060)
Reserves, net of insurance production	-	-	(331,475)	(1,354,688)	(189,039)	-	-	-	-	(1,875,202)
Costs of services rendered	-	-	-	-	-	(2,743,648)	(172,740)	(136,261)	399,535	(2,653,114)
Administrative expense	(194,790)	(201,976)	(58,397)	(422,319)	(614,332)	(204,175)	(8,019)	(42,455)	82,023	(1,664,440)
Employee benefits	(120,606)	(420,398)	(205,925)	(353,039)	(556,282)	(136,777)	(20,455)	(24,912)	2,354	(1,836,040)
Fees	(46,587)	(37,975)	(12,087)	(397,359)	(320,056)	(15,012)	(804)	(13,892)	98,359	(745,413)
Brokerage commissions	(85)	(159,997)	(32,004)	(408,370)	(1,294,803)	(5,169)	-	-	3,629	(1,896,799)
Amortizations	(105,895)	(42,406)	(6,874)	(6,191)	(127,524)	(206)	(123)	(1)	-	(289,220)
Depreciation	(11,029)	(19,686)	(3,954)	(6,861)	(21,287)	(9,224)	(6,398)	(1,157)	-	(79,596)
Other expense	(1)	-	-	(285,070)	(211,289)	(1,359)	(746)	(65)	82,175	(416,355)
Interest	(749,872)	(3,561)	(1,726)	(696)	(5,223)	(5,774)	(1,162)	(21,400)	150,707	(638,707)
Impairment	(12,641)	(74)	(379)	3,674	(6,247)	760	(159)	(1,806)	-	(16,872)
Total expense	(1,241,506)	(886,073)	(1,341,665)	(6,422,510)	(6,068,394)	(3,120,584)	(210,606)	(241,949)	922,469	(18,610,818)
Earnings before tax	1,475,329	1,256,175	(30,142)	670,636	219,459	50,146	14,300	49,604	(1,854,575)	1,850,932
Income tax	(103,001)	(296,451)	(1,281)	(30,386)	(23,401)	(6,021)	(5,815)	(10,804)	-	(477,160)
Net income from continuing operations	1,372,328	959,724	(31,423)	640,250	196,058	44,125	8,485	38,800	(1,854,575)	1,373,772
Net income from discontinued operations	80,846	-	-	-	-	-	-	-	-	80,846
Net income	1,453,174	959,724	(31,423)	640,250	196,058	44,125	8,485	38,800	(1,854,575)	1,454,618
Earnings - parent company	1,439,100	965,076	(25,787)	643,030	196,058	44,126	8,485	38,797	(2,052,631)	1,256,254
Earnings - non-controlling interest	14,074	(5,352)	(5,636)	(2,780)	-	(1)	-	3	198,056	198,364

The following is a breakdown by segment of Grupo SURA's Consolidated Income Statement at year-end 2016:

Year-end 2016	Corporate	Fund management		Insurance			Services		Eliminations	Total
		Mandatory Pensions	Voluntary Savings	Life	Non-life	Health care	Outsourcing	Others		
Written premiums	-	-	965,572	5,650,265	5,790,084	-	-	-	(31,206)	12,374,715
Ceded premiums	-	-	(1,410)	(185,649)	(1,680,635)	-	-	-	16,656	(1,851,038)
Retained premiums (net)	-	-	964,162	5,464,616	4,109,449	-	-	-	(14,550)	10,523,677
Commission income	119	1,722,388	164,754	13,748	253,610	72	286	7,569	(6,947)	2,155,599
Revenues on services rendered	7	-	11	742	6	2,563,736	206,843	155,921	(608,341)	2,318,925
Dividends	64,353	-	1,496	4,398	637	-	-	4,588	-	75,472
Investment income	14,909	13,179	5,345	817,634	72,349	25	340	51,608	(4,404)	970,985
Revenues at fair value	(68,038)	92,269	63,565	269,545	168,300	16,530	-	-	(77)	542,094
Revenues via equity method	2,371,315	104,487	14,148	2,936	51,771	2,967	-	28,334	(1,538,321)	1,037,637
Gains on sale of investments	67,635	3,105	39,550	19,275	1,363	26	-	1	-	130,955
Income on investment property	2,932	338	6,772	46,187	14,470	1,573	-	1,529	(10,465)	63,336
Exchange difference (net)	163,296	3,693	(334)	(4,508)	8,122	(89)	524	(73)	-	170,631
Other revenues	131,793	2,656	949	75,778	178,955	18,218	1,447	4,924	(128,353)	286,367
Total revenues	2,748,321	1,942,115	1,260,418	6,710,351	4,859,032	2,603,058	209,440	254,401	(2,311,458)	18,275,678
Total claims	-	-	(406,249)	(2,880,724)	(3,297,617)	-	-	-	90,425	(6,494,165)
Reimbursed claims	-	-	-	149,964	1,357,362	-	-	-	(7,682)	1,499,644
Retained claims	-	-	(406,249)	(2,730,760)	(1,940,255)	-	-	-	82,743	(4,994,521)
Reserves, net of insurance production	-	-	(604,824)	(1,605,084)	(382,614)	-	-	-	-	(2,592,522)
Cost of services rendered	-	-	-	(1)	-	(2,233,078)	(161,342)	(121,391)	331,652	(2,184,160)
Administrative expense	(198,144)	(158,599)	(42,090)	(403,132)	(563,249)	(185,618)	(8,105)	(39,858)	68,224	(1,530,571)
Employee benefits	(114,493)	(411,522)	(191,416)	(325,249)	(399,130)	(113,831)	(18,076)	(22,043)	588	(1,595,172)
Fees	(77,238)	(35,164)	(8,851)	(382,554)	(316,335)	(14,748)	(858)	(12,477)	92,733	(755,492)
Brokerage commissions	(50)	(140,410)	(35,688)	(350,080)	(887,767)	(4,325)	-	-	4,122	(1,414,198)
Amortizations	(98,956)	(41,960)	(4,548)	(2,851)	(91,607)	(206)	(81)	(1)	-	(240,210)
Depreciation	(10,355)	(18,155)	(4,227)	(5,515)	(16,175)	(7,758)	(5,813)	(814)	-	(68,812)
Other expense	(1)	-	-	(258,119)	(140,600)	(730)	(237)	(27)	67,056	(332,658)
Interest	(614,977)	(3,114)	(801)	(835)	(7,637)	(5,926)	(2,065)	(20,672)	125,924	(530,103)
Impairment	(6,887)	(131)	(275)	(7,762)	2,826	869	353	(1,266)	-	(12,273)
Total expense	(1,121,101)	(809,055)	(1,298,969)	(6,071,942)	(4,742,543)	(2,565,351)	(196,224)	(218,549)	773,042	(16,250,692)
Earnings before tax	1,627,220	1,133,060	(38,551)	638,409	116,489	37,707	13,216	35,852	(1,538,416)	2,024,986
Income tax	(156,720)	(208,804)	(14,643)	(29,275)	1,750	(5,006)	(6,535)	(12,374)	-	(431,607)
Net income from continuing operations	1,470,500	924,256	(53,194)	609,134	118,239	32,701	6,681	23,478	(1,538,416)	1,593,379
Net income from discontinued operations	-	-	915	90,324	-	-	-	(12,960)	-	78,279
Net income	1,470,500	924,256	(52,279)	699,458	118,239	32,701	6,681	10,518	(1,538,416)	1,671,658
Earnings - parent company	1,466,655	926,279	(44,798)	669,484	118,240	32,702	6,679	11,437	(1,742,215)	1,444,463
Earnings - non-controlling interest	3,845	(2,023)	(7,481)	29,974	(1)	(1)	2	(919)	203,799	227,195

Inter-segment revenues are eliminated in the consolidation and are shown in the "eliminations" column. All other adjustments and eliminations form part of the reconciliations described above.

28.3. Geographical information:

Grupo SURA reports on its investments in the following countries: Colombia, Chile, Argentina, Brazil, Curaçao, El Salvador, Spain, Holland, the Cayman Islands, Luxembourg, Mexico, Panama, Peru, the Dominican Republic and Uruguay.

The following table shows revenues obtained on an individual country basis:

	2017	2016
Colombia	10,820,548	10,039,842
Chile	4,258,923	3,969,495
Mexico	1,833,484	1,453,188
Argentina	1,287,875	839,839
Brazil	517,168	499,633
Peru	471,415	453,845
Panama	431,501	368,394
Uruguay	400,433	220,428
El Salvador	296,479	287,065
Dominican Republic	142,257	143,945
The Bermudas	1,668	52
Holland	(1)	(2)
Spain	-	(46)
	20,461,750	18,275,678

The following table shows the distribution of assets on an individual country basis:

	2017	2016
Colombia	34,091,714	32,156,457
Chile	20,108,317	16,965,491
Mexico	6,328,809	5,521,812
Peru	3,160,007	7,454,058
Argentina	1,533,673	1,405,440
Panama	1,103,016	1,085,848
Brazil	1,050,691	1,032,936
Uruguay	1,004,164	979,712
El Salvador	616,350	597,974
Dominican Republic	313,228	292,713
The Bermudas	59,372	15,891
Spain	6,163	8,156
Curaçao	542	324
Holland	249	553
	69,376,295	67,517,365

The following table shows net income on an individual country basis:

	2017	2016
Colombia	672,771	949,803
Chile	308,128	306,424
Mexico	245,094	254,251
Peru	208,138	203,086
Uruguay	40,748	26,662
Argentina	25,969	24,759
El Salvador	19,447	25,064
Panama	9,419	(27,482)
Dominican Republic	676	(976)
Brazil	(155)	(7,184)
The Bermudas	(475)	(770)
Holland	(811)	(2,697)
Spain	(967)	(1,280)
Curaçao	(73,364)	(78,002)
	1,454,618	1,671,658

28.4. Income Statement on an individual company basis

The following table shows the income obtained by Grupo de Inversiones Suramericana on an individual company basis:

Year-end 2017	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	ARUS and Subsidiaries	Others	Eliminations and adjustments	Total
Written premiums	-	12,019,807	2,319,515	-	-	(2,385)	14,336,937
Ceded premiums	-	(2,251,741)	(103,672)	-	-	-	(2,355,413)
Retained premiums (net)	-	9,768,066	2,215,843	-	-	(2,385)	11,981,524
Commission income	-	373,272	1,969,690	456	13	(676)	2,342,755
Revenues on services rendered	-	2,614,119	-	222,882	13,278	(40,982)	2,809,297
Dividends	6,015	879	15,765	-	4,466	-	27,125
Investment income	10,434	549,884	406,084	856	204	(1)	967,461
Revenues at fair value	(141,676)	489,561	387,368	-	8,834	24	744,111
Revenues via equity method	877,324	11,076	172,836	-	-	-	1,061,236
Gains on sale of investments	1,214	7,536	106,215	-	24,886	1	139,852
Income on investment property	-	6,984	57,553	-	7,120	(1)	71,656
Exchange difference (net)	(12,835)	4,807	(63,824)	(41)	169	(1)	(71,725)
Other revenues	2,827	375,345	10,117	763	129	(723)	388,458
Total revenues	743,303	14,201,529	5,277,647	224,916	59,099	(44,744)	20,461,750
Total claims	-	(7,191,533)	(1,151,987)	-	-	4,255	(8,339,265)
Reimbursed claims	-	1,840,205	-	-	-	-	1,840,205
Retained claims	-	(5,351,328)	(1,151,987)	-	-	4,255	(6,499,060)
Reserves, net of insurance production	-	(446,799)	(1,428,403)	-	-	-	(1,875,202)
Costs of services rendered	-	(2,472,113)	-	(172,740)	(8,488)	227	(2,653,114)
Administrative expense	(83,039)	(1,235,433)	(375,193)	(8,234)	(2,405)	39,864	(1,664,440)
Employee benefits	(25,569)	(1,033,138)	(755,885)	(20,455)	(1,176)	183	(1,836,040)
Fees	(8,240)	(657,194)	(79,343)	(842)	(370)	576	(745,413)
Brokerage commissions	-	(1,692,517)	(204,293)	-	-	11	(1,896,799)
Amortizations	-	(130,799)	(158,298)	(123)	-	-	(289,220)
Depreciation	(1,178)	(36,130)	(30,322)	(6,398)	(5,569)	1	(79,596)
Other expense	-	(415,622)	-	(746)	-	13	(416,355)
Interest	(202,034)	(109,716)	(180,074)	(1,162)	(145,720)	(1)	(638,707)
Impairment	-	(5,178)	(453)	(159)	(11,083)	1	(16,872)
Total expense	(320,060)	(13,585,967)	(4,364,251)	(210,859)	(174,811)	45,130	(18,610,818)
Earnings before tax	423,243	615,562	913,396	14,057	(115,712)	386	1,850,932
Income tax	18,494	(108,974)	(378,936)	(5,817)	(1,926)	(1)	(477,160)
Net income from continuing operations	441,737	506,588	534,460	8,240	(117,638)	385	1,373,772
Net income from discontinued operations	-	-	80,846	-	-	-	80,846
Net income	441,737	506,588	615,306	8,240	(117,638)	385	1,454,618
Earnings - parent company	442,208	505,271	614,350	7,769	(117,489)	(195,855)	1,256,254

Year-end 2016	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	ARUS and Subsidiaries	Others	Eliminations and adjustments	Total
Earnings - non-controlling interest	(471)	1,317	956	471	(149)	196,240	198,364
Written premiums	-	9,767,107	2,609,702	-	-	(2,094)	12,374,715
Ceded premiums	-	(1,785,334)	(65,704)	-	-	-	(1,851,038)
Retained premiums (net)	-	7,981,773	2,543,998	-	-	(2,094)	10,523,677
Commission income	-	267,938	1,887,666	286	24	(315)	2,155,599
Revenues on services rendered	-	2,138,383	17	206,843	8,653	(34,971)	2,318,925
Dividends	62,567	5,342	3,355	-	4,209	(1)	75,472
Investment income	(7,115)	611,439	364,758	347	1,557	(1)	970,985
Revenues at fair value	(125,931)	422,612	233,810	-	11,602	1	542,094
Revenues via equity method	909,036	9,540	119,060	-	-	1	1,037,637
Gains on sale of investments	65,940	1,770	63,245	-	-	-	130,955
Income on investment property	-	9,388	51,053	-	2,898	(3)	63,336
Exchange difference (net)	143,648	25,384	2,015	524	(940)	-	170,631
Other revenues	177	273,165	11,414	1,447	441	(277)	286,367
Total revenues	1,048,322	11,746,734	5,280,391	209,447	28,444	(37,660)	18,275,678
Total claims	-	(5,695,781)	(802,452)	-	-	4,068	(6,494,165)
Reimbursed claims	-	1,499,644	-	-	-	-	1,499,644
Retained claims	-	(4,196,137)	(802,452)	-	-	4,068	(4,994,521)
Reserves, net of insurance production	-	(626,054)	(1,966,468)	-	-	-	(2,592,522)
Costs of services rendered	-	(2,017,794)	-	(161,342)	(5,087)	63	(2,184,160)
Administrative expense	(41,133)	(1,152,919)	(349,637)	(8,120)	(10,742)	31,980	(1,530,571)
Employee benefits	(20,932)	(830,485)	(725,152)	(18,076)	(631)	104	(1,595,172)
Fees	(19,354)	(660,423)	(72,593)	(895)	(3,241)	1,014	(755,492)
Brokerage commissions	-	(1,233,808)	(180,390)	-	-	-	(1,414,198)
Amortizations	(72)	(92,144)	(146,945)	(1,049)	-	-	(240,210)
Depreciation	(407)	(28,377)	(27,353)	(5,813)	(6,862)	-	(68,812)
Other expense	-	(332,420)	-	(237)	-	(1)	(332,658)
Interest	(140,878)	(100,599)	(163,123)	(2,065)	(123,438)	-	(530,103)
Impairment	-	(12,220)	(406)	353	-	-	(12,273)
Total expense	(222,776)	(11,283,380)	(4,434,519)	(197,244)	(150,001)	37,228	(16,250,692)
Earnings before tax	825,546	463,354	845,872	12,203	(121,557)	(432)	2,024,986
Income tax	(61,538)	(61,697)	(307,043)	(6,552)	5,223	-	(431,607)
Net income from continuing operations	764,008	401,657	538,829	5,651	(116,334)	(432)	1,593,379
Net income from discontinued operations	-	-	78,279	-	-	-	78,279
Net income	764,008	401,657	617,108	5,651	(116,334)	(432)	1,671,658
Earnings - parent company	764,380	399,692	593,436	5,279	(116,099)	(202,225)	1,444,463

Earnings - non-controlling interest	(372)	1,965	23,672	372	(235)	201,793	227,195
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NOTE 29. COMMISSION INCOME AND EXPENSE

29.1. Commission income

Grupo SURA's commission income is broken down as follows:

	2017	2016
Mandatory pension fund management commissions	1,775,103	1,733,823
Revenues from disposals	367,924	264,019
Others (*)	121,411	87,912
Voluntary pension fund management commissions	76,821	66,934
Share of reinsurers' net income	8,394	8,192
Cancellations and/or eliminations of other reinsurance expense	61	343
Acceptance expense	(6,959)	(5,624)
Total	2,342,755	2,155,599

(*) Mainly includes income from managing client portfolios.

Commission income for each individual country is shown as follows:

	2017	2016
Chile	801,714	692,542
Mexico	770,436	753,069
Peru	399,699	406,286
Colombia	201,097	151,893
Uruguay	93,341	78,694
Dominican Republic	21,353	21,090
Argentina	21,320	26,261
Panama	21,146	16,935
Brazil	9,547	5,849
El Salvador	1,659	2,980
Bermuda	1,443	-
Total	2,342,755	2,155,599

29.2. Commission expense

Brokerage commission expense is broken down as follows:

	2017	2016
Amortizations of Deferred Acquisition Costs (DAC)	(1,773,385)	(1,317,502)
Social security insurance	(66,109)	(56,699)
Property, casualty and personal insurance	(46,038)	(27,622)
Mandatory insurance	(8,477)	(10,303)
Accepted co-insurance	(2,790)	(2,072)
Total	(1,896,799)	(1,414,198)

Brokerage commission expense for each individual country is broken down as follows:

	2017	2016
Colombia	(500,387)	(475,205)
Chile	(461,605)	(249,166)
Argentina	(303,192)	(189,692)
Brazil	(207,884)	(146,110)
Mexico	(175,856)	(151,305)
Panama	(70,265)	(67,860)
El Salvador	(66,795)	(64,760)
Uruguay	(62,766)	(27,167)
Dominican Rep	(31,903)	(30,222)
Peru	(15,149)	(12,711)
Bermuda	(997)	-
Total	(1,896,799)	(1,414,198)

NOTE 30. SERVICES RENDERED

Income and expenses for services rendered corresponds mainly to the health care subsidiary, EPS Sura and the outsourcing firms belonging to the Arus Holding Company.

30.1. Revenues from services rendered

Grupo SURA's revenues from services rendered are broken down as follows:

	2017	2016
Income from health care providers (EPS)	2,432,125	1,967,352
Lab services	97,197	95,570
Maintenance and repairs	88,897	78,860
Income from health care institutes (IPS)	84,028	70,023
Data processing	44,434	45,842
Sales of machinery, office equipment and computer programs	25,017	25,347
Wiring unit - related activities	19,893	19,312
Machinery and equipment leases	9,765	8,132
Sales of spare parts, components and accessories	2,973	3,891
Corporate consultancy activities	1,673	1,424
Telecommunications services	1,782	2,017
Others	1,378	1,079
Other community, social and personal activities	135	76
	2,809,297	2,318,925

Revenues from services rendered on an individual country basis are shown as follows:

	2017	2016
Colombia	2,808,062	2,317,566
El Salvador	913	748
Panama	322	593
Mexico	-	7
Peru	-	11

Total	2,809,297	2,318,925
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30.2. Cost of services rendered

Grupo SURA's cost of services rendered is broken down as follows:

	2017	2016
Selling costs for health care provider services (EPS)	(1,894,892)	(1,527,644)
Selling costs for health care institute services (IPS)	(448,890)	(373,670)
Data processing	(102,532)	(95,001)
Sales of spare parts, components and accessories	(61,797)	(59,919)
Corporate consultancy activities	(59,604)	(48,815)
IT equipment and software consultancy services	(57,863)	(46,605)
Maintenance and repairs	(11,769)	(10,398)
Sales of machinery, office equipment and computer programs	(14,021)	(20,796)
Depreciation	(557)	(176)
Amortizations	(1,083)	(1,031)
Other community, social and personal activities	(106)	(105)
Total	(2,653,114)	(2,184,160)

Cost of services rendered for each individual country is shown as follows:

	2017	2016
Colombia	(2,652,580)	(2,183,708)
Panama	(534)	(452)
Total	(2,653,114)	(2,184,160)

NOTE 31. FINANCIAL INCOME AND EXPENSE

Financial income and expense for Grupo SURA and Subsidiaries at year-end 2017 and 2016 are broken down as follows:

	2017			2016		
	Income	Expense	Net	Income	Expense	Net
Investment income (1)	1,221,898	(254,437)	967,461	1,301,009	(330,024)	970,985
Exchange differences (2)	256,805	(328,530)	(71,725)	453,696	(283,065)	170,631
Revenues at fair value (3)	1,553,614	(809,503)	744,111	1,773,611	(1,231,517)	542,094
Dividends (4)	27,125	-	27,125	75,472	-	75,472
Gains on sales of investments (5)	159,681	(19,829)	139,852	166,441	(35,486)	130,955
Interest (6)	-	(638,707)	(638,707)	-	(530,103)	(530,103)
	3,219,123	(2,051,006)	1,168,117	3,770,229	(2,410,195)	1,360,034

- (1) Investment income includes interest income and returns from cash and banks, collective portfolios, fiduciary charges, and loans to directors. It also includes net income from valuations based on the effective interest rate.

The following is a breakdown of the financial income and expense account.

	2017	2016
Investment Income	955,968	977,755

Income from cash and banks	11,493	(6,770)
	967,461	970,985

(2) Exchange difference includes income and expense obtained from restating assets and liabilities in foreign currency.

(3) Gains and losses recorded at fair value were as follows:

	2017	2016
Increase in fair value of debt securities	794,980	574,033
Forwards and futures	90,807	93,991
Currency swaps	(141,676)	(125,930)
	744,111	542,094

(4) The balance of this account is shown as follows:

	2017	2016
Revenues from Argos (a)	6,015	62,567
Revenues for real estate funds	15,765	3,355
Dividends from financial instruments	5,345	9,550
	27,125	75,472

(a) Corresponding to dividend income from the investment held in the associate Grupo Argos, which was the surplus left over from the equity method applied in 2017 and 2016 respectively

(b) Dividend income from investments in financial instruments issued by real estate funds recorded on the sub-consolidated statement of the Group's subsidiary Sura Asset Management.

(5) Gains and losses obtained from the sale of investments are shown as follows:

	2017	2016
Valuation gains on debt securities	129,471	97,163
Proceeds from sales of investments	28,440	67,576
Expense on sales of investments	(2,466)	(12,804)
Valuation expense on debt securities	(15,593)	(20,980)
	139,852	130,955

(6) The following table shows a breakdown of interest expense:

	2017	2016
Bank loans	(297,145)	(338,770)
Interest on issued securities	(333,671)	(180,154)
Other interest	(6,819)	(8,701)
Amortized premium on debt portfolio	(58)	(1,525)
Other loans	(894)	(951)
Interest on late pension payments	(120)	(2)
	(638,707)	(530,103)

Financial income and expense on an individual country basis is shown as follows:

Year-end 2017	Argentina	Bermuda	Brazil	Chile	Colombia	Curaçao	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Investment income	1	-	-	194,507	501,960	-	-	221,713	2,454	5,493	7,272	15,065	18,996	967,461
Exchange differences	4,410	-	2,277	(16,805)	(52,626)	-	(1)	(6,202)	113	(2,133)	249	-	(1,007)	(71,725)
Revenues at fair value	127,878	214	29,835	254,521	195,406	-	-	47,094	16,284	62,060	-	1,214	9,605	744,111
Dividends	-	-	-	2,198	14,506	-	-	-	6,509	3,912	-	-	-	27,125
Gains on sale of investments	1,556	-	-	105,276	10,804	-	-	(3,085)	24,997	327	-	-	(23)	139,852
Interest	(1)	-	-	(1,810)	(413,200)	(73,266)	-	-	(145,213)	(3,799)	(506)	-	(912)	(638,707)
	133,844	214	32,112	537,887	256,850	(73,266)	(1)	259,520	(94,856)	65,860	7,015	16,279	26,659	1,168,117

Year-end 2016	Argentina	Brazil	Chile	Colombia	Curaçao	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Investment income	-	-	209,650	581,258	-	-	-	152,016	2,605	7,648	7,620	28	10,160	970,985
Exchange differences	(1,610)	(3,946)	(14,545)	187,614	-	(46)	(2)	7,346	(936)	(1,613)	47	-	(1,678)	170,631
Revenues at fair value	61,485	29,076	139,203	240,500	-	-	-	7,879	19,913	41,323	-	-	2,715	542,094
Dividends	-	-	1,591	66,366	-	-	-	1,761	5,751	-	-	-	3	75,472
Gains on sale of investments	1,702	-	44,655	66,512	-	-	-	6,802	11,201	81	-	-	2	130,955
Interest	-	-	(1,803)	(324,019)	(77,919)	(12)	(10)	-	(122,912)	(2,912)	(408)	(9)	(99)	(530,103)
	61,577	25,130	378,751	818,231	(77,919)	(58)	(12)	175,804	(84,378)	44,527	7,259	19	11,103	1,360,034

NOTE 32. OTHER INCOME AND EXPENSE

32.1. Other income

Below is a breakdown of Grupo SURA's other income account:

	2017	2016
Default interest on late contribution payments	99,788	68,836
Recovered amounts of paid tax	89,208	-
Policy revenues	68,506	41,213
Others	46,867	57,381
Reimbursements and recoveries	16,125	61,654
Compensation	15,274	7,856
Paperwork expense	8,235	8,623
Reimbursed expense	7,600	6,213
Cancellations and/or eliminations of other reinsurance income	7,314	7,484
Fraud	4,987	-
Joint venture activities	3,340	104
Recovered amounts, other than from operating risk policies	3,237	784
Reimbursements and recoveries	3,169	12,691
Demand deposits	3,086	3,079
Conditional trade discounts	2,855	2,833
Buildings	2,805	-
Fronting commissions	2,486	-
From co-insurance management services	1,238	1,117
Earnings from property and equipment	620	486
Expense recognized by reinsurers	423	97
Reimbursed occupational disease expense	386	-
Discounts	362	-
Insurance indemnities	195	12
Equipment, furniture and office fixtures	187	-
Recognized interest	89	45
Vehicles	59	-
Computer equipment	17	-
From third parties	-	4
Freeing up of special reserves	-	1,001
Provision reversals	-	4,854
Total	388,458	286,367

Other income on an individual country basis is shown as follows:

	2017	2016
Colombia	265,242	121,175
Argentina	58,609	57,674
Mexico	30,842	28,528
Chile	13,760	9,832
El Salvador	10,948	24,250
Uruguay	3,831	3,544
Peru	2,052	110

	2017	2016
Brazil	1,781	36,074
Panama	1,279	2,867
Dominican Republic	107	2,261
Bermuda	7	52
	388,458	286,367

32.2 Other expense

Below is a breakdown of Grupo SURA's other expense account:

	2017	2016
Non-proportional reinsurance costs (1)	(288,666)	(222,024)
Occupational risk prevention / awareness services	(119,714)	(110,151)
Expense incurred on joint venture and operations	(5,771)	-
Losses incurred on claims	(1,652)	(906)
Others	(745)	(486)
Real Estate	(9)	(10)
Bonuses	(5)	(9)
Non-proportional reinsurance revenues	207	928
	(416,355)	(332,658)

(1) Corresponding to the cost of reinsurance contracts in extending the agreed coverage.

Other expense on an individual country basis is shown as follows:

	2017	2016
Colombia	(223,097)	(230,044)
Chile	(91,727)	(69,296)
Mexico	(32,746)	(2,289)
Argentina	(19,629)	-
Brazil	(14,079)	-
Uruguay	(10,814)	(96)
El Salvador	(9,713)	(11,110)
Dominican Republic	(7,377)	(11,118)
Panama	(7,173)	(8,705)
	(416,355)	(332,658)

NOTE 33. ADMINISTRATIVE EXPENSE

Grupo SURA's administrative expense on an individual country basis at year-end 2017 and 2016 is shown as follows:

	2017	2016
Taxes	(363,046)	(366,922)
Contributions	(139,464)	(142,938)
Advertising	(131,905)	(126,051)
Lease rentals	(124,894)	(106,226)
Commissions	(119,285)	(137,253)

	2017	2016
Temporary services	(108,243)	(85,443)
Maintenance and repairs	(107,349)	(90,582)
Public utilities	(104,771)	(94,431)
Traveling and entertainment expense	(92,636)	(81,209)
Legal expense	(53,926)	(23,535)
Electronic data processing	(40,510)	(53,011)
Office supplies and stationery	(39,306)	(45,513)
Selling expense	(30,725)	(31,321)
Worker's compensation fund	(11,516)	(9,787)
Insurance	(10,690)	(13,109)
Others	(186,174)	(123,240)
	(1,664,440)	(1,530,571)

Grupo SURA's administrative expense at year-end 2017 and 2016 on an individual country basis is shown as follows:

	2017	2016
Colombia	(940,516)	(921,660)
Mexico	(186,276)	(113,130)
Argentina	(159,419)	(144,236)
Chile	(134,441)	(127,262)
Brazil	(61,227)	(55,723)
Uruguay	(54,641)	(33,646)
Peru	(54,547)	(58,983)
Panama	(35,412)	(39,788)
El Salvador	(26,098)	(24,211)
Dominican Republic	(10,780)	(11,176)
The Bermudas	(829)	(483)
Spain	(182)	(208)
Curaçao	(66)	(65)
Holland	(6)	-
	(1,664,440)	(1,530,571)

NOTE 34. FEES

Grupo SURA's fee expense is broken down as follows:

	2017	2016
Insurance management services	(334,876)	(313,488)
Insurance sales promoters	(71,476)	(65,574)
Attendance fees	(37,151)	(38,692)
Statutory auditing fees	(29,734)	(18,896)
Commissions	(22,420)	(22,425)
Legal advisors	(11,976)	(13,209)
Financial consultancy services	(9,154)	(13,889)
Board of Directors	(5,632)	(5,831)
Property appraisals	(259)	(109)
Others (*)	(222,735)	(263,379)

(745,413) (755,492)

(*) Mainly technical inspection and evaluation expense prior to policies being issued

Fee income for each individual country is shown as follows:

	2017	2016
Colombia	(601,389)	(601,640)
Chile	(53,276)	(53,741)
Mexico	(28,408)	(24,163)
Panama	(17,466)	(19,827)
Uruguay	(13,004)	(8,776)
Peru	(9,167)	(8,160)
Argentina	(8,532)	(22,405)
Brazil	(8,230)	(10,681)
El Salvador	(2,091)	(1,989)
Dominican Republic	(1,916)	(2,144)
Holland	(803)	(593)
Spain	(785)	(1,015)
The Bermudas	(314)	(340)
Curaçao	(32)	(18)
	(745,413)	(755,492)

NOTE 35. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the period, as attributable to the shareholders, by the weighted average number of shares outstanding for the year.

The following table shows the income and share information used to calculate basic earnings per share.

	2017	2016
Parent company's net profits	1,256,254	1,444,463
Ordinary shares outstanding for basic earnings per share	469,037,260	469,037,260
Earnings per share (in Colombian pesos)	2,678	3,080

NOTE 36. TRANSLATING CURRENCIES AND RESULTS OF FOREIGN OPERATIONS

The rates used to translate the different foreign currencies in Grupo SURA's consolidated financial statements are shown as follows:

	Average Rate		Closing rate	
	2017	2016	2017	2016
Colombian peso (COP/USD)	2,951.32	3,050.98	2,984.00	3,000.71
Chilean peso (CLP/USD)	648.77	676.45	607.15	669.79
Dominican peso (DOP/USD)	47.57	46.09	48.33	46.72
Euro (EUR/USD)	0.89	0.90	0.83	0.96
Mexican peso (MXN/USD)	18.91	18.69	19.52	20.60
Peruvian new sol (PEN/USD)	3.26	3.38	3.24	3.36
Uruguayan peso (UYU/USD)	28.64	30.14	28.69	29.35
Argentinian peso (ARP/USD)	16.56	14.77	18.54	15.83

NOTE 37. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The following information describes the main characteristics of the Governance Framework corresponding to the Group's Risk Management function as well as the more significant risks to which its Companies have been exposed, taking into account the characteristics, complexity and size of their individual businesses as well as the particularities of the countries where they are present.

1. Risk Management System - Governance Framework

The Sura Business Group considers risk management to be a dynamic and interactive process, which forms an essential part of its internal control system, the purpose of which is to provide support to the Companies' strategic objectives and ongoing sustainability. The Group's Risk Management System allows for strategic, administrative and operating decisions to be made in order to create added value not just by maximizing revenues within low levels of tolerable risk, but also understanding global trends and the internal dynamics of the different subsidiaries, creating appropriate control mechanisms and ensuring the sustainability and continuity of the different lines of business over the long term.

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

The Board of Directors, its Committees and the Senior Management of each of the Companies are responsible for ensuring an adequate Risk Management System and making decisions based on an understanding of the opportunities and risks involved in each strategic issue. These responsibilities are supplemented by an organizational structure, policies and manuals which ensure that an organizational strategy is consistently applied throughout the region and that feedback is obtained on its implementation.

Grupo SURA ensures that adequate communication and interaction is maintained so as to monitor the Group's risk profile and risk management function. This includes serving as members of the Companies' Boards of Directors and the different Board Committees as well as holding meetings and similar events to encourage risk management reporting, project implementation and the sharing of best practices.

With respect to risk management at subsidiary level, in 2017 we began to implement risk management standards and structure the different risk management areas at the recently acquired insurance companies.

2. Risk Categories

The main risks addressed by the Company's risk management function, fall into the following three categories: (i) financial risk; (ii) business risk; and (iii) operating risk;

Financial Risk Management

Being able to depend on optimum capital structures and adequate solvency levels as well as having sufficient resources to guarantee a sound financial position with which to respond to the obligations thus

acquired while at the same time complying with the targeted expansion plans, requires comprehensive risk management systems with which to monitor subsidiary exposure to the different financial risks (credit, market and liquidity); this covering the cash and investment management functions as well as handling third-party portfolios

The global economy performed well in 2017, having secured a continued growth amid the strongest expansion seen over the last decade. It was a year characterized by expansive monetary policies and low inflation rates in most countries. Unemployment declined in all those countries that had previously been immersed in a recession, while investors showed a distinct increase in their risk appetite as they searched for higher and better returns

After a slowdown that has lasted for two years, the Latin American economy began to show signs of recovery at the end of 2017, this in response to a greater amount of market confidence, less volatile financial conditions, higher commodity prices and the growth in global trade which in turn is driving external demand. The recovery seen with Brazil and Argentina is particularly noteworthy on a regional level, this as a result of increased market confidence in turn due to an increase in domestic consumption and investment, thanks to low levels of inflation and interest rates, in the case of Brazil, and enhanced political capital in Argentina.

Conversely, the Mexican economy was adversely affected by natural disasters and high levels of inflation. Also, higher commodity prices drove up export revenues for Chile and to a lesser extent Colombia. Finally, the overall performance for the Latin American economy going forward shall depend on the much-needed tax reforms being introduced in most Latin American countries, as well as the outcomes of presidential elections that began with Argentina and Chile last year and which shall continue this year with Mexico, Brazil and Colombia.

The main financial risks are listed as follows. This analysis takes into account credit, market (including currency, interest and inflation rates as well as asset prices) and liquidity risk.

Credit Risk Management

The Group's credit risk management function is aimed at reducing the probability of incurring losses in failing to meet the Company's financial obligations with third parties. For this purpose, policies and procedures have been issued to facilitate the analysis and monitoring of issuers and counterparties, from the funds handled by the cash management departments to insurance company portfolios and third-party funds, so as to mitigate risk exposure at subsidiary level.

More detailed information regarding credit risk concentration and exposure can be found in Note 9.1.1. Investments

Note 9.1.2 Trade and other receivables

Nota 9.2. Impairment to financial assets

9.1 Financial assets and Note 9.3. Financial liabilities Assets and liabilities at maturity

Credit Risk Management - Cash Management Function

The cash management functions of Grupo SURA and its subsidiaries Suramericana and Sura Asset Management, are governed by risk mitigation policies and guidelines to ensure that investments are aligned with the funds allocated to such and that these are always backed by issuers and / or fund management firms with adequate creditworthiness. At year-end 2017, the investments made by the Companies' cash management departments were mostly concentrated in liquid collective portfolios managed by asset management firms meeting the highest standards, as well as savings and checking accounts with local and international banks, and issuers of fixed income securities with substantial creditworthiness.

The following is a list of counterparties and their international credit ratings with regard to the derivative positions held by the Companies:

Grupo SURA:

Bank	Rating
Merrill Lynch International	A+
Citibank N.A, London Branch	A+
JP Morgan Chase Bank, N.A.	A+
Morgan Stanley & Co International PLC	A+
BBVA S.A.	BBB+

SURA Asset Management:

Bank	Rating
BBVA Colombia S.A.	BBB+
JP Morgan Chase Bank	A+

Suramericana

No cash positions are held in terms of derivative transactions

For a more detailed breakdown of the Company's financial assets, see **Note 9.1. Financial Assets Credit Risk Management - Insurers' Portfolios**

On the other hand, the insurance companies manage their credit risk through the handling of their portfolios of profitable, liquid assets that underpin their technical reserves; based on policies governing the allocation of quotas, limits and controls, as well as methodologies and procedures used for the different assets making up the portfolio which allow for evolving risk to be quantified and monitored. These methodologies provide for detailed analyses to be carried out on the financial strength and conditions as well as other qualitative aspects regarding the different issuers.

The portfolios belonging to these insurance companies largely consist of fixed income securities.

So as to be able to arrive at a standardized basis in order to compare the different countries, this section contains the credit ratings of the financial assets held along with their counterparties, which were re-stated on an international level, using the maximum rating of the sovereign rates for each country: Argentina B-, Brazil BB, Chile AA-, Colombia BBB, El Salvador B-, Mexico BBB+, Peru BBB+, Panama BBB, Dominican Republic BB-, Uruguay BBB. The choice between the international credit ratings in local or foreign currency is based on the Subsidiary's specific type of portfolio and their own risk management criteria.

The following table shows a breakdown of fixed income financial assets at subsidiary level, based on their corresponding international credit ratings

Fixed Income Assets classified according to their International Credit Ratings for 2017												
	Suramericana										SURA AM	
	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dominican Republic	Uruguay	Bermuda	Chile	Mexico
Sovereign Rating*	B	BB	AA-	BBB	B	BBB+	BBB	BB-	BBB	A	AA-	BBB+
Sovereign	65.6%	100.0%	33.1%	21.9%	26.4%	77.9%	17.1%	51.1%	77.9%	0.0%	7.8%	91.7%
AAA	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA-	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A+	0.0%	0.0%	0.0%	0.1%	1.4%	0.0%	0.2%	0.0%	0.0%	0.0%	17.9%	0.0%
A	0.0%	0.0%	24.6%	2.4%	0.6%	0.0%	1.3%	0.0%	0.0%	0.0%	12.7%	0.9%
A-	0.0%	0.0%	6.4%	0.6%	1.6%	0.0%	0.0%	0.0%	0.0%	21.9%	27.9%	1.1%
BBB+	0.0%	0.0%	22.1%	1.6%	2.2%	19.6%	2.1%	0.0%	0.0%	0.0%	22.8%	2.5%
BBB	0.0%	0.0%	9.5%	51.5%	2.4%	1.6%	7.1%	0.0%	0.0%	0.0%	9.1%	0.8%
BBB-	0.0%	0.0%	4.2%	19.3%	1.4%	0.7%	15.6%	0.0%	10.9%	78.1%	1.6%	0.7%
BB+	0.0%	0.0%	0.0%	1.5%	1.6%	0.1%	25.7%	0.0%	0.0%	0.0%	0.1%	0.0%
BB	0.0%	0.0%	0.0%	0.2%	0.2%	0.0%	9.4%	0.0%	11.2%	0.0%	0.0%	0.0%
BB-	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	16.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Others	34.4%	0.0%	0.0%	0.0%	62.3%	0.0%	3.5%	48.9%	0.0%	0.0%	0.0%	2.3%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Fixed Income Assets classified according to their International Credit Ratings for 2016

Sovereign Rating*	Suramericana									SURA AM:		
	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dominican Republic	Uruguay	Chile	Mexico	Peru:
	B	BB	AA-	BBB	B	BBB+	BBB	BB-	BBB	AA-	BBB+	BBB+
Sovereign	48.2%	95.5%	70.3%	26.2%	33.1%	80.6%	22.2%	55.8%	85.5%	7.9%	93.8%	22.2%
AAA	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
AA+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
AA-	0.0%	0.0%	16.1%	0.3%	0.0%	0.0%	1.0%	0.0%	0.0%	17.3%	0.0%	0.0%
A+	0.0%	0.0%	6.5%	0.0%	0.0%	0.0%	3.8%	0.0%	0.0%	10.9%	0.0%	0.5%
A	0.0%	0.0%	2.5%	3.5%	0.0%	0.0%	0.9%	0.0%	0.0%	31.2%	0.0%	0.4%
A-	0.0%	0.0%	3.4%	0.8%	0.6%	0.0%	0.0%	0.0%	0.0%	17.1%	1.7%	4.1%
BBB+	0.0%	0.0%	1.2%	0.2%	0.5%	19.4%	3.3%	0.0%	0.0%	4.7%	2.8%	28.1%
BBB	0.0%	0.0%	0.0%	50.1%	4.5%	0.0%	8.6%	0.0%	0.0%	4.7%	0.9%	13.6%
BBB-	0.0%	0.0%	0.0%	16.5%	1.1%	0.0%	18.8%	0.0%	0.0%	0.1%	0.7%	16.9%
BB+	0.0%	0.0%	0.0%	1.4%	1.5%	0.0%	13.7%	0.0%	0.0%	0.0%	0.2%	2.2%
BB	0.0%	0.0%	0.0%	0.2%	2.0%	0.0%	6.5%	0.0%	14.5%	5.9%	0.0%	1.9%
BB-	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	19.8%	0.0%	0.0%	0.0%	0.0%	0.1%
Others	51.8%	4.5%	0.0%	0.0%	56.7%	0.0%	1.5%	44.2%	0.0%	0.2%	0.0%	8.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The insurance company Seguros SURA Perú was sold off in 2017.

Another credit risk to which the Insurance Companies are exposed with regard to their portfolios has to do with derivatives held with local and international counter-parties

The Suramericana subsidiaries held both an asset as well as liability exposure to derivatives at December 31, 2017 (and December 31, 2016) as well as an exposure to international counterparty credit ratings. Nevertheless, it is to be noted that at the present time only the Colombian companies are performing derivative transactions.

Derivatives - Suramericana Seguros Colombia 2017				
Bank	International credit rating	Asset exposure	Liability exposure	Net position
Banco de Bogotá	BBB	21,642	(21,357)	284
Bancoldex	BBB	307,294	(305,557)	1,737
JPM Corporación Financiera	BBB	214,207	(211,577)	2,630
Banco Davivienda S.A.	BBB	67,581	(67,845)	-264
Total		610,724	(606,336)	4,388

Derivatives - Suramericana Seguros Colombia 2016				
Bank	International credit rating	Asset exposure	Liability exposure	Net position
Banco de Bogotá	BBB	326,241	(317,411)	8,830
Bancoldex	BBB	185,402	(179,959)	5,443
BBVA Colombia	BBB	29,504	(29,110)	394
CitiBank Colombia	BBB	27,792	(26,045)	1,747
Banco Davivienda S.A.	BBB	49,287	(47,989)	1,298
Total		618,226	(600,514)	17,712

The following is a breakdown of the exposure inherent to the derivatives held by Sura Asset Management's insurance companies

Derivatives - Sura Asset Management Seguros Chile 2017				
Bank	International credit rating	Asset exposure	Liability exposure	Net position
Banco BBVA	A	92,569	(81,563)	11,006
Banco de Crédito e Inversiones	BBB	185,651	(158,854)	26,797
Banco Santander	BBB	240,815	(215,211)	25,604
Total		519,035	(455,628)	63,407

Derivatives - Sura Asset Management Seguros Chile 2016				
Bank	International credit rating	Asset Exposure	Liability exposure	Net position
Banco BBVA	A-	84,661	(82,521)	2,140
Banco de Crédito e Inversiones	Also	181,578	(172,828)	8,751
Banco Santander	A+	223,125	(219,049)	4,076
Total		489,364	(474,398)	14,966

Based on an analysis performed upon adopting IFRS 9, we concluded that this standard does not modify the general principles that the Company uses to record its hedges, and consequently its application is not expected to have any significant effect.

Credit risk management - Third Party Funds

With regard to the credit risk exposure inherent to handling third-party funds, in keeping with its fiduciary duty, the Company's fund management function includes due diligence performed on all investees, including issuers, counterparties and fund management firms.

Independent risk teams, on both a functional as well as organizational level, are responsible for controlling and monitoring the different investment operations. These teams are in charge of conducting permanent follow-ups on the different investment portfolios, monitoring the levels of market, credit, liquidity and other risks that may have a negative impact on the rates of return earned by the different portfolios. It is the responsibility of the risk team to sound an alert with regard to any possible failure to comply with both internal and external rules and regulations as well as to remit such alerts to the Risk Committee so that the respective corrective measures may be taken.

Impairment of Assets and Accounts Receivable (See Note 9.2. Impairment to financial assets)

The Companies periodically analyze whether there are any signs of impairment and, whenever necessary, impairment losses are recognized for the corresponding investment in the associate.

Due to IFRS 9 coming into full force and effect as of January 1, 2018, Grupo SURA and its Subsidiaries must adopt a new methodology for calculating impairment due to expected or prospective losses which shall replace that used for impairment relating to incurred losses as established in the previous standard IAS 39, which was effective until December 31, 2017.

So as to prepare the Organization for adopting this new IFRS, the following activities were carried out in 2017:

- Grupo SURA and its subsidiaries are defining standardized principles for calculating impairment to each specific type of asset, based on the risk methodologies that have been approved for each Company:
 - In the case of financial instruments measured at amortized cost, the financial strength of each counterparty is analyzed using the Credit Risk Management procedures implemented by each subsidiary as well as the probabilities of default published by international risk rating agencies so as to maintain a prospective approach to this calculation.
 - With regard to accounts receivable due from clients, our subsidiaries use the general or 12-month approach considering the nature of the policies in place and the cancellations associated with these. An impairment percentage is calculated based on available historical information for each level of default rate, which is then applied prospectively right from the outset and then is updated over time.
 - In the case of accounts receivable corresponding to reinsurance contracts, the individual

financial strength of each reinsurer is reviewed so as to proceed to estimate the impairment percentage associated with each of these.

- A detailed analysis of the impact that different aspects of this would have, this based on the information made available to date.
- Approval from the Company's highest governing body for Impairment Policies used for Financial Instruments Measured at Amortized Cost.

It is important to note that with regard to the Company's policy for recognizing fund management transactions corresponding to third party funds as well as stock and insurance brokerage services, based on the Company's current policy for recognizing income and measuring financial instruments, the new IFRS 9 that recently came into full force and effect, shall not have any impact on the financial statements or on the financial position of the aforementioned firms.

More detailed information regarding impairment methods and tests performed on financial and non-financial assets, accounts receivable as well as reinsurance and co-insurance assets can be found in Note 9.3 Impairment to financial assets as well as Note 19 Impairment to non-financial assets

Market Risk Management

This type of risk management is aimed at mitigating the effect of fluctuating market prices on the value of the portfolios that are managed by the Companies as well as their revenues. For this reason, the Group's insurance companies and fund management firms deploy Market Risk Management Systems to identify, measure and monitor the corresponding exposure. These systems are composed of a set of policies, procedures, monitoring mechanisms and internal controls.

The Companies periodically monitor variables such as interest and exchange rates as well as asset prices so as to ascertain their impact on their overall performance. Furthermore, in order to mitigate volatility, the possibility of hedging such risk is determined, and this is constantly monitored by the area responsible for such.

Market Risk Management - Cash Management Function

The Cash Management Departments of Grupo SURA, SURA Asset Management and Suramericana handle market risk exposure from the standpoint of currency and interest rate risk exposure to the amount of debt held.

For a more detailed breakdown of the Company's debt and derivatives, please refer to Note 9.1 Financial Assets and Note 3.2 Financial Liabilities.

Grupo Sura's exposure to market risk consists of the following factors and activities:

- As for managing liquidity through the exposure inherent to collective portfolios and issuers of fixed income instruments, there is no significant market risk since by their very nature these are low volatility assets.
- Financial liabilities denominated in foreign currency and those tied to a variable rate, which result in an exposure to the corresponding exchange and interest rate risk.

Grupo Sura analyzes the impact that variables such as interest and exchange rates have on its results, this for the purpose of assessing the convenience of hedging strategies in order to mitigate the corresponding levels of volatility. The derivatives that were taken out in 2017 in order to hedge exposure to fluctuating exchange rates on the Company's dollar-denominated financial liabilities produced a certain level of volatility on the Company's financial results due to movements with COP and USD denominated interest rates that are used to measure said liabilities.

On the other hand, **SURA Asset Management's** cash management function has to deal with the following market risk exposure:

- Sura Asset Management's business units have their own free capital set up with their retained earnings. Investments made with free capital (especially in the case of fixed-income securities, mutual funds and cash and banks) are in keeping with the different uses allocated to such, these including upcoming dividend payments or amounts to be reinvested in the same business unit in keeping with its strategic planning.

Currency Risk: Sura Asset Management has decided to maintain its free capital invested in local currency, in keeping with the planned use of such.

- Sura Asset Management's capital structure includes a debt component consisting of a bond issued on the international market as well as a bank loan. Since most of this debt is denominated in USD, this entails a risk with the exchange rate, since Sura Asset Management's subsidiaries report their financial results in local currency which poses an exchange risk upon transferring these to the parent company.

Suramericana S.A., for its part has the following exposure to market risk:

- Suramericana holds certain liquidity positions that it handles in keeping with the obligations it has with different stakeholders. In this way and based on the dividend and capitalization schedules and in keeping with the commitments acquired on the capital markets, funds are managed both in Colombian pesos and in US dollars, so as to optimize the exchange risk while taking advantage of short-term returns. Furthermore, since Suramericana S.A.'s subsidiaries operate in different countries with different functional currencies, a foreign exchange risk exists when exchanging flows between the subsidiaries and Suramericana S.A., either in the form of capitalizations, decapitalizations or dividend distributions.
- On the other hand, and as a result of Suramericana having placed an issue of ordinary bonds on the Colombian securities market for a total of COP 1 billion pesos, this being entirely indexed to the Colombian CPI, there is an inflation risk in Colombian pesos. This risk is mitigated to a large extent with the revenues received from the Colombian insurance subsidiaries which are denominated in Colombian pesos.

Market Risk Management - Insurance Company Portfolios

As for how this risk is handled with regard to the portfolios held by the Insurance companies, certain methodologies, limits and / or alerts have been put firmly into place, based on internal policies and rules and regulations governing each of the countries where the companies are present. Some of the measures that are taken into account include: Value at Risk, Sensitivities and Simulations. Here, the inherent risk is examined from the standpoint of both the asset and liability positions held by the Companies.

On the other hand, SURA Asset Management handles its market risk through its ALM (Assets and Liabilities Management) function which is a dynamic and continuous process. This begins with analyzing Sura Asset Management S.A.'s liability profile and depending on the corresponding risk appetite / return, a strategic asset allocation plan is drawn up, taking into account the feasibility of going ahead with such given prevailing market conditions (liquidity and depth) and the distribution of the existing portfolio of investments (especially with regard to terms and accrual rates).

Currency exposure - insurance company portfolios

The following table shows the currency exposure to the portfolios of the insurance companies.

Assets per type of currency for each individual country - 2017					
Country	Local currency*	Real local currency**	USD	Others	Total
Suramericana					
Argentina	96%	0.0%	4%	0.0%	100%
Brazil	100%	0.0%	0.0%	0.0%	100%
Chile	15%	85%	0.0%	0.0%	100%
Colombia	73%	18%	9%	0.0%	100%
El Salvador	0.0%	0.0%	100%	0.0%	100%
Mexico	90%	4%	6%	0.0%	100%
Panama	0.0%	0.0%	100%	0.0%	100%
Dominican Republic	85%	0.0%	15%	0.0%	100%
Uruguay	71%	7%	22%	0.0%	100%
Sura Asset Management					
Chile	0.0%	99.8%	0.2%	0.0%	100.0%
Mexico	4.9%	95.0%	0.2%	0.0%	100.0%

Assets per type of currency for each country - 2016					
Country	Local currency*	Real local currency**	USD	Others	Total
Suramericana					
Argentina	94.8%	0.0%	5.2%	0.0%	100.0%
Brazil	100.0%	0.0%	0.0%	0.0%	100.0%
Chile	11.0%	89.0%	0.0%	0.0%	100.0%
Colombia	67.0%	23.1%	8.6%	1.3%	100.0%
El Salvador	0.0%	0.0%	100.0%	0.0%	100.0%
Mexico	78.2%	8.8%	13.0%	0.0%	100.0%
Panama	0.0%	0.0%	100.0%	0.0%	100.0%
Dominican Republic	87.3%	0.0%	12.7%	0.0%	100.0%
Uruguay	76.2%	9.3%	14.5%	0.0%	100.0%
Sura Asset Management					
Chile	0.0%	99.8%	0.2%	0.0%	100.0%
Mexico	3.0%	96.8%	0.2%	0.0%	100.0%
Peru***	35.8%	24.2%	40.0%	0.0%	100.0%

This table includes Unit Linked funds (a product carrying both an insurance and a savings component offered by the insurance companies belonging to Sura Asset Management) since these are included in their financial statements, even though the investment risk is borne by the policy-holder.

**Local currency: Colombia - COP, Panama - PAB, Dominican Republic- DOP, El Salvador - SVC, Chile - CLP, Mexico - MXN, Peru - PEN, Uruguay – UYU, Brazil BRL.*

** Real Local Currency: Colombia – UVR, Chile – UF, Mexico – UDI, Peru– Soles VAC, Uruguay - UI ***The insurance company, Seguros SURA Perú was sold off in 2017.*

Analysis of exchange rate risk sensitivities - insurance company portfolios

The following is a sensitivity analysis that measures the impact of exchange rate fluctuations on the Companies' pre-tax earnings.

The methodology used for analyzing this corresponding exchange rate sensitivity analysis took into account the Company's foreign exchange exposure for both the asset and liability accounts of the respective company's balance sheet, examining the impact that a variation of -10% with the corresponding exchange rate would have on its pre-tax earnings

Inventories are broken down as follows

Exchange rate sensitivity		
(-10%) with the exchange rate	Impact on Pre-tax Earnings - 2017	Impact on Pre-tax Earnings- 2016
Suramericana		
Argentina	(2,925)	(2,583)
Brazil	2	931
Chile	(29)	5,114
Colombia	(20,050)	(6,342)
El Salvador	-	-
Mexico	(1,286)	(3,580)
Panama	-	-
Dominican Republic	(2,276)	(1,097)
Uruguay	(243)	(190)
Bermuda	-	ND
Total	(26,807)	(7,747)
SURA Asset Management		
Chile	(987)	(1,110)
Mexico	(90)	(91)
Peru:	ND	3,772
Total	(1,077)	2,571

Figures stated in COP millions

*The insurance company, Seguros SURA Perú was sold off in 2017

When managing their exposure to the exchange rate risk, the Companies perform hedging transactions, in keeping with the guidelines issued by the Board of Directors and / or their business strategies.

Interest rate exposure - insurance company portfolios

The following shows a breakdown of the exposure for the Fixed Income and Equity Assets that form part of the portfolios of our insurance companies.

Exposure for Fixed Income and Equity Assets 2017								
Country	Fixed Income Securities			Equity Securities			Others	Total
	Fixed rate	Variable rate	Subtotal	Local	Foreign	Subtotal		
Suramericana								
Argentina	43.4%	47.9%	91.2%	8.8%	0.0%	8.8%	0.0%	100.0%
Brazil	44.4%	4.7%	49.0%	51.0%	0.0%	51.0%	0.0%	100.0%
Chile	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Exposure for Fixed Income and Equity Assets 2017								
Colombia	34.0%	55.1%	89.1%	9.1%	1.8%	10.9%	0.0%	100.0%
El Salvador	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Mexico	90.4%	9.6%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Panama	86.9%	0.0%	86.9%	13.1%	0.0%	13.1%	0.0%	100.0%
Dominican Republic	97.2%	1.8%	99.0%	1.0%	0.0%	1.0%	0.0%	100.0%
Uruguay	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
SURA Asset Management								
Chile	58.3%	0.0%	58.3%	0.03%	0.0%	0.03%	41.7%	100.0%
Mexico	99.0%	0.0%	99.0%	0.0%	0.0%	0.0%	1.0%	100.0%

Exposure for Fixed Income and Equity Assets 2016								
Country	Fixed Income Securities			Equity Securities			Others	Total
	Fixed rate	Variable rate	Subtotal	Local	Foreign	Subtotal		
Suramericana								
Argentina	25.8%	39.1%	64.9%	35.1%	0.0%	35.1%	0.0%	100.0%
Brazil	49.1%	49.1%	98.2%	1.8%	0.0%	1.8%	0.0%	100.0%
Chile	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Colombia	33.6%	57.2%	90.9%	5.1%	4.0%	9.1%	0.0%	100.0%
El Salvador	98.4%	1.6%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Mexico	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Panama	86.6%	0.0%	86.6%	13.4%	0.0%	13.4%	0.0%	100.0%
Dominican Republic	97.0%	2.0%	98.9%	1.1%	0.0%	1.1%	0.0%	100.0%
Uruguay	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
SURA Asset Management								
Chile	60.4%	0.0%	60.4%	0.0%	0.0%	0.0%	39.6%	100.0%
Mexico	99.7%	0.0%	99.7%	0.0%	0.0%	0.0%	0.3%	100.0%
Peru*	82.9%	0.0%	82.9%	0.0%	0.3%	0.4%	16.7%	100.0%

*The insurance company, Seguros SURA Perú was sold off in 2017.

Unit Linked funds are included in the case of Sura Asset Management, since they are included in the financial statements of its insurance companies, even though the investment risk is borne by the policy-holder.

Analysis of interest rate risk sensitivities - insurance company portfolios

The following is a sensitivity analysis that measures the impact that unfavorable changes in interest rates would have on the pre-tax earnings of the insurance companies. The tool used by each Company takes into account the systems and tools that each one has implemented.

Suramericana: only the investments measured at market prices (at fair value) and their individual reverse positions were taken into account for this interest rate sensitivity analysis, since liabilities and the other remaining investments are classified based on maturity. For each asset that was considered as part of this analysis, the modified duration was calculated and weighted based on its market value. This shows the impact on their price given the change in their implicit rates. For this purpose, a change of 10 bp was subsequently evaluated and the corresponding result was applied to the Company's position. The net result obtained at year-end 2017 and 2016 is shown below:

Interest Rate Sensitivities - Modified Duration Method		
(+10pb) in Interest Rates	Impact on Pre-tax Earnings - 2017	Impact on Pre-tax Earnings- 2016
Suramericana		
Argentina	(852)	(470)
Brazil	(209)	(173)
Chile	(131)	(7)
Colombia	(5,908)	(5,271)
El Salvador	(79)	(1)
Mexico	(692)	(8)
Panama	(138)	(434)
Dominican Republic	-	(1)
Uruguay	(79)	(86)
Bermuda	(1)	ND
Total	(8,090)	(6,451)

Figures stated in COP millions

Sura Asset Management: the risk to interest rates is analyzed from the following standpoints:

- a) Accounting: since IFRS 9 was partially adopted in 2014, fixed-income investments, and assets held for sale were reclassified at amortized cost. Consequently, the accounting mismatches in the equity accounts compared to movements with interest rates have been eliminated. As a result, neither the income nor the equity accounts are sensitive to fluctuating interest rates.
- b) Reinvestments or asset/liability adequacy tests: to estimate the sustainability of the investment margin (asset accruals on the recognition of interest on liabilities) a Liability Adequacy Test is performed. This test verifies that flows of assets (including the proposed reinvestment) in

conjunction with premiums pending collection on existing commitments are sufficient to meet the legal reserves. Should any inadequacy be detected, the reserve must be increased along with the volume of assets. The following table shows the levels of adequacy identified in this test.

Interest Rate Sensitivity - Prospective interest rate on reinvesting		
Business Unit	Liability reserves - 2017	Reserve adequacy - 2016
SURA Asset Management		
Chile	8,859,272	5.06%
Mexico	1,964,036	5.06%

Risk of Price Changes: Equities and Real Estate

The portfolios of the insurance companies are subject to risks relating to the prices of the assets therein held. Positions taken with equities are distinguished from those taken with real estate assets.

The following table shows the impact on pre-tax earnings of a 10% drop in the prices of equities and / or real estate assets held by the insurance companies

Suramericana

Sensitivity to Stock and Real Estate Prices				
Business Unit	Impact on Pre-tax Earnings - 2017		Impact on Pre-tax Earnings- 2016	
	(-10%) in Stock Prices	(-10%) in Real Estate Prices	(-10%) in Stock Prices	(-10%) in Real Estate Prices
Suramericana				
Argentina	(469)	-	(856)	-
Brazil	(160)	-	(49)	-
Chile	(15)	-	(13)	-
Colombia	(25,848)	(38,133)	(41,456)	(31,631)
El Salvador	-	-	-	-
Mexico	(12)	-	(11)	-
Panama	(214)	-	(228)	-
Dominican Republic	-	-	(71)	-
Uruguay	-	-	-	-
Bermuda	-	-	ND	ND
Total	(26,718)	(38,133)	(42,684)	(31,631)

Figures stated in COP millions

It must be noted that the sensitivity analyzes previously carried out did not consider the interdependent nature of the risks thus assessed, therefore the impact of these risks could be considerably smaller.

SURA Asset Management

Sensitivity to Stock and Real Estate Prices				
Business Unit	Impact on Pre-tax Earnings - 2017		Impact on Pre-tax Earnings- 2016	
	(-10%) in Stock Prices	(-10%) in Real Estate Prices	(-10%) in Stock Prices	(-10%) in Real Estate Prices
SURA Asset Management				
Chile	(288)	(99,779)	(214)	(57,651)
Peru:	NA	NA	(1,667)	(39,551)
Total	(288)	(99,779)	(1,881)	(97,202)

Figures stated in COP millions

*The insurance company, Seguros SURA Perú was sold off in 2017.

The analyzes carried out do not consider the interdependent nature of the risks thus assessed, therefore the impact of these risks could be considerably smaller.

Volatility Risk Affecting the Legal Reserves for the Pension Business

The rules and regulations governing the pension business requires each Company to maintain its own equity invested in a legal reserve should the Company fail to fulfill its obligations.

The following table shows client funds as managed by Sura Asset Management S.A. as part of its pension business. These funds do not include AUM belonging to AFP Crecer or AFP Protección, nor those managed by SURA AM's insurance companies. Total Assets Under Management for the Mandatory Pension business at year-end 2017 came to COP 254,438,053 million, with another COP 5,096,258 million corresponding to its Voluntary Pension Savings business.

Business Profile - Pension Management Firms (in COP) - 2017				
Country	Assets Under Management - Mandatory	Assets Under Management - Voluntary	Assets Under Management - Mandatory	Assets Under Management - Voluntary
Chile	119,458,938	3,442,280	109,861,911	2,972,327
Mexico	70,308,002	1,099,052	62,784,870	742,837
Peru	56,066,003	554,926	50,135,508	298,567
Uruguay	8,605,110	-	6,827,274	-
Total	254,438,053	5,096,258	229,609,563	4,013,731

Figures stated in COP millions

The rules and regulations governing the pension business requires each Company to maintain its own equity invested in a legal reserve should the Company fail to fulfill its obligations.

It is important to note that the underlying assets must maintain the same ratio as the underlying assets in the managed funds (that is to say, the Company must buy units in its own managed funds) The following

table shows the different percentages of legal reserve requirements per business unit, as a percentage of the funds managed:

% Legal reserve for managed funds	
Business unit	% Legal reserve
Chile	1.0%
Mexico	0.7%
Peru	1.0%
Uruguay	0.5%

In view of these investments, the Companies are exposed to market risk, which could affect the value of said reserves and the Companies themselves. The following is an analysis of the impacts that market variables could have on pre-tax earnings, over a horizon of one year

In the case of Mexico and Peru, where the remuneration obtained depends on the amount of managed funds, this exercise also includes the impact that a reduction in the values of the funds thus managed could have, as a result of market volatility.

Volatility Risk Affecting the Legal Reserves for the Pension Business		
Deviation	Impact on Pre-tax Earnings - 2017	Impact on Pre-tax Earnings - 2016
-10% in variable valuation		
Chile	(50,021)	(34,673)
Mexico	(27,013)	(24,723)
Peru	(27,906)	(22,708)
Uruguay	(221)	(245)
Total	(105,161)	(82,349)
+100 bp in Interest Rates		
Chile	(54,384)	(56,516)
Mexico	(57,826)	(48,277)
Peru	(18,281)	(15,445)
Uruguay	(2,061)	(1,370)
Total	(132,552)	(121,608)
-10% depreciation in Foreign Currency		
Chile	(50,021)	(37,435)
Mexico	(25,358)	(12,849)
Peru	(32,334)	(27,307)
Uruguay	(459)	(954)
Total	(108,172)	(78,545)

Figures stated in COP millions

The analyzes carried out do not consider the interdependent nature of the risks thus assessed, therefore the impact of these risks could be considerably smaller.

Exposure to Sura Asset Management's Seed Capital

In order to drive the growth of some of its investment products, Sura Asset Management, through its own lines of business, has provided seed capital for certain projects as mentioned below:

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. It is intended for Australian investors in the mid to long term and with a tolerance to volatility in the Latin American capital markets.

Given the nature of these investments, the invested capital is exposed to financial volatility risk in the form of currencies and equities.

Pacific Alliance Fund - Fixed Income: this Fund, which is domiciled and managed in Chile, invests in a portfolio of fixed income instruments, issued by companies that are located in the member countries of the Pacific Alliance. This fund caters to clients with a long-term investment horizon.

Given the nature of these investments, the invested capital is exposed to financial volatility risk in the form of fluctuating currency and fixed income rates.

Infrastructure Fund. This private equity fund was set up as part of an alliance with Credicorp Capital for the purpose of investing in infrastructure projects throughout the region. This regional initiative shall initially allow for private funding to be channeled to highway infrastructure projects through the "4G Private Equity Fund" in Colombia, this to be replicated in other countries within the region going forward. The balance of this fund comes to COP 1.39 billion (approximately USD 470 million)

After two years of operations, the fund has committed a total of COP 492,000 million (USD 165 million) for financing two projects (Pacífico 3 and Neiva-Girardot).

Given the nature of these investments, this capital shall be exposed to the inherent financial volatility risks given changes in project appraisals.

Real Estate Fund. This Fund is managed by the subsidiary SURA Real Estate, the purpose of which is to invest in real estate. At the end of its first year of operations, this Fund totaled COP 184,000 million with the capital committed by Sura Asset Management totaling COP 3,700 million (USD 1.23 million).

In November 2017, after its second year of operations, this fund recorded a total of COP 294,338 million (USD 98.64 million) including COP 5,886 million (USD 1.97 million) in capital committed by Sura Asset Management.

Given the type of investment committed capital represents, it is exposed to changes to the values of real estate projects as well as exchange rates, since these projects may well be located in different countries.

Infrastructure Liquidity Fund In 2017, the Unión Para Infraestructure set up a second sub-fund of the 4G fund the purpose of which is to provide liquidity facilities for structuring the credit required for infrastructure projects. The capital committed to this fund by SURA Asset Management through its subsidiary SURA Investment Management S.A.S. comes to COP 10,000 million (USD 3.35 million). At year-end 2017, COP 15 million (USD 5 thousand) of this figure had been called in.

Real Estate Investment Income Fund This fund, as managed by SURA Asset Management through its subsidiary Fondos SURA SAF, conducted 3 reopenings by year-end 2017.

The committed capital for this fund shall be exposed to financial volatility risks due to changes with the appraised values of real estate projects and the flows obtained as a result of leasing these properties. Since leases for prime office property are denominated in US dollars in Peru, this mitigates the associated currency exposure.

Private Investment Fund. The purpose of this fund, which is managed by Fondos SURA SAF S.A.C. Is to acquire vacant offices at an attractive price, with the expectation of obtaining appraisal gains.

The committed capital for this fund is exposed to financial volatility risks due to changes with the appraised values of real estate projects and the flows obtained as a result of leasing these properties. Since leases for prime office property are denominated in US dollars in Peru, this mitigates the associated currency exposure.

Guarantee Trust Fund in Uruguay. The purpose of this Trust Fund is to guarantee repayment of the debt securities issued by Casa de Galicia, one of the main mutual associations in Uruguay. This trust, consisting of monthly credits, counts on a stream of income from the Uruguayan National Health Fund (FONASA) which it uses as a source of payment.

Due to the nature of the investment itself, (credit securities issued by Casa de Galicia), this capital shall be exposed to the Uruguayan National Health Fund's credit risk, with regard to the possible volatility exposure offered by the members of this mutual association. This risk is mitigated by having set up this guarantee trust fund.

Liquidity Risk Management

Liquidity risk refers to the Company's ability to produce sufficient funds to meet its obligations and run its business.

Subsidiary efforts in managing this risk are in keeping with its short and long-term liquidity management strategy so as to ensure compliance with their obligations under the initially agreed terms and conditions without incurring in any extra expense. Follow-ups are also carried out on short-term cash flows in order to cover short-term receivables and payables and mid-term cash flow projections are conducted to determine the Subsidiary's liquidity positions and anticipate the measures required for their proper management.

Also, and in order to address certain specific situations, the Subsidiaries maintain at their disposal lines of credit from various financial institutions as well as short-term, highly liquid investments that can be readily sold off, as well as other sources of additional liquidity.

In 2017, the Companies carried out important transactions that required an active handling of their liquidity. Grupo SURA carried out important transactions that required an active level of liquidity management within the Company. These included an additional stake in SURA Asset Management in the amount of COP 1,105,667 million (USD 383 million) as well as refinancing the maturities of certain loans. These transactions required the Company to carry out debt operations, such as placing an issue of ordinary bonds worth COP 550,000 million pesos on the Colombian securities market as well as refinancing certain loans with local banks for COP 423,000 million.

Liquidity Risk Management - Insurance Company Portfolios

The table below shows the maturities of financial assets at year-end 2017.

Assets Classified on a # Months to Maturity Basis - 2017 *										
Suramericana										
Term (months)	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dominican Republic	Uruguay	Bermuda
0 to 1	242,133	226,418	317,313	2,049,690	84,831	172,598	70,650	15,882	93,507	33,538
1 to 3	285,601	40,110	420,727	918,950	114,807	67,703	17,297	22,179	67,908	-
3 to 12	422,123	32,712	562,580	1,174,989	84,703	146,042	61,867	85,381	156,855	-
0 to 12	949,857	299,240	1,300,619	4,143,629	284,341	386,343	149,814	123,443	318,270	33,538

* In millions of pesos at year-end 2017.

* In the case of the Suramericana insurance companies, this includes the maturities of their fixed income financial assets held as part of their investment portfolios plus cash and cash equivalents

Assets Classified on a # Months to Maturity Basis - 2016 *										
Suramericana										
Term (months)	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dominican Republic	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	-	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 Basis - 2017

SURA Asset Management		
Term (months)	Chile	Mexico
0 to 1	141,790	49,931
1 to 3	68,284	2,220
3 to 12	375,034	90,698
3 to 12	585,108	142,849

* In millions of pesos at year-end 2017.

Assets Classified on a # Months to Maturity Basis - 2016 *

SURA Asset Management			
Term (months)	Chile	Peru*	Mexico
0 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 insurance company, Seguros SURA Perú was sold off in 2017.

The following table shows the maturities of the insurance liabilities posted by the Companies at year-end 2017. These amounts correspond to liabilities for reported claims, incurred but not reported losses (IBNR) as well as estimated losses for the profile of flows corresponding to the mathematical reserves, as applicable.

Liabilities Classified on a # Months to Maturity Basis - 2017 *

Suramericana										
Term (months)	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dominican Republic	Uruguay	Bermuda
0 to 1	29,549	69,394	122,252	405,970	15,525	24,205	19,148	12,477	40,498	-
1 to 3	59,098	138,787	199,265	759,016	25,426	44,084	29,851	22,795	66,170	-
3 to 12	195,129	162,652	415,177	1,764,137	64,026	142,469	56,365	54,102	96,181	-
3 to 12	283,776	370,833	736,694	2,929,123	104,978	210,759	105,364	89,375	202,849	-

* In millions of pesos at year-end 2016.

Liabilities Classified on a # Months to Maturity Basis - 2016 *

Suramericana									
Term (months)	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dominican Republic	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
3 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 - 2017		
SURA Asset Management		
Term (months)	Chile	Mexico
0 to 1	77,217	59,872
1 to 3	67,515	(18,330)
3 to 12	311,521	95,887
0 to 12	456,253	174,088

* In millions of pesos at year-end 2017.

Liabilities Classified on a # Months to Maturity Basis - 2016			
SURA Asset Management			
Term (months)	Chile	Peru*	Mexico
0 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.

*The insurance company, Seguros SURA Perú was sold off in 2017.

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:

Technical Risk Management - Insurance Companies

The main non-financial risks that may affect these companies are related to changes to the mortality, longevity and morbidity rates of the target population, as well as adverse deviations to the Companies' claims rates, the adequacy of their technical reserves and their operating efficiency in general.

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

Life Insurance: evaluations are performed on the Suramericana subsidiaries' exposure to changes in longevity, mortality and morbidity rates. The methodology used consists of calculating changes to each of the variables so as to gauge the impact of the magnitude of the change on subsidiary earnings. The following impacts are shown for each type of risk exposure:

Country	Risk	2017	2016
Colombia	Mortality	\$ (20,801)	\$ (25,620)
	Morbidity	\$ (37,768)	\$ (36,765)
	Longevity:	\$ (39,334)	\$ (39,366)

* In millions of pesos at year-end 2016 and 2017. The corresponding impact was analyzed based on pretax earnings.

* In 2017 the methodology used for better estimating liabilities was updated, and consequently the calculations made for the previous year (2016) were adjusted for comparability purposes.

It is to be noted that the sensitivity analysis carried out analyzed the effects on the annual financial statements as a result of a change to the most important parameters used in assessing the value of long-term commitments to policyholders. That is to say, the impact of structural changes in the mortality, morbidity and longevity rates was quantified for the different portfolios, which poses implications for the expectations held for future years (as opposed to just the first year as well as the inherent volatility risk), thus affecting the value of long-term policy reserves

Occupational Risk Insurance The current occupational health and safety trends and patterns were analyzed, as well as the longevity trend on pension obligations. These sensitivity analyses produced the following results:

Country	Risk	2017	2016
Colombia	Morbidity	\$ (24,505)	\$ (13,354)
	Longevity:	\$ (15,943)	\$ (14,100)

* In millions of pesos at year-end 2017 and 2016. The corresponding impact was analyzed based on pretax earnings.

* In 2017 the methodology used for better estimating liabilities was updated, and consequently the calculations made for the previous year (2016) were adjusted for comparability purposes.

This sensitivity analysis shows how earnings for the period could have been affected due to changes with the relevant risk variable, as could have reasonably occurred at the end of the reporting period. The risks analyzed and the methods and assumptions used for drawing up the sensitivity analysis are described below

The company carries out a sensitivity analysis with regard to the risks affecting premiums and reserves, these being stipulated in Solvency II's QIS 5 Technical Specifications. This analysis identifies the changes in these risks by adjusting the probability distributions, locating these in a high severity event using the Value at Risk approach. For this purpose, the distributions constructed for the company's risks were used and an event with a higher probability of occurrence was chosen.

This model allows the Organization to understand the risks assumed and their possible deviations in a connected fashion, taking into account their correlations and the Company's own internal processes. Given this approach, this sensitivity analysis is not performed on each individual solution, but rather the impact of these is measured on a company-wide basis, which would be the case should such an event as that modelled occur.

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 Mexico, given its insignificance in terms of the portfolios held.

The mortality risk increased with the portfolio corresponding to Mexico, given a higher volume of individual life insurance, whereas this exposure has declined in Chile, given a greater focus on life insurance incorporating savings plans, which carry a low exposure to mortality risk.

With respect to longevity risk, the impact shown is due to the increase with the Company's Annuity portfolio.

The following analysis was performed on the structural changes, for the purpose of gauging how these affect the Company's long-term commitments to policy-holders.

Sensitivities			
SURA Asset Management			
Business Unit	Deviation	Impact on Pretax Earnings - 2017	Impact on Pretax Earnings - 2016
Chile	+10% in the Mortality Rate	(13,233)	(12,613)
Mexico	+10% in the Mortality Rate	(1,069)	(1,017)
Peru	+10% in the Mortality Rate		(5,969)
Total		(14,302)	(19,599)
Chile	+10% in the Morbidity Rate	(5,587)	(5,025)
Mexico	+10% in the Morbidity Rate	-	-
Peru	+10% in the Morbidity Rate		
Total		(5,587)	(5,025)
Chile	+ 10% increase in the Longevity Rate	(101,988)	(74,700)
Mexico	+ 10% increase in the Longevity Rate	(46,646)	(31,776)
Peru	+ 10% increase in the Longevity Rate		(71,020)
Total		(148,634)	(177,496)

Figures stated in COP millions

Risks relating to underwriting, setting tariffs and inadequate reserves

The risk of inadequate reserves has to do with the probability of incurring losses as a result of underestimating or overestimating technical reserves and other contractual obligations (profit sharing, payment of guaranteed benefits, etc.).

The risk of inadequate reserves is mainly due to changes to the mortality, longevity and morbidity rate of the targeted population, as well as any adverse deviations from the claims rate and reserve adequacy levels due to increases with the frequency or severity of claims thus driving up their corresponding values.

The Companies have designed and deployed actuarial methodologies and processes that have been amply tried and tested both on a technical as well as practical level, using complete and well-founded information so as to be able to make reasonable estimates of the obligations held with policy-holders. Tools are also used for the periodic monitoring of whether reserves are sufficient to meet the corresponding obligations, thus allowing Companies to take prompt action in maintaining adequate liability levels.

Underwriting risk, on the other hand, refers to the possibility of incurring losses as a result of inadequate policies and practices in designing or placing products and/or services, as well as the probability of incurring losses as a result of charging less than that required to cover the expenses of the business unit.

The aim of this analysis is to understand whether the retained earned premium is sufficient to cover the amount of expense incurred by the insurance company, in terms of claims rates, technical and administrative expense, financial income and the minimum returns expected by the shareholders given the risks taken on.

SURA Asset Management's underwriting strategy is designed to avoid the risk of not being able to choose a specific exposure and ensure that prices cover the real risk. For this purpose, we have health certificates and medical checkups as well as regular reviews of our claims experience and product pricing. There are also underwriting limits to ensure proper selection criteria.

Sensitivity analysis for the Property and Casualty Insurance Companies

Suramericana's Property and Casualty Insurance Company in Colombia performs a sensitivity analysis on the risk relating to premiums and reserves.

A company-wide impact was found with risks to both premium and reserves. In performing the corresponding sensitivity analysis, a correlated sum was drawn up on the impact on each branch of insurance.

This impact represents the magnitude of such change on the Company's earnings after assessing the sensitivity of both risks.

Country	Risk					
	Premiums		Reserves		Total	
	2016	2017	2016	2017	2016	2017
Argentina	(\$ 9,941)	(\$ 14,553)	(\$ 4,676)	(\$ 8,221)	(\$ 14,617)	(\$ 22,774)
Brazil	(\$ 30,339)	(\$ 35,333)	(\$ 10,604)	(\$ 25,750)	(\$ 40,943)	(\$ 61,083)
Chile	(\$ 20,361)	(\$ 27,857)	(\$ 3,951)	(\$ 6,166)	(\$ 24,312)	(\$ 34,023)
Colombia	(\$ 22,004)	(\$ 35,333)	(\$ 11,944)	(\$ 25,750)	(\$ 33,948)	(\$ 61,083)
El Salvador	(\$ 4,295)	(\$ 4,004)	(\$ 1,541)	(\$ 1,052)	(\$ 5,836)	(\$ 5,057)
Mexico	(\$ 10,407)	(\$ 9,794)	(\$ 1,027)	(\$ 2,137)	(\$ 11,434)	(\$ 11,931)
Panama	(\$ 4,272)	(\$ 4,588)	(\$ 1,030)	(\$ 790)	(\$ 5,302)	(\$ 5,378)
Dominican Republic	(\$ 1,950)	(\$ 2,166)	(\$ 713)	(\$ 794)	(\$ 2,664)	(\$ 2,960)
Uruguay	(\$ 4,135)	(\$ 4,858)	(\$ 1,082)	(\$ 860)	(\$ 5,217)	(\$ 5,718)
Suramericana	(\$ 107,704)	(\$ 138,486)	(\$ 36,568)	(\$ 71,520)	(\$ 144,273)	(\$ 210,007)

* In millions of pesos at year-end 2016 and 2017. The corresponding impact was analyzed based on pretax earnings.

Actual claims vs. Previous Estimates for the Property and Casualty Insurance Companies

The following tables show how claims incurred have performed (including paid, reported and occurred and non-reported) in the case of each of Suramericana's subsidiaries for the years 2015, 2016 and 2017.

The initial estimates of incidents incurred are compared with the current estimates so as to arrive at both positive and negative deviations. The deviations presented below are mainly due to claims subject to legal proceedings (civil liability, cars and transport, among others) between the time the claim occurred and the time it was reported to the Company (social security, occupational risk) as well as coverages of more than one year (mainly performance bonds).

It is important to note that this analysis covered only the solutions that take more than a year for the claims rate to be adequately gauged. For greater clarity, the following shows the solutions analyzed for each individual country:

Argentina: here civil liability and injuries were analyzed in the case of car insurance as well as civil liability, personal accidents, fire and combined in the case of non-car insurance.

- Property and Casualty Colombia: here the corporate and affinity lines of business were analyzed.
- Life insurance Colombia: here the life insurance products were evaluated in conjunction with the Affinity line of business.
- El Salvador: here pension insurance was taken into account.
- México: here the Engineering, fire, civil, liability as well as Money and Securities branched of insurance were analyzed.

- All branches of insurance were taken into account in the case of Brazil, Chile, Colombia's Workers' Compensation firm, Panama and the Dominican Republic.

Companies whose lines of business recorded claims payments of less than one year: Uruguay and EPS Colombia.

Table 1. Argentina, Previous versus Actual Estimates
(Figures stated in COP millions)

Table 2. Brazil, Previous versus Actual Estimates
(Figures stated in COP millions)

Estimated Accumulated Reserves		
Year	2016	2017
During this same year	988,483	1,498,705
A year afterwards	922,242	
Currently incurred	922,242	1,498,705

Accumulated claims payouts		
Year	2016	2017
During this same year	(497,002)	(591,949)
A year afterwards	(845,716)	
Current accumulated payouts	(845,716)	(591,949)

Table 3. Chile, Previous versus Actual Estimates
(Figures stated in COP millions)

Estimated Accumulated Reserves		
Year	2016	2017
During this same year	1,553,466	1,280,815
A year afterwards	1,590,373	
Currently incurred	1,590,373	1,280,815

Accumulated claims payouts		
Year	2016	2017
During this same year	(1,169,258)	(814,546)
A year afterwards	(1,472,525)	
Current accumulated payouts	(1,472,525)	(814,546)

Table 4. Colombia Property and Casualty Insurance - Previous versus Actual Estimates
(Figures stated in COP millions)

Table 5. Colombia Life Insurance - Previous versus Actual Estimates
(Figures stated in COP millions)

Table 6. Colombia Workers' Compensation - Previous versus Actual Estimates
(Figures stated in COP millions). **Table 7. Mexico, Previous versus Actual Estimates**
(Figures stated in COP millions)

Table 8. Panama, Previous versus Actual Estimates

(Figures stated in COP millions)

¡Error! Vínculo no válido.Table 9. Dominican Republic, Previous versus Actual Estimates

(Figures stated in COP millions)

¡Error! Vínculo no válido.Table 10. Suramericana, Previous versus Actual Estimates

(Figures stated in COP millions)

In the case of the Suramericana's life insurance operations, more detailed information regarding technical reserves and their annual variations can be found in Note 11 Insurance Contracts and Note 11.4 Technical Reserves - Insurance Contracts.

Liability Adequacy Tests

The technical reserves held by each of Suramericana's insurance subsidiaries are periodically analyzed so as to determine their adequacy. Should these analyses show that said reserves are indeed insufficient, adjustments are made in accordance with that provided by the methodologies used as well as the plans put into place by the Organization.

Liability Adequacy Tests were also performed on Sura Asset Management's insurance subsidiaries. This ensures that the reserves, as periodically recorded, are sufficient in all their dimensions (technical assumptions, expense and discount rates). For this purpose, flows of assets are verified (including the proposed reinvestment and ensuring that this remains consistent with the Company's reinvestment strategy) together with premiums pending collection on existing commitments so as to guarantee that the corresponding reserves are sufficient to meet the Company's commitments.

Reinsurance Risk

This type of risk consists of the possibility of incurring losses as a result of inadequate reinsurance management, including the actual design of the reinsurance program, reinsurance placements and differences between the conditions originally accepted by policyholders and those accepted the reinsurers of the insurance company in question.

In order to manage this risk, part of the obligations with the policy-holders are transferred through proportional and non-proportional reinsurance arrangements as well as schemes and facultative contracts for special risks with previously approved reinsurers Proportional reinsurance arrangements reduce the value that is exposed to the risk in question whereas non-proportional reinsurance reduces the claims rate and the amount of catastrophe exposure retained.

In spite of having a well-defined reinsurance program, the Organization is directly responsible for the obligations contracted with its clients, which is why there exists a credit risk with respect to amount of insurance ceded, which in turn is mitigated by diversifying counterparties and quantifying the respective credit risk

With respect to reinsurance contracts, the Companies analyze the financial capacity and strength of its reinsurers in meeting their obligations. In order to manage this risk, financial strength is analyzed through

quantitative and qualitative variables (financial strength, market position, etc.) in order to support decision making and comply with internal control procedures.

The most representative reinsurers in terms of the amount of ceded risk exposure are listed as follows:

Suramericana	SURA Asset Management
Munich Re	American Bankers Life
Lloyd's	Generali
Mapfre Re	BMI
RSA	GEN Re
Swiss Re	Hannover Re
Hannover Re	RGA
	Scotia Insurance (Barbados)

Also, in accordance with asset impairment practices, Accounts Receivable from Reinsurers and Co-insurers are tested for impairment using the principles and methodologies defined by the Companies (See Section 2.1.1.4 of the Risk Management Chapter).

Given their respective business models, this particular risk is relevant to Suramericana's insurance operations, but not for Sura Asset Management whose operations are mainly concentrated in the life insurance segment.

Risk Management - Pension Fund Management firms.

Business volatility risk

Business volatility risk for the Pension Fund Management firms consists of changes to business variables that affect their financial results. From the standpoint of this type of volatility risk, the financial effects are analyzed over a horizon of one year, taking into account the following variables:

- **Commission income performance:** where the effects of a 10% reduction are analyzed.
- **Client factors:** where the effects of a 10% increase in clients transferring out are analyzed

The following table shows the effects of Business Volatility Risk on Sura Asset Management S.A.'s pension business.

Sensitivity			
SURA Asset Management			
Business Unit	Deviation	Impact on Pre-tax Earnings - 2017	Impact on Pre-tax Earnings - 2016
Chile	-10% in Management Commissions	(65,604)	(54,947)

Mexico	-10% in Management Commissions	(74,306)	(75,112)
Peru	-10% in Management Commissions	(39,528)	(40,448)
Uruguay	-10% in Management Commissions	(8,282)	(6,827)
Total		(187,720)	(177,334)
Chile	+10% in Transfers	(3,481)	(2,689)
Mexico	+10% in Transfers	(1,827)	(1,933)
Peru	+10% in Transfers	(3,222)	(778)
Uruguay	+10% in Transfers	(7)	(5)
Total		(8,537)	(5,405)

Figures stated in COP millions

These results do not consider the interdependent nature of the risks thus assessed.

The greatest effect comes from risk to commission income, since this could be affected by the following factors:

- (1) a reduction in commission rates (given market competition, etc.);
- (2) a drop in the number of fund members (unemployment, informal job markets, etc.);
- (3) a decline in the wage base for reasons other than those previously mentioned (falling real wages, deflation, etc.) or
- (4) regulatory changes.

In the case of Mexico (commission charged on assets under management), the third factor mentioned in Section (3) relates to declining funds.

The sensitivity shown with regard to commission income consists of any combination of the aforementioned risks which could bring about a 10% decrease in the amount of commissions collected

Regarding the risk of an increase in the number of fund members transferring out, the magnitude of such relates to the business activities of each market in which Sura Asset Management S.A. operates. We note the greatest amount of pension fund activity in the case of Chile and Mexico, which is consist with the social and regulatory circumstances prevailing in both countries.

Risks Regarding Guaranteed Minimum Returns

Rules and regulations governing the pension business (with the exception of Mexico) requires that each company maintains adequate levels or returns compared to the rest of the industry. Here, the gap existing between fund returns provided by SURA Asset Management S.A.'s Business Units and those provided by the rest of the industry is examined.

Should the difference in returns exceed the regulatory thresholds, the Pension Fund Management firm must reimburse each fund in order to maintain the stipulated rate floors.

The following table shows the effects of a 1 bp change in the Guaranteed Minimum Return gap.

It is worth noting that, since measurements of average returns are made over a period of 36 months and given the substantial similarity with strategic asset allocation on the part of the pension fund industry, significant deviations in the short and medium term are very unlikely.

Sensitivity			
SURA Asset Management			
Business Unit	Deviation	Impact on Pre-tax Earnings - 2017	Impact on Pre-tax Earnings - 2016
Chile			
Fund A	Change of 1 bp in the minimum guaranteed return	(5,361)	(3,850)
Fund B	Change of 1 bp in the minimum guaranteed return	(5,553)	(4,294)
Fund C	Change of 1 bp in the minimum guaranteed return	(12,039)	(10,050)
Fund D	Change of 1 bp in the minimum guaranteed return	(6,489)	(5,806)
Fund E	Change of 1 bp in the minimum guaranteed return	(5,275)	(6,091)
Peru			
Fund 1	Change of 1 bp in the minimum guaranteed return	(1,933)	(1,792)
Fund 2	Change of 1 bp in the minimum guaranteed return	(12,454)	(10,231)
Fund 3	Change of 1 bp in the minimum guaranteed return	(2,396)	(2,116)
Uruguay			
Accumulated	Change of 1 bp in the minimum guaranteed return	(2,159)	(1,687)
Withdrawals	Change of 1 bp in the minimum guaranteed return	(417)	(302)

Figures stated in COP millions

Volatility Risk on Provision for Deferred Income

All those pension fund management firms that charge a wage-based management fee, must set up a provision for deferred income, in order to cover the costs of managing said funds, when the fund member becomes a non-contributor but maintains his or her savings with said firm, and consequently the firm no longer receives fees or commissions for managing these funds.

This provision is determined as the present value of the estimated costs, which are calculated based on the historical variables inherent to client factors. This present value is calculated using the local AAA rated corporate bond rates with no prepayment option as a discount rate, over a similar forecast horizon (20 years). For this reason, given the volatility inherent to the discount rate, changes in the valuation of this provision could well have an impact on the results of Sura Asset Management Subsidiaries.

The following table shows the effects of volatility risk on assessing the value of the provision for deferred income, as set up by Sura Asset Management, this caused by fluctuating discount rates.

Sensitivity			
SURA Asset Management			
Business Unit	Deviation	Impact on Pre-tax Earnings - 2017	Impact on Pre-tax Earnings - 2016
Chile	- 100 bp in Interest Rates	(2,137)	(2,045)
Peru	- 100 bp in Interest Rates	(1,772)	(1,869)
Uruguay	- 100 bp in Interest Rates	(230)	(154)
Total		(4,139)	(4,068)

Figures stated in COP millions

These results do not consider the interdependent nature of the risks thus assessed.

Risk Management - Fund Management and Brokerage Firms

Business Risk corresponding to Fund Management and Brokerage Firms relates to changes in variables that could affect the Company's financial results, including commission income performance.

The following table shows the effects of a decline in commission income of 10% over a horizon of 1 year.

Sensitivity					
SURA Asset Management					
Business Unit	Deviation	Impact on Pre-tax Earnings - 2017		Impact on Pre-tax Earnings - 2016	
		Retail	Institutional	Retail	Institutional
Chile	-10% in Management Commissions	(6,814)	(418)	(5,014)	(275)
Mexico	-10% in Management Commissions	(1,265)	(3,958)	(1,176)	(3,063)
Peru	-10% in Management Commissions	(850)	(522)	(449)	(394)
Uruguay	-10% in Management Commissions	(291)	-	-	-
Total		(9,220)	(4,898)	(6,639)	(3,732)

Figures stated in COP millions

These results do not consider the interdependent nature of the risks thus assessed.

Risk Management - Business Group

In order to further the Group's ability to anticipate events that could become a risk, in 2017 the Strategic Risk Management System for the entire Business group was updated, prioritizing risks to which it is exposed, these including:

Systemic and contagion risk: risk events affecting one of the Group's companies could well affect the others. Here we have concentrated our efforts on maintaining an adequate crisis, risk and reputation management function, enhancing the support provided to as well as our communication channels with our Subsidiaries should these critical risks materialize. This also includes adequate management and monitoring of the Subsidiaries' financial position and reinforcing their internal control systems.

Concentration Risk: identifying the major exposures involving our Subsidiaries, which could entail jeopardizing the sustainability of the Business Group as a whole. The Companies have been working on adequately diversifying their clients, suppliers, services / products, channels, geographic location, reinsurers, co-insurers, business partners, among others.

The fact that Suramericana S.A. is now present in nine different countries within the region offering a varied range of life, personal, property and casualty insurance solutions that are marketed through different channels, has allowed the Organization diversify its exposure to technical risks.

Grupo SURA's Subsidiaries periodically monitor this risk based on the degree of concentration This includes the concentration amongst policy-holders in the form of economic groups, the concentration amongst distribution channels, the concentration amongst solutions, etc.

Looking ahead, the Companies shall continue to be vigilant in preparing themselves for possible changes that the new financial conglomerate act could introduce in terms of exposure limits and concentration of risks.

Risks associated with other portfolio investments: Grupo SURA holds significant stakes in Grupo Bancolombia, Grupo Nutresa and Grupo Argos, which entail an indirect exposure to the risks arising from the business sectors to which these belong as well as their performance.

The risks to which Grupo Bancolombia is exposed are mainly financial risks associated with its banking business, that is to say: i) impairment to its loan portfolio, ii) liquidity risk and iii) market risk due to adverse fluctuations with interest and exchange rates as well as asset prices. There are also other relevant risks such as changes in bank regulations, higher capital requirements, and others that could affect the Company.

With regard to Grupo Argos, the main risks to which this conglomerate is exposed are associated with the production and distribution of cement as well as the energy and infrastructure sectors. Furthermore, given the Group's interests in these industries, there is a consequent exposure to environmental, social and regulatory restrictions.

As for the food industry to which Grupo Nutresa belongs, the main risks here have to do with price volatility for raw materials, regulations regarding health and nutrition in all those countries where it is present as well as the highly competed food industry itself.

Risks associated with other companies belonging to the Business Group: ARUS and Hábitat Adulto Mayor form part of growing portfolio of investments that make up the SURA Business Group.

In the case of Habitat, which specializes in the care of the elderly, the Company is exposed to risks from behavioral and demographic changes that could potentially affect their current and potential clients; and thus, the Company's own performance. Similarly, conditions that affect the services it provides as well as its business operations, together with any new rules and regulations governing the sector, could well have an effect on this old age people's home.

ARUS, which provides integrated information and technological services and knowledge solutions is primarily exposed to the risks associated with its technological platform (operating performance, availability, capacity and the obsolescence inherent to this type of company), as well as the risk of start-up competitors exerting pressure on the margins of some of its business lines and possible regulatory changes in social security payments that could affect its Social Security Collection System.

New legislation regulating financial conglomerates in Colombia: Law 1870 of 2017 was enacted in Colombia in September 2017, introducing new regulations for reinforcing the control and oversight of all those financial conglomerates existing in this part of the world, this with the aim of ensuring the stability of the country's financial system.

Consequently, Grupo SURA as a financial holding company shall be subject to the inspection and oversight of the Colombian Superintendency of Finance as well as all those applicable provisions of this new legislation, without prejudice to all those that apply in the Group's capacity as an issuer of securities.

The aspects of this new legislation for which additional rules and regulations are expected to be passed in 2018 are:

- Risk management;
- Capital levels as a conglomerate;
- Corporate governance; and
- Internal controls.

Grupo SURA and the Companies that form part of the Financial Conglomerate, shall continue to work on implementing and adjusting the regulations governing the risks associated with the nature of the Group's different lines of business.

As part of the Business Group's overall risk management function, the Companies shall continue to enhance their coordination with all those countries where they are currently present, so as to make the most of being able to work together in providing comprehensive services and creating new efficiencies.

Operating Risk Management including other risks.

This type of risk has to do with events that prevent the Company's normal operations as relating to people, technology and processes. When controls fail, these risks can cause reputational, legal or regulatory implications that could well lead to financial losses as well as the migration of clients.

In the case of all those insurance companies that were recently acquired, a diagnosis was performed in 2017 on all these subsidiaries so as to be able to fully understand the degree of maturity of their own risk management functions and set up the required action plans to be deployed the following year.

This type of risk is handled from the following standpoints:

- **Business Continuity Risk:** in order to ensure appropriate strategies and operating procedures when people, processes, infrastructure and technology are affected, the Companies have drawn up their own Business Continuity plans, which include procedures, strategies and response teams of trained staff in order to address these adverse events.

The Companies have a response plan firmly in place as well as a financial and reputational crisis management function, which form an integral part of the Group's business continuity management function. Here, some subsidiaries had to deal with significant events (as was the case of the earthquake in Mexico), which fortunately did not adversely affect the Companies and these unfortunate circumstances were taken care of and handled according to a well-defined framework of guidelines and processes.

- **Reputational risk:** the SURA Business Group firmly believes that the perception that different stakeholders have of the Companies with which they engage constitute a fundamental asset for being able to attain the Group's strategic objectives.

Any circumstance which entails for the Companies and their business practices a loss of prestige, a bad image, negative publicity, etc., whether true or not, could affect our relationships with our different stakeholders.

The Companies have put performance guidelines firmly in place for handling events that could lead to a reputational risk and escalate into a full-blown crisis. As part of a strategy to strengthen subsidiary capabilities in dealing with this type of risk, training programs have been introduced for all internal staff involved in handling this risk and formal channels have been set up for reporting any event that should arise in this respect.

- **Risk of Asset Laundering and the Financing of Terrorism:** the Companies have appropriate risk management systems in place to address this type of exposure which are used to handle funds

relating to illegal activities. These systems include performing due diligence on suppliers, investors, clients, among other stakeholders, in addition to regular monitoring and follow-up activities.

- **Risk of Fraud and Corruption:** the Companies have rules and guidelines in place for managing events that could trigger this type of risk thereby minimizing the probability of these occurring and materializing as well their consequent impact. The Group's Compliance Department shall be reinforced in 2018 so as to be able to actively work on consolidating the Business Group's guidelines for preventing and mitigating the risk of fraud and corruption.
- **Legal-Compliance Risk:** the Companies belong to highly regulated sectors and could be exposed to administrative processes and sanctions for failing to comply with the guidelines provided by the oversight authorities in each of the countries where present.

In order to manage compliance with legal requirements, the Companies have their own Legal and Compliance Departments that monitor compliance with the commitments thus acquired.

In 2017, there were changes to the rules and regulations governing the pension business in Peru and Uruguay, which have been analyzed by the corresponding staff in each country.

- **Process Risks:** given the importance that some processes have with regard to the financial reporting and the results obtained at subsidiary level, we worked on identifying and managing the risks inherent to these processes, as well as the drawing up strategies that allow us to reinforce the internal controls governing these processes.
- **Technology and information risk:** understanding the role that technology plays in our Organization, we carried out a comprehensive assessment of the extent of this risk and the effect it could have on our operations, projects and strategic objectives.

Similarly, in terms of information, the Companies are constantly deploying initiatives and / or information security programs with the aim of ensuring the confidentiality, integrity and availability of the information handled. In this way, corporate guidelines have been issued to all subsidiaries for these to draw up tactical plans to protect against information security threats and mitigate the associated risks, this based on local needs.

The ongoing handling of operating risks as well as strategic risks, shall allow us to enhance our understanding of the different risks at stake and provide greater support for better decision making, and in doing so we shall be driving the competitiveness and sustainability of our Organization.

NOTE 38. CAPITAL MANAGEMENT

Grupo Sura's policy is to maintain a robust capital base so as to preserve the confidence of investors, creditors and the market in general, as well as to sustain future development. The Company monitors shareholders' return on equity and the level of dividends paid out.

The main purpose of Grupo de Inversiones Suramericana's Capital Management function is to ensure a financial structure that optimizes the cost of capital for the company, maximizing shareholder returns and allowing access to financial markets at a competitive cost so as to be able to cover the Company's financing needs.

Grupo Sura monitors its capital using the adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total financial liabilities, including interest-bearing loans plus proposed non-accrued dividends less cash and cash equivalents.

In order to comply with the financial debt indicators used by the credit rating agencies to measure the degree of investment in its subsidiaries. Grupo SURA's adjusted debt to equity ratio at year-end was as follows:

	2017	2016
Financial liabilities (Note 9.3)	10,042,735	9,744,402
Cash and cash equivalents (Note 8)	(1,588,289)	(2,066,959)
Net debt	8,454,446	7,677,443
Financial liabilities (Note 9.3)	26,220,992	25,395,827
Adjusted net debt to equity ratio	32.24%	30.23%

(1) Net debt to equity

NOTE 39. RELATED PARTY DISCLOSURES

39.1. Related parties

Grupo SURA's related parties consist of its subsidiaries, key management personnel and entities over which key management personnel may exercise control or joint control as well as employee post-employment benefits.

The following is a breakdown of Grupo SURA 's related parties at year-end 2017:

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 18.2.1 - Investments in associates and Note 18.2.1. Joint Ventures

c) Grupo de Inversiones Suramericana's Shareholders:

See list of shareholders contained in Note 1 Reporting Entity

39.2. Transactions with related parties

Transactions between related parties include:

- Loans between related companies: with contractually stipulated terms and conditions and at interest rates that are in keeping with the prevailing market rates. All are paid back in the short-term
- Financial, management, IT and payroll services
- Leases and subleases of office and retail space, as well as re-invoiced public utility bills corresponding to such.
- Cash reimbursements.

It is worthwhile noting that all these are considered to be short-term transactions

Balances are reconciled at the end of each year, in order to eliminate all applicable inter-company transactions. The exchange difference with market rates are charged to income on the Consolidated Financial Statements

The following is a summary of the transactions carried out with related parties at year-end, which were subsequently eliminated in the consolidated financial statements:

2017

From	To	Accounts receivable	Accounts payable	Income	Expense
Administradora General de Fondos Sura S.A.	AFP Capital S.A.	-	-	-	22
Administradora General de Fondos Sura S.A.	Corredores de Bolsa Sura S.A.	-	(1,179)	(126)	13,300
Administradora General de Fondos Sura S.A.	Sura Asset Management S.A.	-	-	-	139
Administradora General de Fondos Sura S.A.	Sura Data Chile S.A.	-	-	-	760
Administradora General de Fondos Sura S.A.	SURA Servicios Profesionales S.A.	1	-	-	3,622
Administradora General de Fondos Sura S.A.	SURA Asset Management Chile S.A.	153	-	(598)	-
Administradora General de Fondos Sura S.A.	Seguros de Vida Sura S.A. (Chile)	179	(3,165)	(2,731)	29,488
AFAP Sura S.A.	Sura Asset Management S.A.	-	(24)	-	189
AFAP Sura S.A.	SURA Servicios Profesionales S.A.	-	(86)	-	185
AFAP Sura S.A.	AFISA SURA S.A.	-	-	-	266
Afore Sura S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(239)	-	2,106
Afore Sura S.A. de C.V.	Pensiones Sura S.A. de C.V.	139	-	(1,650)	-
Afore Sura S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	(664)	-	5,912
Afore Sura S.A. de C.V.	Sura Art Corporation S.A. de C.V.	5	(324)	(79)	988
Afore Sura S.A. de C.V.	Sura Asset Management México S.A. de C.V.	7	(25)	(85)	22
Afore Sura S.A. de C.V.	Sura Asset Management S.A.	27	(421)	-	-
Afore Sura S.A. de C.V.	Sura Investment Management S.A. de C.V.	517	(162)	(6,220)	1,291
Afore Sura S.A. de C.V.	SURA Servicios Profesionales S.A.	-	(2,167)	-	5,001
Afore Sura S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V. (Formerly Primero Seguros de Vida S.A. de C.V.)	13	-	(170)	234
AFP Capital S.A.	Administradora General de Fondos Sura S.A.	-	-	(22)	-
AFP Capital S.A.	Corredores de Bolsa Sura S.A.	-	(568)	(64)	5,730
AFP Capital S.A.	Sura Asset Management S.A.	-	-	-	629
AFP Capital S.A.	Sura Data Chile S.A.	-	-	-	8,429
AFP Capital S.A.	SURA Servicios Profesionales S.A.	-	(480)	(53)	15,350
AFP Capital S.A.	Seguros de Vida Sura S.A. (Chile)	-	(305)	(436)	5,905
AFP Integra S.A.	Fondos Sura SAF S.A.C.	-	-	(248)	-
AFP Integra S.A.	Sociedad Agente de Bolsa S.A.	-	-	-	7
AFP Integra S.A.	Sura Asset Management Perú S.A.	2	-	(713)	40
AFP Integra S.A.	Sura Asset Management S.A.	25	-	(15)	655
AFP Integra S.A.	SURA Servicios Profesionales S.A.	-	(710)	-	1,779
Aseguradora Suiza Salvadoreña S.A. Asesuisa	Seguros Generales Suramericana S.A.	-	(1,089)	(24)	1,188
Aseguradora Suiza Salvadoreña S.A. Asesuisa	Asesuisa Vida S.A. Seguros de Personas	1,076	(67)	(4,346)	-
Asesores Sura S.A. de C.V.	Afore Sura S.A. de C.V.	239	-	(2,106)	-
Asesores Sura S.A. de C.V.	Pensiones Sura S.A. de C.V.	289	-	(2,797)	-
Asesores Sura S.A. de C.V.	Sura Investment Management S.A. de C.V.	2,682	-	(16,855)	-
Asesores Sura S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V. (Formerly Primero Seguros de Vida S.A. de C.V.)	8	(177)	(139)	46
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Arus S.A.	-	-	-	218
Consultoría en Gestión de Riesgos Suramericana S.A.S.	EPS y Medicina Prepagada Suramericana S.A.	29	-	(124)	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	6,986	(30)	(78,875)	37
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	-	(26)	(3)	640

From	To	Accounts receivable	Accounts payable	Income	Expense
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros Generales Suramericana S.A.	68	(1)	(59)	109
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	58	-	(184)	111
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios Generales Suramericana S.A. (Colombia)	-	(270)	(10)	4
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	27	-	(28)	-
Corredores de Bolsa Sura S.A.	Administradora General de Fondos Sura S.A.	1,179	-	(13,300)	126
Corredores de Bolsa Sura S.A.	AFP Capital S.A.	568	-	(5,730)	64
Corredores de Bolsa Sura S.A.	Sura Asset Management S.A.	-	-	-	141
Corredores de Bolsa Sura S.A.	Sura Data Chile S.A.	-	-	-	817
Corredores de Bolsa Sura S.A.	SURA Servicios Profesionales S.A.	-	(358)	-	7,159
Corredores de Bolsa Sura S.A.	Seguros de Vida Sura S.A. (Chile)	428	(247)	(5,148)	2,580
Enlace Operativo S.A.	Arus S.A.	1,883	(81)	-	-
Enlace Operativo S.A.	EPS y Medicina Prepagada Suramericana S.A.	434	-	(4,804)	1
Enlace Operativo S.A.	Seguros de Riesgos Laborales Suramericana S.A.	940	-	(10,036)	-
Enlace Operativo S.A.	Seguros de Vida Suramericana S.A.	-	-	-	34
Enlace Operativo S.A.	Seguros Generales Suramericana S.A.	-	-	-	59
Enlace Operativo S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	4
EPS y Medicina Prepagada Suramericana S.A.	Arus S.A.	-	(729)	-	9,799
EPS y Medicina Prepagada Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(29)	-	124
EPS y Medicina Prepagada Suramericana S.A.	Enlace Operativo S.A.	-	(434)	(1)	4,804
EPS y Medicina Prepagada Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	4	(7)	(496)	-
EPS y Medicina Prepagada Suramericana S.A.	Seguros de Vida Suramericana S.A.	1	(179)	-	1,452
EPS y Medicina Prepagada Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(139)	(525)	1,975
EPS y Medicina Prepagada Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	911	(20,643)	(1,038)	307,270
EPS y Medicina Prepagada Suramericana S.A.	Suramericana S.A.	50	-	-	-
EPS y Medicina Prepagada Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	(225)	-	-
EPS y Medicina Prepagada Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	3	(1,324)	-	55,588
Fondos Sura SAF S.A.C.	AFP Integra S.A.	-	-	-	248
Fondos Sura SAF S.A.C.	Sociedad Agente de Bolsa S.A.	-	(26)	-	154
Fondos Sura SAF S.A.C.	Sura Asset Management Perú S.A.	-	-	-	54
Fondos Sura SAF S.A.C.	Sura Asset Management S.A.	-	-	-	87
Grupo de Inversiones Suramericana Holanda B.V.	Grupo Sura Chile Holdings I B.V.	1,204	-	-	-
Grupo de Inversiones Suramericana Panamá S.A.	Planeco Panamá S.A.	3,821	-	-	-
Grupo de Inversiones Suramericana Panamá S.A.	Grupo Sura Finance S.A.	7	(875,713)	-	50,503
Grupo de Inversiones Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	(36,235)	-	2,024
Grupo de Inversiones Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	15
Grupo de Inversiones Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	(25)	-	119
Grupo de Inversiones Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(1)	-	348
Grupo de Inversiones Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	3
Grupo de Inversiones Suramericana S.A.	Suramericana S.A.	-	-	(890)	-
Grupo de Inversiones Suramericana S.A.	Grupo Sura Finance S.A.	60	(1,626,844)	-	89,229
Grupo de Inversiones Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	(127)	-	50
Grupo Sura Chile Holdings I B.V.	Grupo de Inversiones Suramericana Holanda B.V.	-	(1,204)	-	-
Inversiones y Construcciones Estratégicas S.A.S.	Grupo de Inversiones Suramericana S.A.	36,235	-	(2,024)	-
Inversiones y Construcciones Estratégicas S.A.S.	Seguros de Vida Suramericana S.A.	-	-	-	3
Inversiones y Construcciones Estratégicas S.A.S.	Seguros Generales Suramericana S.A.	-	-	(83)	-
Inversiones y Construcciones Estratégicas S.A.S.	Servicios Generales Suramericana S.A. (Colombia)	-	-	-	1

From	To	Accounts receivable	Accounts payable	Income	Expense
Inversura Panamá Internacional S.A.	Planeco Panamá S.A.	1,269	-	-	-
Operaciones Generales Suramericana S.A.S.	Arus S.A.	-	(7)	-	338
Operaciones Generales Suramericana S.A.S.	Grupo de Inversiones Suramericana S.A.	-	-	(15)	-
Operaciones Generales Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	-	-	(29)	-
Operaciones Generales Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	489	(27)	(4,044)	196
Operaciones Generales Suramericana S.A.S.	Seguros Generales Suramericana S.A.	8,511	(63)	(81,283)	604
Operaciones Generales Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	2	-	(29)	33
Operaciones Generales Suramericana S.A.S.	Sura Asset Management S.A.	-	-	(2)	-
Operaciones Generales Suramericana S.A.S.	Suramericana S.A.	-	-	(12)	-
Operaciones Generales Suramericana S.A.S.	Servicios Generales Suramericana S.A. (Colombia)	-	(60,387)	-	4,625
Operaciones Generales Suramericana S.A.S.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	-	-	(1)	1
Pensiones Sura S.A. de C.V.	Afore Sura S.A. de C.V.	-	(139)	-	1,650
Pensiones Sura S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(289)	-	2,797
Pensiones Sura S.A. de C.V.	Sura Investment Management S.A. de C.V.	-	(103)	-	1,277
Planeco Panamá S.A.	Grupo de Inversiones Suramericana Panamá S.A.	-	(3,821)	-	-
Planeco Panamá S.A.	Inversura Panamá Internacional S.A.	-	(1,269)	-	-
Promotora Sura AM S.A. de C.V.	Afore Sura S.A. de C.V.	664	-	(5,912)	-
Promotora Sura AM S.A. de C.V.	Sura Investment Management S.A. de C.V.	1,369	-	(16,830)	-
Promotora Sura AM S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V. (Formerly Primero Seguros de Vida S.A. de C.V.)	191	-	(2,577)	36
Seguros de Riesgos Laborales Suramericana S.A.	Arus S.A.	-	(230)	-	2,959
Seguros de Riesgos Laborales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(6,955)	-	78,837
Seguros de Riesgos Laborales Suramericana S.A.	Enlace Operativo S.A.	-	(940)	-	10,036
Seguros de Riesgos Laborales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	7	(4)	(13)	508
Seguros de Riesgos Laborales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	29
Seguros de Riesgos Laborales Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	(136)	-	1,114
Seguros de Riesgos Laborales Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(211)	-	186
Seguros de Riesgos Laborales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	11	(4,058)	-	40,791
Seguros de Riesgos Laborales Suramericana S.A.	Suramericana S.A.	20	-	-	-
Seguros de Riesgos Laborales Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	(368)	-	-
Seguros de Riesgos Laborales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	-	(124)	(30)	1,740
Seguros de Vida Suramericana S.A.	Arus S.A.	-	(32)	(18)	1,149
Seguros de Vida Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	26	-	(640)	3
Seguros de Vida Suramericana S.A.	Enlace Operativo S.A.	-	-	(34)	-
Seguros de Vida Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	179	(1)	(3,611)	2,159
Seguros de Vida Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	25	-	(119)	-
Seguros de Vida Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	-	(3)	-
Seguros de Vida Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	27	(489)	(196)	4,044
Seguros de Vida Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	137	(1)	(1,114)	-
Seguros de Vida Suramericana S.A.	Seguros Generales Suramericana S.A.	6	(10,402)	(6,096)	8,963
Seguros de Vida Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	229	(4,424)	(4,214)	47,323
Seguros de Vida Suramericana S.A.	Sura Asset Management S.A.	-	-	(142)	-
Seguros de Vida Suramericana S.A.	Suramericana S.A.	34	-	(212)	-
Seguros de Vida Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	24	(24)	(470)	105
Seguros de Vida Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	75	(1,954)	(1,291)	26,040
Seguros de Vida Suramericana S.A.	Asesuisa Vida S.A. Seguros de Personas	-	(1,365)	(3,620)	6,210
Seguros Generales Suramericana S.A.	Arus S.A.	-	(662)	(175)	8,396

From	To	Accounts receivable	Accounts payable	Income	Expense
Seguros Generales Suramericana S.A.	Aseguradora Suiza Salvadoreña S.A. Asesuisa	1,089	-	(1,188)	24
Seguros Generales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	1	(68)	(109)	59
Seguros Generales Suramericana S.A.	Enlace Operativo S.A.	-	-	(59)	-
Seguros Generales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	139	-	(1,975)	525
Seguros Generales Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	1	-	(348)	-
Seguros Generales Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	-	-	83
Seguros Generales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	63	(8,511)	(604)	81,283
Seguros Generales Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	211	-	(186)	-
Seguros Generales Suramericana S.A.	Seguros de Vida Suramericana S.A.	10,397	(1)	(8,963)	6,096
Seguros Generales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	271	(17)	(418)	636
Seguros Generales Suramericana S.A.	Sura Asset Management S.A.	-	-	(1,686)	-
Seguros Generales Suramericana S.A.	Suramericana S.A.	3	-	(33)	-
Seguros Generales Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	(3)	(1,968)	-
Seguros Generales Suramericana S.A.	Hábitat Adulto Mayor S.A.	-	-	(38)	-
Seguros Generales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	104	(1)	(945)	-
Seguros Generales Suramericana S.A.	Protección Garantizada LTDA.	-	-	(1)	3,056
Seguros Generales Suramericana S.A.	Seguros Sura S.A. (República Dominicana)	166	-	(261)	-
Seguros Generales Suramericana S.A.	Seguros Suramericana, S.A. (Panamá)	9,473	-	(30,929)	2,620
Servicios de Salud IPS Suramericana S.A.	Arus S.A.	-	(174)	(67)	1,756
Servicios de Salud IPS Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(58)	(111)	184
Servicios de Salud IPS Suramericana S.A.	Enlace Operativo S.A.	-	-	(4)	-
Servicios de Salud IPS Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	20,643	(911)	(307,270)	1,038
Servicios de Salud IPS Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	(3)	-
Servicios de Salud IPS Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	(2)	(31)	27
Servicios de Salud IPS Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	4,058	(11)	(40,791)	-
Servicios de Salud IPS Suramericana S.A.	Seguros de Vida Suramericana S.A.	4,424	(229)	(47,323)	4,214
Servicios de Salud IPS Suramericana S.A.	Seguros Generales Suramericana S.A.	18	(271)	(636)	418
Servicios de Salud IPS Suramericana S.A.	Sura Asset Management S.A.	-	-	(18)	-
Servicios de Salud IPS Suramericana S.A.	Suramericana S.A.	1	-	(5)	-
Servicios de Salud IPS Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	1	(595)	(14)	-
Servicios de Salud IPS Suramericana S.A.	Hábitat Adulto Mayor S.A.	-	-	(13)	-
Servicios de Salud IPS Suramericana S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	3	(2,230)	(887)	37,944
Servicios Generales Suramericana S.A. (Panamá)	Seguros Suramericana, S.A. (Panamá)	307	(186)	(427)	-
Sociedad Agente de Bolsa S.A.	AFP Integra S.A.	-	-	(7)	-
Sociedad Agente de Bolsa S.A.	Fondos Sura SAF S.A.C.	26	-	(154)	-
Sociedad Agente de Bolsa S.A.	Sura Asset Management Perú S.A.	-	-	-	25
Sura Art Corporation S.A. de C.V.	Afore Sura S.A. de C.V.	324	(5)	(988)	79
Sura Art Corporation S.A. de C.V.	Sura Investment Management S.A. de C.V.	17	-	(52)	-
Sura Asset Management México S.A. de C.V.	Afore Sura S.A. de C.V.	25	(7)	(22)	85
Sura Asset Management México S.A. de C.V.	Sura Investment Management S.A. de C.V.	72	-	(63)	-
Sura Asset Management Perú S.A.	AFP Integra S.A.	-	(2)	(40)	713
Sura Asset Management Perú S.A.	Fondos Sura SAF S.A.C.	-	-	(54)	-
Sura Asset Management Perú S.A.	Sociedad Agente de Bolsa S.A.	-	-	(25)	-
Sura Asset Management S.A.	Administradora General de Fondos Sura S.A.	-	-	(139)	-
Sura Asset Management S.A.	AFAP Sura S.A.	24	-	(189)	-
Sura Asset Management S.A.	Afore Sura S.A. de C.V.	394	-	-	-
Sura Asset Management S.A.	AFP Capital S.A.	-	-	(629)	-
Sura Asset Management S.A.	AFP Integra S.A.	29	(54)	(683)	43
Sura Asset Management S.A.	Corredores de Bolsa Sura S.A.	-	-	(141)	-

From	To	Accounts receivable	Accounts payable	Income	Expense
Sura Asset Management S.A.	Fondos Sura SAF S.A.C.	4	(4)	(87)	-
Sura Asset Management S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	2
Sura Asset Management S.A.	Seguros de Vida Suramericana S.A.	-	-	-	142
Sura Asset Management S.A.	Seguros Generales Suramericana S.A.	-	-	-	1,686
Sura Asset Management S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	18
Sura Asset Management S.A.	Sura Investment Management Colombia S.A.S	-	-	(222)	-
Sura Asset Management S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	(72)	-	307
Sura Asset Management S.A.	Seguros Generales Suramericana S.A (Formerly RSA Seguros Chile S.A.) (Chile)	84	-	(263)	-
Sura Asset Management S.A.	Seguros de Vida Suramericana S.A (Formerly RSA Seguros de Vida S.A.) (Chile)	7	-	(21)	-
Sura Asset Management S.A.	Seguros Sura, S.A de C.V. (Formerly Royal & Sun Alliance Seguros (México) S.A. de C.V.) (México)	65	-	(486)	-
Sura Asset Management S.A.	Seguros Sura S.A.(Formerly Royal & Sun Alliance Seguros S.A.) (Uruguay)	-	(29)	(36)	-
Sura Asset Management S.A.	SURA Servicios Profesionales S.A.	3	(1,045)	(115)	2,617
Sura Asset Management S.A.	Sura Asset Management Uruguay Sociedad de Inversión S.A. (Formerly Tublyr S.A.)	3,072	-	-	-
Sura Asset Management S.A.	Disgely S.A.	-	-	(1)	-
Sura Asset Management S.A.	Corredor de Bolsa SURA S.A.	1	-	(3)	-
Sura Asset Management S.A.	AFISA SURA S.A.	1	-	(6)	-
Sura Asset Management S.A.	Sura Asset Management Argentina S.A.	-	(15)	-	-
Sura Asset Management S.A.	SURA Asset Management Chile S.A.	-	-	(23)	-
Sura Asset Management S.A.	Seguros de Vida Sura S.A. (Chile)	-	-	(450)	-
Sura Asset Management S.A.	SURA Real Estate S.A.S.	-	-	(79)	467
Sura Asset Management Uruguay Sociedad de Inversión S.A. (Formerly Tublyr S.A.)	Sura Asset Management S.A.	-	(3,072)	-	-
Sura Data Chile S.A.	Administradora General de Fondos Sura S.A.	-	-	(760)	-
Sura Data Chile S.A.	AFP Capital S.A.	-	-	(8,429)	-
Sura Data Chile S.A.	Corredores de Bolsa Sura S.A.	-	-	(817)	-
Sura Data Chile S.A.	Seguros de Vida Sura S.A. (Chile)	-	-	(4,308)	15
Sura Investment Management Colombia S.A.S	Sura Asset Management S.A.	-	-	-	222
Sura Investment Management S.A. de C.V.	Afore Sura S.A. de C.V.	162	(517)	(1,291)	6,220
Sura Investment Management S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(2,682)	-	16,855
Sura Investment Management S.A. de C.V.	Pensiones Sura S.A. de C.V.	103	-	(1,277)	-
Sura Investment Management S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	(1,369)	-	16,830
Sura Investment Management S.A. de C.V.	Sura Art Corporation S.A. de C.V.	-	(17)	-	52
Sura Investment Management S.A. de C.V.	Sura Asset Management México S.A. de C.V.	-	(72)	-	63
Sura Investment Management S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V. (Formerly Primero Seguros de Vida S.A. de C.V.)	8	-	(98)	31
Suramericana S.A.	Arus S.A.	-	-	-	323
Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	-	(50)	-	-
Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	-	890
Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	12
Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	-	(20)	-	-
Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	(34)	-	212
Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(3)	-	33
Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	(1)	-	5
Suramericana S.A.	Servicios Generales Suramericana S.A. (Colombia)	-	(154)	-	-
Suramericana S.A.	Seguros Sura, S.A de C.V. (Formerly Royal & Sun Alliance Seguros (México) S.A. de C.V.) (México)	534	-	(534)	-
Arus S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	-	(218)	-
Arus S.A.	Enlace Operativo S.A.	81	(1,883)	-	-
Arus S.A.	EPS y Medicina Prepagada Suramericana S.A.	729	-	(9,799)	-

From	To	Accounts receivable	Accounts payable	Income	Expense
Arus S.A.	Operaciones Generales Suramericana S.A.S.	7	-	(338)	-
Arus S.A.	Seguros de Riesgos Laborales Suramericana S.A.	230	-	(2,959)	-
Arus S.A.	Seguros de Vida Suramericana S.A.	32	-	(1,149)	18
Arus S.A.	Seguros Generales Suramericana S.A.	662	-	(8,396)	175
Arus S.A.	Servicios de Salud IPS Suramericana S.A.	174	-	(1,756)	67
Arus S.A.	Suramericana S.A.	-	-	(323)	-
Arus S.A.	Servicios Generales Suramericana S.A. (Colombia)	48	-	(2)	-
Arus S.A.	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	243	-	(1,079)	-
Seguros Sura S.A (Formerly Royal & Sun Alliance Seguros (Argentina) S.A.)	Aseguradora de Créditos y Garantías S.A.	141	-	(604)	270
Aseguradora de Créditos y Garantías S.A.	Seguros Sura S.A (Formerly Royal & Sun Alliance Seguros (Argentina) S.A.)	-	(141)	(270)	604
Chilean Holding Suramericana SPA (Formerly RSA Chilean Holding SpA)	Seguros Generales Suramericana S.A (Formerly RSA Seguros Chile S.A.) (Chile)	-	(50,280)	-	2,237
Grupo Sura Finance S.A.	Grupo de Inversiones Suramericana Panamá S.A.	875,713	(7)	(50,503)	-
Grupo Sura Finance S.A.	Grupo de Inversiones Suramericana S.A.	1,626,840	(60)	(89,229)	-
Servicios Generales Suramericana S.A. (Colombia)	Arus S.A.	-	(48)	-	2
Servicios Generales Suramericana S.A. (Colombia)	Consultoría en Gestión de Riesgos Suramericana S.A.S.	270	-	(4)	10
Servicios Generales Suramericana S.A. (Colombia)	EPS y Medicina Prepagada Suramericana S.A.	225	-	-	-
Servicios Generales Suramericana S.A. (Colombia)	Grupo de Inversiones Suramericana S.A.	127	-	(50)	-
Servicios Generales Suramericana S.A. (Colombia)	Inversiones y Construcciones Estratégicas S.A.S.	-	-	(1)	-
Servicios Generales Suramericana S.A. (Colombia)	Operaciones Generales Suramericana S.A.S.	60,387	-	(4,625)	-
Servicios Generales Suramericana S.A. (Colombia)	Seguros de Riesgos Laborales Suramericana S.A.	368	-	-	-
Servicios Generales Suramericana S.A. (Colombia)	Seguros de Vida Suramericana S.A.	24	(24)	(105)	470
Servicios Generales Suramericana S.A. (Colombia)	Seguros Generales Suramericana S.A.	3	-	-	1,968
Servicios Generales Suramericana S.A. (Colombia)	Servicios de Salud IPS Suramericana S.A.	595	(1)	-	14
Servicios Generales Suramericana S.A. (Colombia)	Sura Asset Management S.A.	72	-	(307)	-
Servicios Generales Suramericana S.A. (Colombia)	Suramericana S.A.	154	-	-	-
Servicios Generales Suramericana S.A. (Colombia)	Diagnóstico y Asistencia Médica S.A. Dinámica IPS	201	-	-	-
Hábitat Adulto Mayor S.A.	Seguros Generales Suramericana S.A.	-	-	-	38
Hábitat Adulto Mayor S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	13
Seguros Generales Suramericana S.A (Formerly RSA Seguros Chile S.A.) (Chile)	Chilean Holding Suramericana SPA (Formerly RSA Chilean Holding SpA)	50,280	-	(2,237)	-
Seguros Generales Suramericana S.A (Formerly RSA Seguros Chile S.A.) (Chile)	Sura Asset Management S.A.	-	(84)	-	263
Seguros Generales Suramericana S.A (Formerly RSA Seguros Chile S.A.) (Chile)	Seguros de Vida Suramericana S.A (Formerly RSA Seguros de Vida S.A.) (Chile)	537	-	(1,829)	-
Seguros Generales Suramericana S.A (Formerly RSA Seguros Chile S.A.) (Chile)	Inversiones Suramericana Chile Limitada (Formerly Inversiones RSA Chile Limitada)	228	-	-	-
Seguros de Vida Suramericana S.A (Formerly RSA Seguros de Vida S.A.) (Chile)	Sura Asset Management S.A.	-	(7)	-	21
Seguros de Vida Suramericana S.A (Formerly RSA Seguros de Vida S.A.) (Chile)	Seguros Generales Suramericana S.A (Formerly RSA Seguros Chile S.A.) (Chile)	-	(537)	-	1,829
Seguros Sura, S.A de C.V. (Formerly Royal & Sun Alliance Seguros (México) S.A. de C.V.) (México)	Sura Asset Management S.A.	-	(65)	-	486
Seguros Sura, S.A de C.V. (Formerly Royal & Sun Alliance Seguros (México) S.A. de C.V.) (México)	Suramericana S.A.	-	(534)	-	534
Seguros Sura S.A.(Formerly Royal & Sun Alliance Seguros S.A.) (Uruguay)	Sura Asset Management S.A.	29	-	-	36
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Arus S.A.	-	(243)	-	1,079
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(27)	-	28
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	EPS y Medicina Prepagada Suramericana S.A.	1,322	-	(56,640)	1,052
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Operaciones Generales Suramericana S.A.S.	-	-	-	1

From	To	Accounts receivable	Accounts payable	Income	Expense
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Seguros de Riesgos Laborales Suramericana S.A.	124	-	(1,740)	30
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Seguros de Vida Suramericana S.A.	1,954	(74)	(26,309)	1,559
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Seguros Generales Suramericana S.A.	-	(103)	-	945
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Servicios de Salud IPS Suramericana S.A.	2,230	(3)	(37,944)	888
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Servicios Generales Suramericana S.A. (Colombia)	-	(201)	-	-
Protección Garantizada LTDA.	Seguros Generales Suramericana S.A.	-	-	(3,056)	1
Seguros Sura S.A. (República Dominicana)	Seguros Generales Suramericana S.A.	-	(166)	-	261
Seguros Suramericana, S.A. (Panamá)	Seguros Generales Suramericana S.A.	-	(9,473)	(2,620)	30,929
Seguros Suramericana, S.A. (Panamá)	Servicios Generales Suramericana S.A. (Panamá)	186	(307)	-	427
Asesuisa Vida S.A. Seguros de Personas	Aseguradora Suiza Salvadoreña S.A. Asesuisa	67	(1,076)	-	4,346
Asesuisa Vida S.A. Seguros de Personas	Seguros de Vida Suramericana S.A.	1,365	-	(6,210)	3,620
Inversiones Suramericana Chile Limitada (Formerly Inversiones RSA Chile Limitada)	Seguros Generales Suramericana S.A (Formerly RSA Seguros Chile S.A.) (Chile)	-	(228)	-	-
SURA Servicios Profesionales S.A.	Administradora General de Fondos Sura S.A.	-	(1)	(3,622)	-
SURA Servicios Profesionales S.A.	AFAP Sura S.A.	86	-	(185)	-
SURA Servicios Profesionales S.A.	Afore Sura S.A. de C.V.	2,167	-	(5,087)	86
SURA Servicios Profesionales S.A.	AFP Capital S.A.	480	-	(15,350)	53
SURA Servicios Profesionales S.A.	AFP Integra S.A.	710	-	(1,779)	-
SURA Servicios Profesionales S.A.	Corredores de Bolsa Sura S.A.	358	-	(7,159)	-
SURA Servicios Profesionales S.A.	Sura Asset Management S.A.	1,042	-	(2,585)	84
SURA Servicios Profesionales S.A.	SURA Asset Management Chile S.A.	-	-	(41)	-
SURA Servicios Profesionales S.A.	Seguros de Vida Sura S.A. (Chile)	536	(10)	(12,168)	486
Disgely S.A.	Sura Asset Management S.A.	-	-	-	1
Corredor de Bolsa SURA S.A.	Sura Asset Management S.A.	-	(1)	-	3
AFISA SURA S.A.	AFAP Sura S.A.	-	-	(266)	-
AFISA SURA S.A.	Sura Asset Management S.A.	-	(1)	-	6
Sura Asset Management Argentina S.A.	Activos Estratégicos Sura A.M. Colombia S.A.S.	1	-	-	-
Sura Asset Management Argentina S.A.	Sura Asset Management S.A.	15	-	-	-
Activos Estratégicos Sura A.M. Colombia S.A.S.	Sura Asset Management Argentina S.A.	-	(1)	-	-
SURA Asset Management Chile S.A.	Administradora General de Fondos Sura S.A.	-	(153)	-	598
SURA Asset Management Chile S.A.	Sura Asset Management S.A.	-	-	-	23
SURA Asset Management Chile S.A.	SURA Servicios Profesionales S.A.	-	-	-	41
Seguros de Vida Sura S.A. (Chile)	Administradora General de Fondos Sura S.A.	3,165	(179)	(29,488)	2,731
Seguros de Vida Sura S.A. (Chile)	AFP Capital S.A.	305	-	(5,860)	392
Seguros de Vida Sura S.A. (Chile)	Corredores de Bolsa Sura S.A.	247	(428)	(2,580)	5,148
Seguros de Vida Sura S.A. (Chile)	Sura Asset Management S.A.	-	-	-	450
Seguros de Vida Sura S.A. (Chile)	Sura Data Chile S.A.	-	-	(15)	4,308
Seguros de Vida Sura S.A. (Chile)	SURA Servicios Profesionales S.A.	10	(536)	(486)	12,168
Seguros de Vida SURA México S.A. de C.V. (Formerly Primero Seguros de Vida S.A. de C.V.)	Afore Sura S.A. de C.V.	-	(13)	(234)	170
Seguros de Vida SURA México S.A. de C.V. (Formerly Primero Seguros de Vida S.A. de C.V.)	Asesores Sura S.A. de C.V.	177	(8)	(46)	139
Seguros de Vida SURA México S.A. de C.V. (Formerly Primero Seguros de Vida S.A. de C.V.)	Promotora Sura AM S.A. de C.V.	-	(191)	(36)	2,577
Seguros de Vida SURA México S.A. de C.V. (Formerly Primero Seguros de Vida S.A. de C.V.)	Sura Investment Management S.A. de C.V.	-	(8)	(31)	98
SURA Real Estate S.A.S.	Sura Asset Management S.A.	-	-	(393)	4
		2,764,828	(2,764,828)	(1,163,083)	1,163,083

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From	To	Accounts receivable	Accounts payable	Income	Expense
Administradora General de Fondos Sura S.A.	AFP Capital S.A.	-	-	-	10

From	To	Accounts receivable	Accounts payable	Income	Expense
Administradora General de Fondos Sura S.A.	Corredores de Bolsa Sura S.A.	-	(893)	(62)	6,480
Administradora General de Fondos Sura S.A.	Seguros de Vida Sura S.A.	270	(2,026)	4,595	7,061
Administradora General de Fondos Sura S.A.	Sura Chile S.A.	-	(260)	-	1,841
Administradora General de Fondos Sura S.A.	Sura Data Chile S.A.	-	-	-	339
AFAP Sura S.A.	Ahorro Inversión Sura Administradora de Fondos de Inversión S.A.	-	-	-	130
AFAP Sura S.A.	Sura Chile S.A.	-	(234)	(18)	365
Afore Sura S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(948)	-	2,078
Afore Sura S.A. de C.V.	Pensiones Sura S.A. de C.V.	147	-	(862)	-
Afore Sura S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	-	-	2,325
Afore Sura S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	15	-	(87)	-
Afore Sura S.A. de C.V.	Sura Art Corporation S.A. de C.V.	7	-	(43)	-
Afore Sura S.A. de C.V.	Sura Asset Management México S.A. de C.V.	7	-	(44)	-
Afore Sura S.A. de C.V.	Sura Chile S.A.	-	(3,371)	(273)	5,178
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 México S.A. de C.V.	29	-	(131)	-
Asesores Sura S.A. de C.V.	Sura Investment Management S.A. de C.V.	1,477	-	(5,928)	-
Asesuisa Vida, S.A. Seguros de Personas	Aseguradora Suiza Salvadoreña S.A. Asesuisa	805	(771)	-	3,159
Asesuisa Vida, S.A. Seguros de Personas	Seguros de Vida Suramericana S.A.	-	(147)	(6,804)	6,548
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Arus S.A.	-	(29)	(25)	234
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Diagnóstico y Asistencia Médica S.A.	13	-	(99)	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Enlace Operativo S.A.	-	-	(1)	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	EPS y Medicina Prepagada Suramericana S.A.	15	(10)	(156)	3
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Riesgos Laborales Suramericana S.A.	6,547	-	(64,645)	-
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros de Vida Suramericana S.A.	2	-	(20)	488
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Seguros Generales Suramericana S.A.	33	-	(1,354)	64
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios de Salud IPS Suramericana S.A.	-	(2)	(121)	75
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Servicios Generales Suramericana S.A.	-	(224)	-	27

From	To	Accounts receivable	Accounts payable	Income	Expense
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
Enlace Operativo S.A.	Seguros Generales Suramericana S.A.	-	-	-	9
Enlace Operativo S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	5
EPS y Medicina Prepagada Suramericana S.A.	Arus S.A.	-	(878)	-	8,592
EPS y Medicina Prepagada Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	10	(15)	(3)	156
EPS y Medicina Prepagada Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	1,770	(2,677)	(52)	46,113
EPS y Medicina Prepagada Suramericana S.A.	Enlace Operativo S.A.	-	(359)	(2)	4,021
EPS y Medicina Prepagada Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	43	-	(70)	(324)
EPS y Medicina Prepagada Suramericana S.A.	Seguros de Vida Suramericana S.A.	4	(11)	(112)	1,223
EPS y Medicina Prepagada Suramericana S.A.	Seguros Generales Suramericana S.A.	-	(703)	(110)	1,118
EPS y Medicina Prepagada Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	1,146	(12,920)	(1,040)	253,142
EPS y Medicina Prepagada Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(41)	-	-
Fondos Sura SAF S.A.C.	AFP Integra S.A.	-	(24)	-	125
Fondos Sura SAF S.A.C.	Seguros Sura S.A. (Formerly Invita)	-	-	-	80
Fondos Sura SAF S.A.C.	Sura Asset Management S.A.	-	(4)	-	48
Grupo de Inversiones Suramericana Holanda B.V.	Grupo Sura Chile Holdings I B.V.	1,134	-	-	-
Grupo de Inversiones Suramericana Holanda B.V.	Grupo Sura Latin American Holdings B.V.	(46)	-	-	-
Grupo de Inversiones Suramericana Holanda B.V.	SURA Asset Management España S.L.	-	49	-	-
Grupo de Inversiones Suramericana Panamá S.A.	Grupo de Inversiones Suramericana S.A.	-	(11,073)	-	-
Grupo de Inversiones Suramericana Panamá S.A.	GrupoSura Finance S.A.	7	(879,380)	-	52,226
Grupo de Inversiones Suramericana Panamá S.A.	Planeco Panamá S.A.	15	-	-	-
Grupo de Inversiones Suramericana S.A.	Grupo de Inversiones Suramericana Panamá S.A.	11,073	-	-	-
Grupo de Inversiones Suramericana S.A.	GrupoSura Finance S.A.	60	(1,636,002)	-	65,967
Grupo de Inversiones Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	(24,113)	-	-
Grupo de Inversiones Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	18
Grupo de Inversiones Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	-	(2)	58
Grupo de Inversiones Suramericana S.A.	Seguros Generales Suramericana S.A.	-	-	-	345
Grupo de Inversiones Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	2
Grupo de Inversiones Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(23)	-	45
Grupo de Inversiones Suramericana S.A.	Suramericana S.A.	90	-	-	-
Grupo Sura Chile Holdings I B.V.	Grupo de Inversiones Suramericana Holanda B.V.	-	(1,134)	-	-
Grupo Sura Chile Holdings I B.V.	Grupo Sura Latin American Holdings B.V.	-	(6)	-	-

From	To	Accounts receivable	Accounts payable	Income	Expense
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	-	-	-
GrupoSura Finance S.A.	Grupo de Inversiones Suramericana Panamá S.A.	879,380	(7)	(52,226)	-
GrupoSura Finance S.A.	Grupo de Inversiones Suramericana S.A.	1,636,002	(60)	(65,967)	-
Habitat Adulto Mayor S.A.	Seguros Generales Suramericana S.A.	-	-	-	35
Habitat Adulto Mayor S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	8
Hipotecaria Sura Empresa Administradora Hipotecaria S.A.	AFP Integra S.A.	-	-	-	24
Hipotecaria Sura Empresa Administradora Hipotecaria S.A.	Seguros Sura S.A. (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
Operaciones Generales Suramericana S.A.S.	Servicios Generales Suramericana S.A.	-	(64,710)	-	3,717
Operaciones Generales Suramericana S.A.S.	Sura Asset Management S.A.	-	-	(3)	-
Operaciones Generales Suramericana S.A.S.	Suramericana S.A.	-	-	(9)	-
Pensiones Sura S.A. de C.V.	Afore Sura S.A. de C.V.	-	(147)	-	862
Pensiones Sura S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(210)	-	1,123
Pensiones Sura S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	(21)	-	95
Pensiones Sura S.A. de C.V.	Sura Investment Management S.A. de C.V.	-	(77)	-	430
Planeco Panamá S.A.	Grupo de Inversiones Suramericana Panamá S.A.	-	(15)	-	-
Promotora Sura AM S.A. de C.V.	Afore Sura S.A. de C.V.	-	-	(2,325)	-
Promotora Sura AM S.A. de C.V.	Pensiones Sura S.A. de C.V.	21	-	(95)	-
Promotora Sura AM S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	101	-	(644)	-
Promotora Sura AM S.A. de C.V.	Sura Investment Management S.A. de C.V.	2,164	-	(9,654)	-
Seguros de Riesgos Laborales Suramericana S.A.	Arus S.A.	-	(292)	-	2,412
Seguros de Riesgos Laborales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(6,547)	-	64,645
Seguros de Riesgos Laborales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	13	(209)	(21)	1,427
Seguros de Riesgos Laborales Suramericana S.A.	Enlace Operativo S.A.	-	(1,426)	-	7,690
Seguros de Riesgos Laborales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	-	(43)	-	394
Seguros de Riesgos Laborales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	(1)	-	21
Seguros de Riesgos Laborales Suramericana S.A.	Seguros de Vida Suramericana S.A.	-	(19)	-	970
Seguros de Riesgos Laborales Suramericana S.A.	Seguros Generales Suramericana S.A.	-	-	-	195
Seguros de Riesgos Laborales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	(3,016)	-	34,785
Seguros de Riesgos Laborales Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(338)	-	228
Seguros de Vida SURA México S.A. de C.V.	Afore Sura S.A. de C.V.	-	(15)	-	87
Seguros de Vida SURA México S.A. de C.V. (Asesores Sura S.A. de C.V.	-	(29)	-	131
Seguros de Vida SURA México S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	(101)	-	644
Seguros de Vida SURA México S.A. de C.V.	Sura Asset Management México S.A. de C.V.	-	(7,436)	-	-
Seguros de Vida SURA México S.A. de C.V.	Sura Investment Management S.A. de C.V.	-	(7)	-	37
Seguros de Vida Sura S.A.	Administradora General de Fondos Sura S.A.	2,026	(270)	(12,559)	903
Seguros de Vida Sura S.A.	AFP Capital S.A.	216	-	(2,348)	(1,145)
Seguros de Vida Sura S.A.	Corredores de Bolsa Sura S.A.	130	(390)	(1,101)	2,730
Seguros de Vida Sura S.A.	Sura Chile S.A.	9	-	(195)	5,546
Seguros de Vida Sura S.A.	Sura Data Chile S.A.	-	-	(4)	1,877
Seguros de Vida Suramericana S.A.	Arus S.A.	-	(174)	-	771
Seguros de Vida Suramericana S.A.	Asesuisa Vida, S.A. Seguros de Personas	147	-	(6,673)	6,928

From	To	Accounts receivable	Accounts payable	Income	Expense
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. Aseuisa	100	-	(1,457)	-
Seguros Generales Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(33)	(64)	1,354
Seguros Generales Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	5	-	(853)	114
Seguros Generales Suramericana S.A.	Enlace Operativo S.A.	-	-	(9)	-
Seguros Generales Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	703	-	(1,118)	110
Seguros Generales Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	(345)	-
Seguros Generales Suramericana S.A.	Habitat Adulto Mayor S.A.	-	-	(35)	-
Seguros Generales Suramericana S.A.	Inversiones y Construcciones Estratégicas S.A.S.	-	-	-	78
Seguros Generales Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	151	(7,690)	(669)	76,601
Seguros Generales Suramericana S.A.	Protección Garantizada LTDA	-	-	-	4,557
Seguros Generales Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	-	-	(195)	-
Seguros Generales Suramericana S.A.	Seguros de Vida Suramericana S.A.	23,533	-	(8,362)	3,334
Seguros Generales Suramericana S.A.	Seguros Sura S.A.	299	-	(394)	-
Seguros Generales Suramericana S.A.	Seguros Suramericana Panamá S.A.	9,389	-	(8,235)	879
Seguros Generales Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	8	(12)	(508)	678
Seguros Generales Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(4)	(1,989)	-
Seguros Generales Suramericana S.A.	Sura Asset Management S.A.	-	(1,033)	(1,778)	-
Seguros Generales Suramericana S.A.	Suramericana S.A.	100	(9,648)	(71)	-
Seguros Sura S.A.	Seguros Generales Suramericana S.A.	-	(299)	-	394
Seguros Sura S.A. (Formerly Invita)	AFP Integra S.A.	40	-	(278)	35
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)	1,107
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)	-	205
Seguros Sura S.A. (Formerly Invita)	Sura Chile S.A.	-	(548)	(13)	833
Seguros Suramericana Panamá S.A.	Seguros Generales Suramericana S.A.	-	(9,389)	(879)	8,235
Seguros Suramericana Panamá S.A.	Servicios Generales Suramericana S.A. (Panamá)	183	(7)	-	-
Servicios de Salud IPS Suramericana S.A.	Arus S.A.	-	(76)	(41)	979
Servicios de Salud IPS Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	2	-	(75)	121
Servicios de Salud IPS Suramericana S.A.	Diagnóstico y Asistencia Médica S.A.	3	(2,688)	(733)	33,119
Servicios de Salud IPS Suramericana S.A.	Enlace Operativo S.A.	-	-	(5)	-
Servicios de Salud IPS Suramericana S.A.	EPS y Medicina Prepagada Suramericana S.A.	12,896	(1,146)	(253,142)	1,040
Servicios de Salud IPS Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	-	(2)	-
Servicios de Salud IPS Suramericana S.A.	Habitat Adulto Mayor S.A.	-	-	(8)	-
Servicios de Salud IPS Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	2	(3)	(22)	32
Servicios de Salud IPS Suramericana S.A.	Seguros de Riesgos Laborales Suramericana S.A.	3,016	-	(34,785)	-
Servicios de Salud IPS Suramericana S.A.	Seguros de Vida Suramericana S.A.	3,461	(8)	(39,957)	3,344

From	To	Accounts receivable	Accounts payable	Income	Expense
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
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)	-	43
SURA Asset Management España S.L.	Grupo de Inversiones Suramericana Holanda B.V.	-	(49)	-	-
Sura Asset Management México S.A. de C.V.	Afore Sura S.A. de C.V.	-	(7)	-	44
Sura Asset Management México S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	7,436	-	-	-
Sura Asset Management Perú S.A.	AFP Integra S.A.	-	-	-	69
Sura Asset Management S.A.	AFP Integra S.A.	31	-	(21)	(309)
Sura Asset Management S.A.	Fondos Sura SAF S.A.C.	5	-	(3)	(45)
Sura Asset Management S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	3
Sura Asset Management S.A.	Seguros de Vida Suramericana S.A.	-	-	-	81
Sura Asset Management S.A.	Seguros Generales Suramericana S.A.	1,033	-	-	1,778
Sura Asset Management S.A.	Seguros Sura S.A. (Formerly Invita)	23	-	(19)	(186)
Sura Asset Management S.A.	Servicios de Salud IPS Suramericana S.A.	-	-	-	14
Sura Asset Management S.A.	Servicios Generales Suramericana S.A.	-	(69)	-	270
Sura Asset Management S.A.	Sura Chile S.A.	-	(1,889)	-	3,157
Sura Asset Management S.A.	Sura Investment Management Colombia S.A.S	71	-	(3)	-
Sura Asset Management Uruguay Sociedad de Inversión S.A.	Ahorro Inversión Sura Administradora de Fondos de Inversión S.A.	-	-	(8,920)	8,920
Sura Chile S.A.	Administradora General de Fondos Sura S.A.	260	-	(1,841)	-
Sura Chile S.A.	AFAP Sura S.A.	236	-	(348)	-
Sura Chile S.A.	Afore Sura S.A. de C.V.	3,338	-	(4,872)	-
Sura Chile S.A.	AFP Capital S.A.	-	-	(9,184)	35
Sura Chile S.A.	AFP Integra S.A.	1,338	-	(2,004)	-
Sura Chile S.A.	Corredores de Bolsa Sura S.A.	-	-	(3,071)	-
Sura Chile S.A.	Seguros de Vida Sura S.A.	-	(9)	(5,546)	195
Sura Chile S.A.	Seguros Sura S.A. (Formerly Invita)	546	-	(819)	-
Sura Chile S.A.	Sura Asset Management S.A.	2,126	(185)	(3,229)	20
Sura Data Chile S.A.	Administradora General de Fondos Sura S.A.	-	-	(339)	-
Sura Data Chile S.A.	AFP Capital S.A.	-	-	(3,681)	-
Sura Data Chile S.A.	Corredores de Bolsa Sura S.A.	-	-	(363)	-
Sura Data Chile S.A.	Seguros de Vida Sura S.A.	-	-	(1,877)	4
Sura Investment Management Colombia S.A.S	Sura Asset Management S.A.	-	(71)	-	3
Sura Investment Management S.A. de C.V.	Afore Sura S.A. de C.V.	284	(905)	(1,141)	4,062

From	To	Accounts receivable	Accounts payable	Income	Expense
Sura Investment Management S.A. de C.V.	Asesores Sura S.A. de C.V.	-	(1,477)	-	5,928
Sura Investment Management S.A. de C.V.	Pensiones Sura S.A. de C.V.	77	-	(430)	-
Sura Investment Management S.A. de C.V.	Promotora Sura AM S.A. de C.V.	-	(2,164)	-	9,654
Sura Investment Management S.A. de C.V.	Seguros de Vida SURA México S.A. de C.V.	7	-	(37)	-
Sura S.A.	AFP Capital S.A.	75	-	-	-
Suramericana S.A.	Arus S.A.	-	(2)	-	594
Suramericana S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	-	-	10
Suramericana S.A.	Grupo de Inversiones Suramericana S.A.	-	(90)	-	-
Suramericana S.A.	Operaciones Generales Suramericana S.A.S.	-	-	-	9
Suramericana S.A.	Seguros de Vida Suramericana S.A.	1,616	(31)	-	242
Suramericana S.A.	Seguros Generales Suramericana S.A.	9,648	(100)	-	71
Suramericana S.A.	Servicios de Salud IPS Suramericana S.A.	-	(2)	-	3
Suramericana S.A.	Servicios Generales Suramericana S.A.	-	(27)	-	700
Arus S.A.	Consultoría en Gestión de Riesgos Suramericana S.A.S.	29	-	(234)	25
Arus S.A.	Diagnóstico y Asistencia Médica S.A.	77	-	(646)	-
Arus S.A.	Enlace Operativo S.A.	2	-	-	-
Arus S.A.	EPS y Medicina Prepagada Suramericana S.A.	878	-	(8,592)	-
Arus S.A.	Operaciones Generales Suramericana S.A.S.	7	-	(35)	-
Arus S.A.	Seguros de Riesgos Laborales Suramericana S.A.	292	-	(2,412)	-
Arus S.A.	Seguros de Vida Suramericana S.A.	174	-	(771)	-
Arus S.A.	Seguros Generales Suramericana S.A.	621	-	(8,867)	56
Arus S.A.	Servicios de Salud IPS Suramericana S.A.	76	-	(979)	41
Arus S.A.	Servicios Generales Suramericana S.A.	-	-	(11)	-
Arus S.A.	Suramericana S.A.	2	-	(594)	-
Seguros Sura S.A (Royal & Sun Alliance Seguros (Argentina) S.A.)	Aseguradora de Créditos y Garantías S.A.	146	-	(103)	(487)
Seguros Sura S.A (Royal & Sun Alliance Seguros (Argentina) S.A.)	Atlantis Sociedad Inversora S.A.	-	-	(30)	-
Seguros Sura S.A (Royal & Sun Alliance Seguros (Argentina) S.A.)	Santa Maria del Sol S.A.	-	-	(46)	-
Aseguradora de Créditos y Garantías S.A.	Atlantis Sociedad Inversora S.A.	-	-	-	(1)
Aseguradora de Créditos y Garantías S.A.	Seguros Sura S.A (Royal & Sun Alliance Seguros (Argentina) S.A.)	-	(146)	-	589
Seguros Generales Suramericana S.A (RSA Seguros Chile S.A.)	Chilean Holding Suramericana SPA (RSA Chilean Holding SpA)	43,519	-	(1,350)	-
Seguros Generales Suramericana S.A (RSA Seguros Chile S.A.)	Seguros de Vida Suramericana S.A (RSA Seguros de Vida S.A.)	240	-	(883)	-
Seguros Generales Suramericana S.A (RSA Seguros Chile S.A.)	Servicios y Ventas Compañía Limitada	15	-	-	-
Chilean Holding Suramericana SPA (RSA Chilean Holding SpA)	Seguros Generales Suramericana S.A (RSA Seguros Chile S.A.)	-	(43,520)	-	1,349
Seguros de Vida Suramericana S.A (RSA Seguros de Vida S.A.)	Seguros Generales Suramericana S.A (RSA Seguros Chile S.A.)	-	(240)	-	883
Protección Garantizada LTDA	Seguros Generales Suramericana S.A.	-	-	(4,557)	-
Santa Maria del Sol S.A.	Seguros Sura S.A (Royal & Sun Alliance Seguros (Argentina) S.A.)	-	-	-	46
Atlantis Sociedad Inversora S.A.	Aseguradora de Créditos y Garantías S.A.	-	-	-	1
Atlantis Sociedad Inversora S.A.	Seguros Sura S.A (Royal & Sun Alliance Seguros (Argentina) S.A.)	-	-	-	30
		2,783,334	(2,783,334)	(898,449)	898,449

Remuneration of key management personnel

Senior management benefits

	2017	2016
Short-term employee benefits	82,760	87,888
Long-term employee benefits	1,093	158
Post-employment benefits	55,252	39,179
Termination benefits	-	-
Total	139,105	127,225

Transactions with members of the Board of Directors

	2017	2017
Accounts receivable due from members of the Board (1)	4,412	3,652

- (1) Corresponding to loans granted to members of the Board at an agreed rate of 0.56%
- (2) Corresponding to long-term and post-employment employee benefits

Fees paid to Members of the Board of Directors

Board of Director fees are shown as follows:

	2017	2016
Fees paid to Members of the Board of Directors	5,632	5,831

For the years ended December 31, 2017 and December 31, 2016, members of the Board of Directors received fees for attending meetings of the Board of Directors and Board Committees, pursuant to that laid out in the Company's by-laws as well as the authorizations granted by the General Assembly of Shareholders, which established the following:

The members of the Board of Directors of Grupo de Inversiones Suramericana and Subsidiaries are responsible for formulating the Organization's main business guidelines and making key decisions.

NOTE 40. EVENTS AFTER THE REPORTING PERIOD

These separate annual financial statements at the cut-off date of December 31, 2017 were prepared for oversight purposes and issued as authorized by Grupo SURA's Board of Directors on February 26, 2018, as of that time and until these were duly published, the following events occurred which in no way implied making any adjustments to the figures therein contained:

- On January 26, Grupo de Inversiones Suramericana S.A. (Grupo SURA) announced that approval was given to a proposal to be included in the agenda corresponding to the upcoming ordinary annual meeting of the General Assembly of Shareholders, this consisting of presenting and requesting shareholder approval for a commitment to merge on the part of Grupo SURA (the absorbing company) and its foreign-based subsidiaries Gruposura Finance and Grupo de Inversiones Suramericana Panama S.A. (the companies to be absorbed).

With regard to this proposal, it is important to note that, in accordance with the philosophy underpinning the Financial Conglomerate Act (Law 1870 of 2017), corporate structures must tend towards being simple and straightforward, thereby facilitating the oversight and control functions of the regulatory authorities in the different jurisdictions. Furthermore, this corporate simplification would entail economic and administrative benefits for Grupo SURA as well as its shareholders and stakeholders alike.

This operation would not entail any amendments to be made to Grupo SURA's Articles of Incorporation nor would it change the value of Grupo SURA's stock or share capital, since this merger would involve taking over companies which are wholly owned (100%) by Grupo SURA. Consequently, there would be no exchange of shares and Grupo SURA's shareholders shall not see their stakes in the acquiring company be altered in any way whatsoever.

- As part of a Corporate Simplification Initiative being deployed by the Company, in February 2018, the Brazilian firm INVERSIONES SURA BRASIL PARTICIPAÇÕES LTDA. was set up as a vehicle through which Suramericana shall hold an indirect stake in the Brazilian insurance firm, Seguros Sura S.A.

Once this corporate simplification initiative is completed, this new Brazilian company shall replace the simplified joint stock company Inversiones Sura Brasil S.A.S. which was incorporated in Colombia for the single purpose of serving as a vehicle for acquiring the Brazilian insurance firm in 2016.

NOTE 41. Board Approval for the Company's Financial Statements

Grupo Sura's financial statements for the year ended 31 December 2017 were duly approved by the Board of Directors, as recorded in Minutes No. 274 of a Board meeting held on February 26, 2018, for their subsequent presentation to the Shareholders at their upcoming Annual Meeting, pursuant to that stipulated in the Colombian Code of Commerce.

FINANCIAL PERFORMANCE ANALYSES (Non-Audited)

The following are the analyses of the financial results obtained for the year ended December 31, 2017, with comparative figures for year ended December 31, 2016. These analyses are drawn up by Senior Management and do not form part of the financial statements.

	RATIO	Year-End 2017	Year-End 2016	INTERPRETATION	FORMULAS
	Financial strength	43,149,734	42,121,538	Creditors held 62.2% at year-end 2017 versus 62.39% at year-end 2016 with the shareholders owning the remaining 37.8% at year-end 2017 versus 37.61% at year-end 2016	Total liabilities
		= 62.20%	= 62.39%		Total Assets
	Total	43,149,734	42,121,538	For each peso that the Company has invested in assets 62.2% at year-end 2017 and 62.39% at year-end 2016 had been financed by creditors	Total liabilities
		= 62.20%	= 62.39%		Total Assets
DEBT	Interest coverage	2,093,325	2,201,761	The Company's net income came to 327.74% at year-end 2017 and 415.35% at year-end 2016 of the total amount of interest paid.	Net income + interest
		= 327.74%	= 415.35%		Financial expense
	Leverage	638,707	530,103	For each peso (\$ 1.00) belonging to the Company's shareholders 164.53% had been committed at year-end 2017 and 165.86% at year-end 2016	Total liabilities with third parties
		= 164.53%	= 165.86%		Equity
	Total	43,149,734	42,121,538	For each peso (\$ 1.00) of Shareholders' Equity 38.29% had been committed in the form of financial obligations at year-end 2017 and 165.86% at year-end 2016	Total obligations with fin. institutions
		= 164.53%	= 165.86%		Equity
	Total fin. obligations	10,042,736	9,744,402	For each peso (\$ 1.00) of Shareholders' Equity 38.29% had been committed in the form of financial obligations at year-end 2017 and 165.86% at year-end 2016	Total obligations with fin. institutions
		= 38.29%	= 38.37%		Equity
	Net profit margin	1,454,618	1,671,658	Net income represented 7.11% of net revenues at year-end 2017 and 9.15% of these same at year-end 2016.	Net income
		= 7.11%	= 9.15%		Net revenues
	Return on Equity	20,461,750	18,275,678	Net returns accounted for 5.87% of shareholders' equity at year-end 2017 compared to 7.05% at year-end 2016	Net revenues
		= 5.87%	= 7.05%		Equity - profits
PROFITABILITY	Return on total assets	1,454,618	1,671,658	Net returns on total assets came to 2.1% at year-end 2017 and 2.48% at year-end 2016	Net earnings
		= 2.10%	= 2.48%		Total Assets
		24,771,943	23,724,169		
		69,376,295	67,517,365		