

Separate Financial Statements  
Grupo de Inversiones Suramericana S.A.  
at March 31, 2017  
with comparative figures, at  
March and December 31<sup>st</sup> of 2016

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**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**SEPARATE STATEMENT OF FINANCIAL POSTION**

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

(Expressed as millions of Colombian Pesos)

	Note	March 2017	December 2016
<b>Assets</b>			
Cash and cash equivalents	5	1,116,253	451,443
Investments	6.1.3	20,328	23,091
Trade and other receivables	6.1	745	767
Accounts receivable related parties and associates	6.1.1	831,406	99,899
Current tax assets	7	63,901	61,291
Other financial assets	6.1.2	72,891	123,526
Other non-financial assets		243	246
Property and equipment		24,806	40,176
Investments in associates	8.1	14,395,418	14,395,418
Investments in subsidiaries	8.2	10,700,146	10,891,236
Deferred tax assets	7	51,109	47,412
<b>Total assets</b>		<b>27,277,246</b>	<b>26,134,505</b>
<b>Liabilities</b>			
Financial liabilities	6.2.1	1,477,430	1,311,689
Trade and other payables	6.2.3	34,880	36,643
Accounts payable to related parties	6.2.2	1,901,410	1,727,010
Current tax liabilities	7	142,028	123,394
Provisions for employee benefits liabilities		32,315	32,132
Other provisions	7	293,009	266,258
Securities issued	6.2, 10	1,764,673	986,781
Deferred tax liabilities	7	89,952	113,693
<b>Total liabilities</b>		<b>5,735,697</b>	<b>4,597,600</b>
<b>Equity</b>			
Share capital issued		107,882	107,882
Paid-in capital		3,081,578	3,307,663
Retained earnings		11,758,865	11,754,545
Other comprehensive income		483,091	472,258
Reserves		5,608,777	5,059,076
Profit for the period		501,356	835,481
<b>Total equity</b>		<b>21,541,549</b>	<b>21,536,905</b>
<b>Total equity and liabilities</b>		<b>27,277,246</b>	<b>26,134,505</b>

The Notes are an integral part of these Financial Statements.

David Bojanini Garcia  
Legal Representative

Luis Fernando Soto Salazar  
Accountant  
T.P. 16951-T

Mariana Milagros Rodríguez  
Auditor  
T.P. 112752-T  
Designated by Ernst & Young Audit S.A.S. TR-530  
(See my report of May 15, 2017)

**GRUPO DE INVERSIONES SURAMERICANA S.A.**

**SEPARATE INCOME STATEMENT**

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

(Values expressed in millions of Colombian Pesos, except net profit per share)

	Note	March 2017	March 2017
Dividends	8.1., 12	380,417	369,002
Income from investments	12	8,510	(16,854)
Loss at fair value, net	12	(96,471)	(29,222)
Profit from <i>the Equity Method</i> of subsidiaries, net	8.2., 12	243,453	173,535
Income from investments sales, net	12	1,214	8,518
Other income		2,676	67
Exchange differences, net	13	63,931	155,764
<b>Total income</b>		<b>603,730</b>	<b>660,810</b>
Administrative expenses	14	(44,498)	(9,413)
Employee benefits		(5,013)	(4,326)
Fees	15	(1,683)	(1,403)
Amortizations		-	(13)
Depreciation		(225)	(100)
Interest	16	(61,372)	(35,911)
<b>Total expenses</b>		<b>(112,791)</b>	<b>(51,166)</b>
<b>Profit before tax</b>		<b>490,939</b>	<b>609,644</b>
Income tax	7.1	10,417	(7,483)
<b>Net profit</b>		<b>501,356</b>	<b>602,161</b>
Earnings per share	17	1,069	1,284

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**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**

At March 31, 2017 (with comparative figures ended at March 31, 2016)

(Expressed in millions of Colombian Pesos)

	2017	2016
<b>Profit for the period</b>	<b>501,356</b>	<b>602,161</b>
Other comprehensive income, net of tax, losses from investments of equity instruments	(2,763)	-
<b>Total other comprehensive income not reclassified to profit or loss, net of tax</b>	<b>(2,763)</b>	<b>-</b>
Share of other comprehensive income of subsidiaries accounted for using <i>the Equity Method</i> , that are reclassified to profit or loss, net of taxes	13,596	(110,893)
<b>Total other comprehensive income reclassified to profit and loss</b>	<b>13,596</b>	<b>(110,893)</b>
<b>Total other comprehensive income</b>	<b>10,833</b>	<b>(110,893)</b>
<b>Total comprehensive income</b>	<b>512,189</b>	<b>491,268</b>

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**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**SEPARATE CHANGE IN EQUITY STATEMENT**

Year ended March 31, 2017 (with comparative figures for the year ended at March 31, 2016)

(Expressed in millions of Colombian Pesos, except for net income per share)

	Share capital issued	Paid-in capital	Retained earnings	Other comprehensive income	Legal reserves	Occasional reserves	Profit for the period	Total Equity
<b>At 1 January 2016</b>	<b>107,882</b>	<b>3,307,663</b>	<b>11,737,265</b>	<b>1,030,676</b>	<b>138,795</b>	<b>4,463,664</b>	<b>723,988</b>	<b>21,509,934</b>
<b>Other comprehensive income</b>	-	-	-	<b>(110,893)</b>	-	-	-	<b>(110,893)</b>
Shares in subsidiaries accounted for under the Equity Method	-	-	-	(110,893)	-	-	-	(110,893)
Profit for the period	-	-	-	-	-	-	602,162	602,162
<b>Net comprehensive income for the period</b>	-	-	-	<b>(110,893)</b>	-	-	<b>602,162</b>	<b>491,268</b>
Transferred to retained earnings	-	-	723,988	-	-	-	(723,988)	-
2015 Profit distribution in accordance with the Meeting Minutes No. 21, of the Shareholder's Meeting of March 31, 2016:	-	-	-	-	-	-	-	-
Dividends recognized as distributions to owners (456 Pesos per share)	-	-	(262,372)	-	-	-	-	(262,372)
Donations for social projects	-	-	(5,000)	-	-	-	-	(5,000)
Reserves for the protection of investments	-	-	(456,617)	-	-	456,617	-	-
Minimum dividends, preference shares	-	-	4,320	-	-	-	-	4,320
<b>At March 31, 2016</b>	<b>107,882</b>	<b>3,307,663</b>	<b>11,741,585</b>	<b>919,783</b>	<b>138,795</b>	<b>4,920,281</b>	<b>602,162</b>	<b>21,738,151</b>

The Notes are an integral part of these Financial Statements.

**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**SEPARATE CHANGE IN EQUITY STATEMENT**

Year ended March 31, 2017 (with comparative figures for the year ended at March 31, 2016)

(Expressed in millions of Colombian Pesos, except for net income per share)

	Share capital issued	Paid-in capital	Retained earnings	Other comprehensive income	Legal reserves	Occasional reserves	Profit for the period	Total Equity
<b>At 1 January 2017</b>	<b>107,882</b>	<b>3,307,663</b>	<b>11,754,545</b>	<b>472,258</b>	<b>138,795</b>	<b>4,920,281</b>	<b>835,481</b>	<b>21,536,905</b>
Other comprehensive income	-	-	-	10,833	-	-	-	10,833
Shares in subsidiaries accounted for under the Equity Method	-	-	-	13,596	-	-	-	13,596
Losses from equity instruments	-	-	-	(2,763)	-	-	-	(2,763)
Profit on new measurement of defined benefit plans	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	501,356	501,356
<b>Net, comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,833</b>	<b>-</b>	<b>-</b>	<b>501,356</b>	<b>512,189</b>
Transferred to retained earnings			835,481				(835,481)	-
Distribution of 2016 profit, according the minutes No. 22 from the Shareholders Meeting of March 31, 2017:								-
Dividends recognized as distributions to owners (488 Pesos per share)	-	-	(280,780)	-	-	-	-	(280,780)
Donation for social projects	-	-	(5,000)	-	-	-	-	(5,000)
Reserves for the protection of investments	-	-	(549,701)	-	-	549,701		-
Minimum dividends, preference shares	-	(226,085)	4,320	-	-	-	-	(221,765)
<b>At 31 March 2017</b>	<b>107,882</b>	<b>3,081,578</b>	<b>11,758,865</b>	<b>483,091</b>	<b>138,795</b>	<b>5,469,982</b>	<b>501,356</b>	<b>21,541,549</b>

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**GRUPO DE INVERSIONES SURAMERICANA S.A.**

**SEPARATE STATEMENT OF CASH FLOWS**

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

(Expressed in millions of Pesos)

	Note	March 2017	March 2017
Profit for the period		501,356	602,162
<b>Adjustments to reconcile profit</b>			
Adjustments for income tax expenses		(10,417)	7,483
Adjustments for decrease of accounts receivable from trade		(380,394)	(8)
Adjustments for decreases (increases) in other accounts receivables from operating activities		(731,506)	(621,669)
Adjustments for the increase (decrease) of accounts payable from trade		(6,762)	49,908
Adjustments for increases in other accounts payable arising from operating activities		(40,841)	1,825,448
Adjustments for depreciation and amortization expenses		225	113
Adjustments for provisions		37,849	(9,527)
Adjustments for unrealized foreign currency losses		(11,990)	(11,627)
Adjustments for fair value losses		342,255	16,756
Adjustments for undistributed profits from the application of <i>the Equity Method</i>	8.2	(243,453)	(164,235)
<b>Total adjustments to reconcile net income</b>		<b>(1,045,035)</b>	<b>1,092,641</b>
<b>Net cash flows from (used in) operations</b>		<b>(543,679)</b>	<b>1,694,803</b>
Dividends paid	11	(65,539)	(60,702)
Dividends received, associates and subsidiaries	8.1, 8.2	817,642	433,271
Taxes on profits reimbursed (paid)		(996)	-
<b>Net cash flows from (used in) operating activities</b>		<b>207,427</b>	<b>2,067,372</b>
<b>Cash flows from (used in) investing activities</b>			
Cash flows from losing control of subsidiaries or other businesses	8.1	-	114,622
Cash flows used to obtain control of subsidiaries or other businesses	8.2	-	(1,758,647)
Proceeds from the sale of property, plant and equipment		15,445	-
Purchases of property, equipment		(300)	(251)
Collection of forward, futures, at termination of options, and swap contracts (swaps)		14	20,462
<b>Net cash flows from (used in) investment activities</b>		<b>15,159</b>	<b>(1,623,814)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans		715,290	87,942
Loan repayments		(221,765)	(5,904)
Payments of liabilities from financial leasing		128	-
Interest paid		(25,747)	(13,948)
<b>Net cash flows from financing activities</b>		<b>467,906</b>	<b>63,090</b>
<b>Increase (decrease) net of cash and cash equivalents, before the effect of changes in the exchange rate</b>		<b>690,492</b>	<b>506,648</b>
Effects of variations in the exchange rate on cash and cash equivalents			
Effects of variations in the exchange rate on cash and cash equivalents	13	(25,426)	11,627
<b>Increase (decrease) in cash and cash equivalents</b>		<b>665,066</b>	<b>518,275</b>
Cash and cash equivalents at the beginning of period	5	451,443	221,228
<b>Cash and cash equivalents, at the end of period</b>		<b>1,116,509</b>	<b>739,503</b>

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## NOTES FOR THE CONDENSED SEPARATE FINANCIAL STATEMENTS

For the period ended March 31, 2017 (with comparative figures as of December 31, 2016 for the Statement of Financial Position, and March 31, 2016, for the Income Statement, Statement of Other Comprehensive Income, Changes in Equity Statement, and Cash Flows Statement).

(Values expressed in millions of Colombian Pesos, excluding exchange rates, number of shares and earnings per share.)

### NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A., was established in connection with the spin-off of Compañía Suramericana de Seguros S.A., according to Public Deed No. 2295 of 24 December 1997 of the 14th Notary in Medellin, formalized accounting on 1 January 1998; the principal domicile located on Carrera 43A # 5A - 113 Floor 13, Edificio One Plaza, in the city of Medellin, and may have branches, agencies, offices, and representations in other places in the country and abroad, when determined by the Board of Directors. The duration of the Company is until April 15, 2102.

Its corporate purpose is investment in movable and immovable property. Related to investment in personal property, plus any kind of movable property, may be done in shares, quotas, or shares in companies, entities, organizations, funds, or any other legal figure that allows investment of resources. It also may invest in securities or fixed income instruments, variable, whether or not listed on a public market, in any case, issuers and/or investees may be, public or private, national, or foreign.

The accounting period shall be adjusted, to the calendar year, annually, effective thirty-first (31st) of December.

The Company is subject to sole control by the Financial Superintendence of Colombia (Superintendencia Financiera de Colombia), being registered in the National Registry of Securities and Issuers (RNVE) as issuer of securities.

### CORPORATE PROFILE:

Grupo de Inversiones Suramericana S.A. (Hereinafter "Grupo SURA") is a Latin American company listed on the Colombia Stock Exchange (BVC) and is registered in the ADR program - Level I in the United States. It is also the only Latin American company in the sector Diversified Financial Services, which is part of the Dow Jones Sustainability Index, with which companies that stand out worldwide for its best practices in economic, environmental, and social issues, are recognized. Grupo SURA classifies its investments in two ways: strategic, focused in the sectors of finance services, insurance, pensions, savings, and investment, and investments in portfolio that are, primarily, in the sectors of processed foods, cement, and energy.

The companies in which Grupo SURA invests (Suramericana S.A., Sura Asset Management S.A., Bancolombia S.A., Nutresa S.A., and Grupo Argos S.A.) continue to strengthen its presence in different Latin American countries, the United States, and to a lesser extent, Asia.

The investments in the financial services sector includes a 46.01% stake with voting rights (equivalent to a stake of 24.38% share capital) of Bancolombia, where Grupo SURA is the largest shareholder, with a stake of 81.13% of the capital of Suramericana S.A., the company that groups together insurance companies. The remaining 18.87% of the share capital of Suramericana belongs to German insurance company Münchener Rückversicherungs-Gesellschaft Munich, known as "Munich Re." In addition, Grupo Sura directly holds a

64.29% equity of Sura Asset Management S.A., and 7.11% through Grupo de Inversiones Suramericana Panamá S.A., a company that groups together investments in the sector of pensions, savings, and investment in the region. The remaining 28.60% of the share capital of Sura Asset Management S.A., is held by other local and international stakeholders.

The investments in the segment of processed foods of the industry sector, includes a stake of 35.17% of the share capital of Grupo Nutresa S.A., the largest processed foods conglomerate in Colombia, where Grupo SURA is also the majority shareholder.

The investments in segment cement, concrete, energy, ports, coal mines and the real estate sector, includes a stake of 35.56% of shares with voting rights (equivalent to a stake of 26.78% of equity interest) of Grupo Argos S.A., where Grupo SURA is also the majority shareholder. Grupo Argos is both the controlling shareholder of Cementos Argos S.A. and Celsia S.A. E.S.P.

Some of these companies also have cross-shareholdings, which as of December 31, 2016 were broken down as follows:

Bancolombia S.A. has a 20.58% interest in the capital stock of Protección S.A.; Grupo Nutresa S.A. has a stake in Grupo SURA of 10.32% of the total outstanding shares, and 12.66% of the shares with voting rights; and a stake in Grupo Argos S.A. of 10.06% of the outstanding shares, equivalent to 12.36% of the shares with voting rights; Grupo Argos and its subsidiaries have a stake in Grupo SURA of 33.67% of voting shares and 9.83% of Grupo Nutresa S.A.

## **NOTE 2. BASIS OF PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS**

### **2.1. Compliance Statement**

The Separate Financial Statements have been prepared in accordance with Accounting Standards and Financial Reporting accepted in Colombia (NCIF), established by Law 1314 of 2009, regulated by the Unified Regulatory Decree 2420 of 2015, amended by Decree 2496 of 2015 and 2131 of 2016. NCIF are based on the International Financial Reporting Standards (IFRS), along with the interpretations issued by the International Accounting Standards Board – IASB (its acronym in English).

The following guidelines that the company applies are included in the above-mentioned decrees 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, added by Decree 2496 of 2015, allowing, at December 31, 2016, the determination of post-employment benefits for future retirement pensions or disability, under the requirements of IAS 19, nevertheless requires the disclosure of the calculation of pension liabilities in accordance with the parameters established in Decree 1625 of 2016, Articles 1.2.1.18.46 and following and, in the case of partial pension commutations, in accordance with the provisions of Number 5 of Article 2.2.8.8.31 of Decree 1833 of 2016, informing the variables used and the differences with the calculation made in the terms of the technical framework under NCIF.

## 2.2. Financial Statements for Interim periods

The Separate Condensed Interim Financial Statements, for the three-month period ended March 31, 2017, have been prepared in accordance with IAS 34 Interim Financial Reporting, and therefore, do not include all the information and disclosures required for Annual Financial Statements. Consequently, these Interim Financial Statements should be read in conjunction with the Annual Separate Financial Statements of Grupo SURA at December 31, 2016.

## 2.3. Measurement basis

The presentation of the Financial Statements, in accordance with IFRS, requires that estimates and assumptions be made, which impact the reported amounts and disclosures of the Financial Statements, but do not impair the reliability of the financial information. The actual results may differ from those estimates. Estimates and assumptions are constantly reviewed. The review of the accounting estimates is recognized in the period, in which, the estimates are revised, in the case where the revision impacts that period, or in the period of the revision and future periods, if it the revisions impact both the current period, as well as, future periods.

The financial assets and liabilities measured at fair value, correspond to those classified in the category of assets and liabilities at fair value, through profit or loss, and those equity investments that are measured at fair value through equity, all financial derivatives, and assets and liabilities that are recognized and that are designated as hedged items in a fair value hedge, as well as, those whose book value is adjusted with changes in fair value, attributable to the hedged risk.

## 2.4. Presentation of Financial Statements

Grupo SURA presents the statement of financial position by liquidity order.

In the Statement of Comprehensive Income, income, and expenses are not offset, unless such compensation is permitted or required by any accounting standard or interpretation, and is described in Grupo SURA's policies.

## NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied in the preparation of the opening of the Separate Statement of Financial Position and Separate Financial Statements prepared in accordance with Accounting Standards and Financial Reporting accepted in Colombia (NCIF), unless otherwise indicated.

The following significant accounting policies that the Grupo Sura applied in the preparation of its Separate Financial Statements:

### 3.1. Cash and cash equivalents

Cash and cash equivalents, in the Statement of Financial Position, and in the Cash Flows Statement, include cash and banks, highly liquid investments, and money market operations, readily convertible into a determined amount of cash and subject to an insignificant risk of changes in value, with a maturity of three months or less, from the date of its acquisition.

### 3.2. Financial instruments

#### *Financial assets*

Grupo SURA recognized initially at their fair value financial assets for subsequent measurement at amortized cost or at fair value depending on the business model of Grupo SURA to manage financial assets and the characteristics of contractual cash flows of the instrument.

In the initial recognition of an investment, Grupo SURA a financial asset measured at fair value. In the case of recorded assets at fair value, decreased transaction costs, since they are charged to an account spending. While for recorded assets at amortized cost transaction costs add up, since they become an integral part of the cost of the financial instrument and as such may be amortized over a lifetime title through *the method of the Effective Interest Rate*.

#### *Accounts receivable*

Grupo SURA defined that the business model for accounts receivable is to receive the contractual cash flows, that are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate.

#### *Financial assets different to those measured at amortized cost*

Financial assets different from those measured at amortized cost are measured at fair value, which includes investments in equity instruments that are not held for trading purposes.

Dividends received in cash from these investments are recognized as income in the Income Statement for the period.

Impairment tests are not performed on the financial assets that are measured at fair value.

#### *Impairment of financial assets at amortized cost*

For assets amortized cost, impairment is assessed using the model of credit losses incurred at the reporting date of the period. Grupo SURA recognized in profit or the value of the variation in credit losses incurred as income or loss for impairment. Credit losses incurred for financial assets, at amortized cost, are measured at an amount equal to the loans incurred for the following 12 months, unless the risk of the financial instrument has increased significantly, since its initial recognition.

A financial asset or a group of them is impaired and will have a loss due to impairment if, and only if, there is objective evidence of impairment, as a result of one or more events that occurred after the initial recognition of the asset (an "event causing the loss") and this event or events causing the loss, have an impact on the estimated cash flows of the financial asset or group of them that can be reliably estimated future cash.

Impairment of financial assets, measured at amortized cost, is recorded in a separate account, and is not allocated directly to the instrument.

#### *Financial liabilities*

Grupo SURA on initial recognition, measures its financial liabilities at fair value less the transaction costs that are directly attributable to the acquisition or issue of the financial liability and classifies at initial recognition, financial liabilities for subsequent measurement at cost amortized cost or fair value depending on the liability.

The liabilities at amortized cost are measured using the effective interest rate.

Gains and losses are recognized in the Statement of Comprehensive Income when the liabilities are derecognized as well as through the amortization process under *the Method of the Effective Interest Rate*, which is included in finance costs in the Statement of Comprehensive Income.

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

#### *Derecognition*

A financial asset or part of it, is derecognized from the Statement of Financial Position when it is sold, transferred, or expire Grupo SURA loses control over the contractual rights or cash flows of the instrument. A financial liability or part of it is derecognized from the Statement of Financial Position when the contractual obligation has been derecognized or has expired.

#### *Offsetting financial instrument*

The financial assets and financial liabilities are offset so that the net amount is reported in the Statement of Financial Position only if (i) there is, at that time, a legally enforceable right to offset the recognized values, and (ii) there is an intention to settle them at net value, or realize assets and cancel liabilities, simultaneously.

#### *Derivative financial instruments*

Changes in the fair value of derivative contracts held for trading are included in the profit (loss) from financial operations in the Statement of Comprehensive Income. Certain derivatives embedded in other financial instruments (embedded derivatives) are treated as separate derivatives when their risk and characteristics are not closely related to the principal contract and are not recorded at fair value with unrealized gains and losses included in income.

Upon signing of a derivative contract, it must be designated by Grupo SURA, as a derivative instrument for trading or hedging purposes.

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

#### *Compound financial instruments*

According to IAS 32, an issuer of a financial instrument derivative should evaluate the conditions to determine if this could be considered as a financial instrument compounds, i.e., if it contains a component of liability and equity, wherein:

- The financial liability: is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable.
- An equity instrument: is any contract that evidences assets of residual interest in an entity, after deducting all of its liabilities (net assets).

Grupo SURA, has preference shares, which cannot be considered in full as an equity instrument because the contractual clauses incorporated an obligation to deliver cash or another financial asset. Similarly, it cannot be considered in its entirety as a passive instrument, because it has the obligation to give the holder the total money received on the issue of shares, for which they must be considered as a compound financial instrument.

*Initial measurement of a compound financial instrument*

Compound financial instruments must be separated from the liability and equity component. Therefore, for the initial measurement of a compound financial instrument, the equity component is determined as the residual amount after deducting the fair value of the instrument, as a whole, and the amount to be determined separately for the liability component. The sum of the carrying amounts assigned at the time of initial recognition, the liability components and equity, will always be equal to the fair value to be ascribed to the instrument, as a whole. No losses or may arise from initial recognition of gains, separately from the instrument components.

*Incremental costs related to the issuance of preference shares*

Under IAS 32, a company incurs various costs in issuing own equity instruments, which are accounted for as a deduction, i.e. a lower value thereof (net of any related tax benefit), to the extent that they are cost incremental directly attributable to the equity transaction that would have been avoided if the company had not carried out such issuance.

Transaction costs related to the issuance of a compound financial instrument are allocated between the components of assets and liabilities, in the latter considering that IFRS 9 on initial recognition provides that a company shall measure a financial asset or financial liability at fair value, more or less of the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. These costs should be included in calculating the effective interest rate calculated for valuation.

Transaction costs will be distributed between the liability and equity component, using a basis of allocation that is rational and consistent.

*Subsequent measurement of a financial liability caused by a compound financial instrument*

Grupo de Inversiones Suramericana S.A. must measure posteriorly to initial recognition financial liabilities at amortized cost.

### 3.3. Tax assets and liabilities

It understands the value of taxes mandatory general in favor of the State and by the company, by way of private payments that are determined on the tax bases of the fiscal period, according to the tax rules of national and territorial governing in Colombia.

#### 3.3.1. Current

The current assets and liabilities from income tax during that period are measured by the values expected to be recovered or paid to the tax authority. The expense for income tax is recognized in the current tax according to the purification carried out between taxable income and accounting profit or loss affected by the rate of income tax for the current year and in accordance with the provisions of the tax rules in Colombia. Taxes and tax laws used to compute these values are those that are approved at the end of the reporting period is reported.

### 3.3.2. Deferred

The deferred income tax is recognized using *the Liability Method* calculated on temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and future compensation of tax credits and unused tax losses to the extent that there is probability of availability of future taxable income against which, they can be imputed. Deferred taxes are not discounted.

Deferred taxes assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting gains or tax gains or losses; and in the case of deferred tax liabilities when it arises from the initial recognition of goodwill.

The liabilities for deferred taxes related to subsidiaries investments in, associates and interests in joint ventures are not recognized when the timing of the reversal of temporary differences can be controlled and it is probable that these differences will not reverse in the near future and that the deferred tax assets related to subsidiaries investments in, associates and interests in joint ventures are recognized only to the extent that it is probable that the temporary differences will be reversed in the near future and the likelihood of availability of future tax credits, against which these deductible differences shall be charged.

The book value of deferred tax assets is reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient tax gains to use all or part of the deferred tax asset. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is probable that future taxable income allow their recovery.

The deferred tax assets and liabilities are measured at the tax rates expected to be applicable in the period when the asset is realized or the liability is settled, based on tax rates and rules were approved at the filing date, or whose approval be nearing completion by that date.

The deferred tax assets and liabilities are offset if there is a legally enforceable right to do so and are under the same taxation authority.

Deferred tax is recognized in profit or loss, except those relating to items recognized outside profit or loss, in which case, will be presented in other comprehensive income, or directly in equity.

The current taxable assets and liabilities, will be offset if they relate to the same taxation authority and intends to settle for the net value or realize the asset and settle the liability simultaneously.

### 3.3.3. Wealth tax

The Law provides for this temporary tax, for taxable years 2015, 2016, and 2017 (for natural persons until 2018). The tax will be incurred on an annual basis in the income statement.

The tax must be paid by:

- Legal persons, de facto companies, and natural persons and illiquid estates, taxpayers, and supplementary income tax.

- Foreign companies and entities, with respect to their wealth possessed in the country, regardless of whether or not they are taxpayers of income tax and complementaries.

- Portfolios of foreign capital portfolio.

The tax will only take place if on January 1, 2015, the taxable person has a net worth of COP \$1,000 or more.

The taxable base is calculated by taking the gross equity held on January 1, 2015, January 1, 2016, and January 1, 2017 (January 1, 2018 for natural persons) debts are subtracted, so that the taxpayer has these same dates.

It is important to consider the following aspects to determine the taxable base:

For all taxable persons:

The equity value of shares or shares of interest in national companies owned directly or through commercial trust or collective investment funds, voluntary pension funds, voluntary pension insurance or individual life insurance is excluded (among others).

The Law establishes a lower and higher limit for the taxable base of the tax as follows:

Upper limit (cap)	Lower limit inferior (bottom)
If the net assets subject to taxation in 2016 and 2017 (2018 for natural persons) is higher than in 2015: The taxable base for any of said years will be the lower of: (i) the base of the year increased by 25% of inflation for the year immediately preceding that declared and (ii) the taxable base determined in the year in which it is declared.	If the net assets subject to taxation for the years 2016, 2017 (2018 for natural persons), is lower than that of 2015: The taxable base for any such year shall be the greater of: (i) the taxable base of 2015 decreased by 25% of inflation for the year immediately preceding that declared and (ii) the taxable base determined in the year in which it is declared.

Tax rates for resident and non-resident legal entities are:

Lower Limit	Upper Limit	Rate 2015	Rate 2016	Rate 2017
>0	<2.000	(Tax Base)* 0.20%	(Tax Base)* 0.15%	(Tax Base)*0.05%
>=2.000	<3.000	(Tax Base - 2.000) *0.35% + 4	(Tax Base - 2.000) *0.25% + 3	(Tax Base - 2.000) *0.10% + 1
>=3.000	<5.000	(Tax Base - 3.000) *0.75% + 7.5	(Tax Base - 3.000) *0.50% + 5.5	(Tax Base - 3.000) *0.20% + 2
>=5.000	forward	(Tax Base - 5.000) *1.15% + 22.5	(Tax Base - 5.000) *1.00% + 15.5	(Tax Base - 5.000) *0.40% + 6

The wealth tax is not deductible from income tax and complementary or CREE, and its value cannot be offset by balances in favor of other taxes.

### Structural Tax Reform

The following are the most important changes to the Colombian tax system, for the years 2017 and following, introduced by Law 1819 of December 29, 2016:

The CREE tax and the CREE tax surcharge for 2017 and 2018 were eliminated and in turn increased the general income tax rate to 34% for 2017 and 33% for subsequent years, by creating an over-tax to income tax and Complementary to 6% and 4% for the taxable years 2017 and 2018, respectively, applicable to taxable bases of \$800 million in future.

The net income of the taxpayer cannot be less than 3% of its net worth, on the last day of the immediately preceding taxable year. As of 2017, the percent will be 3.5%.

Application of an income tax for resident natural persons on dividends that are decreed in their favor as not taxed that are greater than 600 UVT of up to 10% This tax will be 35% for taxed.

Application of an income tax for natural persons and non-resident entities on dividends that are decreed in their favor as not taxed at 5%. This tax will be 35% for taxes.

As of the taxable year 2017, income tax for CREE equity is eliminated and the income tax rate is increased to 34% for 2017 and 33% as of the taxable year 2018.

An additional income and supplemental tax for the year 2017 of 6% and 4% for the year 2018, is created for net income of more than \$800 million.

As of the taxable year 2017, international accounting standards will have fiscal effects for the determination of income tax and complementary in aspects that do not regulate Colombian tax regulations.

The Foreign Resident Non - Resident Entity Regime in Colombia (ECE) is created which implements a series of anti-deferral rules with the purpose of taxing with the income tax the passive income obtained by said entities, in the same year in which accrue in proportion to their participation.

The general value added tax rate is increased by 3 percentage points to 19% and the taxable event is modified to include, among others, the sale of intangibles associated with intellectual property.

It is determined that the liabilities to financial movements is permanent.

The Sanctioning Regime is modified and the term of firmness of the tax declarations is increased to three years counted from the expiration to declare or request of the balance in favor; Six years if the return is filed by a taxpayer subject to transfer pricing; And twelve years if tax loss is settled on the declaration, deferred for three more years if compensation is made in the last two years.

Reconciliation of sanctions and interests, that is, an "amnesty" is proposed for debtors of customs, tax, and foreign exchange obligations.

### 3.4. Fair value

To measure fair value, Grupo SURA must determine all of the following:

- a. Assets or specific liability, object of measurement (consistently with your unit of account)
- b. For a non-financial asset, the valuation premise is adequate for the measurement
- c. The main (or most advantageous) market for the asset or liability

d. The appropriate valuation technique(s) for the measurement, considering the availability of data with which to develop the variables that represent the assumptions that market participants will use when setting the price of the asset and liability, and the level of the hierarchy of the fair value, at which the variables are classified.

#### **\* Measurement of assets or liabilities**

When measuring the fair value of an asset or liability, Grupo SURA should take into account the following:

The characteristics of the asset or liability in the same way that market participants would consider them to fix the price of such asset or liability, for example, the following:

- The condition and location of the asset
- Restrictions, if any, on the sale or use of the asset

The way in which these characteristics would be taken into account, by market participants.

#### **Measurement of non-financial liabilities**

A measurement at fair value assumes that a non-financial liability is transferred to a market participant at the measurement date, that this liability will remain in circulation and that the participant who received the liability would require to satisfy the obligation.

When there is no observable market to provide pricing information, information may be received for these items if they are held by other parties as assets and the fair value of the liability will be measured from the perspective of a market participant.

#### **\* Fair value at initial recognition**

When Grupo SURA acquires an asset, or assumes a liability, the price paid (or the transaction price) is an entry price. Because companies do not necessarily sell assets at the prices paid to purchase them, and similarly, companies do not necessarily transfer liabilities to the prices received for assuming them, conceptually the entry and exit prices are different. The objective of fair value measurement is to estimate the exit price.

#### **\* Valuation Techniques**

Grupo SURA uses the following valuation techniques:

- *Market approach*: This technique is mainly used in the valuation of investment properties and fixed assets whose subsequent measurement has been defined by Grupo SURA as a re-evaluated model. It is also used in financial assets that have been defined according to the business model at fair value and that present an active market.
- *Income approach*: this valuation technique is used for financial assets and liabilities determined at fair value and that do not present an active market.
- *Cost approach*: A valuation technique that reflects the amount that would be required at present to replace the service capacity of an asset (often referred to as current replacement cost).

### 3.5. Investments

#### 3.5.1. Subsidiaries

A subsidiary is directly or indirectly by any of the companies that make up the portfolio of Grupo SURA controlled entity. Control exists when any of the companies have the power to direct the relevant activities of the subsidiary, which are generally operating activities and financing, in order to, obtain benefits from its activities and is exposed, or has rights, to variable returns thereof.

The amendment to IAS 27 Method of Participation, in Separate Financial Statements, allows entities to use *the Equity Method* to account for subsidiaries of joint ventures and associates, in Their Separate Financial Statements. Entities that have already applied IFRSs, and choose the change to *the Equity Method*, will have to apply this change retroactively.

#### 3.5.2. Associates

An associate is an entity over which Grupo SURA has significant influence over the decisions of financial and operating policy without achieving control or joint control.

Grupo SURA has significant influence when it has the power to intervene in financial or operational decisions of another company without achieving control or joint control. It must be presumed that Grupo SURA has significant influence when:

- Possess directly or indirectly, 20% or more of the voting power in the company, unless it can be demonstrated that such influence does not exist through the management bodies; or
- Although, directly or indirectly, less than 20% of the voting power in the company, can clearly demonstrate that there is significant influence over the management bodies.

Grupo SURA evidence significant influence through one or more of the following:

- Representation in the management body of the Company or associated;
- Participation in determining policies and decisions on dividends and other distributions;
- Material transactions with associated;
- Interchange of managerial personnel; or
- Provision of essential technical information

Investments are initially recognized at the cost of the transaction and are subsequently measured to the equity method.

At the time of acquisition of the investment, Grupo SURA must account for the difference between the cost of the investment and the portion that corresponds to Grupo SURA, in the net fair value of the identifiable assets and liabilities of the associate, as follows:

If the fair value portion of the associated assets and liabilities identified, of the associate, is less than the acquisition value, a higher value that forms part of the cost of the investment arises; or if the fair value portion identified, of assets and liabilities, of the associate is greater than the value of the acquisition, it is considered a purchase on an advantageous basis, and this difference is recognized as income for the period.

Cash dividends received from the associate or joint venture are recognized in the Income Statement.

Grupo SURA periodically analyzes the existence of indicators of impairment and, if necessary, impairment losses recognized on investment in associate or joint venture. Impairment losses are recognized in income for the period and are calculated as the difference between the recoverable amount of the associate or joint venture, being the higher of value in use and its fair value less costs to sell, and their book value.

When the significant influence over the associate, Grupo SURA measures and recognizes any residual investment keep it at fair value. The difference between the book value of the associate (taking into account the relevant items of other comprehensive income) and the fair value of the retained residual investment, with the value from its sale is recognized in profit or loss.

### **3.6. Impairment of assets**

Grupo SURA is lost must ensure that its operating assets, i.e. property and equipment and intangible assets and investments in which they are accounted for a value that is not higher than their recoverable value, i.e. their book value does not exceed the value that can be recovered through their continuous use or sale. If this is the case, Grupo SURA must recognize a loss for impairment of the asset.

Grupo Sura must assess, at each date of the financial statements or with the same periodicity of the interim financial information, the existence of signs of impairment. If such an indication exists, Grupo SURA must estimate the recoverable value.

### **3.7. Provisions and contingencies**

Provisions are recorded when Grupo SURA has a present legal or implicit obligation, as a result of a past event, it is probable that Grupo SURA will have to divest itself of resources that incorporate economic benefits to cancel the obligation, and a reliable estimate of the value can be made of the obligation. If these conditions are not met, a provision should not be recognized.

Grupo SURA recognizes the provisions in the statement of financial position; by the best estimate of the required disbursement, that is, the value for which Grupo SURA must settle the obligation in the reporting period; Considering the risks and uncertainties surrounding this estimate.

Grupo Sura, considers that the recognition of a provision is considered when it has a probability greater than 50% of loss.

Grupo SURA recognizes, measures and discloses provisions arising, in connection with onerous contracts, restructurings, contractual processes, and litigation, provided there is a high probability that the Company has incurred an obligation and must cancel it.

Grupo SURA defines a contingent liability as an obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events, or as a present obligation arising from past events, but is not recognized; And catalogs as a contingent asset to that asset that arises from past events, the existence of which will be confirmed by the occurrence or non-occurrence of uncertain future events.

For contingent assets and liabilities as they arise from unexpected events and there is no certainty that their future economic benefits will not be recognized in the Statement of Financial Position until their occurrence.

### 3.8. Currency

#### 3.8.1. Functional and presentation

Separate Financial Statements are presented in millions of Colombian Pesos and have been rounded to the nearest unit, which is also the functional and presentation currency of Grupo SURA S.A.

#### 3.8.2. Foreign currency

Transactions in foreign currencies are initially recorded at the exchange rate of the functional currency prevailing at the date of the transaction. Subsequently, monetary assets and liabilities in foreign currencies are translated at the exchange rate of the functional currency prevailing at the closing date of the period; non-monetary items that are measured at fair value are translated using the exchange rates at the date when the fair value and non-monetary items that are measured at historical cost are translated using the exchange rates prevailing determined to date of the original transaction.

### 3.9. Ordinary income

#### Dividend income

Grupo SURA recognizes dividend income when has the right to receive payment, which is usually when dividends are declared, except when the dividend represents a recovery of investment cost. No dividend income is recognized when payment is made to all Shareholders in the same proportion as shares of the issuer.

#### Measurement of income

Grupo SURA measures revenue at the fair value of the consideration received or receivable. The amount of revenue arising from a transaction is usually determined by agreement between the Company and the buyer or user of the asset. For the Company, in almost all cases, the consideration is given in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable.

### 3.10. Earnings per share

The basic earnings per share are calculated by dividing profit or loss attributable, to holders of ordinary shares, by the weighted average number of shares outstanding, during the period.

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

The preparation of the Separate Financial Statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The determination of these estimates and assumptions is subject to internal control procedures and approvals, which are considered for internal and external studies, industry statistics, environmental factors and trends, and regulatory and regulatory requirements.

### *Accounting estimates and assumptions*

The key assumptions that estimate the future behavior of the variables to the reporting date that have a significant risk of causing a material adjustment to the value of the assets and liabilities during the next Financial Statement product of the uncertainty surrounding such behavior are described, herewith.

#### a) Revaluation of property for own use

Grupo SURA records property (land and buildings) at fair value and changes therein are recognized in other comprehensive income in equity.

The revaluation increase is recognized in other comprehensive income and accumulated in equity as revaluation surplus. The revaluation is calculated every four years.

When the book value of an asset, as a result of a revaluation is reduced, the decrease shall be recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity called revaluation surplus value.

The fair value of land and buildings are based on periodic assessments by qualified external appraisers, as well as, internally.

#### b) Fair value of financial instruments

When the fair value of the financial assets and financial liabilities recorded in the Statement of Financial Position is not obtained from active markets it is determined using valuation techniques that include discount model cash flows. The information in these models is taken from observable markets where possible, but when it is not, some judgment is required to establish fair values. The trials include data such as liquidity risk, credit risk, and volatility.

#### c) Taxes

There is some uncertainty regarding the interpretation of complex tax regulations, changes to tax legislation and measurement and timing of future taxable income. Given the wide range of international trade relations and the complexity and long-term profile of contractual agreements, differences between actual results and the estimates and assumptions made, as well as future changes to the latter arise. This may require future adjustments to taxable income and expenses, already recorded. The Company establishes provisions, based on reasonable estimates, for possible findings of audits performed by tax authorities in all countries where it operates. The scope of these provisions is based on several factors, including historical experience from previous tax audits conducted by the tax authorities on the taxable entity.

The deferred tax asset is recognized for unused tax losses, to the extent that it is probable that there are taxable profits to offset such losses. An important judgment by management to determine the value to recognize the deferred tax asset, based on the likely timing and level of future taxable profits, together with future strategies of the Company on tax planning is required.

#### d) The useful life and residual values of property, equipment, and intangibles

Grupo SURA shall review the useful lives of all property and equipment and intangible assets at least at the end of each accounting period. The effects of changes in the estimated life are recognized prospectively over the remaining life of the asset.

e) The probability of occurrence and the value of the liabilities of uncertain value or contingent  
Grupo SURA shall recognize a provision when the following conditions are met:

- a) It has a present obligation (legal or implicit), as a result of a past event.
- b) Grupo SURA is likely to be an outflow of resources embodying economic benefits to settle that obligation.
- c) a reliable estimate of the obligation can be made

f) Employee Benefit

The measurement of post-employment benefits obligations and defined benefit includes determining actuarial assumptions keys that allows for the calculation of the value of liabilities.

#### Judgements

The preparation of the Financial Statements of Grupo SURA should require management to make judgments, that may affect the values of income, expenses, assets, and liabilities reported, as well as, disclosure of contingent liabilities, at the close of the reporting period.

#### NOTE 5. CASH

Cash and cash equivalents correspond to:

	March 2017	December 2016
<b>National currency</b>	<b>10,097</b>	<b>269,900</b>
Cash	1	1
Checking bank accounts	604	335
Savings bank accounts	3,574	241,452
Fiduciary rights	5,918	28,112
<b>Foreign currency</b>	<b>1,106,156</b>	<b>45,355</b>
Cash	5	6
Checking bank accounts	1,106,151	45,349
<b>Short-term investments</b>	<b>-</b>	<b>136,188</b>
CDT	-	96,047
Repurchase investment rights	-	40,141
<b>Total cash and cash equivalents</b>	<b>1,116,253</b>	<b>451,443</b>

Bank balances accrue interest at variable rates based on daily bank deposit rates. Short-term placements are realized for periods varying from one day to three months, depending on the immediate cash needs of

Grupo SURA and accrue interest at the applicable short-term placements rates. There are no restrictions on cash and cash equivalents.

## **NOTE 6. FINANCIAL INSTRUMENTS**

The methodologies and assumptions used to determine the value of financial instruments that are not recorded at fair value in the Financial Statements (i.e. at amortized cost) and loans and accounts receivable are described below:

### **ASSETS WHOSE FAIR VALUES APPROXIMATED TO THE BOOK VALUE**

Financial assets for having a short-term maturity (less than three months), demand deposits and savings accounts without specific maturity, the book value is approximated at fair value. In the case of other equity instruments, an adjustment is also made to reflect the change in the differential required credit, since the instrument was initially recognized.

As for the instruments for short-term receivables, which are measured at amortized cost, the book value is equivalent, to a reasonable approximation of the fair value.

### **FINANCIAL INSTRUMENTS AT AN AGREED RATE**

The value of fixed income assets, valued at amortized cost, is calculated by comparing market interest rates when it was first recognized with current market rates for similar financial instruments. The estimated fair value of time deposits is based on discounted cash flows using current interest rates, in the money market, debt, with a similar credit risk and maturity.

### **FAIR VALUE HIERARCHY**

Financial assets and liabilities of Grupo SURA. are carried at fair value and are classified based on the fair value hierarchy detailed below:

#### **LEVEL 1 - QUOTED PRICES IN MARKETS ASSETS**

The input data are Level 1 quoted prices, unadjusted, in assets markets, for identical assets and liabilities. An active market is one where transactions often an asset or liability occur with sufficient volume to generate informative prices.

#### **LEVEL 2 - MODELING WITH DATA OBSERVABLE MARKET ENTRY**

Inputs Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. In the input data include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities but in markets that are not active; and
- The input data other than quoted prices, for example, interest rates, exchange rates.

#### **LEVEL 3 - MODELING WITH UNOBSERVABLE INPUT DATA**

The input data Level 3 are not observable for the assets and liabilities. It can be used to determine fair value when observable inputs are not available. These ratings reflect assumptions that the business unit would take into account, that market participants will be using, for example, yields on shares not listed on the stock market.

### **FINANCIAL LIABILITIES WHOSE FAIR VALUE APPROXIMATES THE BOOK VALUE**

In the case of those obligations maturing in the short-term, their book value is approximated at its fair value.

For loans with variable interest rates, the book value corresponds to an approximation of its fair value. As for loans with fixed interest rates, the market interest rate for similar loans does not differ significantly; therefore, the book amount corresponds to a reasonable approximation of fair value.

The follow is a breakdown of financial assets and liabilities that Grupo SURA possesses at March 31, 2017 and December 2016.

## 6.1. Financial assets

The balance of financial assets of Grupo SURA, is as follows:

March 2017

Current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Income	Equity		
Cash and cash equivalents	5	-	-	-	1,116,253	1,116,253
accounts receivable		745	-	-	-	745
Accounts receivable from related parties	6.1.1	831,406	-	-	-	831,406
Other financial assets	6.1.2	-	10,665	-	-	10,665
<b>Total current financial assets</b>		<b>832,151</b>	<b>10,665</b>	<b>-</b>	<b>1,116,253</b>	<b>1,959,069</b>

  

Non-current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Income	Equity		
Investments	6.1.3	-	-	20,328	-	20,328
Other financial assets	6.1.2	-	62,226	-	-	62,226
<b>Total non-current financial assets</b>		<b>-</b>	<b>62,226</b>	<b>20,328</b>	<b>-</b>	<b>82,554</b>

  

<b>Total financial assets</b>		<b>832,151</b>	<b>72,891</b>	<b>20,328</b>	<b>1,116,253</b>	<b>2,041,623</b>
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December 2016

Current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Income	Equity		
Cash and cash equivalents	5	-	-	-	451,443	451,443
accounts receivable		767	-	-	-	767
Accounts receivable from related parties	6.1.1	99,899	-	-	-	99,899
Other financial assets	6.1.2	-	38,363	-	-	38,363
<b>Total current financial assets</b>		<b>100,666</b>	<b>38,363</b>	<b>-</b>	<b>451,443</b>	<b>590,472</b>

Non-current		Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
	Note			Income	Equity	
Investments	6.1.3	-	-	23,091	-	23,091
Other financial assets	6.1.2	-	85,163	-	-	85,163
<b>Total non-current financial assets</b>		<b>-</b>	<b>85,163</b>	<b>23,091</b>	<b>-</b>	<b>108,254</b>
<b>Total financial assets</b>		<b>100,667</b>	<b>123,526</b>	<b>23,091</b>	<b>451,443</b>	<b>698,726</b>

### 6.1.1. Accounts receivable related parties

Accounts receivable corresponds to unpaid dividends to associated companies and current accounts between subsidiary companies, which are detailed below:

	March 2017	December 2016
Bancolombia S.A.	222,856	52,063
Inversiones Argos S.A.	71,156	16,469
Grupo Nutresa S.A.	86,405	20,145
<b>Total dividends receivable, associates</b>	<b>380,417</b>	<b>88,677</b>
Sura Asset Management	299,722	-
Suramericana S.A.	137,503	90
Grupo de Inversiones Suramericana Panama <sup>1</sup>	13,706	11,073
Grupo Sura Finance <sup>1</sup>	58	59
<b>Account receivable, subsidiaries</b>	<b>450,989</b>	<b>11,222</b>
<b>Total accounts receivable from related parties and current associates</b>	<b>831,406</b>	<b>99,899</b>

<sup>1</sup> These amounts correspond to an account receivable from Grupo Sura Finance and Grupo de Inversiones Suramericana Panamá, for the acquisition of shares.

### 6.1.2. Other Financial assets

A breakdown of other financial assets is listed below:

Asset	March 2017	December 2016
Swaps (1)	2,858	13,512
Options from exchange rates	70,033	99,850
Futures from exchange rates	-	10,164
<b>Total assets from derivatives operations</b>	<b>72,891</b>	<b>123,526</b>

(1) Interest rate swaps are available in the amount of \$2,858 in 2017, and \$1,015 in 2016, and exchange rate swaps in the amount of \$12,497 in 2016.

### 6.1.3. Investments

A breakdown of financial assets at fair value, with changes in equity, is as follows:

	March – 2017			December - 2017		
	# Shares	% Part.	Fair value	# Shares	% Part.	Fair value
Fogansa S.A.	176,000	0.29	-	176,000	0.29	-
Enka S.A.	1,973,612,701	16.76	20,328	1,973,612,701	16.76	23,091
<b>Totals</b>			<b>20,328</b>			<b>23,091</b>

### 6.2. Financial liabilities

The following is related to the financial liabilities included in accounts payable of Grupo SURA.:

	Note	March 2017	December 2016
Accounts payable for related parties	6.2.2	1,901,410	1,727,010
Other financial liabilities	6.2.1	1,375,801	1,262,999
Derivatives	6.2.1	101,629	48,690
Securities issued	10	1,764,673	986,781
Trade and other accounts payable	6.2.3	34,880	36,643
		<b>5,178,393</b>	<b>4,062,123</b>

The breakdown of current and non-current financial liabilities, as well as by type of financial liability, is as follows:

#### March 2017

Current	Financial liabilities at amortized cost	Financial liabilities at fair value	Leases	Total
Leases	-	-	2,752	2,752
Derivatives	-	16,597	-	16,597
Accounts payable	34,880	-	-	34,880
Accounts payable, related parties	1,901,410	-	-	1,901,410
Other financial liabilities	1,360,644	-	-	1,360,644
<b>Total current liabilities</b>	<b>3,296,934</b>	<b>16,597</b>	<b>2,752</b>	<b>3,316,283</b>

  

Non-current	Financial liabilities at amortized cost	Financial liabilities at fair value	Leases	Total
Leases	-	-	12,405	12,405
Derivatives	-	85,031	-	85,031
Securities issued	1,764,673	-	-	1,764,673
<b>Total non-current liabilities</b>	<b>1,764,673</b>	<b>85,031</b>	<b>12,405</b>	<b>1,862,110</b>

  

<b>Total financial liabilities</b>	<b>5,061,607</b>	<b>101,629</b>	<b>15,157</b>	<b>5,178,393</b>
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December 2016

Current	Financial liabilities at amortized cost	Financial liabilities at fair value	Leases	Total
Leases	-	-	3,990	3,990
Derivatives	-	21,163	-	21,163
Accounts payable	36,643	-	-	36,643
Accounts payable, related parties	1,727,010	-	-	1,727,010
Other financial liabilities	1,247,713	-	-	1,247,713
<b>Total current liabilities</b>	<b>3,011,366</b>	<b>21,163</b>	<b>3,990</b>	<b>3,036,520</b>

  

Non-current	Financial liabilities at amortized cost	Financial liabilities at fair value	Leases	Total
Leases	-	-	11,295	11,295
Derivatives	-	27,527	-	27,527
Securities issued	986,781	-	-	986,781
<b>Total non-current liabilities</b>	<b>986,781</b>	<b>27,527</b>	<b>11,295</b>	<b>1,025,603</b>
<b>Total financial liabilities</b>	<b>3,998,147</b>	<b>48,690</b>	<b>15,285</b>	<b>4,062,123</b>

### 6.2.1. Other financial liabilities

Short-term financial obligations are comprised of options and swaps, which are detailed below, for the period ended March 31, 2017 and December 31, 2016:

Entity	Currency	Rate	Term (days)	2017	2016
BBVA España	USD	Libor + 1.25% / 1.5%	1,006	289,028	300,280
Bancolombia Panamá	USD	Libor + 1.47%	641	236,973	246,433
Citigroup Global Market	USD	Libor + 0.45%	386	212,503	220,977
Banco Davivienda S.A.	USD	Libor + 1.50%	641	130,102	136,237
Banco de Bogotá	COP	CPI+2.93%	730	288,488	289,664
Citigroup Global Market	USD	Libor + 0.45%	385	52,047	54,122
<b>Subtotal financial obligations</b>				<b>1,209,141</b>	<b>1,247,713</b>
Repo operations				151,503	-
Financial Leasing	COP	7.89%	5,478	15,157	15,286
Derivatives				101,629	48,690
<b>Total other financial liabilities</b>				<b>1,477,430</b>	<b>1,311,689</b>

### 6.2.2. Accounts payable to related entities

Corresponds to the payment of short-term dividends for shares decreed at the shareholders' meeting held on March 31, 2017 and accounts payable to subsidiaries:

	March 2017	December 2016
Ordinary share dividends paid to shareholders	230,249	54,773
Preference shares dividends paid to shareholders	51,892	12,122
<b>Sub-total</b>	<b>282,142</b>	<b>66,895</b>

Accounts payable to current subsidiaries (See Note 19)	1,619,268	1,660,115
<b>Total accounts payable to related parties</b>	<b>1,901,410</b>	<b>1,727,010</b>

### 6.2.3. Trade accounts payable and other accounts payable

The breakdown of commercial current accounts payable is as follows:

	March 2017	December 2016
Suppliers	1,250	643
Accounts payable from sales of investments	27,120	33,634
Others	6,510	2,366
<b>Total Accounts payable, trade</b>	<b>34,880</b>	<b>36,643</b>

## NOTE 7. TAXES

The following are the taxes recognized in the Statement of Financial Position:

	Note	March 2017	December 2016
Current tax asset	7.1	63,901	61,291
Deferred tax asset	7.1	51,109	47,412
Current tax liability	7.1	142,028	123,394
Deferred tax liability	7.1	89,952	113,693

### 7.1. Current tax

#### a. Current tax recognized in the Statement of Financial Position

		March 2017	December 2016
Assets	Withholding tax	38,605	37,396
	Advance income tax	2,416	2,416
	Advance of industry and trade	6,661	5,261
	Sales tax withheld	52	52
	Tax surplus	16,132	16,132
	Discountable taxes	35	35
	<b>Total, current tax assets, others</b>	<b>63,901</b>	<b>61,291</b>
Liabilities	Income tax	128,185	112,022
	Industry and trade	12,477	11,297
	Sales tax withheld	30	72
	Industry and trade withheld	1	3
	Wealth tax	1,334	-
	<b>Total, current tax liabilities withheld</b>	<b>142,028</b>	<b>123,394</b>

#### b. Tax recognized in profit and loss for the period.

	March 2017	March 2017
<b>Current tax expenses</b>	<b>17,021</b>	<b>23,863</b>

<b>Current deferred tax expenses</b>		
Reversal of temporary differences	(29,263)	(16,380)
Impact of exchange rates	1,825	-
<b>Income (expenses) tax</b>	<b>(10,417)</b>	<b>7,483</b>

Grupo SURA considers that the tax accrued liabilities are adequate for all open tax years, based on evaluation of many factors, including interpretations of tax law and prior experience.

c. Reconciliation of the effective tax rate

	March 2017		March 2017	
	Rate	Balance	Rate	Balance
<b>Profit before tax</b>		<b>490,939</b>		<b>609,644</b>
Tax on income by applying the local tax rate	40.0%	196,376	40%	243,858
<b>Tax effect of:</b>		-		-
Non-deductible expenses	3.3%	16,011	0%	1,559
Untaxed income	-16.6%	(81,483)	-12%	(72,821)
Untaxed dividends	-31.0%	(152,167)	-24%	(147,601)
Others	2.2%	10,847	-3%	(17,512)
<b>Income tax</b>	<b>-2.1%</b>	<b>(10,417)</b>	<b>1.2%</b>	<b>7,483</b>

d. Current tax movement

The following is the movement that generated balances of income and complementaries, as of March 31, 2017 and December 31, 2016:

<b>Balance of income tax at December 31, 2015</b>	<b>38,580</b>
Income tax and CREE for 2015	(4,402)
Provision	77,844
<b>Balance of income tax at December 31, 2016</b>	<b>112,022</b>
Income tax and CREE for 2016	(858)
Provision	17,021
<b>Balance of income tax at March 31, 2017</b>	<b>128,185</b>

The following is the movement of industry and commerce as of March 31, 2017 and December 31, 2016:

<b>Balance of income tax at December 31, 2015</b>	<b>7,940</b>
Expenses for the year	8,618
Declared value for 2016	(5,261)
<b>Balance of income tax at December 31, 2016</b>	<b>11,297</b>
Expenses for the year	1,180
<b>Balance of income tax at March 31, 2017</b>	<b>12,477</b>

The current provisions applicable to the Company stipulate that:

Excess of presumptive income over ordinary income incurred may be offset, adjusted for taxation, with the ordinary income obtained within five years of its occurrence.

It will be possible to deduct 100% of the taxes paid, by way of tax of industry and commerce, and the complementary of warnings and boards, as well as the property tax. From the tax to GMF financial movements will only be deductible 50%.

The percentage to determine presumptive income is equal to 3% of the net worth of the previous year.

The wealth tax paid by the company in 2017 was \$1,334 and in 2016 the value of the wealth tax paid was \$3,345.

## 7.2. Deferred taxes

### a. Movement in deferred tax balances

	Balance at December 31, 2016	Recognized income	Recognized In other comprehensive income	Net	Balance at March 31, 2017	
					Deferred tax assets	Deferred tax liabilities
Financial instruments	(16,478)	(28,781)	-	12,303	37,503	(25,200)
Property and equipment	(5,872)	467	-	(6,340)	-	(6,340)
Employee benefits	10,706	(-)	-	10,706	10,706	
Provision ICA	1,343	88	-	1,255	1,255	
Financial obligations	2,434	788	-	1,645	1,645	-
Tax losses/excess	-	-	-	-	-	
Subsidiary dividends	(58,413)	(-)	-	(58,413)	-	(58,413)
<b>Net</b>	<b>(66,281)</b>	<b>(27,438)</b>	<b>-</b>	<b>(38,843)</b>	<b>51,109</b>	<b>(89,952)</b>

	Balance at December 31, 2015	Recognized results	Net	Balance at March 31, 2016	
				Deferred tax assets	Deferred tax liabilities
Financial instruments	(45,291)	(7,473)	(52,764)	17,921	(70,686)
Property and equipment	138	(61)	77	77	-
Employee benefits	10,752	(1,089)	9,663	9,663	-
Provisions ICA	3,176	1,097	4,273	4,273	-
Financial obligations	(4,157)	4,157	-	-	-
Fiscal gains/ losses	27,528	(-)	27,528	27,528	-
Subsidiaries dividends	(75,166)	19,749	(55,417)	-	(55,417)
	<b>(83,020)</b>	<b>16,380</b>	<b>(66,640)</b>	<b>59,463</b>	<b>(126,103)</b>

## NOTE 8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

### 8.1 Investments in associates

General information on investments in associates

Herewith a breakdown of associates of Grupo SURA, to date of the reporting period, is as follows:

Investment	Economic Activity	March 2017			December 2016		
		% Participation	% voting rights	# Shares	% Participation	% voting rights	# Shares
Bancolombia S.A.	Global bank	24.38%	46.01%	234,486,286	24.38%	46.01%	234,486,286
Grupo Argos S.A.	Cement, energy, real-estate, and ports	26.78%	35.56%	229,534,810	26.78%	35.56%	229,534,810
Grupo Nutresa S.A.	Foods and processed	35.17%	35.17%	161,807,155	35.17%	35.17%	161,807,155

### Balance of investments

The following is a breakdown of the investments at March 31, 2017 and December 2016:

Investment	March 2017	December 2016
Bancolombia S.A.	5,592,906	5,592,906
Grupo Argos S.A.	4,515,121	4,515,121
Grupo Nutresa S.A.	4,287,391	4,287,391
<b>Total</b>	<b>14,395,418</b>	<b>14,395,418</b>

### Dividends received

Dividends received from the following issuers (See Note 12):

	March 2017	December 2016
Bancolombia	222,856	214,286
Grupo Argos S.A.	71,156	65,876
Grupo Nutresa S.A.	86,405	80,580
<b>Total</b>	<b>380,417</b>	<b>360,742</b>

### Financial information of associates

Herewith, is an overview of assets, liabilities, equity, and income from operations of each of the associated companies included in the Financial Statements, for the period to March 31, 2017 and December 31, 2016 are as follows:

March 2017	Location	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Bancolombia S.A.	Colombia	196,720,146	-	174,669,777	-	22,050,369	2,855,213	632,053	187,940	819,993
Grupo Argos S.A.	Colombia	7,081,471	39,934,961	9,831,420	14,049,072	23,135,941	3,357,194	144,807	(299,518)	(154,712)
Grupo Nutresa S.A.	Colombia	2,673,763	11,162,330	2,077,402	3,443,996	8,314,695	2,041,823	139,828	45,876	185,704

December 2016	Location	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Bancolombia S.A.	Colombia	196,793,694	-	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	3,200,631	8,384,960	8,676,640	399,691	177,017	576,708

The investments in associates of Grupo SURA, listed on the Colombia Stock Exchange and with high liquidity; the market price of the shares as of March 31, 2017 and December 31, 2016 in the stock market is as is listed below (information in Colombian Pesos):

Associate	March 2017	December 2016
Bancolombia S.A.	6,157,610	5,913,744
Inversiones Argos S.A.	4,645,785	4,425,431
Grupo Nutresa S.A.	3,944,858	4,028,998

Movement of investments in associates:

	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	TOTAL
<b>At December 31, 2015</b>	<b>6,069,661</b>	<b>4,524,545</b>	<b>4,305,353</b>	<b>14,899,559</b>
Additions	234	-	-	234
Derecognition	(476,989)	(9,424)	(17,962)	(504,375)
<b>At December 31, 2016</b>	<b>5,592,906</b>	<b>4,515,121</b>	<b>4,287,391</b>	<b>14,395,418</b>
Additions	-	-	-	-
Derecognition	-	-	-	-
<b>At March 31, 2017</b>	<b>5,592,906</b>	<b>4,515,121</b>	<b>4,287,391</b>	<b>14,395,418</b>

## Restrictions

Grupo SURA has no restrictions on its investments in associates, and impairment analyzes were performed without identifying issues involving adjustments.

## 8.2. Investments in subsidiaries

General information on investments in subsidiaries

The following is a breakdown of the entities over which Grupo SURA possesses direct control at March 31, 2017 and December 2016:

Company	Country	Economic Activity	Percentage of property		
			March 2017	December 2016	Date Established
Sura Asset Management S.A.	Colombia	Investor	78.71%	71.40%	15/09/2011
ARUS Holding S.A.S.	Colombia	Investments	100%	100%	11/07/2012
ARUS S.A.	Colombia	Technology	100%	100%	16/08/1988

Enlace Operativo S.A.	Colombia	Services	100%	100%	31/05/2006
Inversiones y Construcciones Estratégicas	Colombia	Investment	100%	100%	30/08/2007
Grupo de Inversiones Suramericana Panamá S.A.	Panama	Investment	100%	100%	29/04/1998
Grupo SURA Finance S.A.	Cayman Islands	Any lawful activities in the Cayman Islands	100%	100%	18/03/2011
Suramericana S.A.	Colombia	Investment	81.13%	81.13%	25/05/1999

#### Balance of investment

The detail of the balance of investments in subsidiaries by *the Equity Method* as of March 31, 2017 and December 2016 is as follows:

Company	March 2017	December 2016
Sura Asset Management S.A.	7,303,049	7,422,995
Integradora de Servicios Tercerizados S.A.S.	57,929	57,412
Compuredes S.A.	3,162	3,169
Enlace Operativo S.A.	732	691
Inversiones y Construcciones Estratégicas S.A.S.	136,054	136,007
Suramericana S.A.	3,199,222	3,270,962
<b>Total</b>	<b>10,700,146</b>	<b>10,891,236</b>

#### Assets, liabilities, equity, and results of the subsidiaries

Assets, liabilities, equity, and income of each of the Company's subsidiaries, included in the Financial Statements for the period of March 31, 2017 and December 31, 2016, are as follows:

March 2017	Asset	Liability	Equity	Income	Other comprehensive income
Sura Asset Management S.A. (*)	27,016,647	18,685,320	8,331,327	171,028	82,943
Arus Holding S.A.S.	60,143	10	60,133	536	-
ARUS S.A.	78,606	52,907	25,699	(128)	-
Enlace Operativo S.A.	18,222	5,468	12,754	709	-
Inversiones y construcciones Estratégicas	140,840	4,786	136,054	1,076	(1,030)
Grupo de Inversiones Suramericana Panamá S.A.	641,963	871,681	(229,718)	3,044	43,172
Grupo SURA Finance S.A.	2,454,045	2,479,670	(25,625)	(1,071)	994
Suramericana S.A. (*)	22,816,403	18,861,810	3,954,593	144,711	(34,383)

\*Figures taken from the Consolidated Financial Statements

December 2016	Asset	Liability	Equity	Income	Other comprehensive income
Sura Asset Management S.A. (*)	26,809,228	18,311,286	8,497,942	593,436	(407,463)
Arus Holding S.A.S.	59,606	8	59,597	5,277	(0)
ARUS S.A.	73,263	47,436	25,827	3,818	-
Enlace Operativo S.A.	16,656	4,612	12,044	2,861	-
Inversiones y construcciones Estratégicas	140,480	4,473	136,007	12,994	(655)
Grupo de Inversiones Suramericana Panamá S.A.	649,743	890,453	(240,710)	(13,421)	2,827
Grupo SURA Finance S.A.	2,516,711	2,542,259	(25,548)	(5,411)	1,092
Suramericana S.A. (*)	22,821,925	18,777,702	4,044,224	399,694	(17,265)

*\*Figures taken from the Consolidated Financial Statements*

## The Equity Method of subsidiaries

The following is a breakdown of profit or (loss) from *the Equity Method*, as of March 31, 2017 and 2016:

Subsidiary	March 2017	March 2016
SURA Asset Management S.A.	122,451	91,215
Arus Holding S.A.S.	516	975
ARUS S.A.	(7)	(12)
Enlace Operativo S.A.	41	92
Inversiones y construcciones Estratégicas	1,076	1,513
Grupo de Inversiones Suramericana Panamá S.A.	3,044	(3,237)
Grupo SURA Finance S.A.	(1,071)	1,520
Suramericana S.A.	117,403	81,469
<b>Total</b>	<b>243,453</b>	<b>173,535</b>

## Movement of investments in subsidiaries

	Asset	Liability	Equity	Other comprehensive income
<b>Balance at January 1, 2016</b>	<b>8,445,212</b>	<b>(247,997)</b>	<b>573,993</b>	<b>1,033,059</b>
Purchases <sup>1</sup>	2,840,205	25,167	-	-
Refund of premiums	(161,091)	-	-	-
Dividends	(433,271)	-	-	-
Equity variation	(567,418)	8,460	-	(558,958)
Income/expenses from the Equity Method	767,599	(18,832)	748,767	-
Usufructo Panamá	-	(33,056)	-	-
<b>Balance at December 31, 2016</b>	<b>10,891,236</b>	<b>(266,258)</b>		<b>474,101</b>
Purchases	-	-	-	-
Refund of premiums	-	-	-	-
Dividends	(437,225)	-	-	-
Equity variation	4,655	8,941	-	13,596

Income/expenses from the Equity Method	241,480	1,973	243,453	-
Usufructo Panamá	-	-	-	-
<b>Closing balance at March 31, 2017</b>	<b>10,700,146</b>	<b>(255,344)</b>	<b>243,453</b>	<b>487,698</b>

<sup>1</sup> On March 1, 2017, the acquisition of shares was formalized, that General Atlantic Cooperative U.A. possessed in Sura Management S.A. in the amount of \$1,758,647million, leaving Grupo SURA with a total stake of 78.71 % in this Company.

On December 12, 2016, a subscription of 25,428 shares of Suramericana S.A. for a value of \$1,081,558 million remaining with the same participation in this company.

### Impairment of Investments in Subsidiaries

Identifying signs of deterioration is a key step in the assessment process, as it will mark the need to perform a deterioration test or not.

Pursuant to IAS 36- Paragraph 9: At the end of each reporting period, the entity shall evaluate whether there is any indication of impairment of an asset. If this indicator exists, the entity estimates the recoverable amount of the asset.

In accordance with IAS 36, "Impairment of Assets", the subsidiaries of Grupo de Inversiones Suramericana, have to consider the following facts and circumstances to establish whether or not there are signs of deterioration.

1. Loss on operation or negative cash flows in the current period, compared to budgeted.
2. Increases during the year in the interest rates associated with investments and debt. Information: Investments in securities with indexed rates, agreed rates of debt acquired with banks.
3. Significant changes in the technological environment, defined as the risk associated with losses arising from the technology (hardware or software) or the use thereof. Information: Significant decrease in the production associated to the technology or high exposure to the risk of hackers.
4. Significant changes in the legal environment, established as losses by sanctions or claims due to non-compliance with contractual rules or obligations.
5. Significant changes in the regulatory environment. Referring to the negative implications on a company derived from changes in the regulatory framework where it operates. They can be: Mortality tables or taxes, such as CREE.
6. Changes in the competitive environment. Information: How much market share is lost (measure growth and loss ratio), new competitors or aggressiveness of current and compliance in sales part commercial.
7. Significant changes in the form or extent to which the cash-generating unit (CGU) is used or expected to be used.
8. Significant reduction in the use of installed capacity.
9. Generation of new debt.
10. Significant reduction or cessation, other than a mere fluctuation, of the demand or necessity of the services rendered with the asset.

Annually the existence of deterioration in the investments is evaluated if any of the mentioned indicators were presented; therefore, it is necessary to estimate the recoverable amount of the asset.

For March 31, 2017 and December 2016, the investments in subsidiaries Sura Finance B.V. Grupo de Inversiones Suramericana Panamá and Grupo Sura Finance have a deficit in the results of the companies. Said deficit will be covered by Grupo de Inversiones Suramericana in an eventual liquidation of the companies, therefore, a provision is recognized for said deficit (Note 9.1).

#### Restrictions

Grupo SURA does not have any restrictions to access assets, nor liabilities to settle.

## NOTE 9. PROVISIONS

The following is a summary of provisions:

Company	March 2016	December 2015
Grupo de Inversiones Suramericana Panamá <sup>(1)</sup>	229,718	240,710
Grupo Sura Finance <sup>(1)</sup>	25,625	25,548
<b>Subtotal other</b>	<b>255,343</b>	<b>266,258</b>
Dirección Nacional de Impuesto y Aduanas <sup>(2)</sup>	37,666	-
<b>Total</b>	<b>293,009</b>	<b>266,258</b>

(1) The balance of provisions corresponds to recognition of contingencies due to the deficit in the outcome of the Grupo de Inversiones Suramericana Panamá y Grupo Sura Finance.

The recognition is rooted in the application of the calculation methods of participation on the percentage of holdings of companies that is 100% and the degree of administrative dependence on these companies. The variation of March 31, 2017, was \$10,915.

(2) Grupo de Inversiones Suramericana S.A., recently received the resolutions that decide the appeals of reconsideration where the values proposed by the DIAN in the official liquidation of revision are confirmed. The resolutions of the appeals originate in differences of interpretation with the DIAN in the income tax assessments for the years 2009, 2010, 2011, and 2013, a situation that was announced to the market in Relevant Information on March 23, 2016.

Based on the provisions of Law 1819 of 2016 on Tax Reform, the Company realizes the analyses to realization reconciliation process with the DIAN, with respect to the value of the processes described above, for an estimated COP 37,666 million, which was provisioned in the Financial Statements of the Company. This procedure will be subject to the regulations issued by the National Government, on the occasion of the reform. The mentioned procedure will allow a solution to the differences with the tax authority, without implying acceptance of any responsibility on the part of the Company, who maintains its criterion against the interpretation of the tax norm that gave origin to the difference.

## NOTE 10. SECURITIES ISSUED

The following is an overview of the securities issued:

	March 2017	December 2016
Outstanding bonds <sup>1</sup>	1,329,850	777,968
Preference shares <sup>2</sup>	434,823	208,813
<b>Total securities issued</b>	<b>1,764,673</b>	<b>986,781</b>

<sup>1</sup> Outstanding Bonds:

The following is a breakdown of bonds issued:

Securities Issued	Maturity	Date Issued	Maturity Date	March 2017	December 2016
Bonds	4 years	07- May -16	07- May -20	100,744	101,003
Bonds	5 years	07- May -14	07- May -19	104,200	104,216
Bonds	9 years	07- May -14	07- May -23	224,999	225,075
Bonds	10 years	07- May -14	07-May-24	54,368	54,480
Bonds	16 years	07- May -14	07- May -30	100,681	100,727
Bonds	20 years	25- Nov -09	25- Nov -29	96,404	96,678
Bonds	40 years	25- Nov -09	25- Nov -49	95,489	95,789
Bonds	5 years	23- Feb -17	23- Feb -22	194,405	-
Bonds	7 years	23- Feb -17	23- Feb -24	166,461	-
Bonds	12 years	23- Feb -17	23- Feb -29	192,098	-
<b>Total bonds issued</b>				<b>1,329,850</b>	<b>777,968</b>

<sup>2</sup> Preference shares:

On November 29, 2011, the issuance of 106,334,963 preference shares was realized, in amount of \$32,500 per share (in Colombian Pesos); from the date of issuance and for 3 years, a quarterly dividend of 3% EAR on the value of the issue is paid. As of 2017, EAR pays 0.5%, quarterly, on the issue price.

On March 31, 2017, the Shareholders' Meeting approved the amendments to the Regulation for the Issuance and Placement of Preferred Shares issued in 2011, which establishes the payment of a minimum preferential dividend equal to one percent (1%) per annum on the sum equivalent to the Reference Subscription Price (as defined below), provided that the resulting value of this calculation exceeds the dividend decreed for the common shares; otherwise the latter will be recognized.

For these purposes, the Reference Subscription Price shall mean the subscription price of preference shares in any placement of preference shares, by the Company in the most recent primary market transaction approved by the general meeting, including, but not limited to, issuances and public offerings, private issues, capitalization of claims, dividend payment in shares, among others. In no case shall it be understood that the Reference Subscription Price will correspond to the trading price of the preference shares in the

secondary market. The General Meeting of Shareholders shall determine the form and dates of payment of the dividend of the preference shares under conditions equal to those of the dividend of the ordinary shares.

The previous dividend will be paid in preference to the dividend that corresponds to the ordinary shares.

Also, on March 31, 2017, the Board of Directors of the Company, in thirty-five thousand, nine hundred seventy-three pesos (\$35,973), fixed the subscription price of the preferred shares that would be delivered for dividend payment in shares.

## NOTE 11. DIVIDENDS

Paid and declared

The following is a breakdown of dividends paid and declared at the closing date:

<b>Dividends payable at December 31, 2015</b>	<b>61,979</b>
Declared ordinary	213,882
Declared preference	48,489
<b>Subtotal declared dividends</b>	<b>262,371</b>
Ordinary shares paid	(209,860)
Preference shares paid	(47,581)
Others	(14)
<b>Dividends payable at December 31, 2016 (Note 6.2.2.)</b>	<b>66,895</b>
Declared ordinary	228,889
Declared preference	51,891
<b>Subtotal declared dividends</b>	<b>280,780</b>
Ordinary shares paid	(53,418)
Preference shares paid	(12,121)
Others	6
<b>Dividends payable at March 31, 2017 (Note 6.2.2.)</b>	<b>282,142</b>

After the closing of the annual Financial Statements, the Directors proposed the following dividend distribution, to be realized in 2017:

100% unrecorded dividends for Shareholders of COP \$488 per share, over 575,372,223 shares, which was immediately caused by the Shareholders' Meeting and will be paid in cash or in preference shares released from the same company, at the election of the shareholder. In any case, payment will be made in a single account between April 21 and 30, 2017.

## NOTE 12. INCOME AND EXPENSES

The following is a summary of income and expenses:

	March 2017	March 2016
Income from <i>the Equity Method</i> (Note 8.1)	243,453	173,535
Dividends (Note 8.1)	380,417	369,002
Losses from derivatives <sup>1</sup>	(96,471)	(29,222)
Investment income, net	8,510	(16,854)
Income from the fair value of investments	1,214	8,518
<b>Total</b>	<b>537,123</b>	<b>504,979</b>

<sup>1</sup> Corresponds to the net income from valuation of swap derivatives, options, and forwards, which are detailed in Note 6.1 Financial Assets, subsection and 6.2 Financial Liabilities. The following is the balance of income and the valuation expense of swaps, options, and forwards:

	March 2017	March 2016
Income from the valuation of swaps, options, and forwards	14,671	106,095
Expenses from the valuation of swaps, options, and forwards	(111,142)	(135,317)
<b>Total</b>	<b>(96,471)</b>	<b>(29,222)</b>

The following is a breakdown of financial (expenses) income:

	March 2017	March 2016
Exchange differences (Note 13)	63,931	155,764
Interest	(61,372)	(35,911)
<b>Total</b>	<b>2,559</b>	<b>119,853</b>

## NOTE 13. EXCHANGE DIFFERENCES

The following is a summary of items that generated exchange differences:

	March 2017	March 2016
Income from exchange differences	63,931	155,764
Expenses from exchange differences	-	-
<b>Total</b>	<b>63,931</b>	<b>155,764</b>

The following is a breakdown of the concepts, that generated the differences in exchange:

	March 2017	March 2017
Cash	(25,426)	(11,627)
Deposit of acquisition of shares	(482)	-
Accounts receivable from the valuation of derivatives	(10,003)	(11,498)
Financial liabilities and other obligations	99,836	178,885
Suppliers	6	4
<b>Total</b>	<b>63,931</b>	<b>155,764</b>

The increase from exchange differences, from the previous year, it is mainly generated by:

- Formation of term deposit certificates in dollars that generate a difference in exchange of \$(11,561).
- Loan granted by the company Grupo Sura Finance on February 29, 2016, which includes a difference in exchange of \$140,570, in a loan of USD 540 million.
- Loans with other financial institutions with a total for difference in exchange of \$35,869, in credits of USD 317 million.

#### NOTE 14. ADMINISTRATIVE EXPENSES

The administrative expenses are as follows:

	March 2017	March 2017
Sanctions*	37,667	2
Transport	1,688	1,214
Others	1,515	828
Tax on wealth (Note 7)	1,334	3,343
Industry and trade	1,180	2,743
Affiliations and sustenance	427	418
Representation expenses	232	134
Publicity and marketing	186	211
Banking services	138	341
Travel expenses	131	179
<b>Total</b>	<b>44,498</b>	<b>9,413</b>

*\* Corresponds to the differences in interpretation criteria with the DIAN, in the settlement of income taxes of the taxable years 2009 to 2012. These settlements are not yet firm which is why the Company will continue with the process, interposing the resources of law. See Note 9.1.*

#### NOTE 15. HONORARIUM EXPENSES

Honorarium expenses are as follows:

	March 2017	March 2016
Consultants and advisory	1,401	1,082
Board of Directors	195	204
Auditor and external audit	87	24
Legal consultation	-	93
<b>Total</b>	<b>1,683</b>	<b>1,403</b>

## NOTE 16. INTEREST

The following is a summary of interest at the closing date:

	March 2017	March 2016
Securities issued	27,360	27,955
Financial liabilities	33,598	7,876
Fiduciary rights	414	80
	<b>61,372</b>	<b>35,911</b>

The liabilities generated by these interests are recognized at amortized cost. See Note 6.2 Financial liabilities.

## NOTE 17. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit or loss, attributable to Shareholders, by the weighted average number of shares outstanding, during the year.

	March 2017	March 2016
Profit for the period	501,356	602,161
Outstanding shares	469,037,260	469,037,260
Earnings per share (In Colombian Pesos)	<b>1,069</b>	<b>1,284</b>

## NOTE 18. OBJECTIVES AND POLICIES IN THE MANAGEMENT OF FINANCIAL RISKS

### Financial Risks

The performance of the financial markets and the economies of the region have effects on the operation of the business and, therefore, on its financial results. This means that the Company has management systems that allow it to monitor exposure to credit, market, and liquidity risk, from treasury management and investment portfolios.

The Company's risk management is framed under the Risk Management Framework Policy of Grupo Empresarial SURA and the Internal Risk Management Manual, which establish the responsibilities of the Board of Directors, the Risk Committee and Senior Management In front of the Risk Management System and defines the Company's action framework in this area.

Grupo SURA's risk management is framed in the Grupo SURA's Risk Management Manual and provides guidelines for its own risks, associated to its business model and derivatives of its strategy, as well as the risks of its investments. These are managed by each business unit, taking into account their level of experience and expertise, the work of Grupo SURA focuses on developing appropriate interaction mechanisms to track their profiles and how they manage their risks.

### 18.1 Credit risks

Credit risk management seeks to reduce the probability of incurring losses arising from the non-fulfillment of the financial obligations contracted by third parties with the Company.

#### **18.1.1. Description objectives, policies, and processes for the management of risk**

To manage this risk, from the management of treasury resources, guidelines have been defined, which facilitate the analysis and monitoring of issuers and counterparts, ensuring that investments are always backed by issuers and / or managers with adequate credit strength.

#### **18.1.2. Methods used to measure risk**

The Company's risk entities analyze counterparties, issuers, and managers in order to evaluate their credit backing and deliver the investment limits that are considered by the treasury.

#### **18.1.3. Summary of quantitative data on the entity's risk exposure**

At the end of the quarter, Grupo SURA's available resources and treasury investments are mostly concentrated in liquid collective portfolios managed by high credit quality managers and demand deposits in savings and current accounts.

### **18.2. Liquidity risk**

The liquidity risk refers to the ability of the Companies to generate the resources to fulfill the obligations acquired and the operation of their business.

#### **18.2.1. Description of objectives, policies, and processes for risk management**

To manage this risk, Grupo SURA focuses its actions within the framework of a liquidity management strategy for the short and long-term in accordance with the policies and guidelines issued by the Board of Directors and the Senior Management, which deal with short-term aspects and structural, in order to ensure compliance with the obligations acquired, under the conditions initially agreed upon and without incurring any costs.

#### **18.2.2. Methods used to measure risk**

In order to manage this risk, Grupo SURA advises its actions within the framework of a liquidity management strategy for short and long-term in accordance with the policies and guidelines issued by the Board of Directors and Senior Management, which deal with short-term and structural, in order to ensure compliance with the obligations acquired, under the conditions initially agreed upon and without incurring any costs. It also realizes cash flow follow-ups in the short-term to manage collection and payment activities from the treasury and cash flow projections over the medium-term in order to determine the liquidity position and anticipate the necessary measures to Adequate management.

In addition, in order to deal with possible conjunctures, the Company maintains available credit lines with financial institutions and has treasury investments that could be sold as liquidity access mechanism, in addition to other complementary sources of liquidity.

#### **18.2.3. Description of changes in risk exposure**

During the first quarter of 2017 Grupo SURA placed in the public securities market, ordinary bonds for \$550 milliard pesos, in three series of 5, 7, and 12 years.

#### **18.2.4. Summary of quantitative data on the entity's risk exposure**

At the end of the quarter, the Company has an adequate availability of liquid assets to meet its financial obligations.

### 18.3. Market Risks

Market risk refers to how changes in market prices affect the Company's income or the value of its investments.

The market risk in Grupo SURA is generated mainly by the following factors and activities:

- Liquidity management in the treasury through exposure to collective portfolios and issuers of fixed-income instruments; These activities do not generate significant market risk due to their nature of low volatility assets.
- Financial liabilities obtained in foreign currency and those tied to variable rate, which result in exposure to exchange rate and interest rate risk.

Grupo SURA analyzes the impact that variables, such as the interest rate and the exchange rates, generate on its results, to determine if it is advisable to have hedging strategies to mitigate its volatility.

#### 18.3.1. Exchange Rate Risk

Exchange rate risk is the probability that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in exchange rates. The Company is exposed to this risk insofar as, it has assets and liabilities denominated in foreign currency.

##### 18.3.1.1. Description of objectives, policies, and processes for risk management

To manage this risk, the Company monitors its exposures in accordance with the policies and guidelines, issued by the Board of Directors and, if necessary, determines the suitability of having a coverage scheme.

##### 18.3.1.2 Methods used to measure risk

The exchange rate risk management carried out from the Company's treasury focuses on the analysis of the convenience of hedging to neutralize the impacts of exchange rate variations on its results and thus reduce exposures to this risk.

##### 18.3.1.3. Description of changes in risk exposure

During the quarter, there were no changes in exposure to this risk.

##### 18.3.1.4 Summary of quantitative data on the entity's risk exposure

With regard to financial liabilities, the Company maintains several hedging strategies for loans acquired in foreign currency, in order to reduce the potential impacts of a devaluation of the Colombian Pesos.

#### 18.3.2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate, as a result of changes in market interest rates. Exposure to this risk arises from the holding of fixed income assets and/or liabilities associated with variable interest rates.

##### 18.3.2.1. Description of objectives, policies, and processes for risk management

To manage exposure to this risk, the Company monitors its exposures and, if necessary, determines the suitability of having a coverage scheme, monitored periodically and in line with the guidelines, issued by its Board of Directors.

##### 18.3.2.2. Methods used to measure risk

The management of the interest rate risk that is realized by the Company's treasury, focuses on the analysis of the convenience of hedging to neutralize the impacts that can have the variations of interest rate on its results and thus reduce exposures to this risk.

#### 18.3.2.3. Description of changes in risk exposure

During the quarter, there were no significant changes in exposure to this risk.

#### 18.3.2.4. Summary of quantitative data on the entity's risk exposure

The Company maintains hedging strategies for loans acquired at a variable rate, with the objective of reducing potential impacts due to increases in the local and foreign interest rate.

#### 18.3.3. Stock price risk

Share price risk is the risk that the fair value of a financial instrument fluctuates, as a result of changes in the prices of equity assets.

##### 18.3.3.1. Description of objectives, policies, and processes for risk management

To manage this risk, from the management of treasury resources, guidelines have been defined to facilitate the analysis and monitoring of how changes in the market prices of the instruments it holds could affect the Company.

##### 18.3.3.2. Methods used to measure risk

The internal risk management system considers the process of assessing how changes in market prices affect the Company's revenues, or the value of its investments.

##### 18.3.3.3. Description of changes in methods used to measure risk

During the quarter, there were no significant changes in exposure to this risk.

##### 18.3.3.4. Summary of quantitative data on the entity's risk exposure

Given the nature of the portfolio and investments, exposures to this risk are not material.

## NOTE 19. DISCLOSURES ON RELATED PARTIES

Subsidiaries, key personnel of management, as well as, entities, and key management personnel that can exercise either control, or joint control of post-employment benefits, for the benefit of employees, are considered related parties to Grupo SURA.

The following is a breakdown of related parties as of March 31, 2017 and December 31, 2016 Grupo SURA:

a) Companies under direct or indirect control of Grupo SURA found in Note 8.2 Investments in subsidiaries.

b) Companies in which Grupo SURA has direct and indirect participation through its subsidiaries:

Company	Type of Entity	March 2017	December 2016	Country	Functional currency
Grupo de Inversiones Suramericana S.A.	Holding Company			Parent	
Activos Estratégicos Sura A.M. Colombia S.A.S.	Holding Company	78.71%	78.71%	Colombia	Colombian Peso

Company	Type of Entity	March 2017	December 2016	Country	Functional currency
Sura Investment Management Colombia S.A.S.	Holding Company	78.71%	78.71%	Colombia	Colombian Peso
SURA Asset Management España S.L.	Holding Company	78.71%	78.71%	Spain	Euro
Grupo de Inversiones Suramericana Holanda B.V.	Holding Company	78.71%	78.71%	Holland	Euro
Grupo Sura Chile Holdings I B.V.	Holding Company	78.71%	78.71%	Holland	Euro
SURA Asset Management Chile S.A.	Holding Company	78.71%	78.71%	Chile	Chilean Peso
Sura Data Chile S.A.	Company dedicated to providing data and processing services and leasing of computer equipment	78.71%	78.71%	Chile	Chilean Peso
SURA Servicios Profesionales S.A.	Company dedicated to consulting and business advice	78.71%	78.71%	Chile	Chilean Peso
Santa María Internacional S.A. (Chile)	Holding Company	78.71%	78.71%	Chile	Chilean Peso
Grupo Sura Latin American Holdings B.V.	Holding Company	78.71%	78.71%	Holland	Euro
SUAM Finance B.V.	Holding Company holder of 144A/Reg S Bonds issued in April 2014	78.71%	78.71%	Curacao	US Dollar
Sura Asset Management México S.A. de C.V.	Holding Company	78.71%	78.71%	México	Mexican Peso
Sura Art Corporation S.A. de C.V.	Company dedicated to the collection of Mexican art	78.71%	78.71%	México	Mexican Peso
Sura Asset Management Perú S.A.	Holding Company	78.71%	78.71%	Perú	Peruvian Soles
Sura Asset Management Uruguay Sociedad de Inversión S.A. (Formerly Tublyr S.A.)	Holding Company	78.71%	78.71%	Uruguay	Mexican Peso
AFAP Sura S.A.	Company dedicated to the administration of pension savings funds	78.71%	78.71%	Uruguay	Uruguayan Peso
AFP Capital S.A.	Company dedicated to the administration of pension savings funds	78.48%	78.48%	Chile	Chilean Peso
Afore Sura S.A. de C.V.	Company dedicated to managing investment companies specializing in Retirement Funds	78.71%	78.71%	México	Mexican Peso
AFP Integra S.A.	Administrator of Pension Funds	78.70%	78.70%	Perú	Soles

Company	Type of Entity	March 2017	December 2016	Country	Functional currency
SURA Real Estate S.A.S.	Consulting activities of management, real estate activities realized with owned and leased	55.09%	55.09%	Colombia	Colombian Peso
Asesores Sura S.A. de C.V.	Sales of products and financial services provided	78.71%	78.71%	México	Mexican Peso
Promotora Sura AM S.A. de C.V.	Services provided for the commercialization, marketing services, and dissemination of products of any kind	78.71%	78.71%	México	Mexican Peso
Hipotecaria Sura Empresa Administradora Hipotecaria S.A.	Company dedicated to the granting of mortgage loans and other financial services	55.09%	55.09%	Perú	Peruvian Soles
Seguros de Vida Sura S.A. (Chile)	Company engaged in insurance activities related to annuities and life annuities Company engaged in insurance activities related to annuities and life annuities	78.71%	78.71%	Chile	Chilean Peso
Pensiones Sura S.A. de C.V.	Pension insurance	78.71%	78.71%	México	Mexican Peso
Seguros de Vida SURA Mexico S.A. de C.V. (Formerly Primero Seguros de Vida S.A. de C.V.)	Life insurance	78.71%	78.71%	México	Mexican Peso
Seguros Sura S.A. (Formerly Invita) (Perú)	Insurance and reinsurance of the branches of life	54.54%	54.54%	Perú	Peruvian Soles
SUAM Corredora de Seguros S.A. de C.V.	Company dedicated to all types of activities related with insurance and reinsurance	78.71%	78.71%	El Salvador	US Dollar
Disgely S.A.	Company dedicated to the commercialization goods, leases of goods, works and services	78.71%	78.71%	Uruguay	Uruguayan Peso
Corredores de Bolsa Sura S.A.	Company dedicated to the purchase and sale of securities and securities brokerage operations	78.71%	78.71%	Chile	Chilean Peso
Administradora General de Fondos Sura S.A.	Company dedicated to the administration of mutual funds and investment	78.71%	78.71%	Chile	Chilean Peso
Sura Investment Management S.A. de C.V.	Company dedicated to the operation of investment companies	78.71%	78.71%	México	Mexican Peso

Company	Type of Entity	March 2017	December 2016	Country	Functional currency
Fondos Sura SAF S.A.C.	Company dedicated to the administration of mutual funds and investment	78.71%	78.71%	Perú	Soles
Sociedad Agente de Bolsa S.A.	Stock brokers	78.71%	78.71%	Perú	Soles
Corredor de Bolsa SURA S.A.	Brokerage services	78.71%	78.71%	Uruguay	Uruguayan Peso
AFISA SURA S.A.	Company dedicated to the administration of investment funds	78.71%	78.71%	Uruguay	Uruguayan Peso
Inversura Panamá Internacional S.A.	Investor	81.13%	81.13%	Panamá	US Dollar
Inversiones Sura Brasil S.A.S.	Investor	81.13%	81.13%	Colombia	Colombian Peso
Financia Expreso RSA S.A.	Conclusion of mutual contracts and investments	81.11%	81.11%	Colombia	Colombian Peso
Santa Maria del Sol S.A. (Argentina)	Investments	81.13%	81.13%	Argentina	Argentine Peso
Atlantis Sociedad Inversora S.A.	Investments	81.13%	81.13%	Argentina	Argentine Peso
Chilean Holding Suramericana SPA (Formerly RSA Chilean Holding SpA)	Investments	81.13%	81.13%	Chile	Chilean Peso
Inversiones Suramericana Chile Limitada (Formerly Inversiones RSA Chile Limitada)	Investments	81.13%	81.13%	Chile	Chilean Peso
Seguros Generales Suramericana S.A. (Colombia)	General insurance	81.11%	81.11%	Colombia	Colombian Peso
Seguros Sura S.A. (Dominican Republic)	Insurance	81.13%	81.13%	Dominican Republic	Dominican Peso
Seguros Suramericana Panamá S.A.	Insurance	81.13%	81.13%	Panamá	US Dollar
Aseguradora Suiza Salvadoreña S.A. Asesuiza	General insurance	81.13%	81.13%	El Salvador	US Dollar
Sura RE	Insurance and / or reinsurance business	81.13%	81.13%	Bermuda	US Dollar
Seguros Sura S.A (Formerly Royal & Sun Alliance Seguros (Brasil) S.A.) (Brasil)	Operations personal and damages insurance	81.13%	81.13%	Brasil	Brazilian Real
Seguros Sura S.A (Formerly Royal & Sun Alliance Seguros (Argentina) S.A.) (Argentina)	Operations of general insurance	80.63%	80.63%	Argentina	Argentine Peso
Aseguradora de Créditos y Garantías S.A.	Insurance, co-insurance and reinsurance operations in general on all types of risks	81.12%	81.12%	Argentina	Argentine Peso

Company	Type of Entity	March 2017	December 2016	Country	Functional currency
Seguros Generales Suramericana S.A (Formerly RSA Seguros Chile S.A.) (Chile)	General insurance company	80.71%	80.71%	Chile	Chilean Peso
Seguros Sura, S.A de C.V. (Formerly Royal & Sun Alliance Seguros (México) S.A. de C.V.) (México)	Operation of general insurance	81.13%	81.13%	México	Mexican Peso
Royal & Sun Alliance Seguros (Uruguay) S.A.	General insurance	81.13%	81.13%	Uruguay	Uruguayan Peso
Operaciones Generales Suramericana S.A.S.	Investment in movable and immovable property	81.13%	81.13%	Colombia	Colombian Peso
Servicios Generales Suramericana S.A. (Colombia)	Investment in movable property, especially shares, quotas, or shares of companies	81.13%	81.13%	Colombia	Colombian Peso
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Provision of consulting services in the integral risk management	81.13%	81.13%	Colombia	Colombian Peso
Servicios Generales Suramericana S.A. (Panamá)	Service of inspection, repair, purchase and sale of vehicles	81.13%	81.13%	Panamá	US Dollar
Protección Garantizada LTDA	Insurance agency	41.36%	41.36%	Colombia	Colombian Peso
Servicios y Ventas Compañía Limitada	Provision of services	80.92%	80.92%	Chile	Chilean Peso
EPS y Medicina Prepagada Suramericana S.A.	Organization, guarantee and provision of health services.	81.13%	81.13%	Colombia	Colombian Peso
Servicios de Salud IPS Suramericana S.A.	Provision of medical, paramedical, and dental services	81.13%	81.13%	Colombia	Colombian Peso
Diagnóstico y Asistencia Médica S.A.	Provision of diagnostic health aids services	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Vida Suramericana S.A. (Colombia)	Personal insurance	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Riesgos Laborales Suramericana S.A.	Operation of the labor risk branch	81.13%	81.13%	Colombia	Colombian Peso
Asesuisa Vida, S.A. Seguros de Personas	Personal insurance	81.13%	81.13%	El Salvador	US Dollar
Seguros de Vida Suramericana S.A (Formerly RSA Seguros de Vida S.A.) (Chile)	Life Insurance Company	81.13%	81.13%	Chile	Chilean Peso
Suramericana S.A.	Investor	81.13%	81.13%	Colombia	Colombian Peso

Company	Type of Entity	March 2017	December 2016	Country	Functional currency
Inversiones y Construcciones Estratégicas S.A.S.	Investor	100.00%	100.00%	Colombia	Colombian Peso
Grupo de Inversiones Suramericana Panamá S.A.	Investment in securities	100.00%	100.00%	Panamá	US Dollar
Planeco Panamá S.A.	Acquisition and disposition of movable and immovable property	95.28%	95.28%	Panamá	US Dollar
Grupo Sura Finance S.A.	Any licit activity in the Cayman Islands	100.00%	100.00%	Cayman Islands	US Dollar
Sura Asset Management S.A.	Investment in movable and immovable property	78.71%	78.71%	Colombia	Colombian Peso
Habitat Adulto Mayor S.A.	Provision of health services for the elderly	82.66%	82.66%	Colombia	Colombian Peso
Arus Holding S.A.S.	Investment in movable and immovable property	100.00%	100.00%	Colombia	Colombian Peso
Arus S.A.	Services and commercialization of products and solutions in telecommunications	100.00%	100.00%	Colombia	Colombian Peso
Enlace Operativo S.A.	Information processing services under the figure of outsourcing	100.00%	100.00%	Colombia	Colombian Peso

c) Members of the Board of Directors It is the responsibility of the Members of the Board of Directors of Grupo Sura to formulate the standards and guidelines of the business and to make the key decisions, which in some cases correspond to guidelines issued by its Headquarters in Colombia.

#### d) Directors

The following is the total value of the transactions realized by Grupo SURA, with its related parties, during the corresponding period:

Accounts receivable of subsidiaries (Note: 6.1.1.):

	March 2017	December 2016
Suramericana S.A.	137,503	90
Sura Asset Management S.A.	299,722	-
Grupo Sura Panamá S.A.	13,706	11073
Grupo Sura Finance S.A.	58	60
<b>Total</b>	<b>450,989</b>	<b>11,223</b>

Accounts payable:

	March 2017	December 2016
Grupo Sura Finance S.A. <sup>1</sup>	1,558,208	1,620,383
Inversiones y Construcciones Estratégicas S.A.S. <sup>1</sup>	22,673	22,673
Intereses - Grupo Sura Finance <sup>1</sup>	36,586	15,619
Intereses - Inversiones y Construcciones Estratégicas <sup>1</sup>	1,801	1,440
<b>Total</b>	<b>1,619,268</b>	<b>1,660,115</b>

<sup>1</sup> These accounts payable of principal plus interest, corresponds business checking accounts, between companies. The transactions with economic associates were realized at normal prices and under normal market conditions.

Non-operating expenses:

	March 2017	March 2016
Grupo Sura Finance S.A. <sup>1</sup>	21,842	3,651
Inversiones y Construcciones Estratégicas S.A.S.	389	348
Seguros de Vida Suramericana S.A.	17	-
Seguros Generales Suramericana S.A.	5	13
Operaciones Generales Suramericana S.A.S.	5	3
Servicios Generales Suramericana S.A.	-	9
	<b>22,258</b>	<b>4,024</b>

<sup>1</sup> Corresponds to interest generated by business checking accounts, between companies. The transactions with economic associates were carried out at normal prices and under normal market conditions.

Employee benefits:

	March 2017	March 2016
Short-term employee benefits	2,239	3,975

Other related parties:

	March 2017	March 2016
Honorariums, Members of Board of Directors	195	204

## **NOTE 20. EVENTS SUBSEQUENT TO THE REPORTING PERIOD**

1. On April 4, 2017 Grupo de Inversiones Suramericana S.A. (Grupo SURA) reported that the Board of Directors, in extraordinary session, approved the signing of a share purchase agreement whereby Grupo SURA acquires the shareholding that the International Finance Corporation and IFC ALAC Spain S.L. have in their subsidiary SURA Asset Management S.A., thus increasing their participation from 78.71% to 83.58% in that company. The value of the transaction was agreed at USD 383,174,629.

SURA Asset Management S.A., total assets under management, in the amount of COP 339 billion and accumulated revenues of COP 5.9 billion, figures at the end of the year 2016.

The strategy that SURA Asset Management is currently executing, seeks to realize the broad potential of the region, given the low penetration of financial services. Its clear focus on the client, leveraged in innovation, efficiency, and wide product offerings, allows Sura Asset Management to continue with a good dynamic of growth of its mandatory and voluntary funds.

2. On April 6, 2017 Grupo de Inversiones Suramericana S.A. (Grupo SURA) reported that its subsidiary SURA Asset Management S.A. successfully placed in the international capital market, ordinary bonds for USD 350 million, within a period of 10 years.

The coupon and rate of return were 4.37% and 4.49% respectively. Claims were received for 8 times the amount offered.

The resources of the issue will be destined to substitute liabilities and other corporate purposes.

3. On April 21, 2017 Grupo de Inversiones Suramericana S.A. informed that the Board of Directors, at an extraordinary meeting, authorized to release from the reserve of the Company six million six hundred five thousand three hundred and twenty-five (6,605,325) shares, with a preferential dividend and without voting rights, for the payment of dividends in kind.

The Company's preference share dividend was approved at the General Shareholders' Meeting on March 31, 2017, as default payment for ordinary and preference shareholders who did not express their intention to receive their cash dividend, in the terms and deadlines indicated in the project of distribution of profits approved, in said Assembly.

## **NOTE 21. APPROVAL OF FINANCIAL STATEMENTS**

The issuance of the Financial Statements of Grupo SURA, for the year ended March 31, 2017, were authorized by the Board of Directors, as stated in Meeting Minutes No. 260 of April 27, 2017, to be presented to the market.

## **ANALYSIS OF FINANCIAL RESULTS (Unaudited)**

The following are the analyses of financial results for the period ended March 31, 2017, with comparative figures as of December 31, 2016. These analyses are performed by management and are not part of the Financial Statements.

(Expressed in millions of pesos).

Solidity		March 2017	December 2016	INTERPRETACION	
LIQUIDITY	Solidity	5,735,697	4,597,600	Creditors own 21.03% at March 2017 and 17.59% at December 2016, with the shareholders owning the complement: 78.97% in March 2017 and 82.41% in December 2016.	Total Liability
		= 21.03%	= 17.59%		Total asset
		27,277,246	26,134,505		Total Liability
INDEBTEDNESS	Total	5,735,697	4,597,600	Of each peso that the company has invested in assets 21.03% to March of 2017 and 17.59% to December of 2016, have been financed by the creditors	Total Liability
		= 21.03%	= 17.59%		Total asset
	Coverage of interest	562,727	638,073	The Company generated net income equal to 916.92% as of March 2017 and 1,776.80% in December 2016, from interest paid.	Net profit + interest
		= 916.92%	= 1776.80%		Financial expenses
	Leverage	5,735,697	4,597,600	Each peso (\$ 1.00) of the Company is committed to 26.63% to March 2017 and 21.35% to December 2016.	Total liabilities with thirds
		= 26.63%	= 21.35%		Equity
	Financiero Total	3,242,103	2,298,471	For each peso of equity, financial commitments are made at 15.05% to March 2017 and 10.67% to December 2016.	Total liabilities with financial entities
		= 15.05%	= 10.67%		Equity
	PERFORMAN	21,541,549	21,536,905		

		501,356		602,162			Net profit
	Net margin of profit		= 92.88%		= 119.23%	Net profit corresponds to 92.88% of net income in March 2017 and 119.23% of net income in 2016.	
		539,799		505,047			Net income
		501,356		602,162			Net profit
	Return on total liabilities		= 2.38%		= 2.91%	Net results correspond to 2.38% of equity in March 2017 and 2.91% in December 2016.	
		21,040,193		20,701,423			Equity - profit
		501,356		602,162			Net profit
	Return on total assets		= 1.84%		= 2.30%	Net results with respect to total assets, correspond to 1.84% at March 2017 and 2.30% in December 2016.	
		27,277,246		26,134,505			Total assets