Separate Financial Statements
Grupo de Inversiones Suramericana S.A.
at March 31, 2018 with comparative figures, at
March and December 31st of 2017

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RESPONSIBILITIES OF THE DIRECTORS OVER THE ACCOUNTS

The Directors are required, in the preparation of the Financial Statements, for each financial period, to reasonably present the Company's financial position, results, and cash flows, at March 31, 2018, with comparative figures at March 31st and December 31st of 2017. For the preparation of these Financial Statements, the Directors are required to:

- Select appropriate Accounting Policies, and then apply them consistently.
- Present information, including Accounting Policies, that is relevant, reliable, comparable, and comprehensive.
- Make judgments, and reasonable, prudent estimates.
- State whether the applicable accounting standards have been applied, subject to any significant deviation revealed, and explained in the accounts.
- Prepare the accounts, based on the ongoing business, unless it is inappropriate to presume, that the Company will continue in business.

The Directors confirm, that the accounts meet the above requirements.

In addition, the Directors consider, that they are responsible for maintaining appropriate accounting records, that reveal with reasonable accuracy, at any time, the financial situation of the Company. They are also responsible for safeguarding the assets of the Company and, therefore, for taking reasonable steps to prevent and detect, fraud, and other irregularities.

David Bojanini Garcia* President	Luis Fernando Soto Salazar* Public Accountant Professional Card 16951-T

* Traslation into English of the original version signed in Spanish.

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The undersigned Legal Representative and Public Accountant, under whose responsibility, the Consolidated Financial Statements were prepared, certify:

That, for the issuance of the Statement of Financial Position, at March 31, 2018, and of the Income Statement, for the year, as well as, the Statement of Other Comprehensive Income, Changes in Equity Statement, and the Cash flows Statement, for the year ended on that date, which are in compliance with the norms, are made available to Shareholders and Third Parties, and whose information, contained in them, have been previously verified.

Said affirmations, explicit and implicit, are the following:

Existence: The assets and liabilities of Grupo de Inversiones Suramericana S.A., exist on the cut-off date and the transactions recorded, have been realized, during the year.

Integrity: All economic events have been recognized.

Rights and obligations: The assets represent probable future economic benefits, and the liabilities represent probable future economic sacrifices, obtained or under the charge of Grupo de Inversiones Suramericana S.A., on the cut-off date.

Valuation: All elements have been recognized, in the appropriate amounts.

Presentation and disclosure: Economic events have been correctly classified, described, and disclosed.

In accordance with Article 46 of Law 964 of 2005, in my capacity as Legal Representative of Grupo de Inversiones Suramericana S.A., the Financial Statements, and other reports relevant to the public, related to the fiscal year ended March 31, 2018 and March 31st and December 31st of 2017, do not contain defects, inaccuracies, or errors, that prevent the knowledge of the true financial situation, and the operations of the Company.

David Bojanini Garcia*
President

Luis Fernando Soto Salazar*
Public Accountant
Professional Card 16951-T

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Interim Financial Information Review Report

Sirs:
Shareholders of Grupo de Inversiones Suramericana S.A.

Introduction

I have reviewed the, herewith attached, Separate Statement of Financial Position (Condensed) of Grupo de Inversiones S.A., at March 31, 2018, and the corresponding Separate Statement of Comprehensive Income, Changes in Equity, and Cash Flows (Condensed) Statements, for the three-month period, ended at that date; as well as, a summary of the most Significant Accounting Policies and other explanatory Notes. The Management of the Company is responsible for the preparation and correct presentation of these Intermediate Financial Statements, in accordance with the Accounting and Financial Information Standards, accepted in Colombia. My responsibility is to issue a conclusion, on these Interim Financial Statements, based on my review.

Scope of the review

I have effectuated my review, in accordance with the International Work Review Standards 2410, "*Review of Intermediate Financial Information, realized by the Independent Auditor of the Entity*", accepted in Colombia. A review, of the Financial Information, at an interim date, consists primarily, of making inquiries, to the personnel, of the Company, who are responsible for financial and accounting matters; as well as, applying analytical procedures and other review procedures. The scope of a review is substantially less than the review that is executed, to the Financial Statements, at year-end, in accordance with the International Auditing Standards, accepted in Colombia, and as a consequence, I cannot be assured, that I have been given the knowledge, of all important matters, that would have been identified, in an audit. As a result, I do not express an audit opinion.

Conclusion

As a result of my review, no matter has been brought to my attention, that would make me conclude, that the Intermediate Financial Statements, herewith attached, do not reasonably present, in all significant aspects, the Separate Statement of Financial Position of Grupo de Inversiones Suramericana S.A., at March 31, 2018, the Income Statement of its operations, or Cash Flows Statement, for the three-month period, ended at that date, in accordance with the Accounting and Financial Information Standards, accepted in Colombia.

Other information

The formats, that will be transmitted to the SFC, have been reviewed by me, prior to the digital signature of the same, in XBRL and PDF format, in accordance with Circular 038 of 2015, and its amendments. The information contained, in the aforementioned formats, is consistent with the Intermediate Financial Statements, herewith attached to this report, which was taken from the Company's accounting books.

Mariana Milagros Rodríguez*
Independent Auditor
Professional Card 112752 -T
Designed by Ernst & Young Audit SAS TR-530
Medellin, Colombia
May 15, 2018

* Traslation into English of the original version signed in Spanish.

GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE STATEMENT OF FINANCIAL POSTION
At March 31, 2018 (with comparative figures at December 31, 2017)
(*Expressed as millions of Colombian Pesos*)

Assets	Note	March 2018	December 2017
Cash and cash equivalents	6	14,226	69,298
Investments	7.1.3	15,789	17,664
Trade and other accounts receivables	7.1	50,972	19,824
Accounts receivable related parties and associates	7.1.1	778,687	39,450
Current tax assets	8	217	-
Other financial assets	8	48,308	76,674
Other non-financial assets	8.1.2	244	244
Property and equipment		25,737	25,984
Investments in associates	9.1	14,390,588	14,395,418
Investments in subsidiaries	9.2	12,415,440	13,119,248
Total assets		**27,740,208**	**27,763,804**
Liabilities			
Other financial liabilities	7.2	1,314,077	1,216,979
Provisions for employee benefits		34,886	34,871
Other provisions	10	248,238	205,035
Trade and other payables	7.2.3	3,154	14,687
Accounts payable to related parties	7.2.2	1,877,611	1,664,427
Current tax liabilities	8	27,810	33,338
Securities issued	11	1,788,731	1,779,793
Deferred tax liabilities	8	37,259	39,554
Total liabilities		**5,331,766**	**4,988,684**
Equity			
Share capital issued		109,121	109,121
Paid-in capital		3,290,767	3,290,767
Retained earnings		11,798,030	11,799,493
Other comprehensive income		732,568	1,211,878
Reserves		6,062,398	5,608,777
Profit for the period		415,559	755,085
Total equity		**22,408,442**	**22,775,121**
Total equity and liabilities		**27,740,208**	**27,763,804**

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, 2018)

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GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE INCOME STATEMENT
At March 31, 2018 (with comparative figures at March 31, 2017)
(*Values expressed in millions of Colombian Pesos, except net profit per share*)

	Note	March 2018	March 2017
Dividends	9.1, 13	330,824	380,417
Income from investments	13	437	8,510
Loss at fair value, net	13	(141,262)	(96,471)
Profit from *the Equity Method* of subsidiaries, net	9.2,13	179,694	243,453
Income from investments sales, net	13	364	1,214
Other income	14	130,283	63,931
Exchange differences, net		33	2,676
Total income		**500,373**	**603,730**
Administrative expenses	15	(6,706)	(44,498)
Employee benefits		(5,390)	(5,013)
Fees	16	(1,958)	(1,683)
Depreciation		(323)	(225)
Interest	17	(71,897)	(61,372)
Total expenses		**(86,274)**	**(112,791)**
Profit before tax		**414,099**	**490,939**
Income tax	8	1,460	10,417
Net profit of continuing operations		**415,559**	**501,356**
Net profit of discontinued operations		-	-
Net profit		**415,559**	**501,356**
Earnings per share	18	886	1,069

The Notes are an integral part of these Financial Statements.

David Bojanini Garcia*
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GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE STATEMENT OF COMPREHENSIVE INCOME
At March 31, 2018 (with comparative figures ended at March 31, 2017)
(*Expressed in millions of Colombian Pesos*)

	March 2018	March 2017
Profit for the period	415,559	501,356
Other comprehensive income, net of tax, losses from investments of equity instruments	(1,875)	(2,763)
Total other comprehensive income not reclassified to profit or loss, net of tax	(1,875)	(2,763)
Share of other comprehensive income of subsidiaries accounted for using *the Equity Method*, that are reclassified to profit or loss, net of taxes	(478,899)	13,596
Total other comprehensive income reclassified to profit and loss	(478,899)	13,596
Total other comprehensive income	(480,774)	10,833
Total comprehensive income	(65,215)	512,189

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*
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GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE CHANGE IN EQUITY STATEMENT
Year ended March 31, 2018 (with comparative figures for the year ended at March 31, 2017)
(*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	Total reserves	Profit for the period	Total Equity
At 1 January 2017	**107,882**	**3,307,663**	**11,754,545**	**472,258**	**138,795**	**4,920,281**	**5,755,762**	**835,481**	**21,536,905**
Other comprehensive income	**-**	**-**	**-**	**10,833**	**-**	-		-	**10,833**
Shares in subsidiaries accounted for *under the Equity Method*	-	-	-	13,596	-	-		-	**13,596**
Financial instruments with changes to OCI	-	-	-	-2763	-	-		-	**-2,763**
Profit for the period	-	-	-	**-**	**-**	-	501,356	501,356	**501,356**
Net comprehensive income for the period	**-**	**-**	**-**	**10,833**	**-**	**-**	**501,356**	**501,356**	**512,189**
Transferred to retained earnings			835,481	**-**	**-**	**-**	-835,481	-835,481	
2015 Profit distribution in accordance with the Meeting Minutes No. 22, of the Shareholder's Meeting of March 31, 2017:									
Dividends recognized as distributions to owners (488 Pesos per share)	-	-	-280,780	-	-	-		-	**-280,780**
Donations for social projects	-	-	-5,000	-	-	-		-	**-5,000**
Reserves for the protection of investments	-	-	-549,701	-	-	549,701	549,701		
Minimum dividends, preference shares	-	-226,085	4,320	-	-	-		-	**-221,765**
At March 31, 2017	**107,882**	**3,081,578**	**11,758,865**	**483,091**	**138,795**	**5,469,982**	**5,971,338**	**501,356**	**21,541,549**

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, 2018 (with comparative figures for the year ended at March 31, 2017)
(*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	Total reserves	Profit for the period	Total Equity
At 1 January 2018	**109,121**	**3,290,767**	**11,799,493**	**1,211,878**	**138,795**	**5,469,982**	**5,608,777**	**755,085**	**22,775,121**
Other comprehensive income	**-**	**-**	**-**	**(479,310)**	**-**	**-**	**-**	**-**	**(479,310)**
Financial instruments with changes to OCI	-	-	-	(1,875)	-	-	-	-	**(1,875)**
Shares in subsidiaries recognized in Equity	-	-	-	(477,435)	-	-	-	-	**(477,435)**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**415,559**	**415,559**
Net, comprehensive income for the period	**-**	**-**	**-**	**(479,310)**	**-**	**-**	**-**	**415,559**	**(63,751)**
Transferred to retained earnings	-	-	755,085	-	-	-	-	(755,085)	**-**
Distribution of 2017 profit, according the minutes No. 23 from the Shareholders Meeting of March 23, 2018:									
Dividends recognized as distributions to owners (518 Pesos per share)	-	-	(301,464)	-	-	-	-	-	**(301,464)**
Reserves for the protection of investments	-	-	(453,621)	-	-	453,621	453,621	-	**-**
Impact from the application of new accounting standards	-	-	(1,463)	-	-	-	-	-	**(1,463)**
At 31 March 2018	**109,121**	**3,290,767**	**11,798,030**	**732,568**	**138,795**	**5,923,603**	**6,062,398**	**415,559**	**22,408,442**

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
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(See my report of May 15, 2018)

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GRUPO SURA

GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE STATEMENT OF CASH FLOWS
At March 31, 2018 (with comparative figures at March 31, 2017) *(Expressed in millions of Pesos)*

	Note	March 2018	March 2017
Profit for the period		415,559	501,356
Adjustments to reconcile profit (Loss)			
Adjustments for income tax expenses	9	(1,460)	(10,417)
Adjustments for financial costs	22	5	-
Adjustments for decrease (increase) of accounts receivable from trade		(31,147)	(380,394)
Adjustments for decreases (increases) in other accounts receivables from operating activities		(330,820)	(731,506)
Adjustments for the increase (decrease) of accounts payable from trade		(11,533)	(6,762)
Adjustments for increase (decrease) in other accounts payable arising from operating activities		-	(40,841)
Adjustments for depreciation and amortization expenses		323	225
Adjustments for provisions		15	37,849
Adjustments for unrealized foreign currency losses		(121,864)	(11,990)
Adjustments for fair value losses	18	125,638	342,255
Adjustments for undistributed profits from the application of *the Equity Method*	11	(179,694)	(243,453)
Other adjustments for the impact over cash and cash flows from investment or financing	18	(364)	-
Total adjustments to reconcile net income		**(550,901)**	**(1,045,035)**
Net cash flows from (used in) operations		**(135,341)**	**(543,679)**
Dividends paid		-	(65,539)
Dividends received, associates and subsidiaries	8.1, 8.2	39,390	817,642
Taxes on profits reimbursed (paid)		(6,560)	(996)
Other non-financial assets		(20)	-
Net cash flows from (used in) operating activities		**(102,531)**	**207,427**
Cash flows from (used in) investing activities			
Cash flows from losing control of subsidiaries or other businesses	11.1	4,829	-
Other costs for the sale of equity or debt instruments of other entities	18	364	-
Proceeds from the sale of property, plant and equipment	10	-	15,445
Purchases of property, equipment	10	(75)	(300)
Payments of derivatives of contracts of forward, futures, at termination of options, and swap contracts (swaps)		7,272	-
Collection of forward, futures, at termination of options, and swap contracts (swaps)		14,271	14
Net cash flows from (used in) investment activities		**26,661**	**15,159**
Cash flows from (used in) financing activities			
Proceeds from loans		1,198,149	715,290
Loan repayments		(1,132,466)	(221,765)
Payments of liabilities from financial leasing		(413)	128
Interest paid		(37,708)	(25,747)
Other inflows (outflows) of cash		-	(257)
Net cash flows from (used in) financing activities		**27,562**	**467,650**
Increase (decrease) net of cash and cash equivalents, before the effect of changes in the exchange rate		**(48,308)**	**690,236**
Effects of variations in the exchange rate on cash and cash equivalents	13	(6,764)	(25,426)
Increase (decrease) in cash and cash equivalents		**(55,072)**	**664,810**
Cash and cash equivalents at the beginning of period	5	69,298	451,443
Cash and cash equivalents, at the end of period		**14,226**	**1,116,253**

David Bojanini Garcia*	Luis Fernando Soto Salazar*	Mariana Milagros Rodríguez*
Legal Representative	Accountant	Auditor
	T.P. 16951-T	T.P. 112752-T
		Designated by Ernst & Young Audit S.A.S. TR-530

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NOTES FOR THE CONDENSED SEPARATE FINANCIAL STATEMENTS

For the period ended March 31, 2018 (with comparative figures as of December 31, 2017 for the Statement of Financial Position, and March 31, 2017, 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., hereinafter, Parent Company, "Grupo SURA", 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 is in the city of Medellin, at Carrera 43ª #5ª-113, Floor 15, but 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 the year 2097.

Its corporate purpose is investment in movable and immovable property. Related to investment in 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 the Company, and in conjunction with its subsidiaries "Grupo SURA") is a Latin American company listed on the Colombia Stock Exchange (BVC) and is registered in the ADR program - Level I in the United States. It is also the only Latin American company in the sector Diversified Financial Services, which is part of the Dow Jones Sustainability Index, with which companies that stand out worldwide for its best practices in economic, environmental, and social issues, are recognized. This entity was awarded, in 2016, the *Bronze Recognition*, which represents the second company in the world, in this sector, with the highest standards in this area. Grupo SURA classifies its investments in two ways: the Strategic, focused on the sectors of financial services, insurance, pensions, savings and investment, and Industrial investments that are, mainly, in the sectors of processed foods, cement, energy, ports, real estate sector and infrastructure.

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 76.47% equity of Sura Asset Management S.A., and 7.11% through Grupo de Inversiones Suramericana Panamá S.A., a company that groups together investments in the sector of pensions, savings, and investment in the region.
The remaining 16.42% of the share capital of Sura Asset Management S.A., is held by other local and international stakeholders.

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

The investments in segment cement, concrete, energy, ports, coal mines and the real estate sector, includes a stake of 35.22% of shares with voting rights (equivalent to a stake of 26.75% 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. Celsia S.A. E.S.P., and de Odinsa S.A.

NOTE 2. BASIS OF PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS

2.1. Compliance Statement

The Condensed 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, modified by Decree 2496 of 2015, and 2131 of 2016 and 2170 of 2017. IFRS are based on the International Financial Reporting Standards (IFRS), along with the interpretations issued by the International Accounting Standards Board – as it is known by the acronym in English - IASB, translated in an official manner and authorized by the International Accounting Standards Board (IASB), contained in the "2015 Red Book Version", published by the International Accounting Standards Board (IASB - as it is known by the acronym in English).

The application of said International Standards, in Colombia, is subject to certain exceptions, established by the regulator, and contained in Decree 2420 of 2015, and amending. These exceptions vary depending on the type of company, for Suramericana, the following applies:

- Article 2.2.1 of Decree 2420 of 2015, added to by Decree 2496, of the same year and modified by Decree 2131 of 2016, established that the determination of the 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 Paragraph 5 of Article 2.2.8.8.31 of Decree 1833 of 2016, informing the variables used and the differences with the calculation realized, 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, 2018, 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, 2017.

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

The Board of Directors of Grupo Sura, on the recommendation of the Audit and Finance Committee, approved an update of the Accounting Policies, on income from customers and Financial Instruments, with the purpose of standardizing the scope in IFRS 15 and IFRS 9, respectively, which came into force as of January 1, 2018.

With regard to the income policy (IFRS 15), this update will allow the classification of the income, obtained by the Company, in accordance with the activities realized, to satisfy the obligations, acquired contractually, with customers, regardless of whether it is stipulated, in a single contract. The main impact, associated with this change, is in the case of insurers, where the separation of, income received from insurance premiums, and income from complementary services (assistance), is required, because it is considered that there are different performance obligations, to be met to the clients. However, this change will only generate impact, in the presentation of the Financial Statements. For the other operating segments, no significant changes have been identified.

In relation to the prospective impairment policy (IFRS 9), the methodology is based on the relevance of impacting the Company's results, from the losses associated with the credit risk of the financial assets, from the initial moment of their recognition in the balance sheet, instead of waiting for an event or contingency that evidences its deterioration to occur, as is the case with the incurred losses methodology, established in the previous standard (IAS 39). The prospective methodology corresponds to the estimate of loss, that can be foreseen from the initial moment, in which the financial asset is recognized, based on the probability of exposure, and the Company's real guarantees.

These updates took effect on January 1, 2018.

2.5 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*.

Financial assets are recognized at the closing date of the transaction. Likewise, the interest income is recognized in the same, where the valuation is recognized.

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

Financial assets different to those measured at amortized cost

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

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

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

Impairment of financial assets at amortized cost

For assets amortized cost, impairment is assessed using the model of credit losses incurred at the date of the reporting period.

The periodicity of the impairment is calculated monthly, and the model depends on the time of the financial asset:

Commercial portfolio of clients:

The deterioration model of the client portfolio shows a percentage of impairment, applicable to the portfolio of companies, by the range of days in default; for this, historical information, available in each company, should be used to calculate the percentage of deterioration with which the portfolio will be impacted in the future. The number of periods, of historical information used, are sufficient to respond to the behavior of the payment of the clients, insuring that there is a balance in the statistics of the information and changes in the payment behavior, of the clients.

Investments:

To determine the deterioration of this type of financial assets, investments are classified:

- Instruments, whose issuer is a Government, or an entity backed by the Government and which are issued in the functional currency of the country where that Government exercises sovereignty, will not deteriorate.
- Instruments without significant variation in the level of credit risk, from the moment of purchase: for these, the impairment will be determined, based on the probability of occurrence of a credit risk event, in the next 12 months after the reporting date.
- Instruments with significant variation, at the level of credit risk, from the moment of purchase: for these, the impairment will be determined, based on the probability of occurrence of a credit risk event, during the whole life of 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 detraction, 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. Assets and liabilities for taxes

This includes the value of mandatory general levies, in favor of the State, and the Company, for the concept of private settlements, that are determined on the tax bases of the fiscal period, in accordance with the tax rules, 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.

3.4. 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 of the same.

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 said estimation.

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:

a) has the right to receive payment is established
b) it is probable that the entity will receive economic benefits with the dividend; and
c) the value of the dividend can be measured reliably

Measurement of income

Grupo SURA measures revenue at the fair value of the consideration received or receivable.

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.

3.11. Events that occurred after the reporting period

Grupo Sura defines the following aspects for events that occurred after the date of the report:

Events after the reporting period that involve adjustments

Grupo Sura must adjust the figures, recorded in the Financial Statements, to reflect the effects of subsequent events that imply adjustments, as long as they occur before the date on which, the Financial Statements are approved, by the Board of Directors.

Events after the reporting period that do not involve adjustments

Grupo Sura should not modify the figures in the financial statements as a result of this type of events.

However, if the event is material, Grupo Sura must disclose the nature of the event, and an estimate of the financial effects, or a manifestation of the impossibility, of making such an estimate.

Dividend or surplus to the owner

Grupo Sura must refrain from recognizing as a liability in the Financial Statements, the dividends or surpluses, agreed after the reporting period.

On-going business hypothesis

Grupo Sura must prepare the financial statements on the going concern hypothesis, provided that, after the reporting period, the administration does not determine that it intends to liquidate or cease its activities or that it has no other alternative than proceed in one of these ways.

3.12. Related parties

The following are considered related parties:

1. The companies that make up the **Grupo Empresarial SURA** ("The Companies").
2. The **associated companies**.
   It will only apply for transactions that are considered **unusual** (outside of the ordinary course of business of the company) **and materials.**
   In any case, it must be ensured, that the recurring transactions are realized, under competitive market conditions, and are recognized, in full, in the Financial Statements. For purposes of this document, the definition of associated companies, contained in the Accounting Policy for Investments in Associates, will be applied.
3. The Members of the Board of Directors (principals and alternates).
4. The Legal Representatives, excluding the Judicial Legal Representatives and Proxies.
5. The Personnel of Senior Management, specifically, the first two levels of the organization (including Executive Directors of Audit and Corporate or General Secretaries).
6. The close relatives of the Members of the Boards of Directors, the Legal Representatives, and the Personnel of Senior Management, that is, their spouses or permanent companions, as well as the persons within the first degree of consanguinity, first of affinity or only civil.

This policy will not apply to operations that do not involve the provision of a service, or the disposition of goods, between the parties; that is, collaborative activities, synergies, or joint developments, among the Companies, in the interest of the unity of purpose, and direction of the Grupo Empresarial SURA.

Aligned with the International Accounting Standards, and aware that each Company Group will be responsible for identifying transactions between related associated parties, with their businesses, the operations that will, at minimum, be considered, within the present policy are:

- Purchases or sales of products
- Purchases or sales of real estate and other assets
- Loans between companies, in effect at the close of the accounting period
- Leases, where there is a formalization, through a contract

- Provision or reception of services, where there is remuneration, reciprocity, and formalization, through a contract
- Transfers, in which a company generates development or research, exclusively for another entity, and there is remuneration, reciprocity, and formalization, through a contract
- Transfers made, in accordance with financing agreements, (including loans and equity contributions, in cash or in kind)
- Granting of collateral guarantees and warranties
- Settlement of liabilities, on behalf of the entity, or by the entity, on behalf of that related party
- Other commitments and contracts where there is reciprocity and remuneration
- Transactions, (including compensation and benefits) with members of the Boards of Directors, Legal Representatives, and Senior Management Personnel, which correspond to the first two levels of the organization, that is, to people of the highest hierarchical level of the Companies, responsible of the ordinary course of business, and for devising, executing, and controlling the objectives and strategies of the companies; Auditors and Corporate or General Secretaries are included. (It must be transactions with the company, in which the Senior Manager works)
- Transactions within the Company, in which one of the Senior Managers, described above, and their spouse or permanent companion, or their relatives, within the first degree of consanguinity, first of affinity, or solely civil
- Dividends decreed

Materiality of transactions

All transactions, between related parties must be realized, under conditions of full competition, and framed within the principles of transparency, fairness, and impartiality.

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

- Legal, accounting, and tax compliance, in all jurisdictions
- Specific conditions agreed upon with minority Shareholders
- Amount of the operation, which will be defined in the specific policies or procedures of the Companies
- Realization of conditions, other than market conditions, due to a particular event
- Disclosure to regulatory or supervisory authorities
- Reporting requirements, to Senior Management and/or Board of Directors

It will be considered material, if one of these factors applies to at least one of the Companies involved in the transaction.

NOTE 4. APPLICATION OF NEW STANDARDS

Rules issued without effective application
Accounting and Financial Information Standards accepted in Colombia issued not yet effective

The standards and interpretations, that have been published, but are not applicable at the date of these Financial Statements, are disclosed below. The Group will adopt these standards on the date they become effective, in accordance with the decrees, issued by the local authorities.

IFRS 16: Leases

IFRS 16 was issued by the IASB, in January 2016, and replaces IAS 17, IFRIC 4, SIC 15 and SIC 27. This standard establishes the principles of recognition, measurement, presentation, and disclosure of leases, and requires that tenants account for all their leases, under the same balance sheet model, similar to the accounting under IAS 17 of financial leases. The standard includes two recognition exemptions for tenants: leasing of low-value assets (for example, personal computers), and short-term leases (that is, leases with a term of less than 12 months). At the beginning of the lease, the lessee will recognize a liability for the payment of royalties, (liability for lease), and an asset, representing the right to use the underlying asset, during the term of the lease (right to use the asset). Tenants must recognize the interest expense of the lease liability, and the depreciation expense of the right to use, separately.

Tenants must also remediate the lease liability from the occurrence of certain events (for example, a change in the term of the lease, a change in future fees, as a result of a change in the rate, or rate used to determine such fees). The lessee will generally recognize the amount of the remeasurement, of the lease liability, as an adjustment in the right-of-use asset.

The accounting of the lessor, under IFRS 16, has no substantial modifications, with respect to that effectuated, under IAS 17. The lessors will continue to classify all of their leases, using the same classification principles of IAS 17, between financial and operating leases.

IFRS 16 also requires lessees, and lessors, to include more extensive disclosures, to those included under IAS 17. This standard has not been introduced in the Colombian accounting framework, by any decree, to date. The Group is evaluating the potential impact of this standard, in its Financial Statements.

IFRS 17: Insurance contracts

In May 2017, the IASB issued IFRS 17, a new comprehensive accounting standard, for insurance contracts, covering measurement and recognition, presentation, and disclosure. Once in effect, IFRS 17 will replace IFRS 4, issued in 2005. IFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as certain guarantees, and financial instruments, with characteristics of discretionary participation. This standard includes few exceptions.

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

- A specific adaptation for contracts, with characteristics of direct participation (variable rate approach)
- A simplified approach, (the allocation bonus approach), mainly for short-term contracts

IFRS 17 has not been introduced into the Colombian accounting framework, by any decree, to date. The Group is evaluating the potential impact of this standard, in its Financial Statements.

NOTE 5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND CAUSES OF UNCERTAINTY IN THE PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

Accounting estimates and assumptions

Herewith, are 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 following Financial Statement, by-product of the uncertainty surrounding described such behavior.

a) Revaluation of property for own use and investment properties
The fair value of land and buildings, is based on periodic evaluations, realized 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 horizons 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.

Deferred tax assets are 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's tax planning.

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 obligations, for post-employment benefits and defined benefits, includes the determination of key actuarial assumptions, that allow the calculation of the value of the liability.

The information on assumptions and estimation uncertainties, that have a significant risk of resulting in a material adjustment, in the year ended December 31, 2017, are included in the following notes:

Note 8 Taxes: recognition of deferred tax assets, availability of future taxable profits, against those that can be used to offset losses, obtained in previous periods.

NOTE 6. CASH

Cash and cash equivalents are as follows:

	March 2018	December 2017
National currency	8,697	69,099
Bank	1	1
Current checking accounts	219	297
Current savings accounts	1,916	57,931
Restricted cash [1]	1,502	1,502
Fiduciary rights	5,059	9,368
Foreign currency	5,529	199
Bank	10	16
Current bank accounts	5,519	183
Total cash and cash equivalents	14,226	69,298

Balances, at banks accrue, interest at variable rates, based on daily rates of bank deposits. Short-term loans are made for variable periods of between one day and three months, according to the immediate cash needs of Grupo SURA, and accrue interest at the applicable short-term loan rates.

[1] Restricted cash, corresponds to a supplementary pension plan, administered by Protección S.A, created with the purpose of offsetting the liability, that is held as a bonus for retirement of executives.

NOTE 7. FINANCIAL INSTRUMENTS

The following is the description of the methodologies, and assumptions, used to determine the value of financial instruments, that are not recorded at their fair value, in The Financial Statements (i.e. at amortized cost), and loans and accounts receivable.

ASSETS WHOSE FAIR VALUES APPROXIMATED TO THE BOOK VALUE

Financial assets, 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 AGREED-UPON RATES

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

The estimated fair value, of term deposits, is based on discounted cash flows, using current interest rates in the money market, debt with a similar credit risk, and maturity.

HIERARCHY OF REASONABLE VALUE

In order to increase the consistency, and comparability, of fair value measurements, and related disclosures, IFRS 13 establishes a fair value hierarchy that classifies at three levels the input data of valuation techniques used to measure it. The fair value hierarchy gives the highest priority, to quoted (unadjusted) prices, in markets with identical assets and liabilities, (Level 1 input data), and the lowest priority, to unobservable input data (input data from Level 3).

Thus, some of the accounting policies, and disclosures, of Grupo SURA S.A. require the measurement of the fair values, of both the financial, and non-financial assets and liabilities. The following are the definitions used, to determine the fair value of the financial assets, of the investment portfolio of Grupo SURA S.A.:

LEVEL 1 - PRICES LISTED IN ACTIVE MARKETS

These are assets, whose prices are quoted (unadjusted), in active markets, for assets or liabilities identical to those that the entity can have access to, at the measurement date. A quoted price, in an active market, provides the most reliable evidence of fair value, and will be used without adjustment, to measure fair value whenever it is available. The valuation of securities, at fair value, is performed through the prices delivered, by price suppliers, or official sources, such as Central Banks, Stock Exchanges, and Valuation Committees. Among the assets belonging to Hierarchy 1, are securities of the local fixed income portfolio, that report a price.

LEVEL 2 - MODELED WITH OBSERVABLE MARKET ENTRY DATA

These are assets, whose valuations are made with data, different from the quoted prices, included in Level 1, and which are observable, for the asset or liability, either directly or indirectly. The valuation of securities, at fair value, is realized, by means of the prices, delivered by the custodians of securities, of the portfolio, and the price suppliers. For the classification in the hierarchy of fair value, market liquidity is used, as a frame of reference. Thus, securities traded in less liquid positions, than those of Hierarchy 1, are classified as Hierarchy 2, among them, are some local and international fixed income securities, that value by margin, structured notes, private equity funds, and some securitizations.

LEVEL 3 - MODELED WITH NON-OBSERVABLE ENTRY DATA

These are assets, whose valuations are based on non-observable data, important for the asset or liability. For level 3, it will be Grupo Sura S.A., who will be responsible for defining the variables, and applying the methodology.

- **Internal Rate of Return (IRR):** is an exponential valuation methodology, that allows discounting future cash flows, through the rate negotiated at the time of purchase.
- **Attributed Cost**: is a value, that reflects the net between, the costs and the provisions of the low marketability shares, that are held in the subsidiaries. It is used because, for stocks that do not have any liquidity, this reflects the value of the initial balance with the best information known up to that moment.

FINANCIAL LIABILITIES WHOSE REASONABLE VALUE IS APPROXIMATED TO THE VALUE IN BOOKS
In the case of those obligations that have a short-term maturity, their book value approximates the fair value.

Long-term accounts payable usually have maturities of between one and two years. This means that, the respective book values, are reasonable approximations of their fair values.

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

The following is a detail of the balances of the financial assets and liabilities that Grupo SURA owns as of December 31, 2017 and December 2016.

7.1. Financial assets

The following is a breakdown of current and non-current financial assets, as well as financial assets:

March 2018

Current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Profit and loss	Equity		
Cash and cash equivalents	6	-	-	-	14,226	14,226
Accounts receivable		50,972	-	-	-	50,972
Accounts receivable from related parties	7.1.1	778,687	-	-	-	778,687
Other financial assets	7.1.2	-	1,445	-	-	1,445
Total current financial assets		**829,659**	**1,445**	**-**	**14,226**	**845,330**
Non-current	**Note**	**Financial assets at amortized cost**	**Financial assets at fair value**		**Other Financial assets (cash)**	**Total**
			Profit and loss	**Equity**		
Accounts receivable	7.1.3	-	-	15,789	-	15,789
Other financial assets	7.1.2	-	46,863	-	-	46,863
Total non-current financial assets		**-**	**46,863**	**15,789**	**-**	**62,652**
Total financial assets		**829,659**	**48,308**	**15,789**	**14,226**	**907,982**

December 2017

Current	Note	Financial assets at amortized cost	Financial assets at fair value		Other Financial assets (cash)	Total
			Profit and loss	Equity		
Cash and cash equivalents	6	-	-	-	69,298	69,298
Accounts receivable		19,824	-	-	-	19,824
Accounts receivable from related parties	7.1.1	39,450	-	-	-	39,450
Other financial assets	7.1.2	-	16,409	-	-	16,409
Total current financial assets		**59,274**	**16,409**	**-**	**69,298**	**144,981**

Non-current	Note	Financial assets at amortized cost	Financial assets at fair value		Other Financial assets (cash)	Total
Investments	7.1.3	-	-	17,664	-	17,664
Other financial assets	7.1.2	-	60,265	-	-	60,265
Total non-current financial assets		**-**	**60,265**	**17,664**	**-**	**77,929**
Total financial assets		**59,274**	**76,674**	**17,664**	**69,298**	**222,910**

7.1.1. Accounts receivable related parties

This corresponds, to pending dividends receivable, from associated companies and current accounts, between subsidiary companies, and are detailed below:

	March 2018	December 2017
Bancolombia S.A.	239,176	-
Grupo Argos S.A.	-	17,789
Grupo Nutresa S.A.	91,648	21,601
Total dividends, receivable from associates	**330,824**	**39,390**
Sura Asset Management S.A.	304,804	-
Suramericana S.A.	143,003	-
Total dividends receivable from subsidiaries	**447,807**	**-**
Grupo Sura Finance[1]	56	60
Total deposits for the acquisition of shares	**56**	**60**
Total accounts receivable from related parties and current associates	**778,687**	**39,450**

[1] This amount corresponds to account receivable from Grupo Sura Finance for the acquisition of shares.

7.1.2. Other financial assets

Herewith, is a summary of other financial assets:

Other financial assets	March 2018	December 2017
Swaps exchange rates	20,865	29,071
Swaps interest rates	5,739	5458
Options exchange rates	21,704	42,145
Total assets from derivative operations	48,308	76,674

7.1.3. Investments

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

	March 2018			December 2017		
	# Shares	% Part.	Fair value	# Shares	% Part.	Fair value
Enka S.A.	1,973,612,701	16.76%	15,789	1,973,612,701	16.76%	17,664

7.2 Financial liabilities

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

	Note	March 2018	December 2017
Accounts payable for related parties	7.2.2	1,877,611	1,664,427
Other financial liabilities	7.2	1,314,077	1,216,979
Securities issued	11	1,788,731	1,779,793
Trade and other accounts payable	7.2.3	3,154	14,687
		4,983,573	4,675,886

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

March 2018

Current	Financial liabilities at amortized cost	Financial liabilities at fair value	Leases	Total
Leases (*)	-	-	4,403	4,403
Derivatives (*)	-	7,272	-	7,272
Accounts payable	3,154	-	-	3,154
Accounts payable, related parties	1,877,611	-	-	1,877,611
Total current liabilities	1,880,765	7,272	4,403	1,892,440

Non-current	Financial liabilities at amortized cost	Financial liabilities at fair value	Leases	Total
Leases (*)	-	-	10,230	10,230
Derivatives (*)	-	230,374	-	230,374
Securities issued	1,788,731	-	-	1,788,731
Financial obligations (*)	996,835	64,963		1,061,798
Total non-current liabilities	2,785,566	295,337	10,230	3,091,133

Total financial liabilities	4,666,331	302,609	14,633	4,983,573

December 2017

Current	Financial liabilities at amortized cost	Financial liabilities at fair value	Leases	Total
Leases (*)	-	-	3,990	3,990
Derivatives (*)	-	687	-	687
Accounts payable	14,687	-	-	14,687
Accounts payable, related parties	1,664,427	-	-	1,664,427
Other financial liabilities (*)	298,974	-	-	298,974
Total current liabilities	1,978,088	687	3,990	1,982,765

Non-current	Financial liabilities at amortized cost	Financial liabilities at fair value	Leases	Total
Leases (*)	-	-	10,780	10,780
Derivatives (*)	-	118,143	-	118,143
Securities issued	1,779,793	-	-	1,779,793
Financial obligations (*)	715,444	68,961	-	784,405
Total non-current liabilities	2,495,237	187,104	10,780	2,693,121
Total financial liabilities	4,473,325	187,791	14,770	4,675,886

(*) Is part of the grouping of other financial liabilities: leases, derivatives and financial obligations

7.2.1. Other financial liabilities

Short-term financial obligations are comprised of options and swaps, which are detailed below, for the period ended March 31, 2018 and December 31, 2017:

Entity	Currency	Rate	Term (days)	2018	2017
BBVA España	USD	Libor + 1.25% /1.5%	1,006	-	298,974
Banco de Bogotá	COP	IPC+2.93%	730	-	287,705
Bancolombia S.A.	COP	IBR + 2.18%	1,080	-	200,343
Bancolombia S.A.	COP	IBR + 2.24%	1,080	-	227,396
Bancolombia S.A.	COP	IBR + 2.05%	1,800	718,525	-
Banco Davivienda S.A Miami International	USD	Libor + 0.7%	186	83,525	-
Banco Davivienda S.A Miami International	USD	Libor + 1%	186	83,535	-
Helm Bank - Panamá	USD	2.55%	180	111,250	-
Subtotal financial obligations				996,835	1,014,418
Repo operations				64,963	68,961
Financial Leasing	COP	7.89%	5,478	14,633	14,771
Total other financial liabilities and leasing				1,076,431	1,098,149
Derivatives				237,646	118,830
Total other financial liabilities				1,314,077	1,216,979

(1) The following is a summary of derivatives:

	March 2018	December 2017
Swaps exchange rates	221,620	105,002
Options exchange rates	8,754	13,828
Forwards exchange rates	7,272	-
Total assets from operating derivatives	**237,646**	**118,830**

7.2.2. Accounts payable to related entities

Corresponds to the payment of short-term dividends for shares decreed at the Shareholders' meeting held on March 23, 2018 and accounts payable to subsidiaries:

	March 2018	December 2017
Ordinary shares	244,305	1,343
Preference shares	58,509	6
Sub-total	**302,814**	**1,349**
Accounts payable to current subsidiaries (See Note 20)	1,574,797	1,663,078
Total accounts payable to related parties	**1,877,611**	**1,664,427**

7.2.3. Trade accounts payable and other accounts payable

The breakdown of commercial current accounts payable is as follows:

	March 2018	December 2017
Suppliers	333	1,778
Accounts payable from sales of investments	-	10,296
Others	2,821	2,613
Total Accounts payable, trade	**3,154**	**14,687**

NOTE 8. TAXES

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

	Note	March 2018	December 2017
Current tax asset	8.1	217	-
Current tax liability	8.1	27,810	33,338
Deferred tax liability	8.2	37,259	39,554

8.1 Current tax

a. Current tax recognized in the Statement of Financial Position

	March 2018	December 2017
Current tax assets		
Local taxes	154	-
Withholding tax	63	-
	217	**-**
	March 2018	December 2017

Current tax liabilities		
Taxes and complementaries	25,628	31,353
Local taxes	2,174	1,947
Taxes for sales, payable	8	38
	27,810	**33,338**

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

	March 2018	March 2017
Current tax expenses	835	17,021
Current deferred tax expenses		
Reversal of temporary differences	(2,295)	(27,438)
Income from income tax	**(1,460)**	**(10,417)**

c. Reconciliation of the effective tax rate

The reconciliation, of the effective tax rate, of the Group, applicable for the years ended March 31, 2018 and 2017, respectively, is as follows:

	March 2018		March 2017	
	Rate	Balance	Rate	Balance
Profit before tax		**414,099**		**490,939**
Tax on income by applying the local tax rate	37%	153,217	40%	196,376
Tax effect of:				
Non-deductible expenses	0%	1,471	3%	16,011
Tax losses	7%	26,987	0%	-
Exchange adjustments	1%	4,708	0%	-
Untaxed income	-16%	(66,622)	-17%	(81,483)
Untaxed dividends	-30%	(122,405)	-31%	(152,167)
Others	0%	1,184	0%	10,847
Income tax	**0%**	**(1,460)**	**-4%**	**(10,417)**

The effective tax rate, for the Company, was 0% for the First Quarter of 2018, and (4%) for the First Quarter of 2017. This variation corresponds primarily to, the non-taxed dividend.

d. Current tax movement

The following is the movement that generated balances of income and complementaries, as of March 31, 2018 and December 31, 2017:

Balance of income tax at December 31, 2016	**55,992**
Provision	24,811
Income tax paid 2016	(49,450)
Balance of income tax at December 31, 2017	**31,353**
Provision	835
Income tax first payment 2018	(6,560)
Balance of income tax at March 31, 2018	**25,628**

The Income Statements, for 2016 and 2015, will be finalized, according to the general rule of 2 years. As of 2017, the general term of firmness, of the tax returns, will be 3 years, from the date of its expiration, or from the date of its presentation, when these have been submitted extemporaneously. Regarding the transfer pricing statements, the term of its finality will be 6 years. With respect to those statements, in which balances are presented in favor, the term of finality will be 3 years, from the date of submission, of the request for refund or compensation.

8.2. Deferred taxes

a. Movement in deferred tax balances

The net asset/liability, for deferred income tax, consists of the following items:

	Balance at March 31, 2018	Recognized results	Balance at December 31, 2017	Balance at Marc 31, 201	Recognized results	Balance at December 31, 2016
From changes in the measurement of employee benefits	10,946	-	10,946	10,706	-	10,706
From valuation derivatives	60,780	38,837	21,943	37,503	35,069	2,434
From financial obligations	-	-	-	1,645	1,645	
From estimated expense provisions	-	-	-	1,256	(86)	1,342
Total Deferred Tax Assets	**71,726**	**38,837**	**32,889**	**51,110**	**36,628**	**14,482**
From the changes in the measurement of fixed assets	4,977	70	5,047	6,340	(468)	5,872
From Investments in Subsidiaries	66,928	-	66,928	58,413	-	58,413
From valuation derivatives	37,079	(36,612)	467	25,200	(8,722)	16,478
Total Liabilities from Deferred Tax	**108,984**	**(36,542)**	**72,442**	**89,953**	**(9,190)**	**80,763**
Total Deferred Tax, Net	**(37,259)**	**2,295**	**(39,554)**	**(38,843)**	**27,438**	**(66,281)**

8.3. Tax affairs in Colombia

The provisions in force applicable to the Company stipulate that:

Tax on Dividends

On the profits, generated from the year 2017, the new tax on dividends will be applied, to foreign companies and entities.

The rate of this tax will be 5%. On the other hand, the dividend taxed, though income tax, will have a rate of 35%. In this scenario, the dividend tax of 5%, will apply to the amount of the taxable distribution, once it has been reduced, with the income tax at the 35% rate.

For natural persons who are tax residents in Colombia, the dividend tax will have a maximum rate of 10%, that will be arise, from the non-taxed dividends, and 35%, with respect to the dividends distributed as taxed.

Presumptive income

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

The excesses, of the presumptive income, on the ordinary income, incurred may be compensated, with the ordinary income, obtained within five years, following its occurrence.

Transfer Prices

The taxpayers, of the income tax, who enter into transactions with economic related parties, or related parties from abroad, are obliged to determine, for income tax purposes, their ordinary and extraordinary income, their costs and deductions, their assets and liabilities, considering, for these operations, the prices and profit margins, that would have been used, in comparable operations, with or between, not economically linked.

Independent advisors advance the updating of the transfer pricing study, required by tax provisions, tending to demonstrate, that operations, with economic related parties, from abroad were realized, at market values during 2017. For this purpose, the Company will present an informative return, and will have available the referred study, by the end of July 2018. Failure to comply with the transfer pricing regime, may result in financial penalties, and a higher income tax; however, Management, and its advisors, are of the opinion that the study will be concluded in a timely manner, and will not produce significant changes to the basis, used to determine the 2017 income tax provision.

Sales tax

As of the taxable year 2017, the general rate of sales tax, is nineteen percent (19%,) and a differential rate of 5%, for some goods and services, in accordance, with Article 184 and 185 of Law 1819 of 2016.

As of the taxable year 2017, the event generating VAT, was extended to the sale of goods in general, the sale or concession of intangibles, related to industrial property and, to the rendering of services in Colombia, or from abroad, except for exclusions, express of the norm, in accordance, with article 173 of Law 1819 of 2016.

From the taxable year 2017, the periods of declarations and VAT payments will be bimonthly and quarterly, in accordance with article 600 of law 1819 of 2016.

Law 1819 in its Article 194, indicated that the periods to request deductible, will be of three bi-monthly periods, immediately following the period of its causation.

NOTE 9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

9.1 Investments in associates

General information on investments in associates

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

		March 2018			December 2017		
Investment	Economic Activity	% Participation	% voting rights	# Shares	% Participation	% voting rights	# Shares
Bancolombia S.A. (*)	Global bank	24.38%	46.01%	234,486,286	24.38%	46.01%	234,486,286
Grupo Argos S.A. (*)	Cement, energy, real-estate, and ports	26.78%	35.56%	229,534,810	26.78%	35.56%	229,534,810

Grupo Nutresa S.A.	Foods and processed	35.17%	35.17%	161,807,155	35.17%	35.17%	161,807,155

(*) Right to vote: The percentage, with voting rights, at March 2018 and December 2017, of Bancolombia S.A. it is 46.01%, and Grupo Argos S.A is 35.22% and 35.56%, respectively, this taking into account, the issuance of preferred shares, without voting rights, issued by this associate.

Balance of investments

The following is a breakdown of the investments at March 31, 2018 and December 2017:

Investment	March 2018	December 2017
Bancolombia S.A.	5,592,906	5,592,906
Grupo Argos S.A.	4,510,291	4,515,121
Grupo Nutresa S.A.	4,287,391	4,287,391
Total	**14,390,588**	**14,395,418**

Dividends received

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

	March 2018	March 2017
Bancolombia	239,176	222,856
Grupo Nutresa S.A.	91,648	86,405
Grupo Argos S.A.	-	71,156
Total	**330,824**	**380,417**

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 at March 31, 2018 and December 31, 2017:

March 2018	Location	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Bancolombia S.A.	Colombia	200,945,570	-	177,755,926	-	23,189,644	2,684,069	544,049	(237,273)	306,776
Grupo Argos S.A.	Colombia	6,506,956	39,217,002	7,567,713	14,561,959	23,594,286	3,310,548	221,062	(831,192)	(610,130)
Grupo Nutresa S.A.	Colombia	2,597,048	10,971,337	2,065,945	3,282,231	8,220,209	2,104,345	121,789	(177,679)	(55,890)

December 2017	Location	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Bancolombia S.A.	Colombia	203,908,211	-	179,478,661	-	24,429,550	11,220,216	2,475,827	470,110	2,945,937
Grupo Argos S.A.	Colombia	6,750,119	40,817,829	7,107,746	16,153,054	24,307,148	14,573,579	906,583	330,935	1,237,518
Grupo Nutresa S.A.	Colombia	2,685,577	11,623,900	1,954,961	3,404,335	8,950,181	8,695,604	424,340	396,661	821,001

The investments, in associates of Grupo SURA, listed on the Colombia Stock Exchange, and with high liquidity; the fair value of the shares at March 31, 2018 and December 31, 2017, in the stock market is, as is listed below (information in Colombian Pesos):

Associate	March 2018	December 2017
Bancolombia S.A.	7,086,176	7,029,899
Inversiones Argos S.A.	4,315,241	4,792,687
Grupo Nutresa S.A.	4,203,750	4,501,475

Movement of investments in associates:

	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	TOTAL
At December 31, 2016	5,592,906	4,515,121	4,287,391	14,395,418
Additions	-	-	-	-
Derecognition	-	-	-	-
At December 31, 2017	5,592,906	4,515,121	4,287,391	14,395,418
Additions	-	-	-	-
Derecognition	-	(4,830)	-	(4,830)
At March 31, 2018	5,592,906	4,510,291	4,287,391	14,390,588

Restrictions

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

9.2. 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, 2018 and December 2017:

			Percentage of property		
Company	Country	Economic Activity	March 2018	December 2017	Date Established
Sura Asset Management S.A.	Colombia	Investor	83.58%	83.58%	15/09/2011
Integradora de Servicios Tercerizados S.A.S.	Colombia	Investments	100%	100%	11/07/2012
Compuredes S.A.	Colombia	Technology	100%	100%	16/08/1988
Enlace Operativo S.A.	Colombia	Services	100%	100%	31/05/2006
Inversiones y Construcciones Estratégicas	Colombia	Investments	100%	100%	30/08/2007
Grupo de Inversiones Suramericana Panamá S.A.	Panamá	Investments	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	Investments	81.13%	81.13%	25/05/1999
Sura Ventures S.A.	Panamá	Investments	100%	-	21/02/2018

Balance of investment

The detail of the balance of investments in subsidiaries by *the Equity Method* as of March 31, 2018 and December 2017 is as follows:

Company	March 2018	December 2017
Sura Asset Management S.A.	8,719,196	9,256,905
Suramericana S.A.	3,438,303	3,641,569
Integradora de Servicios Tercerizados S.A.S.	149,697	149,622
ARUS Holding S.A.S.	63,149	66,822
Sura Ventures S.A.	40,962	-
ARUS S.A.	3,210	3,451
Enlace Operativo S.A.	923	879
Total	**12,415,440**	**13,119,248**

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, 2018 and December 31, 2017, are as follows:

March 2018	Asset	Liability	Equity	Income	Other comprehensive income
Sura Asset Management S.A. (*)	24,633,247	16,042,375	8,590,872	131,681	(463,636)
Arus Holding S.A.S.	65,574	21	65,553	(1,013)	(2,799)
ARUS S.A.	86,565	59,966	26,599	(1,884)	-
Enlace Operativo S.A.	24,502	8,429	16,074	1,163	-
Inversiones y construcciones Estratégicas	155,583	5,886	149,697	620	(545)
Grupo de Inversiones Suramericana Panamá S.A.	800,295	833,624	(33,329)	(9,246)	(3,138)
Grupo SURA Finance S.A.	2,364,524	2,392,313	(27,788)	(1,116)	1,985
Suramericana S.A. (*)	24,191,013	19,942,152	4,248,861	100,289	(169,873)
Sura Ventures S.A.	72,619	1,947	70,673	-	(2,208)

*Figures taken from the Consolidated Financial Statements

December 2017	Asset	Liability	Equity	Income	Other comprehensive income
Sura Asset Management S.A. (*)	25,550,403	16,256,072	9,294,331	614,352	673,130
Arus Holding S.A.S.	69,369	4	69,366	7,768	-
ARUS S.A.	84,104	53,073	31,031	5,204	-
Enlace Operativo S.A.	20,293	4,967	15,325	3,281	-
Inversiones y construcciones Estratégicas	155,106	5,484	149,622	10,226	3,389
Grupo de Inversiones Suramericana Panamá S.A.	972,795	923,067	49,727	(25,762)	(567)
Grupo SURA Finance S.A.	2,502,571	2,531,229	(28,658)	(3,217)	107
Suramericana S.A. (*)	25,561,806	21,060,848	4,500,958	505,269	173,569

**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, 2018 and 2017:

Subsidiary	March 2018	March 2017
SURA Asset Management S.A.	100,695	122,451
Suramericana S.A.	81,364	117,403
Inversiones y construcciones Estratégicas	620	1,076
Grupo de Inversiones Suramericana Panamá S.A.	115	3,044
Enlace Operativo S.A.	67	41
ARUS S.A.	(102)	(7)
Sura Ventures S.A.	(973)	-
Arus Holding S.A.	(976)	516
Grupo SURA Finance S.A.	(1,116)	(1,071)
Total	**179,694**	**243,453**

Movement of investments in subsidiaries

The movement of investments in subsidiaries, is as follows:

	Asset	Liability (Note 10)	Income Statement	Other comprehensive income
Balance at January 1, 2017	**10,891,236**	**(266,259)**	**-**	**474,102**
Purchases[1]	1,080,983	25,513	-	-
Dividends	(437,225)	(29,759)	-	-
Equity variation	686,368	59,889	-	746,257
Income/expenses from the Equity Method	897,886	9,050	906,936	-
Usufructo Panamá	-	-	-	-
Balance at December 31, 2017	**13,119,248**	**(201,566)**	**-**	**1,220,359**
Dividends	(421,882)	(25,925)	-	-
Equity variation	(476,085)	(2,813)	-	(478,899)
Income/expenses from the Equity Method	180,695	(1,000)	179,694	-
Usufructo Panamá	13,464	(13,464)	-	-
Closing balance at March 31, 2018	**12,415,440**	**(244,768)**	**179,694**	**741,461**

[1] On April 4, 2017, the purchase of 127,464 IFC shares, of Sura Asset Management S.A., in the amount of $1,079,056 million, increasing the stake, in this Company, by 4.8717%.

On May 31, 2017, Grupo de Inversiones Suramericana S.A. (Grupo SURA), reported that its subsidiary, Sura Asset Management S.A., and its subsidiary Sura Asset Management Perú S.A. (jointly "Sura AM"), have signed a purchase agreement, for the sale of 100% of the shares, that they directly and indirectly own, in the Peruvian companies Seguros Sura S.A. (Seguros Sura Perú) -whose business is mainly annuities, and Hipotecaria Sura Empresa Administradora Hipotecaria S.A. (Hipotecaria Sura). The contract, signed with Intercorp Financial Services Inc. and Interseguro Compañía de Seguros S.A, also includes the sale of the shares that the Wiese Group owns, in both companies.

On December 22, 2017, a capitalization was realized, for ARUS holding S.A.S., in the amount of $1,927 million for 4,377 shares.

On December 28, 2017, an advance of $25,513 million, was authorized for the purchase of 2,850,000 shares of Grupo de Inversiones Suramericana Panamá S.A., each one at 3 USD, registered at an exchange rate of 2,984.

[2] On February 21, 2018, the split in Panama called SURA VENTURES S.A., was approved. The capital of the new company, that is constituted, is paid with the allocation of part of the capital of Grupo de Inversiones Suramericana Panamá S.A, leaving the authorized capital of SURA VENTURES S.A. at USD 27,094,024.

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. This can be: Mortality tables or taxes.
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, 2018 and December 2017, 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 and /or liabilities to settle.

NOTE 10. PROVISIONS

The following is a summary of provisions:

Company	March 2016	December 2015
Grupo de Inversiones Suramericana Panamá (1)	27,789	172,907
Grupo Sura Finance (1)	216,979	28,658
Subtotal other	244,768	201,565
Dirección Nacional de Impuesto y Aduanas - DIAN (2)	3,470	3,470
Total	248,238	205,035

(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, 2018 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 realize the 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 aforementioned 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 11. SECURITIES ISSUED

The following is an overview of the securities issued:

	March 2018	December 2017
Outstanding bonds[1]	1,328,180	1,329,041
Preference shares[2]	460,551	450,752
Total securities issued	**1,788,731**	**1,779,793**

[1] Outstanding Bonds:

The following is a breakdown of bonds issued:

Bonds Issued	Maturity	Date Issued	Maturity Date	March 2018	December 2017
Bonds	4 Years	07-may-16	07-may-20	100,576	100,651
Bonds	5 Years	07-may-14	07-may-19	104,310	104,346
Bonds	9 Years	07-may-14	07-may-23	225,273	225,327
Bonds	10 Years	07-may-14	07-may-24	54,428	54,431
Bonds	16 Years	07-may-14	07-may-30	100,781	100,809
Bonds	20 Years	25-nov-09	25-nov-29	96,183	96,281
Bonds	40 Years	25-nov-09	25-nov-49	95,157	95,289
Bonds	5 Years	23-feb-17	23-feb-22	194,465	194,515
Bonds	7 Years	23-feb-17	23-feb-24	165,768	165,936
Bonds	12 Years	23-feb-17	23-feb-29	191,239	191,456
Total Bonds issued				1,328,180	1,329,041

[2] Preference shares:

On November 29, 2011, the issuance of 106,334,963 preference shares was realized, in amount of $32,500 per share (in Colombian Pesos); from the date of issuance and for 3 years, a quarterly dividend of 3% EAR, on the value of the issue is paid. As of 2015, EAR pays 0.5%, quarterly, on the issue price.

On March 31, 2018, 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 12. DIVIDENDS

Paid and declared

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

Dividends payable at December 31, 2016 (Note 7.2.2.)	**66,895**
Declared ordinary	228,889
Declared preference	51,891
Subtotal declared dividends	**280,780**
Ordinary shares paid	(282,301)
Preference shares paid	(64,007)
Others	(17)
Dividends payable at December 31, 2017 (Note 7.2.2.)	**1,349**
Declared ordinary	242,961
Declared preference	58,503
Subtotal declared dividends	**301,464**
Dividends payable at March 31, 2018 (Note 7.2.2.)	**302,813**

After the annual closing of the Financial Statements, the Directors proposed the following distribution of retained earnings for 2017, which will be paid in cash, and will appropriate the occasional non-taxable reserve.

The dividend, to be distributed, will be five hundred eighteen pesos (COP $518), per share, on 581,977,548 ordinary and preferred shares, which immediately caused the declaration, by the Shareholders Assembly, and will be 100%, not encumbered for the Shareholder, nor by title of income, or as an occasional gain, as established in Articles 48, 49 and 36-3 of the Tax Statute.

The dividend will be paid in cash as follows:

One hundred twenty-nine pesos and fifty cents (COP $129.50), for each share, on the following dates: April 2, 2018, July 3, 2018, October 1, 2018, and January 2, 2019.

NOTE 13. INCOME AND EXPENSES

The following is a summary of income and expenses:

	March 2018	March 2017
Income from *the Equity Method* (Note 9.2)	179,694	243,453
Dividends (Note 9.1)	330,824	380,417

Losses from derivatives[1]	(141,262)	(96,471)
Investment income, net	437	8,510
Income from the fair value of investments	364	1,214
Total	**370,057**	**537,123**

[1] Corresponds to the net income from valuation of swap derivatives, options, and forwards, which are detailed in Note 7.1 Financial Assets, subsection and 7.2 Financial Liabilities. The following is the balance of income and the valuation expense of swaps, options, and forwards:

	March 2018	March 2017
Income from the valuation of swaps, options, and forwards	11,805	14,671
Expenses from the valuation of swaps, options, and forwards	(153,067)	(111,142)
Total	**(141,262)**	**(96,471)**

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

	March 2018	March 2017
Exchange differences (Note 13)	130,283	63,931
Interest	(71,897)	(61,372)
Total	**58,386**	**2,559**

NOTE 14. EXCHANGE DIFFERENCES

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

	March 2018	March 2017
Income from exchange differences	130,283	63,931

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

	March 2018	March 2017
Cash	6,764	(25,427)
Deposit of acquisition of shares	(4)	(482)
Accounts receivable	(5,222)	(9,904)
Financial liabilities and other obligations [1]	128,743	99,737
Suppliers	2	7
Total	**130,283**	**63,931**

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

[1] Loan granted, by the Company, Grupo Sura Finance, on February 29, 2016, which includes a difference in exchange of $111,305, in a loan of USD 540 million.

Loans with other financial institutions, with a total, from the difference in exchange, of $17,323, in credits of USD 1,011,468 million.

NOTE 15. ADMINISTRATIVE EXPENSES

The administrative expenses are as follows:

	March 2018	March 2017
Surcharges and other taxes	(3,209)	(600)
Travel and representation expenses	(1,421)	(2,052)
Contributions	(734)	(427)
Publicity and marketing	(457)	(277)
Industry and trade	(229)	(1,180)
Commissions	(186)	(138)
Utilities	(165)	(123)
Others	(114)	(204)
Maintenance and repairs	(86)	(427)
Leases	(65)	(12)
Seasonal services	(27)	(17)
Legal	(6)	(5)
Supplies and stationary	(4)	(19)
Insurance	(3)	(17)
Equity tax	-	(1,334)
Sanctions*	-	(37,666)
Total	(6,706)	(44,498)

* In 2017, $37,666 million, corresponds to the differences in interpretation criteria, with the DIAN, in the settlement of income taxes of the taxable years 2009 to 2012, which were liquidated and paid, $34,196 million, in the month of October 2017. See Note 10.

NOTE 16. HONORARIUM EXPENSES

Honorarium expenses are as follows:

	March 2018	March 2017
Consultants and advisory	(1,598)	(1,392)
Board of Directors	(269)	(195)
Auditor and external audit	(91)	(87)
Legal consultation	-	(9)
Total	**(1,958)**	**(1,683)**

NOTE 17. INTEREST

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

	March 2018	March 2017
Securities issued	35,044	27,360
Financial liabilities	36,825	33,598
Fiduciary rights	28	414
	71,897	**61,372**

The liabilities generated by these interests are recognized at amortized cost. See Note 7.2 Financial liabilities.

NOTE 18. 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 2018	March 2017
Profit for the period	415,559	501,356
Outstanding shares	469,037,260	469,037,260
Earnings per share (In Colombian Pesos)	**886**	**1,069**

NOTE 19. 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. Likewise, these documents provide guidelines for the Company's own risks, associated with its business model, and derivatives of its strategy, as well as the risks of its investments. The latter 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 monitor their profiles and how they manage their risks.

19.1 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.

19.1.1. 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.

19.1.2. 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.

19.1.3. 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.

For further details, please refer to **Note 6. Cash**

19.2. 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.

19.2.1. 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.

19.2.2. 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.

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.

19.2.3. Description of changes in risk exposure

In March 2018, SURA Asset Management announced the signing of a sale agreement, in the amount of USD 232 million, through which it will transfer its life annuity operation, to BICECORP S.A., and to Compañía de Inversiones BICE Chileconsult S.A. The transaction will be subject to approval, by local regulators, in the coming months.

19.2.4. 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.

For further details, please refer to **Note 6. Cash.**

19.3. 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.

19.3.1. 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.

19.3.1.1. 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.

19.3.1.2 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.

19.3.1.3. Description of changes in risk exposure

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

19.3.1.4 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.

For further details, please see Note 7.1.2. Other financial assets and Note 7.2.1. Other financial liabilities.

19.3.2. 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.

19.3.2.1. 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.

19.3.2.2. 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.

19.3.2.3. Description of changes in risk exposure

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

19.3.2.4. 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.

For further details, please see Note 7.1.2. Other financial assets and Note 7.2.1. Other financial liabilities

19.3.3. 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.

19.3.3.1. 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.

19.3.3.2. 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.

19.3.3.3. Description of changes in methods used to measure risk
During the quarter, there were no significant changes in exposure to this risk.

19.3.3.4. 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.

For further details, please see Note 7.1.3. Investments

NOTE 20. 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, 2018 and December 31, 2017 Grupo SURA:

a) Companies under direct or indirect control of Grupo SURA found in Note 9.2 Investments in subsidiaries.

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

Company	Type of Entity	March 2018	December 2017	Country	Functional currency
Grupo de Inversiones Suramericana S.A.	Holding Company			Parent	
Activos Estratégicos Sura A.M. Colombia S.A.S.	Holding Company	83.58%	83.58%	Colombia	Colombian Peso
Sura Investment Management Colombia S.A.S.	Holding Company	83.58%	83.58%	Colombia	Colombian Peso
SURA Asset Management España S.L.	Holding Company	83.58%	83.58%	Spain	Euro
Grupo de Inversiones Suramericana Holanda B.V.	Holding Company	83.58%	83.58%	Holland	Euro
Grupo Sura Chile Holdings I B.V.	Holding Company	83.58%	83.58%	Holland	Euro
SURA Asset Management Chile S.A.	Holding Company	83.58%	83.58%	Chile	Chilean Peso
Sura Data Chile S.A.	Company dedicated to providing data and processing services and leasing of computer equipment	83.58%	83.58%	Chile	Chilean Peso
SURA Servicios Profesionales S.A.	Company dedicated to consulting and business advice	83.58%	83.58%	Chile	Chilean Peso
SUAM Finance B.V.	Holding Company holder of144A/Reg S Bonds issued in April 2014	83.58%	83.58%	Curacao	US Dollar
Sura Asset Management México S.A. de C.V.	Holding Company	83.58%	83.58%	México	Mexican Peso
Sura Art Corporation S.A. de C.V.	Company dedicated to the collection of Mexican art	83.58%	83.58%	México	Mexican Peso
Sura Asset Management Perú S.A.	Holding Company	83.58%	83.58%	Perú	Peruvian Soles

Company	Type of Entity	March 2018	December 2017	Country	Functional currency
Sura Asset Management Uruguay Sociedad de Inversión S.A.	Holding Company	83.58%	83.58%	Uruguay	Mexican Peso
AFAP Sura S.A.	Company dedicated to the administration of pension savings funds	83.58%	83.58%	Uruguay	Uruguayan Peso
AFP Capital S.A.	Company dedicated to the administration of pension savings funds	83.33%	83.33%	Chile	Chilean Peso
Afore Sura S.A. de C.V.	Company dedicated to managing investment companies specializing in Retirement Funds	83.58%	83.58%	México	Mexican Peso
AFP Integra S.A.	Administrator of Pension Funds	83.58%	83.58%	Perú	Soles
SURA Real Estate S.A.S.	Consulting activities of management, real estate activities realized with owned and leased	58.50%	58.50%	Colombia	Colombian Peso
Asesores Sura S.A. de C.V.	Sales of products and financial services provided	83.58%	83.58%	México	Mexican Peso
Promotora Sura AM S.A. de C.V.	Services provided for the commercialization, marketing services, and dissemination of products of any kind	83.58%	83.58%	México	Mexican Peso
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	83.58%	83.58%	Chile	Chilean Peso
Pensiones Sura S.A. de C.V.	Pension insurance	83.58%	83.58%	México	Mexican Peso
Seguros de Vida SURA Mexico S.A. de C.V.	Life insurance	83.58%	83.58%	México	Mexican Peso
SUAM Corredora de Seguros S.A. de C.V.	Company dedicated to all types of activities related with insurance and reinsurance	83.58%	83.58%	El Salvador	US Dollar
Disgely S.A.	Company dedicated to the commercialization goods, leases of goods, works and services	83.58%	83.58%	Uruguay	Uruguayan Peso
Corredores de Bolsa Sura S.A.	Company dedicated to the purchase and sale of securities and securities brokerage operations	83.58%	83.58%	Chile	Chilean Peso
Administradora General de Fondos Sura S.A.	Company dedicated to the administration of mutual funds and investment	83.58%	83.58%	Chile	Chilean Peso
Sura Investment Management S.A. de C.V.	Company dedicated to the operation of investment companies	83.58%	83.58%	México	Mexican Peso
Fondos Sura SAF S.A.C.	Company dedicated to the administration of mutual funds and investment	83.58%	83.58%	Perú	Soles
Sociedad Agente de Bolsa S.A.	Stock brokers	83.58%	83.58%	Perú	Soles
Corredor de Bolsa SURA S.A.	Brokerage services	83.58%	83.58%	Uruguay	Uruguayan Peso
AFISA SURA S.A.	Company dedicated to the administration of investment funds	83.58%	83.58%	Uruguay	Uruguayan Peso
Sura Asset Management Argentina S.A.	Company dedicated to the administration of investment funds	83.58%	83.58%	Argentina	Argentine Peso

Company	Type of Entity	March 2018	December 2017	Country	Functional currency
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	81.12%	81.12%	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	Investments	81.13%	81.13%	Chile	Chilean Peso
Inversiones Suramericana Chile Limitada	Investments	81.13%	81.13%	Chile	Chilean Peso
Seguros Generales Suramericana S.A. (Colombia)	General insurance	81.12%	81.12%	Colombia	Colombian Peso
Seguros Sura S.A. (Dominican Republic)	Insurance	81.13%	81.13%	Dominican Republic	Dominican Peso
Seguros Suramericana S.A.(Panama)	Insurance	81.13%	81.13%	Panamá	US Dollar
Aseguradora Suiza Salvadoreña S.A. Asesuisa	General insurance	81.13%	81.13%	El Salvador	US Dollar
Sura RE Ltd.	Insurance and / or reinsurance business	81.13%	81.13%	Bermuda	US Dollar
Sura SAC Ltd.	Insurance and / or reinsurance business	81.13%	81.13%	Bermuda	US Dollar
Seguros Sura S.A (Brasil)	Operations personal and damages insurance	81.13%	81.13%	Brasil	Brazilian Real
Inversiones SURA Brasil Participacoes LTDA	Investments	81.13%	0.00%	Brasil	Brazilian Real
Seguros Sura S.A (Argentina)	Operations of general insurance	80.67%	80.67%	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
Seguros Generales Suramericana S.A. (Chile)	General insurance company	80.71%	80.71%	Chile	Chilean Peso
Seguros Sura, 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	49.74%	49.73%	Colombia	Colombian 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

Company	Type of Entity	March 2018	December 2017	Country	Functional currency
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. (Chile)	Life Insurance Company	81.13%	81.13%	Chile	Chilean Peso
Suramericana S.A.	Investor	81.13%	81.13%	Colombia	Colombian Peso
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 Ventures	Investor	100.00%	0.00%	Panamá	US Dollar
Sura Asset Management S.A.	Investment in movable and immovable property	83.58%	83.58%	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 corresponding to guidelines, issued by its Parent 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: 7.1.1.):

	March 2018	December 2017
Sura Asset Management S.A.	304,805	59
Suramericana S.A.	143,003	-
Grupo Sura Finance S.A.	56	-
	447,864	**59**

Accounts payable (Note 7.2.2.):

	March 2018	December 2017
Grupo Sura Finance	1,501,454	1,611,360
Intereses - Grupo Sura Finance	35,206	15,482
Inversiones y Construcciones Estratégicas S.A.S. [1]	34,410	32,913
Intereses - Inversiones y Construcciones Estratégicas[1]	3,727	3,323
	1,574,797	**1,663,078**

[1] 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 2018	March 2017
Grupo Sura Finance S.A. [1]	21,366	21,842
Inversiones y Construcciones Estratégicas S.A.S.	435	389
Operaciones Generales Suramericana S.A.S.	7	5
Seguros de Vida Suramericana S.A.	-	17
Servicios Generales Suramericana S.A.	-	5
	21,808	**22,258**

[1] 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 2018	March 2017
Short-term employee benefits	2,317	2,239

(*) benefits (other than termination benefits), that are expected to be fully settled, before the twelve months, following the end of the annual reporting period, in which the employees have rendered the related services.

Other related parties:

	March 2018	March 2017
Honorariums, Members of Board of Directors	269	195

NOTE 21. EVENTS SUBSIQUENT TO THE REPORTING PERIOD

These Separate Financial Statements, of interim periods, with a closing date at March 31, 2018, were prepared for supervisory purposes, and authorized for issuance, by the Board of Directors of Grupo SURA, on April 26, 2018, after that closing date, and until its publication, no relevant events have been presented, that imply additional adjustments, or disclosures, to the Financial Statements, filed with the date at March 31, 2018.

NOTE 22. APPROVAL OF FINANCIAL STATEMENTS

The issuance of the Financial Statements of Grupo SURA, for the interim period, ended March 31, 2018, were authorized by the Board of Directors, as stated in Meeting Minutes No. 277 of April 26, 2018, to be presented to the market.

ANALYSIS OF FINANCIAL RESULTS (Unaudited)

The following are the analyses of financial results for the period ended March 31, 2018, with comparative figures, at March 31st and December 31st of 2017. These analyses are performed by management and are not part of the Financial Statements; Expressed in millions of pesos.

	Index	March 2018		March/December 2017		INTERPRETACION	
LIQUIDITY	Solidity	5,331,766	= 19.22%	4,988,684	= 17.97%	Creditors own 19.22% at March 2018 and 17.59% at December 2017, with the shareholders owning the complement: 80.78% in March 2018 and 82.03% in December 2017.	Total Liability
		27,740,208		27,763,804			Total asset
INDEBTEDNESS	Total	5,331,766	= 19.22%	4,988,684	= 17.97%	Of each peso that the company has invested in assets 19.22% to March of 2018 and 17.97% to December of 2017, have been financed by the creditors	Total Liability
		27,740,208		27,763,804			Total asset
	Coverage of interest	487,456	= 677.99%	562,728	= 916.91%	The Company generated net income equal to 677.99% as of March 2018 and 916.91% in March 2017, from interest paid.	Net profit + interest
		71,897		61,372			Financial expenses
	Leverage						
	Total	5,331,766	= 23.79%	4,988,684	= 21.90%	Each peso ($ 1.00) of the Company is committed to 23.79% to March 2018 and 21.90% to December 2017.	Total liabilities with thirds
		22,408,442		22,775,121			Equity
	Total Financial	3,102,808	= 13.85%	2,996,772	= 13.16%	For each peso of equity, financial commitments are made at 13.85% to March 2018 and 13.16% to December 2017.	Total liabilities with financial entities
		22,408,442		22,775,121			Equity
PERFORMANCE	Net margin of profit	415,559	= 83.05%	501,356	= 83.04%	Net profit corresponds to 83.05% of net income in March 2018 and 83.04% of net income in March 2017.	Net profit
		500,373		603,730			Net income
	Return on total liabilities	415,559	= 1.89%	501,356	= 2.28%	Net results correspond to 1.89% of equity in March 2018 and 2.28% in March 2017.	Net profit
		21,992,883		22,020,035			Equity - profit
	Return on total assets	415,559	= 1.50%	501,356	= 1.81%	Net results with respect to total assets, correspond to 1.50% at March 2018 and 1.81% in March 2017.	Net profit
		27,740,208		27,763,804			Total assets