



# Q2 2016

**REPORT**

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**GRUPO SURA (BVC: GRUPOSURA – PFGRUPSURA) OBTAINED A NET INCOME OF COP 974.570 MILLION FOR A 18.1% GROWTH, DRIVEN BY A POSITIVE EXCHANGE RATE EFFECT AND A GOOD LEVEL OF OPERATING PERFORMANCE OF THE BUSINESSES**

- Consolidated assets for Q2 2016 reached COP 64.3 billion (USD 22.0 billion), showing a 15.8% growth compared to year-end 2015. Likewise, equity attributable to the parent company came to COP 22.2 billion (USD 7.6 billion), showing a drop of 3.0% compared to year-end 2015
- Consolidated revenues on a YTD basis came to COP 8.5 billion (USD 2.9 billion), for a growth of 30.8%.
- As for the Company's net income, this reached COP 974,570 million (USD 333.9 million), showing a growth of 18.1% compared to the same period last year.

August 26 2016 -Grupo de Inversiones Suramericana - Grupo SURA, reports information related to its performance on the first half of 2016, the highlights of which are as follows:

The Company posted consolidated revenues amounting to COP 8.5 billion (USD 2.9 billion), for an increase of 30.8% with net income reaching COP 974,570 million (USD 333.9 million) on a year-to-date basis, showing an increase of 18.1%. This was mainly due to a significant growth in retained insurance premiums which rose by 36.9% as well as a favorable exchange difference amounting to COP 260.544 million (USD 89.3 million) Consolidated wealth tax accruing for 2016 came to COP 87.183 million (USD 29.9 million), which was lower than that paid last year.

Grupo SURA's consolidated assets came to COP 64.3 billion (USD 22.0 billion) for Q1 2016, showing an increase of 15.8% compared to year-end 2015. Equity attributable to the shareholders stood at COP 22.2 billion (USD 7.6 billion), showing a drop of 3.0%, due to having acquired an additional stake in SURA Asset Management.

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GRUPO SURA share



	June 30th, 2016	% YoY Change*	% Chg YTD *
GRUPOSURA (COP)	<b>38.300</b>	3.5%	7.3%
PFGRUPSURA (COP)	<b>37.580</b>	3.2%	8.0%
COLCAP (Points)	<b>1.313</b>	-1.4%	13.8%
* Excluding dividends			

## 1. Grupo SURA

### Grupo de Inversiones Suramericana S.A. From January 1st to June 30th Statement of Comprehensive Income (stated in COP millions)

	June 2016	June 2015	% Change
Written premiums	5,266,213	3,719,985	41.6%
Ceded premiums	(702,510)	(387,569)	81.3%
<b>Retained premiums (net)</b>	<b>4,563,703</b>	<b>3,332,416</b>	<b>36.9%</b>
Commission income	1,050,637	909,309	15.5%
Revenues on services rendered	1,118,225	936,693	19.4%
Dividends	76,697	52,395	46.4%
Investment income	908,990	687,684	32.2%
Equity method - Associates	423,103	508,350	-16.8%
Other revenues	92,173	51,853	77.8%
Exchange difference (net)	260,544	14,970	
<b>Total revenues</b>	<b>8,494,072</b>	<b>6,493,670</b>	<b>30.8%</b>
Total claims	(2,767,043)	(1,729,707)	60.0%
Reimbursed claims	491,225	191,786	156.1%
<b>Retained claims</b>	<b>(2,275,819)</b>	<b>(1,537,921)</b>	<b>48.0%</b>
Adjustments to reserves	(1,136,839)	(978,317)	16.2%
Cost of services rendered	(1,122,702)	(951,744)	18.0%
Administrative expense	(1,561,231)	(1,208,065)	29.2%
Brokerage commissions	(555,108)	(305,739)	81.6%
Fees	(306,427)	(234,086)	30.9%
Other expense	(103,924)	(52,199)	99.1%
Interest	(235,192)	(137,948)	70.5%
Exchange difference (net)	0	0	0.0%
Impairment	(1,638)	(17,658)	-90.7%
<b>Total expense</b>	<b>(7,298,879)</b>	<b>(5,423,678)</b>	<b>34.6%</b>
<b>Earnings before tax</b>	<b>1,195,193</b>	<b>1,069,992</b>	<b>11.7%</b>
Income tax	(220,623)	(244,840)	-9.9%
<b>Net Income</b>	<b>974,570</b>	<b>825,152</b>	<b>18.1%</b>
Earnings - parent company	846,843	712,561	18.8%
Earnings - non-controlling interest	127,727	112,591	13.4%

**Grupo de Inversiones Suramericana S.A.** From March 31st to June 30th  
**Statement of Comprehensive Income** (stated in COP millions)

QUARTER	Q2 2016	Q2 2015	% Change
Written premiums	<b>3,098,357</b>	1,999,382	55.0%
Ceded premiums	<b>(507,340)</b>	(232,427)	118.3%
<b>Retained premiums (net)</b>	<b>2,591,018</b>	<b>1,766,955</b>	<b>46.6%</b>
Commission income	<b>525.289</b>	457.117	14.9%
Revenues on services rendered	<b>560.044</b>	476.676	17.5%
Dividends	<b>4.992</b>	26.571	-81.2%
Investment income	<b>487.233</b>	337.849	44.2%
Revenues via equity method from Associates	<b>238.645</b>	282.159	-15.4%
Exchange difference (net)	<b>62.330</b>	7.962	682.8%
Other revenues	<b>73.877</b>	21.839	238.3%
<b>Total revenues</b>	<b>4,543,428</b>	<b>3,377,129</b>	<b>34.5%</b>
Total claims	<b>(1,651,493)</b>	(866,719)	90.5%
Reimbursed claims	<b>367.771</b>	82.677	344.8%
<b>Retained claims</b>	<b>(1,283,722)</b>	<b>(784,042)</b>	<b>63.7%</b>
Adjustments to reserves	<b>(583,605)</b>	(546,048)	6.9%
Cost of services rendered	<b>(573,280)</b>	(483,301)	18.6%
Administrative expense	<b>(809,808)</b>	(557,874)	45.2%
Brokerage commissions	<b>(350,054)</b>	(154,723)	126.2%
Fees	<b>(177,564)</b>	(125,615)	41.4%
Other expense	<b>(76,077)</b>	(23,806)	219.6%
Interest	<b>(134,975)</b>	(60,225)	124.1%
Impairment	<b>9.867</b>	(9,457)	
<b>Total expense</b>	<b>(3,979,218)</b>	<b>(2,745,091)</b>	<b>45.0%</b>
<b>Earnings before tax</b>	<b>564.210</b>	<b>632.038</b>	<b>-10.7%</b>
Income tax	<b>(96,179)</b>	(136,585)	-29.6%
<b>Net Income</b>	<b>468.031</b>	<b>495.453</b>	<b>-5.5%</b>
Earnings - parent company	<b>393.491</b>	422.698	-6.9%
Earnings - non-controlling interest	<b>74.540</b>	72.755	2.5%

**Grupo de Inversiones Suramericana S.A.**  
**Consolidated Statement of Financial Position**

At June 30th 2016 and December 31st 2015  
(stated in COP millions)

	June 2016	December 2015	% Change
Cash and cash equivalents	1,662,235	1,433,184	16.0%
Investments	24,126,187	21,723,891	11.1%
Accounts receivable	5,333,623	3,041,748	75.3%
Insurance reserves - reinsurers	2,918,006	581.124	402.1%
Current tax	495.249	332.191	49.1%
Deferred tax	561.878	417.809	34.5%
Other assets	696.459	359.033	94.0%
Investment properties	959.545	805.188	19.2%
Property, plant and equipment	1,011,602	918.130	10.2%
Goodwill	4,416,251	4,280,774	3.2%
Identified intangible assets	4,486,487	3,880,369	15.6%
Investments in related companies	17,616,010	17,759,665	-0.8%
<b>Total assets</b>	<b>64,283,533</b>	<b>55,533,106</b>	<b>15.8%</b>
Financial liabilities	3,197,362	2,627,940	21.7%
Technical reserves	23,859,339	18,865,979	26.5%
Provisions for employee benefits	316.092	335.711	-5.8%
Other provisions	252.777	78.405	222.4%
Accounts payable	2,968,847	1,374,761	116.0%
Current tax	730.282	454.197	60.8%
Issued securities	5,926,624	3,637,504	62.9%
Other non-financial liabilities	446.887	395.264	13.1%
Deferred tax	1,926,866	1,700,745	13.3%
<b>Total liabilities</b>	<b>39,625,075</b>	<b>29,470,506</b>	<b>34.5%</b>
Equity attributable to the owners of the parent company	22,154,989	22,841,328	-3.0%
Non-controlling interest	2,503,468	3,221,272	-22.3%
<b>Total equity</b>	<b>24,658,457</b>	<b>26,062,600</b>	<b>-5.4%</b>
<b>Total equity and liabilities</b>	<b>64,283,533</b>	<b>55,533,106</b>	<b>15.8%</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### Revenues via equity method from Associates

Revenues posted via the equity method dropped by 16.8%, mainly due to a decline in the amount of net income obtained by Bancolombia as a result of higher tax rates, and because during the first quarter of this year minor stakes held in both Bancolombia and Grupo Argos were sold off.

Equity method	June 2016	June 2015	% Change
Bancolombia	<b>271.041</b>	350.007	-22.6%
Grupo Argos	<b>10.351</b>	28.297	-63.4%
Grupo Nutresa	<b>81.263</b>	81.279	0.0%
Protección	<b>28.334</b>	40.816	-30.6%
Others	<b>32.113</b>	7.950	303.9%
<b>Total</b>	<b>423.102</b>	<b>508.349</b>	<b>-16.8%</b>

*Figures stated in COP millions*

### Insurance Reserves

Adjustments made to insurance reserves amounted to COP 1.1 billion (USD 389.5 million) for H1 2016 having risen by 16.2% given individual increases of 14.9% reported by Sura Asset Management and 37.0% for Suramericana.

### Administrative expense

Administrative expense rose by 29.2% on a year-on-year basis to COP 1.6 million (USD 534.8 million) based on individual increases of 48.8% in the case of Suramericana and 10.6% for SURA AM. This higher expenditure figure in the case of Suramericana included the expense of integrating its recent acquisitions, namely Seguros Banistmo Panama and RSA's Latin American operations.

Increases were also reported by our Colombian companies due to dollar-indexed expenditure as well as on the part of our foreign-based subsidiaries given the devaluation of the Colombian peso.

As for the previous year, the entire wealth tax payable this year was posted in full during the first quarter of this year, this totaling COP 87.183 million (USD 29.9 million). The following is a breakdown of wealth tax payable

Wealth Tax	June 2016	June 2015	% Change
Grupo SURA	<b>3.345</b>	4.563	-26.7%
SURA	<b>27.004</b>	32.514	-17.0%
SURA AM	<b>56.429</b>	63.806	-11.6%
Others	<b>405</b>	381	6.5%
<b>Total</b>	<b>87.183</b>	<b>101.263</b>	<b>-13.9%</b>

*Figures stated in COP millions*

### Net Income

Grupo SURA's net income at the end of Q2 2016 came to COP 974,570 million (USD 333.9 million), showing an increase of 18.1%, thanks to a good level of performance with the various income accounts which recorded individual growths of 41.6% in the case of insurance premiums, 15.5% in

fee and commission income, 19.4% in revenues from our health care companies and 32.2% with regard to the income obtained from both our held-to maturity investments and those appraised at market prices, mainly those carried at fair value, this coupled with a positive exchange difference.

Consequently, upon deducting the percentage corresponding to other investors, the Parent Company recorded COP 846,843 million (USD 290.1 million) in net income.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Investments

Consolidated investments, including both the reserve requirement for mandatory pension funds as well as amounts deposited in insurance reserves totaled COP 24.1 billion (USD 8.3 billion), for a 11.1% increase compared to year-end 2015. The following table shows a breakdown of these investments based on their classification.

Investments	June 2016	December 2015	% Change
<b>Valued at market prices</b>	<b>9,269,423</b>	<b>8,139,379</b>	<b>13.9%</b>
SURA AM	4,626,339	4,750,927	-2.6%
Suramericana	4,557,687	3,310,426	37.7%
Grupo SURA	22.697	21.512	5.5%
Other subsidiaries	62.700	56.514	10.9%
<b>Held to maturity</b>	<b>14,846,670</b>	<b>13,574,188</b>	<b>9.4%</b>
SURA AM	9,295,856	8,722,691	6.6%
Suramericana	5,550,814	4,851,497	14.4%
<b>Other investments</b>	<b>10.094</b>	<b>10.324</b>	<b>-2.2%</b>
Suramericana	(1.385)	(1,155)	19.9%
Other subsidiaries	11.479	11.479	0.0%
<b>Total</b>	<b>24,126,187</b>	<b>21,723,892</b>	<b>11.1%</b>

*Figures stated in COP millions*

### Investments in related companies

Investments in related companies showed a drop of 0.8% for the first half of this year, due changes in the equity held by these companies as a result of the amount of dividends declared by the shareholders at their annual meetings held this year. Also as previously mentioned, certain minor stakes held in Bancolombia and Grupo Argos were sold off

Investments in related companies	June 2016	December 2015	% Change
Bancolombia	7,083,293	7,246,354	-2.3%
Grupo Argos	4,815,228	4,779,890	0.7%
Grupo Nutresa	4,645,103	4,611,737	0.7%
Protección	986.883	1,023,590	-3.6%
Others	85.503	98.094	-12.8%
<b>Total</b>	<b>17,616,010</b>	<b>17,759,665</b>	<b>-0.8%</b>

*Figures stated in COP millions*



## Insurance Reserves

Insurance reserves have showed a 26.5% growth on a year-to-date basis. These figures were also affected by fluctuating exchange rates in the case of our foreign-based insurance companies.

Reserves	June 2016	December 2015	% Change
SURA AM	11,438,799	10,753,464	6.4%
Suramericana	12,420,539	8,112,515	53.1%
<b>Total</b>	<b>23,859,338</b>	<b>18,865,979</b>	<b>26.5%</b>

*Figures stated in COP millions*

## Financial liabilities

Grupo SURA's consolidated financial liabilities reached COP 9.1 billion (USD 3.1 billion) at the end of Q2 2016, having risen by 45.6% compared to year-end 2015.

In Q2 2016 an issue of international bonds was placed through SURA Finance Group for a nominal value of USD 550 million as a last financing structure, replacing the bridge loan reported in the first quarter that was taken out to cover the increased stake acquired in SURA AM. Also Suramericana repaid all those loans taken out in connection with the acquisition of RSA's Latin American operations, which were replaced with a long-term debt incurred with an issue of bonds on the local market for a total of COP 1.0 billion.

The fact that the Colombian peso lost ground to the US dollar also affected the balances of the dollar-denominated bonds issued by both Grupo SURA and Sura Asset Management.

Debt	June 2016	December 2015	% Change
<b>Bonds</b>	<b>5,722,170</b>	<b>3,428,724</b>	<b>66.9%</b>
Grupo SURA	780.502	900.893	-13.4%
SURA AM	1,470,539	1,583,686	-7.1%
Suramericana	1,000,643	0	
Other subsidiaries	2,470,486	944.145	161.7%
<b>Banks and Leasing</b>	<b>2,721,435</b>	<b>2,374,001</b>	<b>14.6%</b>
Grupo SURA	1,159,916	715.074	62.2%
SURA AM	1,241,572	1,078,502	15.1%
Suramericana	252.151	508.567	-50.4%
Other subsidiaries	67.796	71.858	-5.7%
<b>Repos</b>	<b>66.569</b>	<b>0</b>	
Grupo SURA	66.569	0	
<b>Derivatives</b>	<b>409.358</b>	<b>253.940</b>	<b>61.2%</b>
SURA AM	358.265	196.235	82.6%
Suramericana	13	46.360	-100.0%
Grupo SURA	51.080	11.345	350.2%
<b>Preferred dividends</b>	<b>204.453</b>	<b>208.780</b>	<b>-2.1%</b>
<b>Total</b>	<b>9,123,985</b>	<b>6,265,445</b>	<b>45.6%</b>

*Figures stated in COP millions*

## CORPORATE SEGMENT

### CORPORATE SEGMENT

#### Main figures

From January 1st to June 30th  
(stated in COP millions)

	June 2016	June 2015	% Change
Dividends	65.982	47.111	40.1%
Investment income	20.788	16.303	27.5%
Exchange difference (net)	265.587	(4,490)	
Revenues from Associates via equity method	337.659	408.989	-17.4%
Administrative expense	(238,764)	(196,314)	21.6%
Fees	(32,645)	(10,903)	199.4%
Interest	(244,204)	(135,323)	80.5%
Impairment	(29)	(244)	-88.1%
<b>Total expense</b>	<b>(515,643)</b>	<b>(342,784)</b>	<b>50.4%</b>
<b>Earnings (losses) before tax</b>	<b>180.514</b>	<b>127.172</b>	<b>41.9%</b>
Income tax	(68,340)	(87,880)	-22.2%
<b>Earnings (losses), net</b>	<b>112.174</b>	<b>39.292</b>	<b>185.5%</b>
Earnings (losses) - parent company	109.857	133.756	-17.9%
Earnings (losses) - non-controlling interest	2.317	(94,464)	

### CORPORATE SEGMENT

#### Main figures

From March 31st to June 30th  
(stated in COP millions)

QUARTER	Q2 2016	Q2 2015	% Change
Dividends	225	21.436	-99.0%
Investment income	6.579	37.666	-82.5%
Exchange difference (net)	64.268	(3,803)	
Revenues from Associates via equity method	188.380	214.177	-12.0%
Administrative expense	(83,972)	(46,827)	79.3%
Fees	(21,589)	(5,691)	279.4%
Interest	(139,074)	(69,087)	101.3%
Impairment	4	0	
<b>Total expense</b>	<b>(244,631)</b>	<b>(121,605)</b>	<b>101.2%</b>
<b>Earnings (losses) before tax</b>	<b>20.403</b>	<b>148.124</b>	<b>-86.2%</b>
Income tax	(28,872)	(63,474)	-54.5%
<b>Earnings (losses), net</b>	<b>(8,469)</b>	<b>84.650</b>	
Earnings (losses) - parent company	(7,191)	128.837	
Earnings (losses) - non-controlling interest	(1,277)	(44,186)	-97.1%

Administrative expense at the end of Q2 2016 rose by 21.6% with SURA AM accounting for COP 153.114 million of this figure (which included the amortization of identified intangibles amounting to COP 49,704,000); whereas Suramericana represented another COP 36.888 million.

Fees and commission expense increased in Q2 2016 by 279.4% mainly due to expense relating to the acquisition of Seguros Banistmo as well as the RSA Latin American operations, both on the part of Suramericana.

Interest expense also rose by 101.3% for this past quarter given higher debt taken out to finance recent acquisitions.

Exchange differences have remained more favorable so far this year, given the amount of dollar-denominated debt taken out both by Grupo SURA and Suramericana. Also, as far as the dividend account for this segment is concerned, in Q2 2016, the engineering firm, Tipiel, declared an extraordinary dividend amounting to around COP 20 thousand million, which is the reason for the 99% decline for this past quarter, this being a non-recurring event.

## 2. Suramericana

### Suramericana S.A. Statement of Comprehensive Income

From January 1st to June 30th  
(stated in COP millions)

	June 2016	June 2015	% Change
Written premiums	3,817,339	2,605,793	46.5%
Ceded premiums	(667,135)	(366,665)	81.9%
<b>Retained premiums (net)</b>	<b>3,150,203</b>	<b>2,239,127</b>	<b>40.7%</b>
Commission income	101.697	73.131	39.1%
Revenues on services rendered	1,032,471	863.042	19.6%
Dividends	4.811	3,170	51.7%
Investment income	525.976	304,281	72.9%
Revenues via equity method from Associates	938	1,832	-48.8%
Other revenues	84.689	40,712	108.0%
<b>Total revenues</b>	<b>4,900,784</b>	<b>3,525,295</b>	<b>39.0%</b>
Total claims	(2,261,112)	(1,399,552)	61.6%
Reimbursed claims	491.225	191,786	156.1%
<b>Retained claims</b>	<b>(1,769,887)</b>	<b>(1,207,766)</b>	<b>46.5%</b>
Adjustments to reserves	(79,143)	(57,786)	37.0%
Cost of services rendered	(1,044,651)	(887,255)	17.7%
Administrative expense	(848,162)	(570,039)	48.8%
Brokerage commissions	(453,988)	(236,754)	91.8%
Fees	(264,594)	(202,548)	30.6%
Other expense	(103,924)	(52,199)	99.1%
Interest	(38,450)	(16,841)	128.3%
Exchange difference (net)	12.282	6,695	83.5%
Impairment	903	(12,450)	
<b>Total expense</b>	<b>(4,589,615)</b>	<b>(3,236,944)</b>	<b>41.8%</b>
<b>Earnings before tax</b>	<b>311.169</b>	<b>288,351</b>	<b>7.9%</b>
Income tax	(32,237)	(76,913)	-58.1%
<b>Net Income</b>	<b>278.932</b>	<b>211,438</b>	<b>31.9%</b>
Earnings - parent company	278.226	210,875	31.9%
Earnings - non-controlling interest	706	563	25.4%

**Suramericana S.A.**  
**Statement of Comprehensive Income**

From March 31st to June 30th  
(stated in COP millions)

QUARTER	Q2 2016	Q2 2015	% Change
Written premiums	<b>2,368,152</b>	1,381,431	71.4%
Ceded premiums	<b>(491,453)</b>	(221,311)	122.1%
<b>Retained premiums (net)</b>	<b>1,876,699</b>	<b>1,160,120</b>	<b>61.8%</b>
Commission income	<b>61.165</b>	36.005	69.9%
Revenues on services rendered	<b>515.911</b>	439,812	17.3%
Dividends	<b>3.439</b>	3,170	8.5%
Investment income	<b>283.972</b>	133,899	112.1%
Revenues via equity method from Associates	<b>339</b>	1,129	-70.0%
Other revenues	<b>67.257</b>	18,307	267.4%
<b>Total revenues</b>	<b>2,808,782</b>	<b>1,792,442</b>	<b>56.7%</b>
Total claims	<b>(1,379,918)</b>	(681,955)	102.3%
Reimbursed claims	<b>367.771</b>	71.720	412.8%
<b>Retained claims</b>	<b>(1,012,147)</b>	<b>(610,236)</b>	<b>65.9%</b>
Adjustments to reserves	<b>(41,258)</b>	(30,280)	36.3%
Cost of services rendered	<b>(532,124)</b>	(450,778)	18.0%
Administrative expense	<b>(491,530)</b>	(273,483)	79.7%
Brokerage commissions	<b>(300,868)</b>	(118,700)	153.5%
Fees	<b>(154,128)</b>	(108,468)	42.1%
Other expense	<b>(76,077)</b>	(23,806)	219.6%
Interest	<b>(23,328)</b>	(8,663)	169.3%
Exchange difference (net)	<b>(14,640)</b>	5.472	
Impairment	<b>7.772</b>	(8,281)	
<b>Total expense</b>	<b>(2,638,328)</b>	<b>(1,627,224)</b>	<b>62.1%</b>
<b>Earnings before tax</b>	<b>170.453</b>	<b>165.218</b>	<b>3.2%</b>
Income tax	<b>8.048</b>	(28,755)	
<b>Net Income</b>	<b>178.502</b>	<b>136.462</b>	<b>30.8%</b>
Earnings - parent company	<b>177.806</b>	136.029	30.7%
Earnings - non-controlling interest	<b>695</b>	433	60.6%

The results obtained by Suramericana S.A. for the first half of this year include the Latin American operations acquired from RSA in Brazil, Chile, Argentina, Colombia and Mexico; the Uruguayan operation is expected to be consolidated during Q3 of this year. These newly acquired operations have had a huge importance with the Company's strategy of expanding and positioning itself as a Multi-Latina with a presence in a total of nine countries. These new acquisitions were included in the Company's statements of comprehensive income as of the date each is taken over in their respective country. During the first half of this year the Brazilian companies were first joined up in

March, followed up by Colombia in April, with Chile and Argentina following in May and Mexico in June.

The newly consolidated RSA business has had multiple impacts on the results obtained by Suramericana due to the new mix of solutions, channels and reinsurance structures. The non-life segment began to come to the fore during this past quarter which is where the new companies are mostly concentrated. Furthermore, the Company's statement of comprehensive income shows a growth in business metrics corresponding to the reinsurance segment such as ceded premiums, fees and commission income as well as reimbursed claims; this due to a higher degree of concentration in property and casualty insurance, as previously mentioned.

Operating income, consisting of retained premiums and revenues from services rendered showed an increase of 47.5% for the second quarter. Upon excluding the effect of these new acquisitions, growth would have come to just 17.5%. Sales for our current lines of business have performed well so far this year, that is to say well above the GDP growth rates obtained by their host countries, having strengthened certain solutions such as car, life, health and occupational risk (ARL in Spanish) in the different insurance segments and increasing the number of users and health care services provided.

Suramericana's total expense rose by 62.1% in Q2 2016, which is an important component associated with its technical business performance, such as reserves, losses, costs of services rendered as well as fees and commissions. We also saw a growth in expenses of COP 22,000 million for this past quarter due to having acquired and integrated the new RSA operations.

Income tax accruing during the second quarter represent a revenue due to the following factors: the first being the consolidation of the RSA acquisition which provided a total of COP 9,582 million due to adjustments in the deferred taxes, generated by reserve movements in the incurred but not reported claims (IBNR). The second factor, is the settlement of the hedges in connection with the RSA acquisition which generates the release of the deferred tax.

**Suramericana S.A.**  
**Statement of Financial Position**

At June 30th 2016 and December 31st  
2015  
(stated in COP millions)

	June 2016	December 2015	% Change
Cash and cash equivalents	1,057,393	762.498	38.7%
Investments	10,107,116	8,160,767	23.9%
Accounts receivable	4,337,443	2,272,284	90.9%
Technical insurance reserves - reinsurers	2,862,595	530.013	440.1%
Current tax	221.797	149.446	48.4%
Deferred tax	270.917	114.064	137.5%
Other assets	221.630	44.573	397.2%
Deferred acquisition costs (DAC)	653.589	304.005	115.0%
Investment properties	7.562	13.387	-43.5%
Property, plant and equipment	732.988	623.942	17.5%
Goodwill	423.683	119.324	255.1%
Identified intangible assets	514.333	70.911	625.3%
Investments in Associates	37.033	42.400	-12.7%
<b>Total assets</b>	<b>21,448,078</b>	<b>13,207,614</b>	<b>62.4%</b>
Other financial liabilities	252.164	554.927	-54.6%
Technical reserves	12,420,539	8,112,515	53.1%
Provisions for employee benefits	190.992	165.287	15.6%
Other provisions	229.498	52.177	339.8%
Accounts payable	3,280,724	853.707	284.3%
Current tax	391.005	238.525	63.9%
Issued securities	1,000,643	0	
Other non-financial liabilities	378.864	330.345	14.7%
Deferred tax	507.950	235.350	115.8%
<b>Total liabilities</b>	<b>18,652,380</b>	<b>10,542,833</b>	<b>76.9%</b>
Equity attributable to the owners of the parent company	2,781,847	2,661,625	4.5%
Non-controlling interest	13.853	3.156	338.9%
<b>Total equity</b>	<b>2,795,700</b>	<b>2,664,781</b>	<b>4.9%</b>
<b>Total equity and liabilities</b>	<b>21,448,079</b>	<b>13,207,614</b>	<b>62.4%</b>

Our statement of financial position shows the impact of having consolidated the aforementioned acquisitions. This year, the operations acquired from RSA added a total of COP 5.8 billion in assets, of which COP 1.6 billion correspond to the investment portfolio, COP 2.1 billion in insurance accounts receivable and COP 2.0 billion in reserves on the part of reinsurers. The acquired operations provided a total of COP 5.8 billion in liabilities, of which COP 3.9 billion corresponded to technical insurance reserves and COP 1.0 billion in insurance accounts payable.

The consolidation of this transaction on Suramericana's financial statements was performed based on IFRS methodologies and standards, namely IFRS 3 - Business Combinations - with which we

proceeded to measure at fair value the assets thus acquired, the liabilities assumed, and any shares issued in the acquired companies. During this process we identified intangible assets other than goodwill, such as client lists, value of business acquired, contracts, agreements, trademarks, licenses and proprietary software. The process of accounting for the price thus paid and its allocation (PPA) was performed for each of the countries where the operations were acquired, as stipulated in the sales contract entered into with RSA, given the different closing dates in each country

Upon accounting for these acquisitions we identified intangible assets and goodwill worth COP \$ 826,000 million, including the aforementioned intangibles. The goodwill obtained with this acquisition came to COP \$ 308,310 million.

On the other hand, some countries were found to have a negative goodwill worth COP \$ 19,186 million, since upon distributing the prices paid per country, this resulted in multiples very close to 1.0 times their book value and upon identifying the assets and liabilities taken over, plus the appraised value of the respective intangible assets, these were higher than the final price paid. This negative goodwill was reflected as income in the statement of comprehensive income namely in the Other Income account.

Furthermore, as a result of the COP 1 billion in bonds issued in June to replace the financial obligations acquired in recent months, these decreased by 54.6% versus the previous quarter. Also the advanced payment of COP \$ 1.3 billion received as capitalization from shareholders shall be recorded as higher equity once the corresponding legal procedure is carried out.

## LIFE INSURANCE SEGMENT

### Life Insurance Main figures

From January 1st to June 30th  
(stated in COP millions)

	June 2016	June 2015	% Change
Written premiums	<b>1,844,149</b>	1,646,053	12.0%
Ceded premiums	<b>(54,438)</b>	(54,786)	-0.6%
<b>Retained premiums (net)</b>	<b>1,789,710</b>	<b>1,591,268</b>	<b>12.5%</b>
Investment income	<b>396.968</b>	231.791	71.3%
<b>Retained claims</b>	<b>(1,097,137)</b>	<b>(890,214)</b>	<b>23.2%</b>
Adjustments to reserves	<b>(62,515)</b>	(41,762)	49.7%
Administrative expense	<b>(306,677)</b>	(273,244)	12.2%
Fees	<b>(145,741)</b>	(128,671)	13.3%
Brokerage commissions	<b>(162,053)</b>	(131,386)	23.3%
Other expense	<b>(21,923)</b>	(27,294)	-19.7%
Income tax	<b>(1,165)</b>	(6,793)	-82.8%
<b>Earnings (losses), net</b>	<b>296.823</b>	<b>270.693</b>	<b>9.7%</b>



**Life Insurance**  
**Main figures**

From March 31st to June 30th  
(stated in COP millions)

QUARTER	Q2 2016	Q2 2015	% Change
Written premiums	<b>970.427</b>	856.550	13.3%
Ceded premiums	<b>(29,820)</b>	(28,932)	3.1%
<b>Retained premiums (net)</b>	<b>940.607</b>	<b>827.617</b>	<b>13.7%</b>
Investment income	<b>199.566</b>	104.193	91.5%
<b>Retained claims</b>	<b>(576,285)</b>	<b>(455,236)</b>	<b>26.6%</b>
Adjustments to reserves	<b>(36,154)</b>	(22,271)	62.3%
Administrative expense	<b>(142,482)</b>	(125,942)	13.1%
Fees	<b>(80,131)</b>	(69,582)	15.2%
Brokerage commissions	<b>(83,717)</b>	(66,224)	26.4%
Other expense	<b>(10,700)</b>	(13,604)	-21.4%
Income tax	<b>(1,039)</b>	(4,032)	-74.2%
<b>Earnings (losses), net</b>	<b>156.392</b>	<b>142.056</b>	<b>10.1%</b>

**Life Insurance**  
**Statement of Financial Position - Key Figures**

	June 2016
Total assets	<b>8,629,499</b>
Total liabilities	<b>7,013,449</b>
Total equity	<b>1,616,051</b>

The life insurance segment consists of Seguros de Vida Colombia, ARL Colombia, Asesuisa Vida El Salvador and Seguros de Vida Sura Chile, the latter having been consolidated only last May. The results of this segment show a good level of performance in terms of production, complemented by good financial results, given the impact of higher inflation on the CPI-indexed bonds. In this segment, most of the portfolio is held in fixed income securities that match the term of the liabilities held.

[Written and retained premiums](#)

The premiums corresponding to the life segment showed a growth of 13.3% for Q2 2016, mainly due to the individual life and health care solutions in Colombia that performed particularly well especially with the traditional channel (branch offices and sales promoters), showing growths in new premiums during the first half of the year of 20.3% and 31.0%, respectively. Furthermore, revenue from the occupational risk segment rose by 14.2% in Q2 showing the good results of the sales strategy implemented for the purpose of counteracting the slowdown with the oil industry and the fact that this has been replaced by other sectors which have a greater number of members and lower contribution rates.

The low growth obtained with the pension solution is mainly due to the fact that the disability and survivor insurance business was not renewed in El Salvador. Upon excluding this latter effect, the growth in the Company's pension solution for Q2 would have come to 14.8%.

Written premiums						
	June 2016	June 2015	% Change	Q2 2016	Q2 2015	% Change
Life	<b>320.746</b>	275.758	16.3%	<b>181.141</b>	155.566	16.4%
Group Life	<b>249.731</b>	224.552	11.2%	<b>135.138</b>	123.055	9.8%
Pension	<b>298.081</b>	296.980	0.4%	<b>153.057</b>	149.163	2.6%
Health Care	<b>409.728</b>	344.343	19.0%	<b>199.868</b>	168.583	18.6%
ARL (Workers' Comp)	<b>470.009</b>	418.836	12.2%	<b>244.695</b>	214.194	14.2%
RSA	<b>12.709</b>	-		<b>12.709</b>	-	
Others	<b>83.145</b>	85.584	-2.8%	<b>43.819</b>	45.989	-4.7%
<b>Total</b>	<b>1.844.149</b>	<b>1.646.053</b>	<b>12.0%</b>	<b>970.427</b>	<b>856.550</b>	<b>13.3%</b>
<b>Total Ex RSA</b>	<b>1.831.440</b>	<b>1.646.053</b>	<b>11.3%</b>	<b>957.718</b>	<b>856.550</b>	<b>11.8%</b>

*Figures stated in COP millions*

Retained premiums						
	June 2016	June 2015	% Change	Q2 2016	Q2 2015	% Change
Life	<b>283.195</b>	242.120	17.0%	<b>160.144</b>	137.481	16.5%
Group Life	<b>244.830</b>	220.484	11.0%	<b>132.592</b>	121.257	9.3%
Pension	<b>297.592</b>	288.167	3.3%	<b>152.911</b>	144.802	5.6%
Health Care	<b>402.338</b>	340.223	18.3%	<b>196.365</b>	166.349	18.0%
ARL (Workers' Compensation)	<b>470.009</b>	418.836	12.2%	<b>244.695</b>	214.194	14.2%
RSA	<b>12.558</b>	-		<b>12.558</b>	-	
Others	<b>79.188</b>	81.438	-2.8%	<b>41.342</b>	43.536	-5.0%
<b>Total</b>	<b>1.789.710</b>	<b>1.591.268</b>	<b>12.5%</b>	<b>940.607</b>	<b>827.617</b>	<b>13.7%</b>
<b>Total exRSA</b>	<b>1.777.152</b>	<b>1.591.268</b>	<b>11.7%</b>	<b>928.049</b>	<b>827.617</b>	<b>12.1%</b>

*Figures stated in COP millions*

#### Retained claims and loss ratios

Retained loss ratios for the life segment rose from the 55.0% recorded for Q2 2015 to 61.3% for the same period 2016. This was mainly due to the increase in claims for the group life, health care and occupational health solutions, which last year recorded exceptionally low loss ratios. In the case of health care, the prevailing trend was mainly due to an increase in frequency (more claims) as well as a higher cost of medical supplies, given the appreciation of the dollar against the Colombian peso. Another fact which had an effect on the health care loss ratio was the amount of severe cases recorded as well as the high costs incurred during this last quarter. The change in group life obeyed the terms and conditions of a new tender submitted to the banking channel in Colombia, where product coverage was increased.

The rise in retained claims for our Workers Compensation Company is due to a higher accident rate (4.17% vs. 4.09% in 2015) as well as a greater amount of deaths and disabilities. Likewise, the increase in inflation also entailed a higher loss ratio given adjustments that had to be made to the mathematical reserves.

Retained claims						
	June 2016	June 2015	% Change	Q2 2016	Q2 2015	% Change
Life	<b>73.034</b>	50.420	44.8%	<b>35.609</b>	22.494	58.3%
Group Life	<b>104.977</b>	71.565	46.7%	<b>56.053</b>	35.911	56.1%
Pension	<b>290.419</b>	266.880	8.8%	<b>149.465</b>	130.184	14.8%
Health Care	<b>262.708</b>	212.755	23.5%	<b>142.114</b>	111.403	27.6%
ARL (Workers' Compensation)	<b>261.800</b>	206.737	26.6%	<b>139.199</b>	107.353	29.7%
RSA	<b>-1.686</b>	-		<b>-1.686</b>	-	
Others	<b>105.885</b>	81.855	29.4%	<b>55.531</b>	47.891	16.0%
<b>Total</b>	<b>1.097.137</b>	<b>890.214</b>	<b>23.2%</b>	<b>576.285</b>	<b>455.236</b>	<b>26.6%</b>
<b>Total Ex RSA</b>	<b>1.098.823</b>	<b>890.214</b>	<b>23.4%</b>	<b>577.971</b>	<b>455.236</b>	<b>27.0%</b>

*Figures stated in COP millions*

Retained claims Ratio					
	June 2016	June 2015		Q2 2016	Q2 2015
Life	<b>25.8%</b>	20.8%		<b>22.2%</b>	16.4%
Group Life	<b>42.9%</b>	32.5%		<b>42.3%</b>	29.6%
Pension	<b>97.6%</b>	92.6%		<b>97.7%</b>	89.9%
Health Care	<b>65.3%</b>	62.5%		<b>72.4%</b>	67.0%
ARL (Workers' Compensation)	<b>55.7%</b>	49.4%		<b>56.9%</b>	50.1%
RSA	<b>13.4%</b>			<b>13.4%</b>	
Others	<b>133.7%</b>	100.5%		<b>134.3%</b>	110.0%
<b>Total</b>	<b>61.3%</b>	<b>55.9%</b>		<b>61.3%</b>	<b>55.0%</b>
<b>Total ExRSA</b>	<b>61.8%</b>	<b>55.9%</b>		<b>62.3%</b>	<b>55.0%</b>

### Net Income

The net results for this segment showed a good level performance, that is to say a growth of 10.1% for Q2. Here the performance of the Company's investment portfolios is to be noted, which were greatly affected by the amount of fixed-income securities held given the hike in inflation in Colombia.

Adjustments to reserves rose by 62.3% as a result of a greater volume of premiums written along with the changes in product mix and terms, thus causing higher mathematical reserves to be set up. On the other hand, the growth of brokerage commissions for Q2 was affected by the depreciation of the Colombian peso which had a consequent impact on the consolidation of the results obtained by Asesuisa Vida. Fee and commission income for Asesuisa Vida rose by 38.9%, while in local currency this came to just 15.8%.

## NON-LIFE INSURANCE SEGMENT

### Non-Life Insurance Main figures

From January 1st to June 30th  
(stated in COP millions)

	June 2016	June 2015	% Change
Written premiums	<b>1,991,095</b>	973.791	104.5%
Ceded premiums	<b>(620,673)</b>	(316,740)	96.0%
<b>Retained premiums (net)</b>	<b>1,370,423</b>	<b>657.051</b>	<b>108.6%</b>
Investment income	<b>95.286</b>	53.142	79.3%
<b>Retained claims</b>	<b>(709,790)</b>	<b>(347,112)</b>	<b>104.5%</b>
Adjustments to reserves	<b>(16,628)</b>	(16,024)	3.8%
Administrative expense	<b>(352,085)</b>	(156,778)	124.6%
Fees	<b>(132,428)</b>	(95,973)	38.0%
Brokerage commissions	<b>(289,878)</b>	(102,864)	181.8%
Other expense	<b>(81,576)</b>	(24,722)	230.0%
Income tax	<b>1.100</b>	(10,418)	
<b>Earnings (losses), net</b>	<b>40.182</b>	<b>14.783</b>	<b>171.8%</b>

### Non-Life Insurance Main figures

From March 31st to June 30th  
(stated in COP millions)

QUARTER	Q2 2016	Q2 2015	% Change
Written premiums	<b>1,402,696</b>	531.862	163.7%
Ceded premiums	<b>(464,975)</b>	(195,174)	138.2%
<b>Retained premiums (net)</b>	<b>937.721</b>	<b>336.688</b>	<b>178.5%</b>
Investment income	<b>68.667</b>	20.007	243.2%
<b>Retained claims</b>	<b>(456,057)</b>	<b>(171,316)</b>	<b>166.2%</b>
Adjustments to reserves	<b>(5,104)</b>	(8,009)	-36.3%
Administrative expense	<b>(251,311)</b>	(75,010)	235.0%
Fees	<b>(78,152)</b>	(51,643)	51.3%
Brokerage commissions	<b>(216,292)</b>	(51,276)	321.8%
Other expense	<b>(65,184)</b>	(10,030)	549.9%
Income tax	<b>4.308</b>	(5,362)	
<b>Earnings (losses), net</b>	<b>48.548</b>	<b>15.061</b>	<b>222.3%</b>

## Non-Life Insurance

### Statement of Financial Position - Key Figures

	June 2016
Total assets	11,728,217
Total liabilities	8,539,940
Total equity	3,188,277

The non-life segment shows the results obtained by the property and casualty insurance companies namely Seguros Generales de Suramericana in Colombia, El Salvador, Panama and the Dominican Republic, plus the non-life operations acquired from RSA in Colombia, Argentina, Brazil, Chile and Mexico for this past quarter. These new operations had the effect of bolstering Suramericana's non-life segment, which now accounts for 31% of total revenues.

#### Written and retained premiums

Written premiums showed a growth of 20.8% for Q2 2016, excluding the effect of the RSA companies, this thanks to Seguros Generales Colombia as well as the merger with Seguros Banistmo in Panama which took place in Q3 2015. Furthermore, the depreciation of the Colombian peso affected the consolidation of the results obtained in Panama, the Dominican Republic and El Salvador, which while in local currency obtained individual growth rates of 101%, -12% and 25%, respectively, upon consolidating these numbers the same individual growths came to 140%, 4% and 50 %, respectively.

The growth in car insurance for this segment was mainly driven by the amount of policy renewals obtained by Suramericana Colombia, showing a growth of 19.9% during this past quarter, thus consolidating its leading position on the Colombian market which recorded just a 14.1% rise in this solution for this same period. Also, mandatory road insurance (SOAT) in Colombia did well, especially in the northern part of the country.

The solution titled "Others" corresponds to civil liability, performance, transport, engineering, and life insurance in the case of the companies based in Panama and the Dominican Republic. These solutions also performed well in Q2, especially Panama where a growth of 158% in local currency was obtained after having consolidated Seguros Banistmo, which has bolstered the Company's positioning in terms of life and engineering solutions.

#### Written premiums

	<b>June 2016</b>	June 2015	% Change	<b>Q2 2016</b>	Q2 2015	% Change
Car	<b>505.457</b>	379.238	33.3%	<b>252.244</b>	194.889	29.4%
Fire	<b>216.596</b>	197.947	9.4%	<b>142.109</b>	130.142	9.2%
Mandatory Road	<b>177.304</b>	143.467	23.6%	<b>89.090</b>	70.330	26.7%
RSA	<b>747.236</b>	-		<b>747.236</b>	-	
Others	<b>344.502</b>	253.140	36.1%	<b>172.016</b>	136.501	26.0%
<b>Total</b>	<b>1.991.095</b>	<b>973.791</b>	<b>104.5%</b>	<b>1.402.696</b>	<b>531.862</b>	<b>163.7%</b>
<b>Total ExRSA</b>	<b>1.243.859</b>	<b>973.791</b>	<b>27.7%</b>	<b>655.460</b>	<b>531.862</b>	<b>23.2%</b>

#### Retained premiums

	<b>June 2016</b>	June 2015	% Change	<b>Q2 2016</b>	Q2 2015	% Change
Car	<b>488.960</b>	366.030	33.6%	<b>243.918</b>	188.056	29.7%
Fire	<b>32.455</b>	38.154	-14.9%	<b>17.253</b>	20.854	-17.3%
Mandatory Road	<b>158.611</b>	120.246	31.9%	<b>78.106</b>	59.424	31.4%
RSA	<b>501.169</b>	-		<b>501.169</b>	-	
Others	<b>189.227</b>	132.621	42.7%	<b>97.276</b>	68.354	42.3%
<b>Total</b>	<b>1.370.423</b>	<b>657.051</b>	<b>108.6%</b>	<b>937.721</b>	<b>336.688</b>	<b>178.5%</b>
<b>Total ExRSA</b>	<b>869.254</b>	<b>657.051</b>	<b>32.3%</b>	<b>436.552</b>	<b>336.688</b>	<b>29.7%</b>

*Figures stated in COP millions*

Fire insurance showed a decline in retained premiums, in contrast to the growth obtained in written premiums this mainly due to the absence of the mortgage business in Colombia, most of which was retained, having been replaced with other lines of businesses with different reinsurance terms and conditions.

#### Retained claims and retained loss ratios

The retained loss ratio for the quarter came to 48.6%, showing an improvement with the segment's claims rate upon consolidating the RSA operations which recorded a loss ratio of 40.5% for the same period.

The retained loss ratio, excluding the effect of having consolidated the RSA operations came to 58.1% in Q2, this being 719 bp higher than for the same period last year, but nevertheless showing an improvement compared to Q1 2016 when the loss ratio rose to 58.6%. This improvement was the result of the corrective measures taken by the Company with regard to car insurance as well as better negotiated terms and conditions with suppliers together with claims and process cost control as well as adjustments made to pricing models.

The increase in retained claims for the quarter was mainly due to the car and mandatory road insurance solutions offered by Seguros Generales Colombia, and this same decline was observed

throughout the Colombian market during this past quarter with the loss ratio for car insurance climbing to as much as 63.5 %. In the case of Suramericana Colombia the growth in car insurance claims was due to a higher amount of total write-offs and the growth in mandatory road insurance claims was due to the impact of the appreciation of the dollar on health care costs.

The growth in claims corresponding to the “Others” segment is mainly due to having consolidated the results of Seguros Banistmo in Panama which represents an ample share of both premiums and claims for this solution, that last year did not appear on the consolidated financial statements.

#### Retained claims

	<b>June 2016</b>	June 2015	% Change	<b>Q2 2016</b>	Q2 2016	% Change
Car	<b>334.445</b>	227.689	46.9%	<b>163.532</b>	109.327	49.6%
Fire	<b>10.293</b>	10.904	-5.6%	<b>4.101</b>	4.924	-16.7%
Mandatory Road	<b>94.742</b>	62.984	50.4%	<b>51.068</b>	33.418	52.8%
RSA	<b>202.735</b>	-		<b>202.735</b>	-	
Others	<b>67.575</b>	45.536	48.4%	<b>34.622</b>	23.648	46.4%
<b>Total</b>	<b>709.790</b>	<b>347.112</b>	<b>104.5%</b>	<b>456.058</b>	<b>171.316</b>	<b>166.2%</b>
<b>Total ExRSA</b>	<b>507.055</b>	<b>347.112</b>	<b>46.1%</b>	<b>253.324</b>	<b>171.316</b>	<b>47.9%</b>

*Figures stated in COP millions*

#### Retained claims ratio

	<b>June 2016</b>	June 2015	<b>Q2 2016</b>	Q2 2016
Car	<b>68.4%</b>	62.2%	<b>67.0%</b>	58.1%
Fire	<b>31.7%</b>	28.6%	<b>23.8%</b>	23.6%
Mandatory Road	<b>59.7%</b>	52.4%	<b>65.4%</b>	56.2%
RSA	<b>40.5%</b>		<b>40.5%</b>	
Others	<b>35.7%</b>	34.3%	<b>35.6%</b>	34.6%
<b>Total</b>	<b>51.8%</b>	<b>52.8%</b>	<b>48.6%</b>	<b>50.9%</b>
<b>Total ExRSA</b>	<b>58.3%</b>	<b>52.8%</b>	<b>58.0%</b>	<b>50.9%</b>

#### Net Income

Net income accruing for the non-life segment came to COP 22,474 million, excluding the RSA companies, thus reversing in the second quarter the accumulated loss reported at the end of Q1 2016, mainly due to improvements with the loss ratio compared to Q1 2016. However, the net results for this segment showed a decline of 56.6% in Q2 compared to the same period last year, this mainly due to a more impaired margin for car insurance which accounts for 40.6% of the premiums obtained with this segment (excluding the RSA operations).

Investment income rose by 79% for the first half of the year, this due to several reasons. The consolidation of the Seguros Banistmo and RSA operations represented net income totaling COP \$ 24,413 million for Q2 2016. Upon excluding the corresponding effect, investment income would have risen by 33%, thanks mainly to operations in Colombia. The favorable level of performance obtained by the fixed income markets in Colombia explain the robust growth seen with financial income.

Administrative expense rose by 235% in Q2, which upon excluding the effect of consolidating the RSA operations, would have produced a growth of just 19.3%. Fee and commission income rose by 51.3%, of which COP 18,627 million was due to having consolidated the recently acquired RSA operations. Without this, the non-life segment would have obtained an increase in fee and commission income of 19% given reinsurance expense and contributions made to FOSYGA relating to mandatory road insurance, among other factors.

## HEALTH CARE SEGMENT

The Health Care Segment includes the health care providers, EPS SURA, IPS SURA and Dinamica (Diagnostic Services).

### Health Care Segment Main figures

From January 1st to June 30th  
(stated in COP millions)

	June 2016	June 2015	% Change
<b>Revenues on services rendered</b>	<b>1,217,518</b>	<b>1,018,504</b>	<b>19.5%</b>
Investment income	22.944	31.645	-27.5%
<b>Cost of services rendered</b>	<b>(1,069,370)</b>	<b>(915,383)</b>	<b>16.8%</b>
Administrative expense	(143,833)	(120,026)	19.8%
Fees	(6,861)	(7,505)	-8.6%
Brokerage commissions	(2,235)	(2,504)	-10.7%
Other expense	(412)	(161)	155.7%
Income tax	(3,830)	(2,048)	87.0%
<b>Earnings (losses), net</b>	<b>9.060</b>	<b>(4,999)</b>	

### Health Care Segment Main figures

From March 31st to June 30th  
(stated in COP millions)

QUARTER	Q2 2016	Q2 2015	% Change
<b>Revenues on services rendered</b>	<b>610.382</b>	<b>522.171</b>	<b>16.9%</b>
Investment income	11.838	13.769	-14.0%
<b>Cost of services rendered</b>	<b>(539,724)</b>	<b>(464,695)</b>	<b>16.1%</b>
Administrative expense	(69,454)	(63,048)	10.2%
Fees	(3,635)	(3,726)	-2.4%



Brokerage commissions	<b>(1,037)</b>	(1,200)	-13.6%
Other expense	<b>(186)</b>	(157)	18.7%
Income tax	<b>(1,903)</b>	(87)	
<b>Earnings (losses), net</b>	<b>3.747</b>	<b>(1,749)</b>	

## Health Care Segment

### Statement of Financial Position - Key Figures

	<b>June 2016</b>
Total assets	<b>707.543</b>
Total liabilities	<b>532.209</b>
Total equity	<b>175.334</b>

Revenues on services rendered						
	<b>June 2016</b>	June 2015	% Change	<b>Q2 2016</b>	Q2 2015	% Change
EPS (Mandatory Health Care)	<b>940.614</b>	782.816	20.2%	<b>465.918</b>	402.107	15.9%
IPS (Mandatory Health Care)	<b>181.243</b>	150.454	20.5%	<b>95.208</b>	77.091	23.5%
Dinámica (Diagnostic services)	<b>95.661</b>	85.235	12.2%	<b>49.256</b>	42.974	14.6%
<b>Total</b>	<b>1,217,518</b>	<b>1,018,505</b>	<b>19.5%</b>	<b>610.383</b>	<b>522.172</b>	<b>16.9%</b>

*Figures stated in COP millions*

### Cost of services rendered

Cost of services rendered						
	<b>June 2016</b>	June 2015	% Change	<b>Q2 2016</b>	Q2 2015	% Change
EPS (Mandatory Health Care)	<b>876.975</b>	751.141	16.8%	<b>438.810</b>	380.634	15.3%
IPS (Mandatory Health Care)	<b>126.668</b>	105.397	20.2%	<b>66.960</b>	54.362	23.2%
Dinámica (Diagnostic services)	<b>65.728</b>	58.845	11.7%	<b>33.955</b>	29.699	14.3%
<b>Total</b>	<b>1,069,371</b>	<b>915.383</b>	<b>16.8%</b>	<b>539.725</b>	<b>464.695</b>	<b>16.1%</b>

*Figures stated in COP millions*

## Claims rate

	June 2016	June 2015	Q2 2016	Q2 2015
EPS (Mandatory Health Care)	<b>93.2%</b>	96.0%	<b>94.2%</b>	94.7%

The health care segment showed a positive level of performance in terms of revenues during this past second quarter, especially EPS Sura, which obtained a growth in revenues from services rendered of 15.9%, with approximately 87,500 more users compared to last year. This growth in revenues is due to an 18.6% increase in the payment unit per capita (UPC in Spanish) as well as a 75.5% rise in revenues from the subsidized regime.

On the other hand, this segment reduced its loss ratio for Q2, thanks to the self-care strategy focusing user attention on the promotion and prevention programs offered; along with the good level of performance obtained with complementary health care plans.

Administrative expense for this segment rose by 10.2% in Q2, which was well below the increase in revenues from services rendered, thus breaking the trend of higher expense versus revenues evidenced during the first quarter of this year. So far this year, administrative expenses have risen in line with revenues, thanks to the investments made in extending the health care system so as to attend new users (new health care centers). This segment also shows the results of the investments made in projects aimed at providing users with a more comprehensive service.

## CORPORATE SEGMENT

### CORPORATE SEGMENT

#### Main figures

From January 1st to June 30th  
(stated in COP millions)

	June 2016	June 2015	% Change
<b>Investment income</b>	<b>2.064</b>	<b>349</b>	<b>491.8%</b>
<b>Revenues via equity method from Associates</b>	<b>938</b>	<b>1.832</b>	<b>-48.8%</b>
Administrative expense	<b>(36,888)</b>	(15,068)	144.8%
Fees	<b>(18,351)</b>	(2,264)	710.7%
Interest	<b>(16,441)</b>	(516)	
Exchange difference (net)	<b>27.248</b>	1.634	
Impairment	<b>(29)</b>	(244)	-88.1%
<b>Total expense</b>	<b>(44,460)</b>	<b>(16,457)</b>	<b>170.2%</b>
<b>Earnings (losses) before tax</b>	<b>(41,269)</b>	<b>(14,239)</b>	<b>189.8%</b>
Income tax	<b>(19,251)</b>	(54,052)	-64.4%
<b>Earnings (losses), net</b>	<b>(60,520)</b>	<b>(68,292)</b>	<b>-11.4%</b>
Earnings (losses) - parent company	<b>(60,520)</b>	(68,292)	-11.4%

Earnings (losses) - non-controlling interest	0	0	0.0%
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## CORPORATE SEGMENT

From March 31st to June 30th

### Main figures

(stated in COP millions)

QUARTER	Q2 2016	Q2 2015	% Change
<b>Investment income</b>	<b>1.251</b>	<b>257</b>	<b>387.4%</b>
<b>Revenues via equity method from Associates</b>	<b>339</b>	<b>1.129</b>	<b>-70.0%</b>
Administrative expense	(20,416)	(6,894)	196.1%
Fees	(11,626)	(1,188)	878.8%
Interest	(10,915)	(178)	
Exchange difference (net)	310	1.628	-81.0%
Impairment	4	0	
<b>Total expense</b>	<b>(42,642)</b>	<b>(6,632)</b>	<b>543.0%</b>
<b>Earnings (losses) before tax</b>	<b>(40,902)</b>	<b>(5,241)</b>	<b>680.4%</b>
Income tax	7.453	(17,056)	
<b>Earnings (losses), net</b>	<b>(33,449)</b>	<b>(22,297)</b>	<b>50.0%</b>
Earnings (losses) - parent company	(33,449)	(22,297)	50.0%
Earnings (losses) - non-controlling interest	0	0	0.0%

This segment reflects the non-recurring costs of acquiring the RSA operations in Latin America, which mostly consisted of fees and commissions. Interest expense also recorded a significant increase due to the amount of debt incurred in order to finance the Company's regional expansion, namely with the purchase of Seguros Banistmo in Panama as well as the aforementioned RSA operations.

Administrative expense included the new corporate headquarters, with which Suramericana is strengthening its administrative structure with functional corporate teams working together with subsidiaries in all 9 countries so as to further Suramericana's strategy throughout the region. Income tax for this past quarter produced positive results given the foreign exchange hedges performed for financing the acquisition of RSA, thus reversing the balances of derivatives held in terms of deferred tax.

## RSA Operations

### RSA Operations Statement of Comprehensive Income

From January 1st to  
June 30th

(stated in COP millions)

Colombia	Brazil	Argentina	Chile	Mexico	TOTAL
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Written premiums	52.171	164.247	189.642	292.615	61.270	759.945
<b>Retained premiums (net)</b>	<b>30.425</b>	<b>146.155</b>	<b>162.261</b>	<b>144.693</b>	<b>30.193</b>	<b>513.727</b>
Commission income	5.758	(127)	6.121	5.145	1.387	18.283
Investment income	4.323	16.277	(899)	2.190	2.521	24.413
Other revenues	1.649	9.943	25.110	12.767	6.689	56.157
<b>Total revenues</b>	<b>42.155</b>	<b>172.247</b>	<b>192.594</b>	<b>164.794</b>	<b>40.790</b>	<b>612.580</b>
Total claims	(134,901)	(75,073)	(64,144)	(126,614)	(22,763)	(423,494)
<b>Retained claims</b>	<b>(12,368)</b>	<b>(57,946)</b>	<b>(64,144)</b>	<b>(51,026)</b>	<b>(15,565)</b>	<b>(201,049)</b>
Adjustments to reserves	(1,218)	(12,804)	(24,493)	38.645	(1,257)	(1,128)
Administrative expense	(15,911)	(47,699)	(48,356)	(40,985)	(8,887)	(161,839)
Fees and commissions	(13,304)	(56,678)	(45,085)	(43,241)	(13,310)	(171,618)
Other expense	(4,091)	(291)	(190)	(37,329)	(22)	(41,923)
Exchange difference (net)	659	(6,707)	(966)	(1,759)	(265)	(9,038)
<b>Total expense</b>	<b>(46,234)</b>	<b>(182,125)</b>	<b>(183,234)</b>	<b>(135,696)</b>	<b>(39,307)</b>	<b>(586,594)</b>
<b>Earnings before tax</b>	<b>(4,079)</b>	<b>(9,878)</b>	<b>9.360</b>	<b>29.099</b>	<b>1.483</b>	<b>25.985</b>
Income tax	(130)	4.901	5.427	443	(1,059)	9.582
<b>Net Income</b>	<b>(4,209)</b>	<b>(4,977)</b>	<b>14.787</b>	<b>29.541</b>	<b>425</b>	<b>35.567</b>
Earnings - parent company	(4,538)	(4,977)	14.707	29.410	425	35.026
Earnings - non-controlling interest	325	(0)	80	132	0	537

The statements of comprehensive income corresponding to the RSA companies were duly reported by Suramericana as of the date on which these were taken over in each country and therefore do not correspond to comparable periods. The information herein reported corresponds to that of Brazil as of March, Colombia as of April, Chile and Argentina as of May and Mexico as of June.

#### RSA equity per individual country - at year-end 2015

Argentina	Brazil	Chile	Colombia	Mexico	Uruguay	TOTAL
174.563	214.421	650.468	115.514	255.330	132.671	1,542,968

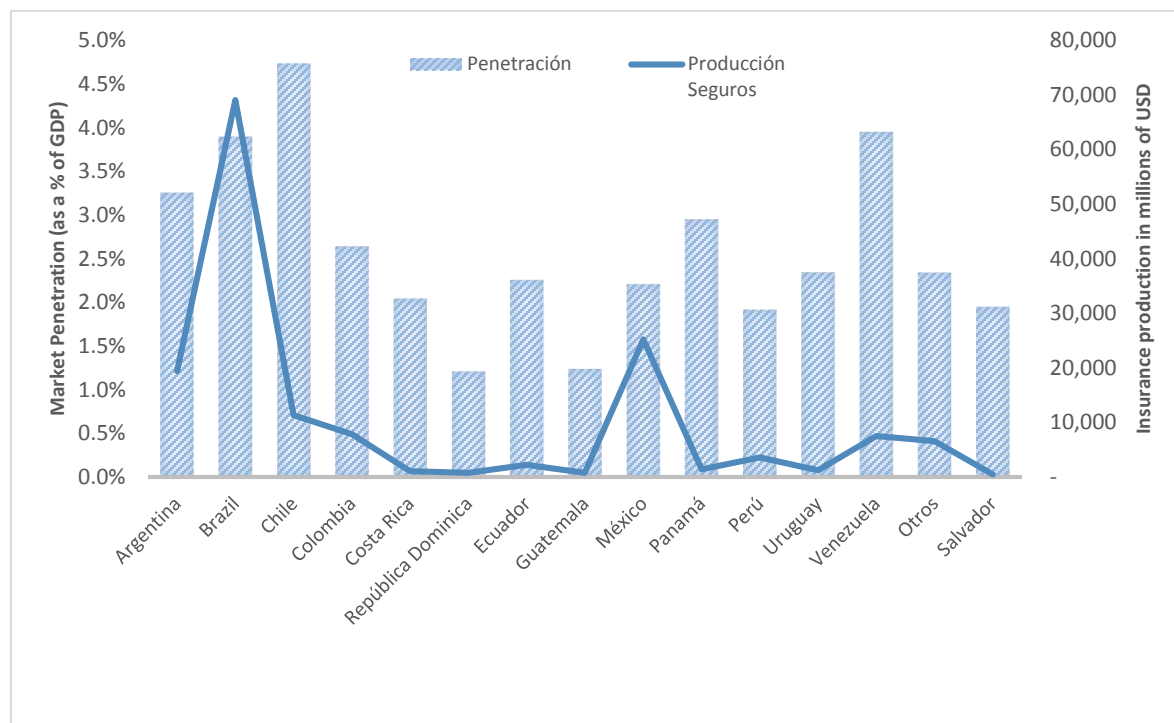
During this past quarter, RSA's Latin American operations were duly consolidated in Suramericana's financial statements, with the exception of Uruguay which shall be included as of Q3 2016, thus consolidating the Company's regional strategy by diversifying its country-wide presence, channels and solutions in a total of 9 countries, namely Argentina, Uruguay, Chile, Brazil, Colombia, Panama, the Dominican Republic, El Salvador and Mexico. This clearly positions Suramericana as a "Latin American company for the Latin American people."

The Company's presence in these 9 countries allows us not only to participate in 83% of Latin America's total GDP, estimated at USD 4,240 billion, but also provides access to 78% of its

population, that is to say nearly 470 million inhabitants and an insurance market worth USD 137 billion, which is equivalent to 86% of Latin America's entire insurance production figure.

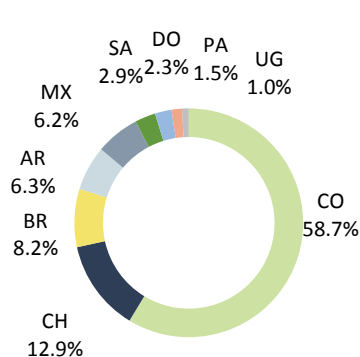
These 470 million people (including more than 230 million of the economically active population) represent an insurance consumption per capita of USD 295 per year, which is 17% higher than the average insurance consumption per capita in Latin America.

This shows substantial potential, given the current degree of penetration of the insurance markets in these countries, corresponding to 3.2% of GDP compared to a global average of 6.0% and an insurance consumption per capita of USD 603 per year.



*Penetration (% of GDP) - insurance production (in millions of USD) Source: SwissRE -<http://www.sigma-explorer.com/index.html>*

Out of all of these countries, Chile, Argentina and Brazil stand out as economies with more highly developed insurance industries commanding shares of 4.7%, 3.3% and 3.9% of their GDPs respectively and in conjunction with Mexico are the largest insurance markets in Latin America.



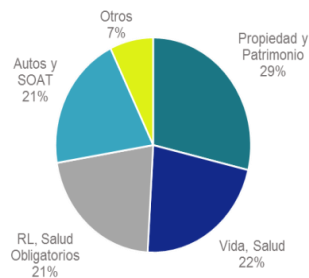
The operations in all 9 countries represent 17.1 million policy holders (3.6% of the entire population) who are attended through different channels.

The traditional channel (insurance agents and brokers) is where we actively liaise with large brokerage firms and agencies along with 16,000 client care personnel based in more than 165 offices / branches, through either its own business or franchised models, with Colombia having the largest network of experienced staff in this respect.

Also worth noting is the degree of development and experience brought to bear by these newly acquired operations with regard to the Affinity channel where besides diversifying current distribution channels, we are integrating new business models and strengthening our relationship with non-traditional insurance agents, enabling us to reach new clients and develop new lines of business.

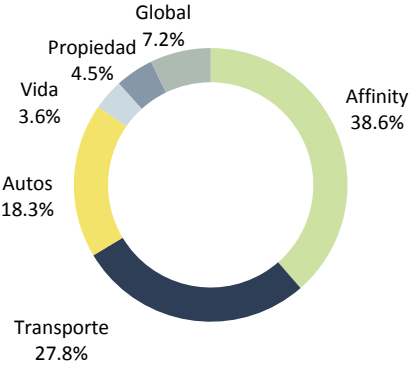
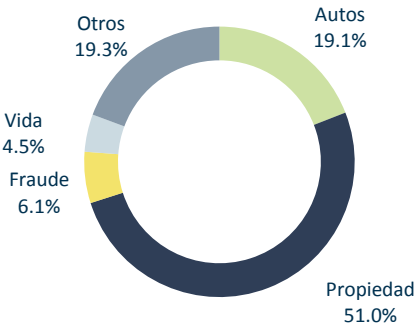
Out of more than 70 business partners, we have more than 35 banks (Banco Patagonia, Banco Santander, Banco Itau, Banchile, BBVA, Citibank, Bancolombia among others) as well as 25 retail companies (Fallabela, Cencosud, the Exitó Group, Ripley, Casas Bahia, among others) which are amply recognized in each country.

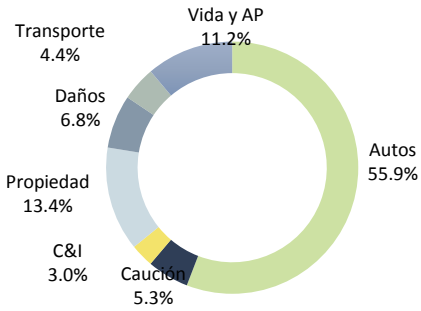
We are also deploying more and more sales initiatives such as directly marketing our insurance solutions through proprietary brands such as Answer, the market leader in direct car insurance sales in Argentina and new collaborative models such as WESURA, mainly geared to new buyers and the new generations that appreciate new business models and different approaches.



We also managed to diversify and evenly balance out our portfolio amongst our more representative lines of business, having evened up the substantial share that Colombia commands in the life and health care segment prior to integrating the property, casualty and car insurance solutions corresponding to the other consolidated countries.

SURA BRAZIL	
Ranking: 39/159 Insurance Companies Production / Market: 160 / 69,000 (USD millions)  Clients: 1.4 million Consumption per capita: USD 332 per year  Employees: 345 Brokers registered with the Company: 938 brokers /market :60.000	Having a broad portfolio concentrated in the non-life lines, the Affinity channel (39%) is the most noteworthy through which products such as extended warranties and damage and theft to electrical and electronic equipment among others are sold through 13 large scale partners belonging mostly to the retail sector.  Transport (marine) insurance is also an important line covering the moving of domestic and international

 <p><i>Portfolio figures and distribution</i></p>	<p>shipping plus the associated civil liability (28%) as well as car insurance for commercial fleets (18%).</p> <p>As part of the operation's development strategy we are aiming to further enhance the affinity business partnering up with new small and medium-sized sponsors so as to reduce our dependency on large accounts and branch out into new business lines such as SME, Group Life, Travel and Individual Car insurance.</p> <p>At the end of June, the Brazilian operation obtained a growth in premiums of 15.7%, mainly in Car and Affinity insurance, along with a 47.7% retained loss ratio compared to the 50.7% obtained in 2015. This improvement is mainly due to a better performance with the life and P&amp;C lines.</p>
<p><b>SURA Chile</b></p> <p>Ranking: 9/46 Insurance Companies Production / Market: 552 / 11,300 (USD millions)</p> <p>Clients: 2.2 million Consumption per capita: USD 664 per year</p> <p>Employees: 664 Brokers registered with the company: 1.500 brokers /market:2500</p>  <p><i>Portfolio figures and distribution SURA Chile</i></p>	<p>Sura Chile is No. 1 on the Non-Life Insurance market with a share of 14.1%. It also has 18 branch offices providing ample coverage.</p> <p>Revenues are mainly sourced from large corporate businesses (39.1%), followed by affinity sales (36.8%) consisting mainly property / casualty (36%), household insurance (15%) and the car /commercial and staff lines (29%)</p> <p>As part of this operation's strategy, it is aiming to drive the industrialization of products through standard subscription models allowing it to access the SME and private individual segments with new solutions thereby further empowering the traditional channel by complementing its offer with life insurance and developing direct selling capabilities.</p> <p>During the first half of 2016 the Chilean operation obtained a growth of 4%, thanks to a good performance in solutions, fraud and commercial property insurance.</p> <p>The loss ratio for the first half of this year came to 46.3%, compared to 42.1% for the same period last year. This decline is mainly due to the line of fraud insurance as well as an increased coverage for fire insurance in the case of household solutions.</p>
<p><b>SURA Argentina</b></p> <p>Ranking: 17/183 Insurance Companies</p>	<p>The Argentinean market is rather fragmented over a large number of insurance companies, many of these</p>

<p>Production / Market: 368 / 19,500 (USD millions)</p> <p>Clients: 1.1 million Consumption per capita: USE 446 per year</p> <p>Employees: 750 Brokers registered with the company: 1.500 brokers /market: 31,500</p>  <p><i>Portfolio figures and distribution SURA Argentina</i></p>	<p>local.</p> <p>SURA Argentina is widely known for having developed its own brands such as Answer for the direct marketing of its car insurance solutions and ACG for its surety (performance) insurance.</p> <p>Its portfolio is mainly concentrated in the non-life lines, the most important of which is Car / Personal and Commercial insurance (56%), Group Life and Personal Accident (11%) and Property / Casualty (13%) which are distributed through the traditional (68%), Affinity (23%) and Direct Sales (Answer) (9%) channels</p> <p>As part of Sura Argentina's development strategy it aims to boost growth in its Affinity and direct sales channels, where there is greater profitability to be had, as well as extend its presence in central part of the country in the non-car lines, as well as developing new solutions such as pet, funeral and travel insurance among others.</p> <p>Sura Argentina has obtained a YTD growth of 37%, mainly driven by solutions other than car insurance which is marketed through the affinity channel. The retained loss ratio is currently standing at 44.7% for 2016, showing an improvement compared to the previous year which came to around 48.9%, due to an improvement in the loss ratio for the lines of construction, engineering and life and personal accident insurance.</p>
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<p><b>SURA Uruguay</b></p> <p>Ranking: 3/14 Insurance Companies Production / Market: 88 / 1,265 (USD millions)</p> <p>Clients: 163,000 Consumption per capita: USD 369 per year</p> <p>Employees: 114 Brokers registered with the company: 1,140</p>	<p>The Uruguayan market remains mostly in the hands of the state-run insurance company BSE which has more than a 60% share of the market, mainly in the lines of life, pension and personal accident insurance.</p> <p>Sura Uruguay's portfolio is mainly concentrated in the lines of non-life insurance, the most important being Car / Personal and Commercial solutions (52%), Property / Casualty (22%) and Transport 5%.</p> <p>As part of its differentiation strategy it is aiming to provide a value added offer based on (i) a superior</p>
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<p>Portfolio figures and distribution SURA Uruguay</p>	<p>quality of service: swift payments and services rendered; (ii) Technology: apps and Digital Channel; and (iii) Accessibility: diversifying channels, solutions and nationwide presence with new branch offices</p> <p>Sura Uruguay obtained a growth of 20.8% during the first half of the year along with a retained loss ratio of 50.0%, which is very close to that recorded the same period last year, that is to say 51.3%, thanks to a stable performance in the line of car insurance, which is the Company's main source of revenues.</p>
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<p><b>SURA Mexico</b></p> <p>Ranking: 21/115 Insurance Companies Production / Market: 162 / 25,225 (USD millions)</p> <p>Clients: 1.1 million Consumption per capita: USD 198 per year</p> <p>Employees: 475 Brokers registered with the company: 1,900</p> <p>Portfolio figures and distribution SURA México</p>	<p>Despite being the second largest economy in Latin America, Mexico has one of the lowest penetrations in Latin America's entire insurance market, while being one of the country's with the greatest challenges and development opportunities within the insurance sector.</p> <p>Sura Mexico has a broadly diversified portfolio, the most important being Property and Engineering solutions (36%), followed by Car/ Commercial and Personal Insurance (19%) and Individual Life, Group Life and Personal Accident (24%).</p> <p>As part of its strategy, it intends to provide special focus on creating a specialized Government area that shall allow it to extend, on a reasonable scale its Property/Casualty and Life branches of insurance. As far as the smaller risks are concerned Sura Mexico also aims to drive its operating industrialization capabilities based on technology and processes and the lines of affinity sales, entering into long-term agreements with major traditional and emerging Affinity partners with greater practical access to the end client.</p> <p>At the end of June, written premiums for local operations rose by 3.2% mainly due to not having renewed all those affinity agreements showing negative margins, however the traditional channel still continued to grow by around 10%. The company's loss ratio stands at 60% compared to 49.5% for the same period last year; this mainly due to the impact of the Group Life, Individual Life and</p>
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	Health Care solutions, the latter currently being run-off.
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### 3. SURA Asset Management

#### Sura Asset Management S.A. Statement of Comprehensive Income

From January 1st to  
June 30  
(stated in COP millions)

	June 2016	June 2015	% Change	% Change Excl. Exchange Effects
Fee and commission income	948.913	836.131	13.5%	3.3%
Other investment income	7.067	4.212	67.8%	47.9%
Realized gains on available-for-sale financial assets	0	0		
Other gains and losses at fair value	757	96	686.3%	582.0%
Income from reserve requirement	29.168	53.457	-45.4%	-51.6%
Income (expense) via equity method	56.036	45.822	22.3%	20.6%
Other operating revenue	6.655	9.383	-29.1%	-36.9%
<b>Operating revenue</b>	<b>1,048,596</b>	<b>949,102</b>	<b>10.5%</b>	<b>0.7%</b>
Gross premiums	1,450,023	1,114,488	30.1%	16.1%
Premiums ceded to reinsurers	(35,374)	(20,903)	69.2%	56.8%
<b>Net premiums</b>	<b>1,414,648</b>	<b>1,093,585</b>	<b>29.4%</b>	<b>15.3%</b>
Income from reserve investments	272.576	274.544	-0.7%	-12.2%
Earnings at fair value from reserve investments	79.537	51.552	54.3%	35.3%
Claims	(507,581)	(331,486)	53.1%	36.5%
Movement in premium reserves	(1,057,696)	(920,531)	14.9%	2.2%
<b>Total insurance margin</b>	<b>201.485</b>	<b>167.664</b>	<b>20.2%</b>	<b>6.6%</b>
Selling expense	(213,544)	(173,772)	22.9%	12.5%
Operating and administrative expense	(528,624)	(465,272)	13.6%	3.1%
Wealth tax	(56,564)	(63,874)	-11.4%	-11.4%
<b>Total operating expense</b>	<b>(798,732)</b>	<b>(702,917)</b>	<b>13.6%</b>	<b>4.2%</b>
<b>Operating earnings</b>	<b>451.349</b>	<b>413.849</b>	<b>9.1%</b>	<b>-2.7%</b>
Financial income	12.994	10.988	18.2%	8.2%
Financial expense	(75,478)	(52,922)	42.6%	22.4%
(Expense) income from financial derivatives	40.060	(20,735)	-293.2%	-294.3%
(Expense) income on exchange differences	38.702	1.821	2025.7%	808.7%
<b>Earnings before income tax</b>	<b>467.626</b>	<b>353.001</b>	<b>32.5%</b>	<b>17.6%</b>
Income tax	(172,037)	(153,075)	12.4%	4.7%
<b>Net income (losses) for the year</b>	<b>295.589</b>	<b>199.926</b>	<b>47.8%</b>	<b>26.6%</b>

**Sura Asset Management S.A.**  
**Statement of Comprehensive Income**

From March 31st to  
June 30th  
(stated in COP millions)

QUARTER	Q2 2014	Q2 2014	% Change	% Change Excl. Exchange Effects
Fee and commission income	<b>483.057</b>	418.472	15.4%	3.3%
Other investment income	<b>153</b>	2.799	-94.5%	-95.0%
Realized gains on available-for- sale financial assets	<b>0</b>	0		
Other gains and losses at fair value	<b>696</b>	(4,218)	-116.5%	-114.5%
Income from reserve requirement	<b>22.422</b>	9.397	138.6%	107.2%
Income (expense) from equity method	<b>29.480</b>	26.770	10.1%	4.6%
Other operating revenue	<b>5.530</b>	2.785	98.5%	76.3%
<b>Operating revenue</b>	<b>541.337</b>	<b>456.006</b>	18.7%	6.6%
Gross premiums	<b>758.917</b>	614.863	23.4%	8.3%
Premiums ceded to reinsurers	<b>(16,649)</b>	(11,052)	50.6%	36.7%
<b>Net premiums</b>	<b>742.268</b>	<b>603.810</b>	22.9%	7.8%
Income from reserve investments	<b>138.564</b>	173.364	-20.1%	-30.6%
Earnings at fair value from reserve investments	<b>53.181</b>	3.625	1367.0%	1111.8%
Claims	<b>(281,657)</b>	(173,483)	62.4%	42.5%
Movement in premium reserves	<b>(562,519)</b>	(513,155)	9.6%	-4.1%
<b>Total insurance margin</b>	<b>89.837</b>	<b>94.162</b>	-4.6%	-17.0%
Selling expense	<b>(86,262)</b>	(81,457)	5.9%	-4.4%
Operating and administrative expense	<b>(286,649)</b>	(234,698)	22.1%	8.7%
Wealth tax	<b>(2,344)</b>	344	-781.1%	92.1%
<b>Total operating expense</b>	<b>(375,256)</b>	<b>(315,810)</b>	18.8%	5.3%
<b>Operating earnings</b>	<b>255.918</b>	<b>234.357</b>	9.2%	-1.4%
Financial income	<b>6.635</b>	6.550	1.3%	-10.9%
Financial expense	<b>(40,326)</b>	(26,994)	49.4%	26.2%
(Expense) income from financial derivatives	<b>19.399</b>	1.703	1039.4%	1028.9%
(Expense) income on exchange differences	<b>24.531</b>	22.347	9.8%	-0.4%
<b>Earnings before income tax</b>	<b>266.157</b>	<b>237.963</b>	11.8%	1.7%
Income tax	<b>(99,814)</b>	(105,889)	-5.7%	-13.6%
<b>Net income (losses) for the year</b>	<b>166.343</b>	<b>132.074</b>	25.9%	13.7%

**Sura Asset Management S.A.**  
**Statement of Financial Position**

At June 30th 2016 and December 31st 2015  
(stated in COP millions)

	June 2016	December 2015	% Change
Financial assets	<b>13,922,195</b>	13,473,618	3.3%
Goodwill	<b>3,967,139</b>	4,136,023	-4.1%
Other intangible assets	<b>2,770,479</b>	2,920,837	-5.1%
Investments in related parties	<b>1,026,274</b>	1,058,987	-3.1%
Investment properties	<b>910.851</b>	750.667	21.3%
Accounts receivable	<b>677.026</b>	636.240	6.4%
Deferred acquisition costs (DAC)	<b>544.953</b>	581.493	-6.3%
Cash and cash equivalents	<b>589.401</b>	423.963	39.0%
Deferred tax assets	<b>223.722</b>	247.914	-9.8%
Current tax	<b>215.411</b>	151.631	42.1%
Fixed assets	<b>189.295</b>	197.232	-4.0%
Financial assets - hedging arrangements	<b>258.113</b>	62.986	309.8%
Reinsurance assets	<b>55.412</b>	51.110	8.4%
Other assets	<b>65.015</b>	60.416	7.6%
<b>Total assets</b>	<b>25,415,286</b>	<b>24,753,118</b>	<b>2.7%</b>
Technical reserves	<b>11,438,800</b>	10,753,465	6.4%
Issued bonds	<b>1,470,539</b>	1,583,686	-7.1%
Deferred tax liabilities	<b>1,312,326</b>	1,318,737	-0.5%
Current tax liabilities	<b>97.585</b>	162.185	-39.8%
Financial obligations	<b>1,241,572</b>	1,078,501	15.1%
Accounts payable	<b>641.452</b>	381.042	68.3%
Financial liabilities - hedging arrangements	<b>358.265</b>	196.234	82.6%
Employee benefits	<b>94.491</b>	135.434	-30.2%
Deferred income liabilities (DIL)	<b>55.689</b>	56.501	-1.4%
Provisions	<b>149.570</b>	24.915	500.3%
Other liabilities	<b>12.251</b>	7.619	60.8%
<b>Total liabilities</b>	<b>16,872,540</b>	<b>15,698,319</b>	<b>7.5%</b>
PARENT COMPANY EQUITY	<b>8,363,235</b>	8,885,055	-5.9%
Minority interest	<b>179.510</b>	169.744	5.8%
<b>Total equity</b>	<b>8,542,745</b>	<b>9,054,799</b>	<b>-5.7%</b>
<b>Total equity and liabilities</b>	<b>25,415,286</b>	<b>24,753,118</b>	<b>2.7%</b>

Figures stated in dollars were converted from Colombian pesos using the exchange rate applicable at year-end 2016 (COP 2,919.0 per USD), this as a restatement exercise only, and therefore said figures are not necessarily the same as the dollar figures appearing in SURA Asset Management's accounts.

SURA Asset Management posted consolidated assets of COP 25.4 billion (USD 8.7 billion), for a growth of 2.7%, as well as a shareholders' equity of COP 8.5 billion (USD 2.9 billion) showing a decline of 5.7% compared to year-end 2015, this primarily as a result of fluctuations with the exchange rates in different parts of Latin America against the Colombian peso.

The following table shows how the different Latin American currencies have performed against the Colombian peso.

	June 2016	June 2015	% Change
Exchange rate	LC/USD	LC/USD	COP/LC
Chile	<b>689.45</b>	621.24	13.2%
Mexico	<b>18.07</b>	15.14	5.3%
Peru	<b>3.38</b>	3.10	15.1%
Colombia	<b>3,121.86</b>	2,485.28	0.0%
Uruguay	<b>31.39</b>	25.65	2.7%

*\*LC: Local Currency*

SURA Asset Management obtained operating income from its fund management business (pensions and savings) totaling COP1,048, 596 million (USD 359.2 million), showing a year-on-year increase of 0.7% at constant exchange rates together with a total insurance margin of COP 201.485 million (USD 69 million), for a growth of 6.6%.

It is important to note that AFP Protección and AFP Crecer do not form part of the consolidation of SURA Asset Management's financial statements given the 49.4% stake held, and therefore the income received from both companies corresponds to the Company's share of such using the equity method, which totaled COP 48,197.4 million (USD 16.5 million).

Operating expense came to COP 798.732 million (USD 273.6 million) representing an increase of 4.2% at constant exchange rates, which mainly include a 12.5% increase at constant exchange rates in selling expense, while administrative expense rose by 3.1%, and wealth tax declined by 11.4% to COP 56,564 million (USD -19.4 million).

Net income for the first half of the year came to COP 295.589 million (USD 101.3 million), which was a gratifying result compared to the same period last year since this represented a 26.6% increase at constant exchange rates, mainly due to a positive level of earnings due to exchange differences and derivative valuations.

## EBITDA

EBITDA came to COP 605,328.2 million (USD 207.4 million), representing a year-on-year increase of 5.6% based on real rates. This was mainly affected by (i) the fluctuations with the exchange rates used for each period; and (ii) lower returns obtained on the Company's reserve requirements throughout this year.

Based on constant exchange rates at June 2015, this drop would have come to 4.3%.

If we were to eliminate the effect of the Company's reserve requirement on calculating EBITDA, this would have produced a year-on-year growth of 0.6%.

EBITDA	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	174.459	196.764	-11.3%	-21.7%	69.843	86.196	-19.0%	-24.8%
Mexico	204.252	184.371	10.8%	5.2%	94.281	93.517	0.8%	-0.2%
Peru	188.492	158.602	18.8%	3.2%	102.096	78.783	29.6%	13.7%
Uruguay	21.428	20.386	5.1%	2.4%	10.023	10.235	-2.1%	-3.5%
Colombia	48.197	40.816	18.1%	18.1%	23.486	24.207	-3.0%	-3.0%
Corporate and Others	(31,500)	(27,960)	12.7%	10.9%	(7,773)	(13,193)		-41.9%
Total	605.328	572.979	5.6%	-4.3%	291.956	279.744	4.4%	-2.3%
Reserve requirement	29.168	53.457	-45.4%	-51.6%	22.147	9.680	128.8%	107.2%
<b>EBITDA (excl. reserve rqmt)</b>	<b>576.160</b>	<b>519.522</b>	<b>10.9%</b>	<b>0.6%</b>	<b>269.809</b>	<b>270.064</b>	<b>-0.1%</b>	<b>-6.3%</b>

Figures stated in COP millions

EBITDA at the end of Q2 2015 differed from that actually posted for Q2 2015 (COP 558.834 million), given changes to the manner in which this is being calculated this year, due to having drawn up and adopted a new accounting manual in January 2016. Here, income (expense) corresponding to the exchange differences obtained from non-proprietary investments backing reserves shall be considered to be of an operating nature, and therefore shall not be unwound from the previously calculated EBITDA.

### Assets under Management

Assets Under Management (AUM), including AFP Protección and AFP Crecer, came to COP 325.1 billion (USD 111.4 billion), for a growth of 6.9% based on constant exchange rates.

These assets belong to 17.7 million clients in Latin America, broken down as follows:

Assets under Management	June 2016	June 2015	% Change	% Change excl. exchange effects
Chile	107,476,092	95,053,002	13.1%	4.0%
Mexico	73,689,676	70,548,069	4.5%	7.9%
Peru	52,098,229	44,745,138	16.4%	7.2%
Uruguay	6,015,317	5,204,782	15.6%	16.4%
Colombia	73,593,556	67,212,898	9.5%	9.5%
El Salvador	12,244,843	10,148,067	20.7%	7.4%
<b>Total</b>	<b>325,117,713</b>	<b>292,911,956</b>	<b>11.0%</b>	<b>6.9%</b>

Figures stated in COP millions

Clients (stated in millions)	June 2016	June 2015	% Change
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Chile	<b>1.89</b>	1.92	-1.7%
Mexico	<b>6.39</b>	6.25	2.3%
Peru	<b>2.06</b>	2.07	-0.5%
Uruguay	<b>0.32</b>	0.32	2.7%
Colombia	<b>5.58</b>	5.34	4.4%
El Salvador	<b>1.49</b>	1.42	5.2%
<b>Total</b>	<b>17.73</b>	<b>17.32</b>	<b>2.4%</b>

## Mandatory Pensions

### Mandatory Pension Segment Key figures

From January 1st to June  
30th  
(stated in COP millions)

	June 2016	June 2015	% Change	% Change Excl. Exchang e Effects
Fee and commission income	<b>868.777</b>	777.221	11.8%	1.7%
Other investment income	<b>1.208</b>	1.119	7.9%	-4.7%
Realized gains on available-for- sale financial assets	<b>0</b>	0		
Other gains and losses at fair value	<b>0</b>	(0)	-100.0%	-100.0%
Income from reserve requirement	<b>28.254</b>	52.299	-46.0%	-52.1%
Income (expense) from equity method	<b>48.261</b>	39.783	21.3%	19.3%
Other operating revenue	<b>1.115</b>	3.765	-70.4%	-73.6%
<b>Operating revenue</b>	<b>947.614</b>	<b>874.188</b>	8.4%	-1.2%
Selling expense	<b>(113,951)</b>	(100,541)	13.3%	4.2%
Operating and administrative expense	<b>(273,157)</b>	(239,965)	13.8%	3.6%
Wealth tax	<b>(150)</b>	(116)	28.9%	25.5%
<b>Total operating expense</b>	<b>(387,258)</b>	<b>(340,622)</b>	13.7%	3.8%
<b>Operating earnings</b>	<b>560.356</b>	<b>533.566</b>	5.0%	-4.3%
Financial income	<b>6.946</b>	8.932	-22.2%	-29.6%
Financial expense	<b>(2,501)</b>	(3,403)	-26.5%	-35.5%
(Expense) income from financial derivatives	<b>0</b>	0		
(Expense) income on exchange differences	<b>1.125</b>	7.936	-85.8%	-86.6%
<b>Earnings before income tax</b>	<b>565.926</b>	<b>547.031</b>	3.5%	-5.7%
Income tax	<b>(133,790)</b>	(132,360)	1.1%	-8.2%
<b>Net income (losses) for the year</b>	<b>432.137</b>	<b>414.671</b>	4.2%	-4.9%



**Mandatory Pension Segment**  
**Key figures**

From March 31st to June 30th  
(stated in COP millions)

QUARTER	Q2 2016	Q2 2015	% Change	% Change Excl. Exchange Effects
Fee and commission income	425.330	390.866	8.8%	2.0%
Other investment income	675	397	69.8%	56.3%
Realized gains on available-for- sale financial assets	0	0		
Other gains and losses at fair value	0	(4,144)	-100.0%	-100.0%
Income from reserve requirement	21.658	9.356	131.5%	109.1%
Income (expense) from equity method	24.102	23.540	2.4%	1.3%
Other operating revenue	513	1.847	-72.2%	-74.3%
<b>Operating revenue</b>	<b>472.277</b>	<b>421.864</b>	<b>12.0%</b>	<b>5.2%</b>
<b>Total insurance margin</b>	<b>0</b>	<b>1.461</b>	<b>-100.0%</b>	<b>-100.0%</b>
Selling expense	(58,592)	(54,498)	7.5%	1.9%
Operating and administrative expense	(134,800)	(123,358)	9.3%	2.5%
Wealth tax	(91)	(55)	65.9%	60.2%
<b>Total operating expense</b>	<b>(193,483)</b>	<b>(177,911)</b>	<b>8.8%</b>	<b>2.3%</b>
<b>Operating earnings</b>	<b>278.794</b>	<b>245.413</b>	<b>13.6%</b>	<b>6.7%</b>
Financial income	1.809	6.617	-72.7%	-74.0%
Financial expense	(1,165)	(1,699)	-31.4%	-38.3%
(Expense) income from financial derivatives	0	0		
(Expense) income on exchange differences	3.568	2.180	63.7%	48.6%
<b>Earnings before income tax</b>	<b>283.006</b>	<b>252.512</b>	<b>12.1%</b>	<b>5.2%</b>
Income tax	(66,078)	(60,112)	9.9%	3.0%
<b>Net income (losses) for the year</b>	<b>216.928</b>	<b>192.399</b>	<b>12.7%</b>	<b>5.8%</b>

Fee and commission income came to COP 868.777 million for an increase of 1.7% at constant exchange rates.

Our mandatory pension business has been affected by our reserve requirements producing a year-on-year drop of 52.1% at constant exchange rates.

Operating expense rose by 3.8% at constant exchange rates, with selling and administrative expense increasing by 4.2% and 3.6% respectively.

The increase in selling expense was mainly due to an increase in deferred acquisition costs (DAC) in 2016 in the case of both Chile and Mexico.

## Commission income

So far this year fee and commission income has risen by 11.8% to COP 868.777 million (USD 297.7 million), thanks to a higher wage base, which has increased by an average of 3.6% throughout the region. In terms of the different currencies, commission income rose by an average of 1.7%.

Commission income	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>288.546</b>	249.579	15.6%	2.1%	<b>139.116</b>	124.631	11.6%	2.2%
Mexico	<b>345.034</b>	326.629	5.6%	0.3%	<b>168.681</b>	165.131	2.1%	0.6%
Peru	<b>200.473</b>	171.299	17.0%	1.7%	<b>99.480</b>	85.613	16.2%	2.3%
Uruguay	<b>34.724</b>	29.714	16.9%	13.8%	<b>18.052</b>	15.491	16.5%	14.3%
<b>Total</b>	<b>868.777</b>	<b>777.221</b>	<b>11.8%</b>	<b>1.7%</b>	<b>425.330</b>	<b>390.866</b>	<b>8.8%</b>	<b>2.0%</b>

*Figures stated in COP millions*

## Return on Reserve Requirement

This year got off to a difficult start with the amount of volatility and low growth rates affecting the global financial markets. As for the Latin American financial markets these were all affected by certain major events such as the devaluation of their regional currencies against the US dollar, falling stock prices, rising interest rates and low levels of GDP growth.

Consequently, so far this year returns on the Company's pension reserve requirement (known as *encaje* in Spanish) dropped by 46.0%, on a year-on-year basis, reaching COP 28.254 million (USD 9.7 million). Using constant exchange rates for both years, this increase would have come to 52.1%. This was largely due to the sluggish performance of the Latin American financial markets especially in Peru and Chile.

In the case of Mexico, performance improved in both April and June hence the better results obtained. The weighted average return on investment in June 2015 came to just 1.4% which was much lower than the 2.24% obtained in 2016.

As for Chile, its reserve requirement has not performed quite as well this year given the lower returns obtained with mandatory pension funds, which so far this year have averaged out at 0.6%, which is a lot lower than the 3.9% obtained in 2015.

However, the drop in Peru was notorious (17.6%) given the prevailing low rates of return on assets. Rates of return at the end of Q2 2016 averaged out at 3.5% compared to the 4.4% obtained for the same period last year.

YTD				Quarter			
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Reserve Requirement	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>3.423</b>	31.132	-89.0%	-90.3%	<b>2.943</b>	2.505	17.5%	20.1%
Mexico	<b>8.921</b>	4.374	103.9%	93.7%	<b>5.912</b>	(908)		
Peru	<b>14.258</b>	15.025	-5.1%	-17.6%	<b>12.677</b>	6.923	83.1%	58.1%
Uruguay	<b>1.652</b>	1.768	-6.6%	-9.0%	<b>125</b>	835	-85.0%	-79.7%
<b>Total</b>	<b>28.254</b>	<b>52.299</b>	<b>-46.0%</b>	<b>-52.1%</b>	<b>21.658</b>	<b>9.356</b>	<b>131.5%</b>	<b>109.1%</b>

*Figures stated in COP millions*

*\* Figures for AFP Protección and AFG Crecer were not consolidated this year given the increase in the stake held (49.36%).*

### Operating expense

Operating expense came to COP 387.258 million (USD 132.7 million), showing a 3.8% growth at constant exchange rates. This includes selling as well as operating and administrative expense.

Selling expense is currently rising by 4.2%, mainly due to a lower amount of DAC so far this year

Selling expense is also rising in Chile by 34% at constant exchange rates, given increased personnel expense and a greater amount of DAC being amortized in 2016. As for Uruguay, the Advertising and Publicity account was the main culprit for the rise in selling expense in this part of the world.

Operating and administrative expense rose by 3.6%. Mexico recorded an increase of 4.0%, mainly due to the amortization of intangibles as well as with contributions and membership fees.

In Uruguay operating and administrative expenses increased by 15.9% due to higher personnel expense (administrative staff).

Total Operating Expense	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>120.225</b>	(96,547)	24.5%	10.0%	<b>(62,295)</b>	(49,966)	24.7%	13.7%
Mexico	<b>173.917</b>	(160,959)	8.1%	2.6%	<b>(86,389)</b>	(86,369)	0.0%	-1.6%
Peru	<b>(80,938)</b>	(73,092)	10.7%	-3.8%	<b>(38,475)</b>	(36,228)	6.2%	-6.4%
Uruguay	<b>12.177</b>	(10,025)	21.5%	18.3%	<b>(6,325)</b>	(5,347)	18.3%	16.1%
<b>Total</b>	<b>(387,258)</b>	<b>(340,622)</b>	<b>13.7%</b>	<b>3.8%</b>	<b>(193,483)</b>	<b>(177,911)</b>	<b>8.8%</b>	<b>2.3%</b>

*Figures stated in COP millions*

## Net Income

Net income came to COP 432.137 million (USD 148.0 million), showing a year-on-year drop of 4.9% at constant exchange rates, mainly affected by lower reserve requirements and lower other income, which produced a decline of 1.2% in operating revenues.

Net income in the case of Chile was mainly affected by a 90.3% decline in its reserve requirement, measured at constant rates.

Net Income	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>141.005</b>	149.345	-5.6%	-16.6%	<b>66.878</b>	64.406	3.8%	-4.5%
Mexico	<b>129.520</b>	127.189	1.8%	-3.3%	<b>64.179</b>	56.974	12.6%	10.6%
Peru	<b>100.842</b>	85.749	17.6%	2.1%	<b>56.058</b>	41.181	36.1%	19.2%
Uruguay	<b>18.716</b>	17.610	6.3%	3.5%	<b>8.991</b>	8.984	0.1%	-1.4%
Colombia	<b>42.053</b>	34.777	20.9%	20.9%	<b>20.821</b>	20.855	-0.2%	-0.2%
<b>Total</b>	<b>432.137</b>	<b>414.671</b>	<b>4.2%</b>	<b>-4.9%</b>	<b>216.928</b>	<b>192.399</b>	<b>12.7%</b>	<b>5.8%</b>

*Figures stated in COP millions*

*Colombia: Equity method applied to AFP Protección and AFP Crecer*

## Fund membership

Mandatory Pension Fund membership rose by 1.8% year-on-year for a total of 16.0 million. Here it is important to note that the drop in pension fund membership in Chile and Peru was due to the prevailing bidding system for new members of the private pension system, in which SURA Asset Management did not take part.

Membership (in millions)	June 2016	June 2015	% Change
Chile	<b>1.74</b>	1.79	-2.7%
Mexico	<b>6.32</b>	6.19	2.1%
Peru	<b>2.01</b>	2.02	-0.8%
Uruguay	<b>0.32</b>	0.31	1.6%
Colombia	<b>4.11</b>	3.98	3.4%
El Salvador	<b>1.49</b>	1.42	5.2%
<b>Total</b>	<b>15.99</b>	<b>15.71</b>	<b>1.8%</b>

## Wage base

The Basic Wage, the chief indicator used for plotting the value of the Company's mandatory pension business (except in the case of Mexico) recorded year-on-year increases of 13.7% at real exchange rates and 3.6% at constant exchange rates, mirroring a better earning power and job quality on the part of our fund members. All this in spite of the external shocks affecting our economies due mainly to factors relating to lower international commodity prices, the economic slowdown of the region's main trade

partners and the social-political challenges faced by neighboring economies, all of which are hampering growth within the region.

YTD Wage Base	June 2016	June 2015	% Change	% Change excl. exchange effects
Chile	<b>19,703,432</b>	17,027,343	15.7%	2.2%
Peru	<b>12,886,771</b>	11,156,577	15.5%	0.3%
Uruguay	<b>1,846,100</b>	1,605,410	15.0%	12.0%
Colombia	<b>16,981,491</b>	15,882,860	6.9%	6.9%
El Salvador	<b>4,098,604</b>	3,148,365	30.2%	3.6%
<b>Total</b>	<b>55,516,398</b>	<b>48,820,555</b>	<b>13.7%</b>	<b>3.6%</b>

*Figures stated in COP millions*

### AUM - Mandatory Pension Business

AUM for our Mandatory Pension Business continued to perform well in all those countries where we are present. Upon excluding the exchange rate effect, the total growth in AUM would have reached 5.8%

AUM - Mandatory Pension Business	June 2016	June 2015	% Change	% Change excl. exchange effects
Chile	<b>94,170,337</b>	84,976,243	10.8%	2.0%
Mexico	<b>62,210,586</b>	60,067,014	3.6%	6.9%
Peru	<b>46,152,727</b>	40,396,192	14.3%	5.1%
Uruguay	<b>5,919,112</b>	5,140,613	15.1%	15.9%
Colombia	<b>68,093,833</b>	62,055,717	9.7%	9.7%
El Salvador	<b>12,244,843</b>	10,148,067	20.7%	7.4%
<b>Total</b>	<b>288,791,437</b>	<b>262,783,846</b>	<b>9.9%</b>	<b>5.8%</b>

*Figures stated in COP millions*

## VOLUNTARY PENSION BUSINESS

### Voluntary Segment Key figures

From January 1st to June  
30th  
(stated in COP millions)

	June 2016	June 2015	% Change	% Change Excl. Exchange Effects
Fee and commission income	<b>79.434</b>	58.414	36.0%	23.5%
Other investment income	<b>306</b>	94	225.5%	187.1%
Realized gains on available-for- sale financial assets	<b>0</b>	0		
Other gains and losses at fair value	<b>757</b>	80	840.2%	716.7%
Income from reserve requirement	<b>914</b>	1.158	-21.0%	-28.4%
Income (expense) via equity method	<b>7.672</b>	5.831	31.6%	31.6%

Other operating revenue	(388)	(275)	41.0%	29.8%
<b>Operating revenue</b>	<b>88.695</b>	<b>65.302</b>	35.8%	24.4%
Gross premiums	442.666	264.136	67.6%	47.8%
Premiums ceded to reinsurers	(2,341)	(76)	2993.8%	2633.4%
<b>Net premiums</b>	<b>440.325</b>	<b>264.061</b>	66.8%	47.1%
Income from reserve investments	(4,833)	75.911	-106.4%	-105.6%
Earnings at fair value from reserve investments	17.583	1.490	1080.5%	925.3%
Claims	(192,623)	(82,094)	134.6%	107.3%
Movement in premium reserves	(221,166)	(227,411)	-2.7%	-14.2%
<b>Total insurance margin</b>	<b>39.287</b>	<b>31.956</b>	22.9%	7.7%
Selling expense	(64,371)	(44,952)	43.2%	29.3%
Operating and administrative expense	(85,259)	(58,577)	45.6%	30.5%
Wealth tax	(36)	(24)	53.9%	50.0%
<b>Total operating expense</b>	<b>(149,666)</b>	<b>(103,552)</b>	44.5%	30.0%
<b>Operating earnings</b>	<b>(21,684)</b>	<b>(6,294)</b>	244.5%	196.9%
Financial income	1.196	572	109.2%	99.7%
Financial expense	(1,900)	(1,664)	14.2%	1.6%
(Expense) income from financial derivatives	204	0		
(Expense) income on exchange differences	2.002	151	1221.6%	1103.5%
<b>Earnings before income tax</b>	<b>(20,182)</b>	<b>(7,235)</b>	179.0%	140.0%
Income tax	1.190	4.936	-75.9%	-78.0%
<b>Net income (losses) for the year</b>	<b>(18,992)</b>	<b>(2,299)</b>	726.0%	532.6%

## Voluntary Segment Key figures

From March 31st to June 30th  
(stated in COP millions)

QUARTER	Q2 2016	Q2 2015	% Change	% Change Excl. Exchange Effects
Fee and commission income	39.076	30.061	30.0%	22.0%
Other investment income	440	25	1634.9%	1460.8%
Realized gains on available-for- sale financial assets	0	0		
Other gains and losses at fair value	693	24	2815.7%	2392.9%
Income from reserve requirement	489	324	50.9%	47.8%
Income (expense) from equity method	4.217	3.183	32.5%	32.5%
Other operating revenue	30	(1,446)	-102.1%	-101.2%
<b>Operating revenue</b>	<b>44.945</b>	<b>32.172</b>	39.7%	32.0%
Gross premiums	226.296	145.366	55.7%	41.5%
Premiums ceded to reinsurers	(972)	(93)	941.4%	846.5%

<b>Net premiums</b>	<b>225.324</b>	<b>145.273</b>	55.1%	41.0%
Income from reserve investments	<b>9.075</b>	52.330	-82.7%	-85.2%
Earnings at fair value from reserve investments	<b>25.528</b>	(23,702)	-207.7%	-193.4%
Claims	<b>(111,143)</b>	(45,231)	145.7%	122.8%
Movement in premium reserves	<b>(129,815)</b>	(109,091)	19.0%	7.9%
<b>Total insurance margin</b>	<b>18.970</b>	<b>19.579</b>	-3.1%	-13.0%
Selling expense	<b>(35,580)</b>	(30,896)	15.2%	7.3%
Operating and administrative expense	<b>(44,722)</b>	(20,678)	116.3%	102.9%
Wealth tax	<b>(21)</b>	(13)	64.4%	60.5%
<b>Total operating expense</b>	<b>(80,323)</b>	<b>(51,587)</b>	55.7%	45.5%
<b>Operating earnings</b>	<b>(16,408)</b>	<b>163</b>	-10141.2%	-2142.9%
Financial income	<b>858</b>	360	137.9%	132.4%
Financial expense	<b>(844)</b>	(881)	-4.2%	-12.1%
(Expense) income from financial derivatives	<b>(19)</b>	0		
(Expense) income on exchange differences	<b>767</b>	84	810.9%	750.3%
<b>Earnings before income tax</b>	<b>(15,647)</b>	<b>(273)</b>	5638.3%	-5592.9%
Income tax	<b>(1,041)</b>	3.320	-131.4%	-126.7%
<b>Net income (losses) for the year</b>	<b>(16,688)</b>	<b>3.047</b>	-647.7%	-527.7%

Our voluntary pension business performed well so far this year having achieved important growths in revenues. This was mainly due to fee and commission income increasing by 23.5% at constant exchange rates as well as a growth of 7.7% in the total insurance margin. Operating expense showed a substantial increase of 30.0%, representing a higher loss to be sustained in 2016

### Commission income

This account recorded a 23.5% increase in local currency thanks to a rise of 14.4% in AUM corresponding to our Voluntary Pension business.

As for AUM on an individual country basis, Chile, Mexico and Uruguay posted increases of 13.0%, 12.1% and 49.9% respectively.

Commission income	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>41.966</b>	30.821	36.2%	20.3%	<b>20.773</b>	16.247	27.9%	16.8%
Mexico	<b>31.772</b>	23.296	36.4%	29.5%	<b>15.627</b>	11.680	33.8%	31.7%
Peru	<b>5.010</b>	3.924	27.7%	10.9%	<b>2.278</b>	1.919	18.7%	4.9%
Uruguay	<b>591</b>	373	58.4%	54.3%	<b>303</b>	215	40.6%	38.7%



Colombia	95	-			95	-		
<b>Total</b>	<b>79.434</b>	<b>58.414</b>	<b>36.0%</b>	<b>23.5%</b>	<b>39.076</b>	<b>30.061</b>	<b>30.0%</b>	<b>22.0%</b>

*Figures stated in COP millions*

### Net premiums

Net premiums corresponding to life insurance policies incorporating savings plans, 95% of which are held in an investment fund, rose by 47.1% at constant exchange rates on a year-on-year basis. This product is offered mainly in Chile.

Net premiums (insurance + savings)	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	408.071	240.543	69.6%	49.9%	208.507	127.473	63.6%	49.2%
Mexico	1.190	-			760	-		
Peru	31.065	23.518	32.1%	14.7%	16.058	17.800	-9.8%	-20.3%
<b>Total</b>	<b>440.325</b>	<b>264.061</b>	<b>66.8%</b>	<b>47.1%</b>	<b>225.324</b>	<b>145.273</b>	<b>55.1%</b>	<b>41.0%</b>

*Figures stated in COP millions*

### Operating Expense

Operating expense came to COP 149.666 million, showing a 30.0% growth at constant exchange rates.

This was mainly due to a 29.3% increase in selling expense, measured at constant exchange rates. This increase was mainly sustained in Peru in the form of higher personnel expense given higher placements and sales due to measures taken to counteract the effect of a law allowing 95% of a person's pension fund to be withdrawn. A new Stock Brokerage firm has also been created and is only now reporting expense, which is another reason for the increase in this account

Administrative expense rose by 30.5% at constant exchange rates compared to the previous year. The main increase here corresponded to higher personnel expense in Chile, Mexico and Uruguay along with higher brokerage fees in Mexico and Peru

Total Operating Expense	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	77.928	(58,643)	32.9%	17.4%	(44,361)	(21,579)	105.6%	88.6%
Mexico	33.555	(25,270)	32.8%	26.1%	(16,939)	(19,500)	-13.1%	-14.3%
Peru	(32,401)	(15,837)	104.6%	77.7%	(15,642)	(8,602)	81.8%	60.4%
Uruguay	4.575	(3,803)	20.3%	17.2%	(2,539)	(1,907)	33.1%	29.7%



Corporate	(1,207)	-			(843)	-		
<b>Total</b>	<b>(149,666)</b>	<b>(103,552)</b>	<b>44.5%</b>	<b>30.0%</b>	<b>(80,323)</b>	<b>(51,587)</b>	<b>55.7%</b>	<b>45.5%</b>

Figures stated in COP millions

## Net Income

The net loss sustained in this business rose by 532.6% at constant exchange rates and although fee and commission income as well as the total insurance margin are growing at significant rates, increased operating expenses are still causing the loss in this business segment

Also, since we are still a growing business, the growth in sales and administrative expense has outweighed the growth in revenues in some countries, especially since we have expanded our sales forces and opened up new lines of business for the purpose of supplementing our entire range of products. Selling expense is expected to improve as a result of changes to be made throughout the year to our sales structure. The purpose of this restructuring initiative is to make our sales force that much more efficient and reduce acquisition costs for our voluntary pension and savings business.

Net Income	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	5.600	(9,758)	-42.6%	-49.3%	(7,406)	3.149		
Mexico	284	536			(927)	(6,270)	-85.2%	-86.3%
Peru	(16,442)	4.220			(10,296)	4.465		
Uruguay	3.803	(3,128)	21.6%	18.5%	(2,106)	(1,481)	42.2%	38.2%
Colombia	7.672	5.831	31.6%	31.6%	4.217	3.183	32.5%	32.5%
Corporate	(534)	-			(169)	-		
<b>Total</b>	<b>(18,992)</b>	<b>(2,299)</b>	<b>726.0%</b>	<b>532.6%</b>	<b>(16,688)</b>	<b>3.047</b>		

Figures stated in COP millions

Colombia: Equity method applied to AFP Protección and AFP Crecer

## AUM - Voluntary Pension Business

Assets Under Management, including those of AFP Protección and AFP Crecer, came to COP 26.4 billion (USD 9.0 billion) for a year-on-year growth of 14.4% at constant exchange rates. These assets belong to a total of 880.195 clients in Latin America, broken down as follows:

AUM - Voluntary Pension Business	June 2016	June 2015	% Change	% Change excl. exchange effects
Chile	8,756,213	7,132,388	22.8%	13.0%
Mexico	9,866,536	9,087,387	8.6%	12.1%
Peru	2,135,656	1,158,537	84.3%	69.7%
Uruguay	94.694	63.602	48.9%	49.9%

Colombia	<b>5,499,723</b>	5,157,181	6.6%	6.6%
<b>Total</b>	<b>26,352,822</b>	<b>22,599,093</b>	<b>16.6%</b>	<b>14.4%</b>

*Figures stated in COP millions*

## Clients

Clients of our Voluntary Pension Business (in thousands)	<b>June 2016</b>	June 2015	% Change
Chile	<b>393</b>	371	5.9%
Mexico	<b>163</b>	137	18.8%
Peru	<b>36</b>	35	2.3%
Uruguay	<b>9</b>	4	114.9%
Colombia	<b>279</b>	269	3.7%
<b>Total</b>	<b>880</b>	817	7.7%

## Net flow

So far this year, the net flow indicator (used to gauge the growth in AUM) for our voluntary pension and savings business has risen by 8.1% in local currency on a year-on-year basis, given the amount of new deposits obtained through the portfolio purchased by the new stock brokerage firm in Peru from GPI Valores in February.

The decline posted by the other countries was mainly caused by market volatility and a general feeling of skepticism with the local economies, which is producing a greater degree of risk aversion and distrust on the part of clients when investing in funds or a preference for more conservative options.

Net Flow - Voluntary Pension Business	YTD				Quarter			
	<b>June 2016</b>	June 2015	% Change	% Change excl. exchange effects	<b>Q2 2016</b>	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>349.466</b>	487.502	-28.3%	-34.0%	<b>187.569</b>	204.527	-8.3%	-18.5%
Mexico	<b>485.009</b>	613.797	-21.0%	-18.4%	<b>298.568</b>	363.158	-17.8%	-13.5%
Peru	<b>581.479</b>	61.573	844.4%	769.1%	<b>214.641</b>	37.955	465.5%	421.2%
Uruguay	<b>16.966</b>	24.107	-29.6%	-29.1%	<b>13.299</b>	9.692	37.2%	28.4%
Colombia	<b>42.230</b>	148.957	-71.6%	-71.6%	<b>527</b>	84.665	-99.4%	-99.4%
<b>Total</b>	<b>1,475,150</b>	<b>1,335,936</b>	<b>10.4%</b>	<b>8.1%</b>	<b>714.603</b>	<b>699.997</b>	<b>2.1%</b>	<b>0.5%</b>

*Figures stated in COP millions*

## Returns

Assets under Management on a YTD basis show a year-on-year increase of 2.6%, mainly due to an improved market performance in Mexico, Uruguay and Colombia. This turnaround came about mainly in March, except in the case of Peru where negative returns persist.

Returns on Voluntary Pension Business	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>129.767</b>	229.838			<b>(35,774)</b>	47.021		
Mexico	<b>349.119</b>	199.827	74.7%	80.4%	<b>193.024</b>	126.095	53.1%	63.8%
Peru	<b>89.660</b>	(3,670)			<b>91.941</b>	13.257	593.5%	561.8%
Uruguay	<b>4.411</b>	3.466	27.3%	28.2%	<b>952</b>	2.026	-53.0%	-55.7%
Colombia	<b>246.853</b>	(4,069)			<b>74.519</b>	25.728	189.6%	189.6%
<b>Total</b>	<b>560.277</b>	<b>425.392</b>	<b>31.7%</b>	<b>27.7%</b>	<b>324.662</b>	<b>214.127</b>	<b>51.6%</b>	<b>49.4%</b>

Figures stated in COP millions

## INSURANCE BUSINESS WITH PROTECTION

### Insurance segment with Protection

From January 1st to June 30th

#### Key figures

(stated in COP millions)

	June 2016	June 2015	% Change	% Change Excl. Exchange Effects
Fee and commission income	<b>205</b>	92	122.9%	77.6%
Other investment income	<b>7</b>	3	164.3%	110.4%
Realized gains on available-for- sale financial assets	<b>0</b>	0		
Other gains and losses at fair value	<b>0</b>	0		
Income from reserve requirement	<b>0</b>	0		
Income (expense) from equity method	<b>50</b>	208	-76.0%	-76.0%
Other operating revenue	<b>692</b>	5.049	-86.3%	-87.9%
<b>Operating revenue</b>	<b>954</b>	<b>5.352</b>	<b>-82.2%</b>	<b>-84.2%</b>
Gross premiums	<b>161.093</b>	156.602	2.9%	-6.7%
Premiums ceded to reinsurers	<b>(33,034)</b>	(20,828)	58.6%	46.9%
<b>Net premiums</b>	<b>128.060</b>	<b>135.774</b>	<b>-5.7%</b>	<b>-14.7%</b>
Income from reserve investments	<b>4.785</b>	(6,890)	-169.4%	-160.9%
Earnings at fair value from reserve investments	<b>580</b>	28.711	-98.0%	-98.2%
Claims	<b>(88,253)</b>	(96,456)	-8.5%	-18.1%
Movement in premium reserves	<b>(3,673)</b>	(7,387)	-50.3%	-51.1%
<b>Total insurance margin</b>	<b>41.497</b>	<b>53.751</b>	<b>-22.8%</b>	<b>-30.3%</b>
Selling expense	<b>(24,052)</b>	(21,172)	13.6%	5.7%
Operating and administrative expense	<b>(25,323)</b>	(40,780)	-37.9%	-44.9%
Wealth tax	<b>1</b>	(0)	-474.1%	-464.5%
<b>Total operating expense</b>	<b>(49,374)</b>	<b>(61,952)</b>	<b>-20.3%</b>	<b>-28.1%</b>

<b>Operating earnings</b>	<b>(6,923)</b>	<b>(2,850)</b>	142.9%	120.7%
Financial income	192	146	31.2%	21.8%
Financial expense	(395)	2,931	-113.5%	-111.9%
(Expense) income from financial derivatives	26	(506)	-105.1%	-104.5%
(Expense) income on exchange differences	102	5,035	-98.0%	-98.2%
<b>Earnings before income tax</b>	<b>(6,998)</b>	<b>4,756</b>	-247.1%	-227.9%
Income tax	1,471	(823)	-278.8%	-256.9%
<b>Net income (losses) for the year</b>	<b>(5,527)</b>	<b>3,933</b>	-240.5%	-221.9%

### Insurance segment with Protection Key figures

From March 31st to June 30th  
(stated in COP millions)

QUARTER	Q2 2016	Q2 2015	% Change	% Change Excl. Exchange Effects
Fee and commission income	(567)	44	-1385.9%	-1097.5%
Other investment income	3	2	103.1%	68.7%
Realized gains on available-for- sale financial assets	0	0		
Other gains and losses at fair value	0	0		
Income from reserve requirement	0	0		
Income (expense) from equity method	46	168	-72.4%	-72.4%
Other operating revenue	160	3,593	-95.6%	-95.6%
<b>Operating revenue</b>	<b>(358)</b>	<b>3,808</b>	-109.4%	-107.4%
Gross premiums	83,884	74,110	13.2%	6.1%
Premiums ceded to reinsurers	(14,915)	(11,022)	35.3%	29.5%
<b>Net premiums</b>	<b>68,970</b>	<b>63,088</b>	9.3%	2.1%
Income from reserve investments	2,251	(13,083)	-117.2%	-115.6%
Earnings at fair value from reserve investments	52	23,210	-99.8%	-99.8%
Claims	(43,640)	(44,818)	-2.6%	-9.7%
Movement in premium reserves	(11,098)	(1,221)	809.2%	927.7%
<b>Total insurance margin</b>	<b>16,535</b>	<b>27,178</b>	-39.2%	-42.1%
Selling expense	(8,691)	(11,922)	-27.1%	-27.7%
Operating and administrative expense	(10,324)	(26,381)	-60.9%	-63.8%
Wealth tax	1	(0)	-719.7%	-693.7%
<b>Total operating expense</b>	<b>(19,014)</b>	<b>(38,304)</b>	-50.4%	-52.9%
<b>Operating earnings</b>	<b>(2,837)</b>	<b>(7,318)</b>	-61.2%	-63.7%
Financial income	137	84	63.4%	51.5%
Financial expense	(190)	3,061	-106.2%	-105.6%
(Expense) income from financial derivatives	(3)	(580)	-99.5%	-99.6%
(Expense) income on exchange differences	93	5,000	-98.1%	-98.4%
<b>Earnings before income tax</b>	<b>(2,801)</b>	<b>246</b>	-1236.5%	-709.1%

Income tax	1.608	964	66.8%	59.8%
<b>Net income (losses) for the year</b>	<b>(1,193)</b>	<b>1.210</b>	<b>-198.6%</b>	<b>-188.9%</b>

### Net premiums

Net premium revenues in Chile, Mexico and Peru reached COP 128.060 billion, (USD 43.9 million) for a year-on-year decline of 14.7% at constant exchange rates. This decline was mainly due to several products at a run off stage and a lower amount of contracts being renewed.

Chile sustained a drop in its branches of traditional and group insurance and Peru's decline was due to its payment protection insurance, which did not significantly affect its overall margin given its inherently low profitability.

Net premiums	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	57.278	70.486	-18.7%	-28.2%	35.029	37.902	-7.6%	-16.3%
Mexico	62.274	48.937	27.3%	20.9%	29.763	23.278	27.9%	26.0%
Peru	8.507	16.350	-48.0%	-54.8%	4.178	1.909	118.9%	83.8%
<b>Total</b>	<b>128.060</b>	<b>135.774</b>	<b>-5.7%</b>	<b>-14.7%</b>	<b>68.970</b>	<b>63.088</b>	<b>9.3%</b>	<b>2.1%</b>

*Figures stated in COP millions*

### Reserves

Reserves were freed up in Peru as a result of the disability and survivors insurance being run off. A greater amount of reserves were also freed up in Chile with regard to individual and group insurance, especially the group payment protection solution

Reserve Movements	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	7.758	(11,126)	-30.3%	-38.4%	(12,871)	(13,984)	-8.0%	-19.6%
Mexico	3.279	(7,824)	-58.1%	-60.2%	473	(1,664)		
Peru	7.363	11.562	-36.3%	-44.7%	1.301	14.428	-91.0%	-91.4%
<b>Total</b>	<b>(3,673)</b>	<b>(7,387)</b>	<b>-50.3%</b>	<b>-51.1%</b>	<b>(11,098)</b>	<b>(1,221)</b>	<b>809.2%</b>	<b>927.7%</b>

*Figures stated in COP millions*

## Retained claims

Retained claims fell by 18.1% at constant exchange rates compared to the same period the previous year. The decline in Peru is due to lower written premiums and having terminated contracts and/or run off businesses that represented higher claims rates.

Retained claims	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>38.416</b>	(57,812)	-33.6%	-41.3%	<b>(18,330)</b>	(29,677)	-38.2%	-43.4%
Mexico	<b>38.199</b>	(21,913)	74.3%	65.6%	<b>(21,989)</b>	(10,925)	101.3%	95.8%
Peru	<b>(11,638)</b>	(16,731)	-30.4%	-39.6%	<b>(3,321)</b>	(4,216)	-21.2%	-29.6%
<b>Total</b>	<b>(88,253)</b>	<b>(96,456)</b>	<b>-8.5%</b>	<b>-18.1%</b>	<b>(43,640)</b>	<b>(44,818)</b>	<b>-2.6%</b>	<b>-9.7%</b>

Figures stated in COP millions

## Insurance Margin: net premiums - reserves - claims + proceeds from investments

This indicator gauges the extent to which the insurance business contributes to the Company's income statement which in this case shows a decline of 30.3% in terms of constant exchange rates.

The declines posted in Chile and Peru correspond to lower net premiums, with claims rates and reserves falling accordingly.

Total Insurance Margin	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>12.856</b>	19.556	-34.3%	-41.9%	<b>4.909</b>	2.421	102.7%	102.4%
Mexico	<b>22.658</b>	20.353	11.3%	5.7%	<b>9.083</b>	11.203	-18.9%	-18.7%
Peru	<b>5.980</b>	13.842	-56.8%	-62.5%	<b>2.540</b>	13.554	-81.3%	-83.3%
<b>Total</b>	<b>41.495</b>	<b>53.751</b>	<b>-22.8%</b>	<b>-30.3%</b>	<b>16.532</b>	<b>27.178</b>	<b>-39.2%</b>	<b>-42.1%</b>

Figures stated in COP millions

## Operating Expense

Operating expense has declined so far this year by 28.1% at constant exchange rates. Selling expense rose by 5.7%, while operating and administrative expense fell by 44.9%, mainly in Chile and Peru. In Chile the decrease is mainly because of a reduction in leasing.

Peru posted a decline in terms of impaired financial assets and brokerage commissions.

The increase in Mexico was due to higher personnel expense, given a larger sales force required given the higher sales volume in this segment.

Total operating expense	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>16.793</b>	(31,646)	-46.9%	-53.1%	<b>(3,312)</b>	(21,052)	-84.3%	-84.7%
Mexico	<b>25.865</b>	(19,891)	30.0%	23.5%	<b>(12,208)</b>	(12,643)	-3.4%	-4.4%
Peru	<b>(5,772)</b>	(9,753)	-40.8%	-48.6%	<b>(3,068)</b>	(4,217)	-27.3%	-36.3%
Uruguay	<b>862</b>	(620)	39.1%	35.5%	<b>(389)</b>	(372)	4.6%	4.3%
El Salvador	<b>(82)</b>	(43)	90.0%	51.2%	<b>(38)</b>	(20)	88.6%	58.1%
<b>Total</b>	<b>(49,374)</b>	<b>(61,952)</b>	<b>-20.3%</b>	<b>-28.1%</b>	<b>(19,014)</b>	<b>(38,304)</b>	<b>-50.4%</b>	<b>-52.9%</b>

Figures stated in COP millions

## Net Income

YTD net income for this business showed a decline on a year-on-year basis, given a lower insurance margin obtained from lower contract renewals and premiums.

Net Income	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>2.592</b>	(1,833)	41.4%	24.9%	<b>1.812</b>	(7,803)		
Mexico	<b>3.208</b>	781			<b>(2,631)</b>	(205)		
Peru	<b>693</b>	5.313	-87.0%	-88.7%	<b>(215)</b>	9.386		
Uruguay	<b>553</b>	(578)	-4.2%	-6.7%	<b>(251)</b>	(355)	-29.5%	-29.6%
El Salvador	<b>84</b>	41	101.9%	60.7%	<b>45</b>	20	129.2%	89.9%
Colombia	<b>50</b>	208	-76.0%	-76.0%	<b>46</b>	168	-72.4%	-72.4%
<b>Total</b>	<b>(5,527)</b>	<b>3.933</b>			<b>(1,193)</b>	<b>1.210</b>		

Figures stated in COP millions

## LIFE ANNUITY BUSINESS

### Life Annuity Segment Key figures

From January 1st to June 30th  
(stated in COP millions)

	June 2016	June 2015	% Change	% Change Excl. Exchange Effects
Other operating revenue	<b>(170)</b>	(1,027)	-83.4%	-85.3%
<b>Operating revenue</b>	<b>(170)</b>	<b>(1,027)</b>	<b>-83.4%</b>	<b>-85.3%</b>

Gross premiums	846.264	693.751	22.0%	8.9%
Premiums ceded to reinsurers	0	0		
<b>Net premiums</b>	<b>846.264</b>	<b>693.751</b>	22.0%	8.9%
Income from reserve investments	272.624	205.522	32.6%	17.4%
Earnings at fair value from reserve investments	61.374	21.352	187.4%	149.7%
Claims	(226,705)	(152,936)	48.2%	32.4%
Movement in premium reserves	(832,857)	(685,732)	21.5%	8.2%
<b>Total insurance margin</b>	<b>120.700</b>	<b>81.957</b>	47.3%	29.7%
Selling expense	(11,200)	(6,667)	68.0%	49.9%
Operating and administrative expense	(41,178)	(32,656)	26.1%	10.8%
Wealth tax	0	0		
<b>Total operating expense</b>	<b>(52,378)</b>	<b>(39,324)</b>	33.2%	17.3%
<b>Operating earnings</b>	<b>68.152</b>	<b>41.606</b>	63.8%	44.3%
Financial income	3.002	122	2352.6%	2164.7%
Financial expense	(1,201)	(4,457)	-73.0%	-76.3%
(Expense) income from financial derivatives	12.144	0		
(Expense) income on exchange differences	6.186	1.028	501.7%	422.6%
<b>Earnings before income tax</b>	<b>88.282</b>	<b>38.300</b>	130.5%	103.0%
Income tax	(5,978)	(4,194)	42.5%	26.0%
<b>Net income (losses) for the year</b>	<b>82.305</b>	<b>34.105</b>	141.3%	112.4%

## Life Annuity Segment Key figures

From March 31st to June 30th  
(stated in COP millions)

QUARTER	Q2 2016	Q2 2015	% Change	% Change Excl. Exchange Effects
Other operating revenue	(213)	(1,408)	-84.9%	-86.7%
<b>Operating revenue</b>	<b>(213)</b>	<b>(1,408)</b>	-84.9%	-86.7%
Gross premiums	420.583	398.592	5.5%	-3.4%
Premiums ceded to reinsurers	0	0		
<b>Net premiums</b>	<b>420.583</b>	<b>398.592</b>	5.5%	-3.4%
Income from reserve investments	121.779	134.765	-9.6%	-17.8%
Earnings at fair value from reserve investments	26.528	4.425	499.6%	417.8%
Claims	(117,671)	(85,909)	37.0%	24.9%
Movement in premium reserves	(401,435)	(405,456)	-1.0%	-9.5%
<b>Total insurance margin</b>	<b>49.783</b>	<b>46.416</b>	7.3%	-1.8%
Selling expense	(5,772)	(4,313)	33.8%	23.5%



Operating and administrative expense	(16,050)	(18,034)	-11.0%	-19.2%
Wealth tax	0	0		
<b>Total operating expense</b>	<b>(21,823)</b>	<b>(22,347)</b>	<b>-2.3%</b>	<b>-11.2%</b>
<b>Operating earnings</b>	<b>27.748</b>	<b>22.661</b>	<b>22.4%</b>	<b>12.8%</b>
Financial income	2.756	(1,061)	-359.7%	-327.0%
Financial expense	(688)	(3,813)	-82.0%	-83.9%
(Expense) income from financial derivatives	4.208	0		
(Expense) income on exchange differences	8.802	502	1652.9%	1399.6%
<b>Earnings before income tax</b>	<b>42.826</b>	<b>18.289</b>	<b>134.2%</b>	<b>114.4%</b>
Income tax	(1,564)	(5,112)	-69.4%	-70.5%
<b>Net income (losses) for the year</b>	<b>41.262</b>	<b>13.178</b>	<b>213.1%</b>	<b>185.7%</b>

### Net premiums

Net premium income in Chile, Mexico and Peru reached COP 846.264 billion (USD 289.9 million) for a year-on-year growth of 8.9% at constant exchange rates.

Net premiums	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	574.982	413.766	39.0%	22.8%	313.142	266.269	17.6%	6.6%
Mexico	144.476	135.107	6.9%	1.6%	63.379	61.152	3.6%	2.9%
Peru	126.805	144.877	-12.5%	-24.0%	44.062	71.170	-38.1%	-44.6%
<b>Total</b>	<b>846.264</b>	<b>693.751</b>	<b>22.0%</b>	<b>8.9%</b>	<b>420.583</b>	<b>398.592</b>	<b>5.5%</b>	<b>-3.4%</b>

*Figures stated in COP millions*

These assets belong to a total of 158.847 clients in Latin America, broken down as follows:

Insurance policy-holders (in thousands)	June 2016	June 2015	% Change
Chile	43.69	44.36	-1.5%
Mexico	53.56	73.73	-27.4%
Peru	57.90	53.93	7.4%
Uruguay	-	-	
Colombia	2.44	3.48	-30.0%
El Salvador	1.27	2.12	-40.2%
<b>Total</b>	<b>158.85</b>	<b>177.62</b>	<b>-10.6%</b>

*Including holders of life annuities, life insurance policies and insurance policies incorporating savings plans*

## Reserves

Reserves rose by 8.2% at constant exchange rates given the increase in net premiums Peru recorded a decrease in this account given the decline in written premiums compared to the previous year.

Reserve Movements	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>590.896</b>	(423,508)	39.5%	23.3%	<b>(325,075)</b>	(282,115)	15.2%	4.3%
Mexico	<b>130.535</b>	(116,112)	12.4%	6.8%	<b>(43,505)</b>	(43,326)	0.4%	2.2%
Peru	<b>(111,426)</b>	(146,113)	-23.7%	-33.8%	<b>(32,854)</b>	(80,015)	-58.9%	-62.8%
<b>Total</b>	<b>(832,857)</b>	<b>(685,732)</b>	<b>21.5%</b>	<b>8.2%</b>	<b>(401,435)</b>	<b>(405,456)</b>	<b>-1.0%</b>	<b>-9.5%</b>

Figures stated in COP millions

## Retained claims

Retained claims rose by 32.4% at constant exchange rates compared to the same period last year. This increase was mainly obtained in Chile and Peru.

Retained claims	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>67.173</b>	(33,235)	102.1%	78.6%	<b>(34,731)</b>	(17,979)	93.2%	76.1%
Mexico	<b>48.379</b>	(42,437)	14.0%	8.3%	<b>(23,850)</b>	(22,852)	4.4%	2.8%
Peru	<b>(111,153)</b>	(77,264)	43.9%	25.0%	<b>(59,090)</b>	(45,078)	31.1%	15.3%
<b>Total</b>	<b>(226,705)</b>	<b>(152,936)</b>	<b>48.2%</b>	<b>32.4%</b>	<b>(117,671)</b>	<b>(85,909)</b>	<b>37.0%</b>	<b>24.9%</b>

Figures stated in COP millions

## Insurance Margin: net premiums - reserves - claims + proceeds from investments

This indicator gauges the extent to which the life annuity business contributes to the Company's income statement which in this case shows a growth of 29.7% in terms of constant exchange rates.

This increase was mainly due to the growth in investments underpinning the Company's reserves which rose by 149.7% as well as a 8.9% increase in net premiums.

Total Insurance Margin	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>32.006</b>	37.539	-14.7%	-24.7%	<b>7.673</b>	28.087	-72.7%	-74.0%

Mexico	<b>9.982</b>	5.853	70.5%	62.0%	<b>3.580</b>	6.213	-42.4%	-41.2%
Peru	<b>78.713</b>	38.564	104.1%	77.3%	<b>38.530</b>	12.117	218.0%	177.6%
<b>Total</b>	<b>120.700</b>	<b>81.957</b>	<b>47.3%</b>	<b>29.7%</b>	<b>49.783</b>	<b>46.416</b>	<b>7.3%</b>	<b>-1.8%</b>

Figures stated in COP millions

## Operating Expense

Operating expense showed a YTD growth of 17.3% at constant exchange rates

This increase was mainly obtained in Chile and Peru. Chile recorded an increase given the retrofitting and maintenance work carried out on its investment property (real estate) and in Peru the main reason for the rise in this account was due to higher taxes, maintenance and repair costs as well as legal fees and expense.

Total operating expense	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>21.719</b>	(14,493)	49.9%	32.4%	<b>(11,090)</b>	(10,000)	10.9%	0.7%
Mexico	<b>3.627</b>	(3,505)	3.5%	-1.7%	<b>(1,603)</b>	(2,346)	-31.6%	-31.9%
Peru	<b>(27,031)</b>	(21,326)	26.8%	10.1%	<b>(9,129)</b>	(10,002)	-8.7%	-18.2%
<b>Total</b>	<b>(52,378)</b>	<b>(39,324)</b>	<b>33.2%</b>	<b>17.3%</b>	<b>(21,823)</b>	<b>(22,347)</b>	<b>-2.3%</b>	<b>-11.2%</b>

Figures stated in COP millions

## Net Income

YTD net income for this business showed a year-on-year growth of 112.4% at constant exchange rates, due to higher premiums and higher income from investments underpinning reserves.

Net Income	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>22.556</b>	14.393	56.7%	38.5%	<b>9.099</b>	9.434	-3.5%	-11.3%
Mexico	<b>5.858</b>	2.364	147.7%	135.3%	<b>2.406</b>	2.925	-17.7%	-17.2%
Peru	<b>53.891</b>	17.348	210.7%	169.8%	<b>29.757</b>	819		
<b>Total</b>	<b>82.305</b>	<b>34.105</b>	<b>141.3%</b>	<b>112.4%</b>	<b>41.262</b>	<b>13.178</b>	<b>213.1%</b>	<b>185.7%</b>

Figures stated in COP millions

## CORPORATE SEGMENT

### CORPORATE SEGMENT

#### Key figures

From January 1st to June 30th  
(stated in COP millions)

	June 2016	June 2015	% Change	% Change Excl. Exchange Effects
Fee and commission income	496	403	23.1%	6.9%
Other investment income	5.546	2.996	85.1%	63.0%
Realized gains on available-for- sale financial assets	0	0		
Other gains and losses at fair value	0	16	-100.0%	-100.0%
Income from reserve requirement	0	0		
Income (expense) from equity method	54	0		
Other operating revenue	5.407	1.871	188.9%	160.7%
<b>Operating revenue</b>	<b>11.503</b>	<b>5.287</b>	<b>117.6%</b>	<b>93.0%</b>
Selling expense	30	(439)	-106.8%	-106.2%
Operating and administrative expense	(103,707)	(93,294)	11.2%	3.1%
Wealth tax	(56,379)	(63,733)	-11.5%	-11.5%
<b>Total operating expense</b>	<b>(160,056)</b>	<b>(157,466)</b>	<b>1.6%</b>	<b>-2.9%</b>
<b>Operating earnings</b>	<b>(148,553)</b>	<b>(152,180)</b>	<b>-2.4%</b>	<b>-6.5%</b>
Financial income	1.657	1.216	36.3%	31.0%
Financial expense	(69,481)	(46,328)	50.0%	28.2%
(Expense) income from financial derivatives	27.687	(20,229)	-236.9%	-238.1%
(Expense) income on exchange differences	29.287	(12,330)	-337.5%	-361.4%
<b>Earnings before income tax</b>	<b>(159,402)</b>	<b>(229,851)</b>	<b>-30.6%</b>	<b>-34.4%</b>
Income tax	(34,931)	(20,634)	69.3%	90.7%
<b>Net income (losses) for the year</b>	<b>(194,333)</b>	<b>(250,485)</b>	<b>-22.4%</b>	<b>-25.7%</b>

## CORPORATE SEGMENT

### Key figures

From March 31st to June  
30th  
(stated in COP millions)

QUARTER	Q2 2016	Q2 2015	% Change	% Change Excl. Exchange Effects
Fee and commission income	241	180	33.4%	17.3%
Other investment income	(1,246)	2.384	-152.3%	-135.9%
Other gains and losses at fair value	0	(70)	-100.0%	-100.0%
Income from reserve requirement	0	0		
Income (expense) from equity method	33	0		
Other operating revenue	4.994	240	1980.9%	2217.7%
<b>Operating revenue</b>	<b>4.021</b>	<b>2.734</b>	<b>47.1%</b>	<b>41.7%</b>

Selling expense	27,559	19,581	40.7%	23.5%
Operating and administrative expense	(70,895)	(47,725)	48.5%	35.9%
Wealth tax	(24)	(0)	0.0%	
<b>Total operating expense</b>	<b>(43,361)</b>	<b>(28,145)</b>	<b>54.1%</b>	<b>44.7%</b>
<b>Operating earnings</b>	<b>(39,339)</b>	<b>(25,411)</b>	<b>54.8%</b>	<b>45.1%</b>
Financial income	816	578	41.2%	36.6%
Financial expense	(36,007)	(23,829)	51.1%	32.8%
(Expense) income from financial derivatives	14,372	2,139	571.9%	519.9%
(Expense) income on exchange differences	10,724	14,449	-25.8%	-30.3%
<b>Earnings before income tax</b>	<b>(49,435)</b>	<b>(32,074)</b>	<b>54.1%</b>	<b>36.8%</b>
Income tax	(29,797)	(45,251)	-34.2%	-37.2%
<b>Net income (losses) for the year</b>	<b>(79,232)</b>	<b>(77,325)</b>	<b>2.5%</b>	<b>-4.4%</b>

### Operating Expense

Operating expense fell by 2.9% at constant exchange rates, mainly due a reduction of 11.5% in wealth tax. Administrative expense recorded an increase of 3.1%. The Corporate segment accounts for the lion's share of this expense, given wealth tax and surtaxes amounting to COP 56.379 million (USD 19.3 million) posted in Q1 2016. Also COP 10,624.7 million (USD 3.4 million) in additional tax was recorded in the form of withholding tax on dividends received from Peru as well as contribution and membership expense.

In Chile, Mexico and Peru, 90% of this expense corresponds to the amortization of intangibles, specifically with regard to clients. The rest consists of personnel and administrative expense in the form of lease, advertising and publicity as well as traveling expense.

Total Operating Expense	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	(27,029)	(27,159)	-0.5%	-12.1%	(11,857)	(11,789)	0.6%	-7.1%
Mexico	(18,422)	(18,647)	-1.2%	-6.2%	(8,418)	4,978		-273.4%
Peru	(15,125)	(14,829)	2.0%	-11.4%	(6,296)	(5,869)	7.3%	-5.2%
Uruguay	(3,754)	(3,625)	3.6%	0.9%	(1,812)	(1,296)	39.8%	34.5%
Corporate and Others	(95,725)	(93,207)	2.7%	2.2%	(14,978)	(14,170)	5.7%	4.2%
<b>Total</b>	<b>(160,056)</b>	<b>(157,466)</b>	<b>1.6%</b>	<b>-2.9%</b>	<b>(43,361)</b>	<b>(28,145)</b>	<b>54.1%</b>	<b>44.7%</b>

Figures stated in COP millions

## Net Income

The loss posted in this segment is declining by 25.7% at constant exchange rates

This was due to gains on financial derivatives and favorable exchange differences produced by the appreciation of local currencies over the last couple of months.

Financial expense also rose on higher debt, as recorded in the corporate segment.

The increase in Chile was due to the exchange difference on investments made for its own proprietary position.

The loss recorded in Peru corresponds to last year when the income tax rate was reduced from 30% to 28%. This was not the case in 2016, which is why this effect was produced.

The reduction in the loss produced by the corporate segment was due to more favorable exchange differences and appraisal gains with financial derivatives.

Net Income	YTD				Quarter			
	June 2016	June 2015	% Change	% Change excl. exchange effects	Q2 2016	Q2 2015	% Change	% Change excl. exchange effects
Chile	<b>38.622</b>	(13,369)	188.9%	155.2%	<b>(11,980)</b>	(4,881)	145.5%	132.7%
Mexico	<b>4.193</b>	(13,032)	-67.8%	-69.4%	<b>(3,795)</b>	6.692		-155.1%
Peru	<b>(10,484)</b>	12.180			<b>(3,946)</b>	(6,860)	-42.5%	-47.2%
Uruguay	<b>2.758</b>	(2,071)	33.2%	29.7%	<b>(1,413)</b>	(393)	259.9%	223.2%
Corporate	<b>(96,541)</b>	(194,252)	-50.3%	-50.3%	<b>(36,810)</b>	(47,900)	-23.2%	-23.2%
Spain - Holland	<b>(1,003)</b>	(9,616)	-89.6%	-91.7%	<b>(383)</b>	(8,731)	-95.6%	-96.4%
Curacao	<b>(40,731)</b>	(30,325)	34.3%	6.9%	<b>(20,905)</b>	(15,253)	37.1%	13.9%
Corporate and Others	<b>(138,274)</b>	(234,192)	-41.0%	-43.4%	<b>(58,098)</b>	(71,884)	-19.2%	-24.4%
<b>Total</b>	<b>(194,333)</b>	<b>(250,485)</b>	<b>-22.4%</b>	<b>-25.7%</b>	<b>(79,232)</b>	<b>(77,325)</b>	<b>2.5%</b>	<b>-4.4%</b>

*Figures stated in COP millions*

## RECURRING NET INCOME:

The following table in no way portrays the actual financial statements of Sura Asset Management, but is rather a helpful exercise aimed at demonstrating the effect of non-recurring items on the Company's net income.

The figures for each year are based on the exchange rates applicable for said periods.

<i>In millions of US dollars</i>	2012	2013	2014	2015	JUNE
<b>Net income - IFRS</b>	336.8	238.2	204.7	183.2	94.7
Minority interest	-134.2	-5.2	-3.9	-5.7	-4.7
<b>Net income - IFRS (excl. minority interest)</b>	<b>202.7</b>	<b>233.0</b>	<b>200.9</b>	<b>177.5</b>	<b>89.96</b>
<b>Adjustments for non-recurring expense</b>					
Wealth tax payable on the part of SUAM Colombia				-23.3	-18.1
Dividends - Protección			17.4		
Impact of wealth tax on equity method applied to				-2.5	-2.0
Issue of international bonds			-11.0		
Bank Guarantee		-33.2			
Reversal of provision set up by SUAM Colombia				23.2	
<b>Recurring net income - IFRS</b>	<b>202.7</b>	<b>266.2</b>	<b>194.5</b>	<b>180.2</b>	<b>110.1</b>
<b>Non-cash items</b>					
Amortization of Intangibles (ING and Invita)	-52.9	-54.5	-54.5	-41.2	-15.5
Deferred tax on intangibles (ING and Invita)	13.9	14.3	-14.0	19.7	5.1
Amortization of intangibles (Horizonte)		-5.8	-8.79	-7.14	-3.4
Deferred tax on intangibles (Horizonte)		1.7	2.6	2.0	1.0
Income (expense) on exchange difference	-3.3	37.4	10.1	25.2	12.4
Income (expense) from derivatives	0.0	0.0	-26.2	-30.0	12.8
<b>Net income after non-recurring and non-cash items</b>	<b>245.0</b>	<b>273.1</b>	<b>285.3</b>	<b>211.7</b>	<b>97.8</b>
Returns on reserve requirement*	84.1	30.8	75.6	27.2	9.3
<b>Net income after non-recurring and non-cash items</b>	<b>160.9</b>	<b>242.3</b>	<b>209.7</b>	<b>184.5</b>	<b>88.4</b>
"Excluding Protección's reserve requirement"					
Equity	3,935.3	3,927.8	3,729.3	2,875.0	2,926.6
Reserve requirement		486.0	678.9	617.2	676.4
<b>Equity excl. reserve requirement</b>	<b>3,935.3</b>	<b>3,441.8</b>	<b>3,050.4</b>	<b>2,257.8</b>	<b>2,250.2</b>
<b>Return on equity excl. reserve requirement</b>	<b>4.1%</b>	<b>7.0%</b>	<b>6.9%</b>	<b>8.2%</b>	<b>7.9%</b>
<b>Return on reserve requirement</b>		<b>6.3%</b>	<b>11.1%</b>	<b>4.4%</b>	<b>2.8%</b>

## Attachments

### EBITDA per Individual Business

<b>EBITDA - Mandatory Pension Business</b>	<b>June 2016</b>	<b>June 2015</b>	<b>% Change</b>	<b>% Change excl. exchange effects</b>
Chile	182.452	195.299	-6.6%	-17.5%
Mexico	193.727	181.328	6.8%	1.5%
Peru	150.959	130.081	16.1%	0.8%
Uruguay	25.807	23.589	9.4%	6.6%
Protección	42.053	34.777	20.9%	20.9%
<b>Total</b>	<b>594.998</b>	<b>565.073</b>	<b>5.3%</b>	<b>-4.1%</b>
Reserve requirement	28.254	52.299	-46.0%	-52.1%
<b>EBITDA (excl. reserve rqmt)</b>	<b>566.744</b>	<b>512.774</b>	<b>10.5%</b>	<b>0.9%</b>

*Figures stated in COP millions*

<b>EBITDA - Voluntary Pension Business</b>	<b>June 2016</b>	<b>June 2015</b>	<b>% Change</b>	<b>% Change excl. exchange effects</b>
Chile	6.226	(12,067)	-48.4%	-54.4%
Mexico	591	(73)		
Peru	(15,511)	6.182		
Uruguay	3.676	(2,777)	32.4%	28.9%
Protección	7.173	5.831	23.0%	23.0%
<b>Total</b>	<b>(17,650)</b>	<b>(2,905)</b>	<b>507.6%</b>	<b>385.2%</b>

*Figures stated in COP millions*

<b>EBITDA Insurance Business with Protección</b>	<b>June 2016</b>	<b>June 2015</b>	<b>% Change</b>	<b>% Change excl. exchange effects</b>
Chile	2.728	(6,228)	-56.2%	-61.3%
Mexico	2.673	900		
Peru	566	5.509	-89.7%	-91.1%
Uruguay	767	(577)	33.1%	29.6%
Corredora Salvador	109	54	103.2%	97.9%
Protección	50	208	-76.0%	-76.0%
<b>Total</b>	<b>(5,443)</b>	<b>(134)</b>		

*Figures stated in COP millions*

<b>EBITDA Life Annuities</b>	<b>June 2016</b>	<b>June 2015</b>	<b>% Change</b>	<b>% Change excl. exchange effects</b>
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Chile	11.379	21.901	-48.0%	-54.1%
Mexico	6.438	2.481	159.4%	146.4%
Peru	54.985	18.186	202.3%	162.6%
Total	72.801	42.569	71.0%	50.6%

*Figures stated in COP millions*

## ROE

Sura Asset Management's consolidated ROE (Return on Equity) came to 6.4%. If we were to adjust net income by unwinding the amortization of intangible assets, ROE would have come to 7.5%

The pension fund management firms in the various countries are producing positive returns, given the maturity and robustness of their respective businesses. On the other hand, some life insurance companies and mutual fund management firms are still producing negative returns, since they are so new and still at an incipient stage

Sector	Company	Country	ROE
Pension fund management firms	AFP Capital	Chile	12.0%
	AFORE SURA	Mexico	18.3%
	AFP Integra	Peru	18.3%
	AFAP SURA	Uruguay	56.5%
	AFP Protection	Colombia	19.9%

*ROE corresponding to Chile, Mexico and Peru has been adjusted for the amortization of intangible assets*

Sector	Company	Country	ROE
Voluntary pensions	Administrador General de Fondos S.A.	Chile	31.2%
	Stock brokerage firms	Chile	8.6%

Sector	Company	Country	ROE
Insurance & Life Annuities	Life Insurance	Chile	5.4%
	Life Insurance	Mexico	N/A
	SURA Pensions	Mexico	13.1%
	SURA Insurance	Peru	16.6%
	Insurance Brokerage Firm	Uruguay	N/A
	Insurance Brokerage Firm	El Salvador	48.1%

## AUM Performance Comparison - SURA versus the Rest of the Industry

<b>Chile</b>	<b>AUM - SURA</b>	<b>AUM - The Rest of the Industry</b>	<b>Market Share</b>	<b>Position / Total</b>	<b>YoY Growth - SURA</b>	<b>YoY Growth - The Rest</b>	<b>5-YR CAGR - SURA</b>	<b>5-YR CAGR - The Rest</b>
Mandatory Pension Funds	31.744	158.246	20.1%	4 / 6	1.7%	5.2%	7.5%	9.5%
Voluntary Pension Funds	860	6.158	14.0%	3 / 6	-2.6%	5.4%	-1.9%	8.9%
Life Insurance	814	4.211	19.3%	1 / 17	26.0%	22.5%	32.4%	22.2%
Life Annuities	975	36.501	2.7%	11 / 17	63.6%	13.4%	141.4%	11.1%
Mutual Funds	1.503	41.233	3.6%	11 / 18	37.6%	1.7%	33.9%	9.1%
Banking	-	133.695	0.0%	0 / 24	N / A	81.3%	N/A	12.1%
<b>Total</b>	<b>35.896</b>	<b>380.044</b>	<b>9.4%</b>	<b>4 / 37</b>	<b>8.2%</b>	<b>8.7%</b>	<b>8.8%</b>	<b>10.6%</b>

AUM in the case of Insurance and Annuities correspond to reserves; In the case of Banking these are term deposits and savings

CAGR: Compound average growth rate In the case of Annuities, CAGR is calculated from when the product was launched 30 months

SURA AM is ranked in No. 4 position in the savings industry (excluding the banking industry) with a market share of 14.5%

Figures shown in millions of US dollars at December 2015

<b>Mexico</b>	<b>AUM - SURA</b>	<b>AUM - The Rest</b>	<b>Market Share</b>	<b>Position / Total</b>	<b>YoY Growth - SURA</b>	<b>YoY Growth - The Rest</b>	<b>5-YR CAGR - SURA</b>	<b>5-YR CAGR - The Rest</b>
Mandatory Pension Funds	21.826	147.038	14.8%	3 / 11	4.7%	7.2%	15.2%	15.0%
Voluntary Pension Funds	223	4.249	5.3%	4 / 11	33.8%	19.7%	15.2%	15.0%
Life Insurance	8	23.706	0.0%	25 / 39	-10.4%	9.9%	12.7%	14.3%
Life Annuities	472	12.453	3.8%	7 / 9	14.8%	6.2%	11.1%	12.7%
Mutual Funds	2.128	110.514	1.9%	10 / 28	15.5%	4.1%	13.4%	8.8%
Banking	0	83.783	0.0%	0 / 39	N / A	5.2%	N/A	6.3%
<b>Total</b>	<b>24.658</b>	<b>381.742</b>	<b>6.5%</b>	<b>6 / 78</b>	<b>7.1%</b>	<b>7.5%</b>	<b>17.4%</b>	<b>19.9%</b>

Voluntary pensions include social security funds

\*AUM in the case of Insurance and Annuities correspond to reserves; In the case of Banking these are term deposits and savings accounts

\*Voluntary pensions include social security funds

\* SURA AM is ranked in No. 5 position in the savings industry (excluding the banking industry) with a market share of 8.3%

<b>Peru</b>	<b>AUM - SURA</b>	<b>AUM - The Rest</b>	<b>Market Share</b>	<b>Position / Total</b>	<b>YoY Growth - SURA</b>	<b>YoY Growth - The Rest</b>	<b>5-YR CAGR - SURA</b>	<b>5-YR CAGR - The Rest</b>
Mandatory Pension Funds	15.104	37.491	40.3%	1 / 4	5.0%	6.3%	13.6%	7.4%
Voluntary Pension Funds		172	33.3%	2 / 4	-4.9%	-5.0%	1.4%	-4.3%
Life Insurance		618	14.1%	3 / 9	24.1%	21.4%	20.4%	21.2%
Life Annuities		5.484	20.7%	3 / 7	15.8%	16.6%	14.0%	17.6%
Mutual Funds		6.421	4.0%	5 / 7	2.9%	12.4%	4.6%	6.1%
Banking	-	43.511	0.0%	0 / 16	N / A	12.3%	N/A	11.8%
Municipal and rural savings		4.397						
<b>Total</b>	<b>16.642</b>	<b>98.094</b>	<b>17.0%</b>	<b>3 / 26</b>	<b>7.7%</b>	<b>14.6%</b>	<b>13.4%</b>	<b>9.8%</b>

	AUM - SURA	AUM - The Rest of the Industry	Market Share	Position / Total	YoY Growth - SURA	YoY Growth - The Rest	5-YR CAGR - SURA	5-YR CAGR - The Rest
<b>Colombia</b>								
Mandatory Pension Funds	20.880	57.626	36.2%	2 / 4	9.3%	9.4%	10.6%	11.0%
Voluntary Pension Funds	1.808	5.067	35.7%	1 / 9	7.5%	6.9%	8.6%	5.6%
Severance Funds	1.444	3.827	37.7%	2 / 4	9.2%	9.3%	7.4%	7.4%
Life Insurance	0	768	0.0%	0 / 18	N / A	27.8%	N/A	15.0%
Life Annuities	0	3.066	0.0%	0 / 10	N / A	16.0%	N/A	15.0%
Mutual Funds	0	19.822	0.0%	0 / 39	N / A	-3.1%	N/A	14.2%
Banking	0	87.412	0.0%	0 / 23	N / A	12.7%	N/A	17.6%
<b>Total</b>	<b>24.132</b>	<b>177.588</b>	<b>13.6%</b>	<b>2 / 26</b>	<b>7.8%</b>	<b>9.7%</b>	<b>10.3%</b>	<b>13.7%</b>

\* AUM in the case of Insurance and Annuities correspond to reserves; In the case of Banking these are term deposits and savings accounts

\* AUM in the case of voluntary pension funds include trust funds

\* SURA AM is ranked in No. 2 position in the savings industry (excluding the banking industry with a market share of 26.4%)

	AUM - SURA	AUM - The Rest	Market Share	Position / Total	YoY Growth - SURA	YoY Growth - The Rest	5-YR CAGR - SURA	5-YR CAGR - The Rest
<b>Uruguay</b>								
Mandatory Pension Funds	1.907	10.663	17.9%	2 / 4	19.5%	20.6%	25.7%	25.9%
Mutual Funds	26	26			51.5%	51.5%	186.7%	186.7%
Banking	0	5.621				27.3%		14.1%
<b>Total</b>	<b>1.933</b>	<b>16.950</b>	<b>11.4%</b>	<b>3 / 16</b>	<b>19.8%</b>	<b>23.4%</b>	<b>20.0%</b>	<b>18.3%</b>

	AUM - SURA	AUM - The Rest	Market Share	Position / Total	YoY Growth - SURA	YoY Growth - The Rest	5-YR CAGR - SURA	5-YR CAGR - The Rest
<b>El Salvador</b>								
Mandatory Pension Funds	4.115	8.762	47.0%	2 / 2	7.2%	6.7%	9.1%	8.7%
Banking	0	7.256		0.13	N / A	4.0%	N/A	0.7%
<b>Total</b>	<b>4.115</b>	<b>16.018</b>	<b>25.7%</b>	<b>2 / 14</b>	<b>7.2%</b>	<b>7.3%</b>	<b>9.6%</b>	<b>4.6%</b>

## Accounting Equivalences - Income Statement

The following shows the accounting equivalences between Grupo Sura's Consolidated Income Accounts and those of SURA Asset Management.

GRUPO SURA's CONSOLIDATED INCOME STATEMENT	SURA AM's CONSOLIDATED INCOME STATEMENT
Written premiums	Gross Premiums
Ceded premiums	Premiums ceded to reinsurers
<b>Retained premiums (net)</b>	<b>Net premiums</b>
Commission income	Fee and commission income
Revenues on services rendered	Other operating revenue
Dividends*	Other investment income + net realized gains and losses on available-for-sale financial assets + revenues from investments underpinning insurance reserves + financial income*
Investment income *	Other investment income + net realized gains and losses on available-for-sale financial assets + revenues from investments underpinning insurance reserves + financial income*
Gains (losses) at fair value	Other gains and losses at fair value + gains and losses on investments underpinning insurance reserves + income from reserve requirements + (expense) income from financial derivatives*
Gains (losses) via equity method from Associates	Income (expense) from equity method
Gains (losses) on sale of investments*	Other investment income + net realized gains and losses on available-for-sale financial assets + revenue from investments underpinning insurance reserves + financial income*
Income on investment properties*	Other investment income + net realized gains and losses on available-for-sale financial assets + revenue from investments underpinning insurance reserves + financial income*
Other income	Other operating revenue
<b>Total income</b>	
Total claims	

Reimbursed claims	
<b>Retained claims</b>	Claims
Net production reserves	Movement in premium reserves
Cost of services rendered	Total operating expense *
Administrative expense *	Total operating expense *
Employee benefits *	Total operating expense *
Fees *	Total operating expense *
Brokerage commissions	Total operating expense *
Amortizations	Total operating expense *
Depreciation	Total operating expense *
Other expense	Total operating expense *
Interest	Financial expense
Exchange difference (net)	(Expense) income on exchange differences
Impairment *	Total operating expense *
<b>Total expense</b>	
<b>Earnings (losses) before tax</b>	
Income tax	Income Tax
<b>Earnings (losses), net</b>	<b>Net income (losses) for the year</b>
Earnings (losses) - parent company	Controlling interest
Earnings (losses) - non-controlling interest	Non-controlling interest

\* Items are not reconciled on an individual basis, but rather as groups of several items, such as

Dividends + Investment income + Gains (losses) on sales of investments + Income from investment properties.	Other investment income + net realized gains and losses on available-for-sale financial assets + revenues from investments underpinning insurance reserves + financial income
Cost of services rendered + Administrative expense + Employee benefits + Fees + Brokerage Commissions + Amortizations + Depreciation + Other expense + Impairment	Total operating expense

**SURA ASSET MANAGEMENT: Statement of Comprehensive Income and Statement of Financial Position (Sub-consolidated based on the format used by Grupo SURA)**

**Sura Asset Management S.A.** From January 1st to June 30th  
**Statement of Comprehensive Income** (stated in COP millions)

	June 2016	June 2015	% Change
Written premiums	<b>1,450,023</b>	1,114,488	30.1%
Ceded premiums	<b>(35,374)</b>	(20,903)	69.2%
<b>Retained premiums (net)</b>	<b>1,414,648</b>	<b>1,093,585</b>	29.4%
Commission income	<b>948.913</b>	836.131	13.5%
Revenues on services rendered	<b>384</b>	0	
Dividends	<b>5.922</b>	2.126	178.6%
Investment income	<b>436.228</b>	371.986	17.3%
Equity method - Associates	<b>56.036</b>	45.822	22.3%
Other revenues	<b>5.699</b>	9.382	-39.3%
Exchange difference (net)	<b>0</b>	0	0.0%
<b>Total revenues</b>	<b>2,867,832</b>	<b>2,359,032</b>	<b>21.6%</b>
Total claims	<b>(507,581)</b>	(331,486)	53.1%
Reimbursed claims	<b>0</b>	0	0.0%
<b>Retained claims</b>	<b>(507,581)</b>	<b>(331,486)</b>	53.1%
Adjustments to reserves	<b>(1,057,696)</b>	(920,531)	14.9%
Cost of services rendered	<b>0</b>	0	0.0%
Administrative expense	<b>(735,099)</b>	(651,221)	12.9%
Brokerage commissions	<b>(28,842)</b>	(17,273)	67.0%
Fees	<b>(32,797)</b>	(29,199)	12.3%
Other expense	<b>0</b>	0	0.0%
Interest	<b>(74,565)</b>	(52,919)	40.9%
Exchange difference (net)	<b>38.702</b>	1.821	
Impairment	<b>(2,328)</b>	(5,223)	-55.4%
<b>Total expense</b>	<b>(2,400,205)</b>	<b>(2,006,030)</b>	<b>19.6%</b>
<b>Earnings before tax</b>	<b>467.626</b>	<b>353.001</b>	<b>32.5%</b>
Income tax	<b>(172,037)</b>	(153,075)	12.4%
<b>Net Income</b>	<b>295.589</b>	<b>199.926</b>	<b>47.8%</b>
Earnings - parent company	<b>280.846</b>	190.271	47.6%
Earnings - non-controlling interest	<b>14.743</b>	9.655	52.7%

**Sura Asset Management S.A.**  
**Statement of Financial Position**

At June 30th 2016 and December 31st  
2015

(stated in COP millions)

	<b>June 2016</b>	<b>December 2015</b>	<b>% Change</b>
Cash and cash equivalents	<b>589.401</b>	423.963	39.0%
Investments	<b>13,922,195</b>	13,473,618	3.3%
Accounts receivable	<b>677.025</b>	636.240	6.4%
Technical insurance reserves - reinsurers	<b>55.411</b>	51.111	8.4%
Current tax	<b>215.412</b>	151.630	42.1%
Deferred tax	<b>223.723</b>	247.912	-9.8%
Other assets	<b>323.127</b>	123.402	161.8%
Investment properties	<b>910.850</b>	750.668	21.3%
Property, plant and equipment	<b>189.294</b>	197.233	-4.0%
Goodwill	<b>3,967,139</b>	4,136,022	-4.1%
Identified intangible assets	<b>3,315,431</b>	3,502,330	-5.3%
Investments in Associates	<b>1,026,275</b>	1,058,986	-3.1%
<b>Total assets</b>	<b>25,415,284</b>	<b>24,753,114</b>	<b>2.7%</b>
Other financial liabilities	<b>1,599,837</b>	1,274,737	25.5%
Technical reserves	<b>11,438,799</b>	10,753,464	6.4%
Provisions for employee benefits	<b>94.492</b>	135.433	-30.2%
Other provisions	<b>21.516</b>	24.916	-13.6%
Accounts payable	<b>641.451</b>	381.042	68.3%
Current tax	<b>225.639</b>	162.184	39.1%
Issued securities	<b>1,470,539</b>	1,583,686	-7.1%
Other non-financial liabilities	<b>67.940</b>	64.119	6.0%
Deferred tax	<b>1,312,324</b>	1,318,736	-0.5%
<b>Total liabilities</b>	<b>16,872,537</b>	<b>15,698,318</b>	<b>7.5%</b>
Equity attributable to the owners of the parent company	<b>8,363,236</b>	8,885,052	-5.9%
Non-controlling interest	<b>179.511</b>	169.744	5.8%
<b>Total equity</b>	<b>8,542,747</b>	<b>9,054,796</b>	<b>-5.7%</b>
<b>Total equity and liabilities</b>	<b>25,415,284</b>	<b>24,753,114</b>	<b>2.7%</b>