



# 2Q

**QUARTERLY REPORT**

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**GRUPO SURA (BVC: GRUPOSURA - PFGRUPSURA) CONTINUES TO POST A HEALTHY RATE OF GROWTH, WITH YTD REVENUES REACHING COP 9.9 BILLION AT THE END OF Q2 2017, FOR A YoY INCREASE OF 22.4%**

**August 14, 2017** - Grupo de Inversiones Suramericana - Grupo SURA, has released its results for the first half of 2017, the highlights of which are as follows:

Grupo SURA's consolidated net income came to COP 637,091 million for the first half of 2017, having declined by 34.6% mainly due to exchange differences given the depreciating Colombian peso, as well as non-recurring provisions both at SURA Asset Management ("SURA AM") and the holding company. If we were to eliminate this effect, net income would have risen by 11.4% supported by the operating results of the subsidiaries, whose insurance, savings and asset management business showed a positive evolution at the end of the first half.

Suramericana's net income rose by 4.4% to COP 291,197 million, thanks to a well-performing claims rate, which now stands at 55.6% (having declined by 63bp) along with gains in investment income. These results offset the higher level of expense sustained with last year's acquisition of RSA's Latin American operations. The integration of these operations continues to progress positively with significant growth in all countries and satisfactory execution in the business plans contemplated in the acquisition.

SURA AM, for its part, continued to post a good level of operating performance, with commission income reaching COP 934,911 million, for a growth of 5.5% in local currency, thanks to an uptrend with its voluntary pension and savings funds as well as its resilient mandatory pension fund business, which, given its inherent characteristics, still managed to net a healthy growth in spite of the economic slowdown prevailing throughout the region. Similarly, income from both its legal reserve and the investments underpinning its insurance reserves continued to perform well, whereas the Company's efficient spending policy has kept expense under control. Net income for this latter subsidiary, however, declined by 15% due to factors such as exchange rate differences at the Corporate segment, in addition to the situation presented in Mexico with the operation of the Afore, which was reported last May, which resulted in a provision for fines, amounting to COP 41,478 million. Were we to exclude the effect of these non-operating and non-recurring effects from this subsidiary's net income figure, this would have secured a 33.6% growth compared to the same period last year.

It is important to note that in May the sale of the insurance operation in Peru from SURA AM to InterCorp Financial Services was announced for USD 268 million. As long as regulatory approval processes take place, the results of this operation will be reflected in the line of discontinued operations, affecting the comparability of some financial statement accounts.

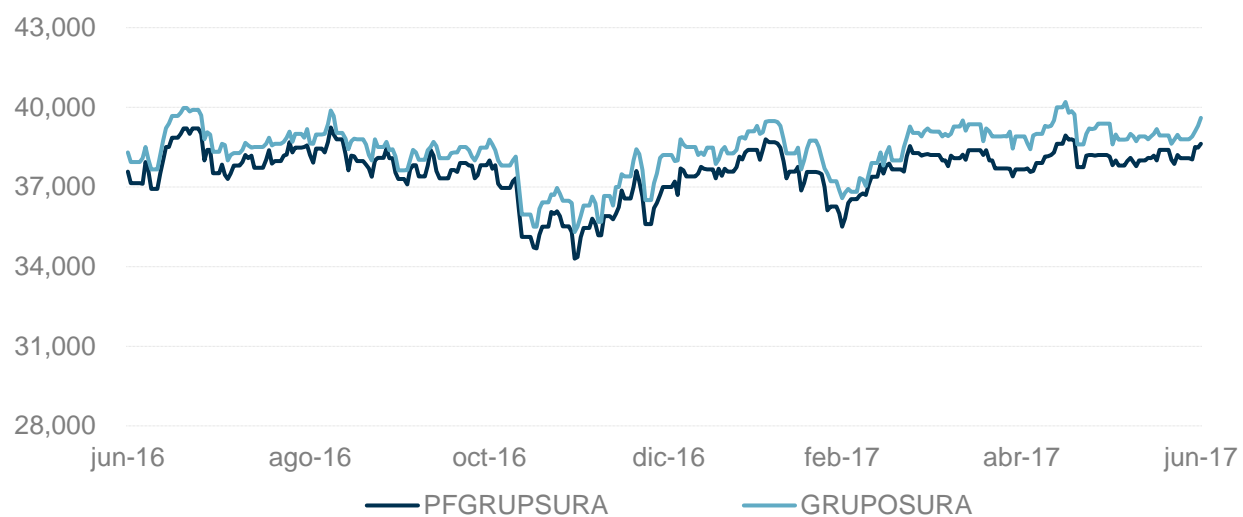
On the other hand, revenues obtained via the equity method rose by 22%, reaching COP 515,910 million mainly due to the good levels of performance on the part of Bancolombia and Protección. Grupo Argos is showing a good level of recovery while Grupo Nutresa is slightly up compared to last year.

*All figures in this report are shown in millions of Colombian pesos unless otherwise stated. Figures stated in dollars were converted to Colombian pesos using the exchange rate applicable at the end of Q2 2017 (COP 3,050.43 per USD), this as a restatement exercise only.*

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## Grupo SURA share



	30-jun-17	% YoY Change*	% YTD Change*
GRUPOSURA (COP)	<b>39,600</b>	3.4%	3.7%
PFGRUPSURA (COP)	<b>38,620</b>	2.8%	4.4%
COLCAP (Points)	<b>1,463</b>	11.4%	8.2%
* Exclusion dividends			

# 1. Grupo SURA

## Grupo de Inversiones Suramericana S.A. Consolidated Statement of Comprehensive Income

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

	June 2017	June 2016	% Change
Written premiums	6,826,547	5,096,361	33.9%
Ceded premiums	(1,040,916)	(699,035)	48.9%
<b>Retained premiums (net)</b>	<b>5,785,631</b>	<b>4,397,326</b>	<b>31.6%</b>
Commission income	1,120,824	1,050,140	6.7%
Revenues on services rendered	1,333,583	1,118,225	19.3%
Dividends	11,256	71,874	-84.3%
Investment income	1,133,623	702,029	61.5%
Equity method - Associates	515,910	423,103	21.9%
Other income	177,673	107,000	66.0%
Exchange difference (net)	(132,802)	258,847	
<b>Total revenues</b>	<b>9,945,697</b>	<b>8,128,544</b>	<b>22.4%</b>
Total claims	(3,898,279)	(2,576,763)	51.3%
Reimbursed claims	846,440	430,811	96.5%
<b>Retained claims</b>	<b>(3,051,839)</b>	<b>(2,145,952)</b>	<b>42.2%</b>
Adjustments to reserves	(1,086,853)	(1,011,727)	7.4%
Cost of services rendered	(1,330,743)	(1,122,702)	18.5%
Administrative expense	(1,730,450)	(1,408,797)	22.8%
Depreciation*	(37,826)	(33,603)	12.6%
Amortizations*	(140,100)	(91,503)	53.1%
Brokerage commissions	(895,332)	(545,424)	64.2%
Fees	(339,434)	(304,982)	11.3%
Other expense	(109,407)	(103,924)	5.3%
Interest	(320,753)	(222,443)	44.2%
Impairment	(12,380)	10,214	
<b>Total expense</b>	<b>(9,055,115)</b>	<b>(6,980,844)</b>	<b>29.7%</b>
<b>Earnings before tax</b>	<b>890,582</b>	<b>1,147,700</b>	<b>-22.4%</b>
Income tax	(270,343)	(221,954)	21.8%
<b>Net income from continuing operations</b>	<b>620,239</b>	<b>925,746</b>	<b>-33.0%</b>
Net income from discontinued operations	16,851	48,824	-65.5%
<b>Net Income</b>	<b>637,091</b>	<b>974,570</b>	<b>-34.6%</b>
Earnings - parent company	536,064	846,843	-36.7%
Earnings - non-controlling interest	101,027	127,727	-20.9%

\* Depreciation and Amortization were reported under Administrative Expense in previous quarterly reports. Information regarding these prior reports can be found on Grupo Sura's website in the form of an Excel spreadsheet.

**Grupo de Inversiones Suramericana S.A.**  
**Consolidated Statement of Comprehensive**  
**Income**

From March 31st to June 30th

(stated in COP millions)

QUARTER	Q2 2017	Q2 2016	% Change
Written premiums	3,639,412	2,928,505	24.3%
Ceded premiums	(655,600)	(503,864)	30.1%
<b>Retained premiums (net)</b>	<b>2,983,813</b>	<b>2,424,641</b>	<b>23.1%</b>
Commission income	575,820	524,792	9.7%
Revenues on services rendered	689,643	560,044	23.1%
Dividends	226	169	34.1%
Investment income	524,439	291,123	80.1%
Equity method - Associates	263,485	238,645	10.4%
Other income	95,534	78,552	21.6%
Exchange difference (net)	(190,989)	60,634	
<b>Total revenues</b>	<b>4,941,970</b>	<b>4,178,600</b>	<b>18.3%</b>
Total claims	(1,887,203)	(1,461,213)	29.2%
Reimbursed claims	368,524	307,358	19.9%
<b>Retained claims</b>	<b>(1,518,680)</b>	<b>(1,153,855)</b>	<b>31.6%</b>
Adjustments to reserves	(547,957)	(458,493)	19.5%
Cost of services rendered	(692,069)	(568,005)	21.8%
Administrative expense	(850,970)	(718,337)	18.5%
Depreciation*	(18,891)	(18,136)	4.2%
Amortizations*	(69,757)	(46,065)	51.4%
Brokerage commissions	(454,906)	(340,370)	33.7%
Fees	(181,235)	(176,853)	2.5%
Other expense	(53,308)	(76,077)	-29.9%
Interest	(168,279)	(126,710)	32.8%
Impairment	(1,155)	21,019	
<b>Total expense</b>	<b>(4,557,209)</b>	<b>(3,661,882)</b>	<b>24.4%</b>
<b>Earnings before tax</b>	<b>384,761</b>	<b>516,717</b>	<b>-25.5%</b>
Income tax	(170,009)	(97,510)	74.4%
<b>Net income from continuing operations</b>	<b>214,752</b>	<b>419,207</b>	<b>-48.8%</b>
Net income from discontinued operations	16,851	48,824	-65.5%
<b>Net Income</b>	<b>231,604</b>	<b>468,031</b>	<b>-50.5%</b>
Earnings - parent company	197,095	393,491	-49.9%
Earnings - non-controlling interest	34,509	74,540	-53.7%

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

At June 30th 2017 and December 31st 2016  
(stated in COP millions)

	June 2017	December 2016	% Change
Cash and cash equivalents	1,950,198	2,066,959	-5.6%
Investments	24,747,469	26,198,241	-5.5%
Accounts receivable	5,688,198	5,511,105	3.2%
Insurance reserves - reinsurers	3,009,376	2,656,756	13.3%
Current tax	556,797	587,073	-5.2%
Deferred tax	663,400	745,663	-11.0%
Other assets	382,982	854,431	-55.2%
Investment properties	626,568	1,033,526	-39.4%
Property, plant and equipment	999,434	1,028,690	-2.8%
Goodwill	4,756,948	4,506,162	5.6%
Identified intangible assets	4,558,207	4,484,107	1.7%
Investments in associates	18,312,707	18,144,328	0.9%
Available-for-sale non-current assets	4,913,924	0	
<b>Total assets</b>	<b>71,166,208</b>	<b>67,817,041</b>	<b>4.9%</b>
Financial liabilities	2,390,206	3,705,478	-35.5%
Technical reserves	24,559,959	25,989,614	-5.5%
Provisions for employee benefits	370,830	405,816	-8.6%
Other provisions	268,907	247,267	8.8%
Accounts payable	2,680,699	2,674,294	0.2%
Current tax	745,508	750,945	-0.7%
Issued securities	7,927,341	6,038,924	31.3%
Other non-financial liabilities	505,305	491,205	2.9%
Deferred tax	2,136,090	2,117,671	0.9%
Available-for-sale non-current liabilities	4,275,975	0	
<b>Total liabilities</b>	<b>45,860,820</b>	<b>42,421,214</b>	<b>8.1%</b>
Equity attributable to the owners of the parent company	22,861,706	22,661,228	0.9%
Non-controlling interest	2,443,682	2,734,599	-10.6%
<b>Total equity</b>	<b>25,305,388</b>	<b>25,395,827</b>	<b>-0.4%</b>
<b>Total equity and liabilities</b>	<b>71,166,208</b>	<b>67,817,041</b>	<b>4.9%</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### Revenues via equity method from Associates

Equity method	June 2017	June 2016	% Change
Bancolombia	<b>308,464</b>	271,041	13.8%
Grupo Argos	<b>27,185</b>	10,351	162.6%
Grupo Nutresa	<b>82,879</b>	81,263	2.0%
AFP Proteccion	<b>79,618</b>	28,334	181.0%
Others	<b>17,764</b>	32,114	-44.7%
<b>Total</b>	<b>515,910</b>	<b>423,103</b>	<b>21.9%</b>

### Administrative expense

Consolidated administrative expense (excluding depreciation and amortization) amounted to COP 1.73 billion (USD 570 million), for a year-on-year growth of 22.8%, mainly due to the higher level of expense incurred by Suramericana in taking over the operations that previously belonged to RSA, an item that was not fully reflected in its financial statements for the first half of last year. As for SURA AM, administrative expense rose by 3.6% in spite of lower wealth tax, the Company's efforts to rein in costs and expense as well as favorable exchange rates upon converting the figures to Colombian pesos.

### Net Income

Grupo SURA's consolidated net income for the first half of this year came to COP 637,091 million (USD 210 million), having declined by 34.6% due mainly to the drop in exchange gains on the foreign currency debt held by Grupo SURA and SURA AM together with higher interest and amortization expense on the recently acquired companies. Another contributing factor was the non-recurring expense relating to provisions for fines on the part of both Grupo SURA and SURA AM. In spite of the above, we saw a growth in both operating revenues and net income (excluding exchange differences and non-recurring expense) on the part of our subsidiaries as well as an increase in revenues received from associates via the equity method.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Investments

Investments	June 2017	December 2016	% Change
<b>Valued at market prices</b>	<b>10,640,824</b>	<b>9,932,839</b>	<b>7.1%</b>
SURA AM	<b>5,741,502</b>	5,089,469	12.8%
Suramericana	<b>4,797,976</b>	4,765,727	0.7%
Other subsidiaries	<b>101,346</b>	77,643	30.5%
<b>Held to maturity</b>	<b>14,063,517</b>	<b>16,218,116</b>	<b>-13.3%</b>
SURA AM	<b>7,487,075</b>	10,347,775	-27.6%
Suramericana	<b>6,576,442</b>	5,870,341	12.0%
<b>Other investments</b>	<b>43,127</b>	<b>47,287</b>	<b>-8.8%</b>
Suramericana	<b>2,164</b>	2,179	-0.7%
Other subsidiaries	<b>40,963</b>	45,108	-9.2%
<b>Total</b>	<b>24,747,468</b>	<b>26,198,242</b>	<b>-5.5%</b>

## Investments in associates

Investments in associates	June 2017	December 2016	% Change
Bancolombia	7,475,011	7,337,334	1.9%
Grupo Argos	4,892,221	4,952,061	-1.2%
Grupo Nutresa	4,808,009	4,716,733	1.9%
AFP Proteccion	1,045,822	1,045,581	0.0%
Others	91,644	92,619	-1.1%
<b>Total</b>	<b>18,312,707</b>	<b>18,144,328</b>	<b>0.9%</b>

## Insurance Reserves

Insurance reserves declined by 5.5% for the first half of this year, mainly due to SURA AM having sold off its insurance company in Peru, which represented insurance reserves of COP 4.2 billion. The assets and liabilities of this newly divested company were reclassified under non-current assets and liabilities available for sale.

Reserves	June 2017	December 2016	% Change
SURA AM	10,045,019	12,561,262	-20.0%
Suramericana	14,514,940	13,428,353	8.1%
<b>Total</b>	<b>24,559,959</b>	<b>25,989,614</b>	<b>-5.5%</b>

## Financial liabilities

At the end of the first half of 2017, Grupo SURA's consolidated financial liabilities reached COP 10.3 billion (USD 3.4 billion) having risen by 5.9% compared to year-end 2016. With regard to bonds, the growth posted was due to Grupo SURA having placed an issue in February 2017 in the amount of COP 550,000 million (USD 191 million) as well as another issue of international bonds worth USD 350 million on the part of SURA AM in April 2017 this for the purpose of replacing its liabilities and improving their maturity structure. The drop in derivatives in the case of SURA AM was due to a change in the swaps held by its life insurance subsidiary in Chile which are now compensable.

Debt	June 2017	December 2016	% Change
<b>Bonds</b>	<b>7,495,965</b>	<b>5,830,112</b>	<b>28.6%</b>
Grupo SURA	1,329,135	777,968	70.8%
SURA AM	2,586,370	1,512,427	71.0%
Suramericana	994,978	997,525	-0.3%
Other subsidiaries	2,585,482	2,542,192	1.7%
<b>Banks and leasing</b>	<b>2,171,768</b>	<b>3,095,893</b>	<b>-29.9%</b>
Grupo SURA	1,276,680	1,262,999	1.1%
SURA AM	558,435	1,522,099	-63.3%
Suramericana	248,004	236,831	4.7%
Other subsidiaries	88,649	73,964	19.9%
<b>Repos</b>	<b>90,988</b>	<b>0</b>	
Grupo SURA	90,988	0	
<b>Derivatives</b>	<b>127,451</b>	<b>609,584</b>	<b>-79.1%</b>
SURA AM	80,633	560,405	-85.6%
Suramericana	13,815	489	
Grupo SURA	33,003	48,690	-32.2%
<b>Preferred dividends</b>	<b>431,375</b>	<b>208,813</b>	<b>106.6%</b>
<b>Total</b>	<b>10,317,547</b>	<b>9,744,402</b>	<b>5.9%</b>



## CORPORATE SEGMENT

### Corporate Segment

#### Main figures

(Stated in COP millions)

	jun-17	jun-16	%Var	Q2 2017	Q2 2016	%Var
Dividends	5,760	65,982	-91.3%	(3,018)	225	
Investment income	18,586	(6,044)		6,525	2,714	140.4%
Gains (losses) at fair value	11,603	(39,015)		91,819	(35,235)	
Gains (losses) on sale of investments	12,420	27,116	-54.2%	7,570	18,184	-58.4%
Income on investment property	1,587	820	93.5%	1,491	412	262.2%
Exchange difference (net)	(129,211)	265,587		(202,425)	64,268	
Other income	75,246	43,636	72.4%	38,074	25,878	47.1%
Revenues from Associates via equity method	364,405	337,659	7.9%	179,917	188,691	-4.6%
Administrative expense	(175,893)	(184,937)	-4.9%	(64,358)	(64,713)	-0.5%
Amortizations	(51,561)	(45,537)	13.2%	(23,772)	(13,551)	75.4%
Depreciation	(5,834)	(5,349)	9.1%	(3,123)	(2,624)	19.0%
Fees	(20,639)	(32,645)	-36.8%	(12,341)	(21,589)	-42.8%
Interest	(372,674)	(242,393)	53.7%	(195,094)	(137,405)	42.0%
Impairment	530	(29)		(16)	4	
<b>Total expense</b>	<b>(626,109)</b>	<b>(510,890)</b>	<b>22.6%</b>	<b>(298,698)</b>	<b>(239,878)</b>	<b>24.5%</b>
<b>Earnings (losses) before tax</b>	<b>(265,488)</b>	<b>185,267</b>		<b>(178,628)</b>	<b>25,467</b>	
Income tax	(93,233)	(69,670)	33.8%	(70,866)	(30,203)	134.6%
<b>Net income from continuing operations</b>	<b>(358,721)</b>	<b>115,596</b>		<b>(249,495)</b>	<b>(4,736)</b>	
Net income from discontinued operations	(1,704)	(3,422)	-50.2%	(1,704)	(3,422)	-50.2%
<b>Net Income</b>	<b>(360,425)</b>	<b>112,174</b>		<b>(251,199)</b>	<b>(8,158)</b>	
Earnings (losses) - parent company	(367,916)	109,857		(255,061)	(6,881)	
Earnings (losses) - non-controlling interest	7,491	2,317	223.3%	3,863	(1,277)	

Administrative expense (excluding depreciation and amortization) on a YTD basis dropped by 4.9%, with SURA AM contributing COP 65,466 million to this figure for a drop of 35.8%, given lower wealth tax due; and Suramericana with another COP 48,361 million, showing an increase of 31.3% as a result of having set up its new corporate headquarters for the purpose of consolidating its subsidiaries and overseeing Suramericana's corporate strategy within the region.

The drop in fee and commission expense was mainly due to the amount of non-recurring expense accruing in 2016 on the issue of bonds placed by our subsidiary Grupo SURA Finance and the acquisitions made by both Grupo SURA and Suramericana.

On the other hand, interest expense rose by 53.7% due to higher levels of debt taken out mainly by Grupo SURA and Suramericana to finance their recent acquisitions.

As for exchange differences, the negative impact shown was mainly sustained by Grupo SURA and SURA AM due to the depreciation of the Colombian peso upon recording dollar-denominated debt both initially and at the end of Q2. Furthermore, changes to exchange rate recorded an impact in books on fair value gains relating to appraisals of derivatives taken out to hedge interest rates, which for the first half of this year produced a gain of COP 11,603 million.

## 2. Suramericana

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

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

	June 2017	June 2016	% Change
Written premiums	5,619,873	3,817,339	47.2%
Ceded premiums	(995,529)	(667,135)	49.2%
<b>Retained premiums (net)</b>	<b>4,624,343</b>	<b>3,150,203</b>	<b>46.8%</b>
Commission income	185,797	101,697	82.7%
Income from services rendered	1,245,213	1,032,471	20.6%
Dividends	501	4,811	-89.6%
Investment income	576,244	501,286	15.0%
Equity method - Associates	3,305	938	252.4%
Other income	171,524	100,011	71.5%
Exchange difference (net)	1,684	12,282	-86.3%
<b>Total revenues</b>	<b>6,808,611</b>	<b>4,903,699</b>	<b>38.8%</b>
Total claims	(3,415,637)	(2,261,112)	51.1%
Reimbursed claims	846,440	491,225	72.3%
<b>Retained claims</b>	<b>(2,569,197)</b>	<b>(1,769,887)</b>	<b>45.2%</b>
Adjustments to reserves	(166,437)	(79,143)	110.3%
Cost of services rendered	(1,248,186)	(1,044,651)	19.5%
Administrative expense	(1,126,330)	(835,004)	34.9%
Amortizations	(63,917)	(22,253)	187.2%
Brokerage commissions	(801,628)	(453,988)	76.6%
Fees	(305,034)	(264,594)	15.3%
Other expense	(109,407)	(103,924)	5.3%
Interest	(59,797)	(29,355)	103.7%
Impairment	(12,137)	10,270	
<b>Total expense</b>	<b>(6,462,069)</b>	<b>(4,592,530)</b>	<b>40.7%</b>
<b>Earnings before tax</b>	<b>346,542</b>	<b>311,169</b>	<b>11.4%</b>
Income tax	(55,345)	(32,237)	71.7%
<b>Net income</b>	<b>291,197</b>	<b>278,932</b>	<b>4.4%</b>
Earnings - parent company	289,974	278,226	4.2%
Earnings - non-controlling interest	1,223	706	73.2%

So far this year, the Company has maintained a steady growth with its different sources of revenues, as can be seen with written premiums, commission income, and revenues from services rendered on the part of all its Latin American subsidiaries, which, upon excluding the operations acquired in 2016, show year-on-year growth rates of 13.8%, 47.1% and 20.6% respectively.

It is also important to note that the recently acquired subsidiaries triggered a significant increase in adjustments made to production reserves, given a better level of performance especially in June, with large-scale Property and Fire policies. The Company also saw an increase in its commission income, as a result of changes to the mix of distribution channels, since the recently acquired operations are particularly active in the large-scale channels through the different affinity agreements currently in force.

Finally, the results for this past quarter included interest payments on the debt issued in the middle of last year along with the amortization of intangibles arising from the business combinations of the acquired operations.

For the first half of this year, this amortization amounted to COP 49,953 million. Consequently, the company managed to end up with a 4.4% year-on-year increase in net income.

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

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

QUARTER	Q2 2017	Q2 2016	% Change
Written premiums	3,090,357	2,368,152	30.5%
Ceded premiums	(655,327)	(491,453)	33.3%
<b>Retained premiums (net)</b>	<b>2,435,030</b>	<b>1,876,699</b>	<b>29.8%</b>
Commission income	98,416	61,165	60.9%
Income from services rendered	642,082	515,911	24.5%
Dividends	237	3,439	-93.1%
Investment income	273,277	270,134	1.2%
Equity method - Associates	2,376	339	601.8%
Other income	93,646	72,427	29.3%
Exchange difference (net)	13,865	(14,640)	
<b>Total revenues</b>	<b>3,558,928</b>	<b>2,785,474</b>	<b>27.8%</b>
Total claims	(1,689,902)	(1,379,918)	22.5%
Reimbursed claims	368,524	367,771	0.2%
<b>Retained claims</b>	<b>(1,321,379)</b>	<b>(1,012,147)</b>	<b>30.6%</b>
Adjustments to reserves	(145,544)	(41,258)	252.8%
Cost of services rendered	(648,119)	(526,849)	23.0%
Administrative expense	(572,410)	(481,598)	18.9%
Amortizations	(32,701)	(19,233)	70.0%
Brokerage commissions	(408,183)	(300,868)	35.7%
Fees	(163,365)	(154,861)	5.5%
Other expense	(53,308)	(76,077)	-29.9%
Interest	(28,463)	(18,569)	53.3%
Impairment	(1,445)	16,440	
<b>Total expense</b>	<b>(3,374,916)</b>	<b>(2,615,020)</b>	<b>29.1%</b>
<b>Earnings before tax</b>	<b>184,013</b>	<b>170,453</b>	<b>8.0%</b>
Income tax	(38,141)	8,048	
<b>Net Income</b>	<b>145,871</b>	<b>178,502</b>	<b>-18.3%</b>
Earnings - parent company	145,263	177,806	-18.3%
Earnings - non-controlling interest	609	695	-12.5%

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

The six insurance companies acquired in 2016 were gradually included in the Company's financial statements, as the corresponding regulatory authorizations were issued in each country. The financial statements at the end of Q2 last year included 3 months of operating performance in Brazil and Colombia, 2 months in Chile and Argentina, and 1 month in Mexico. Operations in Uruguay remained pending consolidation at that time. For this reason, the figures for Q2 2016 are not comparable with those for the same period this year.

During this past quarter, the Company's revenues were driven by both the organic and inorganic growth of its different segments and markets, especially in the case of all those companies with more mature business cycles, such as the Life and Property and Casualty insurance companies as well as the Worker's Compensation and EPS Health Care providers in Colombia. Were we to exclude these recently acquired operations, the growth in written premiums for Q2 2017 would have come to 15.8%.

The growth in commission income was mainly driven by the amount of commissions received by the Colombian companies from our reinsurers, which this year included extra commissions as part of the profit-sharing framework stipulated in the current reinsurance contracts as applicable to the lower claims rate, as well as recalculated commissions due on earthquake insurance based on ceded premiums over the last 21 months for this same branch of insurance.

On the other hand, investments in Colombian companies, which make up 76% of Suramericana's total investment portfolio, have the largest exposure to financial markets. Currency hedges are in place against the dollar exposure on the part of these companies, which, given the current depreciation trend (more than 6% for this past quarter), have produced a significant sum in the exchange difference account.

Net income dropped for Q2 2017 compared to 2016 due mainly to higher reserves, interest expense and tax provision. The changes made to reserves obeyed the consolidation of the recently acquired operations as well as higher interest expense on the debt issued last year for the purpose of financing these acquisitions. On the operating side, it is worth noting the continued growth in premiums and a well-controlled claims rate.

Finally, the tax provision rose at the end of Q2 2017 due to higher dividend income from our subsidiaries in Panama and Uruguay. Furthermore, the tax due on the part of the holding company (posted under the corporate segment) showed an increase compared to the same period last year. It is worthwhile noting that the corporate segment represents the lion's share of the taxes due from Suramericana. Finally, the results for Q2 2017 include the amortization of intangibles in the amount of COP 24,923 million, these relating to the aforementioned business combinations.

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

At June 30th 2017 and December 31st 2016  
(stated in COP millions)

	<b>June 2017</b>	<b>December 2016</b>	<b>% Change</b>
Cash and cash equivalents	<b>1,290,889</b>	1,305,730	-1.1%
Investments	<b>11,376,584</b>	10,638,246	6.9%
Accounts receivable	<b>4,917,158</b>	4,742,935	3.7%
Technical insurance reserves - reinsurers	<b>2,939,273</b>	2,598,654	13.1%
Current tax	<b>291.970</b>	286.990	1.7%
Deferred tax	<b>429.001</b>	472.317	-9.2%
Other assets	<b>183.783</b>	180.577	1.8%
Deferred Acquisition Costs (DAC)	<b>724.771</b>	669.565	8.2%
Investment properties	<b>1.164</b>	6.095	-80.9%
Property, plant and equipment	<b>750.469</b>	741.173	1.3%
Goodwill	<b>566.269</b>	551.903	2.6%
Identified intangible assets	<b>568.771</b>	591.184	-3.8%
Investments in associates	<b>42.080</b>	45.932	-8.4%
<b>Total assets</b>	<b>24,082,182</b>	<b>22,831,301</b>	<b>5.5%</b>
Financial liabilities	<b>261.818</b>	237.320	10.3%
Technical reserves	<b>14,514,940</b>	13,428,353	8.1%
Provisions for employee benefits	<b>241.999</b>	241.630	0.2%
Other provisions	<b>169.046</b>	228.323	-26.0%
Accounts payable	<b>2,196,079</b>	2,135,409	2.8%
Current tax	<b>453.391</b>	432.500	4.8%
Issued securities	<b>994.978</b>	997.525	-0.3%
Other non-financial liabilities	<b>431.117</b>	424.079	1.7%
Deferred tax	<b>614.738</b>	661.938	-7.1%
<b>Total liabilities</b>	<b>19,878,106</b>	<b>18,787,077</b>	<b>5.8%</b>
<b>Total equity</b>	<b>4,204,075</b>	<b>4,044,224</b>	<b>4.0%</b>
<b>Total equity and liabilities</b>	<b>24,082,182</b>	<b>22,831,301</b>	<b>5.5%</b>

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

The Company's financial position so far this year compared to year-end 2016, reflects a growth in written and retained premiums, which produced an increase in the Company's Investments as well as Technical Reserves.

Also, the effects of last year's acquisition on the Company's financial statements included a slight increase in the amount of goodwill initially recorded, as well as a decrease in identified intangible assets given their periodic amortization.

## LIFE INSURANCE SEGMENT

The Life Insurance Segment is made up of Seguros de Vida Colombia, ARL Colombia, Asesuisa Vida El Salvador and Seguros de Vida SURA Chile, the latter included as of May 2016.

<b>Life Insurance Segment</b>		From January 1st to June 30th	
<b>Main figures</b>		(stated in COP millions)	
	<b>June 2017</b>	<b>June 2016</b>	<b>% Change</b>
Written premiums	<b>2,116,312</b>	1,844,149	14.8%
Ceded premiums	<b>(58,241)</b>	(54,438)	7.0%
<b>Retained premiums (net)</b>	<b>2,058,071</b>	<b>1,789,710</b>	<b>15.0%</b>
Investment income	<b>383,035</b>	381,306	0.5%
Other income	<b>75,059</b>	33,206	126.0%
Exchange difference (net)	<b>24</b>	(6,134)	
<b>Retained claims</b>	<b>(1,311,262)</b>	<b>(1,097,137)</b>	<b>19.5%</b>
Adjustments to reserves	<b>(50,545)</b>	(62,515)	-19.1%
Administrative expense	<b>(313,042)</b>	(310,703)	0.8%
Fees	<b>(180,132)</b>	(145,741)	23.6%
Brokerage commissions	<b>(190,774)</b>	(162,053)	17.7%
Other expense	<b>(126,761)</b>	(121,952)	3.9%
Income tax	<b>(4,058)</b>	(1,165)	248.4%
<b>Gains (losses), net</b>	<b>339,614</b>	<b>296,823</b>	<b>14.4%</b>

The Life Insurance Segment has performed well so far this year, thanks to a sound growth in revenues and a 14.4% increase in earnings. The good level of production obtained is due to a greater mass exposure, better contribution rates in the case of our Workers' Compensation firm, ARL, the newly consolidated income from the life insurance company in Chile and a good level of performance with the health care solution offered via the traditional channel by Seguros de Vida Colombia. All this was partially offset by lower growth in investment income, due to a slowing inflation rate, which was mainly felt during the first quarter of 2017.

<b>Life Insurance Segment</b>		From March 31st to June 30th	
<b>Main figures</b>		(stated in COP millions)	
<b>QUARTER</b>	<b>Q2 2017</b>	<b>Q2 2016</b>	<b>% Change</b>
Written premiums	<b>1,105,193</b>	970,427	13.9%
Ceded premiums	<b>(31,140)</b>	(29,820)	4.4%
<b>Retained premiums (net)</b>	<b>1,074,052</b>	<b>940,607</b>	<b>14.2%</b>
Investment income	<b>194,972</b>	190,617	2.3%
Other income	<b>22,950</b>	18,553	23.7%
Exchange difference (net)	<b>3,760</b>	(3,656)	
<b>Retained claims</b>	<b>(682,095)</b>	<b>(576,209)</b>	<b>18.4%</b>
Adjustments to reserves	<b>(25,358)</b>	(36,154)	-29.9%
Administrative expense	<b>(156,066)</b>	(144,451)	8.0%
Fees	<b>(97,863)</b>	(80,131)	22.1%
Brokerage commissions	<b>(97,994)</b>	(83,717)	17.1%
Other expense	<b>(68,726)</b>	(67,952)	1.1%
Income tax	<b>(2,447)</b>	(1,039)	135.6%
<b>Gains (losses), net</b>	<b>165,186</b>	<b>156,469</b>	<b>5.6%</b>



The growth in written premiums for this segment continued on an uptrend, thanks to the group life, health care and workers' compensation solutions that have continued to secure double digit growth rates. Group Life insurance, which netted a growth of 24% compared to the same quarter of the previous year, was driven by the acquisition of the former RSA operations, since Seguros de Vida Sura Chile was only included in 2 of the 3 months of this same quarter last year, without which the growth for this solution would have been 16%.

Adjustments to reserves are directly related to the production volumes and structuring of the different solutions within the segment. These effectively declined compared to Q2 2016, due to lower amounts set up in the mathematical reserve for the Individual Life solution, this based on a 0.4% growth for the quarter, which failed to compensate for the freeing up of reserves for policies written in previous periods.

Investment income with regard to the same quarter last year rose due to higher gains on fixed rate securities denominated in Colombian pesos, thanks to interest rate cuts on the part of the Colombian Central Bank as well as greater market liquidity, this in addition to a good level of performance with global equities.

The retained claims rate rose by 2.2% compared to Q2 2016, this due to an impairment with our pension solution, having increased the IBNR reserve with regard to different legal proceedings relating to the policy taken out in the year 2012.

Greater spending efficiency was amply evident thanks to the efforts being made in this segment with administrative expense as a percentage of written premiums falling from 14.8% in Q2 2016 to 14.1% in Q2 2017. The decline with this indicator was also due to having transferred the Group Life premiums from Seguros Generales in Colombia to Seguros de Vida en Colombia in June of this year, these corresponding to the acquisition of RSA Colombia.

The increase in the fees for this segment compared to the same quarter last year is a consequence of higher payments made to the Bancassurance channel for the Group Life solution offered by Seguros de Vida Colombia, having risen by 19% for this past quarter. This increase also includes expense incurred with new IT contracts in the case of ARL and Seguros de Vida in Colombia which amounted to COP 7.500 million for the quarter.

Finally, the growth in brokerage fees rose by 17.1% year on year due to the growth in production volumes, however if we look at the percentage of brokerage fees versus written premiums this has remained relatively stable at 8.8% for Q2 2017.

## **Life Insurance Segment**

### **Statement of Financial Position - Key Figures**

**June 2017**

Total assets	<b>9,700,568</b>
Total liabilities	<b>7,860,025</b>
Total equity	<b>1,840,543</b>

### Written and retained premiums

The 24% year-on-year growth in retained premiums for the Group Life solution was due to the sound growth secured with the Bancassurance channel. The Company's life insurance company in Colombia was awarded a tender for this solution with Bancolombia's line of mortgage loans.

Health care insurance continued to post a robust growth of 18% in retained premiums compared to the same quarter last year, mainly due to a sound performance on the part of the traditional channel which included our branch offices in Colombia.

On the other hand, the Company's Workers' Compensation firm, ARL continued with a strong growth in revenues thanks to a rise in membership of 239,515 for this past quarter thanks to a greater volume of SMEs in the civil engineering and general services sectors.

However, the growth with our individual life insurance solution slowed compared to previous quarters due to a decline with the Bancassurance and Telesales channels in Colombia, which represent 45% of this solution's total production.

Finally, the decline in premiums with Other Solutions was due to having failed to win a tender for unemployment insurance in Colombia, which in Q2 2016 represented COP \$ 8,000 million in premiums compared to just COP 1,900 million for this past quarter.

#### Written Premiums

	jun-17	jun-16	%Var	Q2 2017	Q2 2016	%Var
Life	293,395	276,148	6%	160,184	159,611	0%
Group Life	381,058	307,038	24%	209,300	169,377	24%
Pension	329,575	298,081	11%	170,644	153,057	11%
Healthcare	477,198	409,728	16%	235,234	199,868	18%
ARL (Worker's Comp.)	554,129	470,009	18%	289,062	244,695	18%
Others	80,957	83,145	-3%	40,768	43,818	-7%
<b>Total</b>	<b>2,116,312</b>	<b>1,844,149</b>	<b>15%</b>	<b>1,105,193</b>	<b>970,427</b>	<b>14%</b>

#### Retained Premiums

	jun-17	jun-16	%Var	Q2 2017	Q2 2016	%Var
Life	256,907	242,523	6%	140,064	140,530	0%
Group Life	371,350	298,059	25%	204,557	164,765	24%
Pension	329,496	297,592	11%	170,616	152,911	12%
Healthcare	469,459	402,338	17%	231,194	196,365	18%
ARL (Worker's Comp.)	554,129	470,009	18%	289,062	244,695	18%
Others	76,730	79,188	-3%	38,560	41,342	-7%
<b>Total</b>	<b>2,058,071</b>	<b>1,789,710</b>	<b>15%</b>	<b>1,074,052</b>	<b>940,607</b>	<b>14%</b>



## Retained claims and loss ratio

The retained claims rate rose from 61.3% in Q2 2016 to 63.5% in Q2 2017, mainly due to higher claims rates for the Pension, Workers' Compensation Life and Other solutions

The Workers' Compensation claims rate came to 58.6% compared to 56.9% for the same quarter last year due to higher health care costs on a higher accident rate. Furthermore, COP 5,000 million was set up in reported reserves for the quarter, in compliance with the provisions of External Circular 039 issued in Colombia, which defined a new methodology for calculating this reserve.

The increase in the claims rate for pension insurance is due to the increase in claims reserves based on updated estimates for the legal proceedings relating to the policy corresponding to the year 2012, all of which falls under the purview of the life insurance company in Colombia

The claims rate for the Individual Life solution rose in comparison with Q2 2016 since this indicator performed extraordinarily well last year. Furthermore, since growth for this solution has not grown as much on a year-on-year basis, premiums for this past quarter have not helped to offset claims to the same extent as they did in Q2 2016. Despite this, upon analyzing the claims rate on a year-to-date basis, we have not seen any substantial change due to the natural behavior patterns of premiums and claims throughout the year.

Finally, the claims rate rose for Other Solutions due to a decline with the production of unemployment insurance in Colombia, which in Q2 2016 represented COP 8,000 million in premiums whereas for Q2 2017 this only came to COP 1,900 million.

### Retained claims

	jun-17	jun-16	%Var	Q2 2017	Q2 2016	%Var
Life	68,905	61,317	12%	37,977	30,097	26%
Group Life	136,044	116,165	17%	75,185	60,998	23%
Pension	367,053	289,770	27%	185,711	148,791	25%
Healthcare	314,301	262,216	20%	156,344	140,233	11%
ARL (Worker's Comp.)	325,860	261,800	24%	169,296	139,199	22%
Others	99,101	105,870	-6%	57,580	56,891	1%
<b>Total</b>	<b>1,311,262</b>	<b>1,097,137</b>	<b>20%</b>	<b>682,095</b>	<b>576,209</b>	<b>18%</b>

Figures stated in COP millions

### Retained claims ratio

	jun-17	jun-16	Q2 2017	Q2 2016
Life	26.8%	25.3%	27.1%	21.4%
Group Life	36.6%	39.0%	36.8%	37.0%
Pension	111.4%	97.4%	108.8%	97.3%
Healthcare	66.9%	65.2%	67.6%	71.4%
ARL (Worker's Comp.)	58.8%	55.7%	58.6%	56.9%
Others	129.2%	133.7%	149.3%	137.6%
<b>Total</b>	<b>63.7%</b>	<b>61.3%</b>	<b>63.5%</b>	<b>61.3%</b>

## NON-LIFE SEGMENT

This segment contains the non-life insurance solutions provided by our Property and Casualty insurance companies in Colombia, El Salvador, Panama, the Dominican Republic, Argentina, Brazil, Chile, Mexico and Uruguay.

### Non-Life Insurance

From January 1st to June 30th

### Main figures

(stated in COP millions)

	June 2017	June 2016	% Change
Written premiums	<b>3,542,183</b>	1,991,095	77.9%
Ceded premiums	<b>(964,483)</b>	(620,673)	55.4%
<b>Retained premiums (net)</b>	<b>2,577,699</b>	<b>1,370,423</b>	<b>88.1%</b>
Investment income	<b>184,916</b>	90,722	103.8%
Other income	<b>247,908</b>	162,522	52.5%
Exchange difference (net)	<b>3,201</b>	(8,716)	
<b>Retained claims</b>	<b>(1,306,101)</b>	<b>(709,790)</b>	<b>84.0%</b>
Adjustments to reserves	<b>(115,891)</b>	(16,628)	597.0%
Administrative expense	<b>(667,670)</b>	(357,153)	86.9%
Fees	<b>(152,220)</b>	(132,428)	14.9%
Brokerage commissions	<b>(610,226)</b>	(289,878)	110.5%
Other expense	<b>(98,382)</b>	(69,992)	40.6%
Income tax	<b>589</b>	1,100	-46.5%
<b>Gains (losses), net</b>	<b>63,823</b>	<b>40,182</b>	<b>58.8%</b>
<b>Amortization of intangibles</b>	<b>(49,953)</b>	<b>(6,073)</b>	
<b>Deferred tax - amortizations</b>	<b>15,076</b>	<b>781</b>	
<b>Adjusted net income</b>	<b>98,700</b>	<b>45,473</b>	<b>117.1%</b>

The Non-Life segment accounted for 15.4% of all premiums written so far this year, excluding those of all those companies that were acquired in 2016. This uptrend is mainly due to a more adequate sales management that has managed to secure the budgeted turnover as well as large scale corporate accounts.

Furthermore, given the financial conditions prevailing across the entire region, reduced interest rates and well controlled inflation, the Company obtained a significant increase in investment income of 31.3% year on year, this excluding the newly acquired subsidiaries.

On the other hand, this segment recorded a substantial increase in adjustments made to production reserves, as a result of having consolidated the newly acquired companies within this segment's financial statements as well as the large-scale accounts obtained for the lines of property/casualty and fire insurance by these new companies. Were we to exclude the aforementioned effect, the overall figure would have shown a drop of 89.7% due to car and mandatory road accident insurance which soared during the latter part of 2016, thus triggering the

freeing up of reserves for the first few months of 2017 in an amount higher than the reserves being set up on the production volume for this same period

There were a series of severe events that partially offset the above figures, these mainly affecting the Fire, Transport and Compliance lines of insurance. However, these claims were covered by the reinsurance contracts in place, so the increase in the Company's retained claims rate of the Company came to 16.9%, this excluding the operations acquired last year.

## Non-Life Insurance Main figures

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

QUARTER	Q2 2017	Q2 2016	% Change
Written premiums	<b>2,017,903</b>	1,402,696	43.9%
Ceded premiums	<b>(649,393)</b>	(464,975)	39.7%
<b>Retained premiums (net)</b>	<b>1,368,510</b>	<b>937,721</b>	<b>45.9%</b>
Investment income	<b>88,930</b>	66,094	34.6%
Other income	<b>137,984</b>	111,279	24.0%
Exchange difference (net)	<b>8,568</b>	(11,287)	
<b>Retained claims</b>	<b>(665,606)</b>	<b>(456,134)</b>	<b>45.9%</b>
Adjustments to reserves	<b>(120,186)</b>	(5,104)	
Administrative expense	<b>(335,899)</b>	(254,100)	32.2%
Fees	<b>(77,568)</b>	(78,152)	-0.7%
Brokerage commissions	<b>(309,621)</b>	(216,292)	43.1%
Other expense	<b>(35,349)</b>	(61,148)	-42.2%
Income tax	<b>(16,499)</b>	4,308	
<b>Gains (losses), net</b>	<b>43,264</b>	<b>37,184</b>	<b>16.3%</b>
<b>Amortization of intangibles</b>	<b>(24,923)</b>	<b>(3,105)</b>	
<b>Deferred tax - amortizations</b>	<b>5,769</b>	<b>781</b>	
<b>Adjusted net income</b>	<b>62,418</b>	<b>39,508</b>	<b>58.0%</b>

## Non-Life Insurance

### Statement of Financial Position - Key Figures

	June 2017
Total assets	<b>13,535,346</b>
Total liabilities	<b>10,104,990</b>
Total equity	<b>3,430,356</b>

The Non-Life segment recorded a particularly dynamic performance during the second quarter of this year, thanks to the non-life companies acquired in 2016. This was particularly evident with the latter's share of the Company's total written premiums, having risen to 65.3% for Q2 17 compared to 59.2% in Q2 2016. Were we to exclude the effect of these recent acquisitions, written premiums would have increased by 15.5% for the quarter.

In Q2 2017, the growth in solutions such as Car and Fire Insurance was driven by favorable market trends, as well as the efforts of our sales staff to expand our client base in all those countries where we are present.

On the other hand, interest rate cuts in almost all the markets where Suramericana operates, except for Mexico, drove up revenues from fixed-income securities, as a result of the gains produced by these.

The Company's administrative expense rose by 32.2% for the quarter, however, if we were to exclude the recently acquired operations, this would have declined by 15.7%, thereby evidencing the month-to-month behavior pattern of this account based on the individual expense sustained by the different subsidiaries, as well as the exchange rate effect on the consolidated financial statements.

At the same time, the growth in brokerage commissions came to 9.3%, excluding the recently acquired operations, thus remaining in line with the overall growth in this segment's production volumes, which is largely dependent on the amount of policies sold by our brokers. Fees, on the other hand, declined during the second quarter by 161.6%, excluding the recently acquired operations, this due to the seasonal nature of large-scale business, and reduced IT payments.

At the end of Q2 2017, this segment obtained a year-on-year increase of 16.3% in net income, due to higher production volumes and financial revenues, as a result of having completely included the newly acquired companies in the Company's consolidated financial statements.

### Written and retained premiums

The solutions for this segment posted a sound growth for Q2 2017 in the form of a 43.9% increase in written premiums compared to the same period last year. Since Seguros Sura Uruguay had not been included in the Company's consolidated financial statements in the second quarter of last year, and with the rest of the acquired companies being consolidated at different times during the first quarter of said year, the figures for Q2 2016 are not entirely comparable with those of Q2 2017. If we were to exclude the operations acquired last year, the production growth rate for this segment would have come to 15.5% for Q2 2017.

It is important to note how well car insurance performed during this last quarter with a substantial 44.4% growth. This was mainly due to the production volumes secured by the new companies who enjoy a strong competitive position in their local markets, and their share of the total has continued to grow thanks to having extended their lines of business and recruited new clients.

At the same time, the growth for fire insurance for the quarter was driven by increased volumes of business obtained by our subsidiaries in the Dominican Republic and Uruguay, as well as by a good level of performance of household insurance for small and medium-sized enterprises in Panama.

On the other hand, mandatory road accident insurance as a percentage of the total production volume in Colombia declined by 3.3% for Q2 2017. This was mainly due to current market dynamics and the Company's strategy to bring down the claims rate for this branch of insurance.

Finally, the Other Solutions segment secured a growth of 56% for the quarter, which upon excluding the newly acquired operations would have come to 29%. This segment includes solutions such as Civil Liability, Theft, Machinery Breakdowns and Loss of Earnings With regard

to the latter two solutions, two major corporate policies were issued in Colombia during this past quarter.

Written Premiums						
	jun-17	jun-16	%Var	Q2 2017	Q2 2016	%Var
Car	<b>1,254,318</b>	712,102	76%	<b>662,609</b>	458,889	44%
Fire	<b>608,872</b>	290,139	110%	<b>356,971</b>	215,653	66%
Soat	<b>177,679</b>	177,304	0.2%	<b>86,107</b>	89,090	-3.3%
Transport	<b>230,691</b>	123,398	87%	<b>128,934</b>	106,765	21%
Cumpliance	<b>209,088</b>	168,081	24%	<b>167,929</b>	137,834	22%
Other	<b>1,061,535</b>	520,071	104%	<b>615,352</b>	394,464	56%
Total	<b>3,542,183</b>	1,991,095	78%	<b>2,017,903</b>	1,402,696	44%

Retained Premiums						
	jun-17	jun-16	%Var	Q2 2017	Q2 2016	%Var
Car	<b>1,228,781</b>	694,134	77.0%	<b>649,001</b>	449,091	44.5%
Fire	<b>308,317</b>	104,182	195.9%	<b>198,450</b>	89,354	122.1%
Soat	<b>173,289</b>	158,611	9.3%	<b>81,966</b>	78,106	4.9%
Transport	<b>149,777</b>	60,054	149.4%	<b>76,547</b>	48,210	58.8%
Cumpliance	<b>28,249</b>	15,865	78.1%	<b>12,193</b>	6,603	84.7%
Other	<b>689,287</b>	337,578	104.2%	<b>350,351</b>	266,357	31.5%
Total	<b>2,577,699</b>	1,370,423	88.1%	<b>1,368,510</b>	937,721	45.9%

*Figures stated in COP millions*

### Retained claims and loss rates

Certain severe events were reported in Q2 2017, including factory fires in Colombia, Mexico and Uruguay, losses due to heavy rainfall in Chile during the month of May, breach of a construction contract in Uruguay, as well as other non-compliance claims in Colombia, among others. Upon excluding the newly acquired subsidiaries, the increase in Fire and Compliance Claims for Q2 2017 would have come to 75.3% and 204.6%, respectively. It is important to note that this increase in the claims rate corresponds to several severe events and not to any changes to the normal frequency of such.

Furthermore, the mandatory road accident solution showed an increase given the amount of motorcycle accidents occurring in Colombia.

On the other hand, it is important to note that the claims rate for car insurance improved for this past quarter, going from 60.8% in Q2 2016 to 59.3% for Q2 2017, this as a result of various strategies and initiatives deployed mainly in Colombia and the Dominican Republic to contain the upward trend in claims during 2016. These included tariff adjustments, more efficient breakdown services in Colombia by promoting the use of mobile apps and optimizing the average cost of claims through a more efficient use of spare parts, without sacrificing the quality of the service provided to the policy holder.

	jun-17	jun-16	%Var	Q2 2017	Q2 2016	%Var
Car	<b>758,435</b>	443,686	70.9%	<b>384,939</b>	272,850	41.1%
Fire	<b>90,936</b>	25,170	261.3%	<b>39,171</b>	18,975	106.4%
Soat	<b>125,457</b>	94,745	32.4%	<b>65,038</b>	51,071	27.3%
Transport	<b>87,034</b>	39,386	121.0%	<b>46,121</b>	36,346	26.9%
Cumpliance	<b>23,451</b>	7,828	199.6%	<b>17,806</b>	5,550	220.8%
Other	<b>220,788</b>	98,974	123.1%	<b>112,532</b>	71,341	57.7%
Total	<b>1,306,101</b>	709,790	84.0%	<b>665,606</b>	456,134	45.9%

Figures stated in COP millions

Retained claims rate			
	jun-17	jun-16	
Car	<b>61.7%</b>	63.9%	<b>59.3%</b>
Fire	<b>29.5%</b>	24.2%	<b>19.7%</b>
Soat	<b>72.4%</b>	59.7%	<b>79.3%</b>
Transport	<b>58.1%</b>	65.6%	<b>60.3%</b>
Cumpliance	<b>83.0%</b>	49.3%	<b>146.0%</b>
Other	<b>32.0%</b>	29.3%	<b>32.1%</b>
Total	<b>50.7%</b>	51.8%	<b>48.6%</b>

## Healthcare Segment

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

From January 1st to June 30th

(Stated in COP millions)

### Main Figures

	jun-17	jun-16	%Var
<b>Revenues from services rendered</b>	<b>1,488,633</b>	<b>1,217,518</b>	<b>22.3%</b>
Investment income	<b>9,485</b>	9,188	3.2%
Other income	<b>9,234</b>	8,806	4.9%
<b>Cost of services rendered</b>	<b>(1,314,706)</b>	<b>(1,069,370)</b>	<b>22.9%</b>
Administrative expense	<b>(152,718)</b>	(143,833)	6.2%
Fees	<b>(3,819)</b>	(6,861)	-44.3%
Brokerage commissions	<b>(2,500)</b>	(2,235)	11.9%
Other expense	<b>(4,271)</b>	(323)	
Income tax	<b>(6,447)</b>	(3,830)	68.3%
<b>Gains (losses), net</b>	<b>22,890</b>	<b>9,060</b>	<b>152.7%</b>

## Healthcare Segment Main Figures

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

QUARTER	2T 2017	2T 2016	%Var
<b>Prestación de servicios</b>	<b>770,577</b>	<b>610,382</b>	<b>26.2%</b>
Ingresos por inversiones	4,557	2,973	53.3%
Otros ingresos	4,817	4,451	8.2%
<b>Costos por prestación de servicios</b>	<b>(678,298)</b>	<b>(534,449)</b>	<b>26.9%</b>
Gastos administrativos	(78,871)	(73,995)	6.6%
Honorarios	(2,264)	(4,369)	-48.2%
Comisiones intermediarios	(1,458)	(1,037)	40.7%
Otros gastos	(2,071)	1,693	
Impuestos a las ganancias	(3,525)	(1,903)	85.3%
<b>Ganancia (pérdida), neta</b>	<b>13,464</b>	<b>3,747</b>	<b>259.4%</b>

The health care segment continued to show a robust growth, with a sound 26.2% growth in revenues from services rendered, thanks mainly to a rise in the membership base of EPS SURA which now includes 272.000 users. This, together with administrative expense as a percentage of revenues from services rendered that went from 12.1% in Q2 2016 to 10.2% in Q2 2017, thus providing a net income which was 259.4% higher than that produced in the same quarter last year.

### Statement of Financial Position - Key Figures

Healthcare Segment	jun-17
Total assets	793,083
Total liabilities	569,361
Total equity	223,722

### Income from services rendered

EPS SURA is posting a good growth, with revenues increasing by 28.9% year-on-year, as a result of the growth in its membership base as well as higher revenues from its complementary health care plan which rose by 80% this past quarter.

On the other hand, IPS SURA secured a growth of 22.4% which was also mainly driven by the growth in the EPS membership base. In the case of Dinamica, the Company's diagnostic service provider, the year-on-year growth of 8.8% was largely due to a new focus on clients who opportunely pay their monthly payments, optimizing our installed capacity and providing a better mix of services, in which diagnostic imaging increased the average cost of services rendered in Q2 2017.

Income from services rendered				Q2 2017	Q2 2016	%Var
	Jun-2017	Jun-2016	%Var			
EPS	1,158,757	940,614	23.2%	600,482	465,919	28.9%
IPS	225,024	181,243	24.2%	116,494	95,208	22.4%
Dinámica	104,853	95,661	9.6%	53,600	49,256	8.8%
Total	1,488,633	1,217,518	22.3%	770,577	610,382	26.2%

Figures in COP millions



## Cost of services rendered

These costs in the case of the Health Care segment increased in line with revenues during this past quarter. However in the case of Dinamica, the Company's Diagnostic Imaging provider, these rose by 31.9% given recent maintenance work performed on the diagnostic equipment.

The claims rate for EPS SURA, improved compared to the same period last year, this due to (i) the unwinding of the amounts set up in the IBNR disability reserve in Q2 2016; (ii) an improved claims rate with the complementary health care plan (PAC in Spanish) given its growing popularity among the EPS users which in turn has allowed us to dilute fixed costs; and (iii) greater cost efficiency with the POS accounts given better negotiated prices from suppliers.

Finally, in the case of IPS Sura, costs as a percentage of revenues from services rendered dropped from 70.3% in Q2 2016 to 68.4% in Q2 2017, evidencing a more efficient use of our installed capacity.

Cost of services rendered						
	Jun-2017	Jun-2016	%Var	Q2 2017	Q2 2016	%Var
EPS	1,080,861	<b>876,975</b>	23.2%	557,454	<b>436,260</b>	27.8%
IPS	154,398	<b>126,668</b>	21.9%	79,641	<b>66,963</b>	18.9%
Dinámica	79,447	<b>65,728</b>	20.9%	41,202	<b>31,232</b>	31.9%
Total	1,314,706	<b>1,069,370</b>	22.9%	678,298	<b>534,455</b>	26.9%

Figures stated in COP millions

Claims ratio				
	Jun-2017	Jun-2016	2T 2017	2T 2016
EPS	<b>93.3%</b>	<b>93.2%</b>	<b>92.8%</b>	<b>93.6%</b>

## CORPORATE SEGMENT (HOLDING COMPANY)

The Corporate segment includes our Corporate Headquarters, which was recently set up to oversee Suramericana's expansion in Latin America, and since we have been gradually consolidating our HQ operations both in 2016 and so far this year, the QoQ and YoY figures for this segment are not entirely comparable.

### CORPORATE SEGMENT

#### Main figures

From January 1st to June 30th

(stated in COP millions)

	jun-17	jun-16	%Change
<b>Investment income</b>	<b>168</b>	<b>1,155</b>	
Other revenues	<b>2,376</b>	298	697.0%
Exchange difference (net)	<b>(1,486)</b>	27,248	
Equity method - Associates	<b>3,305</b>	938	252.4%
<b>Total revenues</b>	<b>570</b>	<b>30,439</b>	<b>-98.1%</b>
Administrative expense	<b>(48,637)</b>	(36,889)	31.8%
Fees	<b>(11,286)</b>	(18,351)	-38.5%



Interest	(45,654)	(16,440)	177.7%
Impairment	530	(29)	
<b>Total expense</b>	<b>(105,046)</b>	<b>(71,708)</b>	<b>46.5%</b>
<b>Earnings (losses) before tax</b>	<b>(104,476)</b>	<b>(41,269)</b>	<b>153.2%</b>
Income tax	(37,027)	(19,251)	92.3%
<b>Gains (losses), net</b>	<b>(141,503)</b>	<b>(60,520)</b>	<b>133.8%</b>
Earnings (losses) - parent company	(138,046)	(60,520)	128.1%

## CORPORATE SEGMENT

### Main figures

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

QUARTER	Q2 2017	Q2 2016	%Change
<b>Investment income</b>	<b>(3,288)</b>	<b>1,199</b>	
Other revenues	2,320	202	
Exchange difference (net)	1,523	310	391.4%
Equity method - Associates	2,376	339	601.8%
<b>Total revenues</b>	<b>2,930</b>	<b>2,050</b>	<b>43.0%</b>
Administrative expense	(32,442)	(20,417)	58.9%
Fees	(6,482)	(11,626)	-44.2%
Interest	(21,865)	(10,913)	100.4%
Impairment	(16)	4	
<b>Total expense</b>	<b>(60,805)</b>	<b>(42,952)</b>	<b>41.6%</b>
<b>Earnings (losses) before tax</b>	<b>(57,875)</b>	<b>(40,902)</b>	<b>41.5%</b>
Income tax	(14,134)	7,453	
<b>Gains (losses), net</b>	<b>(72,010)</b>	<b>(33,449)</b>	<b>115.3%</b>
Earnings (losses) - parent company	(72,010)	(33,449)	115.3%

The Corporate segment showed a negative Investment Income figure for Q2 2017 given the fact that financial revenues from savings accounts and collective portfolios were reclassified to the Other Income account.

Here, the Company reports expense incurred mainly with the administrative and interest accounts. For this past quarter, administrative expense rose by 58.9% mainly due to a regional purchase of IT software licenses in the amount of COP 8,200 million, for the purpose of furthering our technological capabilities in each of the countries where we are present. Likewise, interest expense rose due to the absence of any coupon payments in June of last year on the Company's debt, which was not the case this year.

Finally, the income tax provision showed an increase for the quarter, due to the fact that in June 2016, Suramericana settled its positions in financial derivatives for hedging the exchange risk on the acquisitions carried out last year, and this produced a tax deductible expense which largely reduced the tax provision set up last year.

## OPERATIONS ACQUIRED TO RSA

The Company acquired RSA's Latin American operations between March and July of last year, thus reinforcing its competitive position throughout the region. So far this year, we have consolidated the results for all six operations, which include non-life insurance in each country, as well as life insurance in Chile. RSA Colombia was merged with Seguros Generales and its results are shown above in the Non-Life segment.

### RSA Operations

From January 1st to June 30th

### Statement of Comprehensive Income (stated in COP millions)

	Argentina	Brazil	Chile	Mexico	Uruguay	TOTAL
Written premiums	590,712	276,051	865,579	266,651	141,720	2,140,714
Ceded premiums	(68,660)	(29,108)	(300,809)	(73,751)	(14,500)	(486,828)
<b>Retained premiums (net)</b>	<b>522,052</b>	<b>246,943</b>	<b>564,771</b>	<b>192,900</b>	<b>127,220</b>	<b>1,653,886</b>
Commission income	19,868	0	33,010	3,378	3,928	60,185
Investment income	56,101	17,454	4,681	10,104	10,599	98,938
Other revenues	28,639	4,441	7,682	10,769	1,409	52,940
Exchange difference (net)	931	(1,534)	8,826	(5,580)	(627)	2,017
<b>Total revenues</b>	<b>627,591</b>	<b>267,304</b>	<b>618,970</b>	<b>211,571</b>	<b>142,529</b>	<b>1,867,965</b>
Total claims	(287,630)	(130,866)	(668,660)	(108,133)	(63,627)	(1,258,917)
<b>Retained claims</b>	<b>(259,481)</b>	<b>(114,181)</b>	<b>(216,698)</b>	<b>(95,740)</b>	<b>(49,175)</b>	<b>(735,275)</b>
Adjustments to reserves	(34,890)	35,204	(107,274)	(2,457)	(4,928)	(114,345)
Administrative expense	(151,285)	(78,213)	(130,276)	(44,082)	(38,016)	(441,872)
Commissions and fees	(154,839)	(114,740)	(143,269)	(65,264)	(35,631)	(513,744)
Other expense	(6,936)	1,046	(35,509)	(14,322)	(5,130)	(60,851)
<b>Total expense</b>	<b>(607,432)</b>	<b>(270,884)</b>	<b>(633,026)</b>	<b>(221,866)</b>	<b>(132,879)</b>	<b>(1,866,087)</b>
<b>Earnings before tax</b>	<b>20,159</b>	<b>(3,580)</b>	<b>(14,056)</b>	<b>(10,295)</b>	<b>9,650</b>	<b>1,878</b>
Income tax	(6,986)	584	7,426	1,252	(3,066)	(790)
<b>Net income</b>	<b>13,173</b>	<b>(2,996)</b>	<b>(6,630)</b>	<b>(9,043)</b>	<b>6,584</b>	<b>1,088</b>
Earnings - parent company	13,105	(2,996)	(6,597)	(9,043)	6,584	1,053
Earnings - non-controlling interest	68	(0)	(32)	0	0	35
<b>Amortization of intangibles</b>	<b>(5,312)</b>	<b>(3,105)</b>	<b>(22,754)</b>	<b>(6,637)</b>	<b>(3,399)</b>	<b>(41,206)</b>
Deferred tax - amortizations	1,859	1,397	4,440	1,991	850	10,537
<b>Adjusted net income</b>	<b>16,558</b>	<b>(1,289)</b>	<b>11,717</b>	<b>(4,397)</b>	<b>9,133</b>	<b>31,722</b>

The figures presented above were affected by amortization expense on the intangible assets recognized as part of the purchase price allocation (PPA) on the closing date, and although they form part of Suramericana S.A.'s separate income statement, these have been assigned to each subsidiary for consolidation purposes. Were we to exclude the effect of these amortizations, these newly acquired operations would have posted COP 31,722 million in net income on a year-to-date basis, representing approximately 11% of Suramericana's consolidated earnings for this same period.

## Quarterly performance for the recently acquired RSA companies

### RSA Operations

From March 31st to June 30th

### Statement of Comprehensive Income

(stated in COP millions)

	Argentina	Brazil	Chile	Mexico	Uruguay	TOTAL
Written premiums	320,081	129,582	539,120	159,150	79,625	1,227,559
Ceded premiums	(38,783)	(11,038)	(199,300)	(56,918)	(10,999)	(317,039)
<b>Retained premiums (net)</b>	<b>281,298</b>	<b>118,544</b>	<b>339,821</b>	<b>102,232</b>	<b>68,626</b>	<b>910,521</b>
Commission income	10,072	0	17,514	1,164	2,863	31,613
Investment income	23,737	7,412	275	5,594	6,234	43,253
Other revenues	14,597	2,459	4,650	6,761	818	29,284
Exchange difference (net)	1,074	(162)	6,801	(2,007)	(50)	5,657
<b>Total revenues</b>	<b>330,778</b>	<b>128,254</b>	<b>369,062</b>	<b>113,745</b>	<b>78,490</b>	<b>1,020,328</b>
Total claims	(155,946)	(62,835)	(223,657)	(60,545)	(31,252)	(534,235)
<b>Retained claims</b>	<b>(127,797)</b>	<b>(54,030)</b>	<b>(109,042)</b>	<b>(54,906)</b>	<b>(25,884)</b>	<b>(371,660)</b>
Adjustments to reserves	(38,143)	26,812	(105,864)	306	(6,696)	(123,585)
Administrative expense	(77,024)	(39,676)	(68,540)	(21,435)	(20,079)	(226,754)
Commissions and fees	(79,102)	(58,261)	(71,532)	(33,006)	(17,054)	(258,956)
Other expense	(1,109)	54	(15,416)	(7,608)	(2,809)	(26,888)
<b>Total expense</b>	<b>(323,175)</b>	<b>(125,101)</b>	<b>(370,394)</b>	<b>(116,649)</b>	<b>(72,523)</b>	<b>(1,007,842)</b>
<b>Earnings before tax</b>	<b>7,603</b>	<b>3,152</b>	<b>(1,332)</b>	<b>(2,905)</b>	<b>5,967</b>	<b>12,485</b>
Income tax	(2,462)	1,437	865	(2,784)	(2,469)	(5,414)
<b>Net Income</b>	<b>5,141</b>	<b>4,589</b>	<b>(467)</b>	<b>(5,689)</b>	<b>3,497</b>	<b>7,072</b>
Earnings - parent company	5,117	4,589	(466)	(5,689)	3,497	7,048
Earnings - non-controlling interest	25	0	(1)	0	0	24
<b>Amortization of intangibles</b>	<b>(2,651)</b>	<b>(1,534)</b>	<b>(11,296)</b>	<b>(3,366)</b>	<b>(1,703)</b>	<b>(20,551)</b>
Deferred tax - amortizations	928	690	1,432	1,010	426	4,486
<b>Adjusted net income</b>	<b>6,840</b>	<b>5,433</b>	<b>9,398</b>	<b>(3,332)</b>	<b>4,775</b>	<b>23,113</b>

Production volumes for Q2 2017 were driven by significant increases with car insurance, that continues to be one of the most popular solutions offered by these companies and on which they have built strong competitive positions in each of their local markets. Also worth noting is the amount of large corporate business that was secured in the lines of Engineering and Group Life insurance.

Every one of our subsidiaries is making all-out efforts to beef up their local sales forces, in keeping with Suramericana's sales strategy. This has been amply evidenced by a drop of 680 basis points in commission and fee expense compared to the previous quarter.

At the same time, Senior Management is striving to stabilize administrative expense, after the costs incurred by the RSA operations during the acquisition. We continue to invest in local marketing campaigns stressing the benefits of the changeover to the SURA brand, as well as our new technological prowess that shall allow us to drive our business in the future.

The gross claims rate for this past quarter remained contained as far as frequency is concerned, whereas in some countries, such as Chile, Mexico and Uruguay, there was a series of severe events which affected their claims rates, mainly in the branches of Fire, Transport and Compliance insurance. The incurred and retained claims rate ended up at 40.8% for all the newly acquired operations, which is still quite competitive compared to the rest of the Latin American market.

The results posted by these subsidiaries at the end of Q2 reveal more stable levels of expense along with lower interest rates and better financial conditions all of which are driving up the Company's investment income thereby supplementing its technical insurance operations.

Brazil's performance has improved compared to last year due to a lower claims rate mainly in transport insurance as well as a strict control over expense. These enhanced technical results were further leveraged by having freed up the reserves corresponding to various Affinity agreements which are being run off this year.

On the other hand, the Mexican subsidiary posted a negative net income figure for Q2 2017 in spite of (i) an adequate growth in retained premiums; (ii) all-out efforts on the part of its sales staff; and (iii) an increase in its market share. This decline was mainly due to various large-scale claims as a result of a series of severe events, as well as challenging economic conditions that have had an adverse effect on financial income. Inflation in Mexico has already surpassed the upper limit of the range targeted by Banxico the Mexican Central Bank, this due to the depreciation of the Mexican peso in response to growing political risk stemming from tensions with its main trading partner. As a result interest rates have been climbing since October 2017 which have negatively affected the performance of fixed-income securities. However, market volatility is expected to gradually subside from here to the end of the year, as Mexico gets back on a path to economic recovery.

### 3. SURA Asset Management

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

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

	jun-17	jun-16	%Var	% Var excl. foreign exchange
Fee and commission income	934,911	948,416	-1.4%	5.5%
Other investment income	4,561	6,490	-29.7%	-20.9%
Other gains and losses at fair value	7,105	757	839.1%	845.6%
Income from legal reserve	128,104	29,168	339.2%	367.3%
Income (expense) via equity method	91,535	56,036	63.3%	63.8%
Other operating income	3,085	6,407	-51.8%	-50.1%
<b>Operating income</b>	<b>1,169,303</b>	<b>1,047,275</b>	<b>11.7%</b>	<b>19.0%</b>
Gross premiums	1,207,925	1,280,171	-5.6%	-1.6%
Premiums ceded to reinsurers	(45,387)	(31,899)	42.3%	56.9%
<b>Net premiums</b>	<b>1,162,538</b>	<b>1,248,272</b>	<b>-6.9%</b>	<b>-3.0%</b>
Income from reserve investments	294,570	150,833	95.3%	106.9%
Earnings at fair value from reserve investments	78,377	17,396	351%	359%
Claims	(484,706)	(377,714)	28.3%	34.7%
Movement in premium reserves	(920,417)	(932,584)	-1.3%	2.6%
<b>Total insurance margin</b>	<b>130,362</b>	<b>106,202</b>	<b>22.7%</b>	<b>30.0%</b>
Selling expense	(209,882.1)	(206,415)	1.7%	8.9%
Deferred Acquisition Costs (DAC)	(13,009)	2,370	-649.0%	-543.2%
Operating and administrative expense	(530,249)	(486,034)	9.1%	15.7%
Wealth tax	(22,067)	(56,564)	-61.0%	-61.0%
<b>Total operating expense</b>	<b>(775,207)</b>	<b>(746,644)</b>	<b>3.8%</b>	<b>10.0%</b>
<b>Operating earnings</b>	<b>524,458</b>	<b>406,833</b>	<b>28.9%</b>	<b>38.7%</b>
Financial income	14,989	10,361	44.7%	52.2%
Financial expense	(97,435)	(74,127)	31.4%	36.7%
(Expense) income from financial derivatives	30,441	40,060	-24.0%	-23.5%
(Expense) income on exchange differences	(63,796)	37,006	-272.4%	-275.2%
<b>Earnings before income tax</b>	<b>408,656</b>	<b>420,133</b>	<b>-2.7%</b>	<b>4.0%</b>
Income Tax	(174,076)	(173,368)	0.4%	5.6%
<b>Net income from continuing operations for the period</b>	<b>234,580</b>	<b>246,765</b>	<b>-4.9%</b>	<b>2.9%</b>
Net income from discontinued operations for the period	16,851.4	48,823.8	-65.5%	-64.3%
<b>Net income (losses) for the period</b>	<b>251,432</b>	<b>295,589</b>	<b>-14.9%</b>	<b>-8.6%</b>

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

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

TRIMESTRE	Q2 2017	Q2 2016	%Var	% Var excl. foreign exchange effects
Fee and commission income	477,247	463,583	2.9%	5.3%
Other investment income	4,216	(705)	697.6%	1502.6%
Realized gains on financial assets held for sale	-	-		
Other gains and losses at fair value	7,006	693	910.8%	913.5%
Income from legal reserve	47,190	22,147	113.1%	122.2%
Income (expense) via equity method	50,878	28,398	79.2%	79.4%
Other operating income	1,605	5,236	-69.3%	-74.2%
<b>Operating income</b>	<b>588,142</b>	<b>519,351</b>	<b>13.2%</b>	<b>15.7%</b>
Gross premiums	549,603	560,911	-2.0%	-1.6%
Premiums ceded to reinsurers	(273)	(12,411)	-97.8%	-104.7%
<b>Net premiums</b>	<b>549,330</b>	<b>548,500</b>	<b>0.2%</b>	<b>0.6%</b>
Income from reserve investments	78,248	11,362	588.7%	430.0%
Earnings at fair value from reserve investments	7,562	(10,034)	175.4%	190.5%
Claims	(198,288)	(142,587)	39.1%	40.2%
Movement in premium reserves	(402,414)	(417,235)	-3.6%	-4.0%
<b>Total insurance margin</b>	<b>34,438</b>	<b>(9,994)</b>	<b>-444.6%</b>	<b>-529.4%</b>
Selling expense	(105,317)	(103,993)	1.3%	4.5%
Deferred Acquisition Costs (DAC)	(5,727)	5,307	-207.9%	-206.7%
Operating and administrative expense	(271,505)	(207,094)	31.1%	33.4%
Wealth tax	(108)	(135)	-20.3%	-24.7%
<b>Total operating expense</b>	<b>(382,657)</b>	<b>(305,916)</b>	<b>25.1%</b>	<b>27.6%</b>
<b>Operating earnings</b>	<b>239,923</b>	<b>203,441</b>	<b>17.9%</b>	<b>19.6%</b>
Financial income	7,853	3,743	109.8%	114.1%
Financial expense	(51,618)	(37,542)	37.5%	39.8%
(Expense) income from financial derivatives	16,193	18,558	-12.7%	-13.0%
(Expense) income on exchange differences	(70,191)	22,257	-415.4%	-437.5%
<b>Earnings before income tax</b>	<b>142,161</b>	<b>210,457</b>	<b>-32.5%</b>	<b>-31.8%</b>
Income Tax	(80,820)	(98,203)	-17.7%	-16.3%
<b>Net income from continuing operations for the period</b>	<b>61,341</b>	<b>112,254</b>	<b>-45.4%</b>	<b>-45.4%</b>
Net income from discontinued operations for the period	16,851	48,824	-65.5%	-64.3%
<b>Net income (losses) for the period</b>	<b>78,192</b>	<b>161,078</b>	<b>-51.5%</b>	<b>-51.2%</b>

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

At June 30th 2017 and December 31st 2016  
(stated in COP millions)

	jun-17	dic-16	%Var
Financial assets	13,228,577	15,437,246	-14.3%
Goodwill	4,165,249	3,928,830	6.0%
Other intangible assets	2,697,050	2,681,723	0.6%
Investments in related parties	1,086,267	1,084,301	0.2%
Investment properties	582,348	984,377	-40.8%
Accounts receivable	424,913	627,938	-32.3%
Deferred Acquisition costs (DAC)	564,336	539,768	4.6%
Cash and cash equivalents	643,531	300,590	114.1%
Deferred tax assets	205,687	213,837	-3.8%
Current tax	226,833	232,180	-2.3%
Fixed assets	146,945	174,593	-15.8%
Financial assets - hedging arrangements	42,541	489,368	-91.3%
Reinsurance assets	70,105	58,103	20.7%
Other assets	57,379	56,377	1.8%
Available-for-sale non-current assets	4,913,922	-	
<b>Total assets</b>	<b>29,055,684</b>	<b>26,809,228</b>	<b>8.4%</b>
Technical reserves	10,045,020	12,561,260	-20.0%
Issued bonds	2,586,371	1,512,427	71.0%
Financial obligations	558,436	1,522,098	-63.3%
Financial liabilities - hedging arrangements	80,632	560,407	-85.6%
Deferred tax liabilities	1,411,227	1,327,223	6.3%
Current tax liabilities	188,428	189,438	-0.5%
Accounts payable	732,567	419,484	74.6%
Employee benefits	99,371	129,085	-23.0%
Deferred income liabilities (DIL)	58,641	55,477	5.7%
Provisions	67,207	22,763	195.2%
Other liabilities	12,354	11,628	6.2%
Available-for-sale non-current liabilities	4,275,974	-	
<b>Total liabilities</b>	<b>20,116,228</b>	<b>18,311,290</b>	<b>9.9%</b>
PARENT COMPANY EQUITY	8,736,471	8,308,690	5.1%
Minority interest	202,985	189,249	7.3%
<b>Total equity</b>	<b>8,939,456</b>	<b>8,497,939</b>	<b>5.2%</b>
<b>Total equity and liabilities</b>	<b>29,055,684</b>	<b>26,809,228</b>	<b>8.4%</b>

Figures stated in dollars were converted from Colombian pesos using the exchange rate applicable at the end of Q2 2017 (COP 3,050.4 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 29.1 billion (USD 9.5 billion), for a growth of 8.4%, as well as a shareholders' equity of COP 8.9 billion (USD 2.9 billion) showing an increase of 5.2% at year-end 2016 due to a drop of COP 399,684 million (USD 131 million) with



the translation difference account which was in turn offset by an increase in net income for the period. Another decline was recorded with the other capital reserves account due to declared dividends paid out to shareholders in the amount of COP 416,625 million (USD 136.6 million)

The rise in the shareholders' equity account was due the translation effect of converting US dollars to Colombian pesos on the financial statements.

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

Exchange rate	June 2017	June 2016	% Change
	LC/USD	LC/USD	COP/LC
Chile	<b>659.8</b>	689.5	-2.2%
Mexico	<b>19.4</b>	18.1	-13.0%
Peru	<b>3.3</b>	3.4	-3.4%
Colombia	<b>2,921.0</b>	3,121.9	0.0%
Uruguay	<b>28.4</b>	31.4	3.6%

*\*LC: Local Currency*

SURA Asset Management obtained operating income from its fund management business totaling COP 1,169,303 million (USD 383.3 million), showing a year-on-year increase of 19.0% at constant exchange rates, this mainly due to a good level of performance on the part of its voluntary savings business which in turn drove up the Company's commission income, this in addition to higher returns obtained from its legal reserve and the growth in revenues via the equity method from Protección's mandatory pension business.

It is important to note that AFP Protección and AFP Crecer do not form part of SURA Asset Management's consolidated financial statements given the 49.4% stake held. The income corresponding to the Company's share in both companies using the equity method came to COP 79,761 million (USD 26.1 million) for a growth of 60.1% at constant exchange rates. This increase was mainly due to an excellent level of performance with regard to investment income from the Company's legal reserve, which rose by 196.4% year-on-year, as well a 12.1% increase in fee and commission income given an increase of 7.8% in the wage base as well as a better level of performance with the Company's voluntary pension business.

On the other hand, the total insurance margin ended the year at COP 130,362 million (USD 42.7 million), for a growth of 30.0% at constant exchange rates, this mainly due to a 122% growth in investments underpinning reserves.

It is important to note that, as of this past quarter, the entire insurance margin of the company Seguros Sura Perú was reclassified to net income obtained from discontinued operations for the period, and hence this account corresponds solely to the Company's insurance companies in Chile and Mexico.

Operating expenses closed at COP 775,207 million (USD 254.1 million), presenting a 10.0% growth in constant rates. In the semester, the non-recurring provision for fines in Mexico<sup>1</sup> of COP 41,478 million (USD 13.6 million) and equity tax amounting to COP 22,067 million (USD 7.2 million) decreasing 61.0% are highlighted.

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<sup>1</sup> Provision recorded as a result of the sanction issued by the COFECE (Federal Commission for Economic Competition), in light of the situation presented in the Afores market in Mexico, which was publicly reported in May.



Sura Asset Management's consolidated cost/income ratio (operating and administrative expense/operating income plus insurance margin) came to 40% having dropped by 152 basis points compared to the previous quarter.

Exchange differences on a year-to-date basis show increased expense totaling COP 100,802 million. 86% of this corresponds to Colombia given its dollar-denominated borrowings. This account performed well last year given the appreciation of the Colombian peso, as opposed to this year with the current depreciation trend.

Net income obtained from discontinued operations for the period (COP 16,851.4 million) included income from Seguros SURA Perú, which was sold off in its entirety to InterCorp. SURA Asset Management held a 69.3% stake in this insurance company, which means that this percentage shall only be reflected in the amount of discontinued income.

The year-on-year decrease in the net income recorded by Seguros SURA Perú was due to an 18% drop in net premiums, measured at constant exchange rates in the light of the amount of retirement funds being withdrawn under the new "95.5% law" along with a 14.2% decline in the amount of returns obtained from investments underpinning reserves, all of which produced a 17.7% decrease in the Company's total insurance margin. Operating expense increased by 30% mainly due to selling expense, which rose by 85.1% given the amount of severance paid out to the Company's sales force.

Consequently SURA Asset Management posted a consolidated net income of COP 251,432 million (USD 82.4 million), for a 8.6% year-on-year decline, measured at constant exchange rates

With regard to the results for Q2, net income closed at COP 78,192 million (USD 25.6 million), recording a drop of 51.2% compared to the same period last year. This was mainly due to increased financial expense, which rose by 39.8% as well as exchange rate differences which were negative for this past quarter.

## EBITDA

Operating expense on a year-to-date basis came to COP 665,629 million (USD 218.2 million) for a growth of 17.7% at constant exchange rates. This was mainly due to higher returns obtained this year on the Company's legal reserve. However, expense for this past quarter was driven up due to the provision set up in the amount of COP 41,478 million (USD 13.6 million) to cover a sanction imposed by COFECE1 in Mexico.

If we were to eliminate the effect of the Company's legal reserve upon calculating EBITDA, this would have produced a year-on-year negative growth of -0.1% at constant exchange rates. If we were to eliminate the provision set up with regard to COFECE1 from EBITDA (this provision having a one-time effect in any event), this would have produced an increase of 7.6%, measured at constant exchange rates.

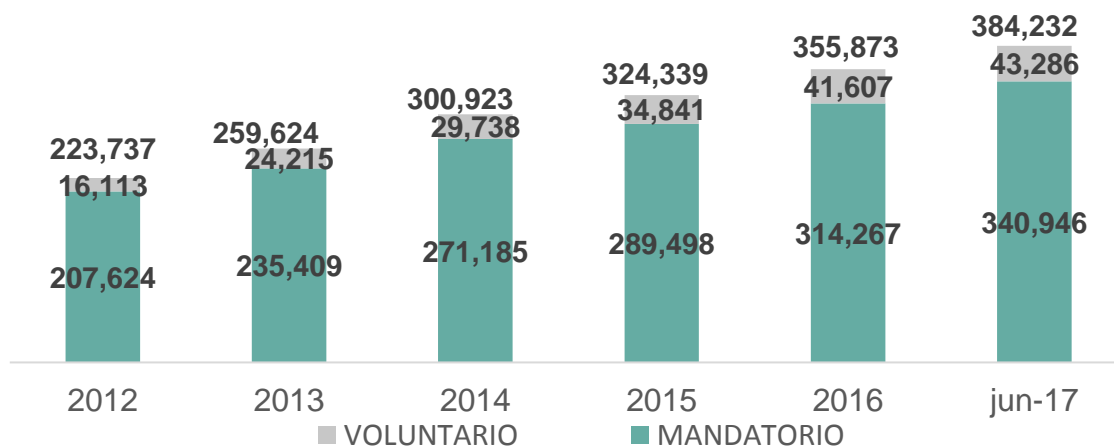
EBITDA	YTD				Quarter			
	jun-17	jun-16	%Var	% Var excl. foreign exchange	Q2 2017	Q2 2016	%Var	% Var excl. foreign exchange
Chile	267,425	174,459	53.3%	56.8%	106,714	69,843	52.8%	52.7%
Mexico	180,717	204,252	-11.5%	1.7%	77,984	94,281	-17.3%	-14.7%
Peru	146,410	184,443	-20.6%	-17.8%	74,627	98,048	-23.9%	-22.9%
Uruguay	29,822	21,428	39.2%	34.4%	19,129	10,023	90.9%	76.9%
Protección	79,761	49,828	60.1%	60.1%	46,459	25,117	85.0%	85.0%
Corporate and Others	-38,506	-33,131	16.2%	16.5%	-18,575	-9,404	97.5%	97.9%
<b>Total</b>	<b>665,629</b>	<b>601,280</b>	<b>10.7%</b>	<b>17.7%</b>	<b>306,338</b>	<b>287,908</b>	<b>6.4%</b>	<b>8.2%</b>
Encaje	128,104	29,168	339.2%	367.3%	47,190	22,147	113.1%	122.2%
<b>Ebitda sin encaje</b>	<b>537,525</b>	<b>572,112</b>	<b>-6.0%</b>	<b>-0.1%</b>	<b>259,148</b>	<b>265,761</b>	<b>-2.5%</b>	<b>-1.1%</b>

Figures in COP millions

### Assets under management

Assets Under Management, including those of AFP Protección and AFP Crecer, came to COP 384.2 billion (USD 126.0 billion) for a year-on-year growth of 14.4% at constant exchange rates. This was mainly due to increases of 10.6% in the net fund flow and 246.2% in returns on investments. At the end of Q2 2017, the net fund flow came to COP 6.8 billion (USD 2.2 billion) with returns reaching COP 23.7 billion (USD 7.8 billion)

These assets belong to 19.1 million clients in Latin America.



AUM	jun-17	jun-16	%Var	% Var excl. foreign
Chile	124,265,422	106,264,969	16.9%	12.5%
México	88,702,794	73,689,676	20.4%	14.7%
Perú	60,646,823	52,090,813	16.4%	10.2%
Uruguay	8,558,382	6,012,434	42.3%	26.9%
Protección	88,149,413	73,598,981	19.8%	19.8%
El Salvador	13,909,141	12,244,843	13.6%	8.7%
<b>Total</b>	<b>384,231,976</b>	<b>323,901,716</b>	<b>18.6%</b>	<b>14.4%</b>

Clients (in millions)	jun-17	jun-16	%Var
Chile	1.9	1.9	-1.1%
México	7.4	6.4	16.1%
Perú	2.0	2.1	-0.3%
Uruguay	0.3	0.3	0.5%
Protección	5.9	5.6	5.3%
El Salvador	1.6	1.5	4.6%
<b>Total</b>	<b>19.1</b>	<b>17.7</b>	<b>7.7%</b>

## MANDATORY PENSIONS

### Mandatory Pension Segment Main figures

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

	jun-17	jun-16	%Var	% Var excl. foreign exchange
Fee and commission income	841,589	868,777	-3.1%	3.7%
Other investment income	167	1,208	-86.2%	-86.0%
Other gains and losses at fair value	(0)	-		
Income from legal reserve	126,702	28,254	348.4%	376.4%
Income (expense) via equity method	86,182	48,261	78.6%	79.1%
Other operating income	3,096	1,115	177.8%	205.4%
<b>Operating income</b>	<b>1,057,737</b>	<b>947,614</b>	<b>11.6%</b>	<b>19.0%</b>
Selling expense	(110,819)	(112,342)	-1.4%	6.4%
Deferred Acquisition Costs (DAC)	(14,621)	(1,609)	808.7%	1471.9%
Operating and administrative expense	(303,878)	(273,157)	11.2%	19.4%
Wealth tax	(171)	(150)	13.8%	9.9%
<b>Total operating expense</b>	<b>(429,489)</b>	<b>(387,258)</b>	<b>10.9%</b>	<b>19.4%</b>
<b>Operating earnings</b>	<b>628,244</b>	<b>560,356</b>	<b>12.1%</b>	<b>18.7%</b>
Financial income	7,894	6,946	13.7%	21.0%
Financial expense	(2,035)	(2,501)	-18.6%	-15.0%
(Expense) income from financial derivatives	-	-		
(Expense) income on exchange differences	(6,473)	1,125	-675.4%	-749.6%
<b>Earnings before income tax</b>	<b>627,630</b>	<b>565,926</b>	<b>10.9%</b>	<b>17.5%</b>
Income tax	(154,025)	(133,790)	15.1%	23.3%
<b>Net income from continuing operations for the period</b>	<b>473,605</b>	<b>432,136</b>	<b>9.6%</b>	<b>15.7%</b>

**Mandatory Pension Segment**  
**Main figures**

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

QUARTER	Q2 2017	Q2 2016	%Var	%Var. Ex. Efectos Cambiarios
Fee and commission income	<b>430,248</b>	425,330	1.2%	3.5%
Other investment income	<b>85</b>	675	-87.4%	-87.5%
Realized gains on financial assets held for sale	-	-		
Other gains and losses at fair value	-	-		
Income from legal reserve	<b>46,284</b>	21,658	113.7%	122.7%
Income (expense) via equity method	<b>48,046</b>	24,102	99.3%	99.6%
Other operating income	<b>(1,806)</b>	513	-452.2%	-510.6%
<b>Operating income</b>	<b>522,856</b>	<b>472,277</b>	<b>10.7%</b>	<b>13.3%</b>
Selling expense	<b>(57,965)</b>	(63,102)	-8.1%	-3.9%
Deferred Acquisition Costs (DAC)	<b>(4,996)</b>	4,510	-210.8%	-210.9%
Operating and administrative expense	<b>(176,778)</b>	(134,800)	31.1%	35.0%
Wealth tax	<b>(87)</b>	(91)	-4.2%	-9.8%
<b>Total operating expense</b>	<b>(239,826)</b>	<b>(193,483)</b>	<b>24.0%</b>	<b>27.7%</b>
<b>Operating earnings</b>	<b>283,026</b>	<b>278,794</b>	<b>1.5%</b>	<b>3.4%</b>
Financial income	<b>4,795</b>	1,809	165.0%	169.7%
Financial expense	<b>(1,039)</b>	(1,165)	-10.8%	-10.1%
(Expense) income from financial derivatives	-	-		
(Expense) income on exchange differences	<b>(971)</b>	3,568	-127.2%	-124.4%
<b>Earnings before income tax</b>	<b>285,811</b>	<b>283,006</b>	<b>1.0%</b>	<b>3.0%</b>
Income tax	<b>(73,735)</b>	(66,078)	11.6%	14.7%
<b>Net income from continuing operations for the period</b>	<b>212,076</b>	<b>216,928</b>	<b>-2.2%</b>	<b>-0.5%</b>

## Chile

AFP Capital's mandatory pension business earned COP 288,743 million in commission income for Q2 2017, for an increase of 2.3% at constant exchange rates over and above the 2% rise in the wage base. This account is highly correlated with the average wage increase in this part of the world. It is worthwhile noting that this level growth was made possible even in Chile's highly competitive environment where tenders for new pension fund members hinder overall organic growth. On the other hand, pension fund membership declined by 2.6% to 1.7 million at the end of Q2, with AFP Capital now ranking in third place on the market with a 16.4% share of the market at May 2017. On the other hand, contributing fund members totaling 1.0 million at the end of Q2 showed a decline of -1.2%, which is reflected in a contribution rate of 57.6%

Returns on the legal reserves held in Chile rose significantly by 1.962%, producing earnings of COP 69.006 million (USD 22.6 million), thanks to a 14.4% increase in stock prices and a 14% increase in fixed income returns so far this year. Similarly, mandatory pension funds produced an average return of 7.2% at the end of Q2 2017 which was much higher than the 0.6% obtained at year-end 2016.

Operating expense rose by 10.9% to COP 130,312 million (USD 42.7 million) mainly due to higher sales force expense, which grew by 23.4% at constant exchange rates due to a better sales performance measured in the form of wage base deposits.

All of the above produced COP 187,139 million in net income, showing a growth of 35.7%.

## Mexico

Commission income, on a year-to-date basis is standing at COP 326,219 million (USD 106.9 million), having risen by 8.7%. This level of growth was still possible in spite of the decrease in commissions which went from 1.07% in 2016 to 1.03% for 2017, which fortunately was more than compensated by a 13.5% increase in AUM, which was much higher than the market average of 10%. This level of performance in terms of AUM was mainly due to higher returns on the part of the Siefors (Mexican specialized pension fund investment firms) which have risen by 6.8% (compared to just 2.2% for 2016). These higher returns also drove up the legal reserve income account to COP 29,564 million for a growth of 281%.

It is also worthwhile noting that Mexico's pension fund membership now stands at 7.4 million, having risen by 16.9% thanks to the amount of pension fund accounts being assigned and reassigned in this part of the world, for the purpose of rewarding the Mexican Pension Fund Management firms for enhancing net returns, as well encouraging their efforts to sign up more workers, lower their commissions, and for said firms to promote and extend voluntary savings plans. Last year, Afore SURA received the second largest volume awarded in Mexico, this consisting of approximately 1.16 million accounts representing USD 570 million in assets under management. In February and March of this year, another 205 thousand accounts were awarded representing AUM totaling USD 109 million

On the other hand, operating expense amounted to COP 201,175 million (USD 65.9 million), for an increase of 33% mainly due to a higher DAC, which rose by 303.0% as a result of lower activation of expenses and higher amortizations. The lower amount of expenses being activated is due to a weaker performance on the part of the sales force. We expect this situation to reverse in the coming months, since at the moment there are no regulatory changes that could affect our sales performance. Furthermore, operating expenses were affected by the provision set up to cover the COFECE sanction, this totaling COP 41,478 million (USD 13.6 million)

Net income stood at COP 98.577 million having declined by 12.5% compared to the previous quarter. This account was also affected by increased expense with the COFECE provision. If we were to eliminate this non-recurring effect, net income would have risen by 24.3%.

## Peru

The mandatory pension business in this part of the world recorded a year-on-year decline of 3.6%, given (i) a scant growth of 0.1% in the wage base; (ii) a stagnated job market, which fell by 1.8% in Q2 2017 (iii) adverse weather patterns affecting the economy; and (iv) the Odebrecht corruption case that affected business confidence during the first half of 2017. Furthermore, in the case of AFP Integra, mixed commissions were reduced from 1.23% to 0.9% in March 2017.

Another blow was dealt by the regulatory changes made in 2016 that allowed retirees to withdraw 25% of their pension savings for housing purchases, the effect of which was to reduce the previous volume of AUMs and consequently the mixed commissions received on such.

Nevertheless, this level of growth was still possible in spite of a highly competitive market in which tenders for new fund members are hindering organic growth, which so far has produced a -0.2% decrease in fund membership, that is to say 2.0 million less fund members at the end of Q2 2017. Likewise, contributing fund members showed a decline of -2.7%, these now standing at 0.8 million.

Operating expense has risen by 9.2% growth, mainly with regard to sales personnel expense. Nevertheless we continue with our cost efficiency drive, which is why administrative expense has fallen by 4.6%.

Net income now totals COP 86,743 million (USD 28.4 million) for an increase of 11%.

## Uruguay

The results of the Mandatory business show a positive behavior. Net income grew 34% at constant rates. This result is a result of fee income growing 14.8% in line with the growth of the salary base of 10.6%. In addition, the legal reserve had a positive performance with a growth of 254.4%, thanks to an average yield in the year of 15.8% compared to 6.8% achieved in the same period of the previous year.

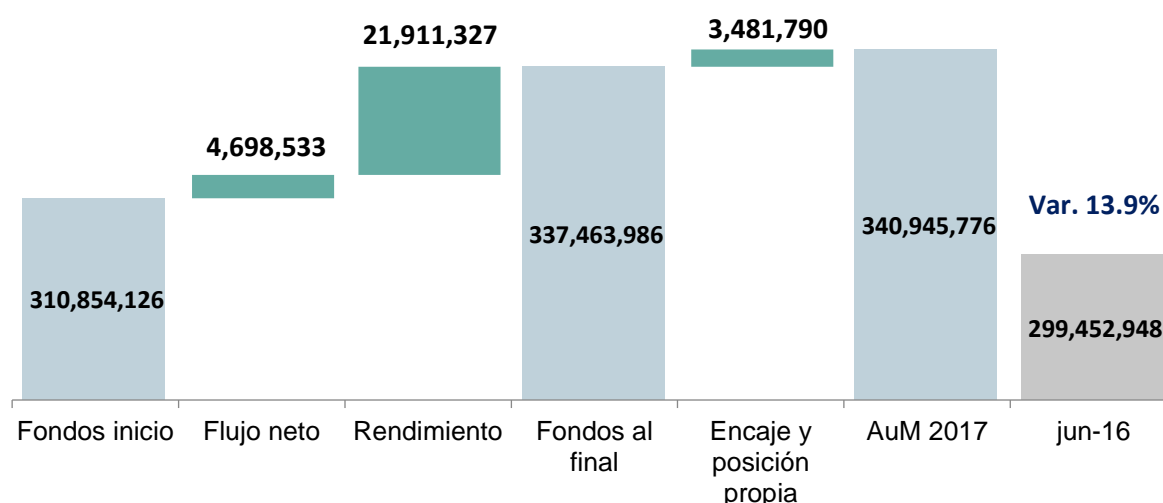
It should also be noted that operating expenses are controlled by a single digit growth of 3.2%, which contributed positively to the growth of net income.

## AFP Protección and AFP crecer

Income obtained by SURA Asset Management from AFP Protección and AFP Crecer corresponds to that posted via the equity method which came to COP 75,026.1 million (USD 24.6 million) in the case of the mandatory pension business, showing a growth of 78.4% at constant exchange rates. This increase is mainly due to an excellent performance with the legal reserves maintained by both of the aforementioned companies, which rose by 196.4% compared to last year, as well as a 10.5% increase in commission income for the mandatory pension business given a 6.7% increase in the wage base.

## 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 13.9%.



AUM - Mandatory Pension Business	June 2017	June 2016	% Change	% Change excl. foreign
Chile	<b>109,866,009</b>	94,170,337	16.7%	12.3%
Mexico	<b>74,128,040</b>	62,210,586	19.2%	13.5%
Peru	<b>53,318,422</b>	46,150,674	15.5%	9.3%
Uruguay	<b>8,230,115</b>	5,919,112	39.0%	23.9%
Protección	<b>81,494,050</b>	68,099,258	19.7%	19.7%
El Salvador	<b>13,909,141</b>	12,244,843	13.6%	8.7%
<b>Total</b>	<b>340,945,776</b>	<b>288,794,808</b>	<b>18.1%</b>	<b>13.9%</b>

*Figures stated in COP millions*

## Wage base

YTD Wage Base	jun-17	jun-16	%Var	% Change excl. foreign exchange
Chile	<b>19,645,631</b>	19,703,432	-0.3%	2.0%
Peru	<b>12,466,005</b>	12,886,771	-3.3%	0.1%
Uruguay	<b>2,113,748</b>	1,846,100	14.5%	10.6%
Protección	<b>18,124,742</b>	16,981,491	6.7%	6.7%
El Salvador	4,081,535	4,098,604	-0.4%	6.4%
<b>Total</b>	<b>56,431,661</b>	<b>55,516,398</b>	<b>1.6%</b>	<b>3.6%</b>

*Figures stated in COP millions*

## Fund membership

Membership (MM)	jun-17	jun-16	%Var
Chile	<b>1.7</b>	1.7	-2.4%
Mexico	<b>7.4</b>	6.3	16.4%
Peru	<b>2.0</b>	2.0	-0.2%
Uruguay	<b>0.3</b>	0.3	-0.2%
Protección	<b>4.3</b>	4.1	4.3%
El Salvador	<b>1.6</b>	1.5	4.6%
<b>Total</b>	<b>17.3</b>	<b>16.0</b>	<b>7.7%</b>

Contributing Members (MM)	jun-17	jun-16	%Var
Chile	<b>1.0</b>	1.0	-1.6%
México	<b>2.3</b>	2.0	15.7%
Perú	<b>0.8</b>	0.8	-1.1%
Uruguay	<b>0.2</b>	0.2	-0.7%
Protección	<b>2.0</b>	2.0	0.9%
El Salvador	<b>0.4</b>	0.4	-0.5%
<b>Total</b>	<b>6.7</b>	<b>6.4</b>	<b>4.8%</b>



## VOLUNTARY SAVINGS BUSINESS

### Voluntary Savings Segment

#### Main figures

From January 1st to June 30th

(stated in COP millions)

	jun-17	jun-16	%Var	% Change excl. foreign exchange effects
Fee and commission income	92,985	79,434	17.1%	25.3%
Other investment income	862	306	181.3%	193.6%
Other gains and losses at fair value	345	757	-54.4%	-54.0%
Income from legal reserve	1,402	914	53.4%	71.6%
Income (expense) via equity method	5,303	7,672	-30.9%	-30.9%
Other operating income	(1,723)	(387)	345.7%	354.3%
<b>Operating income</b>	<b>99,174</b>	<b>88,697</b>	<b>11.8%</b>	<b>19.0%</b>
Gross premiums	513,394	409,794	25.3%	28.2%
Premiums ceded to reinsurers	(387)	(533)	-27.4%	-23.6%
<b>Net premiums</b>	<b>513,007</b>	<b>409,260</b>	<b>25.3%</b>	<b>28.2%</b>
Income from reserve investments	69,844	(9,896)	805.8%	821.8%
Earnings at fair value from reserve	71,652	14,999	377.7%	388.6%
Claims	(267,876)	(185,547)	44.4%	47.7%
Movement in premium reserves	(356,579)	(200,116)	78.2%	82.4%
<b>Total insurance margin</b>	<b>30,047</b>	<b>28,700</b>	<b>4.7%</b>	<b>7.1%</b>
Selling expense	(67,101)	(64,381)	4.2%	8.8%
Deferred Acquisition Costs (DAC)	1,513	3,721	-59.3%	-58.4%
Operating and administrative expense	(79,280)	(76,309)	3.9%	9.6%
Wealth tax	(36)	(36)	0.1%	-3.3%
<b>Total operating expense</b>	<b>(144,904)</b>	<b>(137,005)</b>	<b>5.8%</b>	<b>11.1%</b>
<b>Operating earnings</b>	<b>(15,683)</b>	<b>(19,608)</b>	<b>-20.0%</b>	<b>-17.3%</b>
Financial income	1,171	1,087	7.7%	13.4%
Financial expense	(1,150)	(1,851)	-37.9%	-35.2%
(Expense) income from financial derivatives	41	204	-80.0%	-79.6%
(Expense) income on exchange differences	(190)	1,332	-114.3%	-114.5%
<b>Earnings before income tax</b>	<b>(15,812)</b>	<b>(18,835)</b>	<b>-16.1%</b>	<b>-13.1%</b>
Income tax	1,158	1,190	-2.7%	5.6%
<b>Net income from continuing operations for</b>	<b>(14,654.3)</b>	<b>(17,645.4)</b>	<b>-17.0%</b>	<b>-14.3%</b>
Net income from discontinued operations for the	912.1	(1,346.9)	167.7%	170.1%
<b>Net income (losses) for the period</b>	<b>(13,742.1)</b>	<b>(18,992.2)</b>	<b>-27.6%</b>	<b>-25.4%</b>

### Voluntary Savings Segment

#### Main figures

From March 31st to June 30th

(stated in COP millions)

QUARTER	Q2 2017	Q2 2016	% Change	% Change excl. excl.
Fee and commission income	46,976	39,076	20.2%	23.0%
Other investment income	770	440	75.2%	82.0%
Realized gains on financial assets held for sale	-	-		
Other gains and losses at fair value	266	693	-61.7%	-61.6%
Income from legal reserve	906	489	85.2%	97.7%



Income (expense) via equity method	2,807	4,217	-33.4%	-33.4%
Other operating income	2,726	32	8482.5%	12539.5%
<b>Operating income</b>	<b>54,451</b>	<b>44,947</b>	<b>21.1%</b>	<b>23.7%</b>
Gross premiums	257,523	193,424	33.1%	33.4%
Premiums ceded to reinsurers	44	836	-94.8%	-93.1%
<b>Net premiums</b>	<b>257,567</b>	<b>194,260</b>	<b>32.6%</b>	<b>32.9%</b>
Income from reserve investments	37,298	4,012	829.6%	927.7%
Earnings at fair value from reserve investments	10,330	22,943	-55.0%	-51.7%
Claims	(145,729)	(104,067)	40.0%	41.4%
Movement in premium reserves	(153,244)	(108,765)	40.9%	42.3%
<b>Total insurance margin</b>	<b>6,221</b>	<b>8,383</b>	<b>-25.8%</b>	<b>-27.4%</b>
Selling expense	(32,298)	(33,326)	-3.1%	-1.7%
Deferred Acquisition Costs (DAC)	(810)	1,457	-155.6%	-154.1%
Operating and administrative expense	(39,300)	(35,772)	9.9%	10.8%
Wealth tax	(20)	(21)	-7.8%	-13.2%
<b>Total operating expense</b>	<b>(72,428)</b>	<b>(67,662)</b>	<b>7.0%</b>	<b>8.3%</b>
<b>Operating earnings</b>	<b>(11,755)</b>	<b>(14,333)</b>	<b>-18.0%</b>	<b>-16.8%</b>
Financial income	584	748	-22.0%	-20.4%
Financial expense	(792)	(794)	-0.3%	-0.7%
(Expense) income from financial derivatives	(51)	(19)	168.8%	271.7%
(Expense) income on exchange differences	91	98	-7.4%	-33.6%
<b>Earnings before income tax</b>	<b>(11,924)</b>	<b>(14,300)</b>	<b>-16.6%</b>	<b>-15.3%</b>
Income tax	845	(1,041)	-181.2%	-191.7%
<b>Net income from continuing operations for the period</b>	<b>(11,079)</b>	<b>(15,341)</b>	<b>-27.8%</b>	<b>-25.9%</b>
Net income from discontinued operations for the period	912	(1,347)	-167.7%	-170.1%
<b>Net income (losses) for the period</b>	<b>(10,166)</b>	<b>(16,688)</b>	<b>-39.1%</b>	<b>-37.4%</b>

## Chile

The voluntary savings business posted a good growth in terms of commission income, this reaching COP 47,900 million (USD 15.7 million), for a 16.7% increase at constant exchange rates with AUM rising by 20.8%, offset by voluntary savings commissions averaging out at 1.12% for a decline of 9 bp.

The total insurance margin rose by 3%, mainly due to a 2736% increase in income from investments underpinning reserves, in the light of a much enhanced performance on the part of the financial markets. In turn, net premiums showed a growth of 26% growth, due to higher sales of the unit linked product. However, claims rose by 47% and movements in reserves increased by 79%, all of which affected the final growth figure.

Operating expense rose by 10%, mainly due to the 8% increase in sales personnel expense given the number of extra sales staff hired and the consequent increase in fixed salaries and bonuses.

All this produced a loss of COP 8,078.7 million (USD 2.7 million), for a growth of 47.5%.

## Mexico

In Q2 2017, the voluntary savings business in Mexico produced commission income totaling COP 33,519 million, for a 21.3% growth at constant exchange rates, this as a result of a 20.8% increase in assets under management.

The growth in assets under management was driven by a 21.5% year-on-year increase in the opening balance of AUM this year along with a 33.4% increase in the net fund flow.

The total insurance margin stands at COP 1,268 million (USD 0.4 million) for a growth of 2035%, mainly due to an increase of 971% in net premiums.

On the other hand, operating expenses closed at COP 39.436 million (USD 13.5 million), for a 35.1% increase due to higher selling expense, which rose by 60% on the back of increased commissions paid to the sales force on higher production volumes as well as higher advertising expense.

The overall net loss stands at COP 1,831 million (USD 0.6 million), for an increase of 640%, mainly due to higher selling expense.

It is important to note that, although these businesses are currently showing losses, their respective volumes of assets under management have risen significantly compared to the competition. Assets under management for the voluntary savings and complementary business rose by 43.9% compared to an industrial average of 26%. Furthermore, AUM for the entire fund management industry rose by 18.2%, which upon excluding SURA would have risen by just 1.1%.

## Perú

The voluntary savings business continued to perform well with higher commission income rising by 51.8% on a higher balance of assets under management for this same business that rose by 37.1% to COP 3.1 billion (USD 1.0 billion). Generally speaking, all lines of business in this part of the world have performed well in terms of the growth rates recorded for assets under management. Nevertheless, the net fund flow declined by 56.7% year-on-year, mainly due to the net fund flow figure corresponding to the Stock Brokerage firm (SAB) being affected in 2016 by the purchase of a portfolio of assets from GPI in February, that were recorded in the form of a deposit in the Net Flow and Institutional Net Flow accounts, which in spite of the positive balance currently observed has produced a decline compared to last year. On the other hand, the voluntary savings business showed increases of 87.2% in assets under management and 463.4% in net flows, mainly due to the flows obtained in the form of assets withdrawn under the new "95.5% Pension Law".

Operating expense came to COP 13,076 million (USD 4.5 million) for a growth of 31.4% at constant exchange rates, which is still lower than the growth recorded in operating revenues.

This level of performance reduced the overall loss for this segment, which currently stands at -COP 4,217 million (-USD 1.4 million), having declined by 73.5%.

The client base in this part of the world has increased significantly by 21.4% year on year, for a total of 44,345 clients.

It is important to note that as a result of having sold the insurance company Seguros Sura Perú to InterCorp, no information regarding insurance policies incorporating savings plans is being

recorded for this segment as corresponds to 2017 and for 2016 line-by-line, since all the net income received is being recorded in the net income from discontinued operations account.

## Uruguay

So far this year, commission income has risen to COP 1,456.8 million, for a 138.0% growth in local currency due to a good level of performance with the volume of AUM corresponding to the voluntary savings business which rose by 212.3%. This increase in AUM is due to a 379.2% increase in net fund flows, mainly in Chile, Mexico and Protección in Colombia, as well as a 125.3% increase in the returns obtained from these AUM. We also saw a good level of growth with the net fund flow corresponding to retail and institutional funds as well as our Uruguayan Stock Brokerage firm.

With regard to selling expense, these rose by 83%, mainly due to the amount of commissions, severance payments and special incentives paid out to the sales force having restructured our entire sales structure. Administrative expense has remained stable with a one-digit growth.

On the other hand, our client base in Uruguay has declined by 6.4% compared to the same period last year.

The net loss obtained for this line of business came to COP 5,218.6 million (USD 1.7 million) showing an increase of 32.5% at constant exchange rates. Although commission income and our total insurance margin have grown significantly, we have not been able to offset the growth in selling expense which is the prime contributor to this loss.

## AFP Protección

Revenues via the equity method from AFP Protection's voluntary pension segment, this corresponding to the 49.4% stake held, stood at COP 4,684 million (USD 1.5 million) this mainly due to a good level of performance with this line of business. The amount of revenues obtained via this method decreased by 22.5% at constant exchange rates compared to the previous quarter.

Although revenues from this segment have increased by a significant 15.9% and assets under management have risen by 21.0%, as a result of a 544.5% increase in the net fund flow, there has been an important rise in acquisition costs, in the form of new hirings and higher commission payments on better sales productivity, all of which have brought down net income.

## Colombia

The voluntary savings segment in Colombia now includes the figures being posted by SURA Investment Management, which includes 70% of the results obtained by SURA Real Estate and a 50% stake in the Unión para la Infraestructura (UPI)

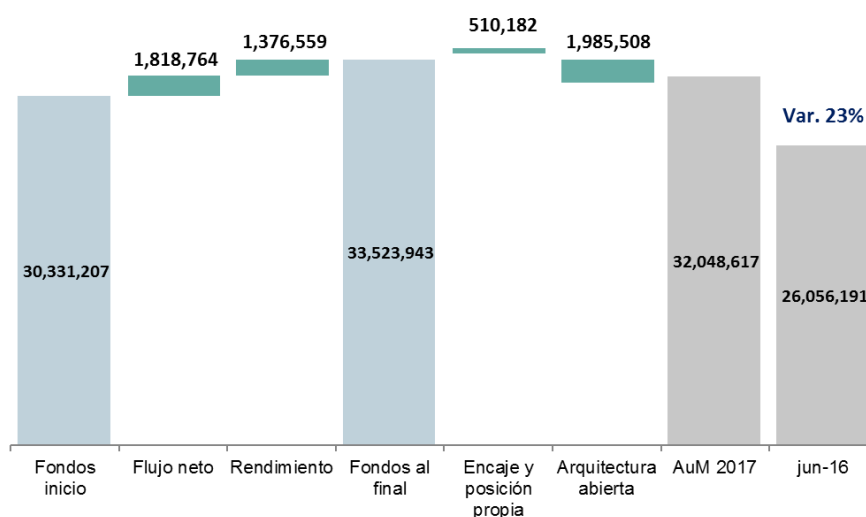
This new stream of revenues from Sura Real Estate and Sura Investment Management comes to COP 2,759.4 million (USD 0.9 million) so far this year.

Revenues obtained from the method applied to the Unión para la Infraestructura (UPI) decreased by 62.1% in constant exchange rates mainly due to an increase in administrative expense (given a new contract governing shared accounts and higher personnel expense) as well as an increase in the amount of income tax paid.

Operating and administrative expense corresponding to Sura Investment Management and SURA Real Estate rose by 74% mainly due to a 90.1% increase in personnel expense.

Net income on a YTD basis came to COP 919 million (USD 0.3 million) for a decline of 16.2%.

## AUM - Voluntary Savings Business



AUM - Voluntary Savings Business	jun-17	jun-16	% Var	% Var excl. foreign
Chile	9,462,487	7,545,091	25.4%	20.7%
Mexico	12,510,35	9,866,536	26.8%	20.8%
Peru	3,093,512	2,135,282	44.9%	37.1%
Uruguay	326.897	93,323	250.3	212.3%
Protección	6,655,363	5,499,723	21.0%	21.0%
<b>Total</b>	<b>32,048,61</b>	<b>25,139,95</b>	<b>27.5%</b>	<b>23.0%</b>

Figures stated in COP millions

## Clients

Clients voluntary savings (thousands)	jun-17	jun-16	%Var
Chile	423.6	393.4	7.7%
Mexico	218.6	162.6	34.5%
Perú	44.774	36.2	23.5%
Uruguay	8.6	9.0	-4.9%
Protección	314.4	279.0	12.7%
<b>Total</b>	<b>1009.9</b>	<b>880.2</b>	<b>14.7%</b>

## Net fund flows

Net flow Voluntary Savings	YTD			
	jun-17	jun-16	%Var	% Change excl. foreign exchange
Chile	608,749	381,136	59.7%	53.7%
México	678,850	485,009	40.0%	33.4%
Perú	175,149	382,718	-54.2%	-56.7%
Uruguay	83,834	15,595	437.6%	379.2%
Protección	272,183	42,230	544.5%	544.5%
<b>Total</b>	<b>1,818,764</b>	<b>1,306,688</b>	<b>39.2%</b>	<b>32.8%</b>

## Returns

Returns on Voluntary Savings	YTD			% Change excl. foreign exchange
	jun-17	jun-16	%Var	
Chile	591,671	-128,790		
Mexico	304,636	349,119	-12.7%	-16.9%
Perú	122,982	117,289	4.9%	-0.8%
Uruguay	11,156	4,414	152.7%	125.3%
Protección	346,114	246,853	40.2%	40.2%
<b>Total</b>	<b>1,376,559</b>	<b>588,885</b>	<b>133.8%</b>	<b>126.3%</b>

Figures stated in COP millions

## INSURANCE WITH PROTECTION BUSINESS

### Insurance with Protection segment

From January 1st to June 30th

### Main figures

(stated in COP millions)

	jun-17	jun-16	%Var	% Change excl. foreign
Fee and commission income	191.9	205.1	-6.4%	-1.1%
Other investment income	11.5	9.4	22.4%	27.0%
Other gains and losses at fair value	-	(0.0)	-100.0%	-100.0%
Income from legal reserve	-	-		
Income (expense) via equity method	73.8	50.0	47.7%	47.7%
Other operating income	665.4	368.2	80.7%	108.7%
<b>Operating income</b>	<b>942.6</b>	<b>632.7</b>	<b>49.0%</b>	<b>64.8%</b>
Gross premiums	180,109.6	150,918.3	19.3%	29.9%
Premiums ceded to reinsurers	(44,999.7)	(31,365.8)	43.5%	58.3%
<b>Net premiums</b>	<b>135,109.8</b>	<b>119,552.4</b>	<b>13.0%</b>	<b>22.6%</b>
Income from reserve investments	5,359.7	3,624.6	47.9%	60.8%
Earnings at fair value from reserve investments	(149.1)	(10.7)	1289.3%	16246.1%
Claims	(75,338.6)	(76,615.1)	-1.7%	6.4%
Movement in premium reserves	(23,411.4)	(11,036.7)	112.1%	124.3%
<b>Total insurance margin</b>	<b>41,570.4</b>	<b>35,514.5</b>	<b>17.1%</b>	<b>28.8%</b>
	-			
Selling expense	(26,070.3)	(22,651.3)	15.1%	30.4%
Deferred Acquisition Costs (DAC)	98.9	257.4		
Operating and administrative expense	(27,125.2)	(21,208.8)	27.9%	34.8%
Wealth tax	(0.2)	0.5	-138.2%	-136.9%
<b>Total operating expense</b>	<b>(53,096.9)</b>	<b>(43,602.2)</b>	<b>21.8%</b>	<b>33.1%</b>
<b>Operating earnings</b>	<b>(10,583.8)</b>	<b>(7,455.0)</b>	<b>42.0%</b>	<b>50.4%</b>
Financial income	52.7	167.0	-68.4%	-67.7%
Financial expense	(266.6)	(383.7)	-30.5%	-26.3%
(Expense) income from financial derivatives	9.5	25.6	-62.9%	-62.1%
(Expense) income on exchange differences	(15.1)	(44.9)	-66.4%	-59.2%
<b>Earnings before income tax</b>	<b>(10,803.3)</b>	<b>(7,691.0)</b>	<b>40.5%</b>	<b>49.1%</b>
Income tax	4,218.5	1,471.2	186.7%	185.6%
<b>Net income from continuing operations for the period</b>	<b>(6,584.8)</b>	<b>(6,219.8)</b>	<b>5.9%</b>	<b>14.1%</b>
Net income from discontinued operations for the period	10,713.8	692.9	1446.1%	1500.1%
<b>Net income (losses) for the period</b>	<b>4,129.0</b>	<b>(5,526.9)</b>	<b>174.7%</b>	<b>181.0%</b>

**Insurance with Protection segment**  
**Main figures**

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

TRIMESTRE	2T 2017	2T 2016	%Var	%Var. Ex. Efectos Cambiarios
Fee and commission income	89.5	(567.1)	115.8%	116.6%
Other investment income	5.8	6.0	-2.8%	-2.8%
Other gains and losses at fair value	-	-		
Income from legal reserve	-	-		
Income (expense) via equity method	38.2	46.5	-17.7%	-17.7%
Other operating income	(45.9)	(164.5)	-72.1%	-43.1%
<b>Operating income</b>	<b>87.6</b>	<b>(679.2)</b>	<b>112.9%</b>	<b>108.5%</b>
Gross premiums	49,474.2	73,709.1	-32.9%	-33.5%
Premiums ceded to reinsurers	(91.7)	(13,246.8)	-99.3%	-105.8%
<b>Net premiums</b>	<b>49,382.5</b>	<b>60,462.3</b>	<b>-18.3%</b>	<b>-18.0%</b>
Income from reserve investments	2,775.0	1,090.8	154.4%	161.7%
Earnings at fair value from reserve investments	0.1	(538.5)	100.0%	102.4%
Claims	(37,790.7)	(32,001.8)	18.1%	22.9%
Movement in premium reserves	3,127.7	(18,460.8)	116.9%	123.0%
<b>Total insurance margin</b>	<b>17,494.6</b>	<b>10,552.0</b>	<b>65.8%</b>	<b>68.8%</b>
Selling expense	(13,079.8)	(6,373.7)	105.2%	119.2%
Deferred Acquisition Costs (DAC)	78.9	(659.9)	112.0%	112.2%
Operating and administrative expense	(11,956.5)	(6,209.2)	92.6%	90.6%
Wealth tax	(0.1)	0.6	-122.7%	-122.0%
<b>Total operating expense</b>	<b>(24,957.6)</b>	<b>(13,242.2)</b>	<b>88.5%</b>	<b>93.2%</b>
<b>Operating earnings</b>	<b>(7,375.4)</b>	<b>(3,369.4)</b>	<b>118.9%</b>	<b>132.2%</b>
Financial income	3,239.4	111.6	2803.9%	2799.1%
Financial expense	(162.7)	(178.2)	-8.7%	-6.6%
(Expense) income from financial derivatives	(11.7)	(3.2)	268.8%	370.4%
(Expense) income on exchange differences	(39.7)	(54.4)	-27.2%	-27.6%
<b>Earnings before income tax</b>	<b>(4,350.1)</b>	<b>(3,493.6)</b>	<b>24.5%</b>	<b>29.1%</b>
Income tax	189.0	1,607.7	-88.2%	-92.2%
<b>Net income from continuing operations for the period</b>	<b>(4,161)</b>	<b>(1,886)</b>	<b>120.6%</b>	<b>138.4%</b>
Net income from discontinued operations for the period	10,714	693	1446.1%	1500.1%
<b>Net income (losses) for the period</b>	<b>6,553</b>	<b>(1,193)</b>	<b>649.3%</b>	<b>767.2%</b>

## Chile

The total insurance margin, which measures the actual contribution of the insurance business to the overall results, stood at COP 12,931.1 million (USD 4.2 million) for Q2, showing a growth of 2.9% in constant exchange rates, mainly due to a 14.6% decline in premiums along with a 92.5% reduction in reserves offset by a 99.5% growth in investments underpinning reserves.



Operating expense closed at COP 22,345.1 million (USD 7.3 million), which was up by 36%, given increases of 51.8% in selling expense and 33.9% in administrative and operating expense.

The net loss sustained at the end of Q2 2017 came to COP 8,153 million, up by 222%.

## Mexico

So far this year the insurance business in conjunction with Protección in Mexico has posted a net income of COP 1,972 million (USD 0.6 million) showing a 171% growth at constant exchange rates.

This was mainly due to an insurance margin which rose by 45.3% at constant exchange rates to COP 28,639 million (USD 9.4 million), on the back of a 61% growth in premiums and an 11% increase in investments underpinning reserves, while claims rose by 13% and movements in reserves by another 701% . The increase in reserves in Mexico corresponds to a higher volume of written premiums as well as annualized premiums being recorded as of October 2016, which is why the figures are not completely comparable given the change in the methodology used.

Operating expense came to COP 30.090 million (USD 9.9 million), showing a 33.7% growth at constant exchange rates. Selling expense accounts for 76% of the operating expense figure having increased by 31.2%, with administrative expense accounting for the remaining 24% having risen by 42.1% at constant exchange rates.

## Perú

The insurance business with Protección in Peru produced COP 10,714 million in net income from discontinued operations, for a growth of 1446%. The increase in this segment corresponds to an increase in premiums reaching 209% at constant exchange rates given higher volumes of disability and survivors insurance and a new line of individual life.

Furthermore, expenses dropped by 70%, both administrative and selling.

## ANNUITY BUSINESS

### Annuity Segment Main figures

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

	jun-17	jun-16	%Var	% Change excl. foreign
Other operating income	307	(96)	419.8%	425.0%
<b>Operating income</b>	<b>307</b>	<b>(96)</b>	<b>419.8%</b>	<b>425.0%</b>
Gross premiums	514,421	719,459	-28.5%	-25.2%
Premiums ceded to reinsurers	(0)	0	-101.5%	-101.6%
<b>Net premiums</b>	<b>514,421</b>	<b>719,459</b>	<b>-28.5%</b>	<b>-25.2%</b>
Income from reserve investments	219,367	157,104	39.6%	47.5%
Earnings at fair value from reserve investments	6,874	2,408	185.5%	183.6%
Claims	(141,487)	(115,552)	22.4%	31.3%
Movement in premium reserves	(540,426)	(721,431)	-25.1%	-21.8%
<b>Total insurance margin</b>	<b>58,748</b>	<b>41,988</b>	<b>39.9%</b>	<b>47.0%</b>
	-			
Selling expense	(4,988)	(7,070)	-29.5%	-27.4%
Deferred Acquisition Costs (DAC)	-	-		



Operating and administrative expense	(18,373)	(18,276)	0.5%	4.9%
Wealth tax	-	-		
<b>Total operating expense</b>	<b>(23,361)</b>	<b>(25,347)</b>	<b>-7.8%</b>	<b>-4.2%</b>
<b>Operating earnings</b>	<b>35,694</b>	<b>16,545</b>	<b>115.7%</b>	<b>130.4%</b>
Financial income	0	504	-100.0%	-100.0%
Financial expense	(137)	(61)	123.9%	157.0%
(Expense) income from financial derivatives	6,821	12,144	-43.8%	-42.6%
(Expense) income on exchange differences	(0)	5,260	-100.0%	-100.0%
<b>Earnings before income tax</b>	<b>42,378</b>	<b>34,392</b>	<b>23.2%</b>	<b>28.7%</b>
Income tax	(8,113)	(5,978)	35.7%	40.1%
<b>Net income from continuing operations for the period</b>	<b>34,265.1</b>	<b>28,413.9</b>	<b>20.6%</b>	<b>26.2%</b>
Net income from discontinued operations for the period	8,329.3	53,890.6	-84.5%	-84.0%
<b>Net income (losses) for the period</b>	<b>42,594.4</b>	<b>82,304.5</b>	<b>-48.2%</b>	<b>-46.2%</b>

## Annuity Segment Main figures

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

QUARTER	Q2 2017	Q2 2016	% Change	% Change excl. foreign
Other operating income	186	(138)	234.7%	239.3%
<b>Operating income</b>	<b>186</b>	<b>(138)</b>	<b>234.7%</b>	<b>239.3%</b>
Gross premiums	242,605	293,778	-17.4%	-17.3%
Premiums ceded to reinsurers	(225)	0	-625988.3%	-642630.9%
<b>Net premiums</b>	<b>242,381</b>	<b>293,778</b>	<b>-17.5%</b>	<b>-17.4%</b>
Income from reserve investments	38,175	6,259	510.0%	270.5%
Earnings at fair value from reserve investments	(2,768)	(32,439)	-91.5%	-90.8%
Claims	(14,764)	(6,518)	126.5%	96.1%
Movement in premium reserves	(252,297)	(290,009)	-13.0%	-14.0%
<b>Total insurance margin</b>	<b>10,726</b>	<b>(28,929)</b>	<b>137.1%</b>	<b>138.9%</b>
Selling expense	(1,517)	(1,642)	-7.6%	-13.2%
Operating and administrative expense	3,722	6,851	-45.7%	-38.5%
Wealth tax	-	-		
<b>Total operating expense</b>	<b>2,204</b>	<b>5,209</b>	<b>-57.7%</b>	<b>-48.6%</b>
<b>Operating earnings</b>	<b>13,117</b>	<b>(23,859)</b>	<b>155.0%</b>	<b>157.2%</b>
Financial income	(658)	258	-354.8%	-357.4%
Financial expense	169	452	-62.5%	-59.8%
(Expense) income from financial derivatives	1,932	4,208	-54.1%	-54.2%
(Expense) income on exchange differences	97	7,876	-98.8%	-98.7%
<b>Earnings before income tax</b>	<b>14,657</b>	<b>(11,064)</b>	<b>232.5%</b>	<b>247.7%</b>
Income tax	(427)	(1,564)	-72.7%	-80.0%
<b>Net income from continuing operations for the period</b>	<b>14,230</b>	<b>(12,628)</b>	<b>212.7%</b>	<b>222.9%</b>
Net income from discontinued operations for the period	8,329	53,891	-84.5%	-84.0%
<b>Net income (losses) for the period</b>	<b>22,559</b>	<b>41,262</b>	<b>-45.3%</b>	<b>-45.0%</b>

## Chile

As for the annuity business, the total insurance margin so far this year rose by 31.9% compared to the same period last year reaching COP 41,273 Million (USD 13.5 million). This is due to income from investments underpinning reserves, which rose by 19.5%. However, net premiums closed at COP 399,117.5 million, for a decline of 29% at constant exchange rates, with movements in reserves falling by 30.7% and claims increasing by 40.4%

Generally speaking, the annuity market has declined by around 12% on a year-to-year basis, this is due to a strong performance last year due to a flight to annuities, given expected cuts to the benchmark rate, coupled with this year's focus on maintaining a stable market in the light of the reactive measures taken by the competition. Currently, Sura Chile ranks in 6th place with a 7.0% share of the annuity market.

Operating expense closed at COP 20,073 million (USD 6.6 million), for a drop of 5.5% compared to last year, given lower selling expenses on lower premiums.

All this provided a net income of COP 24,800.4 million (USD 8.1 million) for a growth of 12.5%.

## Mexico

So far this year, the total insurance margin stands at COP 17,476 million (USD 5.7 million), for a growth of 101.3%, driven by income from investments underpinning reserves that came to COP 91,724.9 million (USD 30.1 million), for a growth of 137 % at constant exchange rates. These investments are posted at amortized cost and because 95% of these are linked to the inflation rate which has been higher than last year, this item has had a positive and relevant impact. Inflation also impacts reserves since gains are based on the spread between assets and reserves.

However, premiums declined by 8.3% compared to last year, with movements in reserves increasing by 23.5% and claims rising by 17.1%

The reduction in premiums in the case of Mexico obeyed purely strategic reasons since we are now implementing outside sales services which has reduced the activities of our own sales personnel, this coupled with pressure from our competitors BBVA and Banorte, who have been locked in a price war since the beginning of this year.

Operating expenses remain stable at 4% recording just a single digit growth.

Net income for the period came to COP 9,464.7 million (USD 3.1 million), for a growth of 85.7%.

## Peru

Net income from the Peruvian annuities business, that is to say COP 8,329.3 million for a decline of 84%, is posted in the net income from discontinued operations account. . This decline obeyed new legislation allowing for 95.5% of all pension funds to be withdrawn, which has led to the annuity market shrinking by 38% (June 2017 vs. June 2016). However we maintain our 17% share of this market, ranking in third place in March.

Also operating expense is up 56%, mainly due to selling expenses increasing by 203% due to the amount of severance paid out to the sales force, having sold off our insurance subsidiary in this part of the world.

## Clients

We have a total of 151,294 insurance policy holders in Latin America, broken down as follows:

Insurance policy-holders (in thousands)	jun-17	jun-16	%Var
Chile	41.2	43.7	-5.6%
Mexico	43.0	53.6	-19.7%
Peru	54.6	57.9	-5.7%
Uruguay	0.1	0.0	
Protección	3.1	2.4	28.5%
El Salvador	0.9	1.3	-30.5%
<b>Total</b>	<b>143.0</b>	<b>158.8</b>	<b>-10.0%</b>

*Including holders of annuities and insurance policies with Protección as well as insurance policies incorporating savings plans and mortgages.*

The decline in Mexico and El Salvador is due to having debugged the client data bases and consolidated the CRM information.

## CORPORATE SEGMENT

### CORPORATE SEGMENT

#### Main figures

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

	jun-17	jun-16	%Var	% Change excl. foreign
Fee and commission income	145	(0)	-9315549.6%	-
Other investment income	3,521	4,966	-29.1%	-17.6%
Other gains and losses at fair value	6,760	-		
Income from legal reserve	-	-		
Income (expense) via equity method	(24)	54	-143.6%	-143.6%
Other operating income	740	5,407	-86.3%	-86.1%
<b>Operating income</b>	<b>11,143</b>	<b>10,427</b>	<b>6.9%</b>	<b>15.4%</b>
Operating and administrative expense	(102,496)	(97,054)	5.6%	9.3%
Wealth tax	(21,860)	(56,379)	-61.2%	-61.2%
<b>Total operating expense</b>	<b>(124,356)</b>	<b>(153,432)</b>	<b>-19.0%</b>	<b>-17.2%</b>
<b>Operating earnings</b>	<b>(113,213)</b>	<b>(143,005)</b>	<b>-20.8%</b>	<b>-19.4%</b>
Financial income	5,871	1,657	254.3%	257.6%
Financial expense	(93,846)	(69,330)	35.4%	40.7%
(Expense) income from financial derivatives	23,570	27,687	-14.9%	-14.9%
(Expense) income on exchange differences	(57,118)	29,333	-294.7%	-296.9%
<b>Earnings before income tax</b>	<b>(234,736)</b>	<b>(153,658)</b>	<b>52.8%</b>	<b>57.6%</b>
Income tax	(17,314)	(36,261)	-52.3%	-52.9%
<b>Net income from continuing operations for the period</b>	<b>(252,050.6)</b>	<b>(189,919.9)</b>	<b>32.7%</b>	<b>35.7%</b>
Net income from discontinued operations for the period	(3,103.8)	(4,412.9)	-29.7%	-27.2%
<b>Net income (losses) for the period</b>	<b>(255,154.4)</b>	<b>(194,332.8)</b>	<b>31.3%</b>	<b>34.3%</b>

**CORPORATE SEGMENT****Main figures**

From March 31st to June 30th

(stated in COP millions)

QUARTER	Q2 2017	Q2 2016	%Var	% Var excl. foreign exchange effects
Fee and commission income	(66)	(256)	-74.3%	-72.5%
Other investment income	3,355	(1,826)	-283.8%	-338.5%
Other gains and losses at fair value	6,740	-		
Income from legal reserve	0	0		
Income (expense) via equity method	(14)	33	-142.0%	-142.0%
Other operating income	544	4,994	-89.1%	-89.2%
<b>Operating income</b>	<b>10,561</b>	<b>2,945</b>	<b>258.6%</b>	<b>214.1%</b>
Selling expense	(456)	451	-201.3%	-229.6%
Operating and administrative expense	(48,096)	(30,888)	55.7%	30.1%
Wealth tax	(1)	(24)	-	-96.2%
<b>Total operating expense</b>	<b>(47,650)</b>	<b>(36,737)</b>	<b>29.7%</b>	<b>30.1%</b>
<b>Operating earnings</b>	<b>(37,089)</b>	<b>(33,792)</b>	<b>9.8%</b>	<b>11.4%</b>
Financial income	(107)	816	-113.1%	-108.5%
Financial expense	(49,794)	(35,857)	38.9%	41.3%
(Expense) income from financial derivatives	14,324	14,372	-0.3%	-0.3%
(Expense) income on exchange differences	(69,368)	10,770	-744.1%	-806.6%
<b>Earnings before income tax</b>	<b>(142,034)</b>	<b>(43,691)</b>	<b>225.1%</b>	<b>227.4%</b>
Income tax	(7,692)	(31,128)	-75.3%	-74.9%
<b>Net income from continuing operations for the period</b>	<b>(149,726)</b>	<b>(74,819)</b>	<b>100.1%</b>	<b>101.2%</b>
Net income from discontinued operations for the period	(3,104)	(4,413)	-29.7%	-27.2%
<b>Net income (losses) for the period</b>	<b>(152,829)</b>	<b>(79,232)</b>	<b>92.9%</b>	<b>94.3%</b>

**Operating expense**

Operating expense declined by 17.2% at constant exchange rates for the first semester of 2017.

The Corporate segment in Colombia represents the lion's share of this expense, given the wealth tax and surtaxes recorded in this account amounting to COP 21,860 million (USD 7.5 million), for a drop of 61.2%, all of which was posted in Q1 2017

In addition to the above, the Corporate segment records 96% of the financial expense incurred with the Company's debt, which came to COP 93,846.0 million (USD 30.8 million) at the end of Q2 2017, showing a year-on-year increase 40.7% on a larger debt balance. Expense corresponding to exchange differences are also recorded in the Colombian Corporate segment, this amounting to COP 54,608.6 million (USD 17.9 million) as well as derivative income amounting to COP 23,569.7 million (USD 7.7 million), which shows a drop of 14.9%.

The expense shown for Chile, Mexico and Peru mainly consist of amortizations of intangibles as well as personnel expense corresponding to the Corporate segment.

Amortized intangibles came to COP 51,560.5 million (USD 16.9 million), for an increase of 22.5% at constant exchange rates. Were we to exclude these amortizations, expense for both this year and last would have amounted to - COP 72,795 million (-USD 23.9 million), for a year-on-year decline of 32.7%.

Op. Expense	YTD				Quarter			
	jun-17	jun-16	%Var	% Change excl. foreign exchange	Q2 2017	Q2 2016	%Var	% Change excl. foreign exchange
Chile	<b>(26,795)</b>	(27,029)	-0.9%	1.4%	<b>(13,212)</b>	(11,857)	11.4%	11.5%
Mexico	<b>(16,901)</b>	(18,422)	-8.3%	5.5%	<b>(8,780)</b>	(8,418)	4.3%	9.5%
Peru	<b>(13,430)</b>	(8,501)	58.0%	63.5%	<b>(4,400)</b>	328		-3217.4%
Uruguay	<b>(4,498)</b>	(3,754)	19.8%	15.7%	<b>(2,210)</b>	(1,812)	22.0%	13.2%
Corporate and Others	<b>(62,732)</b>	(95,725)	-34.5%	-34.4%	<b>(19,049)</b>	(14,978)	27.2%	27.3%
<b>Total</b>	<b>(124,356)</b>	<b>(153,432)</b>	<b>-19.0%</b>	<b>-17.2%</b>	<b>(47,650)</b>	<b>(36,737)</b>	<b>29.7%</b>	<b>30.1%</b>

Figures stated in COP millions

## Net income

The loss sustained in this segment rose by 34.3% at constant exchange rates, mainly due to the increase in borrowing expense, higher expense on exchange differences as well as higher amortization of intangibles.

Furthermore, although the recently appraised value of the financial derivative held is positive, it is still lower than last year.

Were we to exclude the expense corresponding to the amortization of intangibles, the overall loss would have come to USD 203,593,90 million (USD 66.7 million)

In Chile, the reduction in the overall loss is due to other investment income which ended up at COP 3,421.1 million (USD 1.1 million) as well as other gains and losses amounting to COP 6,760.1 million (USD 2.2 million) corresponding to the returns obtained from the Australian funds managed by SURA-AM Chile as well as other financial revenue in the form of income from dividends invested in SURA funds.

Net income Income	YTD				Quarter			
	June 2017	jun-16	%Var	% Var excl. foreign exchange	Q2 2017	Q2 2016	%Var	% Change excl. foreign exchange
Chile	<b>(10,716.1)</b>	(38,622.3)	-72.3%	-71.6%	<b>(5,533)</b>	(11,980)	-53.8%	-54.8%
Mexico	<b>(12,220.1)</b>	(4,193.4)	191.4%	235.0%	<b>(6,309)</b>	(3,795)	66.3%	82.2%
Peru	<b>(21,579.8)</b>	(10,484.2)	105.8%	113.0%	<b>(14,918)</b>	(3,946)	278.1%	277.7%
Uruguay	<b>(3,506.6)</b>	(2,758.4)	27.1%	22.8%	<b>(1,722)</b>	(1,413)	21.8%	13.5%
Corporate and Others	<b>(207,131.8)</b>	(138,274.4)	49.8%	52.8%	<b>(124,348)</b>	(58,098)	114.0%	116.4%
<b>Total</b>	<b>(255,154.4)</b>	<b>(194,332.8)</b>	<b>31.3%</b>	<b>34.3%</b>	<b>(152,829)</b>	<b>(79,232)</b>	<b>92.9%</b>	<b>94.3%</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 rather helps to demonstrate 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	DEC 16	JUN17	JUN16
<b>Net income - IFRS</b>	336.8	238.2	204.7	183.2	202.3	<b>86.1</b>	<b>94.7</b>
Minority interest	-134.2	-5.2	-3.9	-5.7	-7.8	<b>-1.6</b>	<b>-4.7</b>
<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>194.5</b>	<b>84.5</b>	<b>90.0</b>
<b>Adjustments for non-recurring expense</b>							
Wealth tax payable on the part of SURA AM - Colombia				-23.3	-18.6	<b>-7.6</b>	<b>-18.1</b>
Dividends - Protección			17.4				
Impact of wealth tax on equity method applied to Protección				-2.5	-2.0	<b>-1.7</b>	<b>-1.9</b>
Issue of international bonds			-6.5			<b>-4.6</b>	
Bank Guarantee		-33.2					
Reversal of provision set up by Sura-AM Colombia				23.2			
Fine provision in Mexico						<b>-14.2</b>	
<b>Recurring net income - IFRS</b>	<b>202.7</b>	<b>266.2</b>	<b>190.0</b>	<b>180.2</b>	<b>215.1</b>	<b>112.6</b>	<b>138.5</b>
<b>Non-cash items</b>							
Amortization of Intangibles (ING and Invita)	-52.9	-54.5	-54.5	-41.2	-34.4	<b>-19.0</b>	<b>-15.5</b>
Deferred tax on intangibles (ING and Invita)	13.9	14.3	-14.0	19.7	4.1	<b>5.3</b>	<b>5.1</b>
Amortization of intangibles (Horizonte)		-5.8	-8.79	-7.14	-6.85	<b>-3.51</b>	<b>-3.43</b>
Deferred tax on intangibles (Horizonte)		1.7	2.6	2.0	1.9	<b>1.0</b>	<b>1.0</b>
Income (expense) on exchange difference	-3.3	37.4	10.1	25.2	1.1	<b>-21.8</b>	<b>11.9</b>
Income (expense) from derivatives	0.0	0.0	-26.2	-30.0	17.6	<b>10.4</b>	<b>12.8</b>
<b>Net income after non-recurring and non-cash items</b>	<b>245.0</b>	<b>273.1</b>	<b>280.8</b>	<b>211.7</b>	<b>231.6</b>	<b>140.3</b>	<b>126.8</b>
Returns on legal reserve*	84.1	30.8	75.6	27.2	30.5	<b>43.9</b>	<b>9.2</b>
<b>Net income after non-recurring and non-cash items - EXCL LEGAL RESERVE</b>	<b>160.9</b>	<b>242.3</b>	<b>205.2</b>	<b>184.5</b>	<b>201.1</b>	<b>96.4</b>	<b>117.5</b>
"Excluding Protección's legal reserve							
Equity	3,935.3	3,927.8	3,729.3	2,875.0	2,832.0	<b>2,930.6</b>	<b>2,926.6</b>
Legal reserve		486.0	678.9	617.2	647.6	<b>727.9</b>	<b>676.4</b>
<b>Equity excl. legal reserve</b>	<b>3,935.3</b>	<b>3,441.8</b>	<b>3,050.4</b>	<b>2,257.8</b>	<b>2,184.4</b>	<b>2,202.6</b>	<b>2,250.2</b>
<b>Return on equity excl. legal reserve</b>	<b>4.1%</b>	<b>7.0%</b>	<b>6.7%</b>	<b>8.2%</b>	<b>9.2%</b>	<b>8.2%</b>	<b>8.9%</b>
<b>Return on legal reserve</b>		<b>6.3%</b>	<b>11.1%</b>	<b>4.4%</b>	<b>4.7%</b>	<b>8.9%</b>	<b>2.2%</b>

\* Note: These returns were calculated on a 12-month rolling as opposed to an annualized basis

## HIGHLIGHTS

### **In Peru, SURA Asset Management signed an agreement to sell its local insurance operation to InterCorp Financial Services**

SURA Asset Management Peru announced that it has sold its insurance operation in this part of the world to InterCorp Financial Services (IFS) for a total of USD 268 million, this subject to a eventual adjustments to be made prior to the closing date of this transaction. The contract of sale governs a 100% stake in this insurance company which mainly deals with annuities and mortgage loans. Once the regulatory authorities have issued due authorization, and the handover and integration stage is completed, Interseguro, IFS's insurance arm, shall take over Seguros SURA Perú, in which SURA Asset Management owns a 69.3% stake in its share capital. The transaction also included the 30.7% stake held by the Grupo Wiese in Seguros SURA.

### **SURA launched its new "SURA Fondos" app .**

As a time-saving tool for our users, Sura Asset Management Uruguay launched its new "SURA Fondos" app.

This enables clients to view the different savings and investment products held with AFISA SURA, such as its Protection, Dollar, Conservative and Basic Savings Funds. Carrying short to medium terms, these products are highly liquid, low risk, straightforward and easily accessible. Furthermore they do not require any minimum amounts and are covered by our app for better control and usability.

### **AFP Integra has been recognized for its good corporate governance practices**

In light of its efforts to meet the highest corporate governance standards, AFP Integra was acknowledged for the 7th consecutive year by the Lima Stock Exchange (BVL) for its good Corporate Governance practices.

### **SURA Investment Management was again named the "Best Fixed Income Fund Management firm" by World Finance**

SURA Investment Management Mexico was named Best Investment Management Firm (Fixed Income) as part of the 2017 World Finance Investment Management Awards. This prestigious financial journal acknowledged the efforts of SURA Investment Management Mexico (one of the SURA Asset Management Mexico's lines of business), with an award for Best Investment Management Firm in recognition of its superior competitiveness, innovation and service.

### **Protección: the first financial institution in Colombia to be recognized by Colciencias for its Research, Development and Innovation model.**

Colciencias recently certified Protección's Research, Development and Innovation (R, D & I) model, thereby converting this Pension Fund Management firm in the first Colombian financial institution to receive this prestigious recognition.

This certification was issued to Protección in token of how research, development and innovation has been embraced as an organizational routine, with its employees investigating, as part of their day-to-day activities, new designs of products and solutions that effectively enhance the services



provided to fund members and clients alike and translate into a real contribution to the country's pension system.

**SURA has introduced Pershing's international transaction services as part of its value-added range of products and services**

So as to be able to expand its range of investment options and platforms, SURA's brokerage firm, Corredores de Bolsa SURA has now included the international transaction services offered by Pershing, a subsidiary of Bank of New York - Mellon, as part of its value-added offering. This platform, which has more than 1,400 institutional clients from around the world, manages assets worth USD 1.5 billion, and offers investments in foreign funds, ETFs, bonds and international stocks. In just the first month of operations with SURA, this newly introduced service attracted new investments of 1,000 million pesos.

## ANNEXES

### ANNEXES - FINANCIAL STATEMENT TABLES

#### MANDATORY PENSIONS

##### Commission income

Commission income	YTD				Quarter			
	jun-17	jun-16	%Var	% Change excl. foreign exchange	Q2 2017	Q2 2016	%Var	% Change excl. foreign exchange effects
Chile	<b>288,743</b>	288,546	0.1%	2.3%	<b>140,836</b>	139,116	1.2%	1.8%
México	<b>326,219</b>	345,034	-5.5%	8.7%	<b>174,364</b>	168,681	3.4%	9.5%
Perú	<b>186,753</b>	200,473	-6.8%	-3.6%	<b>93,167</b>	99,480	-6.3%	-5.4%
Uruguay	<b>39,874</b>	34,724	14.8%	10.9%	<b>21,881</b>	18,052	21.2%	13.1%
<b>Total</b>	<b>841,589</b>	<b>868,777</b>	<b>-3.1%</b>	<b>3.7%</b>	<b>430,248</b>	<b>425,330</b>	<b>1.2%</b>	<b>3.5%</b>

Figures stated in COP millions

##### Returns on legal reserve

Encaje	YTD				Quarter			
	jun-17	jun-16	%Var	% Change excl. foreign exchange	Q2 2017	Q2 2016	%Var	% Change excl. foreign exchange
Chile	<b>69,006</b>	3,423			<b>14,689</b>	2,943	399.1%	421.8%
México	<b>29,564</b>	8,921	231.4%	281.0%	<b>13,236</b>	5,912	123.9%	138.1%
Perú	<b>22,275</b>	14,258	56.2%	61.7%	<b>13,831</b>	12,677	9.1%	12.4%
Uruguay	<b>5,857</b>	1,652	254.4%	242.3%	<b>4,527</b>	125		
<b>Total</b>	<b>126,702</b>	<b>28,254</b>	<b>348.4%</b>	<b>376.4%</b>	<b>46,284</b>	<b>21,658</b>	<b>113.7%</b>	<b>122.7%</b>

Figures stated in COP millions

##### Operating Expense

Total Gastos Operacionales	YTD				Quarter			
	jun-17	jun-16	%Var	% Var excl. foreign exchange effects	Q2 2017	Q2 2016	%Var	% Var excl. foreign exchange effects
Chile	<b>(130,312)</b>	(120,225)	8.4%	10.9%	<b>(66,835)</b>	(62,295)	7.3%	8.2%
México	<b>(201,175)</b>	(173,917)	15.7%	33.0%	<b>(123,654)</b>	(86,389)	43.1%	53.5%
Perú	<b>(85,437)</b>	(80,938)	5.6%	9.2%	<b>(43,278)</b>	(38,475)	12.5%	13.4%
Uruguay	<b>(12,565)</b>	(12,177)	3.2%	-0.4%	<b>(6,058)</b>	(6,325)	-4.2%	-10.7%
<b>Total</b>	<b>(429,489)</b>	<b>(387,258)</b>	<b>10.9%</b>	<b>19.4%</b>	<b>(239,826)</b>	<b>(193,483)</b>	<b>24.0%</b>	<b>27.7%</b>

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## Net Income

Net Income	YTD				Quarter			
	jun-17	jun-16	%Var	% Var excl. foreign exchange effects	Q2 2017	Q2 2016	%Var	% Var excl. foreign exchange effects
Chile	<b>187.139</b>	141,005	32.7%	35.7%	<b>74,507</b>	66,878	11.4%	12.3%
Mexico	<b>98.577</b>	129,520	-23.9%	-12.5%	<b>31,852</b>	64,179	-50.4%	-50.4%
Peru	<b>86.743</b>	100,842	-14.0%	-11.0%	<b>45,524</b>	56,058	-18.8%	-17.6%
Uruguay	<b>26.120</b>	18,716	39.6%	34.8%	<b>16,492</b>	8,991	83.4%	70.3%
Colombia	<b>75.026</b>	42,053	78.4%	78.4%	<b>43,701</b>	20,821	109.9%	109.9%
<b>Total</b>	<b>473.605</b>	<b>432,137</b>	<b>9.6%</b>	<b>15.7%</b>	<b>212,076</b>	<b>216,928</b>	<b>-2.2%</b>	<b>-0.5%</b>

Figures stated in COP millions

## VOLUNTARY SAVINGS

### Commission income

Commission income	YTD				Quarter			
	jun-17	jun-16	%Var	% Var excl. foreign exchange	Q2 2017	Q2 2016	%Var	% Var excl. foreign exchange
Chile	<b>47,900</b>	41,966	14.1%	16.7%	<b>26,411</b>	20,773	27.1%	27.8%
México	<b>33,519</b>	31,772	5.5%	21.3%	<b>15,026</b>	15,627	-3.8%	0.1%
Perú	<b>7,350</b>	5,010	46.7%	51.8%	<b>3,858</b>	2,278	69.3%	70.4%
Uruguay	<b>1,457</b>	591	146.4%	138.0%	<b>766</b>	303	152.9%	135.7%
Colombia	<b>2,759</b>	95			<b>915</b>	95	863.9%	863.9%
<b>Total</b>	<b>92,985</b>	<b>79,434</b>	<b>17.1%</b>	<b>25.3%</b>	<b>46,976</b>	<b>39,076</b>	<b>20.2%</b>	<b>23.0%</b>

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\*En el segmento voluntario en Colombia se reporta la información de SURA Investment Management y SURA Real Estate

### Net premiums - policies w/ savings plans

Net premiums - policies w/ savings plans	YTD				Quarter			
	jun-17	jun-16	%Var	% Var excl. foreign	Q2 2017	Q2 2016	%Var	% Var excl. foreign
Chile	<b>501,927</b>	408,071	23.0%	25.8%	<b>268,674</b>	208,507	28.9%	29.7%
México	<b>11,080</b>	1,190	831.3%	970.6%	<b>5,998</b>	760	689.2%	752.8%
Perú	<b>(0)</b>	0			<b>(17,105)</b>	(15,007)	14.0%	20.9%
<b>Total</b>	<b>513,007</b>	<b>409,260</b>	<b>25.3%</b>	<b>28.2%</b>	<b>257,567</b>	<b>194,260</b>	<b>32.6%</b>	<b>32.9%</b>

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

Total insurance margin	YTD				Quarter			
	jun-17	jun-16	%Var	%Var Ex - efectos cambiaros	Q2 2017	Q2 2016	%Var	%Var Ex - efectos cambiaros
Chile	<b>28,778</b>	28,632	0.5%	2.8%	<b>11,523</b>	14,327	-19.6%	-18.7%
México	<b>1,269</b>	68			<b>640</b>	343	86.9%	112.3%
Perú	<b>(0)</b>	0			<b>(5,942)</b>	(6,286)	-5.5%	0.3%
<b>Total</b>	<b>30,047</b>	<b>28,700</b>	<b>4.7%</b>	<b>7.1%</b>	<b>6,221</b>	<b>8,383</b>	<b>-25.8%</b>	<b>-27.4%</b>

## Operating Expense

Op. Expense	YTD				Quarter			
	jun-17	jun-16	%Var	% Change excl. foreign	Q2 2017	Q2 2016	%Var	% Change excl. foreign exchange effects
Chile	(83,555)	(77,928)	7.2%	9.7%	(47,816)	(44,361)	7.8%	8.9%
México	(39,437)	(33,555)	17.5%	35.1%	(19,852)	(16,939)	17.2%	23.7%
Perú	(13,076)	(19,740)	-33.8%	-31.4%	(350)	(2,981)	-88.2%	-90.6%
Uruguay	(6,735)	(4,575)	47.2%	42.2%	(3,445)	(2,539)	35.7%	27.1%
Colombia	(2,101)	(1,207)	74.0%	74.0%	(965)	(843)	14.4%	14.4%
<b>Total</b>	<b>(144,904)</b>	<b>(137,005)</b>	<b>5.8%</b>	<b>11.1%</b>	<b>(72,428)</b>	<b>(67,662)</b>	<b>7.0%</b>	<b>8.3%</b>

Figures stated in COP millions

\* Information corresponding to SURA Investment Management and SURA Real Estate is included in Colombia's voluntary savings segment

## Net Income

Net Income	YTD				Quarter			
	jun-17	jun-16	%Var	% Change excl. foreign exchange effects	Q2 2017	Q2 2016	%Var	% Change excl. foreign exchange effects
Chile	(8,079)	(5,600)	44.3%	47.5%	(6,916)	(7,406)	-6.6%	-3.8%
México	(1,831)	(284)	544.1%	640.4%	(2,112)	(927)	127.8%	171.1%
Perú	(4,217)	(16,442)	-74.4%	-73.5%	(1,104)	(10,296)	-89.3%	-89.2%
Uruguay	(5,219)	(3,803)	37.2%	32.5%	(2,700)	(2,106)	28.2%	20.1%
MP Protección	4,684	6,041	-22.5%	-22.5%	2,728	2,586	5.5%	5.5%
Colombia	919	1,097	-16.2%	-16.2%	(63)	1,462		
<b>Total</b>	<b>(13,742)</b>	<b>(18,992)</b>	<b>-27.6%</b>	<b>-25.4%</b>	<b>(10,166)</b>	<b>(16,688)</b>	<b>-39.1%</b>	<b>-37.4%</b>

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Protección: equity method as applied to AFP Protección and AFP Crecer

Colombia: includes SURA Investment and SURA Real Estate

## INSURANCE WITH PROTECTION

### Net premiums

	YTD				Quarter			
	jun-17	jun-16	%Var	% Change excl. foreign exchange	Q2 2017	Q2 2016	%Var	% Change excl. foreign exchange
Chile	47,805	57,278	-16.5%	-14.6%	24,241	35,029	-30.8%	-29.8%
México	87,304	62,274	40.2%	61.2%	39,343	29,763	32.2%	37.4%
Perú	0	0	474.9%	495.0%	(14,201)	(4,330)	228.0%	247.9%
<b>Total</b>	<b>135,110</b>	<b>119,552</b>	<b>13.0%</b>	<b>22.6%</b>	<b>49,382</b>	<b>60,462</b>	<b>-18.3%</b>	<b>-18.0%</b>

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### Reserve movements

	YTD				Quarter			
	jun-17	jun-16	%Var	% Change excl. foreign exchange	Q2 2017	Q2 2016	%Var	% Change excl. foreign exchange
Chile	(571)	(7,758)	-92.6%	-92.5%	(513)	(12,871)	-96.0%	-95.9%
México	(22,840)	(3,279)	596.6%	700.8%	(1,267)	473		
Perú	0	0	-71.7%	-70.7%	4,908	(6,063)		
<b>Total</b>	<b>(23,411)</b>	<b>(11,037)</b>	<b>112.1%</b>	<b>124.3%</b>	<b>3,128</b>	<b>(18,461)</b>		

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## Retained Claims

	YTD				Quarter			
	jun-17	jun-16	%Var	%Var Ex - efectos cambiarior	Q2 2017	Q2 2016	%Var	%Var Ex - efectos cambiarior
Chile	(37,721)	(38,416)	-1.8%	0.4%	(19,928)	(18,330)	8.7%	9.1%
México	(37,617)	(38,199)	-1.5%	13.2%	(20,642)	(21,989)	-6.1%	0.9%
Perú	0	(0)			2,779	8,317	-66.6%	-64.6%
<b>Total</b>	<b>(75,339)</b>	<b>(76,615)</b>	<b>-1.7%</b>	<b>6.4%</b>	<b>(37,791)</b>	<b>(32,002)</b>	<b>18.1%</b>	<b>22.9%</b>

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

	YTD				Quarter			
	jun-17	jun-16	%Var	%Var Ex - efectos cambiarior	Q2 2017	Q2 2016	%Var	%Var Ex - efectos cambiarior
Chile	12,931	12,856	0.6%	2.9%	5,737	4,909	16.9%	16.3%
México	28,639	22,658	26.4%	45.3%	18,557	9,083	104.3%	115.8%
Perú	0	(0)			(6,799)	(3,440)	97.6%	109.6%
<b>Total</b>	<b>41,570</b>	<b>35,515</b>	<b>17.1%</b>	<b>28.8%</b>	<b>17,495</b>	<b>10,552</b>	<b>65.8%</b>	<b>68.8%</b>

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## Operating Expense

	YTD				Quarter			
	jun-17	jun-16	%Var	%Var Ex - efectos cambiarior	2T 2017	2T 2016	%Var	%Var Ex - efectos cambiarior
Chile	(3,045)	(2,052)	48.4%	51.8%	(2,559)	1,664		
México	(22,716)	(19,901)	14.1%	31.2%	(10,653)	(9,402)	13.3%	18.2%
Perú	(0)	(0)	115.3%	122.8%	291	894	-67.5%	-65.5%
Uruguay	(170)	(394)	-56.9%	-58.4%	(60)	(167)	-64.1%	-67.0%
Salvador	(41)	(47)	-13.4%	-7.4%	(20)	(22)	-10.4%	-8.3%
<b>Total</b>	<b>(25,971)</b>	<b>(22,394)</b>	<b>16.0%</b>	<b>31.4%</b>	<b>(13,001)</b>	<b>(7,034)</b>	<b>84.8%</b>	<b>95.6%</b>

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## Net Income

	YTD				Quarter			
	jun-17	jun-16	%Var	%Var Ex-efectos cambiarior	2T 2017	2T 2016	%Var	%Var Ex-efectos cambiarior
Chile	(8,153)	(2,592)	214.54%	221.71%	(4,619)	1,812		
México	1,972	(3,208)			6,648	(2,631)		
Perú	10,714	693			4,684	(215)		
Uruguay	(564)	(553)	1.8%	-1.6%	(246)	(251)	-2.0%	-9.5%
El Salvador	86	84	2.3%	9.3%	42	45	-7.6%	-4.4%
Colombia	74	50	47.7%	47.7%	43	46	-7.5%	-7.5%
<b>Total</b>	<b>4,129</b>	<b>(5,527)</b>			<b>6,553</b>	<b>(1,193)</b>		

## ANNUITIES

### Net Premiums

	YTD				Quarter			
	jun-17	jun-16	%Var	%Var Ex - efectos cambiarior	Q2 2017	Q2 2016	%Var	%Var Ex - efectos cambiarior
Chile	<b>399,118</b>	574,982	-30.6%	-29.0%	<b>217,265</b>	313,142	-30.6%	-30.0%
México	<b>115,304</b>	144,476	-20.2%	-8.3%	<b>63,027</b>	63,379	-0.6%	4.5%
Perú	<b>0</b>	0	-92.5%	-92.2%	<b>(37,912)</b>	(82,743)	-54.2%	-51.4%
<b>Total</b>	<b>514,421</b>	<b>719,459</b>	<b>-28.5%</b>	<b>-25.2%</b>	<b>242,381</b>	<b>293,778</b>	<b>-17.5%</b>	<b>-17.4%</b>

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### Reserve Movements

	YTD				Quarter			
	jun-17	jun-16	%Var	%Var Ex - efectos cambiarior	Q2 2017	Q2 2016	%Var	%Var Ex - efectos cambiarior
Chile	<b>(400,156)</b>	(590,896)	-32.3%	-30.7%	<b>(221,915)</b>	(325,075)	-31.7%	-31.1%
México	<b>(140,270)</b>	(130,535)	7.5%	23.5%	<b>(60,240)</b>	(43,505)	38.5%	38.3%
Perú	<b>(0)</b>	(0)	-32.7%	-30.4%	<b>29,858</b>	78,572	-62.0%	-59.7%
<b>Total</b>	<b>(540,426)</b>	<b>(721,431)</b>	<b>-25.1%</b>	<b>-21.8%</b>	<b>(252,297)</b>	<b>(290,009)</b>	<b>-13.0%</b>	<b>-14.0%</b>

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### Retained Claims

	YTD				Quarter			
	jun-17	jun-16	%Var	%Var Ex - efectos cambiarior	Q2 2017	Q2 2016	%Var	%Var Ex - efectos cambiarior
Chile	<b>(92,205)</b>	(67,173)	37.3%	40.4%	<b>(47,417)</b>	(34,731)	36.5%	37.6%
México	<b>(49,282)</b>	(48,379)	1.9%	17.1%	<b>(26,169)</b>	(23,850)	9.7%	16.2%
Perú	<b>(0)</b>	0			<b>58,821</b>	52,063	13.0%	19.8%
<b>Total</b>	<b>(141,487)</b>	<b>(115,552)</b>	<b>22.4%</b>	<b>31.3%</b>	<b>(14,764)</b>	<b>(6,518)</b>	<b>126.5%</b>	<b>96.1%</b>

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

	YTD				Quarter			
	jun-17	jun-16	%Var	%Var Ex - efectos cambiarior	Q2 2017	Q2 2016	%Var	%Var Ex - efectos cambiarior
Chile	<b>41,273</b>	32,006	29.0%	31.9%	<b>19,765</b>	7,673	157.6%	147.4%
México	<b>17,476</b>	9,982	75.1%	101.3%	<b>7,161</b>	3,580	100.1%	100.3%
Perú	<b>(0)</b>	0			<b>(16,200)</b>	(40,182)	-59.7%	-57.2%
<b>Total</b>	<b>58,748</b>	<b>41,988</b>	<b>39.9%</b>	<b>47.0%</b>	<b>10,726</b>	<b>(28,929)</b>		

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## Operating Expense

Gastos Ope.	YTD				Quarter			
	jun-17	jun-16	%Var	%Var Ex - efectos cambiarios	2T 2017	2T 2016	%Var	%Var Ex - efectos cambiarios
Chile	(20,073)	(21,719)	-7.6%	-5.5%	(10,159)	(11,090)	-8.4%	-7.7%
México	(3,288)	(3,627)	-9.4%	4.2%	(1,738)	(1,603)	8.4%	13.7%
Perú	(0)	(0)	-59.5%	-58.1%	14,101	17,902	-21.2%	-16.4%
<b>Total</b>	<b>(23,361)</b>	<b>(25,347)</b>	<b>-7.8%</b>	<b>-4.2%</b>	<b>2,204</b>	<b>5,209</b>	<b>-57.7%</b>	<b>-48.6%</b>

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## Net Income

Utilidad Neta	YTD				Quarter			
	jun-17	jun-16	%Var	%Var Ex - efectos cambiarios	2T 2017	2T 2016	%Var	%Var Ex - efectos cambiarios
Chile	24,800	22,556	9.9%	12.5%	13,147	9,099	44.5%	43.8%
México	9,465	5,858	61.6%	85.7%	3,506	2,406	45.7%	46.0%
Perú	8,329	53,891	-84.5%	-84.0%	5,906	29,757	-80.2%	-79.8%
<b>Total</b>	<b>42,594</b>	<b>82,305</b>	<b>-48.2%</b>	<b>-46.2%</b>	<b>22,559</b>	<b>41,262</b>	<b>-45.3%</b>	<b>-45.0%</b>

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## EBITDA per Individual Business

Mandatory Pension Business	jun-17	jun-16	%Var	%Var Ex-efectos cambiarios
Chile	246,713.8	182,452.0	35.2%	38.3%
México	169,148.6	193,727.3	-12.7%	0.4%
Perú	137,915.8	150,959.5	-8.6%	-5.4%
Uruguay	35,685.2	25,806.7	38.3%	33.5%
Protección	75,026.1	42,052.6	78.4%	78.4%
<b>Total</b>	<b>664,489.5</b>	<b>594,998.1</b>	<b>11.7%</b>	<b>18.3%</b>
Encaje	126,702.4	28,254.0	348.4%	376.4%
<b>Ebitda (excl. reserve rqmt)</b>	<b>537,787.1</b>	<b>566,744.1</b>	<b>-5.1%</b>	<b>0.5%</b>

*Cifras en millones de pesos colombianos*

Voluntary Savings Business	jun-17	jun-16	%Var	%Var Ex- efectos cambiarios
Chile	(4,746.6)	(6,226.3)	-23.8%	-22.0%
México	(2,120.2)	591.1		
Perú	(3,264.3)	(14,930.7)	-78.1%	-77.4%
Uruguay	(4,844.5)	(3,676.4)	31.8%	27.3%
Protección	6,324.2	7,172.8	-11.8%	-11.8%
<b>Total</b>	<b>(8,651.4)</b>	<b>(17,069.5)</b>	<b>-49.3%</b>	<b>-48.0%</b>

*Cifras en millones de pesos colombianos*



<b>Insurance with protection business</b>	<b>jun-17</b>	<b>jun-16</b>	<b>%Var</b>	<b>%Var Ex-efectos cambiarios</b>
Chile	<b>(7,837.9)</b>	(2,728.0)	187.3%	193.9%
México	<b>(574.0)</b>	(2,672.6)	-78.5%	-75.3%
Perú	<b>10,713.8</b>	692.9		
Uruguay	<b>(518.8)</b>	(767.2)	-32.4%	-34.7%
Corredora Salvador	<b>114.0</b>	109.2	4.4%	0.8%
Protección	<b>73.8</b>	50.0	47.7%	47.7%
<b>Total</b>	<b>1,970.9</b>	<b>(5,315.7)</b>		

*Cifras en millones de pesos colombianos*

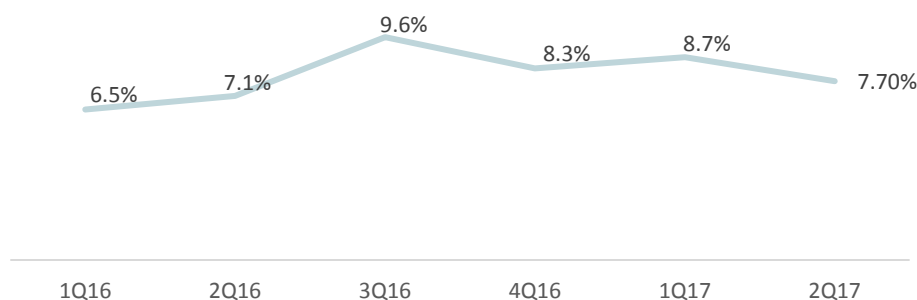
<b>Annuities</b>	<b>jun-17</b>	<b>jun-16</b>	<b>%Var</b>	<b>%Var Ex-efectos cambiarios</b>
Chile	<b>22,081.9</b>	11,379.1	94.1%	98.5%
México	<b>14,594.8</b>	6,437.7	126.7%	160.6%
Perú	<b>8,329.3</b>	53,890.6	-84.5%	-84.0%
<b>Total</b>	<b>45,006.0</b>	71,707.4	-37.2%	-34.6%

*Cifras en millones de pesos colombianos*

## ROE

Sura Asset Management's consolidated ROE came to 6.6%. If we were to adjust net income by unwinding the amortization of intangible assets, ROE would have come to 7.7%.

### EVOLUTION OF CONSOLIDATED ADJUSTED ROE



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.

<b>Sector</b>	<b>Company</b>	<b>Country</b>	<b>ROE</b>
Pension fund management firms	AFP Capital	Chile	18.4%
	AFORE SURA	México	17.4%
	AFP Integra	Perú	18.3%
	AFAP SURA	Uruguay	69.9%
	AFP Protección	Colombia	26.6%

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

Sector	Company	Country	ROE
Voluntary savings	Administradora General de Fondos S.A.	Chile	36.4%

Sector	Company	Country	ROE
Insurance & Annuities	Life Insurance	Chile	4.3%
	Life Insurance	Mexico	26.1%
	SURA Pensions	Mexico	36.6%
	SURA Insurance	Peru	11.0%
	Insurance Brokerage Firm	El Salvador	39.4%

### Accounting Equivalences - Income Statement

The following is a glossary of accounts reported by Grupo Sura in its Consolidated Income Statements and their equivalences as reported by 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 income
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 legal reserves + (expense) income from financial derivatives*
Gains (losses) via equity method from subsidiaries	Income (expense) via 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 income
<b>Total revenues</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 period</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 Sub-Consolidated Statement of Financial Position (Grupo Sura Format)

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

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

	jun-17	jun-16	%Var
Written premiums	1,207,925	1,280,171	-5.6%
Ceded premiums	(45,387)	(31,899)	42.3%
<b>Retained premiums (net)</b>	<b>1,162,538</b>	<b>1,248,271</b>	<b>-6.9%</b>
Commission income	934,911	948,416	-1.4%
Revenues on services rendered	65	384	-83.0%
Dividends	1,538	1,098	40.1%
Investment income	556,583	253,958	119.2%
Equity method - Associates	91,535	56,036	63.3%
Other income	3,008	5,451	-44.8%
Exchange difference (net)	(63,796)	37,006	
<b>Total revenues</b>	<b>2,686,383</b>	<b>2,550,622</b>	<b>5.3%</b>
Total claims	(484,706)	(377,714)	28.3%
Reimbursed claims	0	0	0.0%
<b>Retained claims</b>	<b>(484,706)</b>	<b>(377,714)</b>	<b>28.3%</b>
Adjustments to reserves	(920,417)	(932,584)	-1.3%
Cost of services rendered	0	0	0.0%
Administrative expense	(561,486)	(541,951)	3.6%
Depreciation*	(14,702)	(13,534)	8.6%
Amortizations*	(76,138)	(68,612)	11.0%
Brokerage commissions	(93,704)	(91,436)	2.5%
Fees	(30,905)	(31,352)	-1.4%
Other expense	0	0	0.0%
Interest	(95,546)	(73,213)	30.5%
Impairment	(122)	(93)	31.8%
<b>Total expense</b>	<b>(2,277,727)</b>	<b>(2,130,489)</b>	<b>6.9%</b>
<b>Earnings before tax</b>	<b>408,656</b>	<b>420,133</b>	<b>-2.7%</b>
Income tax	(174,076)	(173,368)	0.4%
<b>Net income from continuing operations</b>	<b>234,580</b>	<b>246,765</b>	<b>-4.9%</b>
Net income from discontinued operations	16,851	48,824	-65.5%
<b>Net Income</b>	<b>251,432</b>	<b>295,589</b>	<b>-14.9%</b>
Earnings - parent company	246,793	280,846	-12.1%
Earnings - non-controlling interest	4,639	14,743	-68.5%

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

At June 30th 2017 and June 30th 2016  
(stated in COP millions)

	jun-17	dic-16	%Var
Cash and cash equivalents	643,530	300,591	114.1%
Investments	13,228,577	15,437,244	-14.3%
Accounts receivable	424,912	627,939	-32.3%
Insurance reserves - reinsurers	70,103	58,101	20.7%
Current tax	226,833	232,179	-2.3%
Deferred tax	205,688	213,838	-3.8%
Other assets	99,922	545,745	-81.7%
Investment properties	582,349	984,376	-40.8%
Property, plant and equipment	146,945	174,593	-15.8%
Goodwill	4,165,251	3,928,830	6.0%
Identified intangible assets	3,261,383	3,221,492	1.2%
Investments in associates	1,086,269	1,084,299	0.2%
Available-for-sale non-current assets	4,913,924	0	
<b>Total assets</b>	<b>29,055,685</b>	<b>26,809,228</b>	<b>8.4%</b>
Financial liabilities	639,068	2,082,504	-69.3%
Technical reserves	10,045,019	12,561,262	-20.0%
Provisions for employee benefits	99,371	129,084	-23.0%
Other provisions	66,990	22,715	194.9%
Accounts payable	732,782	419,532	74.7%
Current tax	188,427	189,438	-0.5%
Issued securities	2,586,370	1,512,427	71.0%
Other non-financial liabilities	70,997	67,103	5.8%
Deferred tax	1,411,225	1,327,223	6.3%
Available-for-sale non-current liabilities	4,275,975	0	
<b>Total liabilities</b>	<b>20,116,223</b>	<b>18,311,286</b>	<b>9.9%</b>
Equity attributable to the owners of the parent company	8,736,478	8,308,695	5.1%
Non-controlling interest	202,984	189,247	7.3%
<b>Total equity</b>	<b>8,939,462</b>	<b>8,497,942</b>	<b>5.2%</b>
<b>Total equity and liabilities</b>	<b>29,055,685</b>	<b>26,809,228</b>	<b>8.4%</b>