

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

At year-end 2016 (with comparative figures at year-end 2015).
(Stated in COP millions)

	NOTES	2016	2015
Assets			
Cash and cash equivalents	8	2,066,959	1,433,184
Investments	9	26,198,241	21,723,891
Trade and other accounts receivable	9	5,421,856	2,952,738
Current accounts receivable from related parties and associates	9	89,249	89,009
Technical insurance reserves - reinsurers	11	2,656,756	581,124
Inventories	12	13,835	12,138
Current tax assets	13	587,073	332,191
Other financial assets	14	631,093	262,181
Other non-financial assets	21	209,503	84,714
Investment properties	15	1,033,526	805,188
Property, plant and equipment	16	1,028,690	914,068
Intangible assets other than goodwill	17	4,484,107	3,884,431
Goodwill	17	4,506,162	4,280,774
Investments accounted for using the equity method	18	18,144,328	17,759,665
Deferred tax assets	13	745,663	417,809
Total assets		67,817,041	55,533,106
Liabilities			
Other financial liabilities	9	3,705,478	2,627,940
Trade and other accounts payable	9	2,606,198	1,312,265
Accounts payable to related parties	9	68,096	62,509
Technical reserves	11	25,989,614	18,865,979
Current tax liabilities	13	750,945	454,197
Provisions for employee benefits	20	405,816	335,711
Other non-financial liabilities	21	491,205	395,264
Other provisions	22	247,267	78,392
Issued securities	23	6,038,924	3,637,504
Deferred tax liabilities	13	2,117,671	1,700,745
Total liabilities		42,421,214	29,470,506

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

At year-end 2016 (with comparative figures at year-end 2015).
(Stated in COP millions)

	NOTES	2016	2015
Equity			
Issued capital	24	107,882	107,882
Share issue premium		3,307,663	3,307,663
Income for the period		1,444,463	1,104,091
Accumulated earnings		12,302,406	12,255,428
Other equity interests	26	1,913,970	1,858,384
Reserves	24	3,584,844	4,207,880
Equity attributable to the owners of the parent company		22,661,228	22,841,328
Non-controlling interest	27	2,734,599	3,221,272
Total equity		25,395,827	26,062,600
Total equity and liabilities		67,817,041	55,533,106

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



DAVID BOJANINI GARCÍA
Legal Representative



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



MARIANA MILAGROS RODRÍGUEZ
Statutory Auditor - Lic. No. 112752-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Please refer to my Statutory Auditor's Report, issued February 24, 2017)

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED INCOME STATEMENTS »

At year-end 2016 (with comparative figures for year-end 2015)
(Stated in millions of Colombian pesos, except for basic earnings per share)

	NOTES	2016	2015
Written premiums	11	12,683,244	8,470,116
Ceded premiums	11	(1,851,231)	(937,985)
Retained premiums (net)		10,832,013	7,532,131
Commission income	29	2,184,046	1,952,419
Services rendered	30	2,318,945	1,953,275
Dividends	31	85,715	70,806
Investment income	31	1,182,002	1,171,283
Gains at fair value	31	715,642	134,580
Revenues via equity method	18	1,037,637	810,906
Earnings from sales of investments	31	136,466	72,713
Income on investment property	15	78,916	81,158
Exchange difference (net)	31	172,083	(28,000)
Other income	32	229,857	180,527
Total revenues		18,973,322	13,931,798
Total claims	11	(6,750,579)	(3,839,116)
Reimbursed claims	11	1,499,644	430,407
Retained claims		(5,250,935)	(3,408,710)
Reserves, net of insurance activities	11	(2,814,643)	(2,500,165)
Costs of services rendered	30	(2,304,348)	(1,983,177)
Administrative expense	33	(1,543,942)	(1,060,494)
Employee benefits	20	(1,638,771)	(1,227,944)
Fees	30	(758,493)	(557,014)
Brokerage commissions	29	(1,469,061)	(671,261)
Amortizations	17	(250,538)	(173,269)
Depreciation	16	(71,141)	(55,801)
Other expense	32	(222,019)	(110,376)
Interest	31	(532,932)	(286,273)
Impairment		(14,592)	(3,887)
Total expense		(16,871,415)	(12,038,370)

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED INCOME STATEMENTS »


At year-end 2016 (with comparative figures for year-end 2015)
(Stated in millions of Colombian pesos, except for basic earnings per share)

	NOTES	2016	2015
Earnings before tax		2,101,907	1,893,428
Income tax	13	(430,249)	(569,487)
Net income		1,671,658	1,323,941
Earnings - parent company		1,444,463	1,104,091
Earnings - non-controlling interest	27	227,194	219,850
Earnings per share			
Net earnings per share	35	3,079.63	2,353.95

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


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GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME »


At year-end 2016 (with comparative figures for the year-end 2015)
(Stated in COP millions)

	NOTE	YEAR-END 2016	YEAR-END 2015
Earnings for the period		1,671,658	1,323,941
Other comprehensive income, losses incurred with equity investments, net of tax	26	[2,767]	603
Other comprehensive income, gains on net revaluation of taxes	26	4.404	8.468
Other comprehensive income, losses incurred with re-measurements of defined employee benefit plans, net of tax	26	[169]	877
Total other comprehensive income that shall not be reclassified to profit or loss, net of tax		1.468	9.948
Losses (gains) on exchange differences, net of tax	26	[426,670]	629.967
Loss on cash flow hedges, net of tax	26	9.834	[3,703]
Gains on derivatives hedging net investments in foreign currencies, net of tax	26	17.081	[13,699]
Share of other comprehensive income from associates and joint ventures posted via the equity method that shall be reclassified to profit or loss, net of tax	26	263.336	367.797
Total other comprehensive income to be classified to profit or loss		[136,420]	980.363
Total other comprehensive income		[134,952]	990.311
Total comprehensive income		1,536,706	2,314,252
Comprehensive income attributable to:			
Controlling interest		1,500,049	1,939,185
Non-controlling interest		36.657	375.067

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GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED STATEMENTS OF CHANGES TO SHAREHOLDERS EQUITY »

For year year-end 2016 (with comparative figures for year-end 2015)
(Stated in millions of Colombian pesos, except for basic earnings per share)

	Note	107.882	3.307,643	11,665,743	1,023,290	138.795	4,039,071	1,420,193	21,702,636	3,254,969	24,957,605
	26			835.094	835.094				835.094	155.216	990.311
Balance held at January 01, 2015		107.882	3.307,643	11,665,743	1,023,290	138.795	4,039,071	1,420,193	21,702,636	3,254,969	24,957,605
Other comprehensive income				835.094	835.094				835.094	155.216	990.311
Property and equipment revaluation reserve		-	-	-	6.797	-	-	-	6.797	1.671	8.468
Adjustments on converting net investments in foreign currency		-	-	-	474,340	-	-	-	474,340	155.627	629,967
Financial instruments with changes to other comprehensive income		-	-	-	(516)	-	-	-	(516)	1.119	603
Losses from re-measurements of defined benefit plans, net of tax		-	-	-	770	-	-	-	770	107	877
Associate equity method investments recognized in equity		-	-	-	367.797	-	-	-	367.797	-	367.797
Cash flow hedges - derivatives		-	-	(2,980)	(2,980)	-	-	-	(2,980)	(722)	(3,703)
Hedges for net investments abroad		-	-	(11,114)	(11,114)	-	-	-	(11,114)	(2,585)	(13,699)
Earnings for the period											
Total Net Comprehensive Income for the period					835.094				1,104,091	219.850	1,323,941
Transferred to accumulated income				1,420,193				(1,420,193)			
Profit distribution corresponding to 2014, based on authorization contained in the minutes of Shareholders' Meeting No. 20 held on March 26, 2015:											
Dividends recognized as distributions to owners (COP 422 per ordinary and preferred share)				[242,808]					(242,808)		[242,808]
Donations for social outreach projects				(4,500)					(4,500)		(4,500)
Reserves for the protection of investments	24			(424,593)							
Surplus paid on acquiring non-controlling interests	27						(394,579)		(394,579)	(399,271)	(793,850)
Minimum preferred dividends	25			12.960					12.960		12.960
(Decreases) due to other changes in equity				(171,567)					(171,567)	(9,492)	(181,059)
Balance held at year-end 2015		107.882	3,307,643	12,255,428	1,858,384	138.795	4,069,085	1,104,091	22,841,327	3,221,272	26,062,599

GRUPO DE INVERSIONES SURAMERICANA CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY »

For year year-end 2016 (with comparative figures for year-end 2015)
(Stated in millions of Colombian pesos, except for dividends)

	Issued capital	Share issue premium	Accumulated earnings	Other equity interests	Legal reserve	Occasional reserve	Earnings for the period	Equity attributable to the owners of the parent company	Non-controlling interest	Total shareholders' equity
Balance held at January 01, 2016	107,882	3,307,663	12,255,428	1,858,384	138,795	4,069,085	1,104,091	22,861,327	3,221,272	26,062,599
Other comprehensive income	26			60,169				60,169	(190,538)	(130,369)
Property and equipment revaluation reserve				5,479				5,479	(1,075)	4,404
Adjustments on converting net investments in foreign currency				(228,121)				(228,121)	(193,965)	(422,087)
Financial instruments with changes to other comprehensive income				(1,968)				(1,968)	(799)	(2,767)
Losses from re-measurements of defined benefit plans, net of tax				(388)				(388)	219	(169)
Revenues from associates via equity method recognized in equity				263,336				263,336	-	263,336
Cash flow hedges - derivatives				7,974				7,974	1,859	9,834
Hedges for net investments abroad				13,858				13,858	3,223	17,081
Earnings for the period							1,444,463	1,444,463	227,194	1,671,658
Total net comprehensive income for the period				60,169			1,444,463	1,504,633	36,656	1,541,289
Transferred to accumulated income			1,104,091				(1,104,091)	-	-	-
Distribution of dividends corresponding to 2015 based on authorization contained in the minutes of Shareholders' Meeting No. 21 held on March 31, 2016:										
Dividends recognized as distributions to owners (COP 456 per share)			(262,372)					(262,372)		(262,372)
Donations for social outreach projects			(5,000)					(5,000)		(5,000)
Reserves for the protection of investments	24		(456,617)			456,617		-		-
Surplus paid on acquiring non-controlling interests	27					(1,079,652)		(1,079,652)	(681,869)	(1,761,521)

Minimum preferred dividends	25		17,280					17,280		17,280
Increases (decreases) due to other changes in equity			(165,567)					(165,567)	203,028	37,461
Restated figures for SURA Subsidiary	24.3		(184,837)	(4,584)				(189,421)	(44,488)	(233,909)
Balance held at year-end 2016	107,882	3,307,663	12,302,406	1,913,970	138,795	3,446,049	1,444,463	22,661,229	2,734,599	25,395,827

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GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS »

At year-end 2016 (with comparative figures for year-end 2015)
(Stated in COP millions)

	NOTE	2016	2015
Net income for the period		1,671,658	1,323,941
Adjustments to reconcile gains			
Adjustments for income tax expense	13.4	430,249	569,487
Adjustments for decreases (increases) in inventories		(1,697)	2,502
Adjustments for increases in accounts receivable corresponding to the insurance business		(2,075,632)	(141,211)
Adjustments for decreases in trade receivables		(2,469,118)	(455,996)
Adjustments for increases in other accounts receivable corresponding to operating activities		(240)	(3,186)
Adjustments for increase in trade payables		1,293,933	178,705
Adjustments for increase in accounts payable corresponding to the insurance business		7,123,635	4,571,372
Adjustments for increases in other accounts payables corresponding to operating activities		1	-
Adjustments for depreciation and amortization expense	16 and 17	1,678,022	347,216
Adjustments for provisions		238,479	(1,395)
Adjustments for unrealized foreign currency losses		(270,279)	(535,468)
Adjustments for losses at fair value		(1,236,805)	(792,499)
Adjustments for retained earnings via the equity method	18	(1,037,637)	(810,906)
Non-controlling interest		(28,847)	88,983
Total adjustments to reconcile income		3,644,064	3,017,604
Net cash flows sourced from operating activities		5,315,721	4,341,545
Dividends paid	25	(256,785)	(248,194)
Dividends received from associates		399,312	395,850
Income tax paid		(310,397)	(369,889)
Net cash flows sourced from operating activities		5,147,851	4,119,312
Cash flows sourced from (used for) investing activities			
Cash flows from losing control over subsidiaries or other businesses	18.2.1	517,324	96,578
Cash flows used to obtain control over subsidiaries or other businesses		(1,763,569)	(495,402)

Other cash receipts on sales of equity or debt securities belonging to other entities		4,099,808	4,817,793
Other payments for purchasing equity or debt securities from other entities	9.1.1	(8,260,019)	(8,206,420)
Proceeds from sales of property, plant and equipment	16	45,489	6,501
Purchases of property and equipment		(162,324)	(125,381)
Proceeds from sales of intangible assets		10,832	52,896
Purchases of intangible assets		(2,493,554)	(403,109)
Proceeds from sales of other long-term assets		86,204	13,752
Purchases of other long-term assets	15	(239,364)	(54,456)
Payments on futures, forwards, options and swaps		(356,904)	(215,893)
Dividends received on financial instruments		4,841	-
Interest received	9.1.1	144,185	(699,346)
Net cash flows used for investing activities		(8,367,051)	(5,212,487)

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

At year-end 2016 (with comparative figures for year-end 2015)
Stated in COP millions

	NOTE	2016	2015
Net cash flows sourced from (used for) financing activities			
Proceeds from loans		7,183,822	2,222,927
Loan repayments		(3,174,907)	(912,599)
Interest paid		(252,438)	(74,392)
Other cash outflows		(5,000)	(4,500)
Net cash flows sourced from (used for) financing activities		3,751,477	1,231,436
Net increase in cash and cash equivalents before exchange rate effect	532.277	138.261	(3,703)
Effects of exchange rate fluctuations on cash and cash equivalents			
Effects of exchange rate fluctuations on cash and cash equivalents		101.498	933
Net increase in cash and cash equivalents		633.775	139.195
Cash and cash equivalents at beginning of the period	8	1,433,184	1,293,989
Cash and cash equivalents at the end of period	8	2,066,959	1,433,184

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS »

At year-end 2016 (with comparative figures at year-end 2015)

(Stated in millions of Colombian pesos, except for amounts stated in foreign currencies, exchange rates and share information).

NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A. was incorporated as a result of being spun off from Compañía Suramericana de Seguros S.A., by means of Public Deed No. 2295 drawn up December 24, 1997 before the Notary Public No. 14 of the Circuit of Medellín, with all the corresponding accounting formalities duly completed by January 1, 1998. Its main registered place of business is in Medellín, at the following address: Cra.43 A No. 5 A – 113. The Company is entitled to set up branches, agencies, and offices in other parts of the country as well as abroad, should its Board of Directors so decide. The Company is legally authorized to carry on its business purpose until 2097.

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

The Company's reporting period shall follow that of the normal calendar year, ending on December 31.

The Company comes under the exclusive oversight of the Colombian Superintendency of Finance ("Superintendencia Financiera de Colombia"), since it is listed as an issuer of securities with the Colombian National Registry of Securities (Registro Nacional de Valores).