

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

ATTACHMENT TO THE BALANCE SHEET AT DECEMBER 31, 2016

SECTION 446 OF THE CODE OF COMMERCE

(Stated in thousands of Colombian pesos)

1	Amounts paid out to Senior Management	
	Fees paid to Members of the Board of Directors	808.500
	Senior Management salaries and social benefits	8.441.032
	Traveling and representation expense, bonuses, transport and other remunerations paid to Senior Management	
	No payments involving these items are directly paid to the incumbents since the Company defrays the expense required for the performance of their duties.	
	Notes	
	1. In the case of trips made by executives to different offices in the performance of their duties, the Company pays the corresponding accommodation, transport and any other necessary expenses.	
	2. When attending visitors from both within the country and abroad, the Company recognizes this expense in the respective accounts	
2	Professional and technical consultancy fees	18.191.944
3	Statutory Auditor and external auditing staff	633.329
4	Assets and liabilities abroad	
	Cash and banks USD 15,115	45.355.574
	Investments in other local or foreign companies	
	For more information please refer to the notes to the Separate Statement of Financial Position	25.309.744.876
5	Transfers of funds and other assets free of charge	5.000.000
6	Advertising expense	2.421.393
7	Representation expense	767.883

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PROPOSED DIVIDEND DISTRIBUTION

Based on the balance of the net income account as shown on the Company's Statement of Financial Position at year-end 2016, the following dividend distribution is proposed:

Earnings before tax	\$	897.019.469.915
Less: Tax appropriations		-61.538.162.681
Income for the period		835.481.307.234

PROPOSED DISTRIBUTION OF DIVIDENDS

1. PROPOSAL:

A dividend per share of four hundred and eighty eight Colombian pesos (COP 488.00) per year which shall be totally (100%) tax exempt for the shareholder on a total of 575,372,223 ordinary and preferred shares, which shall accrue once said dividend is duly declared by the shareholders at their upcoming Annual Shareholders' Meeting

280.780.217.901

2. FORM AND DATE OF PAYMENT:

Said dividend shall take the form of freed-up preferred shares or in cash, as the shareholder should so choose.

In any event, said payment shall be made in a lump sum between April 21 and 30 of 2017

All those shareholders choosing to receive their dividends in cash should inform the Company of their decision in writing between March 31, and April 7, 2017, this through a payment instruction form that shall be made available beforehand. These instructions are to be given to the Company via the following means:

i) at the upcoming Shareholders' Meeting to be held on the date, time and place indicated in the Notice of a Shareholders' Meeting given beforehand.

ii) ii) at the Company Secretary's Office, located at the following address: Carrera 43A # 5A - 113 piso 13, Medellín- Colombia

iii) iii) in Fiduciaria Bancolombia's offices located in the cities of Medellín, Bogotá, Cali and Barranquilla; or

iv) directly on the Company's website: www.gruposura.com.

In the event that any shareholder should fail to clearly or opportunely given such instructions in writing with regard to receiving his or her dividend payment in cash, it shall be understood that they agree to receive said payment in the form of a stock dividend. This same shall apply to all those payment instructions whose content is either incomplete or illegible.

3. DIVIDEND PAYMENT IN THE FORM OF A LUMP SUM

The shareholders shall receive all of their dividends, either in the form of the Company's preferred shares or in cash (according to the option chosen), except when legal restrictions apply to their own particular investment regime and they are thus prevented from receiving their dividends in the form of Company stock. In this case, the shareholder must provide legal arguments or reasons for such limitation, and the Company, in turn, shall proceed to study each individual case so as to reach an appropriate way of proceeding with the corresponding dividend payment. This in the term provided in section 2 of this Dividend Distribution Proposal.

4. THE FREEING UP OF PREFERRED SHARES

The portion of preferred shares required to pay the dividends corresponding to all those shareholders who did not provide written instructions for receiving a cash payment, shall be freed up by the Company's Board of Directors, before April 20, 2017 at the latest, from the reserve of preferred shares that have been issued but not placed and thus are freely available to the Company.

5. PRICE OF THE PREFERRED SHARES TO BE PAID OUT IN THE FORM OF DIVIDENDS

The price of the preferred shares required to be paid out in the form of dividends, as stipulated in this Dividend Distribution Proposal, shall be calculated as follows:

The average of the average daily price listed for said preferred shares during a period of sixty calendar (60) days prior to the date on which the Annual Shareholders Meeting is scheduled to be held, that is to say, from January 29, 2017 to March 30, 2017, less a discount of four per cent (4%) on the average price thus obtained. This average price shall be understood to be that set and listed by the Colombian Stock Exchange as published in its daily bulletin. Should the calculation of the aforementioned sum produce an unpaid balance owing to the shareholder, said balance shall be paid in cash on the same date as the stock dividend, to which the shareholder is entitled, is paid.

6. OTHER TERMS AND CONDITIONS:

The dividend corresponding to the preferred shares freed up by the Company shall be paid to all those shareholders who retain their shares until the business day immediately preceding the beginning of the Company's ex-dividend period, that is to say, April 17, 2017, at the latest.

The dividend payment instruction forms for all those shareholders who sell or otherwise dispose of their shares after the end of the Annual Shareholders Meeting to be held on March 31, 2017 and before April 17, 2017 (the beginning of the ex-dividend period), shall be revoked even if said shareholders had previously instructed a cash dividend, and instead the new holders of said shares shall be entitled to receive the Company's freed-up shares based on that stipulated in this Dividend Distribution Proposal.

Attachment: payment instructions, available on the Company's website

Donations for social outreach projects	5.000.000.000,00
Reserve for the protection of investments	549.701.089.333,11
EQUAL AMOUNTS	\$ 835.481.307.234,00 835.481.307.234,00

*Pursuant to Decree 4766 issued December 14, 2011, together with the amendment published on March 1, 2012 to the Rules and Regulations, governing the Colombian Stock Exchange any shares that are sold between the first business day of the dividend payment period corresponding to said shares and the four (4) trading days immediately preceding said date, shall not confer dividends on the new holder, and accordingly the dividends accruing during this period and those that remain outstanding shall invariably be for the account of the seller.

Medellín, February 17, 2015

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

At December 31, 2016 (with comparative figures at year-end 2015)
(Stated in millions of Colombian pesos)

	NOTE	YEAR-END 2016	YEAR-END 2015
Assets			
Cash and cash equivalents	7	451.443	221.228
Investments	8.1.3	23.091	21.512
Trade and other accounts receivable	8.1	767	176
Accounts receivable due from related parties and associates	8.1.1	99.899	86.941
Current tax assets	9	61.291	25.021
Other financial assets	8.1.2.	123.526	185.302
Other non-financial assets		246	242
Property and equipment	10	40.176	17.451
Intangible assets other than goodwill		-	72
Investments in related companies	11.1.	14,395,418	14,899,559
Investments in Subsidiaries	11.2.	10,891,236	8,445,212
Deferred tax assets	9	47.412	41.594
Total assets		26,134,505	23,944,310
Liabilities			
Financial liabilities	8.28.21	1,311,689	726.418
Trade and other accounts payable	8.2.3	36.643	61.532
Accounts payable to related parties	8.2.2.	1,727,010	88.976
Current tax liabilities	9	123.394	46.536
Provisions for employee benefits	12	32.132	28.630
Other provisions	13.1.	266.258	247.997
Issued securities	8.2 / 14	986.781	1,109,673
Deferred tax liabilities	9	113.693	124.614
Total liabilities		4,597,600	2,434,376
Equity			
Issued capital	15	107.882	107.882
Share premium	15	3,307,663	3,307,663
Accumulated earnings		11,754,545	11,737,265
Other comprehensive income		472.258	1,030,676
Reserves	15	5,059,076	4,602,459
Earnings for the period		835.481	723.988
Total equity		21,536,905	21,509,934
Total equity and liabilities		26,134,505	23,944,310

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. 112752-T
Appointed by Ernst & Young Audit S.A.S. TR-530

GRUPO DE INVERSIONES SURAMERICANA S.A.
SEPARATE INCOME STATEMENT »

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

	NOTE	2016	2015
Dividends	11.1., 18	360.742	347.739
Investment income, net	18	(7,115)	5.407
Losses (gains) at fair value, net	18	(125,931)	74.320
Subsidiary earnings via equity method, net	11.2., 18	748.767	573.993
Earnings from sales of investments, net	18	65.940	7.912
Other income		179	280
Exchange difference (net)	19	143.648	(20,060)
Total revenues		1,186,230	989,591
Administrative expense	20	(41,263)	(29,822)
Employee benefits	12.4.	(20,990)	(19,260)
Fees	21	(19,634)	(6,009)
Amortizations		(72)	(75)
Depreciation	10	(407)	(380)
Interest	18	(206.845)	(98.078)
Total expense		(289,211)	(153,624)
Earnings before tax		897,019	835,967
Income tax	9	(61.538)	(111.979)
Net income		835,481	723,988
Earnings per share for the period	23	1.781	1.544

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

At year-end 2016 (with comparative figures for year-end 2015)
(Stated in millions of Colombian pesos)

	NOTE	2016	2015
Earnings for the period		835.481	723.988
Other comprehensive income, net of taxes as well as gains (losses) on equity investments	17	1.579	(3.355)
Other comprehensive income net of tax and losses (gains) on re-measurements of defined employee benefit plans	17	(1.041)	85
Total other comprehensive income that shall not be reclassified to profit or loss, net of tax		538	(3,270)
Share of other comprehensive income from subsidiaries posted via the equity method that shall be reclassified to profit or loss, net of tax	17	(558.956)	300.639
Total comprehensive income to be classified to profit or loss		(558.956)	300.639
Total other comprehensive income		(558.418)	297.369
Total comprehensive income		277.063	1,021,357

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GRUPO DE INVERSIONES SURAMERICANA S.A. ESTADOS DE CAMBIOS EN EL PATRIMONIO SEPARADOS »

Año que terminó el 31 de diciembre de 2016 (con cifras comparativas por el año que terminó el 31 de diciembre de 2015)
(Expresados en millones de pesos, excepto la utilidad neta por acción)

	NOTE	ISSUED CAPITAL	SHARE PREMIUM	ACCUMULATED EARNINGS	OTHER COMPREHENSIVE INCOME	LEGAL RESERVE	OCCASIONAL RESERVE	EARNINGS FOR THE PERIOD	TOTAL SHAREHOLDERS' EQUITY
At January 01, 2015		107.882	3.307.663	11.531.364	733.308	138.795	4.039.071	864.842	20.722.925
Other comprehensive income									
Revenues from subsidiaries, via the equity method	17	-	-	297.368	-	-	-	-	297.368
Gains on equity investments	17	-	-	300.639	84	-	-	-	300.639
Gains from re-measurements of defined benefit plans ¹⁷		-	-	(3.355)	-	-	-	-	84
Earnings for the period		-	-	-	-	-	-	723.988	(3.355)
Total Net Comprehensive Income for the period		-	-	297.368	-	-	-	723.988	723.988
Transferred to accumulated income		-	-	864.842	-	-	-	(864.842)	1.021.357
Dividend distribution corresponding to 2014, as contained in the minutes of Shareholders' Meeting No. 20 held on 3/26/2015:									
Shareholder dividends (COP 422 per share)	16	-	-	(242.808)	-	-	-	-	(242.808)
Donations for social outreach projects	16	-	-	(4.500)	-	-	-	-	(4.500)
Reserve for the protection of investments	15	-	-	(424.593)	-	-	424.593	-	-
Minimum preferred dividends	16	-	-	12.960	-	-	-	-	12.960
At year-end 2015		107.882	3.307.663	11.737.265	1.030.676	138.795	4.463.664	723.988	21.509.934
Other comprehensive income									
Revenues from subsidiaries via the equity method	17	-	-	-	(558.419)	-	-	-	(558.419)
Gains on equity investments	17	-	-	-	(588.956)	-	-	-	(558.956)
Gains from re-measurements of defined benefit plans	17	-	-	1.579	-	-	-	-	1.579
Earnings for the period		-	-	(1.041)	-	-	-	-	(1.041)
Earnings for the period		-	-	-	-	-	-	835.481	835.481
Total Net Comprehensive Income for the period		-	-	(558.418)	-	-	-	835.481	277.063
Transferred to accumulated income		-	-	723.988	-	-	-	(723.988)	-
Dividend distribution corresponding to 2015 as contained in the minutes of Shareholders' Meeting No. 21 held on 3/31/2016:									
Shareholder dividends (COP 456 per share)	16	-	-	(262.371)	-	-	-	-	(262.371)
Donations for social outreach projects	16	-	-	(5.000)	-	-	-	-	(5.000)
Reserve for the protection of investments	15	-	-	(456.617)	-	-	456.617	-	-
Minimum preferred dividends	16	-	-	17.280	-	-	-	-	17.280
At December 31, 2016		107.882	3.307.663	11.754.545	472.258	138.795	4.920.281	835.481	21.536.905

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(Please refer to my Statutory Auditor's Report, issued February 24, 2017)


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

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

	NOTE	2016	2015
Earnings for the period		835.481	723.988
Adjustments to reconcile gains			
Adjustments for income tax expense		61.538	111.979
Adjustments for decreases in trade receivables		(591)	(43)
Adjustments for increases (decreases) in other accounts receivable corresponding to operating activities		(12.957)	39.535
Adjustments for increase in trade payables		(390.562)	(282.488)
Adjustments for decreases in other accounts payables corresponding to operating activities		1,638,034	20.352
Adjustments for depreciation and amortization expense		478	456
Adjustments for provisions		196.610	(133.767)
Adjustments for losses (gains) at fair value		45.445	(147.066)
Adjustments for retained earnings via the equity method		(748.767)	(573.993)
Other adjustments to reconcile gains		(2)	(68)
Total adjustments to reconcile gains		789.226	(965.104)
Net cash flows sourced from (used for) operating activities		1,624,707	(241.116)
Dividends paid	16	(257.442)	(248.442)
Dividends received from Associates	11.1	794.013	781.010
Reimbursed income tax (paid)		(37.691)	312
Net cash flows sourced from operating activities		2,123,588	291.764
Cash flows used for investing activities			
Cash flows from losing control over subsidiaries or other businesses	11.1	504.375	68.753
Cash flows used to obtain control over subsidiaries or other businesses	11.2	(2,865,606)	(894.425)
Proceeds from sales of property, plant and equipment		13	-
Purchases of property, plant and equipment		(23.145)	(176)
Cash receipts from futures, forwards, options and swaps		37.346	-
Cash flows used for financing activities			
Proceeds from loans		915.407	854.699

Loan repayments		(450.361)	(94.058)
Payments of financial lease liabilities		(404)	-
Interest paid		(22.328)	(21.229)
Donations		(5.000)	(4.500)
Net cash flows sourced from operating activities		437.313	734.912
Net increase in cash and cash equivalents before exchange rate effect	213.885	200.828	734,912
Effects of exchange rate fluctuations on cash and cash equivalents		16.330	9.791
Net increase in cash and cash equivalents		230.215	210.619
Cash and cash equivalents at beginning of the period		221.228	10.609
Efectivo y equivalentes al efectivo al principio del periodo		221,228	10,609
Efectivo y equivalentes al efectivo al final del periodo		451,443	221,228

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