





There are few places, left on earth, that remain un-touched. However, the mountain ranges of Chiribiquete is one of them. It is a little explored park, almost unknown, in the Southeastern part of Colombia. Only mother nature is responsible for its conditions. For scientists, it is paradise, an incredibly unique ecosystem, in the world. For the indigenous peoples, it is a sacred site and their spiritual home, which, for centuries, has been visited and cared for, by only its Shamans.

Since it was declared a Cultural and Natural Heritage of Humanity, in July 2018, by the United Nations Educational, Scientific, and Cultural Organization (UNESCO), it is essential to make it known, as an extraordinary site, that requires the commitment of all peoples, to protect it and keep it pristine.

SURA is committed to this objective, in support of research, and also, to the most complete publication that has ever been done, to date, on the relevance and meaning of the largest protected reserve of biodiversity in the Americas, all this, in order to raise awareness about it, and also to raise awareness about its care. This work, which will soon be will delivered to the public, is led by the anthropologist Carlos Castaño Uribe, in union with the Fundación Herencia Ambiental (Environmental Heritage Foundation), backed by the direction of Parques Nacionales Naturales de Colombia (National Native Parks of Colombia).

As part of this project, we invited the artist Jeison Sierra, who with the "Edition of Four Photographs of Chiribiquete", extols the value of this Amazonian treasure. Inspired by the images of the Parque Nacional Natural Serranía de Chiribiquete Serranía (National Natural Park of Chiribiquete), the present Annual Report takes up, within its visual graphic elements, these images captured, as a way of supporting millenary cultural heritage.



| CONTENT |



PHOTOGRAPHER:
JORGE A. ARANGO
FUNDACIÓN HERENCIA AMBIENTAL



PHOTOGRAPHER:
STEVE WINTER
NATIONAL GEOGRAPHIC



PHOTOGRAPHER:
JORGE A. ARANGO
FUNDACIÓN HERENCIA AMBIENTAL



PHOTOGRAPHER:
STEVE WINTER
NATIONAL GEOGRAPHIC



These are the four images of the Parque Nacional Natural Serranía de Chiribiquete (Serranía de Chiribiquete National Natural Park), edited by the Colombian artist Jeison Sierra, works that will be donated to our Shareholders.

The original photographs are part of the research currently led by the anthropologist Carlos Castaño Uribe, on the "Patrimonio Natural y Cultural de la Humanidad" (Natural and Cultural Heritage of Humanity), which will be gathered, in a publication that will soon be available, with the support of SURA.

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1. Special Report of the Business Group, 2018
 2. Full Report on Corporate Governance, 2018
 3. Reports of the Committees of the Board of Directors, 2018
 4. Notes to the Consolidated Financial Statements
 5. Notes to the Separate Financial Statements
 6. GRI Content Index
-

PRESENTATION



102-16 **102-14** One of Grupo SURA's priorities is to respond, appropriately and in a timely manner, to the need for information and fulfilling the expectations of our stakeholders, such as shareholders, investors, and regulatory bodies, among others. These criteria of action, seek to strengthen the bonds of trust, with our different public, based on the principles of transparency, respect, responsibility, and equity.

102-45 **102-48** In that sense, the 2018 Annual Report aims to account for the most relevant aspects of performance, evolution, results, and how the Companies, that make up the SURA Business Group and the SURA-Bancolombia Financial Conglomerate (Conglomerado

Financiero SURA-Bancolombia), of which Grupo SURA is a holding.

102-46 We also hope that the report will be useful, as a starting point, for a more complete management evaluation. In addition to understanding the Consolidated and Separate Financial Statements, with the respective Notes, is also an opportunity to share progress, on relevant identified matters, in our review of the Materiality Analysis of the Business Group (2017-2019).

In this regard, this addresses the management, in the last year, of the Ethics and Corporate Governance System, the development of our human talent, the Innovation Systems, aspects of financial management, reputation, and brand, as well as the steps, that as an Organization, we have taken, to ensure

its profitable and sustainable economic, social, and environmental growth.

The foregoing, is consistent with our objective to continue to strengthen, the comprehensive and responsible management of the environment, and each of our stakeholders, and that this are aligned with the Sustainable Development Goals (SDGs), prioritized by the Organization.

102-12 We reiterate the commitment of Grupo SURA, its subsidiaries, and the operating Companies, in the region, as signatories of the United Nations Global Compact, and in compliance with other standards and indexes, which allow us to incorporate the very best international practices, with the purpose of continuing to create well-being and sustainable development to people, organizations, and society.

101 **102-50** **102-54** **102-56** As in previous Annual Reports, this document complies with the guidelines of the standard norms for the preparation of sustainability reports of the Global Reporting Initiative (GRI), an essential option. In order to verify the reliability of the information, this publication was audited by EY, an independent firm that follows the guidelines of the ISAE 3000 International Standard, and whose report concludes that these reports, reasonably comply with the reality of the Company's financial and non-financial position at December 31, 2018.

It should be noted, that on this opportunity, the same printed version that is delivered at our General Assembly of Shareholders, will be the shared in the edition available at gruposura.com, both, accompanied by the digital annexes, indicated in

the indices, as well as referenced in the relevant sections.

In such annexes, you may also find the GRI Content Index. Likewise, we developed a summarized version, in a multimedia format that includes the main aspects of management and the results, also available on our website. We hope, that the exercise of consolidating the principal actions, and decisions, of 2018, will contribute to a useful understanding of our strategy and the way in which we contribute to the management of the Financial Services Businesses, of the Companies in our portfolio.

DAVID BOJANINI GARCÍA
Chief Executive Officer
Grupo SURA

102-12 | 102-13

INDICES, STANDARDS, AND RECOGNITION



The Global Dow Jones Sustainability Index (DJSI)
Dow Jones Sustainability Index for Emerging Markets (DJSI Emerging Markets)
Dow Jones Sustainability Index MILA-Pacific Alliance (DJSI MILA).



Our reports follow the guidelines, of the norms, for the preparation of sustainability reports.



Sustainability Yearbook 2019: Silver Class, in the Diverse Financial Services and Capital Markets Sectors.



Principles for Insurance Sustainability.



Recognition of Relationships with Investors 2018 granted by the Colombian Stock Exchange.



Eighth place, in the general ranking of Merco (Corporate Monitor of Corporate Reputation), in Colombia, and seventh place, in Merco Talento.



Qualification as sustainable and responsible investment, by Oekom.



Evaluation of environmental practices, by CDP.



United Nations Global Pact.



The Colombian Business Council for Sustainable Development.

THINGS TO KEEP IN MIND, WHEN READING THIS REPORT:

- **SURA Business Group:** refers, in its entirety, to Grupo SURA, as a Parent Company, its controlled companies in Colombia and abroad: Suramericana, SURA Asset Management, and its subsidiaries in Latin America. In addition to local investments, such as Arus and Hábitat.
- **Financial Conglomerate SURA-Bancolombia:** refers to the group of companies, in Colombia and abroad, that exercise financial, insurance, or stock market activity, over which Grupo SURA, as a Financial Holding, has significant control, or influence (Law 1870 of 2017). In addition

- to Grupo SURA, it is comprised of approximately 80 companies, including Suramericana, SURA Asset Management, Bancolombia, Protección, and its operating subsidiaries and investment vehicles.
- All financial information is published under the International Financial Reporting Standards.
- The accounting, and financial, information of this report and its annexes, as well as the non-financial report, is audited by Ernst & Young Audit S.A.S. (EY Colombia).
- Figures are expressed in pesos (COP) and US dollars (USD), and under the North American Numerical System,

- in terms of commas in thousands, and decimal points).
- Percentage variations, in the financial figures, correspond to the value, in COP.
- Figures, in USD, are equivalent restatements of the values in COP, with the following exchange rates:

Average rate 2018	
COP	Accounts of the Statement of Comprehensive Income and non-financial information.
2,956.43	
Closing rate 2018	
COP	Accounts of the Statement of Financial Position and valuation of Assets Under Management (AUM)
3,249.75	

COMPANY PROFILE

Grupo de Inversiones Suramericana -Grupo SURA is the Holding Company, of the SURA-Bancolombia Financial Conglomerate, present in 11 countries, in Latin America, and with a strategic focus on financial services of insurance, pensions, savings, investment, asset management, and banking.

As an Organization, we are defined by our greatest intent, to the creation of well-being and sustainable development for people, organizations, and society. We believe, that the value of our management, is in helping to reduce the uncertainty that accompanies both people and companies, in the face of their present, and of their future, through our products and solutions that, in addition to providing financial protection, enhance their capacities, to grow and to achieve their goals. All of this, makes people's lives better and promotes the sustainable development of the Countries, where we have a presence.

102-2 Our investments are focused on the financial services sector (75% of portfolio value), and are complemented by investments in other industrial sectors, as well as growing companies. These are:

► **Suramericana**, a specialized subsidiary, in the insurance, trend, and risk management industry. It is a multi-solution,

multi-channel, and multi-segment platform, with operations in nine countries. It is also the fourth insurer, of Latin American origin, for written premiums.

► **SURA Asset Management**, an expert subsidiary in pensions, savings, investment, and asset management, with a presence in six markets, is the regional leader, in the pension industry, and also, seeks to be an investment platform for institutional clients.

► **Bancolombia**, a company in which Grupo SURA is the main shareholder (non-controlling), offers specialized and complementary universal banking services for people, companies, and SMEs, which make it a leader in Colombia. Its subsidiaries make up the main financial network in Central America.

Together, these Companies represent one of the Main Financial Groups, in Latin America, in terms of customers, managed assets, and written premiums. We share the challenge of remaining relevant, thanks to our ability to evolve and create superior value, based on what we deliver and, above all, on the way we do it.

In other industries, Grupo SURA has investments in Grupo Nutresa (processed foods) and Grupo

Argos (cement, energy, as well as road and airport concessions). The portfolio is complemented by Companies in which we identify potential decrease and eventual synergies, in order to leverage the Financial Services Companies.

Our origin, as an Organization, was founded in 1944, when the Compañía Suramericana de Seguros Generales, was born, in Medellin, Colombia, today known as Seguros SURA, a subsidiary of Suramericana. This entrepreneurial spirit, combined with the expertise in risk management, contributed to consolidate an investment portfolio, that was split in 1997, from insurance activity. At that time, Grupo SURA was created, as a holding of the Business Group. After its regional expansion, with the acquisitions of ING assets (pensions, life insurance, and investment funds) in 2011, and in 2015, of RSA (insurance), it now consolidates its organic and profitable growth.

The Company has been listed, since 1945, on the Colombian Stock Exchange (BVC), and is registered in the ADR-Level I program, in the United States. It is also the only Latin American in the Miscellaneous Financial Services and Capital Markets sector, in the Dow Jones Sustainability Global Index (DJSI), which recognizes companies with the best economic, social, and environmental practices.

INVESTMENT PORTFOLIO



75.4%
of the portfolio, in
financial services

*SURA AM valued at the last transaction (CDPQ), Suramericana at 1.8x equity, and companies listed on the stock market, at market value, at the end of the year.

Shareholding, corresponds to the ordinary shares, held by Grupo SURA, in each Company.

OUR SHAREHOLDERS (At December 31 of 2018)



- 28.5% Pension and severance funds
- 16.0% International funds
- 6.6% Institutional investors
- 4.1% Colombian investment funds
- 27.1% Grupo Argos
- 10.5% Grupo Nutresa
- 4.2% Individual investors
- 2.8% Foundations

11,102

Shareholders have Grupo SURA (9,465 individuals). Of that total,

501

are international.

| MAIN FIGURES 2018 |

FINANCIAL CONGLOMERATE SURA - BANCOLOMBIA

CLIENTS¹

51
million

COLLABORATORS²

59,317

AUM³

COP
686.9
billones

USD 211,367 million

¹ Sum of clients of the Conglomerate Companies: are not only clients; these can be from several Companies in Colombia, Chile, Mexico, Panama, El Salvador, and Uruguay.

² Administrative employees, plus the commercial force, and employees: includes collaborators of the Holding Company, Grupo SURA.

³ Sum of assets, managed by Conglomerate Companies: Calculation: sum of AUM, of SURA AM, technical reserves, consolidated and managed directly by Suramericana, Bancolombia deposits and AUM of Fiduciaria Bancolombia, and Valores Bancolombia. This is not comparable with data, published in the Annual Report of 2017, due to a change in the calculation methodology.

● SURA Asset Management

Clients: **19.8 million**
Collaborators: **8,705**
Countries: **6***

ORGANIZATIONAL CHART
(Commissions + safe margin)

COP
2.24 billion
(USD 758.8 million)
▲5.7%

NET INCOME

COP
0.29 billion
(USD 98.5 million)
▼-52.7%

ASSETS UNDER MANAGEMENT (AUM)

COP
418.6 billion
(USD 128,798 million)
▲4%

◆ Suramericana

Clients: **17.2 million**
Collaborators: **20,445**
Countries: **9**

OPERATING INCOME
(Premiums issued + provision of services)

COP
15.2 billion
(USD 5,145.1 million)
▲3.6%

TECHNICAL RESULTS

COP
2.38 billion
(USD 804.2 million)
▲13%

NET INCOME

COP
524,868 million
(USD 177.5 million)
▲3.6%

▲ Bancolombia

Clients: **14 million**
Collaborators: **30,089**
Countries: **4**

GROSS PORTFOLIO
(Of credits, before provisions)

COP
173.8 billion
(USD 53,487 million)
▲8%

NET INCOME

COP
2.66 billion
(USD 899.3 million)
▲1.7%

EQUITY

COP
24.8 billion
(USD 7,646.4 million)
▲7.5%

* It does not include Argentina, where it recently began to serve institutional segment.

| MAIN FIGURES 2018 |

GRUPO SURA (HOLDING)

CONSOLIDATED INCOME

COP
19.5 billion
(USD 6,586.7 million)
▲0.01%

FINANCIAL DEBT
(individual)

COP
5 billion
(USD 1,539.2 million)
▲2.3%

INCOME, BEFORE
ACCOUNTING IMPACTS,
FROM DIVESTMENTS *

COP
1.41 billion
(USD 475.7 million)
▲7.6%

ASSETS

COP
71.1 billion
(USD 21,870.4 million)
▲3%

* Corresponds to the accounting line of net profit of continuing operations.

NET INCOME

COP
1.34 billion
(USD 454.4 million)
▼-7.7%

EQUITY

COP
26.9 billion
(USD 8,277.8 million)
▲2.6%

OTHER RELEVANT FIGURES 2018-SURA BUSINESS GROUP

(Grupo SURA, SURA Asset Management y Suramericana)

COLLABORATORS

7.64%
increased of the number of employees, to 29,228, including the commercial force and advisors.

SURA VENTURES
(Corporate Venture)

USD
10.6 million
invested in three companies, this year, reaching a portfolio of 12 investments, since 2016.

SOCIAL INVESTMENTS

2.65 million
people, from 10 countries benefited, thanks to an investment that amounted to COP 35,257 million (USD 11.9 million).

COP
10,669 million
(USD 3.6 million)
amounted to commercial initiatives, with social impact, managed by the Companies, in the region.

ECO-EFFICIENCY

4.5%
reduction of the total energy consumption of Grupo SURA, Suramericana, and SURA Asset Management.

SUPPLIERS

97.13%
of the purchasing budget was allocated to local suppliers (39,233), as an average between Grupo SURA, Suramericana, and SURA AM.

| OUR STRATEGY |

Fostering well-being and sustainable development for people, organizations, and society, is the common purpose of the Companies that make up SURA Business Group. Our long-term commitment is to become the leading Latin American Group, in the financial Services Sector, known for our ability to evolve, and generate greater value for our shareholders and society.

This commitment is in response to anticipating needs, and asking the right questions to remain relevant, as well as achieving more profitable business growth and the consolidation of recent investments, in an effort to generate greater efficiencies and capabilities.

Also, this emphasizes the commitment of all Companies of the Business Group, to contribute, more and more, to the development of the countries, where we have presence.



At Grupo SURA, we define six pillars, that support the execution of our strategy, which represent a focus and the strengths needed to add value, to the Financial Services Companies, of our portfolio.

STRATEGIC PRIORITIES OF THE SURA BUSINESS GROUP

- **Transformation and evolution of business:** to respond, with assertiveness, to constant changes of the environment and look for opportunities, leveraged in new technologies and innovative models..
- **Financial strength and investment capacity:** to allow for the resources to support the strategy of the Organization, continue with capital assignment plans, respond to obligations and contribute to the Companies growth, consolidation and profitability.
- **Creation of greater value to clients:** to seek to overcome the expectations, and to support, the Financial Services Companies of our portfolio, in an effort to differentiate ourselves, anticipate issues and scenarios, with solutions, and identify better ways to support each of our clients, throughout the different stages of their lives.

| MATERIALITY ANALYSIS |

102-46 102-47 102-49 Materiality corresponds to those social, environmental, and economic aspects, that are significant for the fulfillment of the objectives, of our Organization, and that exert a substantial influence, in the decision making, of the different stakeholders.

ELABORATION PROCESS

1 Identification and referencing: EXTERNAL: standards, frameworks, and references. INTERNAL: analysis of inputs (strategy, risk mapping, and interviews with Managers).	2 Preliminary materiality: List of preliminary topics, for consultation.	3 Consultation of stakeholders and information analysis: Perception surveys and interviews.	4 Connection of consultation results of stakeholders and strategic risk mapping: Alignment of material matters.	5 Internal validation: Review of results and inputs. Final prioritization of matters with the Management Team.	6 Definitive materiality: See table in page 11.
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| MATERIALITY ANALYSIS - PERFORMANCE IMPACT 2017-2019 |

PRIORITIZED ISSUES

- 1 **CORPORATE GOVERNANCE**
Implementation of the Corporate Governance Policies and Processes, and International Standards, in an effort to be the leaders in this area.
- 2 **REGULATION**
Anticipation and management of regulation, in the countries where we have presence, and the analyses and understanding of the risks and opportunities that this generates; contribute to public policies in proactive and responsible manner.
- 3 **INNOVATION**
Implementation of strategies, and initiatives, to generate value and remain relevant, offering new responses to the challenges and opportunities, posed by the environment.
- 4 **BUSINESS DEVELOPMENT**
Organic and inorganic growth, developing businesses (new channels, solutions, segments), and identifying key trends for market penetration.
- 5 **ASSIGNMENT STRATEGIC CAPITAL**
Allocation of capital, in a manner consistent with the business strategy, for the sake of long-term growth.
- 6 **CAPITAL STRUCTURE**
Articulation to the Companies, to maintain adequate capital structure, guaranteeing the generation of dividends and competitiveness, with quality, profitability, and sustainable growth.
- 7 **LONG-TERM RELATIONSHIP WITH CLIENTS**
Generation of value to people, as a support system, in the management of risks and trends, providing them well-being, care, tranquility, competitiveness, and sustainability.
- 8 **INTEGRAL OFFER OF SERVICES**
Development of the ability to offer a comprehensive portfolio of services, in the businesses where SURA has a presence, with the articulation of the Companies of the Business Group.
- 9 **ATTRACTION, DEVELOPMENT, AND RETENTION OF HUMAN TALENT**
Implementation of strategies to attract the most qualified professionals, in the Latin American labor market. Establishing a comprehensive offer for professional development and retaining work teams.
- 10 **CORPORATE CULTURE**
Management of a culture, based on respect, responsibility, fairness, and transparency, in our relationships with stakeholders.
- 11 **REPUTATION, BRAND AND RELATIONSHIP WITH GROUPS OF INTEREST**
Proactivity in strengthening, and protecting, SURA's reputation in Latin America, through a strategy that includes the management of relationships with stakeholders, the Brand, consistency in the Corporate Discourse, the actions of the institutional projection, and the development of practices of sustainable business.

RELEVANCE

- 1 **HEALTH AND SECURITY IN THE WORKPLACE**
Holistic management of both the physical and mental health, and safety of human talent, with a focus on the well-being and quality of life, of our employees.
- 2 **PROTECTION OF CLIENTS AND USERS**
Ensured custody of investments, the protection of sensitive information, and security in operations, through a culture, based on prevention and protection.
- 3 **INVESTMENTS WITH ASG FOCUS**
Ensured investment analysis processes, and business models, which include parameters, as well as Environmental, Social, and Corporate Governance (ESG) assessment criteria, for decision making.

EMERGING

- 1 **SUPPLY CHAIN**
Implementation of policies and procedures for the evaluation, development, and monitoring of suppliers and service providers, under participatory schemes, to ensure best practices in the operation.
- 2 **RIGHTS HUMANS**
Respect and promotion of Human Rights
- 3 **SOCIAL INVESTMENT**
Participation in local and international initiatives, through investments in: social development projects, corporate volunteering, inter-institutional alliances, and strategies that promote healthy and productive communities.
- 4 **MANAGEMENT OF ENVIRONMENTAL IMPACTS**
Management, in a responsible manner, of environmental risks and opportunities, for the optimal development of business.

Grupo SURA has the challenge of formalizing the process of measuring and managing these material matters. This involves defining metrics, to demonstrate the extent to which the Company manages these matters and contributes to meeting the expectations of its stakeholders.

01

MANAGEMENT
REPORT

The main focus of Grupo SURA's Management, during 2018, was to continue advancing, in the consolidation and profitable growth of its main companies, in Latin America, as well as in the development of its business strategy. This occurred, during a year marked by a modest economic performance in the region, the high volatility of the capital markets, associated with commercial, geopolitical and global economic events, and an appreciation of the dollar, against local currencies of the countries, where the Group has presence.

As part of our strategic direction, we have established three priorities that respond to the purpose of creating well-being and sustainable development for people, organizations, and society:

- **103-1 Transformation and evolution of the business**, so that we respond, with assertiveness, to the constant changes in the environment, as well as look for opportunities, leveraged in new technologies and innovative models.
- **The creation of greater value for our clients**, as we seek to exceed their expectations, and support the Financial Services Companies, of our portfolio, in an effort to differentiate them and also to anticipate solutions, scenarios, and better ways to accompany each of our clients, throughout the different stages of their lives.
- **Financial strength and investment capacity**, which allows us to have the resources to support the Organization's strategy,

continue with capital allocation plans, respond to obligations, and contribute to the Companies growth, consolidation, and profitability.

These strategic priorities are reflected in the operating performance of the businesses of our subsidiaries, Suramericana (insurance, trend, and risk management) and SURA Asset Management (pensions, savings, and investment), as well as in Bancolombia (universal banking), which is also part of our Financial Conglomerate.

Strategic priorities:

- Transformation and evolution of business.
- Creation of greater value to customers.
- Financial strength and investment capacity.

TRANSFORMATION OF OUR
BUSINESSES

103-2 Three companies have taken concrete steps, in the evolution of their businesses, and in the organic growth of their main segments. In this sense, they advance projects that seek to create value, and that require significant investment, associated with technology and innovation, to strengthen their operations and improve the experience of their customers.

These projects include advances in the automation of processes, the use of analytics and artificial intelligence, as well as the

diversification of portfolios, with new solutions and products, and a greater growth of digital channels and mobile platforms, among others.

103-3 The aforementioned has gone, hand in hand, with the continuous efforts of SURA Asset Management, Suramericana, and Bancolombia, all, in an order to generate more efficiencies, accelerate profitability, and sustainable growth, as well as increase the number of our clients. These totaled, among the three Companies, 51 million Latin Americans, 3.6% more than in 2017, served by 59,317 collaborators. Thus, the Financial Conglomerate, SURA-Bancolombia, closed 2018, with COP 686.9 billion (USD 211,367 million) Assets Under Management (AUM)¹.

These indicators reaffirm our vocation to be increasingly relevant and useful, and to contribute to the development of people and organizations, in the 11 countries where we have presence, in accordance with the challenges and opportunities that we have identified in the financial services sector, and with the conviction of creating superior value and long-term relationships with each of our stakeholders.

The transformation of business has also been driven by the holding Company, through its Innovation System and, particularly, from SURA Ventures. This Corporate Venture Program facilitates the global identification of new applied technologies, new business models, and emerging competitors, in both the financial and health services (fintech, insurtech,

healthtech). During 2018, USD 10.6 million were invested in minority interests, in three companies with a high technological component:

- **Slice**, a Canadian firm, in the insurance industry, that provides innovative solutions, one hundred percent digitally.
- **Welltok**, a US company, that offers tools, applied to large-scale programs, in the prevention and well-being of health.
- **Zendrive**, a company that has a technological platform, to understand the behavior of drivers.

Thus, SURA Ventures consolidated a portfolio of investments totaling USD 32.6 million, in 11 companies, as well as in a venture capital fund, focused on disruptive ventures. Suramericana, SURA Asset Management (SURA AM), and Bancolombia have drawn up work plans and cooperation agreements, with some of SURA Ventures' endeavors, to leverage the transformation of different lines of business.

Regarding the evolution of the businesses, of Grupo SURA, and its main subsidiaries, the Companies will focus, during 2019, on projects to strengthen customer proximity and the knowledge of our clients. The opening of the new market segments in the countries in which we have presence, obtaining greater operational efficiencies, developing new channels and complementary services, associated with the lines of business, as well as implementing new solutions and products, based on the

management of trends and risks, and supported by technologies, such as analytics, robotics, and artificial intelligence.



- **12** investments
- **11** companies (fintech, insurtech, healthtech)
- **1** capital fund, focused on start-ups
- **USD 32.6** millions invested (2016-2018)

FOR PROFITABLE GROWTH

With the goal of increasing the financial strength of Grupo SURA, progress was made, in reviewing criteria for capital allocation, based on an in-depth analysis of the investments and the footprint of each business line.

This allows us to make progress in consolidating, and profiting, from acquired operations, as well as in optimizing the portfolio and making an efficient allocation of capital. In this regard, it is worth mentioning, some of the most relevant transactions, realized during 2018:

- SURA Asset Management agreed, in March, to sell the annuities business in Chile, in order to focus on strengthening its core pension, savings, and investment businesses. The

STAKEHOLDERS RELATED:

- Shareholders and investors
- Internal public
- Community
- State

MATERIALITY ISSUES:

- Business development

SDG RELATED:



¹ Calculation of total AUM: sum of assets administered by SURA AM; consolidated technical reserves managed directly by Suramericana; Bancolombia deposits and the AUM of Fiduciaria Bancolombia and Valores Bancolombia. It is not comparable with the data published in the Annual Report of 2017 due to a change in the calculation methodology.

operation amounts to approximately USD 214 million.

- Seguros SURA México obtained, in October, the last authorization necessary to acquire the Life solutions company of SURA Asset Management, in that country, announced in November 2017. This is the opportunity for growth of each Company, in the business in which they are experts, and is an orderly transition is under way, that guarantees continuity of services for clients.

- Caisse de Dépôt et Placement du Québec (CDPQ), Canada's second largest pension fund manager, becomes a strategic partner of Grupo SURA, in SURA Asset Management. CDPQ agreed, in December, to purchase USD 247 million of the 6.68% of the shareholding, held by Banagrícola (subordinated of Bancolombia) and International Investments (subsidiary of the Wiese Group of Peru). The approval of the Mexican regulator is expected to complete the operation.

On the other hand, the Credit Rating Agency, Fitch Ratings maintained Grupo BBB's investment grade rating, with a stable outlook. The decision reflects the quality of the portfolio and the diversification and stability of dividend income, received by the Parent Company, as well as an expectation of moderate leverage, in the coming years.

Standard & Poor's confirmed its BBB- investment grade rating, at the end of October, with a stable outlook, indicating expectations

MAINTAINING THE GRADE OF INVESTMENT

FITCH RATINGS

BBB

STANDARD & POOR'S

BBB-



of adequate investment discipline, sound risk management policies, and a focus on generating returns for shareholders.

STRENGTHENED CORPORATE GOVERNANCE

Grupo SURA, and its subsidiaries, put forward a plan to strengthen training, in the Ethics and Corporate Governance System, of more than 27 thousand employees, in 10 countries of the region.

This initiative seeks to consolidate actions that build trust with each stakeholder, based on the Corporate Principles that guide the Business Group, and which we are expressed, in terms of transparency, respect, responsibility, and fairness.

Likewise, progress was made in implementing new commitments in the Code of Good Governance, the Regulations of the Board of Directors, and in other internal regulations of the Holding Company.

The incorporation of new independence criteria, for members of the Board of Directors, is highlighted, as well as formalizing the status of the independence, of the person presiding over this instance.

COMMITMENT TO SUSTAINABILITY

Grupo SURA was included, for the eighth consecutive year, among the 317 companies that make up the Dow Jones Sustainability World Index (DJSI), and improved its score, compared to 2017. In addition, it remained the only Latin American, in the sector of Diverse

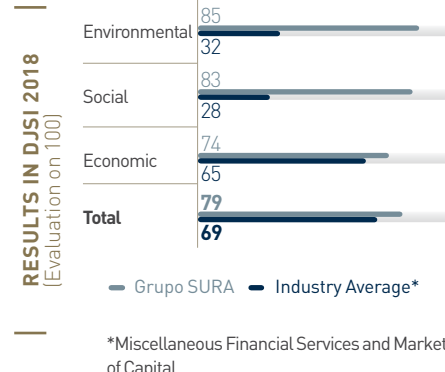
Financial Services and Capital Markets, with a rating higher than 98%.

Likewise, the Company entered, last February, for the eighth time, into the Sustainability Yearbook of the firm RobecoSAM, and this time, was recognized with a Silver Medal (Silver Class), as one of the three best performers, in its sector.

After reporting its own management, as a holding, and the current practices of its subsidiaries in the economic, social, and environmental dimensions, the evaluation of RobecoSAM, for both the DJSI and the Yearbook, assessed advances in aspects such as risk management and opportunities in environmental and social issues, development of human talent, strengthening of audit processes, and a greater scope of solutions and programs, in favor of the financial inclusion, in the region.

The DJSI also reaffirms Grupo SURA's commitment to a portfolio of sustainable investments. In particular, Bancolombia stands out, for becoming the most sustainable bank in the world, among 133 evaluated, and was given the Gold Medal (Gold Class), in the RobecoSAM Yearbook.

As for industrial investments, Grupo Argos is the best in the Construction Materials (Gold Medal), a sector that also includes its subsidiary, Cementos Argos (Silver Medal), while Celsia, a subsidiary in energy, joined the DJSI, in 2018, by winning a Bronze Medal. For its part, Grupo Nutresa was second, in the Food Products sector of the global index (Silver Medal).



ENVIRONMENT AND MARKETS

The management of the Business Group, during 2018, took place in a challenging context, which invites us to transform challenges into opportunities, in order to generate value for our stakeholders, and continue to accompany the development of Latin America.

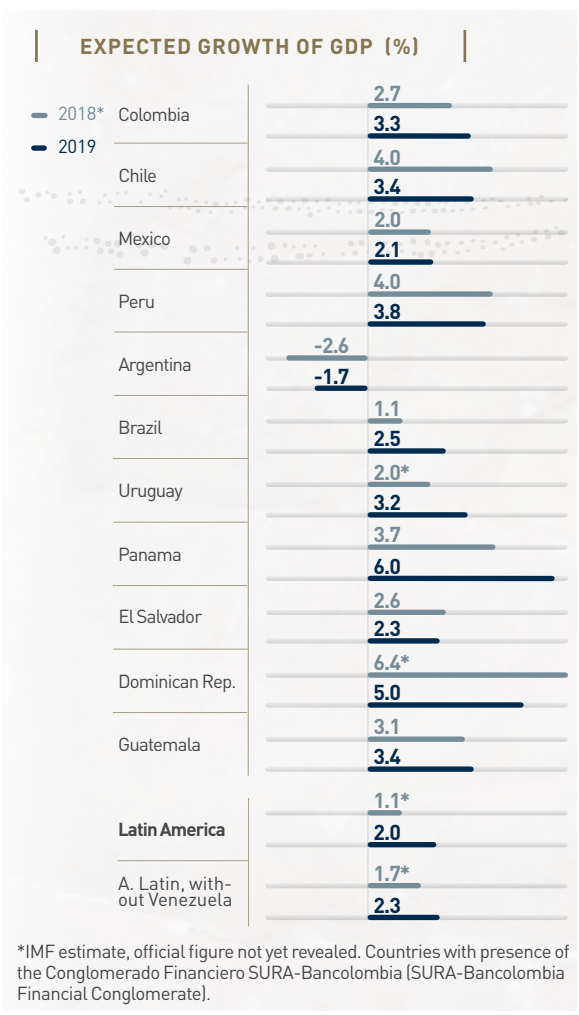
At the global level, the high volatility of the financial markets was associated with issues such as the commercial dispute between the United States and China, and the reduction of capital flows to emerging markets, due to the increase in interest rates of the Federal Reserve (FED) of the United States. The aforementioned, affected lower yields of the investment portfolios, of the Business Group's Companies.

Regarding the regional outlook, there was a modest growth of the main economies, political uncertainties, and depreciation of local currencies, against the dollar, especially in Argentina, although the main economies of the region had a gradual improvement of domestic consumption and lower inflation growth.

Macroeconomic context

In its latest outlook review, the International Monetary Fund (IMF) estimated that Latin America and the Caribbean grew 1.7%, in 2018 (without Venezuela), and still far from the expected 3.7%, for the average global expansion of gross domestic product (GDP).

For 2019, the IMF projections propose an increase of 2%, for the region, or 2.3% without Venezuela, compared to 3.5% of the global GDP, expecting a lower rate of growth of developed economies, reduction of private investment in



some countries, fiscal restrictions, uncertainty in external financial conditions, and the risk of worsening commercial tensions.

Political environment

Last year was also marked by political situations, in the countries where SURA has a presence. There were government relays in Chile, Colombia, Mexico, and Brazil, which had anteroom presidential campaigns, in which adjustments of economic policy, were proposed.

Likewise, Peru faced institutional instabilities that led to the resignation of its president, in March, while in Argentina, the complex economic reality was accompanied by growing citizen dissatisfaction, with the Government's adjustment plan. By 2019, El Salvador has already elected a new president, and Panama, Guatemala, Argentina, and Uruguay will also do so.

This political context affects trust, however, from Grupo SURA, we reiterate our vision of being long-term investors in the region, beyond the situations facing the countries in which we operate.

The consolidation of the middle class resulted in sustained dynamics of consumption, as well as the still low, penetration of financial services, presenting us with opportunities, both for the region and for our Organization.

Regulatory environment

On the other hand, in the previous year, decrees and other regulations, were issued, which regulate the Financial Conglomerates Law, in Colombia and, since

February 2019, the Superintendency of Finance began the supervision of the so-called Financial Conglomerate SURA-Bancolombia. Undoubtedly, it is positive for the country, to incorporate practices, with international standards on prudential regulation, of the financial industry.

In this sense, Grupo SURA, in its role of Financial Holding, led, during 2018, the work plan with the other Companies of the Conglomerate, to facilitate the adoption of guidelines, especially in corporate governance, risk management, conflict of interest management, and capital adequacy.

With the changes of Government in the region, during 2018, reforms were also promoted. One of those, is the Financing Law, which, although the rate of corporate income has decreased, also apply, for at least three years, is a specific surtax, to financial institutions, although the scope of the regulation should still be specified, in relation to the various industries in this sector.

Also, in Chile, a pension reform, as well as a tax reform, are being processed by the legislature. The new Mexican government announced adjustments to the Retirement Savings System (SAR), while the Peruvian government is promoting a labor reform to reduce informality.

In this context, we value initiatives that contribute to the institutional strengthening, promotion of stable investment conditions, and that which arises from public

debate, taking into account technical elements and the expectations of its citizens.

FINANCIAL RESULTS

Regarding the financial results of Grupo SURA, during 2018, they were particularly determined by:

- ▶ Strong operating performance of our subsidiaries, which strengthened the growth of their main lines of business and diversified their portfolios of products and solutions, while striving to maintain control of expenses.
- ▶ Strategic decisions that seek the optimal use of capital, such as not participating in the annuities business in Chile, or pension insurance in Colombia, as well as the impact of the changes in the accounting of health insurance premiums, also in Colombia.
- ▶ External aspects such as the high volatility of the capital markets, which was reflected in the decrease in income, from returns on own investments, which support the insurance and pension businesses, in contrast to a positive performance of the indicator, in 2017, and to a lesser extent, a negative exchange impact, influenced by the devaluation of the Colombian peso against the dollar.

Consolidated results

Under these conditions, the consolidated revenues, of Grupo SURA, totaled COP 19.5 billion (USD 6,586.7 million), similar to

those of 2017. This result was contributed to, in comparable terms, by the organic growth of SURA Asset Management in its mandatory (5.5%) and voluntary (10.7%) business, and of Suramericana in the General Solutions (13.3%)², Life (15.8%)², and Health (21.1%) segments.

Consolidated expenses were COP 17.8 billion (USD 6,018.6 million), which increased 0.5%, associated with the impact of non-participation in some businesses, a minor adjustment of insurance reserves, a greater control of administrative expenses in all businesses, and lower debt interest, which reflects the strategic focus on efficiency.

As a result, net income grew 7.6%, before accounting effects due to divestments, up to COP 1.41 billion (USD 475.7 million).

Net profit closed, for 2018, at COP 1.34 billion (USD 454.4 million), 7.7% less than in 2017, mainly explained by:

- ▶ The decrease of 11.6%, up to COP 1.49 billion (USD 505.4 million) of income from insurer's portfolio returns and the fit of pension funds.
- ▶ An impact of the exchange difference, which had a negative variation, compared to the previous year, of COP 161,842 million (USD 37.2 million).
- ▶ The accounting impact of the divestment of life annuities in Chile, in the amount of COP 109,946 million, which has no effect on cash flow.

- ▶ And the non-recurring income, in 2017, of COP 80,846 million (USD 27.4 million), associated with the sale of the insurance business, in Peru.

With regard to the financial situation of Grupo SURA, at the end of 2018, its total assets were COP 71.1 billion (USD 21,870.4 million), 3% more than the previous year. At the same time, liabilities increased 3.3%, to COP 44.2 billion (USD 13,592.6 million), while equity increased 2.6% to COP 26.9 billion (USD 8,277.8 million).

In this regard, the value of the investment portfolio² of Grupo SURA amounts to COP 32.1 billion (USD 9,877 million), in which financial services accounts for 75.4%.

Regarding the Separate Financial Statements of Grupo SURA, the net profit, on which the profit-sharing proposal is made, amounted to COP 648,593 million (USD 219.5 million), a decrease of 14.1%, compared to 2017.

In this context, Grupo SURA maintains its management focus, in 2019, on several fronts:

- ▶ Acceleration of the organic and profitable growth of its portfolio to consolidate the participation in the countries where it has presence.
- ▶ Continuation of the gradual debt reduction plan.
- ▶ Accompaniment of the businesses, in achieving greater efficiencies.

- ▶ Advancement in its role as the Holding of the Financial Conglomerate SURA-Bancolombia.

RESULTS OF INVESTMENTS IN THE FINANCIAL SECTOR

Suramericana

This subsidiary, specializing in the insurance, trend, and risk management industry, continued to consolidate its operations, outside of Colombia, in order to strengthen itself as a multi-solution, multi-channel, and multi-segment regional platform.

In this way, it fulfilled its budgets for 2018, accompanies and protects 17.2 million clients, and strengthened the management of trends and risks, as an organizational capacity to deliver sustainable well-being and competitiveness.

Its progress is highlighted, in the diversification of the portfolio and channels is highlighted, with the development and introduction of life solutions, in the operations acquired in 2016, previously only focused on general insurance.

Progress was also made, in cyber security developments, boosting the value offer, of the small and medium enterprises (SMEs) segments, of the nine countries in which it has presence, and introduced direct channels outside of Colombia.

It should be noted that the operation in Argentina, despite a complex economic reality, met its expectations, in the local currency, and responded to the environment, with

channel expansion and implementation of new solutions.

In this context, the consolidated revenues of Suramericana, written premiums, plus service provisions, totaled COP 15.2 billion (USD 5,145.1 million), a growth of 3.6%.

In the case of written premiums, they decreased by 0.5%, to COP 12 billion (USD 4,046.8 million), as already mentioned, due to the devaluation of local currencies, against the Colombian peso, the decision not to participate in the pension business, and the impact of the changes in the accounting recording of health policies (production equal to collection), in Colombia.

On the other hand, revenues from services rendered, grew 21.7%, to COP 3.2 billion (USD 1,098.2 million), due to the good dynamics of health businesses.

Thus, at the end of 2018, 32% of the Company's operating income comes from subsidiaries other than those in Colombia, strengthening its strategy as a platform, in Latin America.

Last year, retained claims rates dropped from 54.8% to 51.5%, as a result of a lower occurrence of weather events, refinement of the customer portfolios, and solutions, as well as the optimization of reinsurance schemes.

Also, the positive operating dynamics were reflected in a 13% increase in the technical results, to COP 2.38 billion (USD 804.2 million), an indicator that reflects the usefulness

CONSOLIDATED RESULTS

INCOME

COP
19.5
BILLION

(USD 6,586.7 million)
▲ 0.01%

EXPENSES

COP
17.8
BILLION

(USD 6,018.6 million)
▲ 0.5%

PROFIT BEFORE ACCOUNTING EFFECTS FROM DISINVESTMENTS

COP
1.41
BILLION

(USD 475.7 million)
▲ 7.6%

NET INCOME

COP
1.34
BILLION

(USD 454.4 million)
▼ -7.7%

SURAMERICANA

32%

of income comes from outside of Colombia.

OPERATIONAL INCOME

(Premiums issued plus provision of services)

COP
15.2
BILLION

(USD 5,145.1 million)
▲ 3.6%

TECHNICAL RESULTS

COP
2.38
BILLION

(USD 804.2 million)
▲ 13%

NET INCOME

COP
0.52
BILLION

(USD 177.5 million)
▲ 3.6%

² Normalization of growth: in general, calculated in local currencies and excludes adjustments for inflation, in Argentina; for Life excludes pension insurance premiums in 2017 and normalizes the growth of the Vida solution, which had a change in the premium record, equaling causation with collection.

³ Valuation calculation of the portfolio: SURA AM valued at the last transaction (CDPQ), Suramericana at 1.8x equity and companies listed on the stock market, at market value, at the close of the year.

of the insurance activity, without taking into account other income or expenses.

In line with the budgets of its subsidiaries, consolidated administrative expenses were COP 2.33 billion (USD 787 million), an increase of 3.3%. In this aspect, Suramericana executes projects that allow for obtaining more efficiencies, in internal processes, and creation of greater value for the client.

As a result, the Company's net income amounted to COP 524,868 million (USD 177.5 million), an increase of 3.6%. It was driven by sustainable revenue growth, controlled claims, cost efficiencies, and impacted by a 7.3% decline in investment income, which totaled COP 973,723 million (USD 329.4 million).

Compared to the social security companies in Colombia, EPS SURA increased its income by 22%, in 2018, and its affiliates increased by 14%, reaching 3.12 million people, also advancing in efficiencies and new models, in an effort to speed up attention to our users, registering 39.2 million benefits.

As for ARL SURA, written premiums grew 16.7% and increased coverage, particularly of SMEs, and independents affiliates, through intervention risk programs and the creation of value. Thus, it closed the year with 292 thousand companies and 3.8 million affiliated workers.

SURA Asset Management

Our subsidiary, experts in pensions, asset management, savings, and investment, had positive results,

at the operational level, and in the development of its business strategy. At the end of 2018, it registered 19.8 million customers, 4.1% more than the previous year, which accompanies us in fulfilling our dreams and goals, in six countries, where Argentina was also recently included, for the asset management of institutional clients.

The total Assets Under Management (AUM) grew 4% and totaled COP 418.6 billion (USD 128,798 million), distributed in 448 products (163 funds and 285 mandates).

In the mandatory business, SURA Asset Management made progress in implementing efficient operation models, leveraged in technology, which have allowed for the improvement of, among others, the knowledge of, and contact with, customers.

Among the milestones of the business, AFP Integra won, in Peru, the fourth tender of new affiliates to the Private Pension System (PPS), consolidating its leadership, in hopes of incorporating nearly 800 thousand new members, with a portfolio that is also rejuvenated. Likewise, retirement funds (Siefos), managed by Afore SURA, in Mexico, were the best valued by the global investment firm, Morningstar.

Another relevant aspect is the pension reform, in Chile, against which the Company has expressed its interest in working with all stakeholders, to have a system that increases coverage and sustainability, and delivers better pensions, to its members.

Regarding the Savings and Investment business, the Company took new steps to consolidate a regional model, differentiated, and focused on the client. This was reflected in a 13% growth in customers, reaching 1.3 million. Likewise, the offer, in alternative assets, was strengthened and a strategy team was implemented, in an effort to improve the process of investment recommendations and content for our clients.

The Investment Management Unit, which began its operation in 2018, strengthened the core areas to meet the business plan. This Unit developed eight new funds, achieving the management of 94, at the close of the year, and totalizing Assets Under Management, in the amount of COP 34.7 billion (USD 10,665 million). This goes hand in hand with a superior return to the market, in 83% of managed funds.

Under these conditions, and in light of a year of challenges, brought upon by the financial market, SURA Asset Management recorded net operating income of COP 2.4 billion (USD 805.2 million), a decrease of 6.2%. This is explained by the drop in income, from own investment income (reserve requirements), and its impact on income, by the equity method of AFP Protección.

It should be noted that, in the face of the situations that impacted the portfolios in the last year, the strategy and investment objectives of SURA AM, and its Companies, are maintained with a long-term perspective.

Operational expenses increased 3.8% to COP 1.6 billion (USD

529 million), lower growth than commission income, in line with the control of expenses, derived from projects to achieve more efficiencies. On the other hand, EBITDA reached COP 1.1 billion (USD 375 million), with a decrease of 8.8%, explained by the decrease in income, from reserve requirements.

The consolidated net profit was COP 291,082 million (USD 98.5 million), a decrease of 52.7%, explained by three main aspects: a 93% reduction in income from investment reserve, which closed at COP 14,036 million (USD 4.7 million), against an uncharacteristically positive 2017, an accounting loss, in the recording of the sale of the life annuity operation in Chile, as well as a non-recurring income, in 2017, associated with the sale of the insurance business, in Peru.

In this context, this subsidiary contributed COP 370,998 million (USD 125.5 million) to the consolidated net profit of Grupo SURA, a decrease of 39.7%. The difference between this indicator and the net income, reported by SURA AM in its Financial Statements, corresponds to a positive effect due to conversion to the Colombian peso, as the reporting currency of Grupo SURA.

Grupo Bancolombia

This strategic investment of Grupo SURA successfully faced a challenging year, due to a lower economic activity and particular conditions of the credit situation, in Colombia.

Bancolombia's net income was COP 2.66 billion (USD 899 million), increasing 1.7%. This income

represented a return on equity (ROE) of 11.5%.

Three aspects determined the performance of Bancolombia, in 2018. First, the evolution of the portfolio, impacted by a low demand for corporate credit, and which only showed signs of recovery during the last months of the year.

Bancolombia's gross portfolio grew 8% to COP 173.8 billion (USD 53,487 million), compared to 5.7%, in 2017. The sustained demand for consumer loans was highlighted, in line with the bank's strategy.

The second aspect was the evolution of the quality of the portfolio. During 2018, the bank was not immune to a particular cycle of credit, in the Colombian financial sector. Provisions, associated with large corporate clients, accounted for a significant portion of the total expenses, for this item.

However, in the second half of the year, a better quality was observed in new loans for SMEs and companies. This allowed, for the indicator, of non-performing loans, to be reduced, closing at 4.3% and increased coverage of 128%.

And the third aspect, that influenced the performance, was the management of expense control, efficiency, and development of digital channels.

The plans implemented, to optimize processes and control costs, as well as to execute more transactions, through more efficient and comfortable channels for customers, resulted in the growth of only 3.5% of operating expenses, which

totaled COP 7.5 billion (USD 2,531 million).

During 2018, it continued developing its operating model, in Colombia, as well as consolidating the performance of its subsidiaries abroad. It boasts of being the first financial institution in El Salvador (Banco Agrícola), the second in Panama (Banistmo), and the fourth in Guatemala (BAM), forming the Leading Financial Network, in the Central American market.

On the other hand, it is recognized for the growth that the corresponding banks have had, with more than 12 thousand at 2018, an alternative channel that facilitates the expansion, when reaching unbanked population segments. This channel already represents 16% of total transactions.

Under these conditions, Bancolombia totaled 14 million clients, an annual growth of 10.5%.

OTHER INVESTMENTS OF THE PORTFOLIO

Industrial investments

It is also relevant to mention, the performance of industrial investments, which are representative, in the composition of our portfolio.

As for Grupo Argos, with a presence in cement, energy, highways and airport concessions, 2018 was positive and evidenced the strength of its strategy. It executed investments in its three core businesses, that total COP 1 billion (USD 338.2 million), strengthening its participation in each one of them.

Likewise, with a management

SURA ASSET MANAGEMENT

ASSETS UNDER MANAGEMENT (AUM)

COP
418.6

BILLION
(USD 128,798 million)
▲ 4%

NET OPERATING INCOME

COP
2.4

BILLION
(USD 805.2 million)
▼ -6.2%

EBITDA

COP
1.1

BILLONES
(USD 375 millones)
▼ -8.8%

NET INCOME*

COP
0.37

BILLION
(USD 125.5 million)
▼ -39.7%

*Contribution to consolidated net profit of Grupo SURA

focused on maximizing the return on capital, it reduced leveraging costs, to the lowest level since 2015, and obtained a 14% decrease in expenses.

Consolidated income closed at COP 14.3 billion (USD 4,841.7 million) and EBITDA reached COP 4 billion (USD 1,341.5 million), the highest figure, in its history. This resulted in a net profit that grew 32%, reaching COP 1.2 billion (USD 403.9 million).

For its part, Grupo Nutresa made progress, in the last year, in its goal of becoming more agile, innovative, and competitive. This was reflected in the annual results: its consolidated sales increased 3.7% and totaled COP 9 billion (USD 3,049.6 million), operating income grew 9.7% and stood at COP 849,296 million (USD 287.3 million), explained by prudent spending management, through programs focused on improving profitability.

In line with the aforementioned, the consolidated EBITDA grew 7.9% and was COP 1.13 billion (USD 381 million), with a margin of 12.5% on sales. Finally, consolidated net profit increased 20.3%, compared to 2017, totaling COP 505,308 million (USD 170.9 million), which represents 5.6% of consolidated sales.

Investments in growth

Our portfolio also has growing Companies that complement the offer of the Business Group. One of them is Arus, which offers integrated technology, information, and knowledge solutions. In 2018, it maintained its leadership in the markets of information technology (IT), business process outsourcing

NET INCOME 2018



COP
1.2
BILLION
(USD 403.9 million)
▲ 32%



COP
0.5
BILLION
(USD 170.9 million)
▲ 20.3%

INCOME GROWTH, IN 2018

10.9%



22.4%



(BPO), and social security information operators.

The Company accelerated its process of organizational transformation, in terms of culture, operational excellence, and innovation, in high potential technologies, such as analytics and artificial intelligence, process automation, and specialized cloud services.

It also established itself as the preferred ally, in Colombia, for global technology leaders and sealed a strategic alliance with Amazon Web Services, to strengthen the integral accompaniment, to the digital transformation of customers.

In financial terms, it recorded revenues of COP 247,288 million (USD 83.6 million), an increase of 10.9%, with an EBITDA margin of 9.5%.

Another company, in this portfolio, is Hábitat, which is specialized in providing assisted living for seniors. In February 2018, it opened the first stage of a new headquarters, in the Loma de Los Bernal area, in Medellín. After 10 years of operations, Hábitat recorded an increase, in revenues, of 22.4%, compared to 2017, and foresees the opening of the second stage, of the Los Bernal Headquarters, this year.

SOCIAL COMMITMENT

As part of our sustainable management, the contribution to a more equitable and inclusive society has been strengthened through the Fundación SURA, established in 1971, in Colombia, and recently, also in Chile and Mexico, as well as the direct contribution of the Compa-

nies to various initiatives, in the countries where we have presence.

In 2018, the SURA Foundation updated its strategic direction to align its commitments and to strengthen our conviction, to contribute to the transforming role of education and culture.

Likewise, through 85 social development initiatives, the lives of nearly 520 thousand people have benefited, as well as the institutional strengthening of 842 organizations that work in education, culture, and competitiveness, in the Latin American region.

In conjunction with the Latin American Network for Education (Red Latinoamericana por la Educación REDUCA), this Foundation led the research called "Learning is more", related to the state of the quality of education in 15 countries, knowledge, with which it seeks to influence the public dynamics and agendas.

Social investment, during the last year, was COP 20,907 million (USD 7.1 million), from the Fundación SURA, in three countries. Twenty-one (21%) of these resources were allocated to the program "Voluntariado Corporativo" (Corporate Volunteer Program), to which 4,424 SURA employees were linked, and who completed 24,665 hours of community service, benefiting 38,886 people, in Latin America.

ARCHITECTURE OF CONTROL AND LEGAL ASPECTS

The Corporate Internal Audit of Grupo SURA executed its work plan based on risks, following

the definitions of international standards. This plan has been approved and supervised by the Audit and Finance Committee (Comité de Auditoría y Finanzas) of the Board of Directors, which, aligned with the best practices, is integrated in its entirety, by independent members.

The Committee ensures an objective evaluation, without limitations on the part of the Internal Audit and based on the results presented, and the gaps identified, provide feedback to the Administration to strengthen the Company's Internal Control System.

During 2018, the completed evaluations adhere, in a reasonable manner, to the principles, institutional and legal norms.

The deviations identified do not represent material risks for the Company or for its stakeholders, in accordance with the opinions of the external auditors. The recommendations issued have been remedied, in a timely manner, by the Administration, and have follow-up from the Internal Audit, the Steering Committee, and the Audit and Finance Committee.

Regarding the legal aspects, Grupo SURA certifies that it complies fully with the regulations of intellectual property and copyright, both for the products and the software, that the Company uses for its normal operations, and in the use of trademarks and distinctive signs, which are registered, before the competent authorities.

FUNDACIÓN SURA

85
initiatives

520
thousand

people benefited
in Latin America

842

strengthened
organizations

INVESTMENT 2018

COP
20,907
MILLION
(USD 7.1 million)

Check out the
Special Report of
SURA Business
Group 2018.

Likewise, complying with the provisions of Article 29 of Law 222, the Company has prepared the Special Report of SURA Business Group, which addresses the economic relations, presented in 2018, between the Companies that it is comprised of. This report was available to shareholders at the Secretary-General's offices, as well as on the Company's website. It is also available as a digital annex to the printed Annual Report.

Likewise, the Company declares that it did not affect the free circulation of invoices, issued by the vendors or suppliers of the Company, in compliance with the provisions of Law 1676 of 2013.

GRATITUDE

This is the culmination of a challenging year, especially due to the conjunctures of markets and economies, but at the same time, it was a period that allowed us to deepen the path, that we have set for ourselves, and in which technology, as the enabler of transformation, financial strength, and the generation of greater value to the client, are consolidated as our strategic priorities.

This is our opportunity to recognize each and every one of SURA's collaborators in the region, who contribute every day with their effort, knowledge, and experience, to help us continue on that path of sustainable growth, with the aspiration of being the Group of point of reference, to Latin America, in the financial services sector, recognized

for our ability to evolve and generate superior value for our shareholders and society.

We also thank the shareholders, investors, customers, suppliers, and other groups of interest, that contribute, in Latin America, to our commitment of fostering well-being and long-term development, and that encourage us to renew our commitment of contribution, to the fulfillment of our Sustainable Development Goals, a common purpose that brings us together, as relevant social actors.

Thank you,

Luis Fernando Alarcón Mantilla,
Chairman

Jaime Bermúdez Merizalde,
Vice Chairman

Carlos Antonio Espinosa Soto
Sergio Michelsen Jaramillo
Alejandro Piedrahíta Borrero
Carlos Ignacio Gallego Palacio
Jorge Mario Velásquez Jaramillo

David Bojanini García
Chief Executive Officer Grupo SURA

02

ETHICS AND CORPORATE GOVERNANCE

KEY INDICATORS

27 THOUSAND COLLABORATORS trained, virtually, on the Ethics and Corporate Governance System.

97.3% OF RECOMMENDATIONS were adopted in the Country Code survey.

STAKEHOLDERS RELATED::

- Shareholders and investors
- State
- Internal public
- Community

MATERIALITY ISSUES:

- Corporate Governance
- Regulation

SDG RELATED:



103-1 The emergence of innovative and challenging business scenarios, in addition to the progressive adoption of best practices in the industry, has led to the rapid evolution of the Corporate Governance concept. Currently, to be a reference in this area, companies must transcend and go beyond adopting formal standards. The call is to recognize the consistency between business philosophy and business management, to impact the different decision-making processes within companies, and transversally permeate the business culture.

103-2 In this context, Grupo SURA, and the other Companies that are part of the SURA Business Group, have a System of Ethics and Corporate Governance that are inspired by the principles of transparency, respect, responsibility and fairness, promoting the adoption of best practices, rules, and appropriate decisions, which contribute to the sustainable management of the Companies.

As such, Ethics and Corporate Governance have been defined as an inherent enabler of the Organization's strategy, in which the achievement of the objectives set, is as important, as the way to achieve them.

RELEVANT ASPECTS OF 2018

Financial Conglomerate SURA-Bancolombia

For the purpose of the expedition of issuance of the decrees and other regulations that govern the Ley de Conglomerados Financieros en Colombia (Financial Conglomerates Law), in Colombia, Grupo SURA, as a financial holding Company, continued to lead a Plan of Action, with all the Companies who became part of the Conglomerado Financiero SURA (SURA Financial Conglomerate). The aforementioned, assumed the challenges entailed, in the implementation of the new guidelines, contained in these regulations, especially in Corporate Governance, risk management, conflict of interest management, and capital adequacy.

HIGHLIGHTS

- ◇ Grupo SURA leads a work plan to implement the Financial Conglomerates Law in Colombia.
- ◇ Virtual training courses, in the Ethics and Corporate Governance System, aimed at about 27 thousand employees of the SURA Business Group (Grupo SURA Empresarial), in the region, to reinforce the principles of pillars of action and decision making.
- ◇ Adoption of 144 of the 148 recommendations, issued by the Superintendency of Finance of Colombia in the Country Code (Código País) survey.
- ◇ Creation of the Compliance Area, within the structure of the Vice Presidency for Corporate Legal Affairs.
- ◇ Review and incorporation of new measures, in the Code of Good Governance, the Regulations of the Board of Directors, and other related internal regulations.

Grupo SURA actively participates in the formal spaces for dialogue, that the Colombian Government has arranged, to build these guidelines, in order to have adequate regulation, adjusted to international standards, and to the local context of financial industry, also adhering to normative issues of the countries, where the Companies of the Organization operate.

Disclosure and training in Ethics and Corporate Governance

Grupo SURA and its subsidiaries began the implementation of a dissemination plan and a training course, in the Ethics System and Corporate Governance, in an effort to strengthen an ethical culture, within the companies, in Latin America.

The plan was acknowledged and endorsed by the Board of Directors of Grupo SURA and included a series of reflections regarding Corporate ethics and principles, on behalf of the Executive Management and international experts, such as the Spanish philosopher Adela Cortina, as well as the presentation of different cases which ethical dilemmas, which might be experienced by the collaborators, in their functions.

205-2 Likewise, a virtual training course for at all collaborators, with contents related to Code of Business Conduct of SURA Business Group, available at gruposura.com. The aspects addressed in this virtual course were: business practices and competition, conflicts of interest, personal investments, ethics, the fulfillment of norms and commitments, relationship with clients and suppli-

RELEVANT ASPECTS, ON THE SUPERVISION OF THE FINANCIAL CONGLOMERATES

- ◇ It is not expected, that this regulation, will impact operational matters, in relation to the relationship and experience of clients, in Colombia, and other countries in the region, in which the Companies of our Conglomerate operate.
- ◇ The Law is clear in that it does not modify the accounting, labor, or tax aspects of the companies.
- ◇ Under the new standards, the way each company calculates its capital requirements individually, would not change according to the legal regime applicable, in each case and according to the nature of its business.

ers, fraud prevention, corruption, money laundering and financing of terrorism, use of information from the Companies, their shareholders and clients, as well as the management of intellectual property. Both the disclosure plan and the training course allowed for the participation of about 29 thousand collaborators, in the 10 countries in the region, where the companies that make up SURA Business Group have presence.

102-27 Country Code Report

The Survey of Best Corporate Practices -Country Code- (Encuesta de Mejores Prácticas Corporativas -Código País-), corresponds to 2017. Here, the adoption of 144 of the 148 recommendations given by the Superintendencia Financiera de Colombia (the Financial Superintendence of Colombia), in an effort to raise the practices of Corporate Governance of issuers of Colombian securities. The report is available at gruposura.com.

For more details of the management, see here the full version of the Corporate Governance Report 2018.

102-27 Formation of the Board of Directors

The Members of the Board of Directors of Grupo SURA participated in different training events, proposed within the Annual Training Plan. In this case, awareness of the importance of the anticipation of social, economic, and political phenomena, that impacts the development of Corporate Strategy and identification of new trends. The training addressed topics such as:

- Shareholder activism.
- Cybernetic risks.
- Pension reforms.
- The Venezuelan migratory phenomenon and its impact on Business Management, in Colombia, as well as other countries of the region.

Corporate Governance Board of the SURA Business Group

This was consolidated, during 2018, as a scenario of interaction and relationship, that allowed for the meeting of the Companies of the SURA Business Group, with regard to common themes, in Corporate Governance, all with the purpose of aligning Plan of Actions, reviews, disclosure, and standardization of the Corporate Ethics and Government System of the SURA Business Group, and impacting the Business Management, with practices adjusted to the dynamics of the Organization. In 2018, there were seven ordinary meetings and one extended meeting.

New area of Compliance

Grupo SURA strengthened its compliance risk management,

through the creation of a Compliance Area, as part of the structure of the Vice Presidency for Corporate Legal Affairs.

This has allowed the Company to identify, evaluate, and design improvement plans, as well as report the risks in ethics and compliance, from a management model that observes and incorporates international standards, according to the needs and complexities of the business. In this way, the right balance is ensured, for the interests of shareholders and investors, administrators, collaborators, and other stakeholders.

In line with the creation of the Area of Compliance, in 2018, the Ethics and Compliance Committee, was created and is composed of representatives of Grupo SURA, Suramericana, and SURA Asset Management. Its objective is to standardize concepts, standards, and best practices, as well as the generation of work agreements, regarding aspects of common interest for companies, from recognizing structures, methods, and specificities of each business, just like the uniqueness and requirements of each individual jurisdiction.

Ethics and Compliance Committee

The Ethics Committee of Grupo SURA, as an authority of administration, responsible for stimulating, monitoring, and strengthening the ethical behavior of the Organization's collaborators, incorporated into its management the supervision of the compliance role. Thus, it was renamed the Committee of Ethics and Compliance, and it reformed its regulations and

renewed its responsibilities to promote an ethical culture in business management.

IR recognition

Again, in 2018 Grupo SURA received the Recognition of Relationship with Investors – Recognition to IR-, granted by the Colombian Stock Exchange (BVC), by highlighting the practices adopted by the Company, in matters of disclosure of information and relationship with investors, as well as the solid comprehensive interaction strategy, between the administration, its investors, and other groups of interest.

Integrated report of ethical lines

Progress was made in the consolidation of the reporting of complaints, received through the Ethical Lines of the Companies of the SURA Business Group. For this, the categories of complaint were validated, which allowed the Board of Directors of Grupo SURA, to have a comprehensive vision of the use of this mechanism, in the

different businesses, and SURA countries, in the region.

Presence at international events

In October 2018, Grupo SURA was one of the 25 companies that participated in the "II Workshop Internacional para Fiscales de Empresas Multilaterales" ("II International Workshop for Multilateral Public Prosecutors), organized by the la Universidad Católica de Chile (Catholic University of Chile), the University of Berkeley (California), and the Law Firm LinkLaters LLP. It took place in Santiago de Chile, and addressed issues focused on corporate governance, sustainability, compliance, and the role of legal directors in multinational companies. This participation positioned Grupo SURA as an actor and benchmark of Corporate Governance, in the region.

Likewise, the Company participated in the Annual Meeting of the Latin American Companies Circle, in Bogotá, an initiative promoted by the Corporación Financiera Internacional (International

Finance Corporation (IFC), with support from the Organization for Cooperation and Economic Development (OECD). They gathered Representatives of State, industry, non-governmental organizations, investors, stock exchanges, and other stakeholders, interested in improving Corporate governance Standards, in the region.

Updates of Corporate Governance Codes

As part of the constant process of adoption of best practices in Corporate Governance, Grupo SURA, made advances in revising, modifying, and implement new formal commitments, in the Code of Good Government, the Regulation of the Board of Directors, and other related internal regulations. Among the novelties that stand out, are the incorporation of new independence requirements for Board Members, the explicit definition of diversity criteria for the integration of said body, and the formalization of the quality of independence for those who preside over the Board of Directors.

SYSTEM OF ETHICS AND GOVERNMENT CORPORATE

In Grupo SURA ethical behavior is not an option, it is an integral part of the business and is reflected, in different actions and decisions.

102-16 In this sense, the Company has a System of Ethics and Corporate Governance that helps to consolidate management, efficiency, and transparency of management, generating value in their relationships, and building trust with groups of interest. The System is founded on three pillars:

The corporate principles. These are the four ethical postulates, that guide the conduct of the Organization: Respect, Responsibility, Equality and Transparency.

The norms. These are those guidelines, of a legal nature, or of voluntary adoption, that must pertain to the Company. Among the internal norms of internal character, most highlighted are the Social Statutes, the Code of Good Government, and the Code of Conduct. The last the reach of SURA Business Group.

The instances. This refers to the formal scenarios for making of decisions, in the Organization, such

as: Assemblies, Boards Directors, Support Committees, and Executive Management, among others. These elements seek to ensure consistency between the commitments that are declared and the business management, providing a framework of ethical action and Corporate Governance, as well as allowing the advancement of the implementation of new and best practices, in these areas, which contributes to the Organization's purpose.

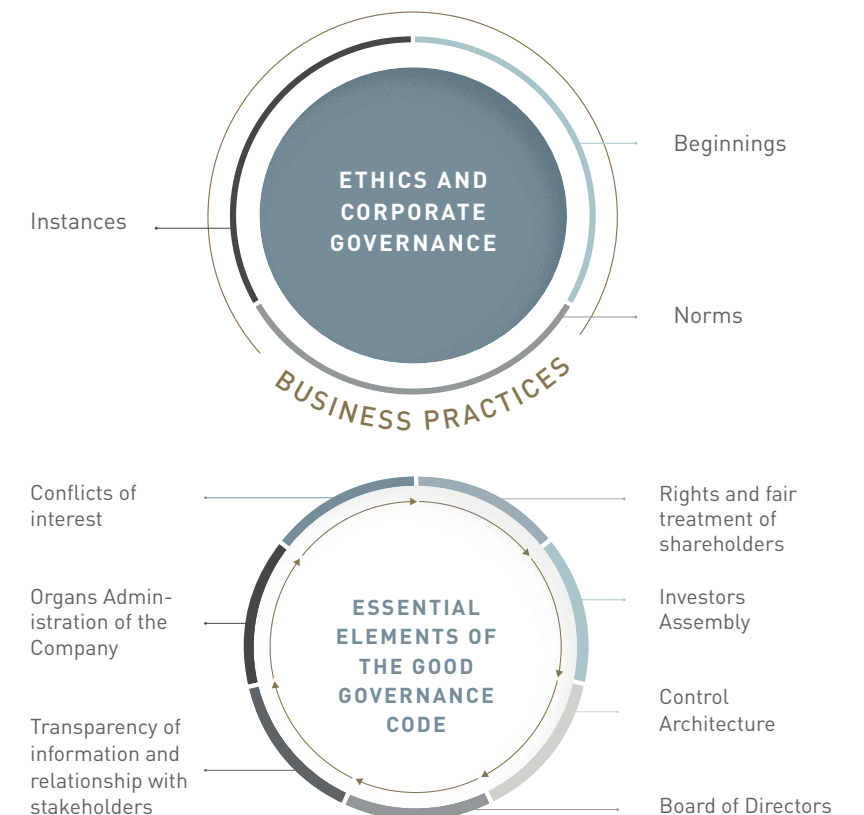
Strengthening the system Corporate Governance

In an effort of continuous improvement of the System of Ethics

CHALLENGES AND OPPORTUNITIES, IN 2019

- ◇ Grupo SURA will continue to sensitize its stakeholders, in the Organization's Ethics and Corporate Governance System, in an effort to continue to strengthen the SURA culture, in the different countries where it has a presence.
- ◇ As part of the evolution of the Ethics and Corporate Governance System, work will continue on the identification of more demanding and innovative practices, that adjust to the corporate dynamics, and that favorably impact the management of the businesses. For this, International Standards such as Dow Jones Sustainability Index, NYSE, OECD, among others, will be reviewed, as well as leading companies, in the diverse financial services sector.
- ◇ The legal standards, imparted by the Colombian Government, regarding financial conglomerates, will continue to be implemented. This will involve the design of a relationship model, between the companies of the conglomerate that includes, among others, the management of conflicts of interest, the standardization of communication channels and reporting of information, and the appropriate coordination to fulfill the duties that will arise for the Grupo SURA, in its capacity as Financial Holding.

ETHICS AND CORPORATE GOVERNANCE SYSTEM



and Corporate Governance, it is notable that, in 2018, international best practices and standards were identified, including those suggested by the Dow Jones Sustainability Index, and those consistent with those in the model of government, the business philosophy, and Corporate principle of the Company, which will be incorporated into the System as part of the 2019 Plan of Action. Likewise, Grupo SURA constantly reviews the standards recommended by the Survey of Best Corporate Practices -Country Code-, to determine its relevance and adoption in the Corporate Governance of the Company.

Also continued was the consolidation of the Corporate Governance Board of the SURA Business Group, a space related to the coordination of Grupo SURA, which emerged from the implementation of the Country Code (Código País), in an effort to encourage interaction among the Companies, on topics such as: best practices in Corporate Governance, analyses of implementation of new standards, delivery of the Company guidelines, of the SURA Business Group, and the training of workers, in matters of ethics and Corporate Governance, among others.

102-17 Ethics Line

The ethics lines of Grupo SURA, and its subsidiaries, are a confidential and secure mechanism, available to the public to report, electronically, anything contrary to the ethics and principles that should be observed by all collaborators.

2018 REPORT OF ETHICAL LINES, OF THE BUSINESS GROUP

COUNTRY	REPORTED CASES
COLOMBIA	436
MEXICO	223
CHILE	105
DOMINICAN REPUBLIC	5
PANAMA	4
PERU	4
EL SALVADOR	3
ARGENTINA	1
BRAZIL	1
URUGUAY	0
TOTAL	782
STATUS	
PROVEN	220
UNPROVEN	343
IN PROCESS	191
ETHICAL CONSULTATIONS	28
TOTAL	782

ETHICAL LINE OF GRUPO SURA:
lineaetica@gruposura.com.co

Each case, reported on the Line Ethics, is analyzed under strict confidentiality rules, by the Committees of Ethics, responsible for monitoring the application of Code of Conduct and promoting an ethical culture within the Organization.

Likewise, the Board of Directors, through its Audit and Finance and Sustainability and Corporate Governance Committees, periodically monitor the performance of the Ethics and Corporate Governance System in the SURA Business Group. These are also constituted as Ethics Committees, to review cases in which members of the first levels of the Organization may be involved. During 2018, Grupo

SURA reported an anonymous report, which was managed in a timely manner, and was dismissed by the Ethics Committee, which followed the formal procedures, established in the Code of Conduct and the operating regulations of the Committee.

205-1 205-3 419-1 In addition, there were no cases of corruption, or reports related to the breach of any, laws or norms regulations in the social or economic fields, nor were there other complaints, presented before the Ethics Line or the Ethics Committee of the Company.

102-25 Operations with linked parties and processes to prevent conflicts of interest

The Board of Directors defines the general operations, for operations between related parties, that be celebrated in terms of transparency, equality and unbiased, and have adequate procedures for management of possible conflicts of interest.

In this regard, the transactions among the Companies of SURA Business Group, are subject to the contents in the Open Framework Policy Rations, between Related Parties. If in the normal development of said operations, there were to be a surge of conflicts of interest, among the Companies, the same should be managed, by referring to the Codes of Good Government and of Conduct of the SURA Business Group, available at gruposura.com, as well as other internal policies and procedures of the Companies that develop such.

During 2018, the Directive Body of the subsidiaries, Suramericana S.A. and SURA Asset Management S.A., applied on an occasion, procedures to avoid materialization of an eventual interest conflict. It involved a purchase transaction, of an insurance company of the first party to the second, which, at the time, was communicated to the market, through a relevant information mechanism.

Otherwise, there were no conflict of interests, among the Companies that required to application of protocols established in the SURA Business Group.

Internal Control Systems and Risk management

The Internal Control System (ICS) is conceived as the sum of tending activities that because the Company reaches a reasonable degree of security in performance, which allows for the meeting of goals in a legitimate and transparent way. For this, Grupo SURA has norms and policies aimed at risk management and mitigation of risk, fraud prevention, and the management of adequate information, among others.

The ICS is based on the international standard "Committee of Sponsoring Organizations of the Treadway Commission" (COSO 2013) and is complemented with its technological part thru the standard of "Control Objectives for Information and related Technology" (COBIT). Taking on the practices of Corporate Governance, the Company adopts the Survey guidelines: Country Code of the Superintendency of Finance of Colombia (Código País de la Su-

perintendencia Financiera de Colombia), inspired by the suggested practices by the Organization for Economic Cooperation Development (OECD).

In addition, each subsidiary monitors the ICS, in great detail and depth, through the Respective Audit Committees of audit, and escalates the most relevant situations, to the Comité de Auditoría y Finanzas de Grupo SURA (Audit and Finance Committee of Grupo SURA). The following is a breakdown of the management of ICS:

Architecture Control Report. The Internal Corporate Audit, of Grupo SURA, structures its Plan of Action, based on risks, in accordance with international standards, as dictated by Institute of Internal Auditors (IIA, by its acronym in English). This plan is approved and supervised by the Audit and Finance Committee of the Board of Directors that, according to the best practices, which integrates independent members.

The Committee ensures an internal audit that procures an objective and limit-free evaluation, which, analyzes the audit results, the execution of improvement plans related to control breaches, feedback, and encourages the Administration to strengthen for the Internal Control System (ICS) of the Company.

During 2018, the evaluations of processes, proceeded and concluded, in a reasonable adherence to institutional principles, standards, and legal norms and the deviations in compliance did not represent material risks for the

neither the Organization, nor its stakeholders, in accordance with the mandates of the external auditors, who for this validity corresponded to the Firm, EY.

The findings, advised about by the internal and external auditors, were remedied in a timely manner, by the Administration, and were tracked by Internal Audit, the Steering Committee, and the Audit Committee.

The work dynamic has also been strengthened, with the Internal Audit Teams of the affiliates and subsidiaries, as well as the respective External Audit Teams, in pursuit of a more harmonic development and increase of the maturity of the Company's ICS.

Within the challenges of the audit process, is the development of a digital strategy that seeks to implement emerging technologies and allow for more continuous supervision and timely operation of the Company, to strengthen more predictive audit models, by incorporating in the control processes, automation tools, robotics processes, data analytics and, potentially, artificial intelligence..

STRUCTURE OF THE PROPERTY OF THE COMPANY

Legal Structure

Grupo SURA is a stock company, private in nature, constituted under the laws of the Republic of Colombia. Its securities issuer, listed on the Stock Exchange in Colombia (Bolsa de Valores de Colombia -BVC-), and also has a level 1ADR program.

Social capital and structure of property

Grupo SURA has two types of shares:

Ordinary shares. Confer to its shareholders economic rights and political rights, in accordance with the law and regulations of each issuance.

Preference shares. Granting, to its shareholders, full economic and voting rights in three cases: conversion of preference shares

to ordinary shares; modifications that can deteriorate the conditions or rights of preference shares and change of the corporate purpose.

- ◊ Authorized capital
COP 112,500,000,000
divided into 600,000,000 shares
- ◊ Subscribed capital
COP 109,120,790,250
divided into 581,977,548 shares
- ◊ Paid capital
COP 109,120,790,250
divided into 581,977,548 shares

Ordinary shares:
469,037,260

Preference shares:
112,940,288

Shareholders with significant holdings in the Company, at the end of 2018

SHAREHOLDER	SHARES	%PART
Grupo Argos S.A.	129,721,643	22.29%
Grupo Nutresa S.A.	61,386,550	10.55%
Mandatory Moderate Pension Fund Porvenir	53,994,536	9.28%
Mandatory Moderate Pension Fund Protección	53,878,550	9.26%
Cementos Argos S.A.	28,183,262	4.84%
Mandatory Moderate Pension Fund Colfondos	18,745,691	3.22%
Colcap Ishares Stocks Fund	14,959,150	2.57%
Fundación Grupo Argos	10,685,767	1.84%
Colombiana de Comercio S.A. Corbeta y/o Alkosto S.A.	10,000,000	1.72%
Old Mutual Pension Fund Mandatory Moderate	8,399,866	1.44%
Norges Bank - CB New York	8,295,843	1.43%
Minority shareholders	183,726,690	31.56%
TOTAL	581,977,548	100.00%

Grupo SURA declares:

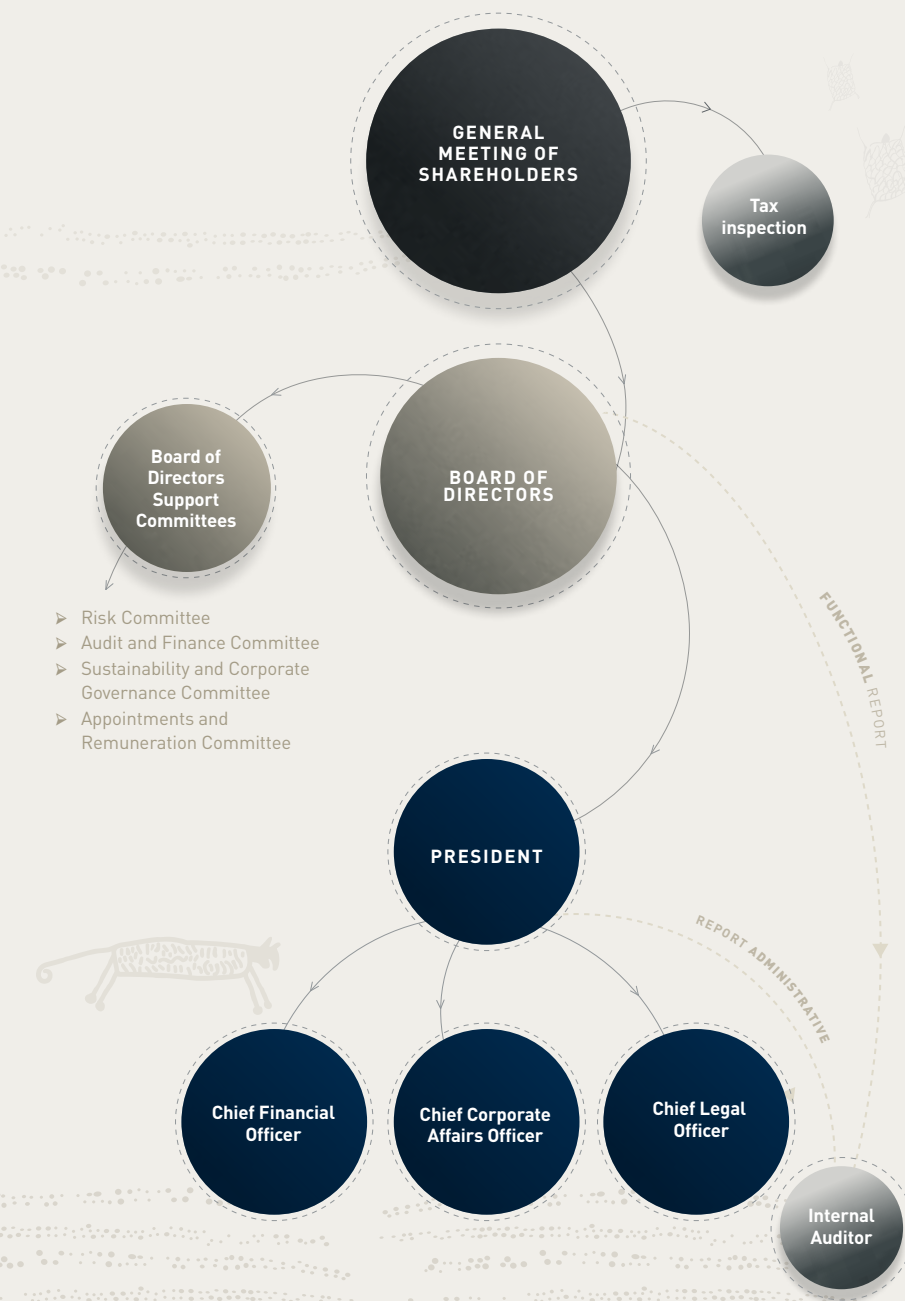
- That among its main shareholders, with interests above 5%, there are no founding families or governmental or public entities.
- That the Company, and its subsidiaries, maintain commercial relationships with some significant shareholders, such as Grupo Nutresa, Grupo Argos, and Cementos Argos. The operations that are realized with these companies are realized, under market conditions, and meet objective hiring criteria.



- **28.5% Pension and severance funds**
- **27.1% Grupo Argos**
- **16.0% International funds**
- **10.5% Grupo Nutresa**
- **6.6% Institutional investors**
- **4.2% Individual investors**
- **4.1% Colombian investment fund**
- **2.8% Foundations**

MANAGEMENT STRUCTURE OF GRUPO SURA

102-18 Governance Structure of Grupo SURA



The Shareholders Assembly

The General Assembly of Shareholders is the highest Management Body of the Company. It meets ordinary manner, once a year and in an extraordinary manner when is required, according to the Statutes. Among its functions, are:

- The approval of the general policy of Remuneration of the Board of Directors and Executive Management.
- The approval of the succession policy, of the Board of Directors.
- The approval of the segregation (improper split) of the Company.
- Examination, approval, or disapproval of the Financial Statements of the Company.
- Consideration of the reports of the Board of Directors and the President of the Company, regarding the state of the business.
- The selection and free removal of the members of the Board of Directors and the Auditor, as well as the determination of their assignments.
- The adoption, in general, of all the measures needed for compliance of the bylaws or the interest of the Company, among others.

The guarantees and rights, in favor of the shareholders, are addressed in the Articles of Association and the Bylaws, of the General Assembly of Shareholders and the Code of Good Governance.

During 2018, the Company veiled, because shareholders found find timely information, truthful, and

sufficient, on Website. A Shareholders Assembly was held with 30 days' notice, a shareholder's power was provided to facilitate their representation at the Assembly, and teleconferences and webcasts were held, for shareholders, analysts, and the general public, for the presentation of the Company's Quarterly Results.

In addition, an equitable and equal deal, was guaranteed, to all its shareholders, allowing and encouraging the exercise of their rights, such as:

- The raising of queries and free access to the General Secretary of the Company.
- Participation in quarterly events, where information is made available to shareholders and to the public, of the general progress of the Organization.
- Ability to make recommendations about the Corporate Governance of the Company.
- Access to information, in a clear, accurate, and timely manner, of all financial and non-financial information of the Company.

The Company has the Corporate Secretary and the Office of Attention to the Shareholders of Fiduciaria Bancolombia, to raise requests and concerns about Company matters, its shares, payment dates of dividends, the issuance of certificates, among others.

It also has an Office of Investor Relations, located at Carrera 43A #5A - 113, and whose contact information is the following:

- ◇ gruposura@gruposura.com.co
- ◇ ir@gruposura.com.co
- ◇ Free National Line 01-8000-521555

103-3 MAIN DECISIONS OF THE ASSEMBLY, IN 2018

- ◇ Approved the Management Report of the Board of Directors and President.
- ◇ Approved the Separate and Consolidated Financial Statements, at December 31, 2017.
- ◇ Approved the Distribution of Profits for 2017.
- ◇ Approved the Merger Commitment of Grupo de Inversiones Suramericana S.A. (absorbing company) and its subsidiaries: Gruposura Finance and Grupo de Inversiones Suramericana Panamá S.A. (absorbed companies).
- ◇ Elected the Board of Directors and Auditor for the period 2018-2020.
- ◇ Approved the fees, for the Board of Directors and the Auditor, for the period between April 2018 and March 2019.

The Board of Directors

The Board of Directors was elected by the Shareholders General Meeting, in its ordinary meeting, of March 23, 2018, for a period of two (2) years. The Board is comprised of seven (7) Principal Directors, four (4) of which are independent, representing 57% of the total of its Members. Both the President, as well as the Vice President of the Board of Directors, hold the status of independent.

None of the Directors of Grupo SURA is part of the Directives Boards, nor do they hold managerial positions, in Affiliates or subsidiaries companies.

102-22 102-23 On page 36, is the information of the Directors' profiles, as well as other aspects related to their performance on the Board, during 2018.

102-26 102-29 102-30 102-31 102-33

Functions and key issues of the Board of Directors

As the highest administrative body, the Board of Directors of Grupo SURA has a deliberative, professional nature and is a guarantor of the rights of the Shareholders.

In this sense, this instance has some essential functions and un-renounceable related to the strategy of the Company. The supervision of key issues for its development and sustainability, which includes an analysis including environmental, social, and corporate governance (ESG), as well control of business, government, and risk management.

As defined in the articles of association, and the Regulations of the Board of Directors, this may deliberate and decide with validity, the presence and the votes of the majority of its members, except when the Company is going to guarantee or endorse obligations of its related companies, which obliges the unanimity of the Members of the Board of Directors.

MANAGEMENT FIGURES OF THE BOARD OF DIRECTORS

- **17** Number of sessions
- **12** Face-to-face sessions
- **5** Non-contact sessions, with written vote statement
- **100%** Percentage of sessions with quorum required to deliberate and decide
- **98%** Average attendance of Directors

During 2018, the Board of Directors of Grupo SURA approved and updated the following standards of its Ethics and Corporate Governance System:

APPROVED FOR THE FIRST TIME	UPDATED
<ul style="list-style-type: none"> ➤ Gifts and Invitations Policy ➤ Reputational Risk Management Framework Policy ➤ Tax Framework Policy 	<ul style="list-style-type: none"> ➤ Code of Good Governance ➤ Regulations of the Board of Directors ➤ Regulations of the four Board Committees ➤ Personal Investment Policy ➤ Regulation Ethics and Compliance Committee ➤ Social Investment Policy ➤ Responsible Investment Policy Commitment to Sustainability

102-24 BOARD OF DIRECTORS ELECTION PROCESS 2018-2020

The appointment of the Board of Directors, by the General Assembly of Shareholders, in 2018 in accordance with the provisions of the Bylaws and the Procedures, for the Election of Members of the Board of Directors. The following is a summary of the election process:

- ① The call for an Assembly was published with the inclusion of the agenda.
- ② The shareholders presented to the Company, the candidates to be part of the Board of Directors.
- ③ The Appointments and Remuneration Committee of the Board of Directors evaluated the profile of candidates, an analysis that incorporates a study of inabilities and incompatibilities.
- ④ The aforementioned analysis, of the candidates presented by the shareholders, was presented to the Board of Directors.
- ⑤ Through information available on the website and in the General Secretariat of the Company, the candidates analyzed, were exposed to the shareholders, within the legal term, established for exercising the right of inspection. This information includes: profile of candidates, letters of acceptance of these as eligible persons, and incorporation of the declaration of independence, for those who have been nominated in that capacity.
- ⑥ The only list of candidates, already known to shareholders, was put to consideration, at the ordinary meeting of the General Shareholders' Meeting, held on March 23, 2018, in Medellín.
- ⑦ The shareholders elected the aforementioned assembly, to the Board of Directors, with the regulatory majority, required by the Bylaws, a fact that was set forth in the Minutes.
- ⑧ The elected Directors presented a letter of acceptance, of the position, before the Company.
- ⑨ It was registered before the Chamber of Commerce of Medellín.



JUNTA DIRECTIVA



Age: 67

LUIS FERNANDO ALARCÓN MANTILLA
President of the Board of Directors*

INDEPENDENT MEMBER

Seniority	4 years
Participation of the Board of Directors	94%
Meetings	16 of 17

Mr. Luis Fernando Alarcón Mantilla has a Degree in Civil Engineer from the Universidad de los Andes and post-graduate studies in Economics, from the same University, and a Masters of Science in Civil Engineering, from MIT, the Massachusetts Institute of Technology. He also participated in the Program Advanced Management at Oxford University. He served as General Manager of ISA (2007-2015), President of Asofondos de Colombia (2001-2007), and Vice Minister and Minister of Hacienda (1987-1990).

Other Board of Directors he is affiliated with

Almacenes Éxito S.A., Emgesa S.A. ESP, Frontera Energy Corp., Fundación Plan y Universidad de los Andes.

Holding of company shares at December 31, 2018

Ordinary:	Preference:	Total Shares:	Participation (%):
1,061	1,617	2,678	0.0005

*Non-Executive charge.

BOARD OF DIRECTORS, REMUNERATION, AND ASSISTANCE COMMITTEES

Audit and finance	100%	5 of 5 meetings
Appointments and Retributions	100%	4 of 4 meetings



Age: 52

JAIME BERMÚDEZ MERIZALDE
Vice President of the Board of Directors

INDEPENDENT MEMBER

Seniority	8 years
Participation of the Board of Directors	100%
Meetings	17 of 17

Dr. Jaime Bermúdez Merizalde has a Law Degree from the Universidad de los Andes and Ph.D. in Political Science from Oxford University (England), specializing in public opinion. He was advisor to the President of the Republic (1991-1993), Adviser to the Minister of Foreign Affairs (1993- 1994), An Observer of the United Nations, in the Presidential elections. in South Africa (1994), Executive Director of the del Consorcio Iberoamericano de Investigaciones de Mercado —CIMA (1996), and Private Consultant in communication strategies, public affairs, and crisis management, for multinational companies and public entities. He was the Communications Counselor of the Presidency of the Republic (2002-2006), Ambassador of Colombia, in Argentina (2006-2008), Chancellor of Colombia (2008-2010), and is at present, CEO of Colombia, of the banking MBA-Lazard investment.

Other Board of Directors he is affiliated with

MBA-Lazard Colombia, Tecnoquímicas S.A., Amarilo S.A.S., Fundación Génesis, Fundación Ideas para la Paz, Universidad de los Andes y Fundación Cardioinfantil.

Holding of company shares at December 31, 2018

Ordinary:	Preference:	Total Shares:	Participation (%):
0	0	0	0

BOARD OF DIRECTORS, REMUNERATION, AND ASSISTANCE COMMITTEES

Audit and finance	100%	5 of 5 meetings
Risks	0%	0 of 1 meetings

PERIODO ACTUAL 2018 - 2020



Age: 58

SERGIO PABLO MICHELSEN JARAMILLO

INDEPENDENT MEMBER

Seniority	4 years
Participation of the Board of Directors	100%
Meetings	17 of 17

Mr. Sergio Pablo Michelsen Jaramillo has a Law Degree from Universidad de los Andes, with a Master's Degree in Commercial Law from the University of Paris, and continuing studies of the American Legal System and Comparative Law, from the University of Texas. In addition to complementary studies at the Universidad de los Andes, Euromoney Institute of NY and Harvard University, he was a visiting partner of the Miami office of Hughes Hubbard & Reed LLP, where he worked for different companies of the multinational Shell Company, in Colombia.

He was Corporate Secretary of the Stock Exchange of Bogota (Bolsa de Valores de Bogotá), Foreign Partner at Baker & Botts, an American firm; Associate at Cavelier Abogados and an Official at the Superintendencia de Control de Cambios. He is currently a partner of Brigard & Urrutia Abogados, in charge of Mergers and Acquisitions, Equity Management and TMT.

Other Board of Directors he is affiliated with

ITAÚ BBA Colombia S.A., Corporación Financiera, Grupo Semana S.A., Brigard & Urrutia S.A.S., Fundación Cardioinfantil, Fundación Roberto Michelsen y Universidad de los Andes.

Holding of company shares at December 31, 2018

Ordinary:	Preference:	Total Shares:	Participation (%):
0	0	0	0

BOARD OF DIRECTORS, REMUNERATION, AND ASSISTANCE COMMITTEES

Audit and finance	100%	5 of 5 meetings
Risks	100%	1 of 1 meetings



Age: 69

CARLOS ANTONIO ESPINOSA SOTO

INDEPENDENT MEMBER

Seniority	6 years
Participation of the Board of Directors	100%
Meetings	17 of 17

Mr. Carlos Antonio Espinosa Soto is an economist, with a Degree from the University of Louisiana, with studies at Executive Management at INALDE as well as programs at the Wharton School and Harvard Business School. He was President of Acegrasas S.A., and currently serves as the President of Grupo Espinosa and Racafe & INC. S.C.A.

Other Board of Directors he is affiliated with

Inversiones Bejuquero S.A., Inversiones Macaguana S.A., Inversiones Laurelco S.A., Fundación para la Educación Superior y el Desarrollo (Fedesarrollo), Fundación Cardioinfantil y Corporación Colombia Internacional.

Holding of company shares at December 31, 2018

Ordinary:	Preference:	Total Shares:	Participation (%):
0	0	0	0

BOARD OF DIRECTORS, REMUNERATION, AND ASSISTANCE COMMITTEES

Audit and finance	100%	5 of 5 meetings
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JUNTA DIRECTIVA



Age: 58

JORGE MARIO VELÁSQUEZ JARAMILLO

EQUITY MEMBER

Seniority	4 years
Participation of the Board of Directors	100%
Meetings	17 of 17

Mr. Jorge Mario Velásquez Jaramillo has a Degree in Business Administration from the Eafit University, a Masters of Science in Development Policies from the London School of Economics. He has continuing studies in Executive Business Management from the Universidad de la Sabana and a Management Program from Harvard. He has served as Director of Economic Research, Manager of Product Structuring, Derivatives, and Vice President of Structuring Capital Markets, in Bancolombia. He is currently the Vice President of Corporate Finance of the Grupo Argos.

BOARD OF DIRECTORS, REMUNERATION, AND ASSISTANCE COMMITTEES

Sustainability and Corporate Governance	100%	5 of 5 meetings
Appointments and retribution	100%	4 of 4 meetings

Other Board of Directors he is affiliated with
Cementos Argos S.A., Celsia S.A. ESP, Odinsa S.A., Fundación Argos, Asociación Nacional de Empresarios de Colombia (ANDI) y Escuela de Ingeniería de Antioquia.

Holding of company shares at December 31, 2018

Ordinary:	Preference:	Total Shares:	Participation (%):
0	0	0	0



Age: 54

CARLOS IGNACIO GALLEGO PALACIO

EQUITY MEMBER

Seniority	5 years
Participation of the Board of Directors	94%
Meetings	16 of 17

Mr. Carlos Ignacio Gallego Palacio has a Degree in Civil Engineer from the Eafit University and Masters in Business Administration, from the same university. He has continuing education, in Supply Chain Management and Strategy from MIT, as well as Marketing and a CEO's Management Program, from the Kellogg School of Management (Northwestern University). He joined the Compañía Nacional de Chocolates S.A., in 1991, in charge, among other positions, the Industrial Vice Presidency. He was then President of Servicios Nutresa S.A.S, General Director of Fundación Nutresa, President of Negocios de Chocolates of Grupo Nutresa, and Vice President of the South Strategic Region, of the same company. He is currently President of Grupo Nutresa.

Other Board of Directors he is affiliated with
Grupo Argos S.A., Estrella Andina S.A.S., La Recetta S.A., Tres Montes Lucchetti, Universidad EAFIT, Hospital Pablo Tobón Uribe, Corporación San Pablo, Fundación SURA, Fundación Nutresa, Corporación Pueblo de los Niños, Universidad Católica de Oriente, Proantioquia, Asociación Nacional de Empresarios de Colombia (ANDI), Fundación Ideas para la Paz y Fondo de Agua Cuenca Verde.

Holding of company shares at December 31, 2018

Ordinary:	Preference:	Total Shares:	Participation (%):
0	0	0	0

BOARD OF DIRECTORS, REMUNERATION, AND ASSISTANCE COMMITTEES

Audit And finance	100%	5 of 5 meetings
Appointments and retribution	100%	4 of 4 meetings

PERIODO ACTUAL 2018 - 2020



Age: 46

ALEJANDRO PIEDRAHÍTA BORRERO

EQUITY MEMBER

Seniority	3 years
Participation of the Board of Directors	100%
Meetings	17 of 17

Mr. Alejandro Piedrahíta Borrero has a Degree in Business Administration from the Eafit University, a Masters of Science in Development Policy from the London School of Economics, as well as continuing education, in Executive Business Management from the Universidad de la Sabana, and a Management Program from Harvard University. He has served as Director of Economic Research, Manager of the Structuring Derivatives Products, and Vice President of Structuring of Capital Market, at Bancolombia. He is currently Vice President of Corporate Finance of Grupo Argos.

BOARD OF DIRECTORS, REMUNERATION, AND ASSISTANCE COMMITTEES

Risks	100%	1 of 1 meetings
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Other Board of Directors he is affiliated with
Cementos Argos S.A., Celsia S.A. ESP, Odinsa S.A., Aceros Mapa S.A., Banco Banistmo (Panamá) y Corporación Ruta N.

Holding of company shares at December 31, 2018

Ordinary:	Preference:	Total Shares:	Participation (%):
0	0	0	0

102-18 Committees of the Board of Directors

The Board of Directors supports its management in four committees, composed of its members, according to their experience and training. The functions, frequency of meetings, and performance evaluation can be found in the reports of each Committee, attached to the Corporate Governance Report of the Company.

Sustainability and Corporate Governance Committee. Composed by three (3) members of the Board of Directors (Carlos Ignacio Gallego Palacio, Sergio Michelsen Jaramillo and Jorge Mario Velasquez Jaramillo) and the CEO attends as a guest, it meets at least twice a year and has responsibilities towards the Directors, the Board of Directors, the Administration, and against the sustainability and good governance of the Company.

Details of the Management of the Committees of the Board of Directors of Grupo SURA.

Appointments and Remuneration Committee. Composed by three (3) members of the Board of Directors (Jorge Mario Velásquez Jaramillo, Carlos Ignacio Gallego Palacio, Luis Fernando Alarcón Mantilla), it meets at least twice a year. Their duties are framed in the following subjects: guidelines in matter of human talent, strategies for the retention and development of human talent, succession plan, performance evaluation of Senior Management and the CEO of the Company, guidelines for the remuneration of Directors, as well as Administrators, according to their individual performance, and in relationship to the company.

Risk Committee. Composed by three (3) members of the Board of Directors (Jaime Bermudez Merizalde, Alejandro Piedrahita Borrero, and Sergio Michelsen Jaramillo), it meets at least twice a year. Responsibilities that are attributed

to them is in relationship to the risk management of the Company, which includes: analyzing and assessing the ordinary management of risk in the Company, in terms of limits, risk profile, profitability, and capital map; propose to the Board of Directors the Risk Policy of the Company; to submit to the Board of Directors proposals for delegation rules for the approval of the different types of risk.

Audit and Finance Committee. This is comprised of three (3) Independent Members of the Board of Directors, namely Luis Fernando Alarcón Mantilla, Jaime Bermúdez Merizalde, and Carlos Antonio Espinosa Soto, who meet at least four times year and have the responsibility of generating and promoting a culture of supervision in the Company.

◊ The breakdown of the functions, of the Committees of the Board of Directors, is found in the respective regulations, available to the public at gruposura.com

102-19 | 102-20 Executive Management

The Board of Directors of Grupo SURA is in charge of the appointment of the President, the Vice Presidents, the Corporate Secretary, and the Internal Auditor of the Company, who are part of the Executive Management of the Company, and receive the delegation from the Board of Directors, for the daily management of the Business. On the next page, there is information about the Members of the Executive Management, and areas they are in charge of.

102-35 | 102-36 Remuneration of the Board of Directors, of the Statutory Auditor, and the Members of the Executive Management

The Company has a General Policy for the Appointment, Remuneration, and Succession of the Board of Directors, approved by the Shareholders, which establishes the parameters, to ensure that the people designated to hold the position of Director, are the most suitable, and in the same way, assure that the remuneration is appropriate, and in accordance with the level of responsibility of their charges, their qualities, both as people and professionals, their experience and the time they need to devote to their activities. This policy may be accessed on gruposura.com

Likewise, according to the Articles of Association, the General Assembly of Shareholders has the duty of assigning compensation for the Statutory Auditor.

102-37 During 2018, the General Assembly of Shareholders approved monthly fees, for each Director, in the amount of COP 7,200,000, as well as a general amount for the operation of the Board of Directors, COP 1,220 million, which includes the payment of the Directors' fees for their participation in the Board sessions and Support Committees, expenses Travel and accommodation, training, academic, and expenses for the evaluation of its management.

102-35 | 102-36 For the remuneration of the Executive Management, Grupo SURA applied the Compensation Policy, approved by the Board of Directors, in which minimum criteria are defined, which allow for a system of fair and equitable compensation, with a remuneration that is established under objective principles, guaranteeing the alignment of collaborators with the strategy of the company.

Likewise, and under these parameters, the Appointments and Remuneration Committee defined and verified the compliance with the performance indicators of Executive Management.

102-28 Board Evaluation Board and Executive Management

Annually, the Board of Directors self-evaluates its management, as well as that its Committees This evaluation was realized in 2018, using formulas to qualify dif-

ferent aspects as its structure, dynamics, intervention issues, roles, responsibilities, and relationship with the Administration. These results were widely analyzed by the Directors in the session that is done without the presence of Administration, in December. Their principal findings and recommendations were:

- The strategic planning process should be continued, and its implementation monitored, and continue the deepening of the environmental analysis, in the places where Grupo SURA and its portfolio Companies have a presence.
- The study of new trends under demanding, standardized and innovative methods, was highlighted.
- The review of the profitability of business should continue, tending to the generation of value in the long-term.

Likewise, in accordance with the Code of Good Governance of the Company, every two years the Company administers an evaluation process of the Board of Directors, under an independent firm, that analyzes strengths and opportunities for improvement. In keeping with this guideline, during 2019, this evaluation mechanism will be followed.

Grupo SURA has a General Policy for the Appointment, Remuneration, and Succession of the Board of Directors, which establishes parameters to designate its members in an appropriate manner.



MEMBERS OF THE EXECUTIVE MANAGEMENT



DAVID BOJANINI GARCÍA
Chief Executive Officer



TATYANA MARÍA OROZCO DE LA CRUZ
Chief Corporate Affairs Officer



RICARDO JARAMILLO MEJÍA
Chief Financial Officer



JUAN LUIS MÚNERA GÓMEZ
Chief Legal Officer and Corporate Secretary

Management and Departments, in charge of:

- Planning and Strategy.
- Risk.
- Human Talent.
- Corporate Responsibility (Sustainability and Social Management).
- Internal and Shared Services.

- The Communications and Corporate Identity Management reports to the Presidency.
- The Internal Audit, functionally, reports to the Board of Directors, and administratively, to the Presidency.

Management, in charge of:

- Investors Relations.
- Accounting.
- Treasury.
- Tax matters.
- Investment Management.
- Projects and New Businesses.

Management, in charge of:

- Corporate Legal Issues.
- Financial Legal Matters and Investments.
- Compliance.
- Corporate Secretariat.

03

FINANCIAL STRENGTH

KEY INDICATORS

COP 203,116 MILLION

the individual debt, of Grupo SURA, was reduced, in 2018, at coverage rates, along the lines with the obligations with financial entities and repos.

USD 374.9 MILLION

total payments for the income tax of Grupo SURA, and its subsidiaries, last year.

STAKEHOLDERS RELATED:

- Shareholders and investors

MATERIALITY ISSUES:

- Strategic capital allocation
- Capital structure

SDG RELATED:



103-1 Increased financial strength, and investment capacity, are key factors, to consolidate the profitable organic growth of Grupo SURA, in its role as Financial Holding. Therefore, we continue to make positive progress, during 2018, in the set when we revisited our strategy, for the Financial Management pillar.

103-2 In this sense, projects, and initiatives were developed from the different components of the Comprehensive Cycle of Financial Management (See chart), which proposes three fundamental aspects, in which the Company must focus on, in order to build up its financial strength:

- ▶ Have, at hand, options open to access capital and debt resources, and thus, seek to achieve an adequate capital structure, that meets the requirements of the Business Group.
- ▶ Have a rigorous efficient capital allocation process, based on agreed upon guidelines for Portfolio Management.
- ▶ Monitor, judiciously, the performance of investments, at a

granular level, monitoring as well, the processes to maximize the creation of value.

These actions are consistent with our strategic objectives of: improving the profitability, after the recent expansion in the region, achieving an adequate capital structure, advancing in the design of an target portfolio, in terms of size and mix of businesses, as well as consolidating a Comprehensive Financial Management of the Companies.

Herewith, are the steps taken, in the last year, in each of the stages of the cycle, and the areas included in the management of financial resources, in the interest of the long-term growth of Grupo SURA.

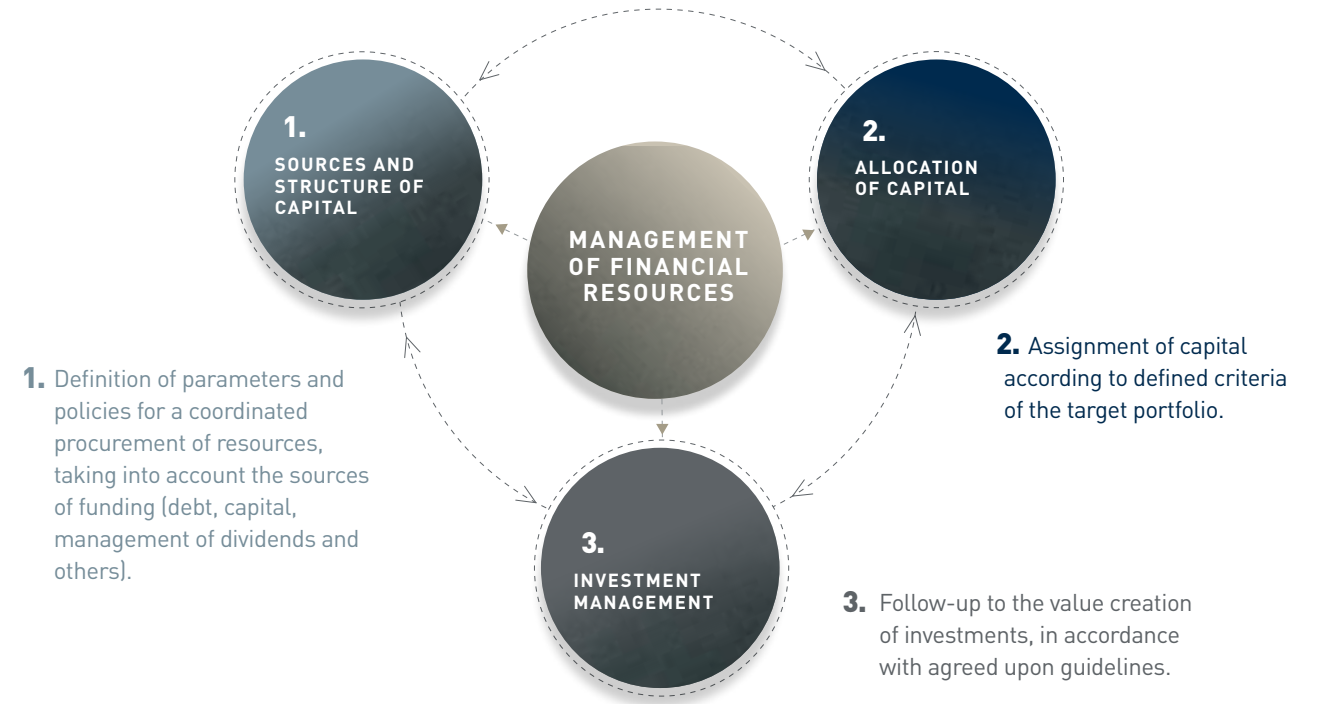
ADEQUATE CAPITAL STRUCTURE

We have continued, with the debt reduction strategy, initiated in 2017, in order to increase financial strength and flexibility, as well as improve the credit profile, which will allow us to meet future organic and inorganic expansion plans.

HIGHLIGHTS

- ◊ We continue to develop tools that allow us to strengthen our financial strategy, seeking to achieve our goal of generating value and profitability.
- ◊ We move ahead with the process of deleveraging, and optimizing, capital invested.
- ◊ We seek efficiencies, and greater knowledge, in a comprehensive financial function, between the Holding Company and its subsidiaries.

STAGES OF THE COMPREHENSIVE CYCLE OF FINANCIAL MANAGEMENT, OF GRUPO SURA



COMPREHENSIVE FINANCIAL FUNCTION: Coordinated management, with the Companies of the Business Group, in the areas of Accounting, Tax Management, and Investor Relations (IR).

In that sense, the individual debt of Grupo SURA was reduced by COP 203,116 million (at hedging rates), specifically, in obligations with financial entities, given that bond issuance, in pesos and dollars, were maintained, with the same balance registered in 2017.

Thus, the individual debt of Grupo SURA, excluding hedges, closed 2018, at COP 5.0 trillion (USD 1,539.2 million). Of this total, COP 913,087 million are debts with banks and other entities, 11.3% less than last year, while the issuance of bonds, add up to COP 4.09 trillion (USD 1,258.2 million), of

which USD 850 million, (COP 2.66 billion), correspond to international bonds denominated in USD.

Also, we have continued put in place of exchange rate hedging structures, in order to mitigate risks and eliminate volatility, in our results. Group SURA and SURA Asset Management initiated the application of hedge accounting, of the Standard International Information Financial IFRS 9 - Financial Instruments, as well as the Accounting Standards and Financial Information (NCIF), accepted in Colombia.

Lastly, we would like to highlight, the fact that Grupo SURA has different liquidity sources to support its growth strategy. This includes broad lines of credit, with local and international financial institutions, the ability to access debt markets, and a liquid portfolio, which allows for different alternatives, to obtain liquidity.

EFFICIENT CAPITAL ALLOCATION

We understand that the capital allocation, is a central function in

our role to actively, and diligently, manage the resources of our Shareholders. During 2018, we continued to make progress in articulating the processes of capital allocation, in order to ensure that investment, and divestment decisions, respond to our aspirations and strategic objectives.

103-3 Due to its importance and strategic impact, we would like to highlight the revision, in 2018, our capital allocation criteria, and the formalization of a model of interaction, and comprehensive management, used for the evaluation, execution, and monitoring of acquisitions, mergers, and divestments.

As a result, and as part of the definitions of the strategic management exercise, it was formalized, that Grupo SURA will play a strategic architect role, in the process of capital allocation, and act as functional leader for the M&A processes.

Criteria for capital allocation

We recognize the capital allocation criteria, as the guiding principles of our investment, or divestment decisions. To define these criteria, we begin with an in-depth review of the current investment portfolio, at a granular level, contrasting the appeal of each line of business, or country, by profitability prospects and growth, with the existing capacities and a competitive position, that is, with our ability to generate value, in these lines of business or countries.

Additionally, our main risk factors are evaluated for reasons concentration conditions, dependency,

CONSOLIDATED FINANCIAL DEBT 2018

52%
Grupo SURA

35%
SURA Asset Management

13%
Suramericana

TYPE OF DEBT

56%
international bonds

24%
local bonds

20%
banks

potential changes in consumer preferences, industry structure, regulatory conditions, and changes in macroeconomic conditions.

With the inputs of this assessments, we move forward with the definition, and common understanding of criteria, that guide us and will guide the decisions that

support a portfolio, balanced in terms of risk and growth prospects that will ensure long term value generation.

M&A

The M&A processes are a key tool to execute our capital allocation strategies of capital and achieve our target portfolio. A successful

ELEMENTS FOR THE APPROACH AND DEFINITION OF OUR CAPITAL ALLOCATION CRITERIA



M&A model, requires a dynamic process, that incorporates a comprehensive vision of Corporative Strategy, securing discipline in the allocation of resources, creating healthy competition for the resources between businesses, as well as allowing us to improve the process building up on past experiences and developing interdisciplinary capabilities within Grupo SURA.

Our model is based on the capital allocation criteria described above, and we remain attentive to the opportunities and signals that we receive from environmental trends. In this way, we identify, proactively, operations or growth platforms, that would allow us to optimize scale, accelerate the acquisition capabilities in terms of product, technology, distribution, or process, and also will help us improve our comprehensive offer.

Likewise, operations that no longer fit into our performance and risk profile are identified, seeking an efficient reassignment, which points to the materialization of our strategy. In the execution of transactions, we are looking for a rigorous evaluation of opportunities and risks, with the support of multidisciplinary team. In the integration, our objective is to capitalize upon the experiences gained, in our expansion, in order to have a detailed plan, that identifies key processes and variables of the business plan, all in an effort to guarantee compliance with the investment thesis.

The last phase of our model is a review and monitoring of process the acquired operations. We

evaluate the evolution and track its performance in terms of the goals, business plans, and other non financial metrics as Human Resources related strengthen of the operation, to incorporate experiences that will improve the allocation process in the future.

Relevant transactions in 2018.

102-10 Under this model, during 2018, we moved forward, in the process of portfolio optimization and reallocation of capital, with operations such as:

► **Sale of the life annuity operation in Chile:** in order to focus in the strategic businesses, SURA Asset Management closed the sale of this line, for approximately USD 214 million, with an attractive return both, in local currency, and colombian pesos investments, capitalizations, and the initial capital invested.

► **CDPQ agreed to purchase a state in SURA Asset Management:** the Canadian Company Caisse de Dépôt et Placement du Québec (CDPQ) agreed with Banagrícola S.A. (subordinated of Bancolombia) and International Investments S.A. (subsidiary of the Group Wi-ese, from Peru), to purchase their stakes in SURA AM, for a total of USD 247 million and thus becoming our partner. At the close of the transaction, subject to regulatory authorizations in Mexico, CDPQ will have 6.68% of this subsidiary.

► **Dinámica IPS purchases IATM operations:** this provider of diagnostic aid services, part of Seguros SURA Colombia, acquired operations in three locations of Instituto de Alta Tecnología Médica

(IATM) (Institute of High Medical Technology) in the amount of COP 22,500 million (USD 7.6 million). The operation strengthens high complexity capabilities, for the health services market.

► **Divestment in Seguros SURA Colombia:** Servicios Generales Suramericana sold, at COP 29,917 million, its minority position (18.6%), of the business of custody and transportation of securities of Brinks de Colombia.

Also notable is that, in 2018, in line with the Ley de Conglomerados Financieros (1870 of 2017) (Law of Financial Conglomerates), steps were taken to simplify the corporate structure of the Grupo Empresarial. A merger was realized, in which Grupo de Inversiones Suramericana (Grupo SURA) absorbed its subsidiaries Gruposura Finance, and Grupo de Inversiones Suramericana Panamá allowing for a simpler and more efficient structure, from a cost perspective. As part of this process, SURA Ventures S.A. was also set up as an investment vehicle for Grupo SURA's Corporate Venture Program.

ACTIVE MANAGEMENT OF INVESTMENTS

In connection with the other elements of the comprehensive cycle of financial resources, for the active management process of our investments, we continued to develop, throughout the year, a monitoring model for the creation of value of investments, which aims to consolidate, analyze, and study, information and indicators, key to the financial performance of our investments and operations.

This allowed us to know, during 2018, the status, profitability pattern, and expectations of the as well as allowed us to be proactive in generating discussions, and plans of action, derived from an eventual deviation from the original plan, in the face of our expectations. therefore, this process is key to the fulfillment, and successful achievement, of the profitability goals that Grupo SURA has set.

FINANCIAL MANAGEMENT

Investor relations

102-43 The Investor Relations Management (IR), seeks to build bridges and to maintain a two-way open communication channel, between the Management and the financial markets.

In 2017, were focused on getting to better know our investors better, simplifying our message, and optimizing the time spent on IR work, responding to the challenges arising from the implementation of the MiFID II regulations.

From this perspective, during 2018, tools, as well as a culture of measurement and monitoring, were developed, which has allowed us to evolve towards a more strategic approach, laying the foundation to continue with our mission of building long-term relationships, based on transparency and trust.

With this new approach, based on the detailed analysis of the meetings, we improve quality and proactively sought more assertive contacts with investors. Also, the

RELATIONSHIP OF MANAGEMENT WITH INVESTORS

501 international funds are Shareholders of Grupo SURA.

183 interactions with professional investors.

45 days added to the time dedicated to travel, in order to strengthen our relationship with investors.

8 participations, in sponsored conferences.

combination of NDR (Non-Deal Roadshows) and the participation, in conferences sponsored by allied banks, allowed us to increase our reach, and diversify types of contacts, accessing a level of activity, comparable to that of international companies.

Last year, 45 days were devoted to investor relations trips, with a relevant participation by our CEOs (26%) and CFO (46%), who went to London, New York, Boston, Chicago, Edinburgh, Rotterdam, Cancun, Copenhagen, Abu Dhabi, Singapore, Lima, Santiago, and Bogotá. Notable is that Institutional Investor, a publisher focused on international finance, published the Latin America Executive Report (Team - Midcap), in August, highlighted the work and achievements of our Vice President of Corporate Finance (CFO) and the Investor Relations Team (IR), based on the opinion of 517 portfolio managers and the perception of 300 analysts.

Accounting management

The Accounting Management of Grupo SURA, from its functional leadership, continued, in 2018, implementing more coordinated accounting processes, with Suramericana and SURA Asset Management, in an effort to search for efficiencies, and glean knowledge for optimal flow. In that sense, the following are milestones:

- The new accounting standards, IFRS 9 and IFRS 15, were implemented, in compliance with the Colombian and International Regulatory Framework.
- In hedge accounting, we lower the implementing lower

impact, due to exchange differences, in the Company's results.

- Progress was made in the integration of a single accounting consolidation application, for the whole of the financial statements.

- 45 disclosures were automated in the Financial Statements, creating efficiency in the construction of the Quarterly and Annual Reports.

Tax management

During 2018, a Policy was approved, Tax Framework of Grupo SURA, and shared, with the relevant areas, who participate in the process including the CFO, Risk, and Audit, and the areas related to tax management, within the Business Group, with the objective of reflecting the Corporate principles and the corporate governance code. Our challenge is to develop each of the milestones, in order to continue to guarantee, a transparency in the tax management of businesses.

In this regard, the holding Company leads tax planning, process with a wide scope moluding the whole Group last year we can show improvement in the following topics:

- Common tax criteria to the businessess were approved.
- Fiscal implications, of business reorganization operations, were evaluated.

- In the tax reports, greater traceability was gained, in taxes, contributions, as well as in the follow-up of management indicators, as effective tax rates, and relevant information, in order to fulfill obligations, related to controlling bodies. Finally, in regard of the formal tax obligations, of each of the Companies that make up the SURA Business Group, there is a declaration

of compliance with the norms and regulatory frameworks, of the countries where it has a presence.

The evolution of taxes, rates, and contributions, paid for the years 2017 and 2018, are listed below:

PAYMENT OF TAXES, RATES, AND INCOME TAXES OF GRUPO SURA AND ITS SUBSIDIARIES

Company	Grupo SURA		SURA Asset Management		Suramericana	
	2017	2018	2017	2018	2017	2018
Argentina					49.48	21.47
Brazil					5.30	2.29
Chile			-9.66	27.85	5.59	5.31
Colombia	21.59	30.76	53.95	6.16	119.05	116.05
El Salvador			7.39		4.11	2.99
Spain				0.19		
Mexico			55.06	63.45	3.58	20.58
Panama					14.13	4.12
Peru			36.44	42.33		
Dominican Republic					12.92	14.14
Uruguay			4.81	4.90	13.87	12.27
Total	21.59	30.76	147.99	144.88	228.03	199.22

(In millions of USD *) *TRM: COP 2,956.43

Note: taxes, rates, and contributions, reported in both periods do not include third-party advances. For 2017, a Colombian exchange rate of COP 2,951.32, average of the year, was applied.

TOTAL 2017:
USD
397.60
MILLION

TOTAL 2018:
USD
374.86
MILLION

CHALLENGES AND OPPORTUNITIES 2019

- ◆ Continue with the processes of profitability and capital efficiency allocation, as well as with progressive deleveraging, with the objective of increasing financial flexibility and giving greater investment capacity to businesses.
- ◆ Prepare the financial capabilities, of Grupo SURA, Suramericana, and SURA Asset Management to facilitate the transformation and growth of business.

04

HUMAN TALENT AND ORGANIZATIONAL CULTURE

KEY INDICATORS

7.64%

increased the number of collaborators, which totaled 29,228 between Grupo SURA, Suramericana and SURA Asset Management.

USD 6.67 MILLION

totaled the Companies' investments, in training activities, in the last year, with an average investment of USD 214 person.

21,328 collaborators,

73% of the total, of the Business Group were evaluated in their performance, during 2018.

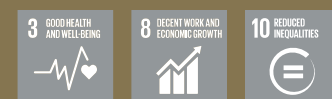
STAKEHOLDERS RELATED:

- Internal public
- Community
- Business clients

MATERIALITY ISSUES:

- Attraction, development, and loyalty of talent
- Corporate culture
- Health and Safety at Work

RELATED SDG:



103-1 Human Talent is a fundamental pillar of our strategy, underpinning the organizational capabilities, that transformation necessary for the of competitiveness and sustainability of our businesses.

This is why the efforts of Grupo SURA are aimed at attracting and retaining the best talent. We have established the policies and programs within the business group to develop organizational structures that respond to the opportunities and challenges of our operations.

In Grupo SURA our culture corporate principles are intertwined. We value human qualities above all. We are convinced that the right pe, and team efforts allow for competitiveness, customer centered, committed, and outstanding work.

103-2 103-3 Therefore, it is essential that each of the 29,228 employees, who are a part of the SURA Business Group, at the end of 2018, both identify, and base their decisions, and daily actions, on the principles of equality, respect, responsibility, responsibility, and transparency, all a hallmark of organizational culture SURA, and for which our brand, as an employer, is highly recognized.

In this sense, our principles are a criterion that is not only fundamental in the selection process, but also intervenes in training programs, aimed to strengthen its appropriation.

Aware of the impact that global trends and demographic changes have on our talent, and the need to respond to them, we have identified the following trends as having the greatest impact: comprehensive leadership, universal learning, flexible organizations, the employee as a client, and the development of organizational capabilities.

Another cross-cutting topic, is promoting diversity, understood in its broadest sense, which includes the differences in thought, that nourishes us. Consequently, it is recommended to exclude criteria such as gender, race, marital status, age, religion, and socio-economic status in our human selection process.

404-2 STRENGTHENING OF LEADERSHIP

We understand leadership as a foundational and transforming factor. We hope that our leaders, all those in charge of teams have the self-knowledge that allows them: promote positive evolution, be consistent, strengthen the clarity of their purpose, be agile, and adapt successfully to changes, sustaining their relationships to create collaborative networks and commit to the development of their teams.

For this reason, one priority is to strengthen leadership, as a key enabler to achieve our strategic purposes, guaranteeing the sustainability and productivity

of the businesses, consolidating cultural elements that are common to the Business Group, and promoting the mobility of collaborators, among the Companies. This is materialized in the design of policies, consistent with the organizational foundation, from the human perspective.

During 2018, we continued our programs in the development of leaders, identification of people with high potential, early detection talent, training in skills and technical knowledge, international assignments, scholarships, and new sources of growth, among others. These initiatives also contribute to loyalty, given the high incidence of leadership style, in the satisfaction of employees.

ATTRACTION AND LOYALTY

Consequently and in line with the evolution of the Company's businesses, the different sources to attract talent were nourished and strengthened. Connections with universities, educational institutions, and the businesses community were fostered. As an example, in 2018, the All 4 Youth alliance was signed, an initiative that seeks to encourage the hiring of young people that are less than 30 years old.

404-2 Loyalty is the affective commitment of collaborators, with the intent of the Company. The constant development of the competences, of each individual, contributes to their professional and personal growth, constituting not only an attribute that contributes to the loyalty, but also to the

FEATURED FACTS

- ◇ Approval of the information system, for Human Talent, began in operations outside Colombia, through the tool Success Factors.
- ◇ The Occupational Health and Safety System was implemented, with coverage for collaborators, contractors, and suppliers, in Colombia. Practices were also established, that fulfill this same objective, in the Companies of the other nine countries, in which SURA has a presence.
- ◇ Talent maps and strategies that will accompany the development of people, with high potential and possible successors were identified.
- ◇ The development program was extended to commercial teams, with the training of more than 400 leaders, in six countries.
- ◇ The different training programs, for leaders in all countries, were continued, appropriating common basic concepts, and strengthening our corporate culture.

consolidation, of our employer brand.

The aforementioned translates into values, at all levels of the Companies, development plans that allow for professional and personal growth of collaborators, as well as it benefits programs that contribute to their own formation and well-being, and that of their families. During 2018, the planned training programs were met, and new partnerships were forged, to expand the benefits to employees.

404-2 DEVELOPMENT OF TALENT

We understand that growth and development, is a personal process, in which we accompany collaborators, helping them explore new possibilities, generating new potential, closing the breaches in competency and preparatory gaps, to reach the next level, in their career.

In this sense, besides the fact that the Company can benefit from this contribution, our collaborators increase their connection to our

corporate purpose. This was translated, during 2018, for example, in the improvement of measurements of commitments (engagement). Additionally, a Leadership Program was conducted for commercial teams, with participation more than 400 leaders, in six countries.

CREATING WELL-BEING

Finally, Grupo SURA has been understood as an active agent within the society. The multiplication of the well-being benefits our employees, directly, through the quality of life of their families, which in turn have a positive impact in their environments, and contribute, ultimately, to society.

Among our initiatives of well-being, there is the possibility of doing telecommuting and remote work, which facilitates a balance to our collaborators, and in addition, to the enjoyment of their job, allowing for time spent with their families.

In countries like Uruguay, Argentina, the Dominican Republic, and Colombia, among others, the

Company grants additional days, for paternity and maternity leave. In Colombia, when a new mother returns to work, she is offered the possibility having two additional months, in which she can do work remotely, for half days, to protect the period of lactation.

PRINCIPAL FIGURES 2018

102-8 Collaborators of the Business Group

The annual growth of collaborators of the SURA Business Group is 7.64%, adding up to 29,228 people, which includes consultants and the commercial force. Of this total, 69.95% is linked to Suramericana, while 29.78% corresponds to SURA Asset Management (SURA AM).

By gender, 63.22% of collaborators are women, with a growth, in 2018, of 8.23%, higher than that of men (6.65%), keeping with the trends of the Companies.

Likewise, 86% of people have an indefinite term contracts, compared to the percentage of fixed term contracts (11.87%). This is consistent with our intent, of establishing long-term relationships, especially with our collaborators.

As for the commercial force and advisors, they total 7,055 people, 24.14% of that total are collaborators of the Business Group, 39.9% are in Colombia, and 60.9% are women, similar to the general trends of collaborators, of the Business Group (see graph on page 55).

Age range

Seventy-nine-point seventy-three percent (79.73%) of collaborators of the Business Group are between 26 and 50 years old, having an almost equal distribution. This is a challenge in the face of an organizational culture that allows for the coexistence, joint work, and the contribution of several generations. The concept of inclusion, in its broadest sense, contributes to incorporate and understand the contribution of each of the generational groups, in the growth of our Company (see the table on page 55).

Laboral category

In the last year, the number of collaborators of the Business Group, in the junior management categories, and non-managerial positions increased by 0.22%, while there was a 0.45% reduction in mid-management, and in senior management, this only increased by one basic point.

Regarding the participation of women in managerial positions (senior management and management), this represents 31% of the total. In accordance with the methodology of the development plans, it is important to continue strengthening the profiles of women, to increase their participation, in these managerial levels, particularly in those roles that are directly related to income generation, where women represent 0.74% (see Graph A on page 58).

405-1 In relation to the diversity of collaborators, in administrative bodies, of the 88 people in these roles, in SURA Business Group-Grupo Empresarial SURA, 30% corresponds to women and 72%

of the total, are in an age range between 31 and 50 years old. The Organization does not have people from minority or vulnerable groups in the administrative bodies (see Chart B on page 59).

401-1 102-8 Rotation and hiring

During 2018, 5,062 people from the SURA Business Group retired, an increase of 50%, compared to 2017. It is important to note that within this population, is the commercial force, which has a high rotation rate, and which is characteristic. The Companies have been making efforts, to increase the loyalty of this segment of collaborators, and other organizations, through initiatives, such as the Leadership Program for the Commercial Force (see Graph C, on page X59).

405-2 Remuneration and salary relation by level of charge

In the 10 countries, where the SURA Business Group operates, the remuneration is determined above the effective minimum wage, for each country. The average salary of men is higher than that of women. However, it must be taken into account that the salary level is determined specifically, by the functions of the position, and not for reasons of gender.

However, given both the selection and compensation policies of the Organization, in order to establish the remuneration of a position, criterion, such as gender, is indifferent, given that the methodology used (Hay Group) uses variables such as decision-making capacity, of the position, scope and the

◇ Relationship between men's and women's base salaries 2018 (By level of position and for the SURA Business Group)

Senior Management **1.32**

Middle Management **1.14**

Junior Management **1.05**

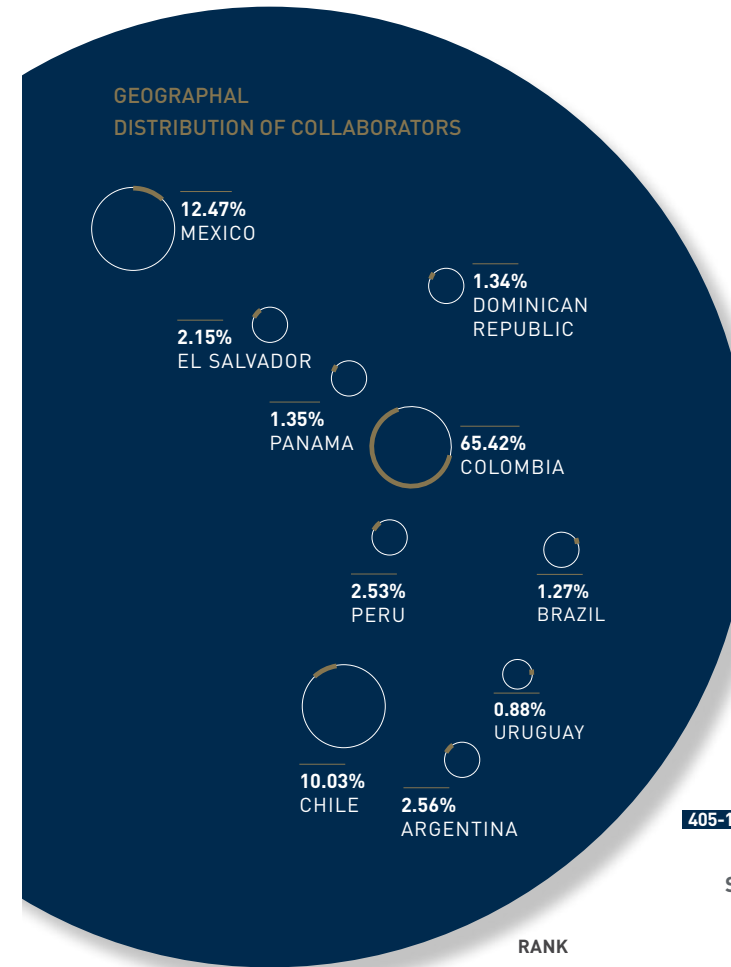
Non-managerial positions **1.23**

PRINCIPAL FIGURES 2018

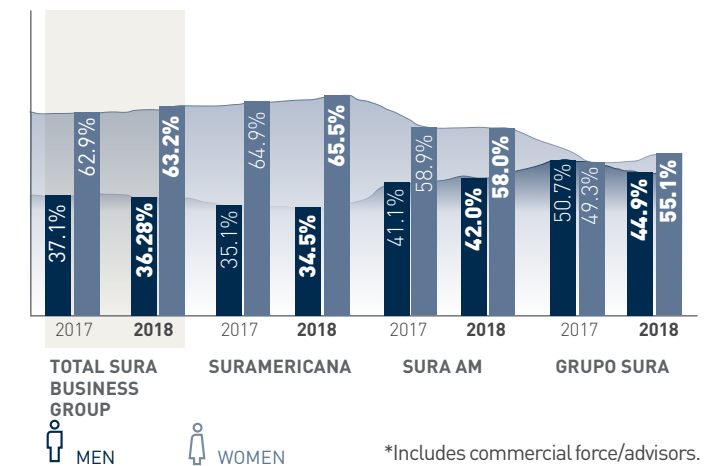
GENERAL LABOR INDICATORS OF SURA BUSINESS GROUP

	Total sura business group		SURAMERICANA		SURA AM		GRUPO SURA	
	2017	2018	2017	2018	2017	2018	2017	2018
Total number of collaborators	27,153	29,228	18,243	20,445	8,839	8,705	71	78
Fixed term collaborators	6.9%	11.9%	5.0%	12.9%	10.9%	9.5%	1.4%	1.3%
Indefinite term collaborators	90.4%	85.7%	92.0%	84.2%	87.1%	89.0%	95.8%	94.9%
Collaborators with another types of contract	2.7%	2.5%	3.0%	2.9%	2.0%	1.6%	2.8%	3.8%

*Includes commercial force/advisors



INDICATORS, BY GENDER, OF SURA BUSINESS GROUP



*Includes commercial force/advisors.

405-1 DISTRIBUTION BY AGE

RANK	SURA BUSINESS GROUP		SURAMERICANA		SURA AM		GRUPO SURA	
	2017	2018	2017	2018	2017	2018	2017	2018
Under 25 years of age	9.25%	9.77%	11.20%	11.79%	5.23%	5.05%	8.45%	8.97%
Between 26 and 35	39.11%	40.38%	41.60%	43.31%	33.87%	33.43%	50.70%	48.72%
Between 36 and 50	41.02%	39.35%	39.22%	36.97%	44.79%	44.99%	33.80%	33.33%
Over 51 years old	10.62%	10.50%	7.98%	7.93%	16.11%	16.53%	7.04%	8.97%

*Includes commercial force/advisors

need to generate strategies. All these are linked to the function of the specific position.

Formation and development

Most of the activities, programmed during 2018, sought to strengthen leadership skills and competencies, both in the administrative area, and in the commercial, as well as programs that strengthen technical knowledge.

- ◇ Total investment in training: **USD 6,266,009**
- ◇ Total hours of training: **1,123,187**
- ◇ Average investment per employee: **USD 214**

Training, equips leaders, with tools to identify the competences of their team, as well as accompany them, and enhancement of their development. During 2018, a Leadership Program was executed for the first time, aimed, particularly, at the commercial force. This was previously only provided to employees, in the administrative and corporate areas.

Expanding the coverage of this program helps to strengthen the definitions of leadership of each Company, based on our principles.

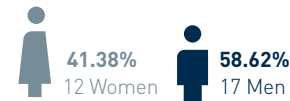
404-1 Training hours by collaborator (total annual average and by Company 2018)

- ◇ SURA Business Group **38**
- ◇ Suramericana **34**
- ◇ SURA Asset Management **50**
- ◇ Grupo SURA **64**

Internship program. This initiative was strengthened in 2018, by understanding that experiences have the greatest impact on talent development. In this program, people are assigned, for a period of time, to another country, role, or Company, which allows for the development of new skills and a cultural transmission, that facilitates the mobility of talent. Last year, 47 collaborators participated in this program.

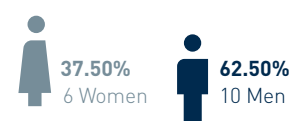
TRAINING HOURS PER EMPLOYEE (TOTAL ANNUAL AVERAGE AND PER COMPANY 2018)

SURA BUSINESS GROUP



Total 29

SURA AM



Total 16

GRUPO SURA



Total 2

Performance evaluations

Different strategies, and methods, are used to have conversations about feedback and performance, which that allow us to guide the work of our collaborators. Through this process, the results of tests, such as the assessment of 360° competences, thought styles, Birkman, Korn Ferry, and psychological

assessments, are an essential part and allow for a more complete and comprehensive view of the person.

In this sense, 73% of collaborators, of the Business Group were evaluated, during 2018, with higher percentages of incidences, in managerial positions (see Graphs on page 60).

102-41 Indicators of freedom of association and unions

Our Organization respects, and protects, labor rights, freedom of association, and collective-bargaining agreements. Thus, a total of 5,597 employees are part of collective bargaining agreements, or unions, representing 19.15% of the total of SURA Business Group, distributed as follows: in Suramericana, 1,740 collaborators, 8.51% of the total of this subsidiary, and 32% of those who qualify, while in SURA Asset Management, this totaled 3,857, which represent 44.31% of the total number of collaborators (see Chart E on page 59).

Organizational climate and culture

The organizational climate measurement is realized, every two years, in Suramericana and SURA Asset Management, while Grupo SURA realizes this annually.

Independently, the Companies have applied the measurements with the consultants, Great Place to Work and Mercer. In 2018, they were completed, for Suramericana and Grupo SURA.

For the Companies of Suramericana, for three operations, they have

established the specific goals of effective employee engagement (engagement), therefore, concrete strategies are developed to achieve these (see Graph F on page 61).

It should be noted, that in the Holding Company Grupo SURA, the engagement rate is 94%, with 100% coverage of collaborators. For SURA Asset Management, there are current results for its corporate office, in Colombia: the engagement it was 83%, with 81% coverage.

By 2019, a project is planned, to characterize the most predominant cultural elements, in the Companies of the Business Group, and in this way, identify those aspects that we must strengthen and develop, in order to execute our strategy.

401-2 Benefits granted

The Companies of SURA Business Group have policies, manuals, and processes that regulate the monetary, and non-monetary benefits, and which seeks to promote the well-being of our collaborators, and their families.

Among the benefits are economic benefits, extralegal agreements for access to savings and credit (Fondo de empleados Fondosura y cooperacion - tivecooperative Coopem-sura), contributions as savings incentives, performance-based bonuses, aids to stimulate sports activity and second language classes, flexible work days and remote working, collective policies and contributions, for the same, loans with preferential rates for the purchase of homes, vehicles, and education, among others.

Health and Safety at Work

In addition to complying with the legislation in effect, the Management of health and safety at work, of the Companies of the Business Group seek to promote the physical and mental health of our employees, and the assurance of optimal working conditions (see Chart G, on page 61).

It should be noted, that for countries, where the standard is not as demanding as in others, we have at least one Committee, that oversees the health and well-being of our employees. These are some of the permanent programs, of the Companies:

Psychosocial risk intervention. This focuses on the management of stress and the accompaniment of particular situations of our collaborators.

Osteo-muscular risk intervention. Promotes active breaks and inspection or work spaces. The promotion of healthy life. Provided, are talks on financial health, mindfulness, and nutrition.

Promotion of healthy life. They are facilitated financial health talks, mindfulness and nutrition.

403-1 One hundred percent of the employees, of the Business Group have representatives in the formal health and safety committees, established in each of the Companies, to help control, and advise on programs of occupational health and safety. As an example of one of the programs, developed in 2018, there is "Al son de tu corazón".

405-1 Collaborators in disabled conditions

Number of workers	56
Suramericana	45
SURA AM	11
Proportion versus total	0.19%
Suramericana	0.22%
SURA AM	0.13%

This initiative, of Seguros SURA Colombia, seeks to promote the adoption of healthy living habits, to reduce the risk of morbidity, mortality, and cardio-cerebrovascular mortality.

The program is accompanied by nurses, doctors, and professional specialists, from different areas, who support the adoption of healthy habits. In the activities, families are involved, and the fulfillment of goals, are recognized. The investment, last year, was COP 251.1 million and collaborators, participated in Medellín, Bucaramanga, and Cali.

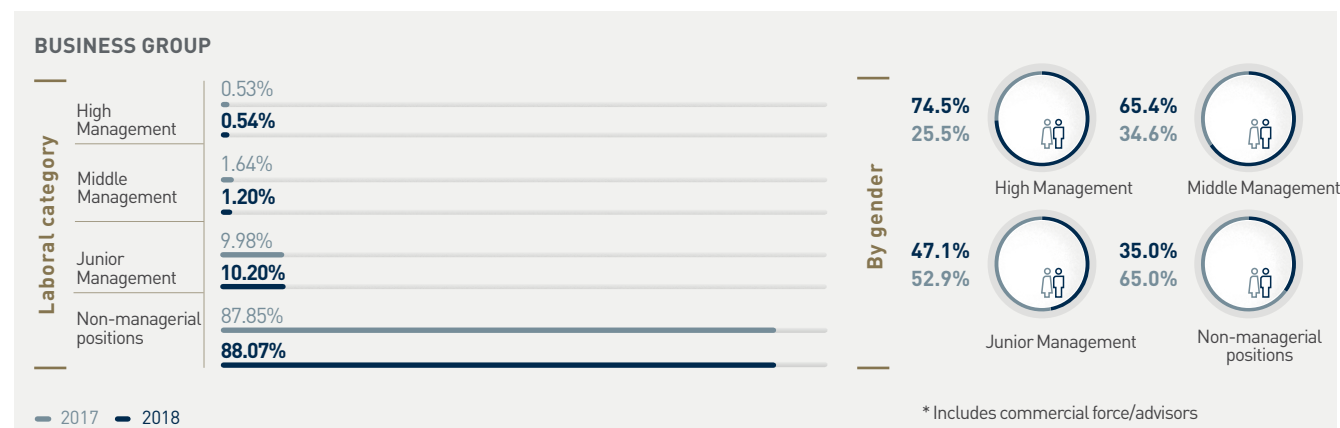
Seguros SURA Colombia rose from 9th to 7th place, in the Merco Talent 2018 study, which classifies the companies, in the country, with the greatest capacity to attract and retain collaborators, according to three aspects: employer brand, work quality, and internal reputation.

CHALLENGES AND OPPORTUNITIES, IN 2019

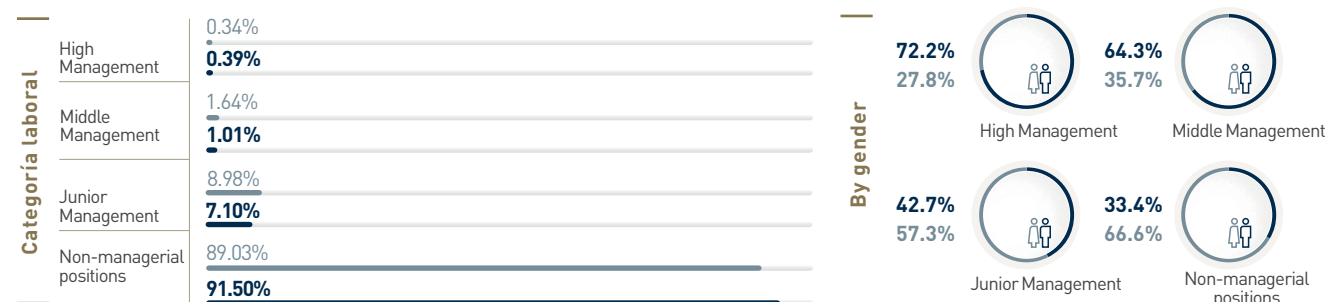
- ◇ Finalize the implementation of the tool Success Factors, in all operations.
- ◇ Determine cultural traits of the SURA Business Group to strengthen, in function, or in the execution of our strategy.
- ◇ Generate initiatives to promote the growth of women within the Organization.
- ◇ Review all collaborator's experience, in order to identify points of contact.
- ◇ Find new valuation tools of candidates, to identify potential successors, as well as strengthen remuneration long-term schemes.
- ◇ Review and establish policies, that encouraging mobility between companies.

PRINCIPAL FIGURES 2018

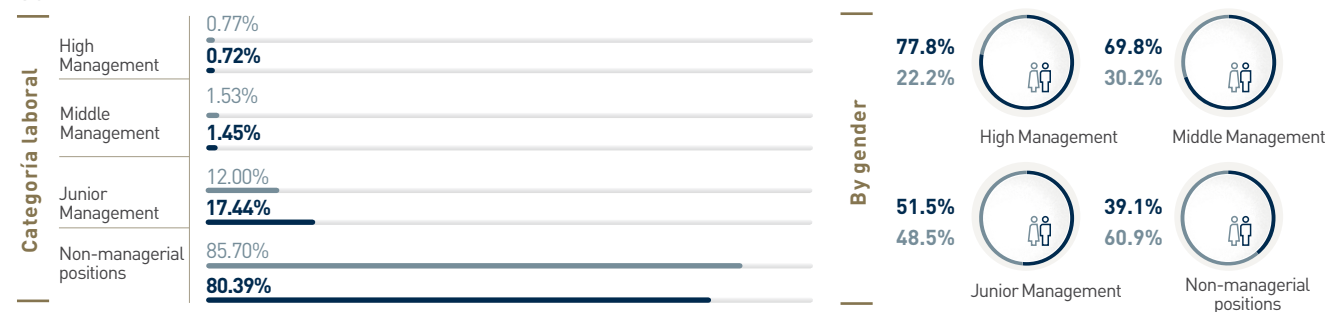
A. COLLABORATORS, BY LABOR CATEGORY, AND GENDER DISTRIBUTION



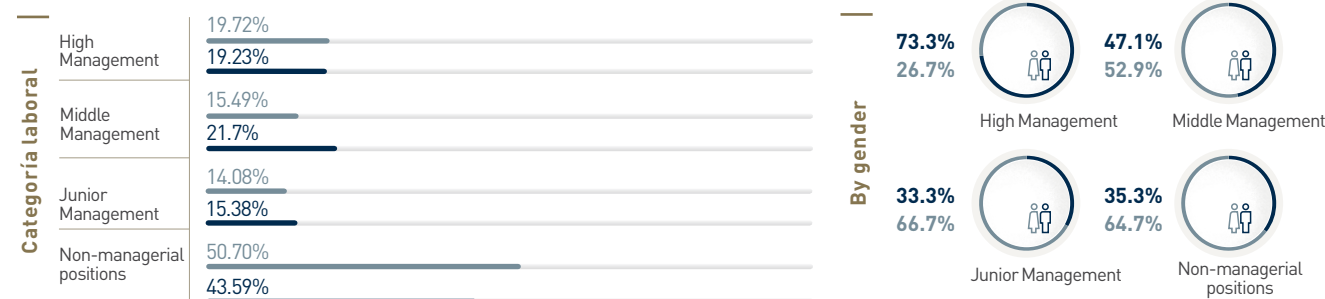
SURAMERICANA



SURA AM



GRUPO SURA



B. 405-1 DIVERSITY OF COLLABORATORS, WITHIN GOVERNING ORGANS

	BUSINESS GROUP	SURAMERICANA	SURA AM	GRUPO SURA
Total employees in governing bodies	88	7	77	4
Percentage of women	30%	14%	31%	25%
Percentage of men	70%	86%	69%	75%
Percentage younger than 30	0%	0%	0%	0%
Percentage between 31 and 50	72%	29%	75%	75%
Percentage over 50	28%	71%	25%	25%
Percentage belonging to groups Minorities or vulnerable	0%	0%	0%	0%

C. 401-1 TURNOVER AND RECRUITMENT RATES DOES NOT INCLUDE APPRENTICES

	BUSINESS GROUP	SURAMERICANA	SURA AM	GRUPO SURA
Staff turnover (total)	17%	11.62%	31.94%	12%
Personnel turnover rate (voluntary)	10%	7.20%	18.42%	4%
Recruitment rates	23.80%	21.10%	30.01%	17.95%

D. 401-1 RECRUITMENT BY AGE AND GENDER

	BUSINESS GROUP	SURAMERICANA	SURA AM	GRUPO SURA
Total recruitment	6,946	4,320	2,612	14
Less than 25 years old	1,508	1,049	453	6
26 to 35 years	3,484	2,382	1,098	4
36 to 50 years	1,667	849	814	4
Greater than 51 years old	287	40	247	0
Women	4,313	2,888	1,417	8
Men	2,633	1,432	1,195	6

Last year, 6,946 people were hired, including the commercial force, of which 62.1% are women and 50.16% correspond to collaborators, between 26 and 35 years.

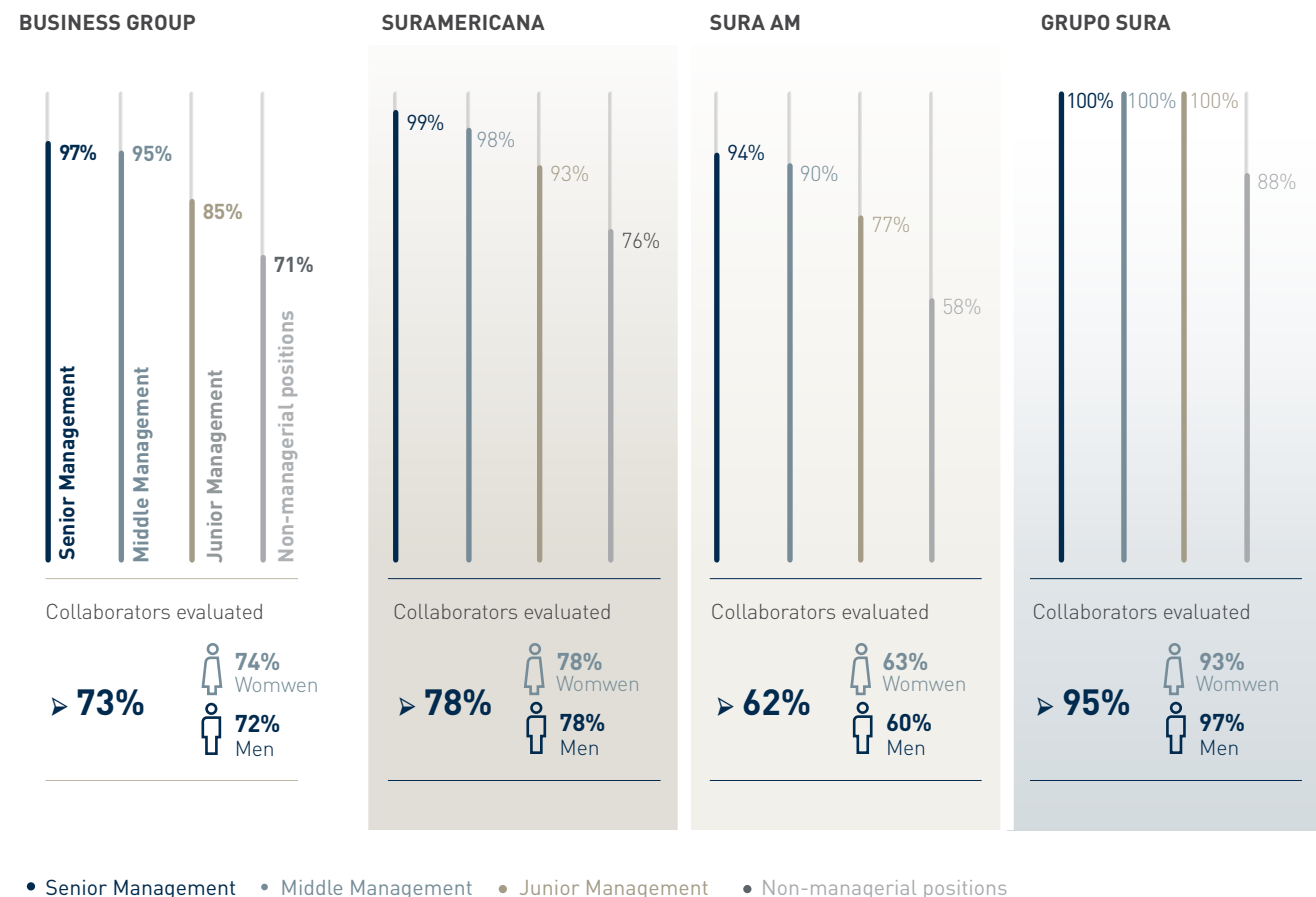
E. 102-41 COLLABORATORS WHO ARE PART OF COLLECTIVE AGREEMENTS OR TRADE UNIONS



PRINCIPAL FIGURES 2018

404-3

COLLABORATORS EVALUATED BY THEIR PERFORMANCE, IN 2018 (ANNUAL PERCENTAGE, BY GENDER AND LABOR CATEGORY)



TYPE OF PERFORMANCE EVALUATIONS REALIZED (PERCENTAGE OF COLLABORATORS, TOTAL AND BY COMPANY)

	BUSINESS GROUP	SURAMERICANA	SURA AM	GRUPO SURA
Management by objectives	72.97%	77.61%	61.88%	94.87%
Multidimensional performance evaluations (360°)	50.13%	69.76%	3.63%	94.87%
Ranking in comparative of employees, in the same category	60.71%	86.79%	0.00%	0.00%

F. COMMITMENT (ENGAGEMENT) OF COLLABORATORS OF SURAMERICANA

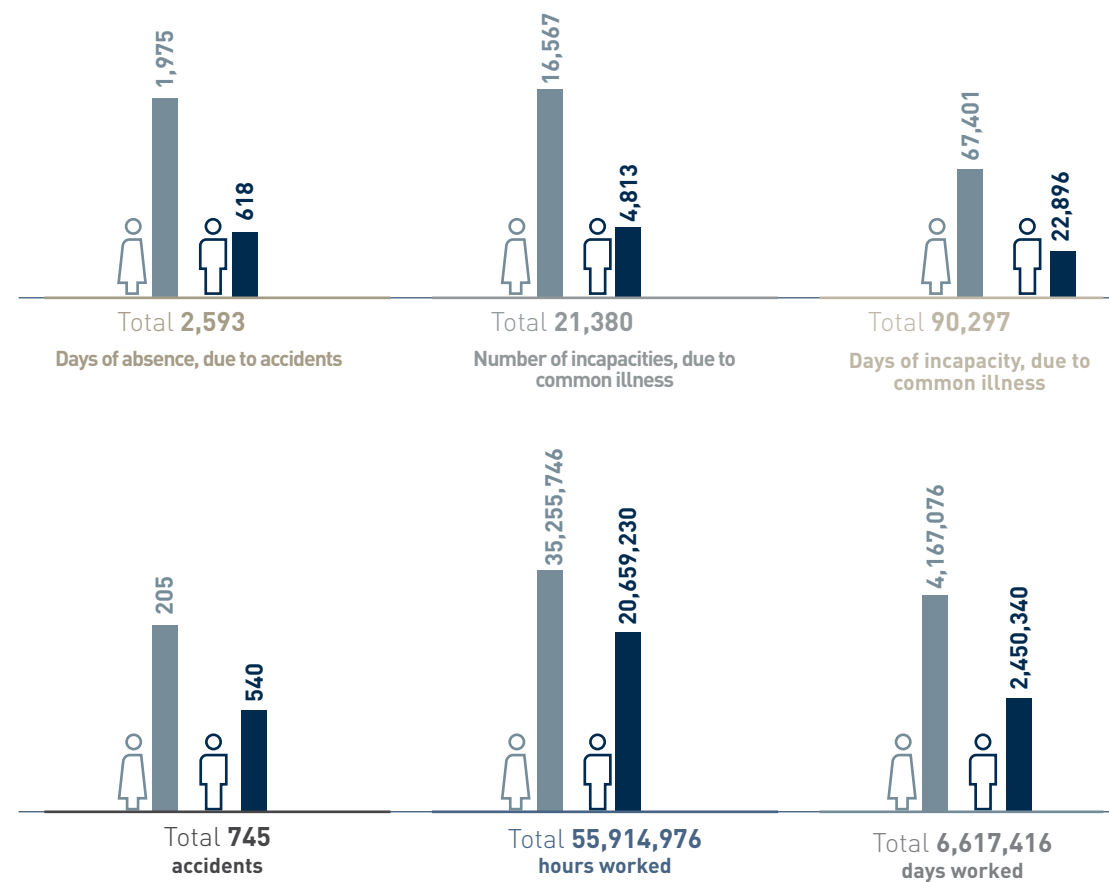
Country	Index of engagement	Goal*	Coverage of consulted collaborators
Argentina	79.2%	70%	91%
Brazil	70%	80%	95%
Chile	86%	89%	89%
Colombia	52%	-	77%
El Salvador	73.1%	-	93.6%
Mexico	N.D.**	-	90%
Panama	68%	-	100%
Dominican Republic	88%	-	89%
Uruguay	92%	-	100%

*Only the subsidiaries of Argentina, Brazil, and Chile have an established goal.

**Not reported. We ranked 25th, among the best companies to work for, in 2017.

403-2

6. INDICATORS OF HEALTH AND SAFETY AT WORK 2018 (CONSOLIDATED FOR COLLABORATORS OF SURA BUSINESS GROUP)



05

INNOVATION SYSTEM

KEY INDICATORS

USD 32.3 MILLION

invested through SURA Ventures (2016-2018); 3 investments, in 2018, after analyzing 154 companies.

2 ALLIANCES

potential development between SURA Ventures companies and the financial services companies of the Grupo SURA portfolio.

2 PROJECTS

in progress, to generate new sources of income, with the potential of becoming new companies.

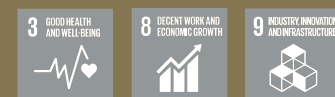
STAKEHOLDERS RELATED:

- Shareholders and investors
- Internal public
- Business clients
- Suppliers
- Community

MATERIALITY ISSUES:

- Business development
- Innovation

SDG RELATED:



103-1 Innovation and entrepreneurship are two of our strategic pillars, because they contribute directly to the transformation and the creation of both businesses and processes, which generate value and sustainability, for the portfolio.

Therefore, this Management adds value to our groups of interest and to society, to the extent that it generates competitiveness, and in the framework of the digital era converts Grupo SURA into the engine of change, through the development of highly innovative solutions, in financial and health services, for the benefit of the Company.

OUR MANAGEMENT IN 2018

103-2 **103-3** The Innovation System is aimed at the contribution to the sustainability, continuity, and permanent transformation of Grupo SURA. This consists in five interconnected platforms, which allow for a more holistic view of the financial services and of health industries, while enabling the systematic evolution of our business and the creation of new opportunities. The following is a breakdown of the system and the management in each of the platforms it is composed of:

Observatory

An initiative to generate internal knowledge, created in 2017, as well as the center of the Innovation System, Grupo SURA, advances a holistic study of the financial services industry, to better understand its fundamentals, its evolution over time, its main actors, as well as its trends, emerging technologies and new business models. This exercise aims to provide

elements for the better understanding of the industries in which we are, the environment, changes, and opportunities, all, in order to facilitate better decision-making, in both the strategy and vision for the future, of the Company.

PLATFORMS OF THE INNOVATION SYSTEM



The research is divided into five chapters, the first three will be developed in 2018, and the last two, will be completed in 2019: De-structuring of the financial business; an analysis of the main actors of the financial business, of definition and prioritization of global trends; Latam Analysis: understanding of the economic cycles and dynamics, of the region, and a review of the trends under a regional lens; and New business models: platforms and ecosystems.

The Observatory goes deeper into the Management of Trends and Risks (MTR). During 2018, they were identified and studied for ap-

proximately 24 trends, for Grupo SURA cataloged as: mega-trends (5), business trends (9) and consumer trends (10). Each of them was revised, in light of the enablers, that allow for the materialization of those technologies that support them, and their power for the transformation of the industry and the speed at which they have been adopted.

On the other hand, in 2018, there were nine, in person, Observatories in which the collaborator of the holding Company, Grupo SURA participated, in topics such as cybersecurity, big data, protection of data, artificial intelligence, and analytical, among others. These spaces give context to the innovation themes and trends that affect our businesses.

Corporate Ventures

SURA Ventures program, in alliance with Veronorte (a specialized firm, in investments in venture capital), is consolidated as one of the most relevant platforms in the Innovation System, because it serves as a window for identifying new applied technologies, new business models, and emerging competitors. This has allowed for the transmission of valuable information, for the Observatory to be able to support, with backup, facts, and data from the trend analysis that demonstrates a rapid adoption speed and the transforming power of same.

At the close of 2018, Grupo SURA added investments, in the amount of USD 32.6 million, of which USD 10.65 million were invested in



COMPANIES EVALUATED BY ORIGIN

- ▶ **443** North America
- ▶ **76** South America
- ▶ **6** Central America and the Caribbean
- ▶ **33** Europe
- ▶ **19** Asia, Africa and Oceania

they are able to take advantage of the opportunities of environment, and in turn respond to customer needs. To test their model, they developed a complementary product for home insurance, that covers risks derived from renting per night, to third-parties (Airbnb, HomeAway, among others).

Zendrive This technology Company seeks to improve road safety, by means of a platform that allows you to understand the behavior of drivers and determine the risk of accidents. Their advanced technology analytics collects data, through the sensors on drivers' smartphones. To date, it has analyzed driving data from more than 120 billion of miles.

Entrepreneurship

Work has continued on the building and consolidation of a model that enables the systematic creation of new businesses. The squad Elite of Entrepreneurship (E3), comprised of collaborators from different areas of the holding cCompany Grupo SURA, advanced in the understanding of new models of business that can generate more value. In 2018 they started to develop new digital projects, with the potential to becoming new companies.

Entrepreneurship training was carried out for more than 40 hours, which reaching topics, such as platform economies, ecosystems, methods of innovation, design from user experience, and trends in fintech. There were also relationships with entrepreneurs that shared failures and lessons learned.

three companies, reaching a total of 11 companies and a fund in the portfolio of SURA Ventures. Here are the new investments that entered to the portfolio in the last year:

Welltok. A technology company involved in health care. It offers, to entities who manage health population, a tool for managing wellness and large-scale prevention programs. They have proven experience in generating changes in habits and behaviors of people, bringing them closer at an optimal level of health. This has great capabilities of enabling people's understanding and, also, the customization of its prevention programs, based on data.

Slice A Canadian technology Company of for the insurance industry. It offers a platform for insurers to manage their businesses in a hundred percent digital environment so that solutions can be anticipated and so that

SURA VENTURES PORTFOLIO, BY INVESTMENT THEME



BOLD CAPITAL PARTNERS

Alliances

Valuable relationships were established, among the portfolio companies of SURA Ventures, as well as our strategic investments, in order to leverage and accelerate the growth of our businesses, in the implementation of technologies and disruptive models. Suramericana, SURA Asset Management (SURA AM) and Bancolombia prioritized integration plans and cooperation.

In the case of SURA AM, an agreement with Alkanza (fintech that develops robo-advisory software and automated financial manager), was realized, in order to implement this technology, in all the countries where this subsidiary has presence. This, after the success that the pilot had in Colombia with Protección Smart.

In turn, Suramericana signed a memorandum of understanding with ZenDrive to work with the Autos line and together, find the way to bring technology, from said company, to products of mobility, in general (bicycles, motorcycles and others).

In partnership with the financial services Companies Grupo SURA's portfolio, a project for older adults, was begun to be developed to work, jointly, in building a different trend with regard to "third" and "fourth" people, in the aging adult population. Thus, it seeks to offer relevant, suitable, and specialized solutions, from financial services,

In partnership with all the financial services companies of the Grupo SURA portfolio, the Senior Citizen Project, was developed.

FEATURED ACTIONS

- ◊ From SURA Ventures, we analyzed in 2018 more than 150 companies, with the potential to transform the industries of interest.
- ◊ In the last year, we invested, through SURA Ventures, in three highly innovative companies, in the health and insurance industries.
- ◊ We started four entrepreneurship projects, in the financial services sector.

to health and assisted living, in an effort to bring more effective assistance to meet the needs of this population.

Acceleration

This component of the System is in the design stage. During 2018, it was advanced in talks with potential allies to first accelerate Companies del Grupo Empresarial and, to later establish an accelerator to the ecosystem services of entrepreneurship, in the region of. The team of E3 participated as a jury for more than 40 entrepreneurial projects, in which Colombia presented their program "Acceleration of Jump Chile".

MANAGEMENT IN INNOVATION OF THE SUBSIDIARIES

The following are initiatives developed and major advances, of our subsidiaries, and their operations, in the region.

SURA Asset Management Colombia (Protección).

- Observatory: advanced a global mapping of fintechs, with the support of intelligence of the technology markets, CB Insights, that served as input to SURA Ventures, in order to search investments in start-ups that might be potential allies.

➤ Entrepreneurship: launched to the market, were initiatives such as: "+ Protección", a complementary pension plan, "Always Active" which is a savings solution for the older adults, and "Protección Smart", in alliance with Alkanza, for investment management using artificial intelligence. In addition, participants of the Movilizadores en Innovación Program structured six initiatives, currently in the concept phase.

➤ Partnerships: Protección advanced in its relations with the academy, state entities, and companies.

➤ Acceleration: with SURA AM Mexico advanced a program with the participation of more than 200 startups, focused on issues, such as disruption of savings, wealthtech, sales-tech, and the management of digital identity

Chile. Has defined the structure of the Office of Innovation and has begun to implement its strategy.

➤ Observatory: awareness-raising actions, diagnosis and measurement in innovation throughout the entire Company.

Also, the establishment of an Innovation Council.

- **Entrepreneurship:** there are two ideas in the development stage (incubation).
- **Alliances:** generated one with Innovation Center of the Pontifical Catholic University of Chile, which supported the acceleration program of Jump Chile, and helped students identify problems and opportunities, for the development of business models and validate them. Among the challenges posed, is looking solutions that meet the adult population.

Mexico. Shared innovation methods with operations in Peru and Chile. Also, the Design Management Institute awarded them 2nd place, in recognition of culture of innovation and collaboration with start-ups.

- **Observatory:** there were more than 500 people with the knowledge called CoffeBrain and more than 50 were certified in methodologies of innovation.
- **Entrepreneurship:** developed Minimum Viable Product (MVP), in internal innovation projects, as an application of financial education for children and millennials. More than 60 people participated in open innovation workshops.
- **Alliances:** along Protección (Colombia), others worked on the "Acceleration Program", in which four pilots with local ecosystem start-ups, as well as three more, in Colombia.

Peru.

- **Observatory:** focus on generating an experimental culture, oriented to innovation, through agile cells, of the Organization's teams.
- **Entrepreneurship:** product of the agile cells, the first MVP jumped into action with a chatbot that meets the requirements of the systems, a digital solution for the registration and service to clients, and the development of product to advise SMEs.
- **Alliances:** established with the Entrepreneurship Center from the University of the Pacific (Emprende UP), in order to connect with and in the scouting of start-ups and fintechs, in the Peruvian market.
- **Acceleration:** has been supported with capital for ventures, in early stages.

Suramericana

The Management of Trends and Risks (TRM), through the recognition of the environment, encourages reflection and the motivation to question, summon, and reinvent, in each of the fields, action by the Company, either considered small, or even large, disruptions. The consolidated innovation progress is as follows:

Generation of knowledge. With research with internal and external equipment and documents in relation to the following were generated:

- **Megatrends and associated phenomena.**

- **Trends in the habits of people and lifestyles.**
- **Observation processes.**
- **Dynamic multidimensional segmentation processes.**
- **Trends in sectors and topics specific, such as:** regulation, human talent management, and financial management, among others.

The development of the capacity to observe, throughout the entire Company. addressed under the following components:

- **Methodology:** based on research, internal team work, and expert advice, all for the purpose of a holistic observation, ordered and interconnected, which allows for "sight" over the universal and particular.
- **Observation platform:** digital space that unites, stores, and connects information, used to identify trends and glean available knowledge for the entire Company.
- **Implementation of observatories:** in 2018, observations over channels, companies, finance, mobility, regulation, human talent, communications, technology, life, and health.

Suramericana sees innovation, as a capacity that implies the permanent reinvention of each one of the Company's people.

Product development, solutions, and capabilities that respond to trends. The delivery of capabilities to people and companies, so that they achieve well-being and competitiveness, is a comprehensive concept, which includes products and solutions, and also elements, services, and enablers, that contribute to sustainability and the adaptation to a changing environment. During 2018, these were worked, on three fronts:

- **Mobility:**
 - Solutions that incorporate new means or modes of transport, like bicycles, electric cars and infrastructure for vehicle recharging.
 - Products that respond to new habits and lifestyles, like insurance per mile and the payment for use.
 - Continued incorporation telematics devices and the start of using the information obtained to modify the product conditions.
 - Connections have been generated with allies, to enhance the development of the model, in an environment in which the borders between businesses, are diluted.
- **Business competitiveness:** is the capacity of an organization to systematically maintain advantages that allow for reach, sustainability, and improvement of its position in the market. During 2018, there were advancements in:

➤ The subjects at risk, going from being "productive" assets to intangibles (information, reputation, loss of profits, among others). Solutions, in response to these new needs, were developed and redesigned.

➤ New types of companies and segments were defined, in response to changes in environment: light companies (less intensive in physical assets) and nuclear companies (it is the person, future employment).

➤ New SME product development, in each country, starting with identifying the transformation of competitiveness in local contexts.

- **Life and Health:** research in the ecosystems of Life and Health, in the region, to understand new uncertainties, in relation to the welfare of people and with the solutions targeted towards them.

CHALLENGES AND OPPORTUNITIES, IN 2019

- ◆ **Grupo SURA:** enables alliances, between companies in the SURA Ventures portfolio, as well as those of the SURA Business Group, strengthen the articulation between the innovation systems of the Companies, to allow for more synergies, the creation of, and market access to, new businesses.
- ◆ **Suramericana:** advances in evolving, and making tangible, the delivery of capabilities in mobility, health, connectivity, business competitiveness, and resilience, at the speed, required by the environment and necessities of the Company.
- ◆ **Protección (Colombia):** advances in the relationship with actors that generate and leverage projects, develop capabilities and intellectual property, in experience and user interface, digital sales, analytics, among others, identify opportunities for a new decrees, that allows pension funds to invest in start-ups, generate growth alternatives, by deepening the understanding trends, such as population aging, sporadic jobs (gig economy), new technologies (blockchain), and new forms of work and organizations.
- ◆ **SURA AM Chile:** implements training in innovation methodologies and generates instances for participation, the development of intra-enterprise strategies, in addition to, achieving synergies with the Project of Transformación Digital AFP and other Companies of SURA AM and Grupo SURA.
- ◆ **SURA AM Mexico:** refining the Acceleration Program, to achieve greater impact in business, and the ability to take advantage of resources, dedicated to innovation projects and the associated incentives, for collaborators who manage to implement them.
- ◆ **SURA AM Peru:** generates an experimental culture, as well as skills, in new ways of work, and strengthens the innovation team.

KEY INDICATORS

10 STRATEGIC RISKS

Grupo SURA identified, after updating its matrix, five strategic risks shared with Suramericana and SURA Asset Management.

USD 5,738 MILLION

Were the investments made in green, social, orange bonds, among others.

4.5%

Dropped the total energy consumption of the Business Group's companies.

12 HUMAN RIGHTS

Pertaining to financial services, human rights were evaluated in terms of stakeholders.

9 STAKEHOLDERS

Determined in 2018 after an AA1000SES Accountability standard exercise.

USD 11.92 MILLION

Total in social investments of the Business Group's Companies; 59% through Fundación SURA.

2.65 MILLION

of beneficiaries, in 2018, with social investment initiatives.

RELATED STAKEHOLDERS:

- Shareholders and investors
- Community and Guilds
- Internal audience
- State
- Suppliers
- Academy

MATERIALITY ISSUES

- ASG-focus investments
- Human Rights
- Social investment
- Environmental impact management

RELATED SDG



06

THIS IS HOW WE DO IT

We have witnessed how SURA Business Group (Grupo Empresarial SURA) has evolved in its role within society. Since the birth of this organization, we have understood that our function goes beyond generating economic value, and this philosophy consolidates and materializes every day to promote social development and transformation: as companies, we boost innovation and entrepreneurship, introduce new well-being initiatives, contribute to comprehensive human development of those working with us, create knowledge, and give rise to opinions.

COMMITMENT TO SUSTAINABILITY

In 2018, we conducted an exercise to update our definition of sustainability, the main axe on which we need to concentrate our efforts to assure the company's permanence, and determine some conditions which will guide matters related to environmental, social and government (ESG) topics.

Firstly, sustainability for Grupo SURA is the capacity of reinventing itself, anticipating, questioning itself in the right manner, and managing risks to face the challenges of a competitive environment, on the basis of our corporate principles.

In this sense, we are sustainable, when we are useful, and relevant, to

At Grupo SURA sustainability is our capability to re-think ourselves, to anticipate, to ask the right questions, and to manage risks, all to face the challenges of a competitive setting, and based on our corporate principles.

society, when our proposal boosts competitiveness in organizations and people's well-being, and when we raise the value of our stakeholders. We achieve this through being consistent with what we are, what we declare, and what we do, as well as thanks to our ability to meet the requirements of a constantly-changing environment.

The goal to be sustainable is part of our essence. We understand that, as long as we do things in the right way today, and every day, we will be able to move forward. We want to achieve this by means of five axes whose starting and arrival point is our purpose as SURA Business Group (see diagram).

Sustainability Governance

Likewise, we define three aspects related to sustainability governance, with clear stakeholders and roles, which will make possible to promote valuable conversations at the companies, focused on a long-term view, and to enable the pursuit of our purpose.

FIVE PILLARS OF SUSTAINABILITY - GRUPO SURA



Sustainability and corporate government committee of the board of directors. It provides consultancy, supports decision-making, and gives strategic advice which leverages the long-term view. The committees of the board aim to incorporate sustainability at all levels of the organization, by favoring accuracy and promoting clear work goals and focuses.

Sustainability technical desk. It is a discussion center that contributes to decision-making, methodology development, sharing good practices, and conducting training activities of a strategic interest for the entire business group. It also provides guidelines on articulation and work with our subsidiary companies.

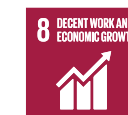
Technical desks. They coordinate and execute projects associated to the company's sustainability. Their main functions are to:

- Identify and monitor trends and good practices.
- Establish links among areas, affiliated companies, subsidiaries, and operations in countries to promote valuable conversations.
- Promote the implementation of indicators and goals for control.
- Manage and track the compliance of the organization's goals.

Commitment to the Objectives of Sustainable Development (SDGs)

Grupo SURA signed the United Nations Global Compact since 2011. That is why we have actively committed to the Sustainable Development Goals (SDGs), valid since 2015, as we understand that the role of our organization is to contribute to solving problems and accomplishing social and economic growth goals.

SDG PRIORITIZED BY GRUPO SURA



Our commitment to responsible management and to the projects aiming to foster sustainability allows us to contribute to all the SDGs. However, based on our reality, context, and the focus on financial services companies in the portfolio, we prioritize the following five goals in 2017 and, during 2018, we identified projects associated with them, in order to directly contribute to the global agenda.

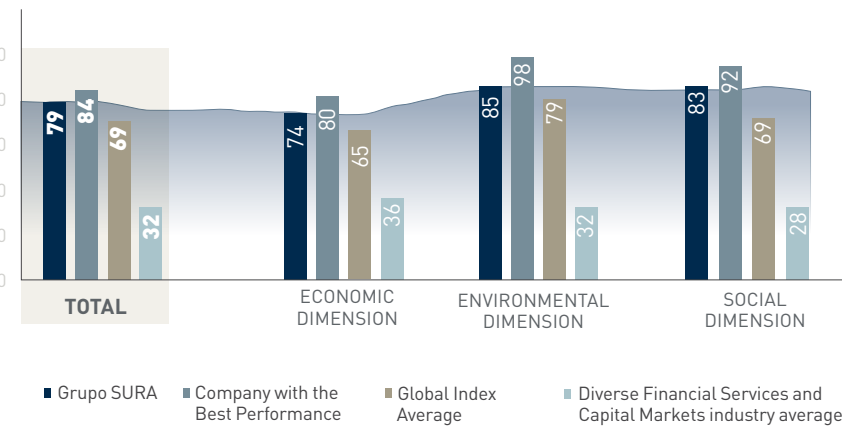
SDG 3. Good health and well-being. Grupo SURA has investments in companies that comprehensively promote physical, emotional, mental, and financial health through businesses of compulsory health insurances (EPS SURA) and occupational risk management (ARL SURA) in Colombia, as well as through pension fund administration (SURA Asset Management) and voluntary insurances (Seguros SURA) in other countries in the region too.

SDG 4. Quality education. The activities of the business group promote the knowledge and development of individual skills for making conscious and responsible decisions that boost the development of the region, while maximizing its economic and social value.

In addition, we focus on the quality of the education: a strategy that strengthens personal and professional skills and provides greater opportunities, according to the dynamics and challenges of each society. We also recognize art and culture as fundamental factors for social transformation.

2018 DOW JONES SUSTAINABILITY INDEX (GLOBAL)	▶ 3,504 businesses invited	▶ 58 industries selected	▶ 317 businesses included in the DJSI
Diverse Financial Services and Capital Markets Sector:	▶ 178 businesses invited	▶ 99 business evaluated	▶ 15 businesses chosen

RESULTS OF GRUPO SURA AT DJSI 2018



GRUPO SURA:

- ◆ The only Latin American company of the Diversified Financial Services and Capital Markets industry.
- ◆ Rated above 98% of the sector's companies.
- ◆ Leader in risk and crisis management.
- ◆ Leader in human talent attraction and retention.
- ◆ Leader in safety and occupational health.
- ◆ Leader in financial inclusion.
- ◆ Listed in the Global Index, Emerging Markets Index, and DJSI MILA.
- ◆ Included in the 2019 Sustainability Annual Book of RobecoSAM, acknowledged in the Silver category.

SDG 8. Decent work and economic growth. Human talent is a differentiating element that supports the corporate strategy, enables business evolution, and develops organizational capabilities, which are the origin and source of transformation for the competitiveness and sustainability of the companies of Grupo SURA.

In this sense, we are carrying out training programs that allow more than 29,000 employees—including advisors and sales force—to develop their skills and grow professionally, while receiving monetary and nonmonetary benefits that go beyond the

legal work obligations of each jurisdiction.

SDG 9. Industry, innovation, and infrastructure. Innovation is understood as the creation and transformation of businesses and processes that generate value, based on a culture that encourages and supports the permanent development of skills and abilities such as creativity and experimentation. For Grupo SURA it is important to develop strategies and initiatives to create value and keep up to date, providing new responses to the challenges and opportunities emerging from our competitive environment.

That is why companies direct equipment, research, knowledge, alliances, funds, among other resources, to the development of solutions, products, accesses, and channels based on new technologies that make it possible to create value, respond to the needs of people and companies, and obtain operational efficiencies.

SDG 10. Reduction inequalities. It aims at promoting economic and social inclusion, as well as at addressing income disparity. Grupo SURA and its affiliated companies contribute to this goal by providing 29,000 people with decent wages and work conditions, adopting equality policies, and excluding

criteria such as gender, race, marital status, age, religion, and socioeconomic status from selection processes.

The companies of the business group also contribute to the achievement of these goals through the implementation of good practices and the support to their suppliers and the local economies where its businesses operate. Regarding our millions of current and potential customers in the region, through our products and solutions, we not only offer financial protection, but we also empower people and companies to grow, achieve goals, make decisions with greater freedom, take advantage of the opportunities of the environment, and be more competitive.

Global leaders in sustainability

As a result of our actions, since 2011 and for the eighth year in a row, we have been ranked among the 317 companies listed on the stock exchange that make up the Dow Jones Sustainability World Index (DJSI). It is one of the most relevant indicators in this area, which assesses the performance in social, economic, and environmental terms and, in our case, it includes the management of Grupo SURA and its affiliated companies SURA Asset Management and Suramericana.

Being part of this global index means that we follow the best international practices and standards of the industry of diversified financial services and capital markets, in which we are the only Latin

American company included in the 2018 DJSI.

In addition, Grupo SURA was included for the eighth consecutive year in the Sustainability Yearbook by the independent firm RobecoSAM and was awarded the Silver Class distinction. These types of distinctions generate trust among our investors and reaffirm our commitment to a responsible and comprehensive management before our stakeholders.

Finally, it is worth mentioning that we adhered to the United Nations Global Compact and signed the Principles for Sustainable Insurance (PSI) of the United Nations Environment Programme - Finance Initiative (UNEP-FI).

102-15 WE MANAGE RISKS AND OPPORTUNITIES

Risk management for SURA Business Group, as part of an Internal Control System (ICS), is a dynamic process that guarantees the soundness of the companies and creates value in the execution of the strategy. An integrated risk management system permeates the different areas of the organization for better strategic, administrative, and operational decisions, by providing more information about the company and the environment.

Internal Control System (ICS)

Every company of the business group has a robust ICS that allows it to achieve its objectives in a legitimate and transparent manner.

These systems consist of three lines of defense:

First line of defense. It is composed of the areas that execute processes in the companies. Their actions are based on self-control and their responsibilities are to identify and manage risks, as well as report them, if necessary.

Second line of defense. It is made up of the risk and compliance areas. Their responsibilities are related to prevention, support to the first line of defense and definition of guidelines.

Third line of defense. It consists of the internal audit area, which evaluates, in an independent way, risk management, among other responsibilities. Additionally, the board of directors, its committees, and the companies' senior management are responsible for articulating risk management within the framework of control architecture.

Risk Management System

As the parent company of the business group, Grupo SURA is exposed to its own risks, as well as to those that may arise from its investments; therefore, it has a Policy Framework for Risk Management, which provides the guidelines that make articulation between companies possible, in order to generate value through interaction. Based on these guidelines established by Grupo SURA, each company develops its implementation framework, which reflects the dynamics of the organization.

As part of the governance of the companies of the business group, there is a structure that supports decision making, management, and control of the risk system. Suramericana and SURA Asset Management have robust teams led by vice presidencies of risks and management teams in charge of specific issues; for its part, Grupo SURA has a risk area that directly reports to the Vice Presidency of Corporate Affairs.

The Vice Presidencies report directly to the Presidents of each of the Companies, and provides regional guidelines, for their businesses, based on a joint strategy, such as the Business Group.

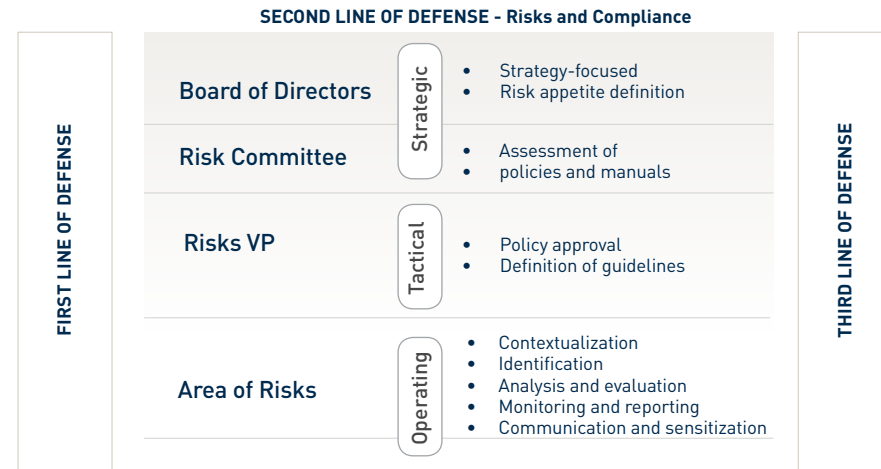
Similarly, the boards of directors and their corresponding committees approve the risk policies, identify and monitor periodically the main risks of the organization, and determine or update the risk appetite, which establishes the amount and type of risk that the companies are willing to take in the development of their activities.

Financial Conglomerates Law

In addition to the current risk management system, the Colombian Financial Conglomerates Law (Law 1870 of 2017) establishes additional requirements in terms of risk management for Grupo SURA as holding of the SURA-Bancolombia Financial Conglomerate, composed by Grupo SURA, Suramericana, SURA Asset Management, Bancolombia, and Protección.

These regulations seek that the conglomerate develop a risk management framework with special emphasis on guidelines to define

DEFENSE LINES OF THE BUSINESS GROUP



the risk appetite and the management of strategic, contagion, concentration, and reputation risks.

During 2018, from the perspective of risks, our work focused on the regulatory decrees issued by the Ministry of Finance of Colombia:

- **DECREE 246:** It describes the criteria to exclude those companies or investment vehicles that do not represent a systemic or contagion risk for the conglomerate.
- **DECREE 774:** It establishes criteria related to solvency or capital adequacy of conglomerates, in addition to the regulations that companies must observe, according to their applicable regime.
- **DECREE 1486:** It determines the affiliated companies, the mechanisms for

administrating and disclosing conflicts of interest, as well as the aggregate limits of concentration and exposure to risks.

Risk management

The business group has defined its risk categories:

Strategic. Internal or external events and trends that may generate a positive or negative deviation on the trajectory of value creation and impact sustainability. They are inherent to the strategy and to its assumptions and attributes.

Functional. Internal or external events that may affect the operation and the expected results of the company.

Emerging. New risks or changes in previously identified risks that have their origin in the trends and that are difficult to understand. They

can become strategic or functional risks, depending on their nature.

Strategic risks

Ten strategic risks were identified in Grupo SURA—five of them shared with the other companies; therefore, they are called strategic risks of the business group:

In that sense, Suramericana and SURA Asset Management made progress in their strategic risk identification and updating exercises, as well as in the development of the following aspects:

- Reputation.
- Human talent.
- Capability to take the value offer to the clients.
- Transformation of businesses.

Grupo SURA prioritized the strategic risks of the business group and made progress in its management, as follows:

Regulation. An analysis of the context was carried out in order to identify risks and opportunities arising from the current situation in Latin America.

Economic, political, social and environmental environment. An analysis of the context was carried out in order to identify risks and opportunities arising from the current situation in Latin America.

Development and management of reputation and brand. The Policy Framework for Reputation Crisis and Risk Management of the business group, as well as the mechanism for reporting the most relevant cases in the affiliated

companies were updated for a better decision-making process based on experiences.

Creation and transformation of the businesses. The SURA Ventures program evaluated 150 companies—of which three were included in the portfolio—in order to identify possible alliances to leverage the transformation of the businesses. Different business

models were also analyzed to be subsequently developed by Grupo SURA and the financial services companies of its portfolio.

Human talent. The companies worked together in the definition of human talent indicators and measurements, with the purpose of identifying an overall risk appetite and connect it to the strategy of the business group.

Strategic risks of Business Group	Strategic risks of Grupo SURA
<p>Regulation: situations and trends deriving from business in highly regulated environments.</p> <p>102-11 Economic, political, social and environmental context: context situations impacting the business performance, especially in geographies where the Group Companies are present.</p> <p>Reputation and brand construction and management: situations and trends impacting brand reputation and recognition, based on the perception of stakeholders.</p> <p>Business creation and transformation: capacity to transform to anticipate solutions, scenarios and to deal with new trends.</p> <p>Human talent: capacity to understand, attract and retain human talent with the skills of being and knowing, to face new challenges and develop the strategy with the cultural identity of the Business Group.</p>	<p>Business Group: situations and trends that impact value generation, due to the nature of the Business Group.</p> <p>Market expansion and development: impacts on businesses due to organic and inorganic expansion of the Companies, and to the development of their business plans.</p> <p>Performance and financial strengthening: impact on the financial soundness of the Companies and their capital structures.</p> <p>Corporate governance: clarity in the guidelines and structures determining the actions and decision making of the Directors and Administrators.</p> <p>Business risks: events that compromise the Companies' sustainability.</p>

Functional risks

These risks related to the operation are identified and managed by each company, in accordance with the guidelines of the business group:

Suramericana

- Reinsurance
- Joint management of assets and liabilities
- Investment portfolio
- Capital and asset allocation
- Liquidity
- Reserves
- Internal solvency model
- Processes
- Business continuity and crisis management
- Money laundering and financing of terrorism
- Fraud and corruption
- Technology
- Information security

SURA Asset Management

- Insurance
- Joint management of assets and liabilities
- Investment portfolio
- Business profitability
- Liquidity
- Market
- Credit
- Management of third-party assets and fiduciary role
- Business context
- Compliance
- Processes
- Business continuity
- Information security
- Technology
- Fraud and corruption

Progresses in the management of the functional risks of each company are mentioned below:

Grupo SURA. During 2018, progress was made mainly on four fronts:

- **Internal risks:** The methodology was updated seeking to develop a more robust system

and standardize the way of addressing exposure to risks in functional areas (see diagram on page 79).

- **Business continuity:** A business continuity manual was prepared and progress was made in the closing of the gaps identified during the business impact analysis.
- **Compliance:** A compliance area was created within the Vice Presidency of Corporate Legal Affairs, with the purpose of strengthening the process of identification, evaluation, and design of improvement plans and report of conduct and compliance risks.
- **Fraud and corruption:** The employees of Grupo SURA and its affiliated companies received training in corporate governance, fraud prevention, money laundering and financing of terrorism, personal investments, conflicts of interest, and commercial and competitive practices.

Suramericana. This subsidiary, specialized in insurance, trend, and risk management, focused its efforts, on these aspects:

- **Business continuity and crisis management:** Companies geographically exposed to more catastrophic events updated the business impact analysis for critical processes. The necessary requirements were adjusted to guarantee operation and the recovery strategy was updated. In addition, the

risks and vulnerabilities of the main facilities were assessed and disaster-response and risk-identification protocols were defined for critical facilities.

- **Fraud and corruption:** Anti-fraud and anti-corruption guidelines were shared with the affiliated companies. The risk of fraud in the affiliated companies was diagnosed in order to prioritize the work plans.
- **Reinsurance:** Management of reinsurance contracts was carried out with a more granular knowledge of the risks that, articulated with the use of efficient frontier models for different insurance solutions, made it possible to manage and cover the risk management needs. The Reinsurance Control Board (counterparty management tool) allows decisions to be made based on risks.

- **Joint management of assets and liabilities:** It was possible to make joint decisions among the different areas to guarantee resilient and flexible operating models that enable new responses to changes in the environment. During 2018, this philosophy was shared with the affiliated companies, structuring the pillars of the system: governance, processes, people, tools, and information. The efficient frontier model, based on the internal solvency model, was implemented in the operations in Chile, El Salvador, Mexico, and Uruguay, in order to make investment decisions

connected between assets and liabilities and generating efficiencies in returns and risks.

- **Liquidity:** Affiliated companies were encouraged to understand the variables that produce movements in cash, according to the operating capacity of the business; and tools such as the executed and projected cash flow model were implemented to anticipate and mitigate possible effects on liquidity.
- **Internal Solvency Model:** Adjusting the model makes it possible to consider and manage, in a more efficient way, some company's risks such as credit risk for premiums receivable, asset quality, and reinsurance credit risk. Mechanisms that optimize exposure were implemented in each risk and leveraged by the consolidation of the model as a risk measurement tool.

SURA Asset Management. Specialized in pensions, savings, and investment, this affiliated company worked mainly in the following functional risks during the last year:

- **Business profitability:** Progress was made in the analysis of impact on the risk profile, when evaluating new business initiatives, mergers, and acquisitions.
- **Management of third-party assets and trustee role:** Absolute risk indicators were used for the entire portfolio and/or per type of instrument, as well as relative risk measures in some cases, compared to the peer group or benchmark. The methodology, limits and/or alerts, and the frequency of calculation are established in accordance with the regulations applicable to each of the countries in which the company is present. The risk profile of the portfolios is also taken into account.

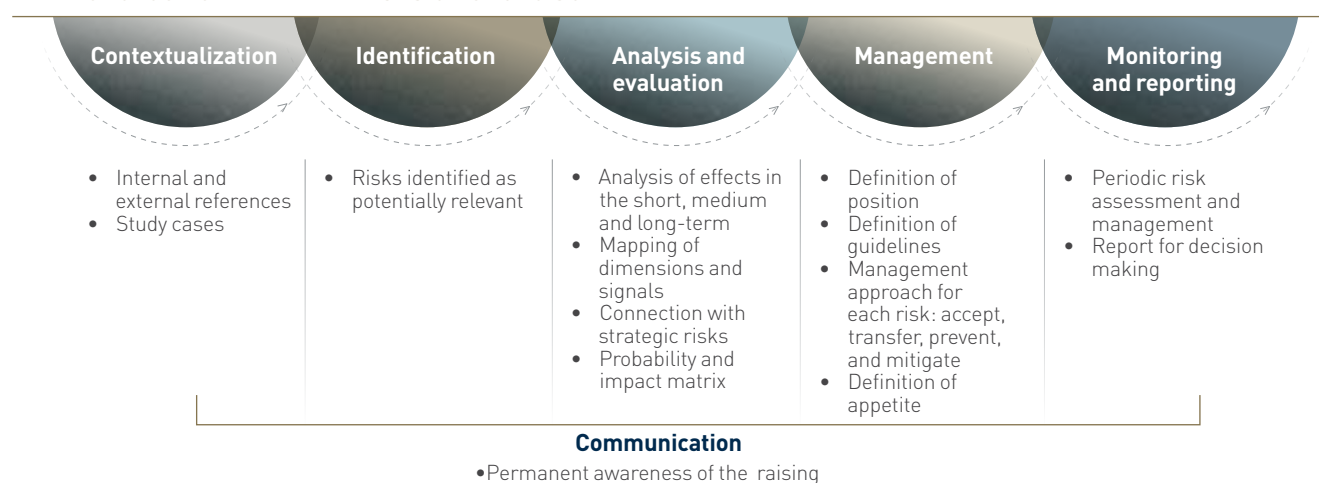
- **Business context:** The impact of strategic planning on the

business risk profile was analyzed by means of a quantitative or qualitative model, as applicable. The qualitative model analyzed the deviations between the company and the markets in which it operates, in four dimensions: products and services, investment strategy, advisory model, and distribution channels.

- **Operational stability:** Progress was made in the identification of generating causes, factors, and classification of associated risks, following the organization's process reference framework.
- **Compliance:** Different sources of local and regional regulatory issuance were permanently monitored for regulation compliance; all employees of the region were trained in matters of corporate governance, code of conduct, money laundering, fraud, and corruption.

Emerging risks
In 2018 Grupo SURA updated the

METHODOLOGY OF INTERNAL RISKS OF GRUPO SURA



emerging risks, based on an analysis of global trends. The Management of Trends and Risks (abbreviated GTR in Spanish) exercise conducted by Suramericana was used, and aspects related to the nature of Grupo SURA were studied. Twenty-four trends were identified in total: five megatrends, nine business trends, and ten consumer trends (see diagram).

The subsidiaries also advanced in the management of some specific emerging risks.

Longevity. It is the result of technological advances in health and life conditions; people age more and have greater life expectancy. This trend becomes a risk, with challenges and opportunities in the pension, insurance, and health sectors, and the possible impact will be on the products and services that they offer.

Therefore, organizations must rethink and transform themselves to meet the new needs of people and remain sustainable. In 2018 SURA AM conducted a study on longevity trends to understand longevity evolution and simplify decision-making. Based on information on some variables and assumptions, possible impacts on the company were quantified internally in the face of the materialization of this risk.

Cyber risks. There has been a high penetration and adoption of digital technologies, and connectivity has increased massively. This causes profound cultural transformations in how relationships operate.

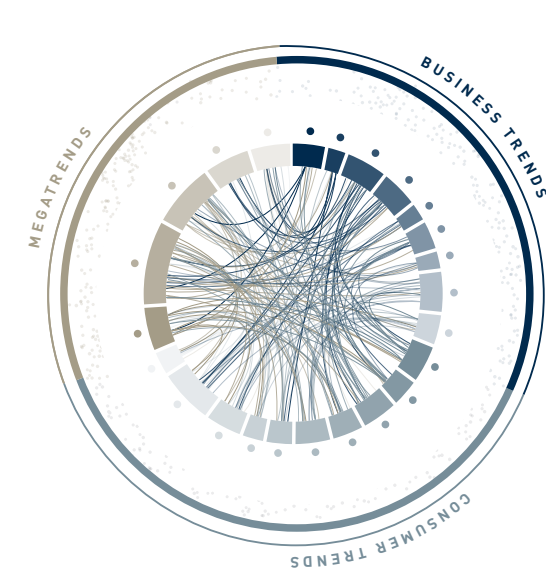
Hyperconnectivity and digitalization demand greater care of the customers' and users' information, which means that companies must improve their security systems. The

impact of poor management could even lead to reputation and legal compliance risks.

During 2018, Suramericana conducted cybersecurity tests at the affiliated companies to identify gaps and evaluate the effectiveness of the controls in the critical platforms of the companies. Grupo SURA gave two courses on cyber risk and security of information to the board of directors and the risk teams of the business group.

Climate change. Global warming and the conservation of resources have become more important in recent years and companies must pay more attention to the impact they have on the environment. From the financial sector, a greater mobilization of capital towards companies, industries, and projects that are aligned with the Sustainable Development Goals is required.

TREND ANALYSIS - GRUPO SURA 2018



MEGATRENDS

- Demographic changes
- Digitization/Hyper connectivity
- Globalization
- Exponential world
- Decentralization/Centralization

BUSINESS TRENDS

- Access/Mobility
- Strategic role of data/analytics
- Reduced intermediation / disintermediation
- Emerging actors
- Automation
- Transparency
- Price pandemonium
- Collaborative models
- New human resources

CONSUMER TRENDS

- Empowerment of the individual
- The experienced buyer
- Immediateness
- Do it together
- With purpose
- Personalization
- Balanced life
- Distrust in the market/system
- Virtual lives
- From property to access

In 2018 the business group updated its Policy Framework for Responsible Investment. Progress was made in identifying investment instruments with an ESG (environmental, social, and governance) approach, as well as in the development of tools to incorporate these criteria in the analysis and building of capabilities within the risk and investment teams.

WE ADOPT PRACTICES RESPONSIBLE IN THE COMPANIES

Grupo SURA seeks to have sustainable and value-generating businesses, based on comprehensive and responsible actions and decisions on a day-to-day basis. How we achieve our results is as important as the results themselves, so we are convinced that coherence is the way to build trust and long-term relationships with each of our stakeholders throughout the region.

Responsible investment

103-1 We are aware of the great responsibility, that the financial sector has, in the mobilization of capital towards companies, industries, and projects that are aligned with the sustainable development commitments proposed by the global agenda, and that respond to opportunities such as climate change, conservation of resources, inequality, and innovation, among others.

103-2 103-3 The organization has a Policy Framework for Responsible Investment that seeks to provide

CHALLENGES AND OPPORTUNITIES 2019

- ◆ Continue with the implementation of the Financial Conglomerates Law. This implies strengthening the risk supervision system of the SURA-Bancolombia Conglomerate, from Grupo SURA as a Financial Holding. In particular, aspects such as: adequate levels of capital, linked, conflicts of interest and concentration of risks will be managed, based on the definition of the risk appetite framework, all connected with strategic risks.
- ◆ Generate connections between the Companies, in terms of business continuity, especially in the countries in which operations of both subsidiaries coincide.
- ◆ Develop technological systems to meet the new regulatory requirements issued by the Financial Superintendence of Colombia.
- ◆ Advance in the development of the strategic risks of Grupo SURA.
- ◆ Implement the methodology defined for the functional risk system of Grupo SURA.
- ◆ Strengthen the trend and risk analysis exercise with a comprehensive update of the emerging risks that impact Grupo SURA, as the parent company of the Financial Conglomerate.

general guidelines to incorporate ESG criteria into the investment processes of analysis and decision-making. These guidelines consider three approaches:

➤ **ESG integration:** It is a systematic and explicit inclusion of ESG factors in the investment processes. The companies of the business group identify relevant ESG matters per sector and evaluate how they affect the financial variables and the risk assessment of a certain security.

➤ **Screening:** It is an initial mapping that identifies relevant ESG matters, according to the trends and materiality of the sectors. Its purpose is that the companies analyze, in greater detail, those investments whose practices can be considered controversial.

➤ **Impact investment:** It is expressed through an active allocation of capital in investments that foster solutions for environmental and social problems. Its purpose is that the companies favor this type of investment when the market conditions, the regulations, and the risk profile allow it.

This Responsible Investment Framework Policy was updated in 2018, taking into account the evolution, the megatrends, and the new knowledge, about sustainable investments and the particular realities, of each Company.

With the purpose of implementing the policy guidelines, the companies made progress in the following aspects during 2018:

➤ Identification of ESG-focused investment instruments.

- Development of tools to incorporate ESG criteria into the analysis.
- Development of capabilities in risk and investment teams.

How each company manages the aforementioned is described below:

Grupo SURA. It leads the Responsible Investment Committee aiming to share good practices among the companies, train the teams, and reach agreements on the position of the business group on responsible investment. Grupo SURA also developed an ESG questionnaire for the merger and acquisition processes, based on materiality analyses of the financial sector.

Grupo SURA sponsored the 5th Responsible Investment Conference, organized in Colombia by the International Center for Social Responsibility and Sustainability and the United Nations Initiative for the Principles of Responsible Investment (PRI). Eighteen collaborators of Grupo SURA, Suramericana, and SURA Asset Management participated in the areas of investments, risks, and legal affairs. In addition, the risk and investment areas had a specialized workshop in ESG criteria cases.

Suramericana. This company invested in ESG-certified securities: USD 2.5 million in green bonds—issued by Bancolombia and Bancóldex—and USD 3.7 million in social bonds—issued by Bancóldex. Combined, these investments represent 0.2% of the total portfolio in Colombia.

Moreover, the company established the following objectives:

- **In the short term (1 year):** To increase ESG-rated investments by at least 10%.
- **In the medium term (1 to 3 years):** To venture into new ESG-certified financial instruments, such as orange economy bonds, ETFs, and mutual funds.
- **In the long term:** To implement benchmarks as an input to measure the performance of ESG-rated investments.

Furthermore, Suramericana worked on the design and application of tools to incorporate the ESG criteria:

- **ESG questionnaire:** It addresses corporate governance, risk management, environmental performance, reputation, labor practices, and human rights.
- **Internal rankings:** 100% of the securities are ranked internally, taking into account the ESG variables considered in the credit risk models.
- **Opinions by the legal affairs area:** They are given around issues mainly related to ethics and corporate governance.

- **Consulting risks:** This tool establishes whether a natural or legal person has any associated risks, detected by the different areas of the company.

The Framework Policy for Responsible Investment was updated in 2018, taking into account context changes and particular realities of the Companies of the SURA Business Group.

- **Thomson Reuters:** This global database validates financial, legal, and money laundering and terrorist financing (ML/TF) risks for natural and legal persons.

Finally, in the area of capacity development, the Investment and Risk Teams, completed 21 hours of training on issues such as decarbonization of portfolios, ESG investment processes, energy revolution, Latin American ESG trends, and tools to incorporate ESG criteria into investment analysis.

SURA Asset Management. This pension-, savings-, and investment-expert affiliated company built a specific chapter for the mandatory business (mandatory pensions), within the Policy Framework for Responsible Investment, according to the particularities of the operation.

The company invested in ESG-rated instruments such as green bonds (Chile, Colombia, and Mexico), social bonds (Chile and Colombia), low carbon ETFs (Peru), and orange bonds (Colombia). Its investment decisions per type of asset during 2018 were the following:

- **Fixed income:** The new investments that considered ESG criteria amounted to USD 1.92 billion, equivalent to 10.2% of the assets under management (AUM). For this, the company reviews aspects related to corporate governance and socio-environmental risks derived from the activity and verifies whether issuers are being sanctioned

10%
increase of portfolio investments with an ESG rating is intended by Suramericana for next year.

or investigated for affecting the environment or the stakeholders.

- **Variable income:** The new investments that took ESG criteria into account amounted to USD 599 million, equivalent to 4.9% of AUM. ESG considerations are included, mainly in corporate governance aspects.

- **Alternatives:** The new investments that include ESG criteria amounted to USD 1.63 billion, which corresponds to 28.4% of the portfolio. The company made the decisions considering references such as the Equator principles (for infrastructure assets), World Bank standards, and opinions of independent experts or environmental and social authorities. Part of the real estate investments are LEED Silver.

- **Mutual Funds / ETFs:** The new ESG-focused investments amounted to USD 1.57 billion, that is 4.9% of the portfolio. In the due diligence questionnaire that is attached to the process of approval of the managing companies, the company included questions to know how ESG criteria are implemented in the investment process. It is worth noting that the investment is in an ESG fund (sustainability -thematic), in the hands of the global investment manager, Alliance Bernstein.

Moreover, the company offers its clients the following ESG-focused investment alternatives:

- **BlackRock New Energy Fund :** It invests globally, at least, 70% in variable income of companies involved in aspects of renewable energy, energy efficiency, and alternative fuels, among others. USD 209,385 was invested in this fund during 2018.

- **Closed alternative of social sustainability:** It consists of a structure whose derivative is an option on a sustainable index. The amount invested was USD 784,487.

- **Bosques del Uruguay II and III financial trust:** It is an investment in forest plantations with maximum production, environmental, and social standards that will be FSC- or PEFC-certified. It also plans the sale of carbon bonds.

- **Pampa financial trust, Arias financial trust, and Parque Valentines preferred stocks:** These are projects to build and operate wind power generation plants.

SURA Asset Management has tools to manage ESG investments, such as, due diligence questionnaires, Corporate Governance rankings, and risk matrices, among others. The company continues to develop initiatives to standardize the application of minimum ESG criteria when considering investment opportunities. Each team has internal design tools that are applicable depending on the asset types and the internal procedures.

CHALLENGES AND OPPORTUNITIES 2019

- ◆ Continue to develop skills in the equipment and tools that facilitate the analysis of the ESG criteria for making investment decisions.
- ◆ Explore more investment instruments with ESG certification and increase the percentage of the portfolio analyzed under these criteria.
- ◆ Contribute to the development of this market, through participation in spaces of conversation with industries, governments and the financial sector.
- ◆ Advance in the measurement of the carbon footprint of the portfolios.
- ◆ Strengthen information documentation processes.

SUPPLIERS

39,746
paid in 2018
add those of
Grupo SURA,
Suramericana and
SURA AM.

**USD
1,992.8**
MILLION
paid in 2018

97.1%
of the purchase
budget went to
local suppliers.

Financial education and inclusion

The OECD defines financial education as the “the process by which financial consumers/investors improve their understanding of financial products, concepts and risks and, through information, instruction and/or objective advice, develop the skills [...] to make informed choices [...], to improve their financial well-being.”

At Grupo SURA, our purpose is that more people have access to useful and affordable financial products and services that meet their needs. That is why, by generating economic opportunities, we want to expand our offer of financial services to impact the quality of life, well-being, and sustainability of people, organizations, and society.

This means moving forward with the SDG 8 (decent work and economic growth), based on the deployment of strategies to develop capabilities in stakeholders, and, beyond access, focusing on use and responsibility when offering financial services.

Management of the companies during 2018. Suramericana and SURA Asset Management understand that financial inclusion favors development. Therefore, they innovate in products and solutions that simplify access for different population segments and promote sustainable development and the evolution of financial systems:

► **Suramericana:** Its operations in the region advanced projects in population segments with low access to insurance solutions, so that they understand better their

risks and opportunities and, once informed and advised, become more aware of them.

► **SURA Asset Management:** In the countries in which it operates, it seeks to explain how pension systems work, so that members understand the requirements for retirement. Likewise, it promotes a culture of savings and foresight by developing skills and knowledge about the financial system, so that people make correct decisions concerning their resources.

CHALLENGES AND OPPORTUNITIES 2019

- ◆ Adapt products and solutions to the particularities of the contexts where businesses operate.
- ◆ Generate efficient channels, as well as innovative services and products.
- ◆ Expand the coverage of financial education initiatives, providing necessary conditions for our stakeholders to access.
- ◆ Generate alliances that respond with relevance to the social and economic context of the countries.

FINANCIAL EDUCATION PROGRAMS 2018

TOTAL BENEFICIARIES 2018

4,436,975

TOTAL BENEFICIARIES 2017

2,063,290

ANNUAL GROWTH

115%

◆ SURAMERICANA
● SURA AM

	PROGRAM	DESCRIPTION	# PEOPLE TRAINED 2018	CHARACTERIZATION OF TRAINED PEOPLE	ALLIES
COLOMBIA	● Protección University	It offers employers and clients education of finance, pensions, taxes and skills development issues.	9,675	Companies, affiliates, and clients in general	Unipymes
	● Contactability Plan	Provide information to communicate, train and make informed savings and investment decisions.	3,000	Affiliates of all segments, employers, media, community in general	Asofondos
	● Training for Judges and Magistrates	Academic conferences for judges, magistrates, and employees of the judicial branch, on topics associated with the pension system.	450	Judges and magistrates	Asofondos y Fasecolda
	◆ BIFI (Financial Well-Being)	It accompanies people in the administration of their finances, through a clear diagnosis of their situation and an understanding that integrates attitudes, knowledge, and behaviors, regarding their money and the achievement of their purposes, for their well-being and financial sustainability.	3,299	Employees	N/A

FINANCIAL EDUCATION PROGRAMS 2018

◆ SURAMERICANA
● SURA AM

	PROGRAM	DESCRIPTION	# PEOPLE TRAINED 2018	CHARACTERIZATION OF TRAINED PEOPLE	ALLIES
CHILE	● Aliance SURA - Entrepreneur Women	Bringing women closer to issues of labor market, savings, and pensions.	300	Entrepreneur, executive and entrepreneurial women	Mujeres empresarias
	● Financial and Pension Education for Youth	Measure knowledge and teach about financial and social security issues.	3,720	Young people in 9th and 10th grades of high school (secondary)	Puntaje Nacional
PERU	● Entrepreneurship	Promoting economic citizenship and a savings culture in young people, through the development of attitudes, skills, and knowledge necessary to become successful entrepreneurs.	11,523	Adolescents from 1st to 5th grade in secondary schools	Dirección Regional de Educación de Lima Metropolitana y ONG Visión Solidaria
	● Employability	This provides the tools to develop labor within the formal market, it sensitizes the importance of saving, and illustrates the benefits of the private pension system.	60	Clients between 28 and 55 years of age	DBM
	● NOW 2.0	Provide financial education tools.	34,430	Clients of SURA AM	Cabify, Juntoz, Freshmart, Tony Romas, Redbus
BRAZIL	◆ Education Insurance	This offers workers a protection service and, in case of loss of employment, where they can choose to establish a budget to maintain their children's education, for a number of months.	N/A	Employees of private companies	Marsh
EL SALVADOR	● Management Training Program	This offers talks, focused on knowledge about modern management, soft skills, promotions, and the saving culture.	250	Affiliates, segment of decision makers, and managers	ADEN Business School
	● Employers Club	This accompanies applications for the payment of payroll and provides talks on pensions and benefits within companies, management training, new regulations for resolving inconsistencies, and compliance with labor obligations.	250	Contributors	ADEN Business School
	● Youth with Value Program	This offers the opportunity to access jobs, through talks and dynamics related to savings.	50	Young people	JOVEN 360

FINANCIAL EDUCATION PROGRAMS 2018

- ◆ SURAMERICANA
- SURA AM

PROGRAM	DESCRIPTION	# PEOPLE TRAINED 2018	CHARACTERIZATION OF TRAINED PEOPLE	ALLIES
● Let's Talk about Pensions Training	This disseminates the pension landscape and raises awareness about the importance of saving and the main challenges of the retirement savings system.	2,032	University students, businessmen, professionals, trade unions, collaborators of Condusef, single mothers	CONDUSEF, Univ. Anáhuac, Comisión Federal para la Protección contra riesgos sanitarios, Escuela Bancaria y Comercial, American Express
● Afore Webinars	This promotes the benefits and services associated with the individual account of Afore clients.	3,202	Clients of Afore SURA	N/A
● Course in financial administration, investments, services, and procedures of SAR	This offers the collaborator the information that helps them understand, and apply that knowledge, to deliver clear and truthful advice to the clients.	1,137	Collaborators of commercial areas	N/A
● Drawing contest "Financial strokes"	This promotes the savings habits, among the children of SURA AM employees.	182	Children between 6 and 12 years old, children of collaborators	CONDUSEF
● Financial Education in your Institution	Fosters responsible financial habits among the employees of SURA AM.	3,024	Back office collaborators (service areas) and the Company's commercial area	CONDUSEF
● Activation of the National Financial Education Week at headquarters: "Building my future"	Sensitizes the general public about the importance of savings for retirement and investment strategies for the construction of a heritage.	3,219	Students from primary school to university, teachers, families, and the general public	CONDUSEF
● Investments Webinars	Illustrates clients about market situations and recommendations from the Investment area.	1,087	Investment Clients.	Firma KPMG
● Capsules "What you should know about your Afore"	This teaches about different services, and rights, that a contributing worker has to the IMSS or the ISSSTE, as well as the benefits of being a SURA client.	7,840	General public	Canal youtube "giancoabundiz"
● Event Afore Fair 2018	Attention and pension advice to clients, and the general public, about their pension retirement and their individual Afore account, which promotes the pension culture, in terms of savings for retirement and the exercise of workers' rights.	758	Afore Clients and the general public	N/A

MEXICO



FINANCIAL EDUCATION PROGRAMS 2018

- ◆ SURAMERICANA
- SURA AM

PROGRAM	DESCRIPTION	# PEOPLE TRAINED 2018	CHARACTERIZATION OF TRAINED PEOPLE	ALLIES
● Afore Informative and Pension Quarterly Newsletter	This provides information to clients of the Afore individual account, as well as various relevant news of the market.	1,203,058	Afore Clients	N/A
● Financial education and saving habits, in children and youth	This encourages saving, from early ages, with educational materials on financial education to encourage savings.	1,130	Afore Clients	N/A
● Diffusion of personal finances in social networks	This disseminates its own contents on the importance of portfolio products and seeks to educate its audience.	377,527	Men and women with accounts or social profiles, on the internet	CONSAR, AMAFORE, CNBV, Morningstar, PROCESAR, CONDUSEF, IPAB
● Web portal that offers content about financial education	Reports on savings, investment and protection, consultation of procedures, and product portfolio.	2,755,095	Men and women with accounts or social profiles on the internet	CONSAR, AMAFORE, CNBV, Morningstar, PROCESAR, CONDUSEF, IPAB
◆ SURA School: lectures at universities	This supports education and specialized knowledge in insurance, to connect, and attract the best professionals.	980	Young university adults, professional adults, and general public	Instituto Tecnológico de Santo Domingo, Universidad Iberoamericana, Universidad Tecnológica de Santiago
◆ SURA School: radio segment	This seeks to generate interest in insurance issues, and knowledge of the general public. Uses pedagogy in specialized subjects.	Masivo	Professional adults, general public	Programa radial: Camino al Sol
● AFAP EDUCATES	Educate new generations about retirement savings concepts.	110	High school students	Sistema Previsional, AFAP
● FIEF (Interactive Fair of Economics and Finance)	Educate new generations about concepts of economics and finance.	9,587	School-age children	Banco Central del Uruguay, AFAP
● SURA Lecture on economic trust	A collaborative space for the dissemination of applied knowledge about consumers' perceptions, and expectations, regarding the main economic variables, such as spending and savings decisions, with a focus on the national and regional reality.	Masivo	General public	Universidad Católica del Uruguay y Equimos Mori

DOMINICAN REPUBLIC



URUGUAY



| SOLUTIONS FOCUSED ON FINANCIAL INCLUSION 2018 |

TOTAL BENEFICIARIES 2018 | TOTAL BENEFICIARIES 2017 | ANNUAL GROWTH

4,067,451 | **3,683,544** | **10.4%**

◆ SURAMERICANA
● SURA AM

	PROGRAM	DESCRIPTION	# PEOPLE TRAINED 2018	CONDITION OF TRAINED PEOPLE
	● + Protección	Complement to the pension.	16,372	Clients
	◆ SURA Entrepreneur Plan	Solutions in case of fire, internal damage, civil liability, among others, that provide accompaniment of an expert in risk management, so that companies know the risks to which they are exposed and can manage them.	16,601	Insured
	◆ Legal Protection Insurance	Advise and defend companies with specialized lawyers, when required.	1,146	Insured
	◆ Digital Protection Insurance	This protects against risks, derived from the handling of third-party information or the loss of proprietary information.	619	Insured
	◆ Pet Insurance	Accompanies the costs associated with the possession of a pet.	5,748	Insured
COLOMBIA	◆ Affinity	This reaches populations with little access to the financial system, and with high possibilities of remaining below the poverty line, due to events of uncontrolled economic impact. Partnerships are sought with entities close to this population.	305,912	Insured
	◆ Direct Sales Leaders	Marketing channel under development to reach low-income populations in urban areas. The value proposition is constructed from an analysis of the insurable population, and its eventual needs before the materialization of a risk.	8,000	Insured
	◆ Bancoldex and in partnership with other development banks	Insurance program that is marketed in partnership with Bancóldex, for first level microfinance institutions, which seeks to protect access, and permanence to loans to individuals. Additional capitals are also offered for families and insured persons.	15,109	Insured
	◆ Comfama	In partnership with the Comfama compensation fund, within the Colombian social security system, an insurance program was defined that protects affiliates, and their families, in death and life events as a complementary mechanism to the system of what the taxpayers have by law.	12,573	Insured
	◆ Loans to Income Pensioners and Occupational Risk Administrator [Labor risks]	Free investment credits, indexed to the growth of the minimum wage or fixed fee tied to the DTF, designed for annuity pensioners and ARL SURA, under the coverage of old age, disability and survival.	2,991	Insured

| SOLUTIONS WITH FOCUS ON FINANCIAL INCLUSION 2018 |

◆ SURAMERICANA
● SURA AM

	PROGRAM	DESCRIPTION	# PEOPLE TRAINED 2018	CONDITION OF TRAINED PEOPLE
	◆ Direct sale	Life insurance, disability, loss of income (unemployment or disability), healing costs, funeral (up to 4 family members), hospitalization income (up to 4 family members). For cars: civil liability (damage to third parties), towing assistance, lawyer and accidents to the driver (death and disability). Simple, massive and universal products aimed at the emerging segment at affordable prices, which meet liquidity needs, life protection for people and pet care.	8,591	Insured
	◆ SURA Correspondents	Channel to deliver products with easy access, and an understanding to the emerging segment, in urban areas where people generally do not have access to insurance.	964	Insured
COLOMBIA	◆ Retail channel	Adaptation of the insurance offer, in the different brands and formats, of Grupo Éxito. Access to risk management of more than 1 million clients, in force, in the alliance, mostly in socioeconomic strata 2 and 3.	2,536,342	Insured
	◆ Workplace Marketing - MST	Provides collective insurance solutions to employees and their families, through a team of business managers who visit partner entities. Strengthens the benefits policy of companies.	177,407	Insured
	◆ We SURA	The insurance offered is designed to be enjoyed with friends, and gives more, and better, benefits, as the community grows. Protect your cell phone, bicycle, pet, computer, and tablet, easily, quickly and 100% online.	7,008	Insured
EL SALVADOR	◆ Business Plan - banking channel	This offers financial support, which can be easily used, when the future of a business is compromised.	234	Insured
	◆ Collective Life Business Plan	This allows to for a quote of standard plans, according to the needs of the client.	257	Insured
PERU	● SURA Strategic Capital Funds I, II y III FMIV (Series B) SURA Global Selection I FMIV (Serie B)	This allows investors to generate monthly recurring savings. Each of the 4 funds has a different risk profile, so that the investor can subscribe to the fund that best suits their profile, risk tolerance level, savings currency, and investment objective.	674	clients

| SOLUTIONS WITH FOCUS ON FINANCIAL INCLUSION 2018 |

- ◆ SURAMERICANA
● SURA AM

	PROGRAM	DESCRIPTION	# PEOPLE TRAINED 2018	CONDITION OF TRAINED PEOPLE
MEXICO	● Mobile App	Facilitates an agile self-service channel for clients.	100,269	Clients
	● Yoi Efficient relationship	This seeks to reduce the gap in standardized service and attention to 4 million registered clients, in addition to increasing interaction, in the middle and mass segments.	22,245	Clients
	◆ Practical	Provides the insured with protection for covered coverage (death, accidental death and organic losses), from the moment in which the contractor is notified, and the request is accepted.	6,569	Insured
	◆ Your complement	Protected periods, that are not covered under the Uber travel insurance (when the driver is not active on the platform).	11,856	Insured
URUGUAY	● Basic Savings Fund	Investment fund very easy to open, without minimum amounts, which makes it possible to monetize short-term savings.	2,475	Clients
	◆ Modulated SMEs	Modulated product, easy to hire (choosing 4 variables), available in traditional channels, affinity, and digital, to micro, small and medium enterprises, an underserved segment.	329	Insured
DOMINICAN REP.	◆ Electric and hybrid vehicle	Mandatory insurance that covers the loan guarantee, granted by the bank.	2	Insured
BRAZIL	◆ MIDWAY/ SOROCRED	The settlement of the debit balance is limited to a specific value for each package, according to the customer's limit, and the product version, added with an extra amount for other expenses, according to the chosen plan.	810,000	Insured
	◆ Worsite - Portal	Payment of school monthly payments, for a certain period of time, for children who are of age and attend school, if the responsible party cannot pay for lost work income.	5	Insured

103-1 103-2

Environmental management

Grupo SURA knows that the protection of natural resources must be addressed understanding the direct and indirect environmental impacts that the company generates throughout its value chain. Direct impacts are addressed through eco-efficiency management, and indirect impacts, through the development of solutions and products and the application of environmental criteria in investment decisions.

Furthermore, we are aware of the company's role in the transition to a low carbon economy, based on informed investment decision-making and on an allocation of capital in line with our corporate principles and with the purpose of creating well-being and sustainable development for people, organizations, and society.

201-2 Thus, in 2018, we worked on the development of an action framework on climate change, which involves identifying, understanding, and assessing the main risks associated with this phenomenon, to develop mitigation and adaptation actions for the company, its stakeholders, and the environment.

103-2 Eco-efficiency . Our management is oriented to reduce the resources used to carry out the daily operations of the company. To achieve this, the first step is to measure energy and water consumption, waste generation, and carbon dioxide emissions (see table in page 90), which subsequently allows us to prioritize, implement initiatives, and set goals to optimize resources.

Suramericana. During 2018, this affiliated company advanced in the consolidation of information on energy consumption for the region and improved the quality of information reported by its nine operations. The consumption of electric power was reduced by 7% compared to 2017, and 82% came from renewable sources (101,999 GJ, energy unit), which is explained by the purchase of renewable energy certificates (REC).

302-4 In the Colombian operation, energy consumption was reduced, by initiatives such as technological renovation, by replacing equipment with more efficient systems, using the criteria of obsolescence and availability. USD 923,000 was also invested, in the migration to LED lighting, in 16 locations. All the above, allowed for a reduction in consumption of 3.6%.

305-5 On the other hand, water consumption increased by 22% in 2018, due to a larger number of employees and users in Colombia because of the growth of this operation. However, efficiency-oriented measures continue being implemented, such as installation of low-consumption sanitary devices and rainwater recollection in some locations.

305-5 Regarding Suramericana's emissions, the carbon footprint of Scope 1 was reduced by 3%, to 2,220 TonCO₂e. This includes emissions generated by own vehicles - including those used in Home Health and Assistance services in Colombia-, as well as fuels in fixed sources such as natural gas and diesel for emergency energy plants and the Firefighting Network.

It should be noted that 4 tons of CO₂ were reduced in Colombia through the acquisition of two electric vehicles for Home Health services and two more for Assistance services. The reporting process and some of the coverage recorded during 2017 have been adjusted for other operations in the region.

The Carbon Footprint of Scope 2 had an annual decrease of 50%, reducing 2,900 TonCO₂e, explained by the decision of operations in Colombia to buy 26,380 MWh of energy (96% of total consumption) I-REC certified, an international standard validating that the electricity is 100% from renewable sources and efficient generation plants.

The implementation of the eco-efficiency project, which includes technological renovation and the installation of solar panels, in seven sites, with an investment of USD 2.4 million, is also included in Colombia. It projects an estimated annual savings of USD 319,642 and 3,484 tons of CO₂, starting in 2019, equivalent to compensating by planting of 1,313 trees.

Regarding the carbon footprint of Scope 3, it is measured on emissions from business trips, paper waste generation, and Occupational Risk Administrator, Healthcare Provider, and insured patients trips. This indicator decreased 2% in 2018, mostly due to a lower number of trips compared to 2017 and to programs to digitize policies being used in the region, which reduce paper consumption. It should be noted that the Colombian operation has a significantly higher footprint, explained by trips

302-1 302-4 305-1 305-2 305-3 303-1 305-5

WATER, ENERGY AND EMISSIONS CONSUMPTION 2018
 (COMPANIES OF SURA BUSINESS GROUP)

	Grupo SURA			Suramericana			SURA AM		
	2017	2018	% Var	2017	2018	% Var	2017	2018	% Var
Energy consumption (MJ)	824,393	855,374	4%	133,379,398	123,573,522	-7%	47,490,563	49,073,754	3%
Water consumption (m3)	132	259	96%	233,509	284,011	22%	59,523	68,762	16%
Emissions Scope 1 (tons CO2e)	185	192	4%	2,300	2,220	-3%	1,028	1,616	57%
Emissions Scope 2 (tons CO2e)	19	26	34%	5,778	2,900	-50%	4,569	4,819	5%
Emissions Scope 3 (tons CO2e)	89	138	56%	3,393	3,333	-2%	4,210	4,841	15%

CARBON FOOTPRINT**Scope 1:**

Emissions produced by direct energy sources, owned or controlled by the Company.

Scope 2:

Indirect emissions resulting from electricity purchases.

Scope 3:

Indirect emissions that include those of suppliers, client and other actors present in the life cycle of the services provided.

for business, patients and insured patients, equivalent to 95% of the Scope 3 emissions.

306-2 Regarding Suramericana's waste management, progress was made in the reporting processes and increasing data coverage. 1,076.7 tons of waste were generated in 2018, 60.9% of which were disposed. Colombia's operations generated 95.6% of the total waste, 65.2% of which is dangerous waste, in relation to health activities of the Healthcare Provider and the Healthcare Providing Institute.

Management focuses on separation at source, by standardizing the color

code and the availability of disposal containers, according to required type and capacity. Recyclable waste is commercialized and there is benefiting of computer equipment in good condition, through donations and sales. Special handling is also given to waste classified as hazardous, electronic (WEEE) and biohazard, through certified companies for its collection and final disposal.

91% of the non-hazardous waste generated was used through reuse, recycling or recovery, while 7.8% of the hazardous waste was reused, recycled or recovered, including waste valuation.

306-2

Not dangerous

Total: **404.9**

➤ Reuse, recycling, recovery: **368.7**

➤ Sanitation landfill: **36.3**

Dangerous (Colombia)

Total: **671.8**

➤ Incineration: **614.7**

➤ Reuse, recycling, recovery: **52.7**

➤ Security landfill: **4.4**

WASTE MANAGEMENT OF SURAMERICANA
 (IN TONS)

302-1 302-4

VARIATION OF ENERGY CONSUMPTION: SURAMERICANA
 (IN MJ, ENERGY UNIT)

	2017	2018	% Var
ARGENTINA	4,466,822	4,148,897	-7%
BRAZIL	2,806,197	2,511,543	-11%
CHILE*	12,217,091	5,314,087	-57%
COLOMBIA	101,454,023	97,820,000	-3.58%
EL SALVADOR	2,426,903	2,449,723	1%
MEXICO	3,108,049	3,962,750	27%
PANAMA	3,120,768	3,525,131	13%
DOMINICAN REPUBLIC	2,954,064	2,938,995	-1%
URUGUAY	825,480	902,396	9%

*The data for 2017 for Chile has a high degree of uncertainty. For 2018 the data is reliable.

303-1

VARIATION OF WATER CONSUMPTION: SURAMERICANA
 (IN CUBIC METERS - M3)

	2017	2018	% Var
ARGENTINA*	1,400	28,829	1955%
BRAZIL	0	1,950	NA
CHILE*	35,219	13,259	-62%
COLOMBIA	181,214	224,961	24.14%
EL SALVADOR	5,436	4,991	-8%
MEXICO	4,058	4,026	-1%
PANAMA*	0	0	0%
DOMINICAN REPUBLIC	5,084	4,933	-3%
URUGUAY	1,098	1,062	-3%

*Panama still does not have information on water consumption. Chile and Argentina present high annual differences, mainly because the reporting process was not consolidated in 2017, and the information has a considerable degree of uncertainty. There are changes in coverage in Argentina.

305-1 305-2 305-3 305-5

SURAMERICANA CARBON FOOTPRINT
 (IN EQUIVALENT TONS OF CARBON DIOXIDE - TONS CO₂E)

Operaciones	2017	2018	% Var	2017	2018	% Var	2017	2018	% Var
	ALCANCE 1			ALCANCE 2			ALCANCE 3		
ARGENTINA	6	28	330%	603	560	-7%	8	7	-12%
BRAZIL	65	61	-6%	75	67	-11%	3	2	-36%
CHILE	50	53	5%	1,348	586	-57%	76	55	-27%
COLOMBIA	1,576	1,488	-5.57%	2,341	85	-96%	3,260	3,220	-1.2%
EL SALVADOR	41	31	-24%	161	163	1%	8	8	6%
MEXICO	160	188	18%	502	641	27%	28	23	-19%
PANAMA	92	187	0%	219	247	0%	0.3	11	3,564%
DOMINICAN REPUBLIC	179	127	-29%	522	519	-1%	7	5	-23%
URUGUAY	131	58	-56%	6	7	9%	4	2	-42%

302-1 302-4

VARIATION OF ENERGY CONSUMPTION: SURA AM
 (IN MJ, ENERGY UNIT)

	2017	2018	% Var
CHILE	15,833,459	21,153,672	33.6%
COLOMBIA	10,052,878	7,356,913	-26.8%
CORPORATIVO	786,031	782,381	-0.5%
EL SALVADOR	3,573,000	3,426,062	-4.1%
MEXICO	12,596,648	11,995,578	-4.8%
PERU	4,098,211	3,775,813	-7.9%
URUGUAY	550,336	583,334	6.0%

303-1

VARIATION OF WATER CONSUMPTION: SURA AM
 (IN CUBIC METERS - M3)

	2017	2018	% Var
CHILE	22,294	27,417	23.0%
COLOMBIA	19,852	22,535	13.5%
CORPORATIVO	1,281	1,159	-9.5%
EL SALVADOR	3,859	3,796	-1.6%
MEXICO	2,006	2,217	10.5%
PERU	9,087	9,378	3.2%
URUGUAY	1,143	2,262	97.9%

305-1 305-2 305-3 305-5

SURA AM CARBON FOOTPRINT

 (IN EQUIVALENT TONS OF CARBON DIOXIDE - TONS CO₂E)

	2017	2018	% Var	2017	2018	% Var	2017	2018	% Var
	ALCANCE 1			ALCANCE 2			ALCANCE 3		
CHILE	5	1	-88.1%	1,746	2,333	33.6%	2,116	2,656	25.5%
COLOMBIA	142	222	57.0%	232	407	75.5%	176	169	-4.0%
CORPORATIVO	27	24	-8.9%	17	43	159.5%	416	474	13.9%
EL SALVADOR	178	105	-40.8%	237	228	-3.7%	12	64	416.3%
MEXICO	642	386	-39.8%	2,036	1,526	-25.1%	429	554	29.1%
PERU	33	385	1069.1%	296	273	-7.9%	1,022	877	-14.2%
URUGUAY	N.D.	492		4	9	118.4%	38	47	22.8%

306-2

TYPE OF RESIDUES GENERATED FROM SURA AM
 (IN TONS)

Residue	2017	2018	Var (%)
Paper	131.7	203.7	54.7
Plastic	2.4	1.8	-26.5
Electrical and electronic	25.5	22.3	-12.4
Ordinary	94.0	80.2	-14.6
Organic	32.9	25.9	-21.3

SURA Asset Management registered an annual increase of 16.6%, in the generation of waste, which totaled 333.9 tons, in 2018, of which 68.3% was treatment and reused, recycled, or recovered, and another 31.7% of waste was disposed of, in landfill. By type of waste, 61% corresponds to paper, while all those considered hazardous (22.3 tons) correspond to electrical and electronic equipment, which were managed for recycling or recovery.

103-3 SURA Asset Management.

This subsidiary created the Technical Board of Ecoefficiency in 2018, in order to design and accompany the model for this area, and to promote projects implementations, good practices exchange, analysis of results and execution of plans to close gaps.

Among its responsibilities is to define guidelines for Ecoefficiency, to monitor and track indicators, and to define the action plan with energy efficiency projects and resources in own operations.

Consolidated consumption of electric energy increased 3% and water consumption increased by 16% last year (see graphs). In terms of emissions, the carbon footprint of Scope 1 includes fuel consumption from mobile sources (executive vehicles), from fixed sources (emergency and firefighting network) and air-conditioning refrigerants. This last aspect, mainly, explains the increase of Scope 1 emissions in Colombia and Peru.

Regarding the carbon footprint of Scope 2, it increased 5%, and that of Scope 3 it increased by 15%. The latter indicator reflected a higher consumption of paper and land trips, as it includes emissions related to employees' transportation, air travel and waste generation (see table on page 94).

Products and solutions. SURA Business Group also understands environmental impact management, as the management of risks and opportunities, arising from environmental problems, through the design of insurance solutions and investment products,

that allow capital to be mobilized towards projects, or companies, seeking to solve some of these problems, as well as encouraging clients to implement measures to mitigate the environmental risks that they are exposed to as a product of their operations:

Suramericana. The following solutions have been developed:

- Energy efficiency and energy generation insurance: it ensures the differential sum between the savings, over the expected generation, and the savings, over the real generation.
- LEED-EDGE Certification: it assumes 10% of the value of the premium in construction and compliance policies for projects that have these sustainability certifications.
- Wind and solar energy insurance: it covers damage during transportation, assembly, start-up, and the operation of equipment, for the generation of this type of energy.

On the other hand, the Geosciences Management unit undertakes regional and local studies on changes in physical variables and on phenomena related to climate change and climate variability, such as hurricanes, floods, droughts and hail storms. Analysis focus on these variables' impact on the business continuity of the company and its customers according to the sector.

In addition, Suramericana recently implemented an observatory of signals, related to megatrends of change and variability, resources

scarcity, urbanism and mobility, to strengthen the decision-making process regarding the climate change strategy.

SURA Asset Management. It offers its clients investments in products that consider environmental criteria, such as green credits, and funds focused on alternative energies, as detailed in the Responsible Investment subchapter.

CHALLENGES AND OPPORTUNITIES 2019

- Continue making progress in the approval of regional reporting processes.
- Increase the coverage of the main reporting indicators, especially waste generation and disposal.
- Define consumption reduction goals for each of the subsidiaries and their operations.
- Increase the offer of products and solutions with ESG approach, especially those oriented to facilitate the transition towards a low carbon economy.

103-1 Human Rights

We are committed in Grupo SURA to respecting Human Rights throughout our value chain. This implies complying with the guidelines of the Universal Declaration of Human Rights, the Guiding Principles on Businesses and Human Rights of the United Nations and those established in the relative Declaration to the fundamental principles and rights at work, of the International Labor Organization (ILO).

We seek solid relationships, with all our stakeholders, based on respect and mutual recognition, generating trust, and value, for all parties involved, through our operation. Therefore, we actively promote the respect of fundamental rights and avoid impacts, directly and indirectly caused.

We know that for our growth to be sustainable, it is necessary to: know the human rights risks, related to our operations, to identify the impacts that we generate and define measures to mitigate them (see Management Cycle).

Therefore, during the last years, we have focused on developing methodologies seeking to determine the exposure to risk in Human Rights, of our Companies, as well as identified and defining the necessary controls to prevent the occurrence of related events or reduce their impact, in case of occurrence. We have done this as a Business Group from five foci of action: as employer, provider of diversified services, active buyer

103-2

HUMAN RIGHTS MANAGEMENT CYCLE



of goods and services, investor and social actor:

We analyzed the Company's risk exposure in 2018, which implied selecting the rights with the greatest affinity with our sector. The International Declaration of Rights, the International Covenant

on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and the ILO Declaration of Human Rights were taken as reference. The result of this analysis is an evaluation of stakeholders that could be violated in one of their fundamental rights (see table).

CHALLENGES AND OPPORTUNITIES 2019

During 2019, we identified the following opportunities:

- Continue reviewing the status of risk in Human Rights for defined stakeholders.
- Carry out follow-ups of the improvement plans and evaluate the proposed treatment plans.
- Train employees on the importance and culture of Human Rights and the defined management cycle.

103-3

HUMAN RIGHTS EVALUATED, BY STAKEHOLDERS

- Employees
- Client, user or member
- Supplier
- Community
- State

	Human Rights and its relationship with Companies of Grupo SURA	INTEREST GROUPS				
		Employees	Client, user or member	Supplier	Community	State
		•	•	•	•	•
1	Right to life and personal security	•	•	•		
2	Equality rights	•	•	•	•	
3	Right to freedom of thought, conscience, and religion	•	•	•	•	
4	Right to privacy, honor, and integrity	•	•	•		
5	Right to work	•	•			
6	The right to social security	•	•			
7	Right to free association	•	•	•		
8	Education rights	•	•	•		
9	Right of the family	•				
10	Right to a healthy environment	•	•		•	•
11	Rights to physical and mental health	•	•		•	
12	Right to the freedom of expression	•	•	•	•	•

412-3

100% of our contracts include clauses related to Human Rights.

102-42 | 102-43 | 102-44

WE ENGAGE OUR STAKEHOLDERS IN OUR DECISIONS

We understand that the relevance of our activity is based on creating value for our stakeholders. This is indeed the only way the Organization can reach its goals and last to be useful for society.

Our purpose is to build sound and long-term relations, provided we keep in mind their interests to determine relevant aspects which should be considered to manage the Business Group. This involves understanding and knowing the needs of our customers and collaborators, to have suppliers which are allies, and to have trust in our relation with the State and other stakeholders.

Update

In 2018, we updated the identification, characterization and prioritization of the Company's stakeholders, all under the AA1000SES Stakeholder Engagement Standard. This exercise enables the construction of a relation plan which is pertinent to every stakeholder. The following lists the phases involved in the update:

Identification. Mapping our stakeholders by keeping in mind variables such as influence, closeness, dependency, representation and responsibility - which the Company has with these groups.

Characterization. Along with the Company's leaders, aspects are determined to get to know each group closely and hence, to meet their expectations and

requirements in a pertinent and timely manner. The following variables of relations were defined: purpose, mechanisms, frequency, topics of interest and indicators.

Prioritization. Used to determine the level of importance of each stakeholder for Grupo SURA, all to build a relation plan to meet the relevance of each group based on its influence and dependency.






Consequently, the table below lists the stakeholders of Grupo SURA, the sub-groups thereof, and the different purpose of the relation (see next page):





CHALLENGES AND OPPORTUNITIES 2019

To successfully implement a relationship strategy with concrete action plans for each group of stakeholders of Grupo SURA, with conviction that organization objective achievement is only possible if links are established to generate value and trust.

102-40

STAKEHOLDERS OF GRUPO SURA

SUBGROUP OF STAKEHOLDERS		RELATIONSHIP OBJECTIVE	
 INTERNAL PUBLIC	Board of Directors Grupo SURA Subsidiaries	<ul style="list-style-type: none"> Strengthen Corporate Governance and strategic decision making. Strengthen the organizational culture and joint work, of common purpose. Promote the comprehensive development of employees, in an enabling work environment that generates value for the Company. Promote the retention of best talent and position ourselves as an Employer Brand. Consolidate the integration, that allows for the comprehensive understanding of the Company and strengthen the collective conscience. 	
	Employees Grupo SURA Subsidiaries and their subsidiaries		
 SHAREHOLDERS AND INVESTORS	Shareholders and current and potential investors Pension funds, international investors, local funds, foundations, individuals, and other institutional investors.	<ul style="list-style-type: none"> Strengthen trust in the Company, based on transparency, and access to clear, complete, and timely information. Strengthen the status of strategic allies, intermediaries for the achievement of the Corporate Objectives. 	
	Market intermediaries		Stockbrokers and banks
			Analysts and areas of market research
			Rating agencies Stock Exchanges
 SUPPLIERS	Large companies	<ul style="list-style-type: none"> Strengthen the status of strategic allies, for the achievement of Corporate objectives and the construction of long-term relationships. 	
	Medium and small companies		
	Legal individuals		
	In-house (service providers)		
 MEDIA	Specialized press National Regional/Latin America	<ul style="list-style-type: none"> Position information of interest, on the management of the Company. Contribute to the generation of a qualified and informed public opinion. 	
	Other relevant media National Regional/Latin America		
 COMMUNITY	Entities with which we work Allies and partners Operators	<ul style="list-style-type: none"> Promote the development and quality of life of the territories where we have presence, through participation in social projects. Position the Grupo SURA, as a relevant actor, in the development of society and the well-being of people. 	
	Organizations or people that participate in our programs		Social and cultural organizations.
			Cultural entrepreneurs Educational institutions (includes public institutions)
	Other organizations that drive development		
	Citizenship (general public)		

SUB INTEREST GROUP		RELATIONSHIP OBJECTIVE
 OPINION LEADERS	Experts in topics of business interest Digital influencers Other channels	<ul style="list-style-type: none"> Position topics of strategic interest in the opinion agenda. Share information of interest about the management of the Company. Contribute to the generation of a qualified and informed public opinion.
	General commentators Digital influencers Other channels	
 STATE	Regulators	<ul style="list-style-type: none"> Strengthen the Company's Good Governance, Risk Management, and Control Systems. Influence the construction of regulations, and public policies, that strengthen the Country's business and economic dynamics. Be a relevant, reliable, and a proactive interlocutor, with the regulatory entities, for the proper development of the business. Continue generating confidence in the Organization's accountability process.
	National, regional and local authorities (Executive, Legislative and Judicial)	
 GUILDS, ASSOCIATIONS AND MULTILATERAL ORGANIZATIONS	Guilds and associations	<ul style="list-style-type: none"> Contribute to the construction of positions, in matters, relevant to the sectors of interest of the Companies. Provide knowledge to promote the successful development of businesses and their environment. Generate alliances that allow us to work for common interests. Actively participate in the construction of public policies that strengthen the business, economic and social dynamics of the countries.
	Multilateral organizations	
 ACADEMY	Higher Education Institution	<ul style="list-style-type: none"> Build joint knowledge, with the systematic and visualization analyses, of the environment and trends. Promote the attraction of the most qualified professionals, in the Latin American labor market, and position us as an employer brand, with the perspective of the SURA Business Group. Generation of capacities that facilitate better decision making. Position the SURA Business Group, as a relevant actor for the development of society and the well-being of people.
	Research centers and Think Tanks	

WE CONTRIBUTE TO ENHANCE PUBLIC INSTITUTIONS

Grupo SURA understands that you can only be successful a setting that grows, with people that have better living conditions and societies that are part of the virtuous cycle of development.

We believe that strong institutions in favor of creating social and economic enhancements are the leverage needed for the growth of society. Hence, we promote the creation and consolidation of think tanks, guilds, associations and initiatives based on cooperation.

In this sense, we work alongside organizations, institutions and governments, by contributing resources, knowledge and talent, without compromising personal interests, and all to reflect upon, investigate and have a positive impact on the construction of public policies that boost the development of the countries where we operate.

102-12 In 2018, the Company had the chance to join forces with other players on complementary purposes. These forces strengthen capabilities and favors the achievement of relevant goals for society. The following entities are involved:

- Asociación Nacional de Empresarios de Colombia (ANDIndi).
- Asofondos(Colombia).
- Asafondos (El Salvador).
- Asociación de Administradoras de Fondos de Pensiones de Chile.
- BID Invest (investment branch

- for the private sector of the IDB – Inter-American Development Bank).
- Consejo Empresarial de la Alianza del Pacífico (CEAP).
- World Business Council for Sustainable Development (WBCSD).
- Consejo Privado de Competitividad (Colombia).
- Corporación Excelencia en la Justicia (Colombia).
- Corporación Transparencia por Colombia.
- Federación de Aseguradores Colombianos (Fasecolda).
- Fundación Empresarios por la Educación (Colombia).
- Fundación Endeavor Colombia.
- Fundación para la Educación Superior y el Desarrollo (Fedesarrollo).
- Fundación Ideas para la Paz (Colombia).
- Fundación para el Progreso de Antioquia (Proantioquia).
- Fundación Solidaridad por Colombia.
- United Nations Environmental Program for Financial Initiatives (UNEP-FI).
- United Nations Global Compact.

Hence, we renovate our commitment to contribute to enhance organizations devoted to reflect upon, research and have an impact on matters paramount to sustainable development, such as justice, transparency, democracy and environment.

103-1 | 103-2 WE CONTRIBUTE TO SOCIAL DEVELOPMENT, BEYOND OUR BUSINESS

When we talk about investment and management, we refer to the capability Grupo SURA has to

assist, transform and boost the development of those persons and organizations committed to create better living conditions in their regions; that is, our responsible and sustainable contribution to an increasingly fair, equitable and inclusive society.

The social investment and management strategy of Grupo SURA is leveraged by its Social Investment Framework Policy. This policy was updated in 2018 and stems from understanding our active role to have a positive impact on the social transformation processes of Latin America.

Consequently, Grupo SURA leads and participates in the development of social investment initiatives aimed to manage financial and non-financial resources in a voluntary, structured and systematic fashion. These initiatives target projects and programs that create well-being and better living conditions.

Grupo SURA assumes this ethical commitment convinced that coherence is the best path to build trust and to create value for our stakeholders, guilds, the State and the community at large.

Our management, in 2018

The Company consolidated the main themes of investment alongside its strategy, mechanisms, guidelines and a governance structure that will lead to enhance the reporting, disclosure, measurement of our contribution, and our impact on society.

103-3 In 2018, our investment in social development projects in

Latin America was distributed as follows: 43% in community outreach investments, 27% in donations, and 30% in commercial initiatives with social impacts. The investment focused on developing initiatives which are primarily related to quality education, promoting art and culture, and voluntary corps (see map on page 102).

It is worth shedding light on the fact that 41% of our social investment focused on backing processes that promote the development of educators, to enhance skills on being, knowing and doing, and to facilitate professional and work-related opportunities, all in accordance with each region.

Likewise, 59% of the social investment, of the Business Group, is done through its foundation (Fundación SURA) in the three countries where it operates: Colombia, Chile and Mexico. It's work in 2018 benefitted 514,790 persons and 847 organizations, all through 85 social initiatives.

Voluntary Corps. This program is managed by Fundación SURA, and by SURA AM in several cases. The program develops practices related to social commitment and experiences in which our collaborators share their time, knowledge and talent. Through its regional activity known as Adding Wills (Sumando Voluntades) a total of 18,728 hours of community work was carried out. The foundation also engaged 3,106 participants in 29 cities of 10 countries; of this number, 1,942 are collaborators.

Also, in 2018, the Company consolidated the steering and

strategic alignment of the Foundation throughout Colombia, Chile and Mexico. It updated its purpose to: "Create well-being and sustainable development by enhancing the capabilities that improve educational, civic and cultural conditions for the social transformation of Latin America".

A highlight worth mentioning made by the Foundation and REDUCA (Latin American Network for Education), was the investigation conducted entitled "Learning is More" ("Aprender es más"), about the status of que quality of education in 15 countries. The results seek to have an impact on public dynamics and agendas.

Félix y Susana Program. This educational initiative for healthy co-existence for the past 10 years has contributed to build relations between children, families and the school, by developing capabilities of teachers to increase their affection and communication as educators. The program is implemented in 356 public school of Colombia, Dominican Republic and El Salvador.

In Colombia, the very first assessment of the program's impact was conducted. Results show that 4,150 teachers of the country changed their attitudes, opinions and educational practices to teach while enhancing healthy co-existence. The assessment gave rise to three relevant conclusions:

- With regards to the teachers, evidence shows that they identify now those situations that put the students at risk. In addition, teachers are well aware of their rights and have a more

confident attitude about their role.

- The students acknowledge the situations of risk and behaviors which may hurt their well-being as well as self-care and how to prevent and report them. Parts and teachers are also identified as the main protective setting.
- The student's families believe that their children are more open to talk to them, which in turn has improved the relation and led to a healthier setting.

RESULTS OF THE FÉLIX AND SUSANA PROGRAM 2018

(Colombia, El Salvador, Dominican Republic)

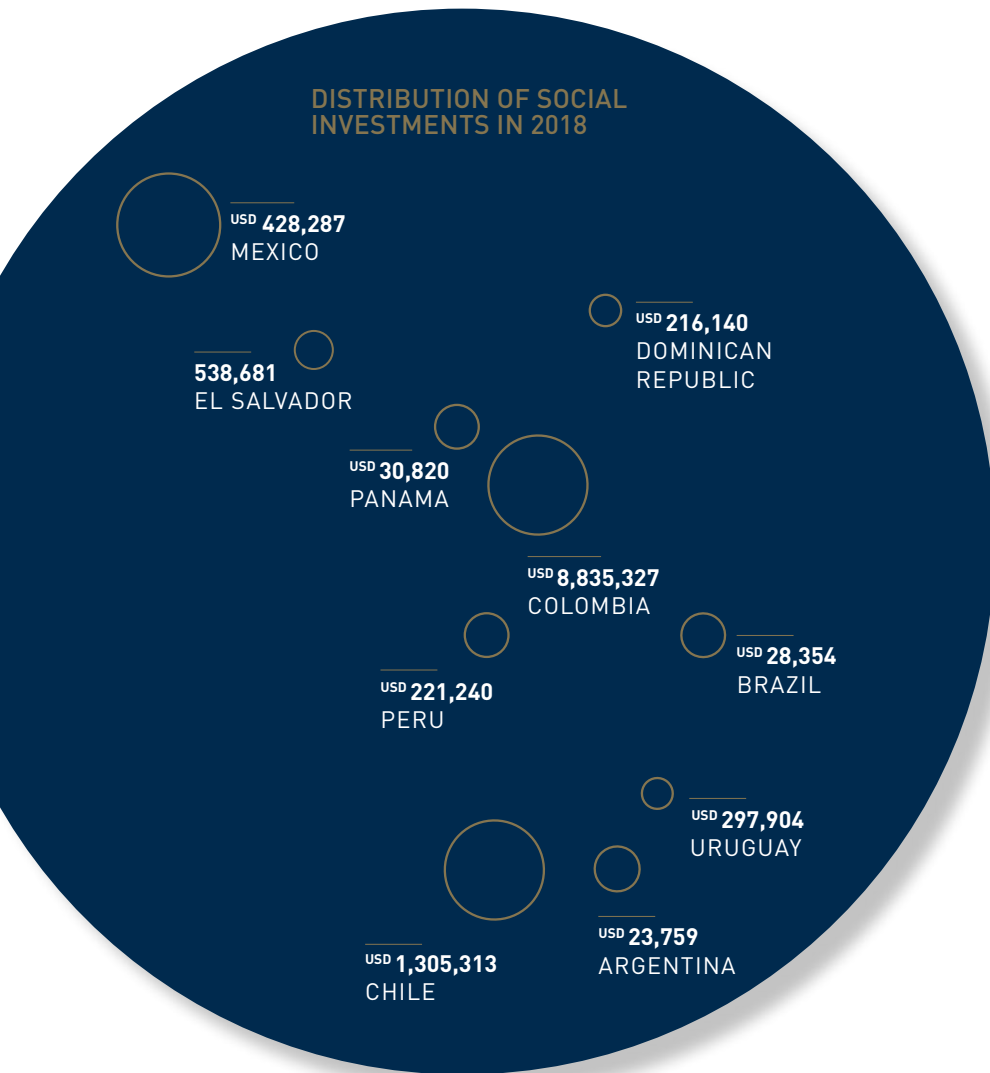
164,000
students benefited

4,753
trained educators

356
educational institutions

INVESTMENT

COP 6,229
MILLION
(USD 2.11 million)



BENEFICIARIES:

2,645,716

people

1,544

organizations

TOTAL INVESTMENT:

USD 11.92 MILLION

(COP 35,257 million)

59%

of social investment, through the Fundación SURA (Colombia, Chile and Mexico)

SURA CORPORATE VOLUNTEERING:

6,205

volunteers

46,599

hours of community work

USD

81,922

(COP 242 million) in quantified work hours

BENEFICIARIES:

60,794

people

185

organizations

The commercial initiatives with a social impact which are directly managed by the companies of the Business Group in the region moved close to COP 10.669 million (USD 3.6 million). Of this total, 24% was channeled to promote healthy life styles, financial, physical and mental health, the culture of aging, safe and sustainable mobility, sports and taking care of the body, among others.

Commitment to art and culture.

Within the investment of matters pertaining to institutional projection, Culture is quite relevant after understanding that this is another clear way of contributing to well-being and to the quality of life of countries.

The Companies and Fundación SURA together contributed a total of COP 9,571 million (USD 3.2 million) which benefitted 1.3 million persons throughout the region. The programs related to training audiences, enhancing cultural entrepreneurship, supporting museums and entities in charge of cultural promotion and heritage conservation.

Fundación SURA's Cultural Promotion line seeks opportunities which enable cultural entities to find feasible paths for their sustainable management, by developing capabilities and enhancing institutions.

In 2018, close to 56,000 persons were benefitted by the work done with 28 allies and an investment of COP 3,044 million (USD 1 million). Two initiatives carried out in 2018 stand out:

► Cultural Entrepreneurships: The purpose is to develop social-corporate and productive skills to qualify the artistic and cultural activity. In alliance with Comfama and Corporación Interactuar, 107 cultural entrepreneurs were benefitted in the region of Urabá in Antioquia, with think tanks and empowerment workshops alongside individual advice on business models, strategic planning, intellectual property, legal advice, finance, marketing and sales. A total of 22 incentives were handed to projects that target improving the cultural activities of this sub-region of the department of Antioquia.

► "Memoria y Creatividad" Initiative: The program completed its 5-year assistance to 288 craftsmen of 11 indigenous communities which participated in the "Memoria y creatividad: An Initiative for Indigenous Businesses". We contributed to enhance and qualify their productive processes as well as the development of their business skills based on their own values and knowledge.

► Culture Appropriation: This backs projects that promote art and culture in the community; the cultural settings are understood as areas to speak with the region where they live.

To learn more about the management of Fundación SURA, please consult its annual report, at fundacionsura.com.

CHALLENGES AND OPPORTUNITIES 2019

- Establish more coordinated and articulated relationships with communities, territories, and social initiatives partners.
- Advancement in the socialization, and homologation, of the work of our social investment, in the ten countries where the Business Group has presence.
- Define short, medium- and long-term goals, and objectives, for the social investment realized by the Group, from its Foundation and the Companies, as well as an advancement, in its articulation and prioritization of stakeholders..
- Transfer to the Fundación SURA, in Chile and Mexico, the Social Management Model Designed, and in the process of being implemented in Colombia, which allows for ordering, prioritizing, investing, managing, measuring, and evaluating efficiently and effectively, the different social strategies.
- Strengthen the articulation with the Human Talent areas of the Companies, so that the Corporate Volunteer program is enhanced as an opportunity for the development of the competences of our employees.
- Document and adequately manage the social knowledge, obtained through the participation in social projects of the Companies, and the Foundation, to improve the effectiveness of their future investments.



- **41.1%** USD 4,901,828 Quality of education
- **27.1%** USD 3,237,475 Promotion of art and culture
- **12.8%** USD 1,529,607 Corporate volunteering
- **9.5%** USD 1,135,915 Well-being
- **6.6%** USD 788,467 Institutional strengthening
- **2.8%** USD 332,533 Humanitarian assistance

07

REPUTATION AND TRUST

KEY INDICATORS

8,476 people were consulted, in 10 countries of Latin America, in the first study of reputation, realized by the firm Invamer Gallup, for the Companies of Grupo SURA, in Latin America.

95.1% IN CONFIDENCE¹
90.4% IN REPUTATION¹ are the indicators of the Companies of the SURA Business Group, in Colombia, the country with the highest rating, in the region.

6 OF 10 COUNTRIES increased the indicator, related to the knowledge and familiarity of the SURA brand, in Latin America.

STAKEHOLDERS RELATED:

- Internal public
- Shareholders and investors
- Means of communication
- Opinion leaders
- Academy
- Suppliers
- State
- Guilds, partnerships, and multilateral organisms
- Community
- Business clients
- Channels of the insurance Companies

MATERIALITY ISSUES

- Reputation, brand, and relationships with stakeholders

SDG RELATED:



103-1 Reputation and trust, are of the strategic pillars of Grupo SURA, understood as, the result of fulfilling the promise of value, based on best practices, based on ethical principles, and the development of long-term relationships with groups of interest.

At SURA, we believe that reputation is a measure of trust, a determining factor in the financial services industry, because it allows more people and organizations to come together to access our solutions and products, those, seeking financial protection, and helping them manage their risks, as well as accompany them throughout the different stages, in their lives and helping them fulfill their goals.

Therefore, an objective, shared by all the Companies of the SURA Business Group, is to secure a culture, around the construction, and care, of our reputation, which becomes tangible in the day-to-day management, based on a common identity, with the commitment of all collaborators.

103-2 Reputation management is based on business practices, which also includes brand management, relationships with stakeholders, the discourse, or the story, of the Organization, and the actions of institutional projections.

COMMUNICATION TRENDS

Changes in the environment also transform the way human beings communicate. Therefore, we have the challenge of understanding these new dynamics, which in addition to new technologies and the media, we have to deal with the expectations of society on the behavior of brands, among other issues.

To this end, in 2018, we began the construction of a radar of trends in communication, which hosted and complemented the methodology of Trends and Risk Management (GTR), of Suramericana. This exercise, counted with the participation of Executives, Communications, and the Brand teams, of SURA Companies, in Latin America, as well as with external experts, in various fields.



The fundamental aspects of communication were initially defined, starting from, understanding it as a complex and dynamic process through which people give meaning to our existence, and permanently transforms culture and society. This means that communication is much more than a technical procedure for the dissemination of messages, in the media.

Based on these fundamentals, and from conversations, workshops, and interviews, transformations, and significant changes, were identified in the field of social communication, which meet in the so-called Trends Radar in Communication, which proposes eight aspects, related to management, in the business world and which, with their respective signs, and pressures, identified, are an important input for the both the management of communication and the Brand, in the Companies of the SURA Business Group (see the graph).

BRAND MANAGEMENT

103-2 Ensuring coherence, consistency, and synergy, in brand management, is part of the permanent challenge of all collaborators, responsible for positioning and protecting the SURA brand, a reflection of our identity.

Therefore, in 2018, the System of Architecture and Brand Governance continued to be strengthened, with the updating of key guidelines, to standardize practices, in the 10 countries. With this same purpose, from the Holding Company, a training plan was developed with virtual and face-to-face activities, in order

- FEATURED FACTS**
- ◇ The first radar of communication trends was realized, with the methodology of Trend and Risk Management (GTR).
 - ◇ In the digital brand architecture component, the comprehensive portals of the businesses, of our subsidiaries, were launched in Mexico, Uruguay, and Colombia.
 - ◇ The Policy Framework for Risk Management and Reputational Crisis was updated and approved, with the reach of the SURA Business Group.
 - ◇ The indicator of knowledge, and familiarity, of the brand, continued to grow, in six of the 10 countries where SURA has a presence.
 - ◇ Grupo SURA's matrix of the stakeholders was updated, in an articulated effort, with various areas of the Organization.
 - ◇ An internal reputation study was realized, regarding the perception of our groups of interest, in the key dimensions and attributes, to best position the Companies.

to strengthen the criteria of the teams, in the region.

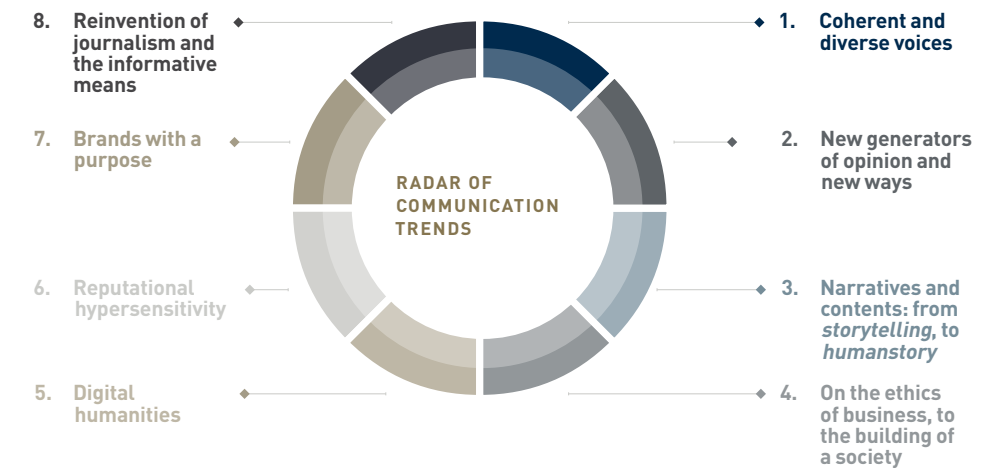
Digital architecture

Likewise, coordinated work was realized, with the subsidiaries, in order to advance the application of the Architecture and Brand Governance Model, into the digital universe, with an emphasis on the countries where the Suramericana and SURA Asset Management businesses, share a presence. In this way, we already have SURA's comprehensive portal, in Mexico and

Uruguay, where the solutions and products portfolios, of both companies, are located, with in these countries. This initiative was also implemented with the Suramericana Businesses, in Colombia, and it is expected to advance to Chile, in 2019.

Analytical capabilities

The Google Analytics 360 tool was implemented throughout the region, for a better understanding of the behavior and needs of the



¹ Corresponds to the results of Grupo SURA and Suramericana and SURA AM Companies in Colombia, weighted by the relevance and contribution of the business to the portfolio.

users of the different SURA websites. It will also initiate the use of this tool, for social networks and digital applications. This project included training activities, with the teams of the different Companies, to standardize key indicators, facing the performance of digital assets.

Featured initiatives

In addition to the campaigns and strategies of the businesses, we share some of the regional projects that contribute to the positioning of SURA:

SURA Summit. This event, led by SURA Asset Management, in its fourth edition, took the presentation "The science of your happiness", by the renowned philosopher and psychologist, Tal Ben-Shahar, to six countries, with more than 7,300 attendees, and 195 thousand connected, via streaming. As part of the tour, the results, of the Barometer of Happiness, were presented, which analyzed factors that determine it, according to the perception of Latin Americans.

Hay Festival. Associated with the historical commitment to art and culture, SURA remained the principal ally, for Latin America, of the Hay Festival, in Cartagena and Medellín (Colombia), Querétaro (Mexico), and Arequipa (Peru). Also, in 2018 we were co-organizers of the first Hay Festival Forum, in Santiago de Chile.

Gabriel García Márquez Journalism Award and Festival.

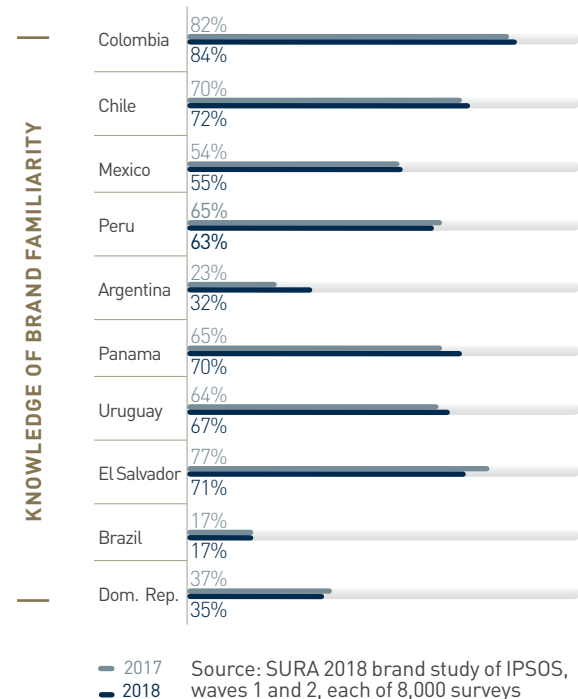
In 2018, the sixth edition of the Gabo Journalism Award and Festival was held, bringing together several of the most important exponents, of

this trade, in Latin America, as well as world experts in the field, with the purpose of reflecting on the challenges and practices of journalists and media, to exalt the best.

Brand awareness

The consistent efforts of the teams of each of the SURA Companies, in the region, contribute to the increase of the brand awareness, as well as the familiarity indicator, in six of the 10 countries where the Company has presence, according to the study contracted through IPSOS, with two semi-annual measurements. It is worth mentioning that in Brazil, Seguros SURA is targeting a denoted market, while the insurer, in El Salvador (Asesuisa), advances a change, in visual identity.

REPUTATIONAL RISK MANAGEMENT



Through understanding the importance of protecting the reputation of the Company, in the face of situational situations to which it can expose itself, in the natural development of its activity, or by disinformation events, SURA updated its Reputational Risk System, in 2018.

New framework policy

The Board of Directors of Grupo SURA approved the Framework Policy for Risk Management and Reputational Crisis, with the reach of Sura Business Group, which updates and defines the aspects that guide the prevention and management of events, that may materialize a reputational risk.

This policy is aligned with the Comprehensive Risk Management System of the Companies. In developing it, there is also a manual that includes guidelines, procedures, mechanisms, instances, activities, and recommendations, to contribute to timely and coordinated action, in the face of an occurrence of reputational junctures.

Training initiatives

In the last year, progress was made, in the formation of local teams, to strengthen the performance criteria of the Reputational Risk Mitigation Committees (COMIR), of the Operating Companies, of Suramericana and SURA Asset Management, as well as to sensitize the internal public, against this risk. The multimedia campaign "Take care of your fingerprint", directed towards collaborators and commercial advisors of the Companies of the Business Group, advances with this intent.

Reputation study

103-3 In 2018, the results of a reputation study, conducted by Inva-mer Gallup, in the 10 countries in which the SURA Business Group has a presence, were obtained. It evaluated the perception of Stakeholders in six dimensions: leadership, corporate governance and business ethics, social and environmental performance, quality of products and services, and employer brand.

This also inquired about the confidence, favor, and recommendations of these audiences, in relationship to our Companies. These are some of results of the study:

- In two countries, the reputation of the Companies of the Group is in the excellent range (greater than 84%), and Colombia stood at a rating of 90.4%¹. Six countries were in the good range (between 75% and 84%), and two in the regular high (between 70% and 74%).
- Within the evaluated dimensions, Solidity and Ethics and Corporate Governance, stand out as the best rated, in most countries.
- In the regional consolidated, the dimensions of greatest relevance, for the groups of interest, were Leadership and Quality of Products and Services.
- Regarding the confidence indicator, the results showed that all of the SURA Companies, in the region, were in the good and excellent ranges, again with Colombia as the country, with the best rating: 95.1%¹.

REPUTATION STUDY SURA - LATAM

COUNTRIES

10

QUANTITATIVE INVESTIGATION:

8,293

surveys

Public consulted: clients, employees, suppliers, channels/advisers and shareholders

QUALITATIVE RESEARCH:

183

interviews

Public consulted: unions, State, academy, Communication media, opinion leaders, institutional investors and the Board of Directors

Recognition that builds reputation

- Grupo SURA, ranked 52, in the world, and 4th, in Latin America, within the organizations considered "The Best Places to Work in the World," according to Forbes magazine.
- Suramericana, seventh among 25 multi-latinas, was highlighted, as the best place to work, according to "The Best Places to Work in the World".
- SURA rose from 8th to 4th place, in the Merco ranking in Colombia, of companies with the best corporate reputation, and also rose from 9th to 7th place, in Merco Talento.
- Afore SURA México, obtained the highest rating from the investment firm, Morningstar, for managing retirement funds..
- The Innovation Team of SURA AM México obtained the 2nd place in the Design Value Award, awarded by the Design Management Institute (DMI).
- Grupo SURA stood out in 10 categories, of the Latin Report, America Executive, (Team-Midcap) of the Institutional Investor Publishing House, which analyzes the best Investor Relations (IR) programs.
- Afore SURA and Seguros SURA México ranked third among 500 companies in the Corporate Integrity ranking, an initiative of the Mexican organization Mexicanos Contra la Corrupción y la Impunidad (Mexicans Against Corruption and Impunity).

- Asesuisa, was recognized as the best positioned insurer, in El Salvador, in the minds of consumers, according to the CID Gallup consultancy.
- Seguros SURA Colombia received the 2018 Portfolio Award, in the Customer Service category, for its advances in interaction and commercialization processes.

CHALLENGES AND OPPORTUNITIES 2019

- Achievement of the exercise of the Trends of Communication Radar, becomes a decision criterion for the management of the Communications and Brand Teams, of the Companies, of the SURA Business Group.
- Strengthening of the Plan for the Training of Communications, Reputation and Brand, as a space to nurture the criteria for action, and decisions, of the teams responsible for its management.
- Strengthening the capabilities of the teams in the region, to close gaps, in the management of reputational risks, under the guidelines of the framework policy with the scope of the SURA Business Group.
- Capitalizing on the findings of the advanced reputation study, with Inva-mer Gallup, as a view to strengthening relationships with stakeholders.
- Developing the capacity to incorporate analytics, as input for knowledge.



Limited and independent verification statement of the Sustainability Report 2018 of Grupo de Inversiones Suramericana S.A.

To the Management of **Grupo de Inversiones Suramericana S.A.:**

Scope

At the request of Grupo de Inversiones Suramericana S.A. (hereinafter Grupo SURA or the Company), we realize the verification procedures for its "Informe de Sostenibilidad 2018" ("Sustainability Report 2018") (hereinafter the report). The objective of this commitment is to obtain a limited level of assurance, with respect to the assertions, and data, related to sustainability performance, and the coverage of the respective matters of importance, within the report.

Our responsibility, in realizing the assurance activities, is solely with the management of Grupo SURA, therefore, we do not accept or assume any responsibility for any other purpose, or in relation to any other person or organization.

The management of Grupo SURA is responsible for the preparation of the Sustainability Report 2018, and its supporting information. This responsibility includes designing, implementing, and maintaining internal controls relevant to the preparation of a sustainability report, that is free of material errors, selecting and applying appropriate reporting principles, and using measurement methods and estimates, that are reasonable, in the different circumstances. Our responsibility is to issue a declaration of

independent verification, based on the procedures, applied in our review.

Limitations of our assurance commitment

The limitations of our assurance commitment are the following:

- ▶ The statements, made by third parties, within the text of the Sustainability Report 2018, related to the performance of **Grupo SURA**, were not included in the scope of our assurance commitment.
- ▶ Both the materiality and the correspondence of the thematic contents, and the material aspects, are not part of the scope of this verification.
- ▶ The principles of the Pacto Global y los Objetivos de Desarrollo Sostenible (ODS) (Global Pact and the Sustainable Development Goals (SDG)) were not part of the verification commitment.

The scope of our work includes the information reported by **Grupo SURA**, in order to validate answers to the thematic contents of the GRI Standards methodological framework, referenced at the end of this document. referenciados al final de este documento.

Criteria of the Assurance Statement

We have realized our revision, in accordance with:



- ▶ The guidelines of the Global Reporting Initiative (GRI), in its GRI Standards version.
- ▶ The manual of non-financial indicators (own indicators) of the SURA Business Group (Grupo Empresarial SURA)
- ▶ The ISAE 3000 Verification Standard (International Standard on Assurance Engagements ISAE 3000), established by the International Auditing and Assurance Board (IAASB) of the International Federation of Accountants (IFAC).

We believe that these criteria are appropriate, given the purpose of our assurance commitment.

Procedures performed

Our procedures were designed with the goal of:

- ▶ Determining that the information, and data presented, in the Sustainability Report 2018, are duly supported by appropriate evidence, in each circumstance.
- ▶ Determining that the Sustainability Report 2018 has been prepared, in accordance with the principles of the GRI Guidelines, in its GRI Standards version, as reported by **Grupo SURA**.
- ▶ Confirming the compliance option, declared by **Grupo SURA**, in its Sustainability Report 2018, according to the GRI guidelines, in its GRI Standards version.

The verification procedures developed were the following:

- ▶ Interviews with the professionals responsible for responding to GRI content, to know, and understand, the process of preparing the Sustainability Report 2018. Also, to obtain documented evidence that supports the information of the contents reported, as well as the information
- ▶ Review of quantitative and qualitative information, relevant to the thematic contents, related to the materiality of **Grupo SURA**, and included in the Sustainability Report 2018.

Our responsibility is limited, exclusively to the aforementioned procedures, corresponding to a limited assurance verification, which serves as the basis for our conclusions.

The scope of this verification is substantially less than that of reasonable security work. Therefore, the security provided is also less. This statement cannot be understood as an audit report, in any case.

Conclusions

Based on the procedures, performed, and in accordance with the criteria of the assurance commitment, we state the following conclusions on the Sustainability Report 2018 of **Grupo SURA**, which should be read in conjunction with the objective and limitations of the assurance commitment, as described above:

- ▶ We are not aware of aspects, related to the performance of Grupo SURA, that have been excluded from the Sustainability Report 2018, for the verified contents.
- ▶ We are not aware of important aspects, excluded from the **SURA Group's** judgments, regarding the content of the 2018 Sustainability Report.
- ▶ We are not aware of significant errors, in the assertions made by the management of **Grupo SURA**, in the Sustainability Report 2018.
- ▶ It has not revealed any aspect that leads us to believe that the information and data, published in the Sustainability Report 2018 of **Grupo SURA**, are not presented correctly.
- ▶ It has not revealed any aspect that makes us believe that the Sustainability Report 2018 of **Grupo SURA** has not been prepared, in accordance with the GRI Standards version .
- ▶ It has not revealed any aspect that leads us to believe that the "Essential" compliance option, declared by Grupo SURA ,does not meet the requirements for such level, as established in the GRI Standards Guidelines .

Themed content verified:

Subject matter	GRI Standard / DJSI criteria	GRI content
Corporate Governance	Socioeconomic compliance	GRI 419-1
Business development, long-term relationship with clients	Economic performance	GRI 201-1
	Financial inclusion	DJSI 3.9.1
	Measurement and Impact	DJSI 3.9.2
Attract, develop, and retain human talent, business culture, health and safety in the Work Place	Employment	GRI 401-1
	Employee-company relations	GRI 402-3
	Health and Safety at Work - SST	GRI 403-2
	Training and education	GRI 404-1
	Investment in training and development	DJSI 3.4.1
	Type of evaluation of individual performance	DJSI 3.5.1
	Employee turnover rate	DJSI 3.5.3
	Absenteeism rate	DJSI 3.7.2
Reputation, brand and interest groups	Strengthening reputation and brand	IP5
Environmental impact management	Energy	GRI 302-1
		GRI 302-4
	Water	GRI 303-1
	Emissions	GRI 305-1
		GRI 305-2
		GRI 305-3
		GRI 305-5
Effluents and waste	GRI 306-2	

Subject matter	GRI Standard / DJSI criterial	GRI content
	Environmental compliance	GRI 307-1
	Environmental reports	DJSI 2.1.2
	Direct GHG emissions (Scope 1)	DJSI 2.3.1
	Indirect GHG emissions (Scope 2)	DJSI 2.3.2
	Energy	DJSI 2.3.3
	Water	DJSI 2.3.4
Social investment	Waste	DJSI 2.3.5
	Social reports	DJSI 3.1.2
	Philanthropic activity	DJSI 3.6.2
	Commitment to sustainable development	IP9
		IP10
		IP11
		IP12
IP13		

Cordially,

ORIGINAL SIGNED

Felipe A. Jánica Vanegas
Lead Partner FAAS - CCaSS in Latin America

CONSOLIDATED FINANCIAL STATEMENTS

RESPONSIBILITIES OF THE DIRECTORS OVER THE ACCOUNTS

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

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

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

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



DAVID BOJANINI GARCÍA
Chief Executive Officer Grupo SURA



LUIS FERNANDO SOTO SALAZAR
Public Accountant
Professional Card 16951-T

Check out the full version of the Consolidated Financial Statements of Grupo SURA 2018 with their respective notes.

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Said affirmations, explicit and implicit, are the following:

- ▶ **Existence:** The assets and liabilities of Grupo de Inversiones Suramericana S.A., exist on the cut-off date and the transactions recorded, have been realized, during the year.
- ▶ **Integrity:** All economic events have been recognized.
- ▶ **Rights and obligations:** The assets represent probable future economic benefits, and the liabilities represent probable future economic sacrifices, obtained or under the charge of Grupo de Inversiones Suramericana S.A., on the cut-off date.
- ▶ **Valuation:** All elements have been recognized, in the appropriate amounts.
- ▶ **Presentation and disclosure:** Economic events have been correctly classified, described, and disclosed.

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



DAVID BOJANINI GARCÍA
Chief Executive Officer Grupo SURA



LUIS FERNANDO SOTO SALAZAR
Public Accountant
Professional Card 16951-T

AUDITOR'S REPORT



To the shareholders of:
Grupo de Inversiones Suramericana S.A.

REPORT ON THE FINANCIAL STATEMENTS

I have audited the attached Consolidated Financial Statements of Grupo de Inversiones Suramericana S.A., which are comprised by the Consolidated Statement of Financial Position, at December 31, 2018, and the corresponding Consolidated Income Statement, Comprehensive Income Statement, Changes in Equity Statement, and the Statement of Cash Flows, for the year ended, on that date, as well as the summary of significant accounting policies and other explanatory Notes.

THE RESPONSIBILITIES OF MANAGEMENT, REGARDING THE FINANCIAL STATEMENTS

The Administration is responsible for the preparation, and proper presentation, of the Consolidated Financial Statements, in accordance with the Accounting and Financial Information Standards, accepted in Colombia (NCIF); to design, implement, and maintain internal controls, relevant to the preparation, and correct presentation, of the Financial Statements, free of material errors, whether due to fraud or error, to select and apply the appropriate accounting policies, and, to establish reasonable accounting estimates in all circumstances.

RESPONSIBILITY OF THE AUDITOR

My responsibility is to express an opinion, on the aforementioned Financial Statements, based on my audit. I have conducted my audit, in accordance with International Auditing Standards, accepted in Colombia. Said standards, require that I, comply with ethical requirements, plan and carry out my audit, in order to obtain reasonable assurance, as to whether the Financial Statements, are free of material errors.

An audit includes developing procedures, to obtain the audit evidence that supports the figures and disclosures, in the Financial Statements. The procedures selected, depend on the Auditor's Professional Judgment, including the assessment of the risk of material errors, in the Financial Statements. In the process of evaluating these risks, the Auditor considers the internal controls, relevant to the preparation, and presentation, of the Financial Statements, in order to design the audit procedures, that are appropriate in all circumstances. Likewise, included, is an evaluation of

Translation into English of the original version signed in Spanish.

the accounting policies adopted and the estimations of importance, effected by the Administration, as well as in the presentation, as a whole, of the Financial Statements.

I consider that the audit evidence obtained, provides a reasonable basis for my opinion.

OPINION

In my opinion, the accompanying Consolidated Financial Statements, reasonably present, in all material aspects of importance, the Company's Financial Position, at December 31, 2018, both of the results of its operations and cash flows, for the year, ended on that date. In accordance with the Accounting and Financial Information Standards, accepted in Colombia.

OTHER MATTERS

The Consolidated Financial Statements, under the Accounting and Financial Reporting Standards, accepted in Colombia, of Grupo de Inversiones Suramericana S.A., at December 31, 2017, which are part of the comparative information of the accompanying Consolidated Financial Statements, were audited by me, in accordance with International Auditing Standards, accepted in Colombia, and upon which, I expressed my opinion, without reservation, on February 26, 2018.

ORIGINAL SIGNED

Mariana Milagros Rodríguez

Auditor

Professional Card 112752-T

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

Medellin, Colombia

February 28, 2019

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2018 [with comparative figures at December 31, 2017]

(Values expressed in millions of Colombian pesos)

	Note	December 2018	December 2017
Assets			
Cash and cash equivalents	7- 8.1	1,878,040	1,575,609
Investments	8.1	22,696,482	26,923,245
Trade and other accounts receivable	8.1	6,547,376	6,213,746
Accounts receivable, related parties	8.1	102,081	39,726
Technical reserves of insurance, reinsurer parties	10.1	3,562,157	3,214,320
Inventories	11	10,886	14,347
Current tax assets	12	308,039	235,212
Non-current assets held for sale	18	5,539,261	36,711
Other financial assets	8.1-13	318,287	145,709
Other non-financial assets	21.1	144,323	112,460
Investment properties	14	156,847	1,031,538
Properties and equipment	15	1,235,912	1,154,229
Intangible assets other than goodwill	16.2	4,397,823	4,532,439
Goodwill	16.1	4,798,703	4,768,779
Investments accounted for using the equity method	17.2	19,170,040	18,833,942
Deferred tax assets	12	207,115	161,246
Total assets		71,073,372	68,993,258
Liabilities			
Other financial liabilities	8.3	2,141,755	2,206,008
Trade and other accounts payable	8.3	3,253,165	2,866,570
Accounts payable to related entities	8.3	77,348	2,378
Technical reserves	10.4	22,199,074	26,195,224
Current tax liabilities	12	580,672	546,782
Provisions for employee benefits	20	539,787	500,099
Non-current liabilities held for sale	18	4,871,855	-
Other non-financial liabilities	21.2	594,311	606,608
Other provisions	22.1	249,558	307,294
Securities issued	8.3, 23	8,305,019	7,836,685
Deferred tax liabilities	12	1,359,916	1,699,049
Total liabilities		44,172,460	42,766,697

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2018 [with comparative figures at December 31, 2017]

(Values expressed in millions of Colombian pesos)

	Note	December 2018	December 2017
Equity			
Share capital issued	24.1	109,121	109,121
Share premium	24.2	3,290,767	3,290,767
Net income		1,182,880	1,256,254
Retained earnings		13,465,897	12,955,902
Other equity interest	26	2,519,357	2,765,373
Reserves	24.3	3,905,725	3,452,104
Equity attributable to the holders of the controlling interest		24,473,747	23,829,521
Non-controlling interest	27	2,427,165	2,397,040
Total equity		26,900,912	26,226,561
Total assets and liabilities		71,073,372	68,993,258

The Notes are an integral part of the Financial Statements.



DAVID BOJANINI GARCÍA
Legal Representative



LUIS FERNANDO SOTO SALAZAR
Accountant - T.P. 16951-T



MARIANA MILAGROS RODRÍGUEZ
Auditor - T.P. 112752-T
Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 28, 2019)

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED INCOME STATEMENT

Year that ended on December 31, 2018 (with comparative figures at December 31, 2017)
 (Values expressed in millions of Colombian pesos except net earnings per share)

	Note	December 2018	December 2017
Premiums issued	10.2	13,264,954	13,562,047
Premiums		12,936,557	13,265,768
Complementary insurance services		328,397	296,279
Premiums ceded	10.2	(2,530,106)	(2,355,413)
Retained premiums (net)		10,734,848	11,206,634
Commission income	29.1	2,503,860	2,352,154
Provision of services	30.1	3,407,145	2,809,297
Dividends	31	5,824	27,125
Investment income	31	1,040,699	856,116
Earnings at fair value	31	415,179	676,650
Profit from interest, the Equity Method, associates	17.2	1,058,183	1,051,408
Profits from the sale of investments	31	13,953	126,187
Income from investment properties	14	24,259	30,884
Other income	32.1	269,196	334,726
Total income		19,473,146	19,471,181
Total claims	10.3	(7,616,796)	(8,123,121)
Reimbursement claims	10.3	1,748,992	1,824,359
Retained claims		(5,867,804)	(6,298,762)
Production reserves, net	10	(678,355)	(1,127,816)
Costs for the provision of services	30.2	(3,239,205)	(2,669,022)
Administrative expenses	34	(1,748,422)	(1,807,484)
Employee benefits	20.4	(1,893,291)	(1,805,360)
Fees	35	(840,794)	(743,264)
Broker commissions	29.2	(1,770,630)	(1,741,205)
Amortization	16	(277,283)	(288,361)
Depreciation	15	(83,801)	(78,584)
Other expenses	32.2	(512,223)	(416,355)
Interest	31	(625,240)	(638,632)
Exchange differences (net)	31	(233,287)	(71,445)
Impairment		(23,171)	(16,836)
Total expenses		(17,793,506)	(17,703,126)

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED INCOME STATEMENT

Year ended on December 31, 2018 (with comparative figures at December 31, 2017)
 (Securities expressed in millions of Colombian pesos except Net income per share expressed in Colombian pesos)

	Note	December 2018	December 2017
Pre-tax profits		1,679,640	1,768,055
Income tax	12	(273,289)	(460,849)
Profit, net continuing operations		1,406,351	1,307,206
Profit, net discontinued operations	18	(63,063)	147,410
Neta profit		1,343,288	1,454,616
Controlling income		1,182,880	1,256,254
Non-controlling income	27	160,408	198,362
Earnings per share			
Net income per share	35, 36	2,522	2,678

The Notes are an integral part of the Financial Statements.



DAVID BOJANINI GARCÍA
 Legal Representative



LUIS FERNANDO SOTO SALAZAR
 Accountant - T.P. 16951-T



MARIANA MILAGROS RODRÍGUEZ
 Auditor - T.P. 112752-T
 Designated by Ernst & Young Audit S.A.S. TR-530
 (See my report of February 28, 2019)

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Year ending on December 31, 2018 (with comparative figures December 31, 2017)

(Values expressed in millions of Colombian pesos)

	Note	December 2018	December 2017
Profit for the period		1,343,288	1,454,616
Other comprehensive income, losses of investments in equity instruments, net of taxes	26	(5,793)	(92)
Other comprehensive income, profit from revaluation, net of taxes	26	17,587	137,402
Other comprehensive income, losses from new measurements of defined benefit plans, net of taxes	26	370	(11,740)
Total other comprehensive income that will not be reclassified to the results of the period, net of taxes		12,164	125,570
Profit (loss) for translation exchange differences, net of taxes	26	(1,999)	696,287
Loss for cash flow hedges, net of taxes	26	(99,165)	3,233
Profit from hedges of derivatives of net investments abroad, net of taxes	26	615	-
Participation of other comprehensive income of associates and joint ventures, accounted for using the equity method, that will be reclassified to income for the period, net of taxes	26	(173,913)	121,520
Total other comprehensive income that will be reclassified to the results		(274,462)	821,040
Total other comprehensive income		(262,298)	946,610
Total comprehensive income		1,080,990	2,401,226
Comprehensive income attributable to:			
Controlling interest		936,864	2,107,658
Non-controlling interest		144,126	293,568


The Notes are an integral part of the Financial Statements.



DAVID BOJANINI GARCÍA
Legal Representative



LUIS FERNANDO SOTO SALAZAR
Accountant - T.P. 16951-T



MARIANA MILAGROS RODRÍGUEZ
Auditor - T.P. 112752-T
Designated by Ernst & Young Audit S.A.S. TR-530
(Véase mi informe del 28 de febrero de 2019)

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ending on December 31, 2018 (with comparative figures December 31, 2017)

(Values expressed in millions of Colombian pesos)

	Issued capital	Share premium	Retained earnings	Other interest in equity (OCI)	Occasional Reserve	Legal reserve	Total reserves	Net income	Equity attributable to controlling interest	Non-controlling interests	Total equity
Balance at January 1, 2017	Note 107,882	3,307,663	12,302,406	1,913,969	3,446,050	138,795	3,584,845	1,444,463	22,661,228	2,734,599	25,395,827
Issuance of shares	1,239	209,189	-	-	-	-	-	-	210,428	99	210,527
Other comprehensive income	26	-	-	851,404	-	-	-	-	851,404	95,206	946,610
Reserves for revaluation of property and equipment	-	-	-	111,897	-	-	-	-	111,897	25,505	137,402
Adjustment for translation of net foreign investments	-	-	-	627,581	-	-	-	-	627,581	68,706	696,287
Financial instruments with changes to the OCI	-	-	-	(1,275)	-	-	-	-	(1,275)	1,183	(92)
Losses from new measurements of defined benefit plans, net of taxes	-	-	-	(9,735)	-	-	-	-	(9,735)	(2,005)	(11,740)
The equity method of associates, recognized in equity	-	-	-	119,923	-	-	-	-	119,923	1,597	121,520
Hedges of cash flows of derivative instruments	-	-	-	3,013	-	-	-	-	3,013	220	3,233
Net income	-	-	-	-	-	-	-	1,256,254	1,256,254	198,362	1,454,616
Total net comprehensive income for the period	-	-	-	851,404	-	-	-	1,256,254	2,107,658	293,568	2,401,226
Transfer to retained earnings	-	-	1,444,463	-	-	-	-	(1,444,463)	-	-	-
Dividends recognized as distributions to shareholders (488 pesos per share)	-	-	(280,780)	-	-	-	-	-	(280,780)	(100,732)	(381,512)
Donations for social projects	-	-	(5,000)	-	-	-	-	-	(5,000)	(821)	(5,821)
Reserves for protection of investments	24	-	(549,701)	-	549,701	-	549,701	-	-	3	3
Excess paid in the acquisition of non-controlling interests	27	-	-	-	(682,442)	-	(682,442)	-	(682,442)	(396,615)	(1,079,057)
Minimum dividends, preference shares	25	-	(226,085)	-	-	-	-	-	(181,137)	-	(181,137)
Increases (decreases) from other equity changes	-	-	(434)	-	-	-	-	-	(434)	(133,061)	(133,495)
Balance at December 31, 2017	109,121	3,290,767	12,955,902	2,765,373	3,313,309	138,795	3,452,104	1,256,254	23,829,521	2,397,040	26,226,561

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ending on December 31, 2018 (with comparative figures December 31, 2017).
(Values expressed in millions of Colombian pesos)

	Issued capital	Share premium	Retained earnings	Other equity Participation (OCI)	Legal reserves	Occasional reserves	Total reserves	Net income	Equity attributable to controlling interest	Non-controlling interests	Total equity
Balance at January 1, 2018	Note 109,121	3,290,767	12,955,902	2,765,373	138,795	3,313,309	3,452,104	1,256,254	23,829,521	2,397,040	26,226,561
Other comprehensive result	26	-	-	(246,016)	-	-	-	-	(246,016)	(16,282)	(262,298)
Reserve for revaluation of properties and equipment	-	-	-	14,943	-	-	-	-	14,943	2,644	17,587
Adjustment for conversion of net investment abroad	-	-	-	1,987	-	-	-	-	1,987	(3,986)	(1,999)
Financial instruments with changes to the OCI	-	-	-	(5,641)	-	-	-	-	(5,641)	(152)	(5,793)
Losses due to new measurements of defined benefit plans net of taxes	-	-	-	336	-	-	-	-	336	34	370
Participation method associated recognized in the equity	-	-	-	(174,226)	-	-	-	-	(174,226)	313	(173,913)
Coverage of flows - Derivative instruments	-	-	-	(83,914)	-	-	-	-	(83,914)	(15,251)	(99,165)
Net investment coverage abroad	-	-	-	499	-	-	-	-	499	116	615
Earnings from the year	-	-	-	-	-	-	-	1,182,880	1,182,880	160,408	1,343,288
Total Net Income for the period	-	-	-	(246,016)	-	-	-	1,182,880	936,864	144,126	1,080,990
Transfer to accumulated earnings	-	-	1,256,254	-	-	-	-	(1,256,254)	-	-	-
Distribution of results 2017	-	-	-	-	-	-	-	-	-	-	-
Dividends recognized as distributions to owners (518 pesos per share)	25	-	(301,464)	-	-	-	-	-	(301,464)	(104,704)	(406,168)
Reserves for investment protection	24	-	(453,621)	-	-	453,621	453,621	-	-	-	-
Application effect new accounting standards	27	-	(5,438)	-	-	-	-	-	(5,438)	(704)	(6,142)
Dividend minimum preference shares	-	-	30,471	-	-	-	-	-	30,471	-	30,471
Increases (decreases) due to other changes, Equity	-	-	(16,207)	-	-	-	-	-	(16,207)	(8,593)	(24,800)
Balance at December 31, 2018	109,121	3,290,767	13,465,897	2,519,357	138,795	3,766,930	3,905,725	1,182,880	24,473,747	2,427,165	26,900,912

The Notes are an integral part of the Financial Statements.



DAVID BOJANINI GARCÍA
Legal Representative



LUIS FERNANDO SOTO SALAZAR
Accountant - T.P. 112752-T



MARIANA MILAGROS RODRÍGUEZ
Auditor - T.P. 112752-T
Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 28, 2019)

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED CASH FLOWS STATEMENT

Year that ended on December 31, 2018 (with comparative figures at December 31, 2017)
(Values expressed in millions of Colombian pesos)

	Note	December 2018	December 2017
Period utility		1,343,288	1,454,616
Adjustments to reconcile net income			
Adjustments for income tax expenses	12	273,289	460,849
Adjustments for financial costs		577,453	634,599
Adjustments for decreases (increases) in inventories		3,461	(512)
Adjustments for decreases (increases) in accounts receivable, insurance activity		(66,551)	(653,824)
Adjustments for the decrease of accounts receivable from trade sources		(279,248)	(151,076)
Adjustments for increases in other accounts receivable from operating activities		24,704	13,149
Adjustments for the increase of accounts payable from trade sources		118,321	65,363
Adjustments for the increase (decrease) in accounts payable, insurance activity		266,404	212,318
Adjustments for depreciation and amortization expenses		550,377	540,015
Adjustments for impairment of value recognized in the profit and loss for the period		23,171	16,836
Adjustments for provisions		(17,128)	142,380
Adjustments for unrealized losses from foreign currency		(1,665,921)	(1,321,279)
Adjustments for fair value profit		(426,958)	(733,096)
Adjustments for undistributed profits from the application of the equity method	17	(1,058,184)	(1,051,408)
Other adjustments from items other than cash (Assessments of investments at amortized cost)		(149,041)	85,959
Adjustments for losses (Profit s) from the disposal of non-current assets		(658,253)	(434)
Other adjustments for the impact on cash are cash flows from investments or financing (Valuation of investments at fair value)		(1,052,703)	(971,308)
Variations of reserves		(4,343,987)	(348,959)
Total adjustments to reconcile net income		(7,880,792)	(3,060,426)
Net cash flows from operations		(6,537,504)	(1,605,810)
Dividends received, associates		438,236	527,785
Income tax paid (reimbursed)		(552,882)	(402,223)
Other non-financial assets		(96,606)	213,781
Net cash flows from operating activities		(6,748,756)	(1,266,465)
Cash flows from (used in) investment activities			
Cash flows from the loss of control of subsidiaries or other businesses		18,790	-
Cash flows used to obtain control of subsidiaries or other businesses		(2,069)	(1,082,705)
Other charges from the sale of equity or debt instruments of other entities		14,290,428	12,184,711
Other payments to acquire equity or debt instruments of other entities		(9,869,502)	(10,567,069)
Imports from the sale of property, plant and equipment		41,387	85,186
Purchase of property and equipment		(149,317)	(134,545)

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED CASH FLOWS STATEMENT

Year that ended on December 31, 2018 [with comparative figures at December 31, 2017]

(Values expressed in millions of Colombian pesos)

	Note	December 2018	December 2017
Amounts from sales of intangible assets		36,863	136,282
Purchase of intangible assets		(313,222)	(298,233)
Resources for sales of other long-term assets		837,901	407,725
Purchases of other long-term assets		(416)	(320,112)
Payments derived from forward, forward, options, and swap contracts (swaps)		(268,811)	(81,018)
Collections from future contracts, forward contracts, options, and swap agreements (swaps)		10,074	86,158
Dividends received Financial instruments	8.1	1,507	607
Interest received		856,530	692,173
Net cash flows from (used in) investment activities		5,490,144	1,109,161
Cash flows from financing activities			
Amounts from the issuance of shares		30,471	29,390
Proceeds from loans		5,312,758	4,440,372
Loan repayments		(2,976,655)	(3,774,639)
Payment of financial lease liabilities		(11,810)	(949)
Dividends paid	13	(331,136)	(447,078)
Interest paid		(462,523)	(556,687)
Other cash inflows (outflows)			(24,463)
Net cash flows from financing activities		1,561,106	(334,054)
Increase (decrease) liabilities, net of cash and cash equivalents, before impact of changes in the exchange rate		302,431	(491,350)
Impact of variations in the exchange rate on cash and cash equivalents			
Net increase in cash and cash equivalents		302,431	(491,350)
Cash and cash equivalents at the beginning of the period	7	1,575,609	2,066,959
Cash and cash equivalents at the end of the period	7	1,878,040	1,575,609


The Notes are an integral part of the Financial Statements.



DAVID BOJANINI GARCÍA
Legal Representative



LUIS FERNANDO SOTO SALAZAR
Accountant - T.P. 16951-T



MARIANA MILAGROS RODRÍGUEZ
Auditor - T.P. 112752-T
Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 28, 2019)

FINANCIAL
STATEMENTS

► Separate



SEPARATE FINANCIAL STATEMENTS

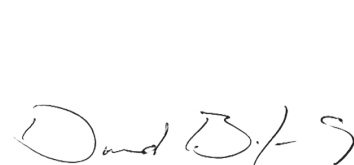
| RESPONSIBILITIES OF THE DIRECTORS OVER THE ACCOUNTS |

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

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

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

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



DAVID BOJANINI GARCÍA
President



LUIS FERNANDO SOTO SALAZAR
Certified Public Accountant
Professional Card 16951-T

Check out the full version of the Separated Financial Statements of Grupo SURA 2018 with their respective notes.

| CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS |

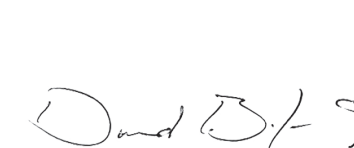
The undersigned Legal Representative and Public Accountant, under whose responsibility the Consolidated Financial Statements were prepared, certify:

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

Said affirmations, explicit and implicit, are the following:

- ▶ **Existence:** The assets and liabilities of Grupo de Inversiones Suramericana S.A., exist on the cut-off date and the transactions recorded, have been realized, during the year.
- ▶ **Integrity:** All economic events have been recognized.
- ▶ **Rights and obligations:** The assets represent probable future economic benefits, and the liabilities represent probable future economic sacrifices, obtained or under the charge of Grupo de Inversiones Suramericana S.A., on the cut-off date.
- ▶ **Valuation:** All elements have been recognized, in the appropriate amounts.
- ▶ **Presentation and disclosure:** Economic events have been correctly classified, described, and disclosed.

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



DAVID BOJANINI GARCÍA
President



LUIS FERNANDO SOTO SALAZAR
Public Accountant
Professional Card 16951-T

AUDITOR'S REPORT

To the shareholders of:
Grupo de Inversiones Suramericana S.A.



REPORT ON THE FINANCIAL STATEMENTS

I have audited the attached Separate Financial Statements of Grupo de Inversiones Suramericana S.A., which are comprised by the Separate Statement of Financial Position, at December 31, 2018, and the corresponding Separate Income Statement, Comprehensive Income Statement, Changes in Equity Statement, and the Statement of Cash Flows, for the year ended, on that date, as well as the summary of significant accounting policies and other explanatory Notes.

THE RESPONSIBILITIES OF MANAGEMENT, REGARDING THE FINANCIAL STATEMENTS

The Administration is responsible for the preparation, and proper presentation, of the Separate Financial Statements, in accordance with the Accounting and Financial Information Standards, accepted in Colombia (NCIF); to design, implement, and maintain internal controls, relevant to the preparation, and correct presentation, of the Financial Statements, free of material errors, whether due to fraud or error, to select and apply the appropriate accounting policies, and, to establish reasonable accounting estimates in all circumstances.

RESPONSIBILITY OF THE AUDITOR

My responsibility is to express an opinion, on the aforementioned Financial Statements, based on my audit. I have conducted my audit, in accordance with International Auditing Standards, accepted in Colombia. Said standards, require that I, comply with ethical requirements, plan and carry out my audit, in order to obtain reasonable assurance, as to whether the Financial Statements, are free of material errors.

An audit includes developing procedures, to obtain the audit evidence that supports the figures and disclosures, in the Financial Statements. The procedures selected, depend on the Auditor's Professional Judgment, including the assessment of the risk of material errors, in the Financial Statements. In the process of evaluating these risks, the Auditor considers the internal controls, relevant to the preparation, and presentation, of the Financial Statements, in order to design the audit procedures, that are appropriate in all circumstances. Likewise, included, is an evaluation of the accounting policies adopted and the estimations of importance, effectuated by the Administration, as well as in the presentation, as a whole, of the Financial Statements.

I consider that the audit evidence obtained, provides a reasonable basis for my opinion.

OPINION

In my opinion, the accompanying Separate Financial Statements, reasonably present, in all material aspects of importance, the Company's Financial Position, at December 31, 2018, both of the results of its operations and cash flows, for the year, ended on that date. In accordance with the Accounting and Financial Information Standards, accepted in Colombia.

OTHER MATTERS

The Separate Financial Statements, under the Accounting and Financial Reporting Standards, accepted in Colombia, of Grupo de Inversiones Suramericana S.A., at December 31, 2017, which are part of the comparative information of the accompanying Separate Financial Statements, were audited by me, in accordance with International Auditing Standards, accepted in Colombia, and upon which, I expressed my opinion, without reservation, on February 26, 2018.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Fundamental to the scope of my audit, I am unaware of situations indicative of non-compliance with the following obligations of the Company: 1) Keep the Meeting Minutes Books, Registry of Shareholders and Accounting, according to legal standards and accounting techniques; 2) Develop the operations, in accordance with the statutes and decisions, of the Shareholders' Meeting and Board of Directors, and the norms regarding the comprehensive social security system; and 3) Conserve the correspondence and receipts of accounts. Additionally, there is a concordance, between the accompanying Financial Statements and the Accounting Information, included in the Management Report, prepared by the Company's Administration, which includes the Administration's evidence, over the free circulation of endorsed invoices, issued by the sellers or suppliers. The report correspondent to the requirements of Article 1.2.1.2 of Decree 2420 of 2015, was issued separately, on February 28, 2019.

ORIGINAL SIGNED

Mariana Milagros Rodríguez

Auditor

Professional Card 112752-T

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

Medellin, Colombia
February 28, 2019

PROJECT OF DISTRIBUTION OF EARNINGS
GRUPO DE INVERSIONES SURAMERICANA S.A. (THE COMPANY)

I. DESTINATION OF PROFITS 2018

Taking into account the balance, shown by the Profit for the Year, in the Statement of Financial Position, for 2018, the following allocation of earnings is proposed:

Profit for the year	\$648,595,255,598.00
Release of the reserve, for social benefit projects, constituted in 2018	\$5,500,000,000.00
Occasional reserves	\$654,095,255,598.00

II. APPROPRIATION OF THE OCCASIONAL RESERVE

1. Proposal

Appropriating the non-taxed component of the occasional reserve, constituted with profits, generated until December 31, 2016, to be distributed as follows:	\$325,862,651,400.00
As dividends	\$320,087,651,400.00
Constitution of reserve, for projects of social benefit	\$5,775,000,000.00

2. Form and date of payment

The dividend, to be distributed to shareholders, comes from dividends paid to the Company, by its subordinates and associates, will be five hundred and fifty pesos (COP \$ 550.00), per share on 581,977,548 ordinary and preference shares, will be caused, once it is declared, by the Assembly General Shareholders, and will be 100% non-taxable for the shareholder, neither by way of income, nor as an occasional gains, as established in Articles 48 and 49 of the Tax Statute.

Considering the quality of retaining agent, that the Company has, in the municipality of Medellín, in relation to industry and commerce tax ("ICA"), shareholders who are subject to withholding, for this tax, will be paid the dividend, in cash, once the value of the retention is discounted.

The dividend will be paid in cash as follows:

One hundred and thirty-seven pesos and fifty cents (COP \$ 137.50), for each share on the following dates: April 12, 2019, July 2, 2019, October 1, 2019, and January 2, 2020.

3. Ex-dividend period

The ex-dividend period will be, between the first trading day of the payment of the dividends, and the 4 trading days, immediately prior to such date. Any trading of shares, that is realized, during the ex-dividend period, will be without dividends for the buyer.

February 28, 2019

ANNEX TO THE BALANCE AT DECEMBER 31, 2018

ARTICLE 446 OF THE CODE OF COMMERCE. Expressed in thousands of COP

1 PROJECTS IN FAVOR OF MANAGING PERSONNEL

Membership fees of the Board of Directors	909,900
Salaries and social benefits of Directive Personnel	10,712,466

Travel expenses, representation expenses, bonuses, transportation and other compensation of Directors

There are no direct payments for these concepts. The Company assumes, directly, the necessary expenses for these items, for the performance of its functions.

Notes

1. For the trips, made by the Executives, to the different offices, in performing their duties, the Company pays hotel bills, transportation, and other necessary expenses.

2. For the hosting of visitors, from outside and inside the country, the Company recognizes the value of the respective accounts.

2 FEES FOR PROFESSIONAL AND TECHNICAL CONSULTANCY **8,526,351**

3 FEES FOR FISCAL REVIEW AND EXTERNAL AUDIT **388,033**

4 PROPERTY AND OBLIGATIONS ABROAD

Available USD 118	389,143
Investments in other National or Foreign Companies	
See further details, in the Notes to the Separate Financial Statements	28,398,210,757

5 TRANSFER OF MONEY AND OTHER PROPERTY TO FREE **5,500,000**

6 ADVERTISING EXPENSES **2,023,455**

7 REPRESENTATION EXPENSES **1,648,165**

GRUPO DE INVERSIONES SURAMERICANA S.A.

SEPARATE STATEMENT OF FINANCIAL POSITION

At December 31, 2018 (with comparative figures at December 31, 2017)

(Expressed as millions of Colombian Pesos)

	Note	December 2018	December 2017
Assets			
Cash and cash equivalents	6	9,241	67,796
Investments	7.1	13,717	17,664
Trade and other account receivables	7.1	9,831	19,824
Accounts receivable related parties and associates	7.1	101,569	39,450
Current tax assets	9	14,854	-
Deferred tax assets	9	70,462	-
Other financial assets	8	144,379	76,674
Other non-financial assets		244	244
Property and equipment	10	25,178	25,984
Investments in associates	11	14,392,657	14,395,418
Investments in subsidiaries	11	13,991,836	13,119,248
Total assets		28,773,968	27,762,302
Liabilities			
Other financial liabilities	7.2	1,004,140	1,216,979
Provisions for employee benefits	13	20,698	33,369
Other provisions	14	3,470	205,035
Trade and other accounts payable	7.2	4,294	14,687
Accounts payable to related parties	7.2	116,291	1,664,427
Current tax liabilities	9	-	33,338
Securities issued	7.2 - 15	4,549,684	1,779,793
Deferred tax liabilities	9	-	39,554
Total liabilities		5,698,577	4,987,182

GRUPO DE INVERSIONES SURAMERICANA S.A.


SEPARATE STATEMENT OF FINANCIAL POSITION

At December 31, 2018 (with comparative figures at December 31, 2017)

(Expressed as millions of Colombian Pesos)

	Nota	Diciembre 2018	Diciembre 2017
Equity			
Share capital issued	16.1	109,121	109,121
Share premiums	16.2	3,290,767	3,290,767
Retained earnings		11,760,980	11,799,493
Other comprehensive income interest	18	1,203,532	1,211,878
Reserves	16.3	6,062,398	5,608,777
Profit for the period		648,593	755,085
Total equity		23,075,391	22,775,121
Total equity and liabilities		28,773,968	27,762,303

The Notes are an integral part of these Financial Statements.



DAVID BOJANINI GARCÍA
Legal Representative



LUIS FERNANDO SOTO SALAZAR
Accountant - T.P. 16951-T



MARIANA MILAGROS RODRÍGUEZ
Auditor - T.P. 112752-T
Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 28, 2019)

GRUPO DE INVERSIONES SURAMERICANA S.A.

SEPARATE INCOME STATEMENT

Year ended December 31, 2018 (with comparative figures in the year ended December 31, 2017)

(Values expressed in millions of Colombian Pesos, except net profit per share)

	Note	December 2018	December 2017
Dividends	19	406,064	380,648
Income from investments, net	19	1,508	10,434
Loss (profit) at fair value, net	19	92,218	(141,676)
Profit from the Equity Method of subsidiaries, net	19	698,957	906,936
Income from investments sales, net	19	364	1,214
Other income		4,443	3,717
Total income		1,203,554	1,161,273
Administrative expenses	21	(30,680)	(83,222)
Employee benefits	13	(23,714)	(25,671)
Fees	22	(9,824)	(8,489)
Depreciation	10	(1,306)	(1,178)
Exchange differences, net	20	(278,778)	(12,835)
Interest	23	(304,650)	(293,287)
Total expenses		(648,952)	(424,682)
Profit before tax		554,602	736,591
Income tax	9	93,991	18,494
Net profit		648,593	755,085
Earnings per share	24	1,383	1,610


The Notes are an integral part of these Financial Statements.



DAVID BOJANINI GARCÍA
Legal Representative



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(See my report of February 28, 2019)

GRUPO DE INVERSIONES SURAMERICANA S.A.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2018 (with comparative figures in year ended December 31, 2017)

(Expressed in millions of Pesos)

	Note	December 2018	December 2017
Profit for the period		648,593	755,085
Other comprehensive income, losses in equity instruments of equity, net of taxes	18	(3,947)	(5,427)
Other comprehensive income, losses from new measurement of defined benefit plans, net of taxes	18	152	(1,209)
Total other comprehensive income not reclassified to profit or loss, net of tax		(3,795)	(6,636)
Loss on exchange differences (from merge)		(10,827)	-
Loss on cash flow hedges, net of taxes	18	(6,299)	-
Participation of other comprehensive income of associates and joint ventures accounted for using the Equity Method that is reclassified to profit or loss, net of tax	11.2	12,575	746,256
Total other comprehensive income that will be reclassified to the result, net of taxes		(4,551)	746,256
Total other comprehensive result		(8,346)	739,620
Total comprehensive result		640,247	1,494,705


The Notes are an integral part of these Financial Statements.



DAVID BOJANINI GARCÍA
Legal Representative



LUIS FERNANDO SOTO SALAZAR
Accountant - T.P. 16951-T



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Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 28, 2019)

GRUPO DE INVERSIONES SURAMERICANA S.A.**SEPARATE STATEMENT OF CHANGES IN EQUITY**Year ended December 31, 2018 (with comparative figures year ended December 31, 2017)
(Expressed in millions of Pesos)

	Note	Issued capital	Share premium	Retained earnings	Other equity interests - OCI	Legal reserves	Occasional reserves	Profit for the period	Total Equity
Balance at January 1, 2017		107,882	3,307,663	11,754,545	472,258	138,795	4,920,281	835,481	21,536,905
Issuance of shares		1,239	209,189	-	-	-	-	-	210,428
Other comprehensive income	18				739,620				739,620
Financial instruments with changes to OCI		-	-	-	(5,427)	-	-	-	(5,427)
Losses from new measurements of defined benefit plans, net of taxes		-	-	-	(1,209)	-	-	-	(1,209)
The Equity Method of subsidiaries, recognized in equity		-	-	-	746,256	-	-	-	746,256
Profit for the period								755,085	755,085
Total net comprehensive income for the period	18				739,620			755,085	1,494,705
Transfer to retained earnings		-	-	835,481	-	-	-	(835,481)	-
2016 Profit distribution, in accordance with the Minutes No. 23, of the Shareholder's Meeting of March 31, 2017:									-
Dividends recognized as distributions for owners (488 pesos per share)		-	-	(280,780)	-	-	-	-	(280,780)
Donations for social projects		-	-	(5,000)	-	-	-	-	(5,000)
Reserves for the protection of investments	16	-	-	(549,701)	-	-	549,701	-	-
Minimal dividends, preference shares	15	-	(226,085)	44,948	-	-	-	-	(181,137)
Balance at December 31, 2017		109,121	3,290,767	11,799,493	1,211,878	138,795	5,469,982	755,085	22,775,121

GRUPO DE INVERSIONES SURAMERICANA S.A.**SEPARATE STATEMENT OF CHANGES IN EQUITY**Year ended December 31, 2018 (with comparative figures year ended December 31, 2017)
(Expressed in millions of Pesos)

	Note	Issued capital	Share premium	Retained earnings	Other equity interests - OCI	Legal reserves	Occasional reserves	Profit for the period	Total Equity	Issued capital
Balance at January 1, 2018		109,121	3,290,767	11,799,493	1,211,878	138,795	5,469,982	5,608,777	755,085	22,775,121
Other comprehensive income	18				(8,346)					(8,346)
Adjustments for translation of foreign investments, net		-	-	-	(10,827)	-	-	-	-	(10,827)
Financial instruments with changes in OCI		-	-	-	(3,947)	-	-	-	-	(3,947)
Losses from new measurements of defined benefit plans, net of taxes		-	-	-	152	-	-	-	-	152
The Equity Method of subsidiaries, recognized in equity		-	-	-	12,575	-	-	-	-	12,575
Hedge flows - derivative instruments		-	-	-	(6,299)	-	-	-	-	(6,299)
Profit for the period									648,593	648,593
Total net comprehensive income for the period					(8,346)				648,593	640,247
Transfer to retained earnings		-	-	755,085	-	-	-	-	(755,085)	-
2017 Profit distribution in accordance with the Minutes No. 23, of the Shareholder's Meeting of March 23, 2018:										-
Dividends recognized as distributions for owners (518 pesos per share)		-	-	(301,464)	-	-	-	-	-	(301,464)
Reserves for the protection of investments	16.3	-	-	(453,621)	-	-	453,621	453,621	-	-
Minimal dividends, preference shares	17	-	-	30,470	-	-	-	-	-	30,470
Impact of new accounting standards		-	-	(5,154)	-	-	-	-	-	(5,154)
Impact or merger of subsidiaries (GIS Panamá - Finance)		-	-	(63,829)	-	-	-	-	-	(63,829)
Balance at December 31, 2018		109,121	3,290,767	11,760,980	1,203,532	138,795	5,923,603	6,062,398	648,593	23,075,391

The Notes are an integral part of these Financial Statements.


DAVID BOJANINI GARCÍA

Legal Representative


LUIS FERNANDO SOTO SALAZAR

Accountant - T.P. 16951-T


MARIANA MILAGROS RODRÍGUEZ

Auditor - T.P. 112752-T

Designated by Ernst & Young Audit S.A.S. TR-530

(See my report of February 28, 2019)

GRUPO DE INVERSIONES SURAMERICANA S.A.

SEPARATE CASH FLOWS STATEMENT

Year ended December 31, 2018

(with comparative figures year ended December 31, 2017)

(Values expressed millions of Colombian Pesos)

	Note	December 2018	December 2017
Profit for the period		648,593	755,085
Adjustments to reconcile profit			
Adjustments for income tax expenses	9	(93,991)	(18,494)
Adjustments for financial costs	23	304,650	293,287
Adjustments for decreases from accounts receivable from trade sources		9,993	(19,057)
Adjustments for increases in other accounts payable from operating activities		(343,905)	(368,361)
Adjustments for increases in accounts payable from trade sources		(10,432)	(62,637)
Adjustments for depreciation and amortization expenses	10	1,306	1,178
Adjustments for provisions		(12,326)	2,901
Adjustments for losses from unrealized foreign currency		221,650	3,993
Adjustments for fair value profit		(92,218)	141,676
Adjustments for undistributed profits from application of the Equity Method	11	(698,957)	(906,936)
Variations of investments		(364)	(1,214)
Total adjustments to reconcile net income		(714,594)	(933,664)
Net cash flows from operations		(66,001)	(178,579)
Dividends received, associates and subsidiaries		781,457	895,794
Interest paid		(46,720)	-
Income tax paid		(57,556)	(32,276)
Other non-financial assets		(4,135)	(4,126)
Net cash flows from operating activities		607,045	680,813
Cash flows from (used in) investing activities			
Cash flows from the sale of other businesses		4,829	-
Cash flows used to acquire other businesses	11.2	(869,515)	(1,106,496)
Other charges from the sale of equity or debt instruments of other entities		364	1,214
Imports from the sale of property, plant and equipment		7,681	15,950
Purchase of property and equipment		(8,181)	(2,936)
Payments derived from options and swap agreements (swaps)		(30,479)	(24,684)
Collections from options contracts, and swap contracts (swaps)		13,952	40,682
Net cash flows from (used in) investing activities		(881,349)	(1,076,270)

GRUPO DE INVERSIONES SURAMERICANA S.A.

SEPARATE CASH FLOWS STATEMENT

Year ended December 31, 2018

(with comparative figures year ended December 31, 2017)

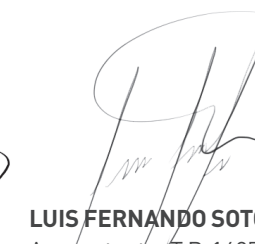
(Values expressed millions of Colombian Pesos)

	Note	December 2018	December 2017
Cash flows from financing activities			
Payments from issuance of shares		30,471	29,291
Proceeds from loans		4,561,795	2,209,501
Reimbursement of loans		(3,870,543)	(1,593,534)
Payment of financial lease liabilities		(1,651)	(949)
Dividends paid	12	(225,933)	(346,326)
Interest paid		(277,690)	(250,023)
Other outflows of cash (Donations)		-	(5,000)
Net cash flows from financing activities		216,449	42,960
Increases (decreases,) net of cash and cash equivalents, before the changes in the exchange rate		(57,855)	(352,497)
Impact of variations in the exchange rate on cash and cash equivalents	20	(720)	(31,150)
Net increase of cash and cash equivalents		(58,555)	(383,647)
Cash and cash equivalents at beginning of period		67,796	451,443
Cash and cash equivalents at end of period	6	9,241	67,796

The Notes are an integral part of these Financial Statements.



DAVID BOJANINI GARCÍA
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