

# QUARTERLY NEWSLETTER 4Q 2016



## GRUPO SURA ENDS 2016 DISPLAYING CONSOLIDATED REVENUES OF COP 19.0 BILLION AND A NET PROFIT OF COP 1.7 BILLION

Retained insurance premiums and revenues from investments drove the Company’s results at the end of 2016.

[more](#)



### HIGHLIGHTS OF THE QUARTER



**FERNANDO OJALVO, VICE PRESIDENT  
OF CORPORATE AFFAIRS OF  
GRUPO SURA RETIRES**

After leaving to enjoy his retirement, the Company announced its special thanks for his almost 30 years of work at SURA, time during which he stood out for guiding the organization towards high governance standards.

[more](#)



**GRUPO SURA ORDINARY BONDS  
DEMANDED 2.4 TIMES**

The second issue and placement of Ordinary Bonds was successfully completed, which are part of the Ordinary Bond and Commercial Paper Issue and Placement Program.

[more](#)



**NEW CORPORATE  
HEADQUARTERS**

Grupo SURA moved to One Plaza Business Center, on the Golden Mile, Medellín’s main financial district.

[more](#)



**GENERAL ASSEMBLY  
OF SHAREHOLDERS**

The General Assembly of Shareholders shall be held on March 31st, at 10:00 a.m. in the Grand Hall of Plaza Mayor, at Calle 41 #55-80 of the city of Medellín.

[more](#)



**HIGH RATINGS IN  
SUSTAINABILITY STANDARDS**

Grupo SURA was included for the sixth year in a row in the RobecoSAM Sustainability Yearbook.

[more](#)



**FUNDACIÓN SURA: 45 YEARS CONTRIBUTING TO SOCIAL  
DEVELOPMENT IN COLOMBIA AND IN THE REGION**

In 2016, the Foundation invested COP 16,786 million (USD 5.6 million) in different social projects.

[more](#)

## FINANCIAL RESULTS

The consolidated assets of Grupo SURA by year-end **totaled COP 67.8 billion (USD 22.6 billion)**, displaying a 22.1% variation compared to December 2015. Consequently, the equity attributed to shareholders set at COP 22.7 billion (USD 7.6 billion), sliding 0.8% as a result of the accounting effect from the acquisition of the additional stake in SURA Asset Management.

“Even within a region which displays a slowdown and global uncertainty, **2016 was a positive year in terms of the performance of our affiliates and business in general**. In 2017, we will continue securing our strategy to consolidate in Latin America”, said David Bojanini, President of Grupo SURA.

## BUSINESS PERFORMANCE

As far as affiliates, **SURA Asset Management**, a company specialized in the pensions, savings and investments sectors, displayed total consolidated revenues of COP 5.9 billion (USD 1.95 billion), representing an **increase of 12.2%**, which is important given that the economies where this company operates grew an average of 2.0%. Likewise, SURA Asset Management reached a **net profit of COP 617,108 million (USD 205.7 million), up 20.7%**, underlining the higher yield of the reserve and the yield of investments backing the reserves. In addition, the consolidated assets **added up to COP 26.8 billion (USD 8.9 billion), up 8.3%**. Assets Under Management (AUM's) of the voluntary and mandatory segments displayed growths; voluntary AUM's climbed to **COP 28.5 billion (USD 9.4 billion), up 20.2%**; while mandatory AUM's exhibited a **growth of 8.6% by adding COP 299.9 billion (USD 99.9 billion)**.

Grupo SURA presented to the market its results of the end of 2016, highlighting the following figures: Consolidated revenues **added up to COP 19.0 billion (USD 6.3 billion), which represents a 36.2% increase**, while the consolidated net profit reached COP 1.7 billion (USD 556.3 million), increasing 26.3% compared to 2015 figures.

These variations are driven by the sound dynamics of the retained insurance premiums, which **climbed 43.8%**, and by revenues from investments, which **added up to COP 2.1 billion (USD 704 million), up 44.8%**.



# QUARTERLY NEWSLETTER 4Q 2016



On the other hand, **Suramericana**, the business specialized in insurance as well as trend and risk management, **consolidated the total operations it acquired in 6 countries throughout the region**. Operating revenues, which involve retained premiums, commissions and services rendered, displayed an **increase of 67.9%**, a figure that is leveraged by the new acquisitions; otherwise, the growth of operating revenues would be 16.4%. Moreover, current businesses maintained sound commercial dynamics, reflecting a boost in automobile, life, healthcare and occupational risk solutions. Hence, total revenues of Suramericana in 2016 **reached COP 11.8 billion (USD 3.9 billion), up 53.8%**, while its net profit closed at COP 401,659 million (USD 131.6 million), **up 17%**, while assets reached COP 22.8 billion (USD 7.6 billion), **up 72.8%**.

Another factor worth shedding light on is the performance of the investment portfolios of Suramericana which, despite the volatility and enormous macroeconomic and political uncertainty, amounted to an annual increase in the financial revenue of 82.7% (65.5% excluding RSA).

## DIVIDEND DISTRIBUTION PROJECT

Lastly, during the General Assembly of Shareholders which will be held on **Friday, March 31** at Plaza Mayor – Medellin, the 2017 Dividend Distribution Project will be presented, proposing the payment of a dividend of **COP 488 annual per share, to distribute a total of COP 280,781 million**. This dividend represents a **7% increase** compared to the dividend given to shareholders in 2016.

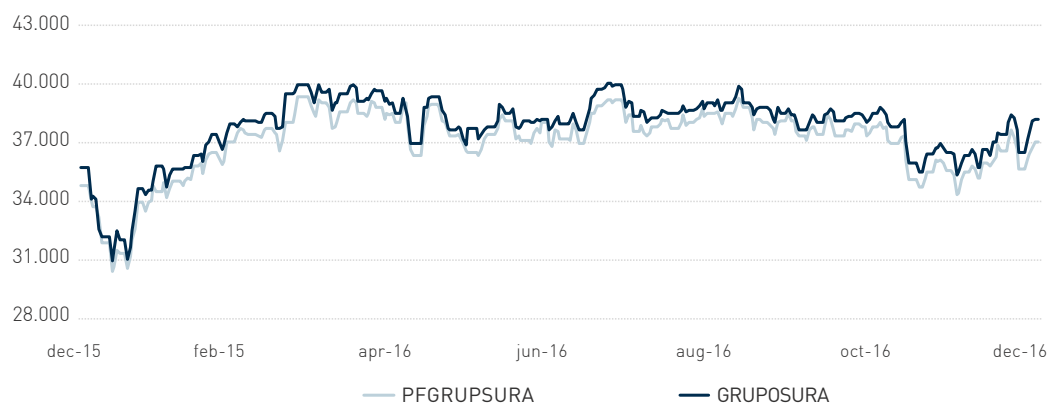


# QUARTERLY NEWSLETTER 4Q 2016

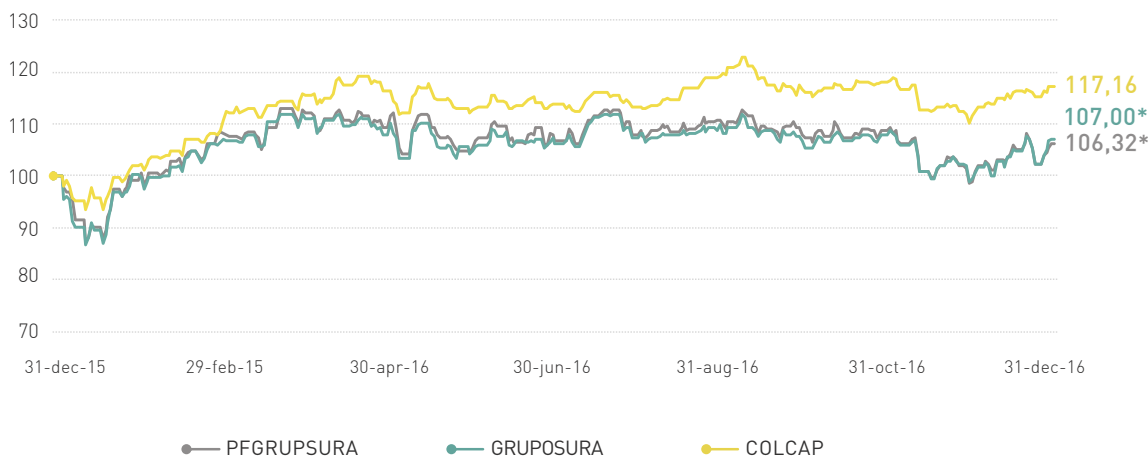


## STOCK PERFORMANCE:

The price of the ordinary share of GRUPOSURA on December 31, 2016, closed at COP 38,200, displaying an annual variation of 7% and a quarterly variation of 1.54%. The preferential share PFGRUPSURA closed at COP 37,000 with an annual variation of 6.32% and a quarterly variation of -0.80%.



## HOW OUR SHARES HAVE PERFORMED ON THE COLOMBIAN STOCK EXCHANGE



\* Share variation

	sep-16	dec-16	% Quarterly var.*
GRUPOSURA (COP)	37,620	38,200	1.54%
PFGRUPSURA (COP)	37,300	37,000	-0.80%
COLCAP (Points)	1,338	1,351	0.96%

\* Appreciation with dividend

	dec-15	dec-16	% Annual var.*
GRUPOSURA (COP)	35,700	38,200	7.00%
PFGRUPSURA (COP)	34,800	37,000	6.32%
COLCAP (Points)	1,153	1,351	17.16%

\* Appreciation with dividend

853  
INTERNATIONAL  
FUNDS

HAVING

21,8%  
OF TOTAL  
SHARES

For presentation  
of results

[click here](#)



# QUARTERLY NEWSLETTER 4Q 2016

## FERNANDO OJALVO, VICE PRESIDENT OF CORPORATE AFFAIRS OF GRUPO SURA RETIRES



During the Board meeting held in January, Fernando Ojalvo Prieto formalized his resignation as the Vice President of Corporate Affairs and Secretary General of Grupo SURA, which will be effective as of April 30, with the purpose of enjoying his retirement.

The Company stated its special thank you for his almost 30 years working at SURA, a period in which he stood out for guiding the Organization towards the highest standards in corporate governance, human talent management, corporate responsibility, ethical commitment, and social investment, among many others.

Within Grupo Empresarial SURA, Fernando Ojalvo held several positions and participated in multiple development and expansion projects, such as structuring EPS SURA, ARL SURA and Protección S.A, among others. Likewise, he held a seat in different Board of Directors and Directive Councils in private companies tied to Grupo SURA, and in civic, social and academic institutions.



# QUARTERLY NEWSLETTER 4Q 2016

## GENERAL ASSEMBLY OF SHAREHOLDERS

The General Assembly of Shareholders shall take place on March 31 at 10:00 a.m. at the Grand Hall of Plaza Mayor, at Calle 41 #55-80 in the city of Medellin.

During the Assembly, the following Agenda shall be submitted to consideration:

1. Quorum verification.
2. Appointment of a Commission for the approval of the Minute.
3. Reading of the Management Report of the Board of Directors and the President.
4. Presentation of Financial Statements at December 31, 2016.
5. Reading of the External Auditor's Report.
6. Approval of the Management Report of the Board of Directors and the President.
7. Approval of the Financial Statements at December 31, 2016.
8. Approval of the External Auditor's Report.
9. Update on the Regulation to Issue and Place Preferential Dividend Shares issued on October 2011, and the Profit Distribution Project.
  - 9.1 Update on the Regulation to Issue and Place Preferential Dividend Shares issued on October 2011.
  - 9.2 Profit Distribution Project – payment of dividends of preferential dividend shares (option for payment in cash, at the choice of the Shareholder).
10. Approval of fees for the Board members.
11. Approval of fees for the External Auditor.

To guarantee the Shareholders' Right of Inspection, the documents ordered by Law for inspection are available at the Company's Secretary General as of March 7, 2017, at Carrera 43A N° 5A – 113, 13th Floor, Building One Plaza Business Center, in the city of Medellin.

Those Shareholders who cannot attend the meeting in person should be represented through a proxy duly filled out. Please keep in mind that this proxy cannot be conferred to people directly or indirectly tied to the Company's administration or employees.



# QUARTERLY NEWSLETTER 4Q 2016



## GRUPO SURA ORDINARY BOND DEMANDED 2.4 TIMES

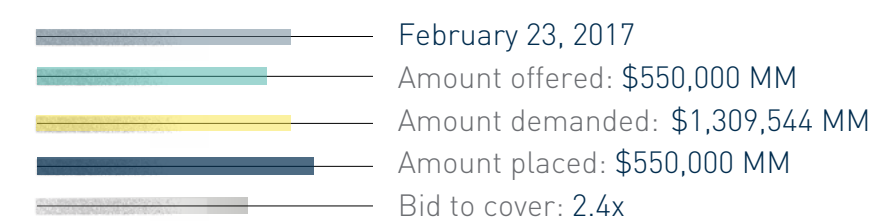
On Thursday, February 23, Grupo SURA successfully completed the second issue and placement of Ordinary Bonds for COP 550,000 million, which are part of the Company’s Ordinary Bond and Commercial Paper Issue and Placement Program, for a total of COP 1.3 billion.

The demand on this occasion was for COP 1.3 billion, or 2.4 times the total amount of the offer, and targeted investors in the Colombian market, including pension and severance pay funds.

The purpose of the Ordinary Bond and Commercial Paper Issue and placement Program is to finance the Company’s growth. This time, the bonds were offered in A and C series, with maturities on 5, 7 and 12 years.

The second ordinary bond placement was backed by the recent rating given by Fitch Ratings to the Company by ratifying the AAA(col) rating. In addition, this issue ratifies the financial muscle of Grupo SURA and reaffirms its competitive position in the capital market as a recurrent and sound issuer.

This is the summary of the results of the placement of the second Grupo SURA bond issue under the Program:



SERIES	A5	C7	C12
Maturity	5 years	7 years	12 years
Indexing	Fixed rate	Initial CPI (AE)	Initial CPI (AE)
Issue date	Feb. 23, 2017	Feb. 23, 2017	Feb. 23 2017
Maturity date	Feb. 23, 2022	Feb. 23, 2024	Feb. 23 2029
Offered yield rate	7.65% AE	CPI+ 3.60% AE	IPC + 3.95% EA
Cutoff rate	7.21% AE	CPI + 3.19% AE	IPC + 3.58% EA
Optimization bpts	44bpts	41bpts	37pbs
Interest payment frequency	QA	QA	QA
Base	365	365	365
Amount demanded (COP MM)	475,199	323,319	511,026
Amount placed (COP MM)	193,549	165,515	190,936



# QUARTERLY NEWSLETTER 4Q 2016

## HIGH RATINGS IN SUSTAINABILITY STANDARDS

Grupo SURA was included for the sixth year in a row in the RobecoSAM Sustainability Yearbook, an international firm specializing in sustainable investment in charge of evaluating the companies that are part of the Dow Jones Sustainability Index. Being in the Yearbook means having some of the best ratings and, in this case, Grupo SURA ranked second worldwide for Diverse Financial Service and Capital Market Sector, with outstanding performance in areas such as risk and crisis management, measures and policies against crime, strategies for climate change, and talent management, especially in the area of occupation health and safety.

The entry of Grupo SURA into the FTSE4 Good Emerging Markets, which measures the performance of companies publicly traded globally, using environmental, social and governance criteria was announced, and also the entry into the oekom research AG, one of the most important rating agencies in the world in the area of sustainable investment.

These indexes and ratings are a relevant reference for markets and investors because they provide information about the companies that prove they are following an integrated strategy in financial and non-financial matters.

## NEW CORPORATE HEADQUARTERS

As of Monday, February 20, the team from the holding company Grupo SURA moved to the new administrative headquarters located in One Plaza Business Center (Carrera 43ª #5ª - 113, piso 14), on the Gold Mile, Medellín's main financial district.



**FUNDACIÓN SURA: 45 YEARS CONTRIBUTING TO SOCIAL  
DEVELOPMENT IN COLOMBIA AND THE REGION**



For 45 years Fundación SURA has channeled the contributions made by Grupo Empresarial SURA, to promote development in Colombia and the region through social investment initiatives to improve the living conditions of vulnerable communities, and recognizing that the social context affect's the feasibility, competitiveness and sustainability of companies.

Following this philosophy, during 2016 the Foundation invested COP 16,786 million (USD 5.6 million) in social projects aimed at improving the quality of education, strengthening the institutions, and corporate volunteer work, among other initiatives that promote sustainable development. Throughout the past ten years, the investment exceeds COP 110,000 million (USD 36.6 million).

In addition to the presence of Fundación SURA today in Colombia, Panama, Dominican Republic and El Salvador, its entry into Chile and Mexico is expected to be completed during 2017, bringing to those countries the belief in sustainability that has guided the Foundation for 45 years.

