IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT, AS AMENDED (THE "SECURITIES ACT")) OR (2) NON-U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OUTSIDE THE U.S.

IMPORTANT: You must read the following before continuing. The following applies to the Offering Memorandum following this page, and you are advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS. THE OFFERING MEMORANDUM AND THE OFFER OF THE NOTES ARE ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC, AS AMENDED) AND RELATED IMPLEMENTATION MEASURES IN MEMBER STATES ("QUALIFIED INVESTORS"). IN ADDITION, IN THE UNITED KINGDOM THE OFFERING MEMORANDUM IS ONLY BEING DISTRIBUTED TO QUALIFIED INVESTORS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLES 19(5) AND 19(2)(A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AND OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO (I) IN THE UNITED KINGDOM, RELEVANT PERSONS, AND (II) IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OTHER THAN THE UNITED KINGDOM, QUALIFIED INVESTORS, AND WILL BE ENGAGED IN ONLY WITH SUCH PERSONS. IN ADDITION, NO PERSON MAY COMMUNICATE OR CAUSE TO BE COMMUNICATED ANY INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY, WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FSMA"), RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE NOTES OTHER THAN IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO US.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Offering Memorandum or make an investment decision with respect to the securities, investors must be either (1) QIBs or (2) non-U.S. persons (within the meaning of Regulation S under the Securities Act) outside the U.S. This Offering Memorandum is being sent at your request and by accepting the e-mail and accessing this Offering Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons (within the meaning of Regulation S under the Securities Act) and that the electronic mail address that you gave us and to which this Offering Memorandum has been delivered is not located in the U.S., and (2) that you consent to delivery of such Offering Memorandum by electronic transmission.

You are reminded that this Offering Memorandum has been delivered to you on the basis that you are a person into whose possession this Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offering Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of the issuer in such jurisdiction.

This Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the Initial Purchasers, nor any person who controls them nor any of their directors, officers, employees nor any of their agents nor any affiliate of any such person accept any liability or responsibility whatsoever in respect of any difference between this Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

OFFERING MEMORANDUM

U.S.$ 550,000,000

Gruposura Finance

(Incorporated as an exempted company with limited liability in the Cayman Islands)

Unconditionally Guaranteed by

Grupo de Inversiones Suramericana S.A.

(Incorporated in the Republic of Colombia)

5.500% Notes due 2026

Gruposura Finance (the "Issuer") is offering U.S.$ 550,000,000 aggregate principal amount of its 5.500% notes due 2026 (the "notes"). The notes will mature on April 29, 2026. The notes will accrue interest at a rate of 5.500% per year, payable semi-annually in arrears on April 29 and October 29 of each year, commencing on October 29, 2016. The notes will be unconditionally guaranteed by Grupo de Inversiones Suramericana S.A. ("Grupo SURA").

At any time prior to January 29, 2026, the Issuer may redeem the notes, in whole but not in part, by paying the greater of 100% of the outstanding principal amount and a "make-whole" amount, in each case plus accrued and unpaid interest. At any time on or after January 29, 2026, the Issuer may redeem the Notes, in whole but not in part, at a price equal to 100% of the outstanding principal amount, plus accrued and unpaid interest. In addition, the Issuer may redeem the notes, in whole but not in part, at a price equal to 100% of the outstanding principal amount, plus accrued and unpaid interest and any additional amounts, at any time upon the occurrence of specified changes in relevant tax law. See "Description of the Notes—Optional Redemption."

If a change of control occurs, Grupo SURA, on behalf of the Issuer, will be required to offer to purchase the notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest. See "Description of the Notes—Change of Control Offer."

The notes will be senior unsecured obligations of the Issuer and will rank equal in right of payment with all of its future senior unsecured and unsubordinated indebtedness. The guarantees will be senior unsecured obligations of Grupo SURA and will rank equal in right of payment with all of its other existing and future senior unsecured and unsubordinated indebtedness.

There is currently no public market for the notes. Application has been made to the Luxembourg Stock Exchange for admission of the notes to the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF Market of the Luxembourg Stock Exchange.

Investing in the notes involves risks that are described in the ''Risk Factors'' section beginning on page 22 of this offering memorandum.

Price per note: 98.866% plus accrued interest, if any, from April 29, 2016

The notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), any U.S. state securities laws or the securities laws of any other jurisdiction. The notes may not be offered or sold except (a) to qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("Rule 144A"), in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, and (b) outside the United States only to non-U.S. persons in compliance with Regulation S under the Securities Act ("Regulation S"). For further details about eligible offerees and resale restrictions, see "Transfer Restrictions."

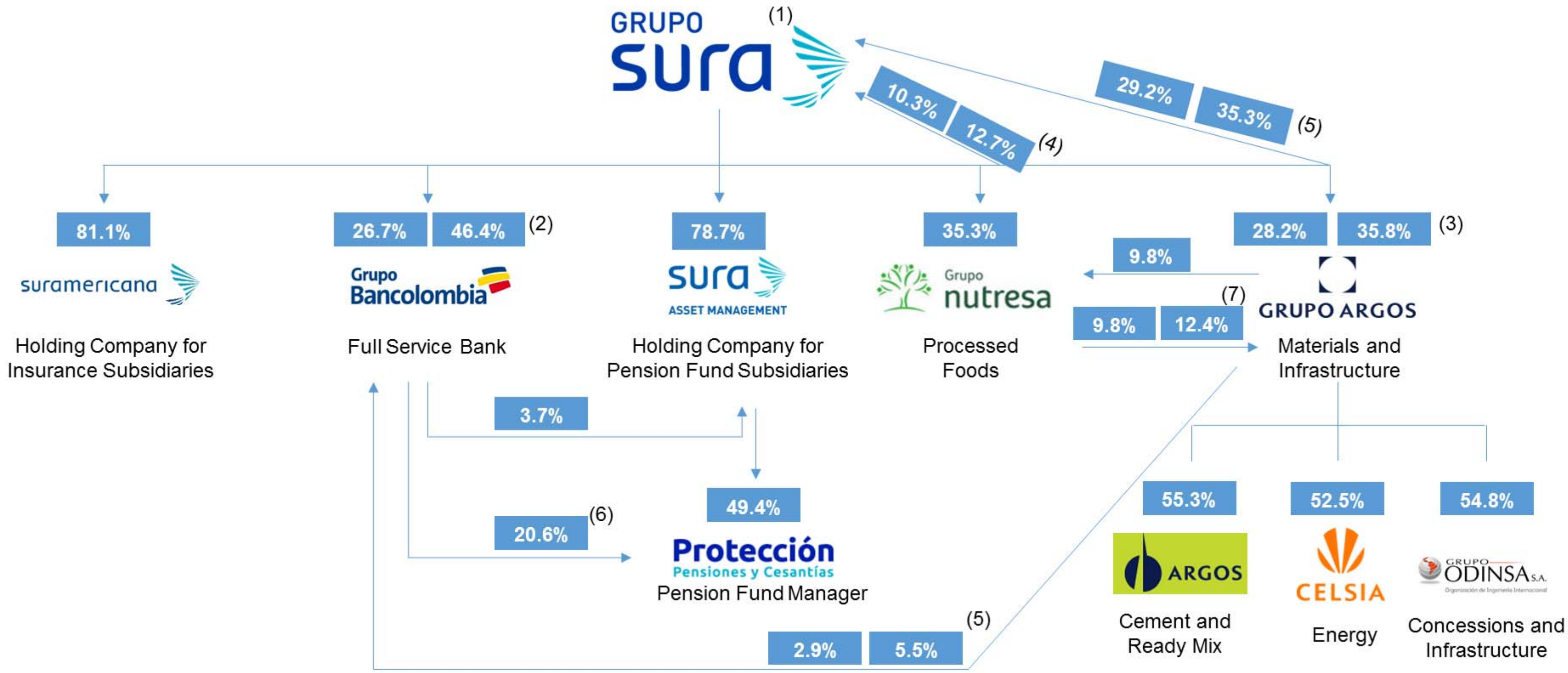
The notes may not be publicly offered or sold in Colombia without the prior authorization of the *Superintendencia Financiera de Colombia* ("Colombian Superintendency of Finance," or "SFC") and registration with the *Registro Nacional de Valores y Emisores* ("Colombian National Registry of Securities and Issuers"). Neither the authorization of the SFC nor the registration with the Colombian National Registry of Securities and Issuers has been obtained as of the date of this offering memorandum.

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company ("DTC") for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, *société anonyme* ("Clearstream"), on or about April 29, 2016.

Joint Book-Running Managers and Joint Lead Managers

BofA Merrill Lynch **J.P. Morgan**

The date of this offering memorandum is April 26, 2016.



(1) Includes ownership held through GRUPO SURA and its wholly owned subsidiaries Inversiones y Construcciones Estratégicas S.A.S. and Grupo de Inversiones Suramericana - Panamá S.A. as of December 31, 2015, except for Sura Asset Management S.A., which is presented as of March 31, 2016.
(2) Grupo Sura currently owns 46.4% of the voting shares of Bancolombia, which is equal to 26.7% of the capital stock.
(3) Grupo Sura currently owns 35.8% of the voting shares of Grupo Argos, which is equal to 28.2% of the capital stock.
(4) Grupo Nutresa currently owns 12.7% of the voting shares of Grupo Sura, which is equal to 10.3% of the capital stock.
(5) Grupo Argos and subsidiaries currently own 35.3% of the voting shares of Grupo Sura, which is equal to 29.2% of the capital stock; and 5.5% of the voting shares of Bancolombia, equal to 2.9% of the capital stock.
(6) Includes ownership held through Bancolombia (10.7%) and its subsidiary Fiduciaria Bancolombia (9.9%).
(7) Grupo Nutresa currently owns 12.4% of the voting shares of Grupo Argos, which is equal to 9.8% of the capital stock.

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Unless otherwise indicated or the context otherwise requires, all references in this offering memorandum to:

- "we," "us," "Grupo SURA," "the Company" and "our" and "ours" and similar expressions are to Grupo de Inversiones Suramericana S.A., the guarantor of the notes offered hereby; references to the "Issuer" are only to Gruposura Finance, the issuer of the notes offered hereby and a wholly owned subsidiary of Grupo SURA; references to the "Group" are to Grupo SURA, its wholly owned subsidiaries, SURA AM, Suramericana, Bancolombia, Grupo Nutresa, Grupo Argos, and their respective subsidiaries; and references to the "Group's principal companies" are to SURA AM, Suramericana, Bancolombia, Grupo Nutresa and Grupo Argos, and their respective subsidiaries. The term "Group" is used in this offering memorandum solely as defined above and differs from the term as used under Colombian law;

- "guarantor" refers to Grupo de Inversiones Suramericana S.A.;

- "AFAP SURA" refers to AFAP SURA S.A., SURA AM's pension fund manager in Uruguay;

- "AFAPs" refers to pension fund administrators in Uruguay;

- "Afore SURA" refers to Afore SURA, S.A. de C.V., SURA AM's pension fund manager in Mexico;

- "Afores" refers to pension fund administrators in Mexico;

- “AFP Capital” refers to AFP Capital S.A., SURA AM’s pension fund manager in Chile;
- “AFP Confia” refers to Administradora de Fondos de Pensiones Confía, S.A., a pension fund manager in El Salvador;
- “AFP Crecer” refers to AFP Crecer, S.A., a pension fund manager in El Salvador wholly owned by AFP Protección;
- “AFP Integra” refers to AFP Integra S.A., SURA AM’s pension fund manager in Peru;
- “AFP Protección” refers to Administradora de Fondo de Pensiones y Cesantías Protección S.A., a pension fund manager in Colombia, a strategic investment of SURA AM;
- “AFPs” refers to pension fund administrators in Chile, Peru, Colombia and El Salvador;
- “ARL SURA” refers to Seguros de Riesgos Laborales Suramericana S.A., Suramericana’s provider of workers’ compensation products in Colombia;
- “Autos SURA” refers to vehicle insurance products provided by Suramericana’s insurance subsidiaries;
- “Bancolombia” refers to Bancolombia S.A., a bank incorporated in Colombia, a strategic investment of Grupo SURA;
- “Celsia” refers to Celsia S.A., an electric generation company, a subsidiary of Grupo Argos;
- “Cementos Argos” refers to Cementos Argos, S.A., a cement producer incorporated in Colombia, a subsidiary of Grupo Argos;
- “Corredores SURA” refers to Corredores de Bolsa SURA, S.A., SURA AM’s stock brokerage firm in Chile;
- “EPS SURA” refers to EPS y Medicina Prepagada Suramericana S.A., Suramericana’s healthcare insurance company;
- “EPSA” refers to Empresa de Energía del Pacífico S.A. E.S.P., a subsidiary of Celsia;
- “Grupo Argos” refers to Grupo Argos S.A., a company incorporated in Colombia with ownership interests in the cement, ready mix and energy sector, a strategic investment of Grupo SURA;
- “Grupo Nutresa” refers to Grupo Nutresa S.A., a processed foods company incorporated in Colombia, a strategic investment of Grupo SURA;
- “Grupo Odinsa” refers to Grupo Odinsa S.A., a Latin American infrastructure development and planning company, a subsidiary of Grupo Argos;
- “IPS SURA” or “Salud SURA” refers to IPS SURA S.A., Diagnóstico y Asistencia Médica S.A., Dinámica IPS Zonas Francas S.A.A., Suramericana’s providers of medical, paramedical, dental and other wellness services;
- “ING” refers to ING Groep NV, a company incorporated under the laws of the Netherlands;
- “Seguros SURA Peru” refers to Seguros SURA S.A., SURA AM’s life insurance and annuities provider in Peru;
- “SURA AM” refers to Sura Asset Management S.A., also known commercially as SUAM, a pension fund manager incorporated in Colombia and a subsidiary of Grupo SURA, offering a diverse range of pension, financial and insurance products through its subsidiaries;

- "Suramericana" refers to Suramericana S.A., an insurance company incorporated in Colombia, a subsidiary of Grupo SURA;
- "Chile" refers to the Republic of Chile;
- "Colombia" refers to the Republic of Colombia;
- "El Salvador" refers to the Republic of El Salvador;
- "Mexico" refers to the United Mexican States;
- "Panama" refers to the Republic of Panama;
- "Peru" refers to the Republic of Peru;
- the "United States" or the "U.S." refers to the United States of America; and
- "Uruguay" refers to the Oriental Republic of Uruguay.

In making your investment decision, you should rely only on the information contained in this offering memorandum. We have not, and Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as initial purchasers, have not, authorized any other person to provide you with different information. If any person provides you with different or inconsistent information, you should not rely on it.

You should assume that the information appearing in this offering memorandum is accurate as of the date on the front cover of this offering memorandum only. Our business, properties, financial condition, results of operations and prospects may have changed since that date. Neither the delivery of this offering memorandum nor any sale of notes made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date on the cover of this offering memorandum.

The Issuer and we have prepared this offering memorandum for use solely in connection with the proposed offering of the notes described in this offering memorandum.

The initial purchasers make no representation or warranty expressed or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future.

This offering memorandum is intended solely for the purpose of soliciting indications of interest in the notes from qualified investors and does not purport to summarize all of the terms, conditions, covenants and other provisions relating to the terms of the notes contained in the indenture being entered into in connection with the issuance of the notes as described herein (the "indenture") and other transaction documents described herein. This offering memorandum summarizes certain documents and other information, and the Issuer and we refer you to those sources for a more complete understanding of what we discuss in this offering memorandum. The market information in this offering memorandum has been obtained by the Issuer and us from publicly-available sources deemed by the Issuer and us to be reliable. The Issuer and we accept responsibility for correctly extracting and reproducing such information. Notwithstanding any investigation that the initial purchasers may have conducted with respect to the information contained in this offering memorandum, the initial purchasers accept no liability in relation to the information contained in this offering memorandum or its distribution or with regard to any other information supplied by us or on our behalf.

Neither the Issuer, we nor the initial purchasers are making an offer to sell, or a solicitation of an offer to buy, the notes in any jurisdiction except where such an offer or sale is permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute this offering memorandum and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. See "Transfer

Restrictions" for information concerning some of the transfer restrictions applicable to the notes. Neither the Issuer, we nor the initial purchasers are responsible for your compliance with those legal requirements.

By accepting this offering memorandum you acknowledge that:

- you have been afforded an opportunity to request from the Issuer and us, and to review, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering memorandum;

- you have not relied on the initial purchasers or their agents or any person affiliated with the initial purchasers or their agents in connection with your investigation of the accuracy of such information or your investment decision; and

- no person has been authorized to give any information or to make any representation concerning the Issuer, us or the notes other than those as set forth in this offering memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by the Issuer, us, the initial purchasers or their agents.

The Issuer is relying upon an exemption from registration under the Securities Act for an offer and sale of securities, which do not involve a public offering. By purchasing the notes, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under "Transfer Restrictions" in this offering memorandum. The notes are subject to restrictions on transfer and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. See "Plan of Distribution" and "Transfer Restrictions."

In making an investment decision, prospective investors must rely on their own examination of the Issuer, our company and the terms of the offering, including the merits and risks involved. None of the Issuer, us or any of our representatives is making any representation to you regarding the legality of an investment by you under applicable legal investment or similar laws. Neither the Issuer nor we are providing you with any legal, business, tax or other advice in this offering memorandum, and prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the notes under applicable legal, investment or similar laws or regulations.

None of the United States Securities and Exchange Commission (the "SEC"), any U.S. state securities commission or any U.S., Colombian, Cayman Islands or other regulatory authority has approved or disapproved of these securities or determined if this offering memorandum is truthful or complete. Furthermore, these authorities have not confirmed the accuracy or determined the adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

Application has been made to the Luxembourg Stock Exchange for the notes to be admitted to the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF Market of the Luxembourg Stock Exchange. There can be no assurance that such application will be granted as of the settlement date for the notes or at any time thereafter, and settlement of the notes is not conditioned on obtaining this listing. This offering memorandum can only be used for the purposes for which it was published.

The Issuer and we confirm that, after having made all reasonable inquiries, this offering memorandum contains all information with regard to the Issuer, us and the notes that is material to the offering and sale of the notes, that the information contained in this offering memorandum is true and accurate in all material respects and is not misleading and that there are no omissions of any facts from this offering memorandum that, by their absence herefrom, make this offering memorandum misleading. The Issuer and we accept responsibility for the information contained in this offering memorandum regarding the Issuer, us and the notes. The opinions and intentions expressed in this offering memorandum regarding the Issuer, us and the notes are honestly held and based on reasonable assumptions.

NOTICE TO CAYMAN ISLANDS RESIDENTS

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the notes unless the Issuer is listed on the Cayman Islands Stock Exchange.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This offering memorandum has been prepared on the basis that any offer of notes in any Member State of the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly, any person making or intending to make an offer in that Member State of notes which are the subject of the offering contemplated in this offering memorandum may only do so in circumstances in which no obligation arises for the Issuer, the guarantor or any of the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in relation to such offer. Neither the Issuer, the guarantor, nor the initial purchasers have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Issuer, the guarantor or the initial purchasers to publish a prospectus for such offer. Neither the Issuer, the guarantor nor the initial purchasers have authorized, nor do they authorize, the making of any offer of notes through any financial intermediary, other than offers made by the initial purchasers, which constitute the final placement of the notes contemplated in this offering memorandum. The expression "Prospectus Directive means" Directive 2003/71/EC (as amended), and includes any relevant implementing measure in the Member State

IN CONNECTION WITH THE OFFERING OF THE NOTES, THE PERSON (IF ANY) NAMED AS THE STABILIZING MANAGER(S) (THE "STABILIZING MANAGER(S)") (OR PERSONS ACTING ON THEIR BEHALF) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER(S) (OR PERSONS ACTING ON THEIR BEHALF) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE DISCONTINUED AT ANY TIME BUT IT MUST END NO LATER THAN 30 DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS OF THE ISSUE, OR NO LATER THAN 60 DAYS AFTER THE DATE OF ALLOTMENT OF THE RELEVANT NOTES, WHICHEVER IS THE EARLIER.. ANY STABILIZATION ACTION OR OVERALLOTMENT SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

NOTICE TO PROSPECTIVE INVESTORS IN CHILE

The notes will not be registered under the *Ley de Mercado de Valores* No. 18,045 (Chilean Securities Market Law), as amended, with the *Superintendencia de Valores y Seguros* ("Chilean Securities and Insurance Commission," or the "SVS"), and, accordingly, may not be offered or sold to persons in Chile except in circumstances that do not constitute a public offering under Chilean law.

Los valores que se emitan no serán registrados en la Superintendencia de Valores y Seguros de conformidad a la ley de Mercado de Valores No.18,045, por lo que de acuerdo a ello, no podrán ser ofrecidos a personas en Chile excepto en circunstancias que no constituyan una oferta pública de valores de acuerdo a ley Chilena.

MARKET AND INDUSTRY INFORMATION

Unless otherwise indicated, statistical information relating to SURA AM and Suramericana regarding market share, ranking and other measures has been derived from reports and information published by the local regulator or local industry associations in each respective country in which SURA AM and Suramericana operate: the SFC (Colombia), the *Federación de Aseguradores Colombianos* (Federation of Colombian Insurers) (Colombia); *Superintendencia de Pensiones de Chile* ("Chilean Superintendency of Pensions") (Chile); *Superintendencia de Valores y Seguros de Chile* (Chilean Superintendency of Securities and Insurance) (Chile); *Comisión Nacional del Sistema de Ahorro para el Retiro* (National Commission of the System of Savings for Retirement, or "CONSAR") (Mexico); *Comisión Nacional de Seguros y Fianzas* (National Insurance and Sureties Commission) (Mexico); *Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones* ("Peruvian Superintendency of Banks, Insurance and Private Pension Fund Administrators," or the "SBS") (Peru); *Superintendencia de Pensiones de Perú* ("Peruvian Superintendency of Pensions") (Peru); *Superintendencia del Sistema Financiero de El Salvador* ("Salvadoran Superintendency of the Financial System," or "SSF") (El Salvador); *Asociación Bancaria Salvadoreña* (Salvadoran Banking Association) (El Salvador); *Superintendencia de Servicios Financieros* ("Uruguayan Superintendency of Financial Services") (Uruguay); *Superintendencia de Seguros de la República Dominicana* (Dominican Superintendency of Insurance) (Dominican Republic); and *Superintendencia de Seguros y Reaseguros de Panamá* (Panamanian Superintendency of Insurance and Reinsurance) (Panama).

Unless otherwise indicated, statistical information relating to Bancolombia regarding market share, ranking, loan portfolio and other measures, as well as information on Colombian financial institutions and the Colombian financial system generally, has been derived from reports and information published by the SFC or the *Banco de la República* ("Central Bank of Colombia") or from other publicly available sources and industry publications.

Unless otherwise indicated, statistical information relating to Grupo Nutresa and Grupo Argos regarding market share, ranking and other measures has been derived from reports and information published by Nielsen Colombia and the *Instituto Colombiano de Productores de Cemento* (Colombian Institute of Cement Producers), respectively, or from other publicly available sources and industry publications.

Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed.

We also include certain information in this offering memorandum which has been derived from our review of internal studies and contain certain assumptions concerning the Group's customers and competitors. These assumptions are based on our experience in the industry and our own investigation of market conditions. Neither the Issuer nor we can assure you as to the accuracy of any such assumptions, and such assumptions may not be indicative of our positions in our industry.

Information in this offering memorandum attributed to specific sources has not been independently verified by the Issuer, us or our advisors, and therefore neither the Issuer nor we make any representation as to the accuracy of such information, which may not be consistent with other information compiled within or outside the jurisdictions specified. However, the Issuer and we have accurately reproduced this information, and as far as the Issuer and we are aware and able to ascertain from such independent industry publications and reports by research firms or other published independent sources, no facts have been omitted which would render the reproduced information materially inaccurate or misleading.

AVAILABLE INFORMATION

Grupo SURA is a *sociedad anónima* (corporation) organized under the laws of Colombia. Our principal executive offices are located at Calle 49 No. 63 – 146, Medellín, Colombia, and our telephone number at that address is (011) 57 4435 5628. Our website is http://*www.gruposura.com*.

Grupo SURA is an issuer in Colombia of securities registered with Colombian National Registry of Securities and Issuers and is subject to oversight by the SFC. Our common and preferred shares are traded on the *Bolsa de Valores de Colombia* ("Colombian Stock Exchange" or "BVC") under the symbols "GRUPOSURA" and "PFGRUPSURA," respectively. Accordingly, we are currently required to file quarterly and annual reports in Spanish and issue *información relevante* (notices of material events) to the SFC and the Colombian Stock Exchange. All such reports and notices are available at http://*www.superfinanciera.gov.co* and on our website at http*://www.gruposura.com.co*.

These reports and notices and any information contained in, or accessible through, our website are not incorporated by reference into, and do not constitute a part of, this offering memorandum.

To permit compliance with Rule 144A in connection with resale of the notes, for so long as the notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, we have agreed to furnish, upon request of a holder or beneficial owner of such restricted securities and a prospective purchaser or subscriber of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser or subscriber, the information required to be delivered under Rule 144A(d)(4) if at the time of such request we are neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

INCORPORATION BY REFERENCE

Our investee Bancolombia is subject to the Exchange Act and, in accordance therewith, Bancolombia files reports and other information with the SEC.

The following portions of Bancolombia's annual report on Form 20-F for the year ended December 31, 2015, filed with the SEC on April 22, 2016, are incorporated by reference into this offering memorandum: (1) "Item 3A — Selected Financial Data"; (2) "Item 3D — Risk Factors"; (3) "Item 4 — Information on the Company"; (4) "Item 5 — Operating and Financial Review and Prospects"; and (5) "Item 18 — Financial Statements" (those portions of the annual report incorporated by reference herein being hereinafter referred to as "Bancolombia's 2015 Annual Report").

The audited consolidated financial statements of Bancolombia included in Bancolombia's 2015 Annual Report, and hence incorporated by reference herein, present Bancolombia's consolidated statements of financial position as of December 31, 2015, 2014 and January 1, 2014 and Bancolombia's results of operations for the years ended December 31, 2015 and 2014 prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS-IASB") ("Bancolombia's IFRS audited consolidated financial statements"). These are Bancolombia's first financial statements prepared under IFRS-IASB, and therefore the opening statement of financial position was prepared as of January 1, 2014, the date of Bancolombia's transition to IFRS, as required by IFRS 1—"First Time Adoption of International Financial Reporting Standards."

Bancolombia's 2015 Annual Report is available for inspection and copy at the public reference section maintained by the SEC at 100 F Street N.E., Washington, D.C. 20549. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. Copies of such material can be obtained from the public reference section of the SEC at prescribed rates and from the SEC's website located at http://www.sec.gov.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is incorporated under the laws of the Cayman Islands, and Grupo SURA is incorporated under the laws of Colombia. Grupo SURA's directors and most of its executive officers and controlling persons named in this offering memorandum are residents of Colombia, and substantially all of their and our assets are located outside the United States. Although the Issuer and Grupo SURA will appoint an agent for service of process in the United States, it may be difficult for you to effect service of process within the United States upon us or such persons, including with respect to matters arising under federal securities laws of the United States, or to enforce against us or such persons judgments of U.S. courts based on the civil liability provisions of the U.S. federal securities laws.

The Issuer and Grupo SURA will appoint Corporation Service Company, New York, New York, as agent to receive service of process under the indenture governing the notes, including with respect to any action brought against the Issuer or Grupo SURA in the Supreme Court of the State of New York in the County of New York or the United States District Court for the Southern District of New York under the federal securities laws of the United States.

Enforceability in the Cayman Islands

Although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States or Colombia, a judgment obtained in such jurisdictions will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided that such judgment:

(i) is given by a foreign court of competent jurisdiction;

(ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given;

(iii) is final;

(iv) is not in respect of taxes, a fine or a penalty; and

(v) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

Enforceability in Colombia

We have been advised by Posse Herrera Ruiz, our Colombian counsel, that Colombian courts will recognize and enforce a U.S. judgment predicated on the U.S. securities laws through a procedure known under Colombian law as *exequatur*. Colombian courts will recognize and enforce a foreign judgment, without reconsideration of the merits, only if the judgment satisfies the following requirements set forth in Articles 605, 606 and 607 of the *Código General del Proceso* ("Colombian General Procedure Code"):

(i) a treaty or convention exists between Colombia and the country where the judgment was granted relating to the recognition and enforcement of foreign judgments or, in the absence of such treaty or convention, there is reciprocity in the recognition of foreign judgments of the same nature between the courts of the relevant jurisdiction and the courts of Colombia;

(ii) the foreign judgment does not refer to "*in rem*" rights vested in assets that were located within Colombian territory at the time of the commencement of the proceedings in the foreign court which issued the judgment;

(iii) the foreign judgment does not contravene or conflict with Colombian public policy rules other than procedural laws;

(iv) the foreign judgment is final and is not subject to appeal in accordance with the laws of the country in which it was rendered;

(v) the foreign judgment does not refer to any matter that is reserved to the exclusive jurisdiction of Colombian courts;

(vi) no proceedings are pending in Colombia with respect to the same matters, and no final judgment has been rendered in any proceeding in Colombia on the same matter;

(vii) the foreign judgment results from proceedings in which the respondent was served notice in accordance with the applicable laws of the foreign jurisdiction and was given a reasonable opportunity to defend itself against the action; and

(viii) the competent court in Colombia is provided with a duly legalized copy of the foreign judgment and an official translation thereof to Spanish.

Proceedings for enforcement of a money judgment by attachment or execution against any assets or property located in Colombia would be within the exclusive jurisdiction of Colombian courts. In the course of the *exequatur* procedure, both the plaintiff and the defendant are afforded the opportunity to request that evidence be collected in connection with the requirements listed above. In addition, before the judgment is rendered, each party may file final allegations in support of such party's position. Notwithstanding, the Colombian General Procedure Code does not provide for a re-examination or relitigating of the merits of the original action during the *exequatur* procedure.

The United States and Colombia do not have a bilateral treaty providing for automatic reciprocal recognition and enforcement of judgments in civil and commercial matters. Notwithstanding, the *Corte Suprema de Justicia de Colombia* (Colombian Supreme Court) has accepted in the past that reciprocity exists when it has been proven either that a U.S. court has recognized a Colombian judgment or that a U.S. court would recognized a foreign judgment, including a judgment issued by a Colombian court. However, such *exequatur* decisions are considered by Colombian courts on a case-by-case basis.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements appear throughout this offering memorandum, principally in "Summary," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Such estimates and forward-looking statements are primarily based on current expectations and projections about future events and financial trends that affect, or may affect, our business, financial condition, results of operations and prospects.

There are many significant risks, uncertainties and assumptions that might cause our business, financial condition, results of operations and prospects to differ materially from those set out in our estimates and forward-looking statements. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "seeks," "projects," "intends," "plans," "may," "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Although we believe that these forward-looking statements are based upon reasonable assumptions, these statements are subject to several risks and uncertainties and are made in light of information currently available to us.

Our forward-looking statements may be influenced by several factors, including the following:

- general economic, political and business conditions in the countries in which the Group operates;
- trends across the businesses and countries in which the Group operates;
- limitations on the ability of the Group's principal companies to dividend capital to us as a result of downgrades in their financial strength ratings, changes in statutory reserve or capital requirements or other financial constraints;
- changes in the Group's regulatory environment as well as the regulatory environments in the countries in which the Group operates;
- changes in tax, labor, or laws and regulations regulating the Group's mandatory pension funds, voluntary savings and life insurance businesses in the countries in which the Group operates that result in material increases to expenses in the Group's businesses;
- inflation in the countries in which the Group operates;
- currency devaluations and foreign exchange fluctuations relating to the currencies prevailing in the countries in which the Group operates;
- interest rate fluctuations, including prolonged periods of high or low interest rates;
- the Group's ability to attract and retain employees and increases in the cost of personnel;
- changes in competition;
- changes in consumer spending and saving habits;
- ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks;
- the degree to which the Group chooses not to hedge risks, or the potential ineffectiveness or insufficiency of hedging or risk management strategies that are implemented;
- for Grupo SURA's interests in the financial services sector:

- differences between actual experience regarding mortality, morbidity, persistency, surrender experience and the assumptions used in pricing products, establishing liabilities and reserves or for other purposes;
- re-estimates of reserves for future policy benefits and claims;
- changes in assumptions for retirement expenses;
- investment losses, defaults and counterparty non-performance;
- domestic or international military actions, natural or man-made disasters, including earthquakes, terrorist activities or pandemics, or other events resulting in catastrophic loss of life;
- changes in assumptions for retirement expense;
- business strategy, including the ability to identify and complete future asset purchases;
- market trends and risks;
- assumptions about changes in the market place, especially with the volatility in the global and U.S. financial markets;
- the ability to retain the mutual fund assets currently managed;
- downturns in the capital markets and changes in capital markets in general that affect policies or attitudes towards lending to Latin American companies or securities issued by Latin American companies;
- increased competition in the Latin American financial services and insurance markets;
- credit and other risks of lending, such as increases in defaults of borrowers; and
- increased costs of funding or inability to obtain additional debt or equity financing on attractive terms;

- for Grupo SURA's interests in the industrial sector:
    - supply chain disruptions;
    - increases in energy, generation and transportation costs;
    - health and product liability risks related to the food industry;
    - unexpected safety or manufacturing issues;
    - the cyclical activity growth of the construction industry in Latin America and the United States;
    - weather conditions affecting construction activity in Latin America and the United States;
    - increased competition in the processed foods, cement, ready mix, energy and infrastructure development and planning industries; and
    - continued volatility of, and sharp increase in, commodity and other input costs in the food processing, cement, ready mix, energy and infrastructure development and planning industries; and
- other risks as set forth under "Risk Factors."

You should not place undue reliance on forward-looking statements, which speak only as of the date that they were made. We do not undertake any obligation to release publicly any revisions to such forward-looking statements after the date of this offering memorandum to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

These cautionary statements should be considered in connection with any written or oral forward-looking statements that we may issue in the future.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Currencies and Exchange Rates

In this offering memorandum, unless otherwise specified or if the context so requires:

- References to "Colombian pesos" or "COP" are to Colombian pesos, the official currency of Colombia.
- References to "U.S.$" and "U.S. dollars" are to U.S. dollars, the official currency of the United States.
- References to "Pounds Sterling" or "GBP" are to British Pounds Sterling, the official currency of the United Kingdom.

Financial Statements

In accordance with Colombian regulations, as of January 1, 2015, our consolidated financial statements began to be reported in accordance with International Financial Reporting Standards as adopted, supplemented and modified by the SFC (hereinafter referred to as "Colombian IFRS"). Colombian IFRS differs in certain respects from IFRS-IASB. This offering memorandum includes our audited consolidated statements of financial position as of December 31, 2015, 2014 and January 1, 2014 and results of operations for the years ended December 31, 2015 and 2014 prepared in accordance with Colombian IFRS (our "audited consolidated financial statements"). These are our first financial statements prepared under Colombian IFRS, and therefore the opening statement of financial position was prepared as of January 1, 2014, the date of our transition to Colombian IFRS, as required by IFRS 1—"First Time Adoption of International Financial Reporting Standards." These financial statements were audited by KPMG Ltda., whose report dated February 29, 2016 expressed an unqualified opinion thereon. Our financial information as of December 31, 2015, 2014 and January 1, 2014 and for the years ended December 31, 2015 and 2014 included in this offering memorandum has been derived from such audited consolidated financial statements. We have historically prepared our financial statements in accordance with accounting principles in Colombia and the regulations of the SFC, as applicable (collectively "Colombian GAAP"). For more information about our transition to Colombian IFRS, see Note 43 to our audited consolidated financial statements.

Bancolombia's IFRS audited consolidated financial statements that are included in Bancolombia's 2015 Annual Report, and hence incorporated by reference herein, present Bancolombia's consolidated statements of financial position as of December 31, 2015, 2014 and January 1, 2014 and Bancolombia's results of operations for the years ended December 31, 2015 and 2014 prepared in accordance with IFRS-IASB. These are Bancolombia's first financial statements prepared under IFRS-IASB, and therefore the opening statement of financial position was prepared as of January 1, 2014, the date of Bancolombia's transition to IFRS, as required by IFRS 1—"First Time Adoption of International Financial Reporting Standards."

We are not a financial institution, and we are not supervised or regulated as a financial institution in Colombia. Thus, we are not required to comply with capital adequacy regulations applicable to financial institutions or with SFC-enacted accounting regulations applicable to financial institutions.

Treatment of the Group's Principal Companies in our Audited Consolidated Financial Statements

In respect of the Group's principal companies, our audited consolidated financial statements fully consolidate the results of operations of SURA AM and Suramericana.

Since we own less than 50% of the voting stock (and less than 50% of the capital stock) of Bancolombia, Grupo Nutresa and Grupo Argos, their results of operations are not consolidated into our consolidated results of operations. Rather, we account for our ownership interest in these companies in our consolidated income statement under the equity method, recording our share of the net income of each of these companies' net income in the line item "share of profit in equity-accounted investees." This line item forms part of our total income and, hence, net income for any relevant period.

Treatment of AFP Protección in SURA AM's Financial Statements and our Audited Consolidated Financial Statements

As of December 31, 2015 and as the date of this offering memorandum, SURA AM owns 49.4% of AFP Protección. Hence, SURA AM does not consolidate AFP Protección's results of operations into its consolidated results of operations. Rather, SURA AM accounts for this 49.4% ownership interest in its consolidated income statement under the equity method, recording its share of AFP Protección's net income. In preparing our audited consolidated financial statements, we recognize this equity pick-up in our SURA AM business segment, dividing SURA AM's share of AFP Protección's net income between the SURA AM sub-segments in which AFP Protección participates, mandatory pension funds and voluntary savings (in the same way SURA AM itself divides this equity pick-up).

SURA AM's 49.4% ownership interest in AFP Protección does not grant SURA AM control over AFP Protección, and its subsidiary in El Salvador, AFP Crecer. Although neither SURA AM nor we consolidate AFP Protección into SURA AM's or our consolidated results of operations, we have nonetheless included certain financial and operating information relating to AFP Protección, and its subsidiary in El Salvador, AFP Crecer in this offering memorandum because they represent significant interests to SURA AM, one of the Group's principal companies.

Salary Base and Account Holders

In this offering memorandum, we use "salary base" to refer to the base pay received by clients of SURA AM and Suramericana for a given work period in respect of their mandatory pension fund, mandatory life insurance, mandatory workers' compensation insurance and mandatory health insurance product offerings, as applicable. We use "account holders" to refer to clients that hold accounts with SURA AM's pension fund managers. This term is synonymous with clients in the case of SURA AM.

Non-IFRS Financial Measure

In this offering memorandum, we present Adjusted EBITDA, which is a non-IFRS financial measure. A non-IFRS financial measure does not have a standardized meaning prescribed by Colombian IFRS. We define Adjusted EBITDA as net income for the year after adding back interest, amortizations, depreciation, income tax and net income attributable to non-controlling interest. See "Summary Financial and Other Information—Adjusted EBITDA Reconciliation." This non-IFRS financial measure described in this offering memorandum is not a substitute for the Colombian IFRS measure of net income.

Our management believes that securities analysts, investors and other interested parties frequently use Adjusted EBITDA or similarly-titled measures in the evaluation of us and our competitors, many of which present Adjusted EBITDA or similarly-titled measures with their results. Accordingly, we believe that disclosure of Adjusted EBITDA provides useful information to investors and financial analysts in their review of our operating performance and their comparison of our operating performance to the operating performance of other companies in the same industry and other industries. Adjusted EBITDA, as calculated by us, may not be comparable to similarly-titled measures reported by other companies.

Rounding

Certain figures included in this offering memorandum and in our audited consolidated financial statements have been rounded for ease of presentation. Percentage figures included in this offering memorandum have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this offering memorandum may vary from those obtained by performing the same calculations using the figures in our audited consolidated financial statements. Certain other amounts that appear in this offering memorandum may not sum due to rounding.

Trademarks

We and our subsidiaries and investees own or have rights to trademarks, service marks or trade names that we use in connection with the operation of our business. In addition, our names, logos and website names and addresses are our service marks or trademarks. Other trademarks, service marks or trade names appearing in this offering memorandum are the property of their respective owners. We also own or have the rights to copyrights that protect the content of our products. Solely for convenience, the trademarks, service marks, trade names and copyrights referred to in this offering memorandum are listed without the ©, ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names.

SUMMARY

This summary highlights selected information described in greater detail elsewhere in this offering memorandum. It does not contain all of the information that may be important to you. You should read the entire offering memorandum carefully, including the risk factors and financial statements.

Grupo de Inversiones Suramericana S.A.

Grupo SURA is the parent company of a group of leading companies operating primarily in the financial services sector in Latin America, including mandatory pension funds, voluntary savings and insurance, and the principal shareholder of Bancolombia, which is engaged in universal banking activities in Colombia and Central America. We estimate that our financial services businesses in the aggregate served over 39.2 million clients in 2015. In addition, Grupo SURA has significant interests in the industrial sector, including, among others, processed foods, cement, ready mix, energy and infrastructure development and planning. While the Group has its origins in Colombia, in recent years, the Group has expanded to other countries and regions, including Chile, Mexico, Peru, Uruguay, Central America, the Caribbean and the United States.

Our interests in the financial services sector include our 78.7% ownership of SURA AM, as of the date of this offering memorandum. SURA AM is the largest pension fund manager in Latin America, with a top three ranking in the Chilean, Mexican, Peruvian, Colombian, Uruguayan and Salvadoran markets, as measured by assets under management and/or by number of clients, as of December 31, 2015. We recently increased our stake in SURA AM by acquiring the combined 11.65% ownership interest of J.P. Morgan and General Atlantic. The remaining 21.3% of SURA AM is owned by International Finance Corporation, Bancolombia, Grupo Bolívar and Grupo Wiese. We also own 81.1% of Suramericana, the insurance operator of the largest life, property and casualty and workers' compensation insurance companies in Colombia, which also has a significant presence in El Salvador, the Dominican Republic and Panama. The remaining 18.9% of Suramericana is owned by the German reinsurer Münchener Rückversicherungs-Gesellschaft Munich Re ("Munich Re"), the largest reinsurance company in the world, as measured by reinsurance premiums and gross written premiums as of December 31, 2015. On September 7, 2015, Suramericana announced the acquisition of the Latin American insurance businesses of the RSA Insurance Group ("RSA Latin American Insurance Businesses"), which currently operate in Chile, Mexico, Colombia, Uruguay, Brazil and Argentina and serves approximately 5.6 million clients. As of the date of this offering memorandum, Suramericana has closed on the acquisitions in Brazil and Colombia, and the remaining countries are expected to close, subject to regulatory approvals, in the second half of 2016, thereby significantly increasing Suramericana's presence in the region. In addition, we are the principal shareholder of Bancolombia, the largest bank in Colombia and a relevant player in Central America and an SEC-registered public company in the United States, through our ownership of 46.4% of its voting shares (equal to 26.7% of its capital stock).

Our interest in the processed foods segment is held through our 35.3% ownership of Grupo Nutresa, the largest processed foods conglomerate in Colombia. Our interest in the cement, ready mix, energy and infrastructure segments is comprised of our 35.8% ownership of the voting shares (equal to 28.2% of the capital stock) of Grupo Argos. We are the principal shareholder of both of these conglomerates. Grupo Argos is the majority owner of Cementos Argos, S.A. ("Cementos Argos") (the largest cement producer in Colombia with market leading operations in Central America and the United States), Celsia S.A. ("Celsia") (the fourth largest electricity generation company in Colombia and a leading power generation company in Panama and Costa Rica), and Grupo Odinsa S.A. ("Grupo Odinsa") (a Latin American infrastructure development and planning company).

The following table sets forth the cash dividends and other distributions received by Grupo SURA, as principal shareholder, from other Group companies in 2015 and 2014.

	2015			2014	
	(U.S.$ in thousands)[1]	*(COP in millions)*	*% of Total*	*(COP in millions)*	*% of Total*
SURA AM[2]	109,412	344,591	42.4%	252,034	37.9%
Bancolombia	66,525	209,519	25.8%	192,545	28.9%
Suramericana	29,768	93,752	11.5%	87,619	13.2%
Grupo Nutresa	23,417	73,750	9.1%	68,450	10.3%
Grupo Argos	19,260	60,659	7.5%	56,097	8.4%
Others[3]	9,399	29,601	3.6%	8,755	1.3%
Total	**257,781**	**811,872**	**100%**	**665,500**	**100%**

(1) Solely for the convenience of the reader, amounts stated in U.S. dollars have been translated at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.
(2) The COP 344,591 million received from SURA AM in 2015 includes COP 230,981 million classified as a reimbursement of additional paid-in capital.
(3) "Others" includes dividends received from some of our smaller subsidiaries and investees, such as Hábitat Adulto Mayor S.A., Tipiel S.A., Integradora de Servicios Tercerizados S.A.S., Sodexo Servicios de Beneficios e Incentivos Colombia S.A. and Sodexo S.A.

As of March 31, 2016, Grupo SURA had a market capitalization of COP 22.9 trillion (U.S.$ 7.6 billion), the fourth largest of all companies in Colombia. As of December 31, 2015, its shareholders' equity was COP 22.8 trillion (U.S.$ 7.3 billion).

Our common and preferred shares are traded on the BVC under the symbol "GRUPOSURA" and "PFGRUPSURA", respectively, and our Level 1 American Depositary Receipts ("ADRs") are traded on the Over-the-Counter-Market ("OTC Market") in the United States under the symbol "GIVSY" and "GIVPY."

The Group's Performance in 2015

The following table sets forth key statistics relating to the Group's principal companies as of December 31, 2015:

	SURA AM[1]	Suramericana	Bancolombia	Grupo Nutresa	Grupo Argos
% of Capital Stock	78.7%	81.1%	26.7%	35.3%	28.2%
% of Voting Shares	78.7%	81.1%	46.4%	35.3%	35.8%
Ratings (Moody's/S&P/Fitch)[2]	Baa1/N/A/BBB+	Baa3[5]/BBB/N/A	Baa2/BBB-/BBB+	N/A/N/A/AAAcol	N/A/N/A/AA+col[6]
% of Dividends Received by Grupo SURA[3]	42.4%	11.5%	25.8%	9.1%	7.5%
Operating Revenues (COP in millions)	5,304,357	7,679,335	9,133,922	7,945,417	12,579,678
Market Capitalization (COP in millions)[4]	N/A	N/A	20,459,446	10,407,993	12,713,268
Net Income (COP in millions)	502,572	343,283	2,608,898	430,819	643,155

(1) Ownership of Grupo SURA, directly or indirectly, as of March 31, 2016.
(2) All ratings are international except for the Grupo Nutresa and Grupo Argos ratings, which are local ratings.
(3) Cash dividends and other distributions received by Grupo SURA, as principal shareholder, from other Group companies.
(4) This measurement does not apply to SURA AM or Suramericana because they are not listed on any stock exchange.
(5) Insurance financial strength rating of Suramericana's subsidiaries Seguros de Vida Suramericana S.A. and Seguros Generales Suramericana S.A.
(6) Rating data corresponds to Cementos Argos only.

The following table sets forth a breakdown of Grupo SURA's consolidated total income and net income by country of operation for the years ended December 31, 2015 and 2014, excluding the effect of the acquisition of the RSA Latin American Insurance Businesses:

	For the Year Ended December 31,							
	2015				2014			
	(COP in millions, except percentages)							
	Income	**% of Total Income**	**Net Income**	**% of Net Income**	**Income**	**% of Total Income**	**Net Income**	**% of Net Income**
Colombia[(1)(2)]	8,063,470	57.8%	852,320	64.4%	7,361,809	62.9%	983,027	60.3%
Chile	2,835,048	20.3%	147,188	11.1%	1,941,084	16.6%	286,100	17.5%
Mexico	1,259,067	9.0%	222,631	16.8%	1,046,412	8.9%	245,313	15.0%
Peru	1,135,147	8.1%	160,893	12.2%	856,348	7.3%	215,745	13.2%
El Salvador[(1)]	285,046	2.0%	16,480	1.2%	197,275	1.7%	(22,212)	(1.4)%
Panamá	181,211	1.3%	(68,414)	(5.2)%	141,456	1.2%	(8,057)	(0.5)%
Dominican Republic	114,638	0.8%	(6,677)	(0.5)%	81,492	0.7%	(1,279)	(0.1)%
Uruguay	79,725	0.6%	17,672	1.3%	57,864	0.5%	23,355	1.4%
Spain, Netherlands, Curaçao	56	0.0%	(18,154)	(1.4)%	21,563	0.2%	(90,963)	(5.6)%
Total	**13,953,408**	100.0%	**1,323,941**	100.0%	**11,705,303**	100.0%	**1,631,029**	100.0%

(1) SURA AM owns 49.4% of AFP Protección. Hence, SURA AM does not consolidate AFP Protección's results of operations into its consolidated results of operations. Rather, SURA AM accounts for this 49.4% ownership interest in its consolidated income statement under the equity method, recording its share of AFP Protección's net income. In preparing our audited consolidated financial statements, we recognize this equity pick-up in our SURA AM business segment, dividing SURA AM's share of AFP Protección's net income between the SURA AM sub-segments in which AFP Protección participates, mandatory pension funds and voluntary savings (in the same way SURA AM itself divides this equity pick-up). For purposes of the table above, this equity pick-up is reflected in both the total income and net income columns for Colombia. AFP Protección's consolidated net commissions and fee revenue under Colombian IFRS totaled COP 701,503 million and COP 582,961 million for the years ended December 31, 2015 and 2014, respectively. AFP Protección fully consolidates AFP Crecer into its consolidated results of operations. AFP Crecer's net commissions and fee revenue in accordance with accounting principles in El Salvador ("Salvadoran GAAP") totaled COP 156,713 million and COP 107,147 million for the years ended December 31, 2015 and 2014, respectively.

(2) Since we own less than 50% of the voting stock (and less than 50% of the capital stock) of Bancolombia, Grupo Nutresa and Grupo Argos, their results of operations are not consolidated into our consolidated results of operations. Rather, we account for our ownership interests in these companies in our consolidated income statement under the equity method, recording our share of the net income of each of these companies in the line item "share of profit in equity – accounted investees." Although these companies have operations outside of Colombia, for purposes of the table above, these equity pick-ups are reflected in both the total income and net income columns for Colombia.

Recent History

Since 2011, the Group has made a number of significant acquisitions that have led to its transformation from a Group with a predominant Colombian presence to a leading player in the financial services sector throughout Latin America. Most notably:

- SURA AM became a subsidiary of Grupo SURA following our acquisition of certain of ING's pension, life insurance and asset management businesses in Latin America in December 2011. Many of these businesses have had a presence for over 30 years in their respective countries. We currently own approximately 78.7% of SURA AM's shares, and the remaining 21.3% are held by a group of leading financial institutions and institutional investors, namely International Finance Corporation, Bancolombia, Grupo Bolívar and Grupo Wiese. The investment in SURA AM represented a key event in our history as we moved our focus to the mandatory pension funds, voluntary savings and insurance industries. For the past three years, SURA AM has been our largest source of dividends.

- In 2013 Bancolombia acquired all of HSBC Bank's businesses in Panama and in 2015 Bancolombia acquired an additional 20% stake in Banco Agromercantil de Guatemala ("BAM"), which brought the bank's share of BAM's equity to 60%. Bancolombia is now the largest bank in Colombia and a relevant player in Central America as measured by total loans and deposits, accounting for 22.9% and 20.8%, respectively, of the Colombian market, 10.7% and 12.2%, respectively, of the Panamanian market, 10.1% and 8.3%, respectively, of the Guatemalan market and 27.2% and 26.4%, by total loans and deposits, respectively, of the Salvadoran market, in each case as of December 31, 2015.

- On September 7, 2015, Suramericana announced the acquisition of the RSA Latin American Insurance Businesses, which currently operate in Chile, Mexico, Colombia, Uruguay, Brazil and Argentina and serve approximately 5.6 million clients. This acquisition will significantly increase Suramericana's presence in the region. For details on the financing of the acquisition, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Description of Indebtedness and Potential Sources of Liquidity—Loan Agreements and Finance Lease Liabilities" and "Business—Our Interests in the Financial Services Sector—Suramericana S.A.—Acquisition of the RSA Insurance Group's Latin American Business."

For a more complete history of the Group, please see "Business—History."

Corporate Structure

As a result of our acquisitions, organic growth and the streamlining of our shareholder structure, we now have the corporate structure set forth on the inside front cover of this offering memorandum. As set forth in that structure chart, aside from our ownership interests, many of the Group's principal companies also have equity interests in other Group companies, including Grupo SURA, which as of December 31, 2015 were as set forth below:

- SURA AM had a 49.4% interest in AFP Protección, the second-largest pension fund administrator in Colombia, based on assets under management and number of clients as of December 31, 2015;

- Bancolombia had a 3.7% ownership interest in SURA AM (held indirectly through its subsidiary Banco Agricola S.A.) and a 20.6% ownership interest in AFP Protección (held directly and through its subsidiary Fiduciaria Bancolombia S.A.);

- Grupo Nutresa had a 12.7% ownership interest in the voting shares (equal to 10.3% of the capital stock) of Grupo SURA and a 12.4% ownership interest in the voting shares (equal to 9.8% of the capital stock) of Grupo Argos; and

- Grupo Argos and its subsidiaries had a 35.3% ownership interest in the voting shares (equal to 29.2% of the capital stock) of Grupo SURA, a 5.5% ownership interest in the voting shares (equal to 2.9% of the capital stock) of Bancolombia and a 9.8% ownership interest in Grupo Nutresa.

The Key Countries in which the Group Operates

The Group mostly operates in countries that have investment grade credit ratings, with highly underpenetrated financial sectors that offer compelling potential for growth and development. The following table sets forth certain key macroeconomic indicators by key country of operation as of or for the year ended December 31, 2015:

	As of or for the Year Ended December 31, 2015					
	Colombia	**Chile**	**Mexico**	**Peru**	**Uruguay**	**El Salvador**
	(in millions, except percentages, GDP per capita and ratings)					
Population	48.2	18.1	124.6	31.4	3.4	6.3
Economically-Active Population[(1)]	24.3	8.7	55.6	16.9	1.8	2.7
GDP Growth Rate	2.9%	2.1%	2.5%	3.3%	1.7%	2.3%
GDP per Capita (in current U.S.$)	6,155	13,292	9,440	6,048	17,718	4,007
Salary Base Growth Rate	9.9%	4.5%	N/A	3.2%	8.5%	5.7%
Inflation	6.8%	4.4%	2.1%	4.4%	9.4%	1.0%
Sovereign International Credit Ratings (Moody's/S&P/Fitch)	Baa2/BBB/ BBB+	Aa3/AA-/ A+	A3/BBB+/ BBB+	A3/BBB+/ BBB+	Baa2/BBB/ BBB-	Ba3/B+/ B+

Sources: Population statistics are based on information from the Economic Commission for Latin America & the Caribbean's 2015 Annual Statistics Report. Economically-active Population statistics are from the World Bank. GDP and inflation statistics are based on information from Focus Economics Consensus Forecast – February 2016. The salary base growth rate statistics are based on information provided by the local regulator of each country and our internal calculations.

(1) "Economically-active population" is defined as all persons of either sex who furnish the supply of labor for the production of economic goods and services during a specified time-reference period.

The following map demonstrates the geographic reach of our interests in the financial services sector. This reach will increase once we have completed the full acquisition of the RSA Latin American Insurance Businesses. As of the date of this offering memorandum, Suramericana has closed on the acquisitions in Brazil and Colombia, and the remaining countries are expected to close, subject to regulatory approvals, in the second half of 2016.

Our Interests in the Financial Services Sector

Sura Asset Management S.A.

SURA AM is the largest pension fund manager in Latin America, with a top three ranking in the Chilean, Mexican, Peruvian, Colombian, Uruguayan and Salvadoran markets, as measured by assets under management and/or by number of clients, as of December 31, 2015, according to the local regulator in each of these countries. As SURA AM seeks to accompany its 17.3 million clients throughout their life cycle, it offers a diverse range of savings solutions through mandatory pension funds, voluntary savings products, and life insurance and annuities. SURA AM had COP 324.7 trillion in assets under management as of December 31, 2015, of which 89.2% are in its highly stable mandatory pension funds segment.

Contributions to pension funds are mandatory in the countries in which SURA AM operates and represent a certain percentage of each employee's taxable salary base, as established by law. SURA AM's primary source of earnings is the commission it charges on these mandatory pension contributions. This commission is calculated as a percentage of each client's taxable salary base or, in the case of Mexico, assets under management, or, in the case of Peru, both, on a recurring monthly basis, making SURA AM's revenue stream highly stable. SURA AM's mandatory pension funds segment revenues are therefore a function of the growth in the economically-active population, formal employment and the salary base, all of which have grown significantly in the countries in which SURA AM operates (with salary base growth outstripping GDP growth in these countries). SURA AM's pension fund administrators invest the mandatory pension fund contributions in one or more regulated pension funds with specific investment guidelines. These regulatory limits make fund performance among pension fund managers similar, reducing the incentive of clients to move among pension fund administrators.

SURA AM's mandatory pension fund businesses are AFP Capital in Chile, Afore SURA in Mexico, AFP Integra in Peru and AFAP SURA in Uruguay. As of December 31, 2015, AFP Capital is the fourth-largest pension fund administrator in Chile based on assets under management and the third-largest based on number of clients, while Afore SURA is the third-largest pension fund administrator in Mexico based on assets under management and the fourth-largest based on number of clients, according to the local regulator in each of these countries. Similarly, AFP Integra is the largest pension fund administrator in Peru, and AFAP SURA is the second-largest pension fund administrator in Uruguay, in each case, based on assets under management and number of clients as of December 31, 2015, according to the local regulator in each of these countries. SURA AM also owns 49.4% of AFP Protección, the second-largest pension fund administrator in Colombia, based on assets under management and number of clients as of December 31, 2015, according to the local regulator. AFP Protección owns 100% of AFP Crecer, one of two pension fund administrators operating in El Salvador.

SURA AM's broad regional footprint in its mandatory pension funds segment provides economies of scale that represent a significant competitive advantage in the marketing of its voluntary savings and life insurance and annuities segments. In SURA AM's experience, providing these savings solutions is not only cost-effective but also builds loyalty and reduces client turnover. In particular, SURA AM provides voluntary pension plans in Chile, Mexico, Peru and Colombia that enable its clients to invest additional savings for retirement and, in some cases, non-retirement purposes. SURA AM provides mutual fund products in Chile, Mexico, Peru, Colombia and Uruguay, with its revenues primarily consisting of the fee charged on the average daily net asset value of each mutual fund. Additionally, SURA AM provides voluntary life insurance and annuity products in Chile, Mexico and Peru, from which its revenues primarily consist of gross written premiums as well as its investment income. In Colombia and El Salvador, SURA AM distributes the life insurance products of Suramericana's insurance subsidiaries. SURA AM also has a small stock broker in Chile. In SURA AM's experience, the more of its products its clients have, the less client turnover it experiences.

The following table sets forth certain of SURA AM's operating metrics, including those of AFP Protección and AFP Crecer, by country of operation as of December 31, 2015:

	As of December 31, 2015					
	Chile	**Mexico**	**Peru**	**Colombia**[(1)]	**Uruguay**	**El Salvador**[(2)]
	(COP in millions, except clients, percentages, rankings and direct employees)					
Total Clients (in millions)	1.9	6.2	2.1	5.4	0.3	1.5
Mandatory Pension Fund Clients (in millions)	1.8	6.1	2.0	4.1	0.3	1.5
Mandatory Pension Fund Clients Market Share/Ranking	17.6%/3	12.9%/4	33.8%/1	30.6%/2	24.3%/2	53.0%/1
Direct Employees	2,485	3,025	1,280	1,939	152	302
Assets Under Management	105,832,066	79,368,486	51,316,742	69,292,607	6,140,841	12,758,965
Mandatory Pension Funds AUM Market Share/Ranking	20.0%/4	14.7%/3	40.4%/1	36.7%/2	18.0%/2	46.9%/2
Declared Dividends 2015	106,440.0	201,917.6	143,379.3	72,856.7[(3)]	27,606.7	N/A[(4)]

Source: Market share and ranking information is based on information provided by the local regulator of each country.

(1) Represents 100% of the key operating metrics of AFP Protección, in which SURA AM currently holds a 49.4% ownership interest. SURA AM does not consolidate AFP Protección's results into its consolidated results of operations.

(2) Represents 100% of the key operating metrics of AFP Crecer, AFP Protección's wholly-owned subsidiary. SURA AM does not consolidate AFP Crecer's results into its consolidated results of operations.

(3) Represents SURA AM's share of AFP Protección's dividends based on its 49.4% ownership interest in AFP Protección.

(4) SURA AM has no direct ownership interest in AFP Crecer and does not receive direct dividends from AFP Crecer. AFP Crecer is a wholly-owned subsidiary of AFP Protección.

For the year ended December 31, 2015, SURA AM's consolidated total revenue was COP 5.3 trillion and its consolidated net income was COP 502.6 billion, as compared to consolidated total revenue of COP 3.9 trillion and consolidated net income of COP 409.6 billion for the year ended December 31, 2014. As of December 31, 2015, SURA AM's consolidated assets under management were COP 324.7 trillion and its consolidated shareholders' equity was COP 9.1 trillion, as compared to consolidated assets under management of COP 272.4 trillion and consolidated shareholders' equity of COP 8.3 trillion as of December 31, 2014.

Suramericana S.A.

Suramericana is the parent company for a group of companies providing a full range of insurance products and related services, including mandatory health and workers' compensation related services, to customers in Colombia and elsewhere in Latin America, particularly El Salvador, the Dominican Republic and Panama.

Suramericana divides its business into the following segments:

- **Life Insurance**: includes Suramericana's subsidiaries providing life insurance products in Colombia and El Salvador. Suramericana's main subsidiary in this segment is Seguros de Vida Suramericana S.A. ("Seguros de Vida"), which provides life insurance services, including voluntary health, life, group life, disability and survivorship ("D&S") and other life insurance products. This segment also includes Suramericana's workers' compensation subsidiary, Seguros de Riesgos Laborales Suramericana S.A. ("SURA ARL"), which provides mandatory workers' compensation insurance, including professional risk. Life insurance accounted for 48.7% of Suramericana's business by total revenues and 60.8% by written premiums in 2015.

- **Non-life Insurance**: includes Suramericana's property and casualty ("P&C") subsidiaries in Colombia, El Salvador, Dominican Republic and Panama. Suramericana's main subsidiary in this segment is Seguros Generales Suramericana S.A. ("Seguros Generales"), which provides P&C insurance, including vehicle, fire, theft, transport and other liabilities. Non-life Insurance products accounted for 22.3% of Suramericana's business by total revenues and 39.2% by written premiums in 2015.

- **Healthcare**: includes Suramericana's subsidiaries in Colombia providing mandatory health insurance in (EPS y Medicina Prepagada Suramericana S.A. ("EPS SURA")), healthcare services (IPS SURA S.A. ("IPS SURA")) and diagnostic and laboratory services (Diagnóstico y Asistencia Médica S.A. Dinámica IPS and Dinámica IPS Zona Franca S.A.S. (together, "Dinamica")). Healthcare accounted for 26.8% of Suramericana's business by total revenues in 2015.

In 2015, Suramericana's subsidiaries Seguros de Vida, Seguros Generales and SURA ARL were Colombia's largest insurance companies in their respective categories, with 29.4%, 17.5% and 29.7% market shares based on written premiums, respectively. In 2015, Suramericana's subsidiaries primarily marketed their services through a distribution network of 5,599 insurance agents operating through 74 branches, 354 selling stations through Suramericana's joint venture with Almacenes Éxito S.A. ("Almacenes Éxito"), the largest retail company in Colombia, and the bancassurance joint venture with Bancolombia that provides access to 696 of Bancolombia's branches. Suramericana's subsidiaries service approximately 10 million clients in Colombia, 644,000 clients in El Salvador, 220,399 clients in the Dominican Republic and 150,000 clients in Panama.

For the year ended December 31, 2015, Suramericana's consolidated total revenue was COP 7.7 trillion, consolidated written premiums were COP 5.9 trillion and consolidated net income was COP 343.3 billion, as compared to consolidated total revenue of COP 6.6 trillion, consolidated written premiums of COP 5.0 trillion and consolidated net income of COP 378.5 billion for the year ended December 31, 2014. As of December 31, 2015, Suramericana's consolidated total assets were COP 13.2 trillion and consolidated shareholders' equity was COP 2.7 trillion, as compared to consolidated total assets of COP 11.1 trillion and consolidated shareholders' equity was COP 2.3 trillion as of December 31, 2014.

On September 7, 2015, Suramericana announced the acquisition of the RSA Latin American Insurance Businesses, which currently operate in Chile, Mexico, Colombia, Uruguay, Brazil and Argentina. The RSA Latin American Insurance Businesses provide a wide array of insurance products, including life, health, and P&C insurance. For the year ended December 31, 2015, the RSA Latin American Insurance Businesses serviced over 5.6 million clients and had net written premiums of GBP 691 million. As of the date of this offering memorandum, Suramericana has closed on the acquisitions in Brazil and Colombia, and the remaining countries are expected to close, subject to regulatory approvals, in the second half of 2016, thereby significantly increasing Suramericana's presence in the region. See "Business—Our Interests in the Financial Services Sector—Suramericana S.A.—Acquisition of the RSA Insurance Group's Latin American Business."

Bancolombia S.A.

Bancolombia is Colombia's and Central America's leading financial institution, providing a wide range of financial products and services to a diversified individual and corporate customer base throughout Colombia and Central America as well as in other countries such as the United States, Puerto Rico and Peru. Bancolombia is the largest bank in Colombia and a relevant player in Central America as measured by total loans and deposits, accounting for 22.9% and 20.8%, respectively, of the Colombian market, 10.7% and 12.2%, respectively, of the Panamanian market, 10.1% and 8.3%, respectively of the Guatemalan market and 27.2% and 26.4%, by total loans and deposits, respectively, of the Salvadoran market, in each case as of December 31, 2015. As of December 31, 2015, Bancolombia's non-performing loans on a 90-day basis as a percentage of total loans was 1.8% (on a 30-day basis was 3.0%).

Bancolombia was founded in 1875 and has grown substantially over the years, through organic growth as well as through acquisitions. For example, in 2013 Bancolombia acquired all of HSBC Bank's businesses in Panama and in 2015 Bancolombia acquired an additional 20% stake in BAM, which brought the bank's share of BAM's equity to 60%. Bancolombia's distribution network in Colombia and Central America includes 1,256 branches, 5,086 automated teller machines ("ATMs") and additional channels that contribute to its regional presence. Bancolombia serves approximately 8.03 million clients in Colombia and 2.77 million clients in Central America.

For the year ended December 31, 2015, Bancolombia's consolidated total net revenue was COP 9.1 trillion, consolidated net interest income after provisions net was COP 5.6 trillion and consolidated net income was COP 2.6 trillion (representing an average return on equity of 13.6% and an average return on assets of 1.5%), as compared to consolidated total net revenue of COP 8.2 trillion, consolidated net interest income after provisions net of COP 5.1 trillion and consolidated net income of COP 2.4 trillion (representing an average return on equity of 14.8% and an average return on assets of 1.7%) for the year ended December 31, 2014. As of December 31, 2015, Bancolombia's consolidated total assets were COP 193.0 trillion, total net loans and financial leases, net were COP 140.4 trillion, total deposits were COP 121.8 trillion and consolidated stockholders' equity was COP 20.4 trillion, as compared to consolidated total assets of COP 149.6 trillion, total net loans and financial leases, net, of COP 110.4 trillion, total deposits of COP 94.8 trillion and consolidated stockholders' equity of COP 17.4 trillion as of December 31, 2014.

While we do not consolidate Bancolombia into our consolidated results of operations, we are Bancolombia's principal shareholder.

Bancolombia's common and preferred shares are traded on the BVC under the symbols "BCOLOMBIA" and "PFBCOLOM", respectively. Its ADRs, each representing four preferred shares, are traded on the New York Stock Exchange under the symbol "CIB."

Our Interests in the Industrial Sector

Processed Foods Business

Grupo Nutresa S.A.

Grupo Nutresa is the leading processed foods group in Colombia, as measured by market share in the majority of the business lines that it serves. Grupo Nutresa is also one of the most significant processed foods groups in the sector in Latin America, with a significant presence in Central America, the United States, Chile, Mexico and Peru, among others.

Grupo Nutresa's main activities involve producing, distributing and selling cold cuts, biscuits, chocolates, roasted and ground coffee, ice cream and pasta, as well as providing memorable experiences in its restaurants, ice cream parlors and coffee shops. Grupo Nutresa's other activities include its interests in the metal-packaging industry. Grupo Nutresa's business units offer a competitive set of products and brands that have helped it reach leading market positions in the majority of its business lines in Colombia. Grupo Nutresa has an extensive distribution network in 45 countries, its own production facilities in 14 countries and benefits from the broad international distribution of its products, which are exported to 72 countries.

In 2015, Grupo Nutresa had consolidated operating revenues of COP 7.9 trillion attributable to its principal business lines as follows: 24.0% to the cold cuts business, 19.7% to biscuits, 16.0% to chocolates, 11.3% to Tresmontes Lucchetti, 11.2% to coffee, 6.8% to retail food, 5.6% to ice cream, 3.2% to pasta and 2.2% to other. Grupo Nutresa's consolidated net income in 2015 was COP 430.8 billion as compared to consolidated net income of COP 589.5 billion in 2014. As of December 31, 2015, Grupo Nutresa had consolidated total assets of COP 13.1 trillion as compared to consolidated total assets of COP 11.8 trillion as of December 31, 2014.

While we do not consolidate Grupo Nutresa into our consolidated results of operations, we are Grupo Nutresa's principal shareholder.

Grupo Nutresa's common shares are traded on the BVC under the symbol "NUTRESA," and its Level 1 ADRs are traded on the OTC Market in the United States under the symbol "GCHOY."

Cement, Ready Mix, Energy and Infrastructure Business

Grupo Argos S.A.

Grupo Argos is the holding company for a group of companies operating mainly in the cement, ready mix, energy and infrastructure development and planning industries in Colombia, the United States, Central America and the Caribbean. As of December 31, 2015, Grupo Argos directly held a 55.3% interest in the cement company Cementos Argos, a 52.5% interest in the energy company Celsia and a 54.7% interest in the infrastructure development and planning company Grupo Odinsa.

Grupo Argos' consolidated operating revenues for 2015 were COP 12.6 trillion and consolidated net income was COP 643.2 billion as compared to consolidated operating revenues of COP 9.3 trillion and consolidated net income of COP 930.4 billion in 2014. As of December 31, 2015, Grupo Argos had consolidated total assets of COP 41.8 trillion as compared to consolidated total assets of COP 34.3 trillion as of December 31, 2014.

While we do not consolidate Grupo Argos into our consolidated results of operations, we are Grupo Argos' principal shareholder.

Grupo Argos' common and preferred shares are traded on the BVC under the symbol "GRUPOARGOS" and "PFGRUPOARG" respectively.

Cementos Argos S.A.

Cementos Argos is engaged in the business of producing cement and ready mix in Colombia, the United States, Panama, Haiti, the Dominican Republic, St. Maarten, St. Thomas, Antigua, Dominica, Curacao, Surinam, Honduras, French Guyana and Puerto Rico. Cementos Argos' operating revenues derive from sales of cement and ready mix in these countries, as well as from its cement exports to more than 35 countries. In addition to what Cementos Argos produces abroad, approximately 13% of its Colombian production is exported to Central America and the Caribbean region.

In 2015, Cementos Argos was the leading cement and ready mix producer in Colombia in terms of cement and ready mix sales volumes, the fifth largest cement and ready mix producer in Latin America in terms of cement and ready mix sales volumes, and the third largest ready mix producer in the United States in terms of ready mix sales volume. In the United States, Cementos Argos operates in the regional markets of Texas, Arkansas, Georgia, South Carolina, North Carolina, Florida and Virginia.

Cementos Argos has achieved its market position through internal growth and strategic acquisitions in the North America and South America.

In terms of its cement production, Cementos Argos controls 24 ports and operates 13 cement plants with a total production capacity of 21.5 million tons per year. In ready mix, Cementos Argos owns 2,586 mixers and 376 plants, and has a total production capacity of 18 million cubic meters. Internationally, Cementos Argos exports cement and clinker to over 35 countries.

Cementos Argos' common and preferred shares are traded on the BVC under the symbol "CEMARGOS" and "PFCEMARGOS" respectively, and its Level 1 ADRs are traded on the OTC Market in the United States under the symbol "CMTOY."

Celsia S.A.

Celsia is a leading electricity company in Colombia, Panama and Costa Rica based on electricity generation and installed capacity. Celsia divides its business into three segments that complement each other and represent independent sources of revenue: electricity generation and commercialization, electricity transmission and distribution and natural gas distribution and commercialization.

As of December 31, 2015, Celsia had an installed generation capacity of 2,390 MW distributed across 27 power plants located in Colombia, Panama and Costa Rica, of which five are thermal power plants, 21 are hydroelectric power plants and one is a wind farm. In 2015, Celsia generated 9% of the energy consumed in Colombia during the year, which positions Celsia as the fourth largest electricity generation company in Colombia, based on management estimates. As a result of the company's international expansion in the last quarter of 2014 through the purchase of hydroelectric and thermal power plants in Panama and a wind farm in Costa Rica, Celsia became the second largest electricity generator in Panama, based on management estimates.

Through its subsidiary Empresa de Energía del Pacífico S.A. E.S.P. ("EPSA"), Celsia is present in the four stages of the electricity business in Colombia: generation, transmission, distribution, and commercialization. It provides electricity transmission and distribution services to 39 municipalities in Valle del Cauca and one in Chocó, which represent approximately 4% of Colombia's distribution customers. Celsia's transmission and distribution services are supported by a network of seven substations and 274 kilometers of high voltage lines (greater than 220 kV), as well as 72 substations and 19,955 kilometers of medium and low voltage lines (lower than 220 kV).

Celsia's common shares are traded on the BVC under the symbol "CELSIA."

Grupo Odinsa S.A.

Grupo Odinsa is primarily focused on the planning, development, management and financing of large and complex infrastructure projects throughout Latin America and the Caribbean, including, among others, highway-related projects, airports, tolls and electricity generation.

In 2015, Grupo Odinsa derived 40% of its revenues from roads and highway-related concessions, 32% from energy generation, 7% from the operation and management of concessions, 16% from construction and 5% for other services, such as the administration of toll booths and toll collections for both public and private entities. As of December 31, 2015, Grupo Odinsa was one of the leading companies in Colombia's infrastructure sector, in terms of number of concession contracts awarded.

Grupo Odinsa's common shares are traded on the BVC under the symbol "ODINSA."

Our Strengths

Market-leading group of companies operating primarily in the Latin American financial services sector. Our businesses are well-established companies that are market leaders in Latin America across the financial services sector, providing a full range of mandatory pension fund, voluntary savings, insurance and universal banking products. Our subsidiary SURA AM is the largest pension fund manager in Latin America as measured by assets under management and clients, accounting for 22.8% and 19.6%, respectively, of the markets in the countries in which it operates as of December 31, 2015. Our subsidiary Suramericana is the insurance operator of the largest life, property and casualty and workers' compensation insurance companies in Colombia as measured by written premiums, accounting for 29.4%, 17.5% and 29.7%, respectively, of the Colombian market as of December 31, 2015. Bancolombia is the largest bank in Colombia and a relevant player in Central America as measured by total loans and deposits, accounting for 22.9% and 20.8%, respectively, of the Colombian market, 10.7% and 12.2%, respectively, of the Panamanian market, 10.1% and 8.3%, respectively of the Guatemalan market and 27.2% and 26.4%, by total loans and deposits, respectively, of the Salvadoran market, in each case as of December 31, 2015.

These leading market positions have given us unparalleled opportunities to grow our client base across our various businesses. We estimate that our financial services businesses served over 39 million clients in 2015.

Strong, diversified and growing cash flows. Grupo SURA derives most of its cash flows from dividends paid by a diversified group of companies operating mainly in the financial services sector in Latin America. In recent years, these companies have consistently paid dividends, which have been increasing by at least the rate of inflation as measured by the *Indice de Precios al Consumidor Colombiano* ("Colombian Consumer Price Index") and our dividend income has grown at a compound annual growth rate ("CAGR"), of 22% since 2012. For the past two years, SURA AM has been our largest source of dividends, representing 42.4% in each year of the dividends and other distributions we have received.

The Group has a competitive advantage from its robust geographic diversification, with an active presence in Colombia, Chile, Mexico, Peru, Uruguay, Central America, the Caribbean and the United States. The Group mostly operates in countries that have investment grade credit ratings, with highly underpenetrated financial sectors that offer compelling potential for growth and development. Furthermore, this diversification serves as a natural hedge, as when one country experiences less growth, other countries may be performing better.

Significant earnings stability from our mandatory businesses. 38.0% of our consolidated net income for the year ended December 31, 2015 came from our subsidiary SURA AM, which in turn derives 93.1% of its total operating segments' net income from its mandatory pension funds segment. These earnings represent a stable and growing source of cash flow and have proven to be resilient even in the face of the recent global financial crisis. This earnings stability results from the mandatory nature of the contributions in the countries in which SURA AM operates and the fact that the commission SURA AM charges each of its clients on their mandatory pension contributions is calculated as a percentage of each client's taxable salary base or, in the case of Mexico, assets under management, or, in the case of Peru, both, on a recurring monthly basis. SURA AM's earnings have also been growing consistently with the growth of the economically-active population and the salary base of the countries in which it operates. Our subsidiary Suramericana also derives a significant portion of its consolidated operating income from its mandatory product offerings, such as mandatory workers' compensation, mandatory health insurance and D&S insurance, thereby also benefiting from earnings stability.

Multi-product and multi-channel business model, allowing us to exploit synergies. We have increased our market share across all of our financial services businesses by developing a business model that permits us to exploit synergies between our mandatory pension fund, voluntary savings, insurance and universal banking businesses while accessing a wider customer base and creating enhanced customer loyalty. As we seek to accompany our clients throughout their life cycle, we believe that our business model allows us significant room for margin improvements through revenue synergies from our distribution, operational and administrative structure and the identification of promising brands and products that complement our existing brands and products. This business model enables us to benefit from an extensive distribution network in the countries in which we operate that provides the Group's companies with a competitive advantage and creates high entry barriers that protect our businesses from competition.

Regional diversification with a presence across countries with compelling demographic trends and potential for growth. The Group benefits from growing populations and improving socio-economic conditions in the countries in which the Group companies operate that directly result in increased revenues. Based on IMF data, the population of the countries in which the Group operates, taking into account Suramericana's acquisition of the RSA Latin American Insurance Businesses, reached approximately 500 million people in 2015, with an economically-active population of 250 million in 2014. We have also seen a significant increase in the middle class, a commensurate decline in urban poverty rates and an increase in employment formalization. The Group benefits directly from an increase in real income levels, as operating revenues from SURA AM's and Suramericana's mandatory businesses are directly derived from the salary levels of its clients or, in the case of Afore SURA in Mexico, the assets that Afore SURA manages for them, which increase with their salaries and Afore SURA's market performance. The Group also indirectly benefits from growing disposable income in the countries in which Group companies operate in terms of our insurance, voluntary savings and commercial banking product offerings.

Experienced management teams. All of the Group companies benefit from experienced and talented management teams. Most of the members of the Group companies' senior management have held executive positions across various industries in the countries in which the Group's companies operate. In particular, the

Group's country and segment managers have held various positions within the Group, on average, for more than 17 years. Furthermore, the Group companies' management teams have a proven track record of executing successful and value-added acquisitions.

Commitment to best practices, corporate governance and sustainable development. In 2002, we established a corporate governance code (the "Corporate Governance Code"), which we continuously update and expand to cover all our business, and we have been publishing annual reports on corporate governance since 2005. The guiding principle behind our corporate governance policies is to champion a business policy governed by principles of fairness, respect, responsibility and transparency and a firm commitment to the countries and the people where the Group operates, and to its shareholders. Our Corporate Governance system follows international standards regarding relationships with regulatory entities, independent board members, board of directors' roles, board of directors' committees, control and disclosure of information. Beginning in 2015, we also adopted the SFC's codification of Best Corporate Governance Practices in Colombia ("*Codigo País*"), at the highest standard recommended by the SFC. We also have a commitment to sustainability and, as of December 31, 2015, we continue to be the only Latin American company in the financial services sector to be ranked in the Dow Jones Global Sustainability Index for five consecutive years. In addition, as part of our emphasis on social responsibility and good corporate citizenship, we, our subsidiaries and investees take part in projects that help improve the quality of life for more vulnerable communities, by means of institutional contributions and our own group of volunteers, all of which is channeled through our SURA Foundation.

Our Strategy

Our business strategy is to develop and support our financial services businesses by consolidating our recent acquisitions, identifying synergies and continuing to grow our market leading positions organically. We will also continue to participate in our industrial sector investees. We plan to pursue our business strategy by focusing on the following:

Maintaining leadership in Latin American markets, particularly in the financial services sector. Our financial services businesses are leaders in the markets in which they operate. SURA AM is the leading pension fund administrator in Latin America; Suramericana is the leading insurance operator for the largest insurance companies in Colombia; and Bancolombia is the leading financial institution in Colombia and a relevant player in Central America. We plan to maintain our leadership in these markets by employing highly skilled and trained individuals, offering superior products and solutions to our customers, investing in research and development for innovation, fostering customer loyalty by providing a combination of personalized service and high-quality products and services at competitive prices and ensuring that our businesses continue to carry out their operations through our guiding principles of fairness, respect, responsibility and transparency.

Consolidating the recent growth of our core financial services businesses, and supporting the growth of Group companies in the industrial sector. In the past five years, the Group has increased its market share in Latin America through the acquisition of various market leading companies in the financial services sector. For example, we acquired certain of ING's pension, life insurance and asset management businesses in Latin America in December 2011, which are now operating under our subsidiary SURA AM. Bancolombia also acquired all of HSBC Bank's businesses in Panama in 2013. We also acquired, through Suramericana, Aseguradora Suiza Salvadoreña S.A. ("Asesuisa"), Progreso Compañia de Seguros S.A. (currently known as Seguros Sura S.A. (República) or "Seguros SURA") and Banistmo Seguros S.A. (merged in 2015 with Suramericana's Panamanian subsidiary, Seguros Suramericana S.A. or "Suramericana Panama"), market leading insurance companies in El Salvador, the Dominican Republic and Panama, respectively. On September 7, 2015, Suramericana also announced the acquisition of the RSA Latin American Insurance Businesses. As of the date of this offering memorandum, Suramericana has closed on the acquisitions in Brazil and Colombia, and the remaining countries are expected to close, subject to regulatory approvals, in the second half of 2016. The Group has a successful track record of integrating completed acquisitions into its business model and day-to-day operations. We plan on doing the same with the RSA Latin American Insurance Businesses.

In the industrial sector, while we will not finance the future expansion of Grupo Nutresa and Grupo Argos, we actively support these companies through our participation on their boards of directors.

Promoting synergies among the Group. While all Group companies operate individually, within our financial services businesses, we seek to achieve synergies among our businesses through our common knowledge and common management system. In this respect, we have an executive committee, comprised of the chief executive officers of each of Grupo SURA, SURA AM, Suramericana and Bancolombia, that coordinates our long-term strategy and synergy plans. Our financial committee, comprised of the chief financial officers of each of these same companies, oversees these companies' strategies on cash management, indebtedness and hedging policies.

We also plan on continuing to implement our multi-product and multi-channel business model through which we offer products and services across different businesses and industries. This approach is cost-effective because it allows us to market more products while using fewer resources. It also reduces client turnover, as our experience has shown that client loyalty rises with an increased number of products per client. For example, Bancolombia and Suramericana have developed the bancassurance joint venture through which Suramericana's subsidiaries offer general insurance products and services at 696 of Bancolombia's branches throughout Colombia. Suramericana and SURA AM also executed a distribution agreement for SURA AM to offer and market Suramericana's products, increasing the cross-selling opportunities between their wide range of clients. SURA AM's regional leadership in the mandatory pension funds segment provides a competitive advantage in this respect and positions us favorably to capture the upside potential and growth of underpenetrated sectors, such as voluntary pensions, mutual funds and life insurance and annuities. We intend to continue promoting similar arrangements across all of our strategic interests in the near future.

Our financial services businesses also seek to accompany their clients throughout their life cycle by offering different savings solutions depending on their stage of life. Our multi-product and multi-channel business model fits favorably within this goal. For example, SURA AM first acquires a new member of the working group population through his or her contributions to one of its mandatory pension fund plans. As clients' salaries grow and they start focusing more on savings, SURA AM may subsequently advise them on additional savings solutions and may offer them voluntary savings products and life insurance or Suramericana's products through the distribution agreement described above. As our clients approach retirement, we advise them on the benefits of other retirement options and may offer products such as annuities.

Promoting technological and product innovation. Based on an analysis of the business environment, we are able to identify vectors and current and future challenges to our business segments both from within and outside our Group. Widespread internet use, the surge in new financial technologies, an aging population and the attitude of the younger generations towards financial services are just some of the potential challenges we face. In this sense, innovation is a permanent component of our strategy. We emphasize vigilance as an opportunity to build knowledge and understand our business environment so that we can adequately adapt to challenges as they arise. We also participate in civic events, analyze our investments in innovation and provide employee training and development. By concentrating on innovation we have been able to, and expect to continue to be able to, face the challenges of different business environments, so as to be able to build pathways towards sustainable organic growth, while remaining at the forefront of each of our business segments.

Following prudent risk management policies. We and each of our subsidiaries and investees follow an integrated risk management approach where risk management is embedded in our operations, internal controls and strategic planning. We believe we are better equipped to manage risk than our competitors because we have a consistent strategic view across all of our businesses and interests in the region and our risk management staff have become true experts in their field. While risk management is run by each Group company on an individual basis, as the parent company and/or principal shareholder, we have developed appropriate communication channels, such as board and committee participation, so as to enable us to properly assess the risk profile and risk management functions of the Group companies themselves. In this way, we hope to identify and control each of the key risks facing Group companies, particularly in the financial services sector.

Maintaining and enhancing our strong, diversified and growing cash flows and solid credit position. By expanding our presence in the financial services sector and supporting the growth of our interests in the industrial sector, we seek to maintain and enhance the financial strength of Group companies. In doing so, we aim to ensure that our dividend flow continues to be well diversified across various industries and countries and grows at similar or faster rates than in recent years. In addition, to assure that our growth will not hamper our solid credit position, we intend to continue with our long- term policy of maintaining conservative leverage levels. This policy is evident through our proven track record on deleveraging, such as we did after the ING acquisition. We plan to continue with this policy, supported by our strong cash flow generation and prudent investment decisions. We also plan to maintain adequate liquidity levels through our cash holdings, uncommitted lines of credit, securities available for sale and access to the local and international capital markets.

The Issuer

The Issuer is a wholly owned subsidiary of Grupo SURA, incorporated on March 18, 2011 as an exempted company with limited liability under the laws of the Cayman Islands. The Issuer was incorporated solely for the purpose of issuing the notes and other unsecured indebtedness ranking equally with the notes, and to help finance the development of the Group. See "Use of Proceeds." The payment of principal, interest and premium, if any, on the notes will be unconditionally and irrevocably guaranteed by Grupo SURA.

The Issuer's only prior business activity has been the (i) issuance of U.S.$ 300 million aggregate principal amount of its 5.70% Notes due 2021 (the "2021 Notes"), which are unconditionally guaranteed by Grupo SURA and (ii) entry into a U.S.$ 540 million (COP 1,701 billion) credit agreement, dated as of February 26, 2016, among the Issuer, as borrower, Grupo SURA and Grupo de Inversiones Suramericana Panamá S.A., as guarantors, each lender from time to time party thereto and Bank of America, N.A., as administrative agent (the "Bridge Loan"), which was drawn down in full. Other than the 2021 Notes and the Bridge Loan, the Issuer does not have any substantial assets or liabilities. The Bridge Loan is expected to be repaid in full with the net proceeds of the notes being offered hereby. The Issuer does not prepare audited financial statements but Grupo SURA fully consolidates the Issuer's results into its consolidated results of operations.

The Issuer's sole source of cash for payments of principal, interest and other amounts in respect of the notes will be ongoing capital contributions to be made by Grupo SURA, earnings from short-term and fixed income investments and/or funds received by the Issuer from inter-company loans it may make to Grupo SURA or any direct or indirect subsidiary of Grupo SURA.

Corporate Information

Grupo SURA's principal executive offices are located at Calle 49 #63-146, Medellín, Colombia and our website is www.gruposura.com.co. Any information contained in, or accessible through, our website are not incorporated by reference into, and do not constitute a part of, this offering memorandum.

The Issuer's registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

THE OFFERING

The following summary highlights selected information regarding the terms of the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, you should read the entire offering memorandum carefully, including "Description of the Notes."

Issuer	Gruposura Finance
Guarantor	Grupo de Inversiones Suramericana S.A. ("Grupo SURA")
Securities Offered	U.S.$ 550,000,000 aggregate principal amount of 5.500% notes due 2026.
Issue Price	98.866% plus accrued interest, if any, from April 29, 2016.
Maturity Date	The notes will mature on April 29, 2026.
Interest	The notes will accrue interest at a rate of 5.500% per year. Interest will accrue from the original issue date of the notes.
Interest Payment Dates	Interest on the notes will be payable semi-annually in arrears on April 29 and October 29 of each year, beginning on October 29, 2016.
Ranking	The notes will be senior unsecured obligations of the Issuer and will rank equal in right of payment to all the future unsecured and unsubordinated indebtedness of the Issuer. The guarantees will be senior unsecured obligations of Grupo SURA and will rank: • equal in right of payment to other existing and future senior unsecured and unsubordinated indebtedness of Grupo SURA; • effectively subordinated to any existing and future secured indebtedness of Grupo SURA to the extent of such security; and • structurally subordinated to all existing and future indebtedness and other liabilities (including trade payables) of the subsidiaries and affiliates of Grupo SURA. At December 31, 2015, Gruposura Finance had U.S.$ 300 million of outstanding indebtedness, and Grupo SURA had total unconsolidated indebtedness of COP 1,836,091 million, all of which was unsecured. These indebtedness amounts exclude debt undertaken subsequent to December 31, 2015 under the Bridge Loan which will be repaid in full with this offering.
Optional Redemption	The notes will not be redeemable prior to maturity except as set forth below. *Make-Whole Redemption.* At any time prior to January 29, 2026 (three months prior to the maturity date of the notes), we may redeem the notes, in whole but not in part, at a redemption price equal to the greater of 100% of the outstanding principal amount of the notes and a "make-whole" amount, in each case plus accrued and unpaid interest to the date of redemption and any additional amounts. See "Description of the

	Notes—Optional Redemption—Make-Whole Redemption.”
	At Par Redemption. At any time on or after January 29, 2026 (three months prior to the maturity date of the notes), we may redeem the notes, in whole but not in part, at a redemption price equal to 100% of the outstanding principal amount of the notes, plus accrued and unpaid interest to the date of redemption and any additional amounts. See “Description of the Notes—Optional Redemption—At Par Redemption.”
	Tax Redemption. We may redeem the notes, in whole but not in part, at any time upon the occurrence of specified changes in tax law, at a redemption price equal to 100% of the outstanding principal amount plus accrued and unpaid interest to the date of redemption and any additional amounts. See “Description of the Notes—Optional Redemption—Tax Redemption.”
Additional Amounts	All payments in respect of the notes or the guarantees will be made without any withholding or deduction for or on account of any present or future taxes, unless such withholding or deduction is required by law. In that event, the Issuer or Grupo SURA will pay such additional amounts as will result in receipt by the holders of notes of such amounts as would have been received by them had no such withholding or deduction for taxes been required by law, subject to certain exceptions set forth under “Description of the Notes—Additional Amounts.”
Change of Control	If a change of control occurs, Grupo SURA, on behalf of the Issuer, will be required to offer to purchase the notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest. See “Description of the Notes—Change of Control Offer.”
Covenants of Gruposura Finance........	The indenture will prohibit the Issuer from incurring indebtedness, other than the notes and other unsecured indebtedness ranking equally with the notes, and will impose certain other limitations and restrictions on the Issuer, as described under “Description of the Notes—Covenants—Additional Limitations relating to Gruposura Finance.”
Covenants of Grupo SURA	The indenture will limit Grupo SURA’s ability, among other things, to: • incur liens on its assets; • enter into transactions affiliates (other than with its subsidiaries); and • consolidate or merge with, or convey, transfer or lease all or substantially all of its assets, to another person, unless Grupo SURA complies with certain requirements. However, these covenants are subject to a number of significant exceptions. In addition, these covenants do not place restrictions or limitations on the subsidiaries, investees or other affiliates of Grupo SURA. See “Description of the Notes—Covenants.”
Events of Default................................	The indenture will set forth the events of default applicable to the notes, including an event of default triggered by cross-default of other indebtedness of the Issuer, Grupo SURA, any of Grupo SURA’s Subsidiaries, any of Grupo SURA’s Material Investees, or any of Grupo SURA’s Investees that, in the aggregate, constitute a Material Investee, totaling U.S.$ 75 million or more in the aggregate. See “Description of

	the Notes—Events of Default."
Further Issues.....................................	The Issuer may from time to time, without notice or consent of the holders of the notes, create and issue an unlimited principal amount of additional notes of the same series as the notes initially issued in this offering.
Use of Proceeds	The net proceeds from this offering to will be used to repay in full our outstanding indebtedness under the Bridge Loan and the remainder of the net proceeds, if any, will be used for general corporate purposes.
Form and Denomination.....................	The notes will be issued in book-entry form, in denominations of U.S.$ 200,000 and integral multiples of U.S.$ 1,000 in excess thereof, and will be represented by global notes deposited with, or on the behalf of, The Depository Trust Company ("DTC") and registered in the name of a nominee of DTC. Beneficial interest in the global notes will be shown on, and transfers will be effected only through, records maintained by DTC for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, *société anonyme* ("Clearstream"). The global notes will be exchangeable or transferable for certificated notes only in limited circumstances. See "Description of the Notes—Form of the Notes."
Transfer Restrictions...........................	The notes have not been registered under the Securities Act or the laws of any other jurisdiction. As a result, the notes are subject to limitations on transferability and resale. See "Transfer Restrictions."
Listing and Trading	We have applied to have the notes listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market. However, the notes are a new issue of securities and there is no established trading market for the notes. Accordingly, we cannot assure you that a trading market for the notes will develop or if one develops, that it will be maintained.
Governing Law...................................	The indenture, the notes and the guarantees will be governed by, and construed in accordance with, the law of the State of New York.
Trustee, Registrar, Transfer Agent and Paying Agent	The Bank of New York Mellon
Luxembourg Transfer Agent and Paying Agent	The Bank of New York Mellon (Luxembourg) S.A.
Risk Factors..	You should carefully consider all of the information in this offering memorandum. See "Risk Factors" in this offering memorandum for a description of the principal risks involved in making an investment in the notes.

SUMMARY GRUPO SURA FINANCIAL AND OTHER INFORMATION

The following summary Grupo SURA financial information as of and for the years ended December 31, 2015 and 2014 has been derived from our audited consolidated financial statements and related notes contained elsewhere in this offering memorandum, which have been prepared in accordance with Colombian IFRS. For the selected financial information of Bancolombia, see "Selected Financial and Other Information."

This financial information should be read in conjunction with "Presentation of Financial and Other Information," "Selected Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes contained elsewhere in this offering memorandum.

	For the Year Ended December 31,		
	2015	**2015**	**2014**
	(in millions of U.S.$)[(1)]	**(in millions of COP)**	
Consolidated income statement:			
Written premiums	2,689.5	8,470,432	6,754,566
Ceded premiums	(297.8)	(937,985)	(808,816)
Retained premiums (net)	**2,391.7**	**7,532,447**	**5,945,750**
Revenue from commissions	623.4	1,963,268	1,531,873
Services rendered	620.2	1,953,275	1,609,665
Dividends	22.5	70,806	60,401
Revenue from investments	340.7	1,073,161	860,440
Fair value gains	42.7	134,580	408,858
Share of profit in equity – accounted investees	257.5	810,906	1,009,727
Gains on sale of investments	23.1	72,701	81,756
Revenue from investment property	25.1	78,981	57,204
Other income	61.3	193,161	109,856
Exchange difference (net)	22.3	70,122	29,771
Total income	**4,430.4**	**13,953,408**	**11,705,303**
Claims from customers	(1,219.1)	(3,839,509)	(3,153,327)
Claims to reinsurance companies	136.7	430,407	307,297
Claims net	**(1,082.4)**	**(3,409,102)**	**(2,846,031)**
Adjustments to reserves for insurance contracts	(793.7)	(2,499,772)	(1,697,426)
Healthcare related expenses	(629.7)	(1,983,177)	(1,567,936)
Administrative expense	(330.6)	(1,041,107)	(818,839)
Overhead and benefits	(389.9)	(1,227,944)	(1,050,722)
Fees	(176.9)	(557,014)	(485,691)
Commissions	(179.2)	(564,279)	(457,414)
Amortizations	(92.5)	(291,416)	(216,402)
Depreciation	(17.7)	(55,801)	(44,509)
Other expense	(39.6)	(124,720)	(149,480)
Interest	(97.0)	(305,648)	(255,087)
Total expense	**(3,829.2)**	**(12,059,980)**	**(9,589,537)**
Earnings before tax	**601.2**	**1,893,428**	**2,115,765**
Income tax	(180.8)	(569,487)	(484,736)
Net income for the period	**420.4**	**1,323,941**	**1,631,029**
Net income attributable to:			
Controlling interest	350.6	1,104,091	1,420,193
Non-controlling interest	69.8	219,850	210,837

(1) Solely for the convenience of the reader, amounts stated in U.S. dollars have been translated at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.

	As of December 31,			January 1,
	2015	2015	2014	2014
	(in millions of U.S.$)(1)	(in millions of COP)		
Consolidated statement of financial position:				
Assets				
Cash and cash equivalents	455.1	1,433,184	1,293,989	1,343,055
Investments	6,897.6	21,723,891	16,374,659	12,644,786
Trade and other accounts receivable	937.5	2,952,740	2,496,743	2,193,886
Accounts receivable from related parties	28.3	89,008	85,823	73,053
Technical reserves – reinsurance portion	184.5	581,124	439,913	443,380
Inventories	3.9	12,138	14,640	9,992
Current tax assets	105.5	332,191	315,338	256,201
Derivative financial instruments	83.2	262,181	49,776	7,578
Other non-financial assets	26.9	84,714	92,764	78,235
Investment properties	255.7	805,188	669,840	517,423
Property and equipment	291.5	918,130	813,853	685,239
Intangible assets	1,232.1	3,880,369	3,445,875	3,071,432
Goodwill	1,359.2	4,280,774	3,746,714	3,405,003
Equity-accounted investees	5,638.9	17,759,665	16,998,552	15,213,128
Deferred tax assets	132.7	417,809	369,363	313,889
Total assets	**17,632.5**	**55,533,106**	**47,207,843**	**40,256,281**
Liabilities				
Loans and borrowings with financial institutions	834.4	2,627,940	1,111,620	1,990,681
Trade and other accounts payable	416.7	1,312,252	1,133,560	1,145,078
Accounts payable to related parties	19.9	62,509	67,896	93,482
Technical reserves	5,990.2	18,865,979	14,294,607	11,083,873
Current tax liabilities	144.2	454,197	440,677	379,260
Employee benefits	106.6	335,711	298,610	224,517
Other non-financial liabilities	125.5	395,264	314,331	259,281
Provisions	24.9	78,405	117,765	110,131
Issued securities	1,155.0	3,637,504	3,022,228	1,126,006
Deferred tax liabilities	540.0	1,700,745	1,448,944	1,224,478
Total liabilities	**9,357.3**	**29,470,506**	**22,250,238**	**17,636,785**
Equity				
Issued capital	34.3	107,882	107,882	107,882
Share premium	1,050.2	3,307,663	3,307,662	3,307,663
Reserves	1,461.3	4,602,459	4,177,866	3,656,070
Accumulated earnings	3,589.7	11,305,792	11,665,743	12,592,799
Other comprehensive income	766.3	2,413,441	1,023,290	(386)
Income for the period	350.6	1,104,091	1,420,193	-
Equity attributable to controlling interest	**7,252.4**	**22,841,328**	**21,702,636**	**19,664,029**
Non-controlling interest	1,022.8	3,221,272	3,254,969	2,955,467
Total equity	**8,275.2**	**26,062,600**	**24,957,605**	**22,619,496**
Total equity and liabilities	**17,632.5**	**55,533,106**	**47,207,843**	**40,256,281**

(1) Solely for the convenience of the reader, amounts stated in U.S. dollars have been translated at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.

	As of or for the Year Ended December 31,		
	2015	2015	2014
	(in millions of U.S.$, except percentages and ratios)[4]	(in millions of COP, except percentages and ratios)	
Other data:			
Adjusted EBITDA	808.5	2,546,292	2,631,763
Adjusted EBITDA margin[1]	18.2%	18.2%	22.5%
Total Grupo SURA debt to dividends received ratio[2]	3.4	3.4	2.7
Grupo SURA dividends received to interest payments ratio[3]	5.3	5.3	5.6

(1) Calculated as Adjusted EBITDA divided by total income.
(2) Calculated as Grupo SURA's unconsolidated indebtedness divided by dividends and other distributions received by Grupo SURA.
(3) Calculated as dividends and other distributions received by Grupo SURA divided by Grupo SURA's unconsolidated interest payments.
(4) Solely for the convenience of the reader, amounts stated in U.S. dollars have been translated at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.

The table below provides a reconciliation of our Adjusted EBITDA to our net income for the years presented.

Adjusted EBITDA Reconciliation

	For the Year Ended December 31,		
	2015	2015	2014
	(in millions of U.S.$)[1]	(in millions of COP)	
Net income	**350.6**	**1,104,091**	**1,420,193**
plus interest	97.0	305,648	255,087
plus amortizations	92.5	291,416	216,402
plus depreciation	17.7	55,801	44,509
plus income tax	180.8	569,487	484,736
plus net income attributable to non-controlling interest	69.8	219,850	210,837
Adjusted EBITDA	**808.5**	**2,546,292**	**2,631,763**

(1) Solely for the convenience of the reader, amounts stated in U.S. dollars have been translated at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.

RISK FACTORS

Prospective purchasers of notes should carefully consider the risks discussed below, as well as the other information in this offering memorandum, before deciding to purchase any notes. Our businesses, results of operations, financial condition or prospects could be negatively affected if any of these risks occurs and, as a result, the trading price of the notes could decline and you could lose all or part of your investment. The risk factors discussed below are not the only risks that the Group faces, but are the risks that we currently consider to be material, particularly in light of our business model and the market sectors in which the Group operates. There may be additional risks that we currently consider immaterial or of which we are currently unaware, and any of these risks could have similar effects to those set forth below.

RISKS RELATING TO THE GROUP'S BUSINESSES GENERALLY

We and the Group's financial services companies are subject to credit risk; estimating exposure to credit risk involves subjective and complex analyses and judgments, and requires continuous upgrades to our respective credit management system.

A number of the Group's financial services products expose us to credit risk, particularly the fixed income and loan portfolios of our insurance and banking businesses. We and the Group's financial services companies seek to manage credit risk by employing a credit risk management system that measures the particular risk profile of the fixed income investments. This process involves subjective and complex analyses and judgments, and takes into account both quantitative and qualitative factors, including projections of economic conditions and assumptions on the ability of the final consumer or client to repay its obligation. These processes are subject to human error, as employees may not always be able to ascertain the appropriate credit profile of the investment, which may result in exposure to higher credit risks than indicated by internal systems. Additionally, we and the Group's financial services companies may not be able to upgrade our respective credit risk management systems on a timely basis or detect risks before they occur. Furthermore, employees may not be able to effectively implement the resources or tools available to them, which may increase credit risk. As a result, failure to implement effectively, consistently follow or continuously refine our respective credit risk management systems could result in a higher risk exposure for us and the Group's financial services companies, which could adversely affect our financial condition and results of operations.

In the case of Bancolombia, non-traditional sources of credit risk can arise from, among other things: investing in securities of third parties, entering into derivative contracts under which counterparties have obligations to make payments to Bancolombia, and executing securities, futures, currency or commodity trades from Bancolombia's proprietary trading desk that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. Any significant increases in exposure to any of these non-traditional risks, or a significant decline in the credit quality or the insolvency of any of the counterparties, could materially and adversely affect Bancolombia's results of operations and financial position.

Loss reserves and loan losses maintained by some of the Group's financial services companies may prove to be inadequate to protect their businesses and financial position.

The process of establishing loss reserves for our life and non-life insurance products is inherently uncertain due to a number of factors, including underwriting quality, the frequency and amount of covered losses, variations in claims settlement practices, the costs and uncertainty of litigation, and expanding theories of liability. As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claims and coverage may emerge. While the Group's insurance companies believe that improved actuarial techniques and databases have assisted in estimating loss reserves, their methods may prove to be inadequate. If any of these contingencies, many of which are beyond their control, results in loss reserves that are not sufficient to cover its actual losses, the financial condition, results of operations and liquidity of the Group's insurance companies may be materially adversely affected.

In the case of Bancolombia, if it is unable to effectively control the level of non-performing or poor credit quality loans in the future, or if its loan loss reserves are insufficient to cover future loan losses, Bancolombia's financial condition and results of operations may be materially and adversely affected. In addition, the amount of

Bancolombia's non-performing loans may increase in the future as a result of factors beyond Bancolombia's control, such as changes in the income levels of Bancolombia's borrowers, increases in the inflation rate or an increase in interest rates, the impact of macroeconomic trends and political events affecting Colombia and other jurisdictions in which Bancolombia operates or has exposure (especially Panama and El Salvador), or events affecting specific industries. Any of these developments could have a negative effect on the quality of Bancolombia's loan portfolio, requiring Bancolombia to increase provisions for loan losses and resulting in reduced profits or in losses.

The Group's principal companies have recently acquired new businesses or products and they may be unable to successfully integrate them in a cost-effective and non-disruptive manner, and they may not realize the benefits anticipated from such acquisitions.

The Group's success depends on its ability to continually enhance and broaden its product offerings in response to changing customer demands, competitive pressures and innovation. Recently, the Group's principal companies have partnered with or acquired other businesses, products or technologies in order to enhance their product platforms or technology, expand the breadth of their operations or customer base or advance their business strategies, including the pending acquisition of the RSA Latin American Insurance Business. As of the date of this offering memorandum, Suramericana has closed on the acquisitions in Brazil and Colombia, and the remaining countries are expected to close, subject to regulatory approvals, in the second half of 2016, thereby significantly increasing Suramericana's presence in the region. These approvals for the acquisition may not be received, may take longer than expected, or may impose conditions that are not presently anticipated or that could have an adverse effect on us following the acquisitions. Further, the Group's principal companies do not know if they will be able to successfully integrate any acquired business, product or technology or retain any key employees related thereto. Integrating any business, product or technology they acquire could be expensive and time-consuming, disrupt our ongoing business, impact their liquidity and distract their management. If the Group's principal companies are unable to integrate any acquired businesses, products or technologies effectively, their business may suffer. Whether as a result of unsuccessful integration, unanticipated costs, including those associated with assumed liabilities and indemnification obligations, or other factors, the Group's principal companies may not realize the economic benefits anticipated from acquisitions. In addition, any amortization or charges resulting from the costs of acquisitions could increase expenses.

Interest rate fluctuations could adversely affect our results of operations.

In general, the Group's principal companies hold substantial portfolios of loans and debt securities that have both fixed and floating interest rates. Therefore, changes in interest rates could adversely affect their net interest margins as well as the value of these securities. In particular, increases in interest rates may reduce the market value of debt securities, leading to smaller gains or larger losses on these investments. Sustained high interest rates have historically discouraged customers from borrowing and have resulted in increased delinquencies in outstanding loans and deterioration in the quality of assets. On the other hand, decreases in interest rates may cause margin compression and lower net interest income as the Group's principal companies usually maintain more assets than liabilities at variable rates. Interest rates fluctuations impact the market value of our assets and liabilities and may impact our capital position. A decline in interest rates may adversely affect our ability to obtain adequate returns and to meet our obligations to our policyholders. Conversely, an increase in interest rates may negatively impact the value of our portfolio.

Additionally, in the case of Bancolombia, decreasing interest rates also may trigger loan prepayments which could negatively affect net interest income. Generally, in a declining interest rate environment, prepayment activity increases, reducing the weighted average maturity of interest earning assets and adversely affecting operating results. Prepayment risk also has a significant adverse impact on Bancolombia's earnings from credit card and collateralized mortgage obligations, since prepayments could shorten the weighted average life of these portfolios, which may result in a mismatch in funding or in reinvestment of the prepayment proceeds at lower yields.

Competitive factors could adversely affect our market share and profitability.

All of our business segments are subject to intense competition. This intense level of competition is based on a number of factors, including service, product features, plan design, scale, prices and costs, financial strength, investment returns, claims-paying ratings, credit ratings, e-business capabilities, the ability to attract new customers, members, or patients, as applicable, and name recognition. The combined effect of any of these competitive factors could adversely affect our financial condition and results of operations.

The Group may be unable to attract and retain employees, including sales representatives, independent brokers, consultants, agents, third-party investment professionals and other personnel to sell its products and services and to run the Group's businesses. The Group may be forced to pay them higher salaries or commissions prior to realizing a financial gain from their services.

The Group must attract and retain productive employees, including sales representatives, independent brokers, consultants, agents, third-party investment professionals and other personnel to sell the Group's products and services and to run the Group's businesses. Strong competition exists among companies for employees with demonstrated ability. In addition, there is competition for representatives with other types of financial services firms, such as independent broker-dealers. The Group competes with other companies for employees primarily on the basis of financial position, support services and compensation and product features. The initiatives that the Group has instituted to grow and retain its employees may not succeed in attracting and retaining new agents. The Group's sales, financial condition and results of operations could be adversely affected if it is unsuccessful in attracting and retaining agents.

In recent years, some of the Group's financial services businesses have also seen increased sales activity to recruit new clients or client transfers, which has led to an increase in the commissions or salaries paid to their employees. On many occasions, these commissions are paid prior to achieving certainty that the client will remain with these companies or reaching the expected profitability level from such client. There could thus be a significant mismatch between the commissions or salaries paid to these employees and the financial gain realized from their services.

SURA AM, Suramericana and Bancolombia are subject to regulatory inspections, examinations, inquiries or audits in Colombia and in other countries in which they operate, and any sanctions, fines and other penalties resulting from such inspections and audits could materially and adversely affect their businesses, financial condition, results of operations and reputation.

SURA AM, Suramericana and Bancolombia are subject to comprehensive regulation and supervision by the pension fund, insurance and banking authorities of Colombia, El Salvador, Panama and the other jurisdictions in which they operate. These regulatory authorities have broad powers to adopt regulations and impose other requirements affecting or restricting virtually all aspects of their capitalization, organization and operations, including the imposition of anti-money laundering measures and the authority to regulate the terms and conditions of the products or services they provide. In the event of non-compliance with applicable regulations, SURA AM, Suramericana and Bancolombia could be subject to fines, sanctions or the revocation of licenses or permits to operate their businesses. In Colombia, for instance, if Bancolombia encounters significant financial problems or becomes insolvent or in danger of becoming insolvent, banking authorities would have the power to take over Bancolombia's management and operations. In addition, the supervisory authorities of Colombia and El Salvador have reached an agreement for consolidated supervision which allows them to perform transnational inspection processes. Any sanctions, fines and other penalties resulting from non-compliance with regulations in Colombia, El Salvador, Panama and other jurisdictions in which SURA AM, Suramericana and Bancolombia operate could materially and adversely affect their business, financial condition, results of operations and reputation.

The Group's business activities are highly regulated; new laws or regulations or changes in existing laws or regulations and their enforcement or application or our failure to comply with or become subject to more onerous government regulations could adversely affect our business and profitability.

Our businesses are subject to extensive and complex laws, regulations and oversight by governmental authorities in all of the countries in which the Groups operates. For example, commission rates, minimum capital requirements, minimum returns, allocation of new account holders, board practices and others, are all subject to the strict mandatory framework in which the mandatory pension funds operate, and consequently limit pension fund administrators' ability to modify or react to adverse market developments. The laws and regulations governing our operations and interpretations of those laws and regulations change frequently and generally are designed to benefit and protect our clients rather than our investors or the holders of our debt. In addition, the governmental authorities that supervise our businesses have broad latitude to make, interpret and enforce the regulations that govern us. For example, SURA AM's mandatory pension fund managers and various of Suramericana's insurance products, such as property and casualty, labor risk and mandatory health insurance are subject to several statutory regimes specific to the countries in which those businesses operate. In certain of these countries proposals to reform the statutory regimes are being discussed. For more information, see "Regulation."

Additionally, the industries in which our businesses operate are subject to capital and solvency requirements, which frequently change and may adversely impact our ability to receive dividends from our subsidiaries and investees. For example, from 2013 through 2015 various regulations relating to banking capital adequacy requirements were implemented in Colombia. Bancolombia currently complies with applicable capital requirements. Furthermore, as a result of the previous market turmoil that affected the financial services industry, various jurisdictions are in the process of implementing new solvency requirements for insurance companies. The new solvency requirements set out to establish a new set of capital requirements, valuation techniques, and governance and reporting standards to replace the existing solvency requirements applicable to the insurance industry. Accordingly, there can be no assurance that future capital adequacy or solvency regulations will not change or require SURA AM, Suramericana, Bancolombia or its subsidiaries to seek additional capital. Moreover, regulators in many other jurisdictions have not reached consensus as to the appropriate level of capitalization for financial services institutions. Regulators in the jurisdictions in which Bancolombia and our businesses operate may alter the current regulatory capital requirements to which they are subject and thereby require equity increases that could dilute existing stockholders, lead to required asset sales or adversely impact the return on stockholders' equity and/or the market price of common or preferred shares.

The Group strives to abide by and maintain compliance with these laws and regulations. New and stricter standards may be adopted or become applicable to us and the Group, or stricter interpretation of existing laws and regulations may occur. The imposition of new laws or regulations, including potential trade barriers, could increase the Group's operating costs or impose restrictions on operations, which could adversely affect the Group's financial condition and results of operations. For example, with regard to our pension fund and life and non-life insurance investment portfolios, SURA AM and Suramericana must invest such assets in accordance with the types of instruments and within the ranges of assets and maximum percentages allocated per investment and fund type authorized by applicable law. These rules and regulation limit their ability to manage their businesses' investment portfolios freely. See "Regulation." Any of these events could require the Group to spend additional funds to gain compliance with the new rules, if possible, and therefore increase costs of operations.

Changes in income taxation laws, including any reduction in individual income tax rates, could adversely affect sales of the products of the Group's principal companies and profitability.

Changes in legislation, regulation and jurisprudence can affect tax burdens by increasing tax rates and fees, creating new taxes, limiting stated expenses and deductions, and eliminating incentives and non-taxed income. Notably, the governments of certain countries in which the Group operates have significant fiscal deficits that may result in future tax increases.

Accordingly, from time to time, various tax law changes have been proposed in certain countries in which our subsidiaries and investees operate. Because some of the products that the Group's principal companies offer may provide clients with certain income tax advantages, any such changes to tax laws could have an adverse effect on the businesses of the Group's principal companies in those countries. For example, if legislation were enacted to eliminate all or a portion of the tax deferral for some of the products of the Group's principal companies, such as voluntary savings and life insurance products, those changes could adversely affect the ability of the Group's principal companies to sell such products.

Additionally, recent changes to Colombia's tax laws have been implemented. On December 23, 2014, the Colombian congress approved a tax reform bill that introduced material changes to already existing taxes and created the wealth tax to be paid by all Colombian companies with net assets above COP 1,000 million. These tax reforms have impacted our results of operations, as well as those of the Group's principal companies. The effect of the wealth tax on our consolidated income statement caused an increase in our administrative expenses of COP 100,660 million for the year ended December 31, 2015. We cannot assure you that the manner in which the wealth tax and the other taxes applicable to corporations in Colombia are currently interpreted by the *Dirección de Impuestos y Aduanas Nacionales* ("Colombian Tax Authority") and applied will not change in the future. In addition, any further tax reform may have other consequences on the Group, and there can be no assurance that the corporate tax rate will not be adjusted in the future in order to finance future social reforms to be promoted by the Colombian government resulting in a material adverse effect on our business, financial condition and results of operations.

Failures or interruptions affecting the Group's information technology systems could result in a material adverse effect on our businesses, financial condition and results of operations.

The Group depends on the accuracy, reliability, and proper functioning of information technology systems. Each Group company manages its information technology systems on an individual bases and relies on these systems to effectively manage many aspects of their businesses, such as underwriting, policy acquisition, claims processing and handling, accounting, reserving and actuarial processes and policies, and to maintain policyholder data, as applicable. The failure of hardware or software that supports the Group's systems, the loss of data contained in the systems, or any delay or failure in the full deployment of the Group's new systems could disrupt the Group's businesses and could result in decreased premiums, increased overhead costs, and inaccurate reporting, all of which could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, despite system redundancy, the implementation of security measures, and the existence of a business continuity plan that identifies critical technology systems for each Group company, the Group's companies and their respective businesses are vulnerable to damage or interruption from earthquakes, fires, floods and other natural disasters; terrorist attacks and attacks by computer viruses or hackers; power loss; unauthorized access; and computer systems, internet, telecommunications or data network failure. It is possible that a system failure, accident, or security breach could result in a material disruption to any of the Group companies. In addition, substantial costs may be incurred to remedy the damages caused by these disruptions.

Regulatory restrictions on transactions between us and the Group's principal companies may adversely affect our and their ability to innovate or operate efficiently.

Transactions between us and the Group's principal companies or among the Group's principal companies generally must be disclosed to regulatory authorities and prior approval of the applicable regulatory authority is required before any material or extraordinary transaction may be consummated. Regulatory authorities may refuse to approve or delay approval of some transactions, which may adversely affect us and the Group's principal companies' ability to innovate or operate efficiently.

Difficulties in maintaining information technology infrastructure and other technologies could impact the Group's ability to remain competitive and have a material adverse effect on our results of operations.

The ability of the Group to remain competitive will depend in part on its ability to upgrade information technology infrastructure on a timely and cost-effective basis. In some cases, the information available to and received by our businesses' management through existing information systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in their operations. To the extent that a critical system fails or is not properly implemented and the failure cannot be corrected in a timely manner, the Group may experience disruption to our businesses that could have a material adverse effect on the Group.

The occurrence of natural disasters in the regions in which the Group's businesses operate could impair their ability to conduct business effectively and could impact their results of operations.

The Group's businesses are exposed to the risk of natural disasters such as earthquakes, volcanic eruptions, tornadoes, tropical storms, floods, wind and hurricanes in the regions where it operates. In the event of a natural disaster, unanticipated problems with their business continuity systems could have a material adverse effect on the ability of the Group's businesses to conduct business in the affected region, particularly if those problems affect their computer-based data processing, transmission, storage and retrieval systems and destroy valuable data. In addition, if a significant number of local employees and managers became unavailable due to a natural disaster, the ability of the Group's businesses to effectively conduct business could be severely compromised. For example, the ability of certain of the Group's businesses, such as its life and non-life insurance subsidiaries, to evaluate the impact of a natural disaster on their clients could be impaired and they may face added credit risk if their clients located in the affected region are not able to make timely payments. A natural disaster or multiple catastrophic events could have a material adverse effect on the Group's businesses' loss reserves and results of operations in the affected region.

The Group may be exposed to risks related to litigation and administrative proceedings.

The Group's businesses may expose the Group to litigation relating to regulatory, tax, labor and administrative proceedings, governmental investigations, tort claims, contract disputes and criminal prosecution, among other matters. In the context of these proceedings, the Group may not only be required to pay fines or monetary damages but also be subject to complementary sanctions or injunctions affecting the ability of the Group's businesses to continue their operations. While we expect to contest these matters vigorously and make insurance claims when appropriate, litigation and other proceedings are inherently costly and unpredictable, making it difficult to accurately estimate the outcome of actual or potential litigation or proceedings. Although each Group company may establish provisions as it deems necessary, the amounts that each Group company reserves could vary significantly from any amounts they actually pay due to the inherent uncertainties in the estimation process.

The Group's copyrights, trademarks and other intellectual property rights could conflict with the rights of others, and the Group may be unable to protect its copyrights and other intellectual property rights.

We believe that the Group's registered copyrights, registered and common law trademarks and other intellectual property rights have significant value and are critical to its ability to create and sustain demand for the products of the Group's businesses. Although the Group's businesses have not been inhibited from selling their products in connection with intellectual property disputes, the Group cannot assure you that obstacles will not arise as the Group's businesses expand their product lines and extend their brands as well as the geographic scope of their sales and marketing. The Group also cannot assure you that the actions taken by it or the Group's businesses to establish and protect intellectual property will be adequate to prevent imitation of the products of the Group's businesses or infringement of their rights by others. The legal regimes of some foreign countries may not protect intellectual property to the same extent as the laws of the United States or the European Union, and it may be more difficult for the Group's businesses to successfully challenge the use of their intellectual property by others in these countries. The loss of copyrights, trademarks and other intellectual property could adversely impact the Group's businesses' results of operations. Any litigation regarding the Group's businesses' intellectual property could be time consuming and costly.

Our ability to meet our financial and other obligations will depend on the ability of the Group's principal companies to pay dividends and make other distributions to us.

All of our operations are conducted through the Group's principal companies. Accordingly, our ability to meet our financial and other obligations will depend upon our receipt of dividends and other distributions from the Group's principal companies. There are various regulatory restrictions in Colombia and other jurisdictions that may limit the ability of the Group's principal companies to pay dividends or make other payments to us, such as the obligation to maintain minimum regulatory capital, minimum liquidity and minimum reserves. In addition, the Group's principal companies may incur indebtedness or enter into other arrangements containing terms that may further restrict or prohibit the payment of dividends, the making of other distributions, or the making of loans to us. For example, each of SURA AM and Suramericana has existing indebtedness instruments that require them to comply with certain requirements before they can distribute dividends to their shareholders, including us. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Description of Indebtedness and Potential Source of Liquidity—Financial Covenants." While SURA AM and Suramericana have complied with these restrictions to date, we cannot assure you as to whether they may suffer any difficulties in connection therewith in the future. To the extent the Group's principal companies do not have funds available or are otherwise restricted from paying dividends to us, our ability to meet our financial and other obligations will be materially and adversely affected.

Our right to receive any distribution of assets of the Group's principal companies may be effectively subordinated to the rights of their creditors, and you may have limited recourse against the assets of the Group's principal companies in case of our liquidation.

Our right to receive any distribution of assets of the Group's principal companies upon any subsidiary's or investees' liquidation or reorganization or otherwise, will be subject to the prior claims of creditors of that subsidiary or investee, as the case may be, except to the extent that any claims by us as a creditor of such subsidiary or investee, as the case may be, may be recognized as such. Accordingly, holders of the notes will have rights that will effectively be subordinated to all existing and future indebtedness of the Group's principal companies, and, in the event of any claim against us, holders of the notes may have recourse only against our assets, and not those of of the Group's principal companies, for payments.

Downgrades in the Group companies' credit ratings would increase the cost of borrowing funds and make their ability to raise new funds, attract deposits or renew maturing debt more difficult.

The Group companies' credit ratings are an important component of their liquidity profile, and their ability to successfully compete depends on various factors, including their financial stability as reflected by their credit ratings. A downgrade in the Group companies' credit ratings would increase their cost of raising funds from banks or in the capital markets. Purchase of the Group companies' securities by institutional investors could be reduced if any of the Group companies suffers a decline in its international or local credit rating. The Group companies' ability to renew maturing debt could become restricted and the terms for such renewal more expensive if the Group companies' credit ratings were to decline. The Group companies' lenders and counterparties in derivative transactions are sensitive to the risk of a credit rating downgrade. A downgrade in the Group companies' credit rating may adversely affect perception of their financial stability.

We and Bancolombia recently adopted Colombian IFRS and IFRS-IASB, respectively, and as a result some of our and Bancolombia's financial statements are not easily comparable from period to period and the presentation of our and Bancolombia's financial information may differ materially from information previously reported under Colombian GAAP.

In accordance with Colombian regulations, as of January 1, 2015, we and Bancolombia began to report consolidated financial statements in accordance with Colombian IFRS. Until December 31, 2014 we and Bancolombia prepared our financial statements in accordance with Colombian GAAP, which differs in certain respects from Colombian IFRS and IFRS-IASB, respectively. Accordingly, the presentation of our and Bancolombia's results of operation and financial condition are not comparable to prior presentations under Colombian GAAP, and the adoption of Colombian IFRS and IFRS-IASB has had material effects and changes on the accounting criteria of and information included in our and Bancolombia's consolidated financial statements for the periods beginning on January 1, 2015, respectively. These are our and Bancolombia's first financial statements prepared under Colombian IFRS and IFRS-IASB, respectively, and therefore the opening statement of financial position was prepared as of January 1, 2014, the date of our and Bancolombia's transition to Colombian IFRS and IFRS-IASB, respectively, as required by IFRS 1—"First Time Adoption of International Financial Reporting Standards." Note 43 to our audited consolidated financial statements contains an analysis of the valuation, presentation and disclosure effects on Grupo SURA of adopting Colombian IFRS and a reconciliation between Colombian GAAP and Colombian IFRS as of January 1 and December 31, 2014 and for the year ended December 31, 2015.

RISKS RELATING TO OUR INTERESTS IN THE FINANCIAL SERVICES SECTOR

Risks Relating to SURA AM's Mandatory Pension Funds Business

SURA AM's mandatory pension funds business is primarily driven by the macroeconomic conditions in the countries in which it operates, and such conditions significantly affect SURA AM's financial condition and results of operations.

The main source of SURA AM's operating revenues comes from the monthly fees its pension fund managers charge their members for mandatory contributions made in their individual capitalization accounts based on (i) periodic salary contributions, (ii) in the case of Mexico, each member's assets under management, or (iii) in the case of Peru, a combination of both. As a result, the macroeconomic situation in the countries in which SURA AM operates related to activity indicators, real wage levels and employment conditions significantly affect SURA AM's financial condition and results of operations.

Macroeconomic conditions affect the financial condition of employers and/or entrepreneurs, which might lead to a decrease in the number of employee contributors, a lack of capacity for creating new jobs or a decrease in the salary of workers. Both variables – the number of contributors and salary levels – determine the aggregate salary base. Further, an increase in the unemployment rate could adversely affect the results of SURA AM's mandatory pension funds business and, depending on the magnitude of such an increase, the impact could be significant.

SURA AM is limited in its ability to improve the performance of its assets under management, which could adversely affect its ability to recruit or maintain clients, particularly if its relative performance is worse than its competitors and could adversely affect its operating revenues.

In each of the countries in which SURA AM operates, its total assets under management are significant with respect to the size of the local capital markets. The relative small size of the local capital markets of the countries in which SURA AM operates, restrictions on the types of assets in which AFPs can invest and investment limits based on the type of fund administered by AFPs reduce SURA AM's flexibility to significantly modify its portfolio structure in such countries. Additionally, in situations of instability or uncertainty in the markets, SURA AM's ability to react quickly to changes in market conditions could be limited. SURA AM may not be able to maintain a positive rate of return on its pension funds. If its market performance diminishes, particularly in comparison to its competitors, its ability to attract new clients or decrease the number of client transfers could diminish. Any decrease in SURA AM's client portfolio could in turn have an adverse effect on its operating revenues. Furthermore, in Mexico, and in Peru to a certain extent, SURA AM's mandatory contribution fees are based on assets under management, and poor market performance could significantly reduce revenues from its pension fund managers in those countries.

SURA AM may not be able to achieve the minimum return required for most of its pension fund managers.

In all countries in which SURA AM operates except Mexico, its pension fund managers are required to achieve a legal minimum return, which is generally tied to a weighted average of the real returns of all pension funds in the respective pension fund system over a certain period of time. If the return of the pension funds that SURA AM manages in these countries does not achieve the legal minimum return established by law for any period due to any instability or uncertainty in the capital markets as described above or for any other reason, SURA AM's pension fund managers are generally permitted to apply funds from their legal minimum reserves (which in the countries in which SURA AM operates range from 0.5% to 1.0% of the value of each pension fund under management) to cover the difference but must replenish such funds in a specified amount of time. If SURA AM is not able to meet the legal minimum return, or replenish the legal minimum reserve, its pension fund managers could eventually be dissolved. Therefore, any failure to comply with these requirements could adversely affect SURA AM.

The ability of some of SURA AM's pension fund managers to recruit new entrants to the pension system is limited.

A significant portion of SURA AM's mandatory pension funds business growth stems from capturing new entrants, (i.e. people new to the formal workforce). Some of the countries in which SURA AM operates have extensive regulation on how these new entrants may be acquired. For example, in Chile and Peru, a bidding process is held every two years whereby the winner is the AFP offering the lowest fee and is entitled to all of the new entrants for those corresponding two years. See "Business—Our Interest in the Financial Services Sector—Mandatory Pension Funds Segment—Overview." SURA AM has either not participated (Chile) or won (Peru) any of the bidding processes. To the extent that SURA AM cannot recruit new entrants, its growth may be slowed, which could in turn adversely affect its financial condition and results of operations.

The fees that some of SURA AM's pension fund managers can charge are capped or subject to annual review by the local regulator, and thus there is limited room for revenue growth through fee structuring.

Of the countries in which SURA AM operates, in Colombia and El Salvador, the fees that pension fund managers can charge for the management of mandatory contributions and the provision of disability and survivorship insurance to their clients are capped at 3.0% and 2.2%, respectively. While pension fund managers have the ability to increase their own commissions by securing a lower D&S insurance premium from the selected insurance company, the overall cap will remain, leaving limited room for price growth. Such fees are subject to local law limitations and further limited by competitive pressures.

Additionally, pension reform laws in the countries in which SURA AM participates have placed fees limitations and, accordingly, increased competition among the AFPs and Afores and downward pressure on their fee structures. For example, in Mexico, the local regulator reviews and approves the fee of each Afore on an annual basis. This review process has generally led to downward pressure on fees, as illustrated by the decreased from 1.74% in 2009 to 1.015% in 2015 of the average Afore fee. In addition, in Mexico, reforms have been recently proposed to implement a cap on the fees that Afores charge on mandatory contributions. It is unclear if and when such reform will be enacted or what the cap would be. Its passage, particularly with a low fee cap, could limit Afore SURA's profitability in the future.

SURA AM's pension fund manager in Chile and Uruguay faces competitive pressure from the participation of a state-owned AFP and AFAP, respectively, in the pension fund system, and certain of SURA AM's pension fund managers may face similar pressure in the future.

In Chile, president Michelle Bachelet, who assumed office in March 2014, ran on a political platform that included the creation of a state-owned AFP. While it is unclear whether, when or how this proposal would be implemented, it could likely lead to similar pressures on AFP Capital as those currently being observed by AFAP SURA in Uruguay.

One of the four AFAPs operating in Uruguay is the state-owned AFAP, República AFAP. República AFAP has a natural competitive advantage and less fee pressure than the rest of the AFAPs. Therefore, it maintains the leading market position in Uruguay in terms of assets under management, contributors and account holders.

In all countries in which SURA AM operates except Mexico and Peru, its pension fund managers are exposed to the credit risk of D&S insurers such that the risk of failure of an insurer to pay any required D&S insurance shortfall amount is borne by SURA AM.

In all countries in which SURA AM operates except Mexico and Peru, its pension fund managers must provide D&S insurance benefits to their clients. In all cases, pension fund managers do so by contracting with insurance companies to provide D&S insurance. Thus, D&S insurance is provided directly by the life insurance companies that participate in this business, and SURA AM's pension fund managers do not bear insurance risk.

If an insurance provider fails in its obligation to provide the D&S insurance coverage purchased by SURA AM's pension fund managers, the affected client may sue his or her pension fund manager. In turn, SURA AM's pension fund manager would likely seek remedy against the relevant insurance provider. SURA AM's pension fund manager may not be successful in its claims against the insurance provider and may have to compensate the affected client without obtaining any recourse from the insurance provider.

Risks Relating to SURA AM's Voluntary Savings Business

SURA AM's revenues decline when the value of the securities held by the mutual funds that it manages declines.

The primary source of revenues for SURA AM's mutual fund businesses are the mutual funds that SURA AM manages in Chile, Mexico, Colombia, Peru, Uruguay and El Salvador. These fees are calculated as a percentage of the average daily net assets of SURA AM's mutual funds and vary from fund to fund. The securities markets are inherently volatile and may be affected by factors beyond SURA AM's control, including global economic conditions, interest rate fluctuations, inflation rate increases and other factors that are difficult to predict. Volatility in the securities markets and the equity markets in particular, could reduce the net assets of SURA AM's mutual funds and consequently reduce SURA AM's revenue. In addition to declines in the equity markets, the failure of these markets to sustain prior levels of growth or continued short-term volatility in these markets could result in investors withdrawing their investments from SURA AM's mutual funds and decreasing their rate of investment, both of which could adversely affect SURA AM's financial condition and results of operations.

Investors in SURA AM's mutual funds can redeem their investments in SURA AM's funds at any time and for any reason, including poor investment performance, which could adversely affect SURA AM's financial condition and results of operations.

Fund investors may redeem their investments in any of SURA AM's mutual funds at any time and for any reason without prior notice. Investors may also reduce the total amount of assets that they have invested with SURA AM for a number of reasons, including its investment performance, changes in prevailing interest rates and financial market performance. Success in the investment management and mutual fund business is dependent on investment performance, as well as distribution and client servicing. If SURA AM's mutual funds perform poorly compared to the mutual funds of other investment management firms, it may experience a decrease in purchases of shares of its mutual funds and an increase in redemptions of shares of its mutual funds. A decrease in the net assets of SURA AM's mutual funds could adversely affect its financial condition and results of operations.

Adverse opinions of SURA AM's mutual funds by third-party rating agencies or industry analysts could decrease new investments in or accelerate redemptions from its mutual funds, which could adversely affect its financial condition and results of operations.

Many investors rely heavily on the opinions of third-party rating agencies and industry analysts when making decisions to purchase or redeem shares of mutual funds. Adverse opinions regarding SURA AM's mutual funds could erode investor confidence, potentially leading to a decrease in new investments and an increase in redemptions, thereby reducing the net assets of SURA AM's mutual funds. A decrease in the net assets of SURA AM's mutual funds could adversely affect its financial condition and results of operations.

Investor behavior is influenced by short-term investment performance of mutual funds. Poor short-term performance of SURA AM's mutual funds could cause a decrease in new investments in or accelerate redemptions from its mutual funds, which could adversely affect its financial condition and results of operations.

Investor behavior may be based on many factors, including short-term investment performance. Poor short-term performance of SURA AM's mutual funds, irrespective of longer-term success, could potentially lead to a decrease in new investments and an increase in redemptions, thereby reducing the net assets of SURA AM's mutual funds. A decrease in the net assets of SURA AM's mutual funds could adversely affect its financial condition and results of operations.

SURA AM utilizes quantitative investment strategies that require it to invest in specific portfolios of securities and hold these positions for approximately one year. Entering into, maintaining or liquidating one or more of these positions in accordance with SURA AM's investment strategies could adversely affect the performance of its mutual funds.

SURA AM adheres to the investment strategies for each of its mutual funds during the annual rebalancing period and throughout the course of the year. Adhering to its investment strategies during the annual rebalancing of SURA AM's mutual funds may result in the elimination of better performing assets from its funds' portfolios and an increase in investments with relatively lower total return. Additionally, it will maintain a position in a relatively poorly performing security throughout the course of the portfolio holding period. Either of these actions could result in relatively lower performance of its mutual funds and could adversely affect the net assets of its mutual funds. A decrease in the net assets of SURA AM's mutual funds could adversely affect its financial condition and results of operations.

Market pressure to lower SURA AM's management fees could reduce its profit margin.

To the extent SURA AM is forced to compete on the basis of the management fees that it charges its mutual funds, it may not be able to maintain its current fee structure. Historically, SURA AM has competed primarily on the performance of its mutual funds and not on the level of its management fees relative to those of its competitors. In recent years, however, there has been a trend toward lower fees in some segments of the investment management industry. In order for SURA AM to maintain its fee structure in a competitive environment, it must be able to provide its mutual fund shareholders with investment returns and service that will encourage them to invest in the mutual funds that pay SURA AM's fees. SURA AM may not succeed in providing investment returns that will allow it to maintain its current fee structure. Fee reductions on existing or future business could adversely affect SURA AM's financial condition and results of operations. SURA AM depends on third-party investment professionals and the distribution channels that they utilize to market SURA AM's mutual funds.

SURA AM's ability to distribute its mutual funds is dependent on access to the retail distribution systems and client bases of third-party investment professionals that also offer competing investment products. These investment professionals who recommend SURA AM's mutual funds may reduce or eliminate their involvement in marketing SURA AM's funds at any time, or may elect to emphasize the investment products of competing sponsors or the proprietary products of their own firms. In addition, an investment professional may only distribute SURA AM's mutual funds for so long as SURA AM continues to participate in the platforms of national full-service firms that permit their investment professionals to utilize no-load funds for their clients. These firms can terminate their relationships with SURA AM on short notice, limiting its participation in these platforms. Either of these events could cause the net assets of SURA AM's mutual funds to decline, which could decrease SURA AM's revenues and could adversely affect its financial condition and results of operations.

Risks Relating to SURA AM's and Suramericana's Insurance and Annuities Businesses

SURA AM and Suramericana are exposed to significant financial and capital markets risk in their insurance products businesses, particularly interest rate risk, which could adversely affect their financial condition and results of operations and could cause their net investment income to vary from period to period.

In SURA AM's and Suramericana's insurance products businesses, SURA AM and Suramericana are exposed to significant financial and capital markets risk, particularly changes in interest rates, as well as market volatility, the performance of the global economy, the performance of the specific obligors, including governments, included in SURA AM's and Suramericana's portfolio and other factors outside their control.

SURA AM's and Suramericana's exposure to interest rate risk relates primarily to the market price and cash flow variability associated with changes in interest rates. Changes in interest rates will impact the net unrealized gain or loss position of their fixed income investment portfolios. If long-term interest rates rise dramatically within a 6- to 12-month time period, certain of SURA AM's and Suramericana's businesses may be exposed to disintermediation risk. Disintermediation risk refers to the risk that their account holders may surrender certain contracts in a rising interest rate environment, requiring SURA AM and Suramericana to liquidate certain fixed income investments in an unrealized loss position. Due to the long-term nature of the liabilities associated with certain of SURA AM's and Suramericana's insurance and annuity products, sustained declines in long-term interest rates may subject them to reinvestment risks and increased hedging costs. In other situations, declines in interest rates may result in increasing the duration of certain life insurance and annuity liabilities, creating asset-liability duration mismatches.

SURA AM's and Suramericana's investment portfolios also contain interest rate-sensitive instruments, such as fixed income securities, which may be adversely affected by changes in interest rates resulting from governmental monetary policies, domestic and international economic and political conditions and other factors beyond SURA AM's and Suramericana's control. Changes in interest rates will impact both the net unrealized gain and loss position of SURA AM's and Suramericana's fixed income portfolios and the rates of return it receives on funds invested. SURA AM's and Suramericana's mitigation efforts with respect to interest rate risk are primarily focused toward maintaining an investment portfolio with diversified maturities that has a weighted average duration approximately equal to the duration of its estimated liability cash flow profile. For certain of SURA AM's and Suramericana's liability portfolios, it is not possible to invest assets to the full liability duration, thereby creating some amount of asset-liability duration mismatch. In addition, SURA AM's and Suramericana's estimates of the liability cash flow profile may be inaccurate and they may be forced to liquidate fixed income investments prior to maturity at a loss in order to cover the cash flow profile of the liability. Although SURA AM and Suramericana take measures to manage the economic risks of investing in a changing interest rate environment, they may not be able to mitigate the interest rate risk of their fixed income investments relative to their liabilities.

Catastrophic events may adversely impact liabilities for policyholder claims and reinsurance availability.

SURA AM's and Suramericana's insurance operations are exposed to the risk of catastrophic events. The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Most catastrophes are restricted to small geographic areas; however, hurricanes, earthquakes, tsunamis and man-made catastrophes may produce significant damage or loss of life in larger areas, especially those that are heavily populated. Claims resulting from natural or man-made catastrophic events could cause substantial volatility in SURA AM's and Suramericana's financial results for any fiscal quarter or year and could adversely affect their profitability, financial condition and results of operations. Also, catastrophic events could harm the financial condition of issuers of obligations that SURA AM and Suramericana hold in their investment portfolio, resulting in impairments to these obligations, and the financial condition of their reinsurers, and thereby increase the probability of default on reinsurance recoveries. Large-scale catastrophes may also reduce the overall level of economic activity in affected countries, which could hurt their business and the value of their investments. SURA AM's and Suramericana's ability to write new business could also be affected. It is possible that increases in the value of SURA AM's and Suramericana's investments, caused by the effects of inflation or other factors, and geographic concentration of insured property, could increase the severity of claims from catastrophic events in the future.

SURA AM's and Suramericana's life insurance operations are exposed to the risk of catastrophic mortality, such as a pandemic or other event that causes a large number of deaths. Significant influenza pandemics have occurred three times in the last century. However, the likelihood, timing and severity of a future pandemic cannot be predicted. A significant pandemic could have a major impact on the global economy or the economies of particular countries or regions, including travel, trade, tourism, the health system, food supply, consumption, overall economic output and, eventually, the financial markets. In addition, a pandemic that affected SURA AM's and Suramericana's employees or the employees of their distributors or of other companies with which SURA AM and Suramericana do business could disrupt their business operations. The effectiveness of external parties, including governmental and non-governmental organizations, in combating the spread and severity of such a pandemic could have a material impact on the losses experienced by SURA AM and Suramericana. In SURA AM's and Suramericana's group insurance operations, a localized event that affects the workplace of one or more of their group insurance clients could cause a significant loss due to mortality or morbidity claims. These events could adversely affect SURA AM's and Suramericana's financial condition and results of operations.

Consistent with industry practice and accounting standards, SURA AM and Suramericana establish reserves for claims arising from a catastrophe only after assessing the probable losses arising from the event. SURA AM and Suramericana cannot be certain that the liabilities that they have established will be adequate to cover actual claim liabilities.

The success of SURA AM's and Suramericana's insurance businesses depends on their ability to accurately underwrite risks and to charge adequate premiums to policyholders.

The financial condition, results of operations and liquidity of SURA AM's and Suramericana's insurance businesses depend on their ability to underwrite and set premiums accurately for the risks they assume. Premium rate adequacy is necessary to generate sufficient premiums to offset losses, loss adjustment expenses, and underwriting expenses and to earn a profit. In order to price their products accurately, SURA AM and Suramericana must collect and properly analyze a substantial volume of data; develop, test, and apply appropriate rating formulae; closely monitor and timely recognize changes in trends; and project both severity and frequency of losses with reasonable accuracy. The ability of SURA AM and Suramericana to undertake these efforts successfully, and, as a result, price accurately, is subject to a number of risks and uncertainties, including, but not limited to: availability of sufficient reliable data; incorrect or incomplete analysis of available data; uncertainties inherent in estimates and assumptions, generally; selection and application of appropriate rating formulae or other pricing methodologies; successful innovation of new pricing strategies; recognition of changes in trends and in the projected severity and frequency of losses; the ability of SURA AM and Suramericana to forecast renewals of existing policies accurately; unanticipated court decisions, legislation or regulatory action; ongoing changes in their claim settlement practices; changes in operating expenses; changing driving patterns; extra-contractual liability arising from bad faith claims; weather catastrophes; claims; unexpected medical inflation; and unanticipated inflation in auto repair costs, auto parts prices, and used car prices. Such risks may result in the pricing of SURA AM and Suramericana being based on outdated, inadequate or inaccurate data or inappropriate analyses, assumptions or methodologies, and may cause them to estimate incorrectly future changes in the frequency or severity of claims. As a result, SURA AM and Suramericana could underprice risks, which would negatively affect their margins, or they could overprice risks, which could reduce their volume and competitiveness. In either event, the financial condition, results of operations, and liquidity of SURA AM and Suramericana could be materially adversely affected.

Differences between actual claims experience and underwriting and reserving assumptions could adversely affect SURA AM's and Suramericana's financial condition and results of operations.

SURA AM's and Suramericana's earnings in their insurance businesses significantly depend upon the extent to which their actual claims experience is consistent with the assumptions used in setting prices for their insurance products and establishing liabilities for future policy benefits and claims. SURA AM's and Suramericana's liabilities for future policy benefits and claims are established based on estimates by actuaries of how much will be needed to pay for future benefits and claims. They calculate these liabilities based on many assumptions and estimates, including the likelihood that a claim event will occur, estimated premiums to be received over the assumed life of the policy, the timing of the event covered by the insurance policy, the amount of benefits or claims to be paid and the investment returns on the investments that they make with the premiums that they receive. To the extent that actual claims experience is less favorable than the underlying assumptions that SURA AM and Suramericana use in establishing such liabilities, they could be required to increase their reserves.

Due to the nature of the underlying risks and the high degree of uncertainty associated with the determination of liabilities for future policy benefits and claims, SURA AM and Suramericana cannot determine precisely the amounts that they will ultimately pay to settle their liabilities. Such amounts may vary from the estimated amounts, particularly when those payments may not occur until well into the future. SURA AM and Suramericana evaluate their liabilities periodically based on accounting requirements, which change from time to time the assumptions used to establish the liabilities, as well as their actual experience. SURA AM and Suramericana charge or credit change in their liabilities to expenses in the period the liabilities are established or re-estimated. If the liabilities originally established for future benefit payments prove inadequate, they must increase them. Such increases could adversely affect SURA AM's and Suramericana's financial condition and results of operations.

Any decline in the availability of reinsurance, any increase in reinsurance costs, in particular as a consequence of environmental catastrophes, and/or an inability to pay, or untimely payment by, reinsurers could adversely affect SURA AM's and Suramericana's financial condition and results of operations.

A portion of SURA AM's and Suramericana's assumed risks in connection with SURA AM's and Suramericana's insurance portfolios is transferred to reinsurance companies. However, this transfer of risk to reinsurers does not relieve SURA AM's and Suramericana's of their obligations to policyholders. For that reason, they are exposed to the risk of the reinsurer's inability to pay. Untimely payment or an inability of a reinsurer to pay could adversely affect SURA AM's and Suramericana's financial condition and results of operations.

There is also a risk that due to, for example, environmental catastrophes, SURA AM and Suramericana will only be able to enter into reinsurance agreements at higher costs or will be unable to transfer certain risks to reinsurance companies in the future, which could also adversely affect SURA AM's and Suramericana's financial condition and results of operations.

SURA AM and Suramericana may face unanticipated losses if there are significant deviations from the assumptions used in its annuity contracts.

The expected future profitability of SURA AM's and Suramericana's annuity products is based in part upon expected patterns of premiums, expenses and benefits using a number of assumptions, including those related to mortality and longevity. Since no insurer can precisely determine mortality or longevity, actual results could differ significantly from assumptions, and deviations from estimates and assumptions could adversely affect SURA AM's and Suramericana's financial condition and results of operations.

In addition, SURA AM and Suramericana set initial crediting rates for their annuity products based upon expected claims and payment patterns, using assumptions for, among other factors, mortality and longevity rates of SURA AM's and Suramericana's policyholders. The long-term profitability of these products depends upon how SURA AM's and Suramericana's actual experience compares with their pricing assumptions. For example, if mortality rates are lower than SURA AM's or Suramericana's pricing assumptions, they could be required to make more payments under certain annuity contracts in addition to what they had projected.

Risks Relating to Suramericana's Healthcare Business

Suramericana's ability to anticipate and detect medical cost trends and achieve appropriate pricing affects its profitability and competitiveness, and Suramericana's business and profitability may be adversely affected by prevailing economic conditions. Suramericana cannot assure you that future healthcare and other benefit costs will not deviate from its projections.

Adverse economic conditions and unanticipated increases in Suramericana's healthcare and other benefit costs can significantly and adversely affect its businesses and profitability in a number of ways. While Suramericana has increased premium rates for insured business under contract in 2016, its healthcare premiums are priced in advance and generally fixed for one-year periods. Accordingly, cost increases in excess of healthcare or other benefit cost projections reflected in Suramericana's pricing cannot be recovered in the fixed premium period through higher premiums. As a result, Suramericana's profits are particularly sensitive to the accuracy of its forecasts of the increases in healthcare and other benefit costs that it expects to occur during the fixed premium period. Those forecasts typically are made several months before the fixed premium period begins, require a significant degree of judgment and are dependent on Suramericana's ability to anticipate and detect medical cost trends. The aging of the population and other demographic characteristics, increases in average income growth, advances in medical technology and other factors contribute to rising healthcare costs and medical cost trends. Medical cost trends may also be impacted by a number of other factors that are beyond Suramericana's control, such as epidemics, pandemics, terrorist attacks, natural disasters or other extreme events that materially increase utilization of medical services, as well as changes in members' healthcare utilization patterns and provider billing practices.

During the years ended December 31, 2015 and 2014, medical costs and members' utilization of medical services were higher than Suramericana projected, with members' utilization above historical levels. Accurately anticipating, detecting, forecasting, managing and reserving for utilization of medical services for itself and its self-insured customers and medical cost trends is challenging. Suramericana cannot assure you that the healthcare or other benefit cost projections reflected in its pricing are accurate. Suramericana's healthcare and other benefit costs can be affected by external events that it cannot forecast or project and over which it has no control, such as changes in it products, contracts with providers, medical management, underwriting, rating and/or claims processing methods and processes. Relatively small differences between predicted and actual healthcare and other benefit costs as a percentage of premium revenues can result in significant adverse changes in Suramericana's operating results. Furthermore, if Suramericana is unable to accurately and promptly anticipate and detect medical cost trends, its ability to take timely pricing and other corrective actions may be limited, which would further exacerbate the extent of the adverse impact on its profitability. If healthcare and other benefit costs are higher than Suramericana predicts or if it is not able to obtain appropriate pricing on new or renewal business, Suramericana's prices will not reflect the risk it assumes and its profitability will be adversely affected. If healthcare and other benefit costs are lower than it predicts, its prices may be higher than those of its competitors, which may cause it to lose membership.

Suramericana's health insurance and healthcare providers hold reserves for expected claims, which are estimated, and these estimates involve an extensive degree of judgment; if actual claims exceed reserve estimates, its operating results could be materially adversely affected.

Suramericana's reported healthcare costs payable for any particular period reflect its estimates of the ultimate cost of claims that have been incurred by its members but not yet reported to it and claims that have been reported to it but not yet paid. Suramericana estimates healthcare costs payable periodically, and any resulting adjustments are reflected in current-period operating results within healthcare costs. Suramericana's estimates of healthcare costs payable are based on a number of factors, including those derived from historical claim experience. A large portion of healthcare claims are not submitted to Suramericana until after the end of the quarter in which services are rendered by providers to Suramericana's members. As a result, an extensive degree of judgment is used in this estimation process, considerable variability is inherent in such estimates, and the adequacy of the estimate is highly sensitive to changes in medical claims submission and payment patterns, changes in membership and product mix, utilization of medical services, and changes in medical cost trends. Any change in medical cost trends or changes in claim payment patterns from those that were assumed in estimating healthcare costs payable would cause these estimates to change in the near term, and such change could be material. Furthermore, if Suramericana is not able to accurately estimate the cost of incurred but not yet reported claims or reported claims that have not been paid, its ability to take timely corrective actions may be limited, which would further exacerbate the extent of any negative impact on its operating results. These risks are particularly acute during and following periods when utilization of medical services and/or medical cost trends are above historical levels, such as Suramericana recently experienced from 2011 through 2015.

Risks Relating to Bancolombia's Banking Business

The risks relating to Bancolombia's banking business are included in "Item 3D — Risk Factors" in Bancolombia's 2015 Annual Report, which is incorporated by reference into this offering memorandum. See "Incorporation by Reference."

RISKS RELATING TO OUR INTERESTS IN THE INDUSTRIAL SECTOR

Risks Relating to our Cement and Ready Mix Business

Interruption of Cementos Argos' ability to immediately ship individual or custom product orders could harm its reputation and result in lost revenues if customers turn to other sources for products.

Cementos Argos' building products business is highly dependent upon rapid shipments to contractors and distributors, a large portion of which orders are manufactured upon demand to meet customer specifications. If there is significant interruption of operations at any of Cementos Argos' manufacturing plants or of its computer systems that track customer orders and production, Cementos Argos may damage its reputation for speed and reliability with key customers and lose short-term and long-term revenues if these customers turn to other sources.

Significant increases in energy, generation and transportation costs that cannot be passed on to customers could have a significant adverse effect on Grupo Argos' subsidiaries' operating income.

Cementos Argos purchases a significant amount of energy from various sources to conduct its operations, including fossil fuels and electricity for production of building products and diesel fuel for distribution of its products and for production-related vehicles. In prior years, fuel cost increases have increased truck and rail carrier transportation costs for its products. In respect of Celsia, increases in fuel costs that it may be unable to timely pass on to its customers may adversely affecting our business, financial condition and results of operations. Fuel cost increases have in the past and may in the future adversely affect Grupo Argos' subsidiaries' results of operations and financial condition. Prices and availability of all petroleum products are subject to political, economic and market factors that are generally outside of their control.

The operations of Grupo Argos' subsidiaries are subject to environmental laws and regulations.

The operations of Grupo Argos' subsidiaries are subject to a broad range of environmental laws and regulations in each of the jurisdictions in which they operate. The enactment of stricter laws and regulations, or stricter interpretation of existing laws or regulations, may impose new risks or costs or result in the need for additional investments in pollution control equipment, which could result in a material decline in their profitability. Efforts to address climate change through national, state and regional laws and regulations, as well as through international agreements and the laws and regulations of other countries, to reduce the emissions of greenhouse gases ("GHGs") can create risks and uncertainties for their businesses. For example, the cement manufacturing process requires the combustion of large amounts of fuel and creates carbon dioxide ($CO2$) as a byproduct of the calcination process. Such risks could include costs to purchase allowances or credits to meet GHG emission caps, costs required to provide equipment to reduce emissions to comply with GHG limits or required technological standards, or decreased profits or losses arising from decreased demand for goods or higher production costs resulting directly or indirectly from the imposition of legislative or regulatory controls.

Levels of construction spending in Colombia, the United States, and other countries affect demand for Cementos Argos' products.

Demand for Cementos Argos' products is directly related to the level of activity in the construction industry, which includes residential, commercial and infrastructure construction. Furthermore, activity in the infrastructure construction business is directly related to the amount of government funding available for such projects. Any decrease in the amount of government funds available for such projects or any decrease in construction activity in general, including the continued slowdown of home building activity, could have a material adverse effect on Cementos Argos' financial condition and results of operations.

Unexpected equipment failures, catastrophic events and scheduled maintenance may lead to production curtailments or shutdowns.

Due to the high fixed cost nature of Grupo Argos' subsidiaries, interruptions in their production capabilities may cause their productivity and results of operations to decline significantly during the affected period. Their production processes are dependent upon critical pieces of equipment, such as kilns, finishing mills, generators or power stations. This equipment, on occasion, may be out of service as a result of unanticipated failures or damage during accidents. In addition to equipment failures, their facilities and infrastructure are also subject to the risk of catastrophic loss due to unanticipated events such as fires, explosions or violent weather conditions. Any significant interruption in production capability may require Grupo Argos' subsidiaries to make significant capital expenditures to remedy problems or damage as well as cause them to lose revenue due to lost production time, which could have a material adverse effect on its results of operations.

Cementos Argos' customers participate in cyclical industries, which are subject to industry downturns.

A majority of Cementos Argos' revenues are from customers who are in industries and businesses that are cyclical in nature and subject to changes in general economic conditions, including the current economic recession. Since Cementos Argos' operations are in a variety of geographic markets, its businesses are subject to the economic conditions in each such geographic market. General economic downturns or localized downturns in the regions where Cementos Argos has operations, including the current and any future downturns in the residential or commercial construction industries, generally have an adverse effect on demand for its products.

Risks Relating to our Processed Foods Business

Increased prices for commodities that Grupo Nutresa purchases may affect its financial performance.

Grupo Nutresa is a major purchaser of commodities, including coffee, wheat, soybean and vegetable oils, meat products, cocoa and sugar. In addition, Grupo Nutresa uses significant quantities of plastic, glass and cardboard to package its products, and natural gas for its factories and warehouses. Price increases and volatility for commodities that Grupo Nutresa purchases has increased due to conditions outside of its control, including recent economic conditions, currency fluctuations, availability of supply, weather, consumer demand and changes in governmental agricultural programs. Although Grupo Nutresa monitor its exposure to commodity prices as an integral part of its overall risk management program, continued volatility in the prices of commodities Grupo Nutresa purchases could increase the costs of its products, and its profitability could suffer. Grupo Nutresa's results may be adversely impacted as a result of increases in the price of raw materials, including agricultural commodities. Agricultural commodities are the principal raw materials used in its products. Cartonboard, corrugated, and plastic are the principal packaging materials used by Grupo Nutresa. The cost of such commodities may fluctuate widely due to government policy and regulation, weather conditions, or other unforeseen circumstances. To the extent that any of the foregoing factors affect the prices of such commodities and Grupo Nutresa is unable to increase its prices or adequately hedge against such changes in prices in a manner that offsets such changes, the results of its operations could be adversely affected.

Grupo Nutresa may need to recall products and may experience product liability if food products become adulterated or misbranded.

Grupo Nutresa may need to recall some of its products if they become adulterated or misbranded. Grupo Nutresa may also be liable if the consumption of any of its products causes injury. A widespread product recall could result in significant losses due to the costs of a recall, the destruction of product inventory, and lost sales due to the unavailability of product for a period of time. Grupo Nutresa could also suffer losses from a significant product liability judgment against it. A significant product recall or product liability case could also result in a loss of consumer confidence in Grupo Nutresa's food products, which could have a material adverse effect on its business results and the value of its brands.

Increases in logistics and other transportation-related costs could materially adversely impact Grupo Nutresa's results of operations.

Logistics and other transportation-related costs have a significant impact on Grupo Nutresa's earnings and results of operations. Grupo Nutresa uses multiple forms of transportation to bring its products to the market, including ships and trucks. Disruption to the timely supply of these services or increases in the cost of these services for any reason, including availability or cost of fuel, regulations affecting the industry, service failures by its third party logistics service provider, or natural disasters (which may impact the transportation infrastructure or demand for transportation services), could have an adverse effect on its ability to serve its customers, and could have a material adverse effect on its financial performance.

Contamination of ingredients or other raw materials used in Grupo Nutresa's products may adversely affect its financial performance and results of operations.

Grupo Nutresa buys ingredients, commodities and other raw materials that it uses in producing its products from third party suppliers. If these materials are alleged or prove to include contaminants affecting the safety or quality of its products, Grupo Nutresa may need to find alternate materials for its products, delay production of its products, or discard or otherwise dispose of its products, which could adversely affect its results of operations. Additionally, if the presence of such contaminants are not alleged or discovered until after the affected product has been distributed, Grupo Nutresa may need to withdraw or recall the affected product and it may experience adverse publicity or product liability claims. In either case, its financial performance could be adversely affected.

Grupo Nutresa is subject to environmental regulation and environmental risks, which may adversely affect its business.

As a result of Grupo Nutresa's agricultural and food processing operations, it is subject to numerous environmental laws and regulations. Many of these laws and regulations are becoming increasingly stringent and compliance with them is becoming increasingly expensive. Changes in environmental conditions may result in existing legislation having a greater impact on Grupo Nutresa. Additionally, Grupo Nutresa may be subject to new legislation and regulation in the future. Compliance with environmental legislation and regulations, particularly if they are more aggressive than Grupo Nutresa's current sustainability measures used to monitor its emissions and improve its energy efficiency, may increase its costs. Grupo Nutresa cannot predict the extent to which any environmental law or regulation that may be enacted or enforced in the future may affect Grupo Nutresa's operations.

Adverse publicity regarding product quality or food and beverage safety, whether or not accurate, may harm Grupo Nutresa's business.

Grupo Nutresa may be the subject of complaints or litigation from customers alleging beverage and food-related illnesses, injuries suffered on the premises or other quality, health or operational concerns. Adverse publicity resulting from such allegations may materially adversely affect Grupo Nutresa, regardless of whether such allegations are true or whether it is ultimately held liable. In addition, any litigation relating to such allegations could be costly and could divert management attention.

In addition, coffee, one of Grupo Nutresa's products, contains significant amounts of caffeine and other active compounds, the health effects of some of which are not fully understood. A number of research studies conclude or suggest that excessive consumption of caffeine may lead to increased heart rate, nausea and vomiting, restlessness and anxiety, depression, headaches, tremors, sleeplessness and other adverse health effects. An unfavorable report on the health effects of caffeine or other compounds present in coffee could significantly reduce the demand for coffee, which could harm its business and reduce its sales and profits. Grupo Nutresa could also become subject to litigation relating to the existence of such compounds in its coffee, which litigation could be costly and could divert management attention.

RISKS RELATING TO THE COUNTRIES IN WHICH THE GROUP DOES BUSINESS

The Group's businesses are uniquely tied to macroeconomic conditions in the countries in which the Group operates, and such conditions significantly affect our financial condition and results of operations.

The performance of all of our businesses is tied to macroeconomic conditions in the countries in which the Group operates, the majority of which are emerging economies. As emerging economies, these countries have in the past and may in the future experience negative economic trends related to high inflation, exchange-rate volatility and high unemployment, among others. These countries have also been subject to periods of political instability, intense government regulation and, in some cases, violence.

Because we have no control over macroeconomic events or government policies, we cannot predict how the governments of the countries in which the Group operates will react to the prevalence of any adverse conditions in the future or how these events would affect, directly and indirectly, our financial condition and results of operations.

As the Group has expanded our international presence by expanding into various countries in Latin America, the Group's businesses are subject to risks generally associated with international business operations.

The Group's businesses' operations are primarily based in Chile, Mexico, Colombia, Peru, Uruguay, El Salvador, the Dominican Republic and Panama. As a result, the Group's businesses are and will continue to be subject to risks generally associated with international business operations, including:

- changes in social, political and economic environments, such as labor and safety conditions;
- governmental regulations applicable to our mandatory pension funds, voluntary savings, life insurance and annuities, and non-life insurance segments;
- restrictions on currency convertibility and volatility of foreign exchange markets;
- changes in tax and other laws and regulations, such as restrictions on repatriation of dividends or profits; and
- expropriation and nationalization of our assets in a particular jurisdiction.

Some of the countries in which the Group operates have been subject to social and political instability in the past, and interruptions in operations could occur in the future. Our financial condition and results of operations could be adversely affected by any of the foregoing factors.

An economic downturn in Latin America could adversely affect the Group's financial condition and results of operations.

The success of the Group's businesses is dependent on economic activity indicators, real wage levels, interest rates and employment conditions, which are influenced by general macroeconomic conditions. Any prolonged economic downturn could result in a decline in real wage levels and result in increased unemployment. This may lead to a decrease in the number of employee contributors or a lack of capacity for creating new jobs, or decrease the salary of workers, each of which are variables that determine the aggregate salary base. Consumer behavior could include policy cancellations, modifications, non-renewals or debt defaults, which may reduce cash flow from operations and investments and may harm our financial position. Further, an increase in the unemployment rate could adversely affect our results of operations and, depending on its magnitude, the impact could be significant.

In addition, a prolonged economic downturn could also impact local financial markets and the prices of equity and fixed income securities, which could reduce the statutory surplus and negatively affect the performance of the investment portfolios managed by Bancolombia, SURA AM and Suramericana. Similarly, such a downturn may lead to higher interest rates, significant changes in the rate of inflation or an inability to access capital on acceptable terms.

A substantial portion of the Group's assets is located in, and a substantial portion of our revenues and cash flows is derived from, Colombia, making us highly dependent on economic and political conditions in Colombia.

A substantial portion of the Group's assets is located in Colombia, and a substantial portion of our revenues and cash flows is derived from Colombia. Accordingly, an important part of our financial condition and results of operations depends on macroeconomic and political conditions prevailing in Colombia. Decreases in the growth rate, periods of negative growth, increases in inflation, changes in law or interpretations of policies involving exchange controls and other matters such as (but not limited to) currency depreciation, inflation, interest rates, taxation, banking laws and regulations and other developments in or affecting Colombia may affect the overall business environment and may, in turn, impact our financial condition and results of operations.

Colombia's fiscal deficit and growing public debt could adversely affect the Colombian economy. In addition, the U.S. dollar/Colombian peso exchange rate has shown instability in recent years, particularly with the Colombian peso experiencing considerable devaluation during the last twelve months. We cannot assure you as to whether Colombia's economy will improve or that the Colombian government and the Central Bank of Colombia will be able mitigate this instability. We cannot predict the effects that any government policies or intervention will have on the Colombian economy. In addition, we cannot assure you that the Colombian peso will not depreciate or appreciate relative to other currencies in the future. If the condition of the Colombian economy were to deteriorate, we would likely be adversely affected.

The Colombian government frequently intervenes in Colombia's economy and from time to time makes significant changes in monetary, fiscal and regulatory policy. Our business and results of operations or financial condition may be adversely affected by changes in government or fiscal policies, and other political, diplomatic, social and economic developments that may affect Colombia. We cannot predict what policies will be adopted by the Colombian government and whether those policies would have a negative impact on the Colombian economy or our financial condition and results of operations.

Investment in emerging market economies generally poses a greater degree of risk than investment in more mature market economies.

Investment in emerging market economies generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from international and domestic developments. The economies of the countries in which the Group operates remain vulnerable to external shocks, including those relative to or similar to the global economic crisis that began in 2008. Their economies are also vulnerable to adverse developments affecting their principal trading partners. A significant decline in the economic growth of any of their major trading partners could have a material adverse impact on their balance of trade and adversely affect their economic growth. Furthermore, because reactions of "international investors" to events occurring in one market, particularly emerging markets, frequently appear to demonstrate a "contagion" effect, in which an entire region or class is disfavored by international investors, the economies of the countries in which the Group operates could be adversely affected by negative economic or financial developments in other markets.

Changes in governmental policies in the countries in which the Group operates could adversely affect our financial condition and results of operations.

Governments in the countries in which the Group operates have exercised, and continue to exercise, significant influence over the economies of their respective countries. Accordingly, the governmental actions, political developments, regulatory, fiscal, tax and legal changes or administrative practices in the countries in which the Group operates concerning the economy in general and mandatory pension funds, voluntary savings and life and non-life insurance businesses in particular could have a significant impact on the Group. Changes in the governmental policies in the countries in which the Group operates could adversely affect our financial condition and results of operations.

The Group's financial condition and results of operations could also be adversely affected by changes in the economic policies, growth, stability, outlook or regulatory environment. For example, elections in certain countries in Latin America where our businesses operate can result in successor administrations pursuing significant changes in the countries' economic policies and regulations, including tax increases, higher minimum wages and additional employee pension requirements, stricter environmental standards, greater rights to protect consumers or other populations and more proactive or interventionist government policies in certain sectors of the economy that have been underserved by the private sector. Such policies, if implemented, could adversely affect the economies of the countries in which the Group operates and, as a result, our financial condition and results of operations.

Inflation and government measures to curb inflation could adversely affect the economies in the countries in which the Group operates.

Some of the countries in which the Group operates have experienced, or are currently experiencing, high rates of inflation. For example, inflation in Colombia was 6.77% for the year ended December 31, 2015. Although inflation rates in many of these countries have been relatively low in the recent past, this trend may not continue. The measures taken by the governments of these countries to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and retarding economic growth. Inflation, measures to combat inflation and public speculation about possible additional actions have also contributed materially to economic uncertainty in many of these countries and to heightened volatility in their securities markets. Periods of higher inflation may also slow the growth rate of local economies, which could lead to reduced demand for the core products of the Group's businesses in those local economies and decreased sales. Inflation is also likely to increase some costs and expenses of the Group's businesses in those local economies, which they may not be able to fully pass on to their clients, which could adversely affect their operating margins and operating income.

Currency devaluations and exchange rate fluctuations against the currencies in the countries in which the Group operates could adversely affect our financial condition and results of operations.

The Group is exposed to exchange rate risk in relation to the U.S. dollar. Although substantially all of our income is denominated in the local currencies of the countries in which the Group operates, 58.6% of our outstanding long-term debt was denominated in U.S. dollar as of December 31, 2015. The notes offered hereby will also be denominated in U.S. dollars. The local currencies of the countries in which the Group operates have been subject to volatility in the past and could be subject to significant fluctuations in the future given the prevalence of a free-float exchange regime. Unforeseen events in the international markets, fluctuations in interest rates, volatility of the oil price in the international markets, or changes in capital flows, may cause exchange rate instability that could generate sharp movements in the value of the local currencies of the countries in which the Group operates. The main drivers of exchange rate volatility in past years have been significant fluctuations of commodity prices as well as general uncertainty and trade imbalances in the global markets. In the past, certain countries in which the Group's businesses operate, such as Mexico, have instituted restrictive exchange control policies. Severe devaluation or depreciation of the currencies of the countries in which the Group operates could again result in governmental intervention or disruption of foreign exchange markets.

Any fluctuation in the value of the U.S. dollar with respect to the various currencies of the countries in which the Group operates could adversely affect our financial condition and results of operations and a significant decrease in the value of the local currencies of the countries in which the Group operates as compared to the U.S. dollar will increase our debt service costs. See "Exchange Rates and Controls."

Violent crime in some of the countries in which the Group operates has adversely impacted, and could continue to adversely impact, their economies and could adversely affect our financial condition and result of operations.

Some of the countries in which the Group operates, such as Mexico, Colombia, El Salvador and Brazil have experienced high levels of violence due to activities of guerrillas, paramilitary groups, gangs or drug cartels. Certain governments in these countries are in the process of negotiating peace agreements, have implemented or are in the process of implementing security policies to strengthen their military and police forces. These efforts may not be successful in decreasing the high levels of violence related to the activities of guerrillas, paramilitary groups, gangs or drug cartels. For example, in Colombia, even though the government is in the final stages of negotiating an end to the armed conflict with the FARC, the largest guerrilla group in Colombia, additional government and political processes are needed to reach such an accord. Any escalation in the violence associated with a government's inability to reach a definitive peace agreement or the activities these criminal groups may have a negative impact on these countries' economies, as well as on the Group, including our subsidiaries' and investees' clients, employees, assets or projects.

RISKS RELATING TO THE NOTES AND THE GUARANTEES

Grupo SURA's ability to make payment in respect of the notes and the guarantees will depend on the dividend distributions that it receives from its subsidiaries and investees, and holders of the notes will be effectively subordinated to the claims of creditors of Grupo SURA's subsidiaries and investees.

Grupo SURA is the principal shareholder of a group of companies operating primarily in the financial services sector in Latin America, with no substantial assets other than the equity interests it holds in its subsidiaries and investees. Consequently, Grupo SURA and the Issuer will depend on dividend distributions from Grupo SURA's subsidiaries and investees to be able to make payments in respect of the notes and the guarantees. Moreover, Grupo SURA's subsidiaries and investees are separate and distinct legal entities, and they will have no obligation, contingent or otherwise, to pay the amounts due under the notes or to make any funds available to pay these amounts, whether by dividend, distribution, loan or other payments. You will not have any direct claim on the cash flows or assets of Grupo SURA's subsidiaries or investees.

The ability of Grupo SURA's subsidiaries and investees to make dividends and other payments to us will depend on their cash flows and earnings which, in turn, will be affected by the factors discussed in "Risk Factors—Risks Related to the Group's Businesses Generally," "—Risks Related to Our Interests in the Financial Services Sector" and "—Risks Related to Our Interests in the Industrial Sector." The ability of Grupo SURA's subsidiaries and investees to make distributions to Grupo SURA may be restricted by, among other things, applicable laws and regulations and the terms of agreements into which they enter. There are various regulatory restrictions the countries in which our subsidiaries and investees operate that may limit our subsidiaries' and investees' ability to pay dividends or make other payments to us, such as the obligation to maintain minimum regulatory capital, minimum liquidity and minimum reserves. If we are unable to obtain funds from Grupo SURA's subsidiaries and investees as a result of restrictions under their debt or other agreements, applicable laws or otherwise, then we may not be able to pay interest or principal on the notes when due. We cannot assure you that the agreements governing the future indebtedness of Grupo SURA's subsidiaries and investees will permit them to provide us with sufficient dividends, distributions or loans to fund principal and interest payments on the notes.

Our right to receive any distribution of assets of our subsidiaries and investees upon any subsidiary's or investee's liquidation or reorganization or otherwise will be subject to the prior claims of creditors of that subsidiary or investee, as the case may be, except to the extent that any claims by us as a creditor of such subsidiary or investee, as the case may be, may be recognized. Accordingly, holders of our notes will have rights that will effectively be subordinated to all existing and future indebtedness of our subsidiaries and investees, and, in the event of any claim against us, noteholders may have recourse only against our assets, and not those of our subsidiaries or investees, for payments. The only significant assets that we currently hold are our equity interests in our subsidiaries and investees. In the event of bankruptcy or insolvency, you may receive less, ratably, than holders of debt and other liabilities or Grupo SURA's subsidiaries or investees.

The indenture governing the notes will not restrict Grupo SURA's subsidiaries and investees, including their ability to incur debt, sell assets or agree to restrict dividend payment.

The Issuer has no operations of its own, and holders of the notes must depend on Grupo SURA to provide funds to make payments on the notes when due.

The Issuer, a wholly-owned Cayman Islands subsidiary of Grupo SURA, has no operations other than issuing and making payments on the notes and other previously issued and future indebtedness ranking equally with the notes, and using the proceeds therefrom as described herein. Accordingly, the ability of the Issuer to pay principal, interest and other amounts due in respect of the notes and other indebtedness will depend upon Grupo SURA's financial condition. The Issuer may not have sufficient funds to repay all amounts due on or with respect to the notes.

The notes constitute a new issue of securities for which there is no existing market, and we cannot assure you that you will be able to sell your notes in the future.

The notes constitute a new issue of securities for which there is no existing market, and we cannot assure you that in the future a market for the notes will develop or that you will be able to sell any notes you have purchased or that any such notes may be sold for any particular price. Although application has been made for the notes to be listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, we cannot assure you that a trading market for the notes will develop, or if a trading market does develop, that it will be maintained.

The initial purchasers have advised us that they intend to make a market in the notes, but they are not obligated to do so and may, in their sole discretion, discontinue any market making in the notes at any time. If the initial purchasers do not facilitate trading in the notes for any reason, we cannot assure you that another firm or person will do so. In addition, trading or resale of the notes may be negatively affected by other factors described in this offering memorandum. As a result, we cannot assure you as to the liquidity of any trading market for the notes and, accordingly, you may be required to bear the financial risk of your investment in the notes indefinitely. The notes may also trade at a discount from their initial issue price. If a trading market were to develop, future trading prices of the notes may be volatile and will depend on many factors, including:

- our financial condition and results of operations;
- prevailing interest rates;
- the interest of securities dealers in making a market for them;
- the market for the notes and similar securities; and
- economic, financial, geopolitical, regulatory or judicial events that affect us or the financial markets generally.

We may not be able to purchase the notes upon a specified change of control.

Upon the occurrence of a specified change of control, we will be required to offer to purchase the holder's notes at a price equal to 101% of their principal amount plus accrued and unpaid interest. At the time of any specified change of control, we may not have sufficient financial resources to purchase all of the notes that holders may tender in connection with any such change of control offer.

In the case of redemption of the notes, you may be unable to reinvest the proceeds at the same or a higher rate of return.

We may redeem the notes prior to their stated maturity pursuant to the optional redemption provision of the notes. In addition, in the event of certain changes in Colombian or Cayman Islands tax law requiring us to pay additional amounts, we will have the right to redeem the notes prior to their stated maturity. See "Description of the Notes—Optional Redemption—Make-Whole Redemption," "—At Par Redemption" and "—Tax Redemption." We may choose to redeem the notes at times when prevailing interest rates may be relatively low. Accordingly, you may not be able to reinvest the redemption proceeds in a comparable security with an effective interest rate as high as that of the notes.

Enforcing your rights in Colombia may prove difficult.

Your rights under the notes and guarantees will be subject to the insolvency and administrative laws of Colombia and the Cayman Islands, as the case may be, and we cannot assure you that you will be able to effectively enforce your rights in such bankruptcy, insolvency or similar proceedings. In addition, the bankruptcy, insolvency, administrative and other laws of Colombia may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, priority of government entities and related-party creditors, ability to obtain post bankruptcy filing loans or to pay interest and the duration of proceedings. The laws of Colombia may not be as favorable to your interests as the laws of jurisdictions with which you are familiar. The application of these laws, or any conflict among them, could call into question what and how Colombian laws, as the case may be, should apply. These issues may adversely affect your ability to enforce your rights under the notes and guarantees in Colombia, or limit any amounts that you may receive. Furthermore, all of Grupo SURA's directors, officers and controlling persons reside outside the United States, and all of Grupo SURA's assets are located outside the United States. As a result, it may be difficult for the holders of notes to enforce judgments against them, including any action based on civil liabilities under the U.S. federal securities laws. Based on the opinion of Grupo SURA's

General Counsel, foreign judgments of liabilities based solely on the U.S. federal securities laws may be enforced against such persons in Colombia, whether in legal proceedings initiated in Colombia or in actions to enforce judgments of U.S. courts, so long as they are in compliance with the procedure established under Colombian law. See “Service of Process and Enforcement of Civil Liabilities.”

The obligations under the notes and guarantees will be subordinated to certain statutory liabilities.

Under Colombian bankruptcy law, obligations under the notes and guarantees are subordinated to certain statutory preferences. In the event of liquidation, statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes and court fees and expenses, will have priority over any other claims, including claims by holders of the notes.

Payment of judgments against Grupo SURA in Colombia may be made in Colombian pesos, which may expose you to exchange rate risks.

Article 79 of Regulation 8 of the Central Bank of Colombia (2000) provides that, in case of legal proceedings, the conversion of foreign currency-denominated obligations of Colombian residents, such as Grupo SURA, would be made by using the foreign exchange rate prevailing on the payment date. Accordingly, if proceedings are brought against Grupo SURA and a judgment is entered against Grupo SURA in Colombia, we may be required to discharge these obligations in Colombian pesos. As a result, investors may be exposed to exchange rate risks.

The notes are subject to transfer restrictions.

The notes have not been registered under the Securities Act, any state securities laws or the laws of any other jurisdiction. As a result, the notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. These exemptions include offers and sales that occur outside the Unites States in compliance with Regulation S under the Securities Act in accordance with any applicable securities laws of any other jurisdiction and sales to qualified institutional buyers as defined under Rule 144A under the Securities Act. Due to these transfer restrictions, you may be required to bear the risk of your investment for an indefinite period of time. For a discussion of restrictions on resale and transfer of the notes, see “Transfer Restrictions.”

Developments in other emerging markets may adversely affect the market value of the notes.

Emerging markets, such as Colombia, are subject to greater risks than more developed markets, and financial turmoil in any emerging market could disrupt business in Colombia and adversely affect the price of the notes. Moreover, financial turmoil in any important emerging market country may adversely affect prices in stock markets and prices for debt securities of issuers in other emerging market countries as investors move their money to more stable, developed markets. An increase in the perceived risks associated with investing in emerging markets could dampen capital flows to Colombia and adversely affect the Colombian economy in general, and the interest of investors in the notes in particular. We cannot assure you that the value of the notes will not be negatively affected by events in other emerging markets or the global economy in general.

We cannot assure you that the credit ratings for the notes will not be lowered, suspended or withdrawn by the rating agencies.

Credit ratings for the notes may change from time to time. Ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of ratings may be obtained from the rating agencies. We cannot assure you that ratings will remain in effect for any given period of time or that ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of rating agencies, circumstances so warrant. Other rating agencies may change their methodology as well. Any lowering, suspension or withdrawal of ratings may have an adverse effect of the market price and marketability of the notes.

USE OF PROCEEDS

The gross proceeds from the sale of the notes will be approximately U.S.$ 543,763,000, before deducting the fees, commissions and offering expenses payable by us.

We intend to use the net proceeds from the sale of the notes to repay in full our outstanding indebtedness under the Bridge Loan, which totaled U.S.$ 540 million (COP 1,701 billion) as of the date hereof. We used the Bridge Loan to purchase a 7.3% equity interest in SURA AM from General Atlantic Coöperatief U.A., pursuant to a call option agreement. The Bridge Loan bears interest at a floating rate, calculated at the specified LIBOR rate plus an applicable margin of 0.65%, such margin increasing incrementally starting three months following the closing date of the Bridge Loan. Affiliates of the initial purchasers are lenders under the Bridge Loan. The remainder of the net proceeds, if any, will be used for general corporate purposes.

EXCHANGE RATES AND CONTROLS

Since September 1999, the Central Bank of Colombia has allowed the Colombian peso to float freely, intervening only when there are steep variations in the Colombian peso's value relative to the U.S. dollar. This intervention mechanism is only used to control the international reserves of Colombia or in case the average of a specified rate (*la tasa representativa del mercado*, referred to as the "representative market rate") for the preceding twenty days exceeds 5% of that day's representative market rate. Upon the occurrence of such an event, the Central Bank of Colombia sells call options, whereby the purchaser is entitled to buy from the Central Bank of Colombia, on a future date, a specified amount of U.S. dollars at a pre-established exchange rate, thus reducing the volatility of the exchange rate. As of October 28, 2009, the call option mechanism can only be used to control the international reserves of Colombia.

The general principles of Colombia's foreign exchange and international investment regulations were established by Law 9 of 1991. Pursuant to this law, the board of directors of the Central Bank of Colombia enacted Resolution 8 of 2000, which is the main legal framework governing Colombia's foreign exchange regulations. This resolution established two types of markets for foreign currency exchange: (i) a free market and (ii) a controlled market. Under Colombian foreign exchange regulations, foreign exchange intermediaries or "FX Intermediaries" are authorized to enter into foreign exchange transactions or "FX Transactions" to convert Colombian Pesos into foreign currencies or foreign currencies into Colombian Pesos.

The Colombian government and the Central Bank of Colombia may also limit the remittance of dividends and/or investments of foreign currency received by Colombian residents whenever the international reserves fall below an amount equal to three months of imports. See "Risks Factors—Risks Relating to Our Interests in the Financial Services Sector—Risks Relating to Bancolombia's Banking Business—The Central Bank of Colombia may impose requirements on Bancolombia's (and other Colombian residents') ability to obtain loans in foreign currency" and "Regulation–Other Regulations—Foreign Currency Loans."

The Colombian peso depreciated against the U.S. dollar by 1.5% in 2011, appreciated by 9.0% in 2012, depreciated by 9.0% in 2013, depreciated by 24.17% in 2014 and depreciated further by 31.64% in 2015. Although the Colombian peso is allowed to float freely, the Central Bank of Colombia or the Colombian government may intervene in the exchange market. The SFC calculates the representative market rate based on the weighted averages of the buy/sell foreign exchange rates quoted daily by certain financial institutions for the purchase and sale of foreign currency.

There are certain obligations established by law and by the board of directors of the Central Bank of Colombia in order to transfer currency into or out of Colombia.

The following table sets forth the average Colombian peso/U.S. dollar representative market rate for the periods indicated, calculated by using the average of the exchange rates on the last day of each month during the period as calculated by the Central Bank of Colombia. The Federal Reserve Bank of New York does not report a rate for Colombian pesos.

	Daily Observed Exchange Rate COP per U.S.$			
	High	**Low**	**Average(1)**	**Period end**
Year ended December 31,				
2011	1,972.76	1,748.41	1,846.97	1,942.70
2012	1,942.70	1,754.89	1,797.79	1,768.23
2013	1,952.11	1,758.45	1,869.10	1,926.83
2014	2,446.35	1,846.12	2,000.33	2,392.46
2015	3,356.00	2,360.58	2,743.39	3,149.47
Month end				
January 31, 2016	3,375.80	3,149.47	3,270.20	3,287.31
February 29, 2016	3,434.89	3,287.31	3,354.96	3,306.00
March 31, 2016	3,319.80	3,022.35	3,128.79	3,022.35
April 1 through April 14, 2016	3,109.60	3,000.63	3,056.40	3,006.35

Source: Central Bank of Colombia.

(1) Calculated as the average of the month-end exchange rates during the relevant period.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of December 31, 2015 on an actual basis and as adjusted basis to give effect to this offering, including the application of the net proceeds thereof, as if such transactions had occurred on December 31, 2015. See "Use of Proceeds."

This table should be read together with "Use of Proceeds," "Selected Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited consolidated financial statements and related notes contained elsewhere in this offering memorandum.

	As of December 31, 2015		
	Actual	**As adjusted(1)**	**As further adjusted(2)**
		(in millions of COP)	
Financial obligations:			
Financial leasing	122,723	122,723	122,723
Derivatives	253,938	253,938	253,938
Debt due to banks	2,251,278	3,951,992(3)	2,251,278(3)
Issued securities	3,637,504	3,637,504	5,350,069(3)
Total financial obligations (4)	**6,265,444**	**7,966,158**	**7,978,008**
Equity:			
Equity attributable to the owners of the parent company of the parent company	22,841,328	22,841,328	22,841,328
Equity attributable to non-controlling interest	3,221,272	3,221,272	3,221,272
Total equity	26,062,600	26,062,600	26,062,600
Total capitalization	**32,328,044**	**34,028,758**	**34,028,758**

(1) As adjusted to reflect indebtedness under the Bridge Loan, which totaled U.S.$ 540 million (COP 1,701 billion) as of the date hereof (see "Summary" and "Use of Proceeds").

(2) As further adjusted to reflect the receipt of the gross proceeds from the issuance of the notes, before deducting the fees, commissions and offering expenses payable by us that would be required for a presentation under Colombian IFRS, which are U.S.$ 543,763,000, and the application of such proceeds as described in "Use of Proceeds."

(3) Solely for the convenience of the reader, the U.S.$ 540 million (COP 1,701 billion) outstanding indebtedness under Bridge Loan and the notes offered hereby have been translated from U.S. dollars to Colombian pesos at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.

(4) Of our total consolidated financial obligations of COP 6,265,444 million, as of December 31, 2015, COP 2,780,236 million correspond to our unconsolidated financial obligations (including the U.S.$ 300 million aggregate principal amount of notes issued by Gruposura Finance in 2011 and guaranteed by us) and COP 3,485,208 million correspond to the financial obligations of all of our other consolidated subsidiaries, including SURA AM and Suramericana. For more information on our and our subsidiaries' financial obligations, see Note 18.2 to our audited consolidated financial statements.

Since December 31, 2015, there has not been any material change to our total capitalization aside from:

- the Bridge Loan described above;
- Grupo SURA's local bond offering in Colombia for an aggregate of COP 100,000 million on March 30, 2016; and
- the following credit agreements, entered into by our subsidiary, Suramericana, in order to partially finance the acquisition of the RSA Latin American Insurance Businesses on: (i) January 29, 2016, Suramericana, as borrower, and The Bank of Nova Scotia, as lender, entered into a U.S.$ 114.5 million credit agreement (the "Scotiabank Bridge Loan") and (ii) March 23, 2016, Suramericana, as borrower, each lender from time to time party thereto and Corpbanca, New York Branch, as administrative agent, entered into a U.S.$ 100.5 million credit agreement (the "Corpbanca Bridge Loan" and, together with the Scotiabank Bridge Loan, the "RSA Acquisition Bridge Loans"). As of the date of this offering memorandum, the Scotiabank Bridge Loan was drawn down in full and the Corpbanca Bridge Loan had been drawn for U.S.$ 30.0 million.

SELECTED FINANCIAL AND OTHER INFORMATION

The following tables set forth our selected audited consolidated financial information and the selected consolidated financial information of Bancolombia. For additional information on our and Bancolombia's financial statements, see "Presentation of Financial and Other Information."

Grupo de Inversiones Suramericana S.A.

The following selected financial information should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes contained elsewhere in this offering memorandum. The following selected financial information as of December 31, 2015 and 2014 and January 1, 2014 and for the years ended December 31, 2015 and 2014 have been derived from our audited consolidated financial statements and related notes thereto included elsewhere in this offering memorandum, which have been prepared in accordance with Colombian IFRS.

	For the Year Ended December 31,		
	2015	2015	2014
	(in millions of U.S.$)(1)	(in millions of COP)	
Consolidated income statement:			
Written premiums	2,689.5	8,470,432	6,754,566
Ceded premiums	(297.8)	(937,985)	(808,816)
Retained premiums (net)	**2,391.7**	**7,532,447**	**5,945,750**
Revenue from commissions	623.4	1,963,268	1,531,873
Services rendered	620.2	1,953,275	1,609,665
Dividends	22.5	70,806	60,401
Revenue from investments	340.7	1,073,161	860,440
Fair value gains	42.7	134,580	408,858
Share of profit in equity – accounted investees	257.5	810,906	1,009,727
Gains on sale of investments	23.1	72,701	81,756
Revenue from investment property	25.1	78,981	57,204
Other income	61.3	193,161	109,856
Exchange difference (net)	22.3	70,122	29,771
Total income	**4,430.4**	**13,953,408**	**11,705,303**
Claims from customers	(1,219.1)	(3,839,509)	(3,153,327)
Claims to reinsurance companies	136.7	430,407	307,297
Claims net	**(1,082.4)**	**(3,409,102)**	**(2,846,031)**
Adjustments to reserves for insurance contracts	(793.7)	(2,499,772)	(1,697,426)
Healthcare related expenses	(629.7)	(1,983,177)	(1,567,936)
Administrative expense	(330.6)	(1,041,107)	(818,839)
Overhead and benefits	(389.9)	(1,227,944)	(1,050,722)
Fees	(176.9)	(557,014)	(485,691)
Commissions	(179.2)	(564,279)	(457,414)
Amortizations	(92.5)	(291,416)	(216,402)
Depreciation	(17.7)	(55,801)	(44,509)
Other expense	(39.6)	(124,720)	(149,480)
Interest	(97.0)	(305,648)	(255,087)
Total expense	**(3,829.2)**	**(12,059,980)**	**(9,589,537)**
Earnings before tax	**601.2**	**1,893,428**	**2,115,765**
Income tax	(180.8)	(569,487)	(484,736)
Net income for the period	**420.4**	**1,323,941**	**1,631,029**
Net income attributable to:			
Controlling interest	350.6	1,104,091	1,420,193
Non-controlling interest	69.8	219,850	210,837

(1) Solely for the convenience of the reader, amounts stated in U.S. dollars have been translated at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.

	As of December 31,			January 1,
	2015	2015	2014	2014
	(in millions of U.S.$)[1]	(in millions of COP)		
Consolidated statement of financial position:				
Assets				
Cash and cash equivalents	455.1	1,433,184	1,293,989	1,343,055
Investments	6,897.6	21,723,891	16,374,659	12,644,786
Trade and other accounts receivable	937.5	2,952,740	2,496,743	2,193,886
Accounts receivable from related parties	28.3	89,008	85,823	73,053
Technical reserves – reinsurance portion	184.5	581,124	439,913	443,380
Inventories	3.9	12,138	14,640	9,992
Current tax assets	105.5	332,191	315,338	256,201
Derivative financial instruments	83.2	262,181	49,776	7,578
Other non-financial assets	26.9	84,714	92,764	78,235
Investment properties	255.7	805,188	669,840	517,423
Property and equipment	291.5	918,130	813,853	685,239
Intangible assets	1,232.1	3,880,369	3,445,875	3,071,432
Goodwill	1,359.2	4,280,774	3,746,714	3,405,003
Equity-accounted investees	5,638.9	17,759,665	16,998,552	15,213,128
Deferred tax assets	132.7	417,809	369,363	313,889
Total assets	**17,632.5**	**55,533,106**	**47,207,843**	**40,256,281**
Liabilities				
Loans and borrowings with financial institutions	834.4	2,627,940	1,111,620	1,990,681
Trade and other accounts payable	416.7	1,312,252	1,133,560	1,145,078
Accounts payable to related parties	19.9	62,509	67,896	93,482
Technical reserves	5,990.2	18,865,979	14,294,607	11,083,873
Current tax liabilities	144.2	454,197	440,677	379,260
Employee benefits	106.6	335,711	298,610	224,517
Other non-financial liabilities	125.5	395,264	314,331	259,281
Provisions	24.9	78,405	117,765	110,131
Issued securities	1,155.0	3,637,504	3,022,228	1,126,006
Deferred tax liabilities	540.0	1,700,745	1,448,944	1,224,478
Total liabilities	**9,357.3**	**29,470,506**	**22,250,238**	**17,636,785**
Equity				
Issued capital	34.3	107,882	107,882	107,882
Share premium	1,050.2	3,307,663	3,307,662	3,307,663
Reserves	1,461.3	4,602,459	4,177,866	3,656,070
Accumulated earnings	3,589.7	11,305,792	11,665,743	12,592,799
Other comprehensive income	766.3	2,413,441	1,023,290	(386)
Income for the period	350.6	1,104,091	1,420,193	-
Equity attributable to controlling interest	**7,252.4**	**22,841,328**	**21,702,636**	**19,664,029**
Non-controlling interest	1,022.8	3,221,272	3,254,969	2,955,467
Total equity	**8,275.2**	**26,062,600**	**24,957,605**	**22,619,496**
Total equity and liabilities	**17,632.5**	**55,533,106**	**47,207,843**	**40,256,281**

(1) Solely for the convenience of the reader, amounts stated in U.S. dollars have been translated at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.

	As of or for the Year Ended December 31,		
	2015	2015	2014
	(in millions of U.S.$, except percentages and ratios)[4]	(in millions of COP, except percentages and ratios)	
Other data:			
Adjusted EBITDA	808.5	2,546,292	2,631,763
Adjusted EBITDA margin[1]	18.2%	18.2%	22.5%
Total Grupo SURA debt to dividends received ratio[2]	3.4	3.4	2.7
Grupo SURA dividends received to interest payments ratio[3]	5.3	5.3	5.6

(1) Calculated as Adjusted EBITDA divided by total income.
(2) Calculated as Grupo SURA's unconsolidated indebtedness divided by dividends and other distributions received by Grupo SURA.
(3) Calculated as dividends and other distributions received by Grupo SURA divided by Grupo SURA's unconsolidated interest payments.
(4) Solely for the convenience of the reader, amounts stated in U.S. dollars have been translated at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.

The table below provides a reconciliation of our Adjusted EBITDA to our net income for the years presented.

Adjusted EBITDA Reconciliation

	For the Year Ended December 31,		
	2015	2015	2014
	(in millions of U.S.$)[1]	(in millions of COP)	
Net income	**350.6**	**1,104,091**	**1,420,193**
plus interest	97.0	305,648	255,087
plus amortizations	92.5	291,416	216,402
plus depreciation	17.7	55,801	44,509
plus income tax	180.8	569,487	484,736
plus net income attributable to non-controlling interest	69.8	219,850	210,837
Adjusted EBITDA	**808.5**	**2,546,292**	**2,631,763**

(1) Solely for the convenience of the reader, amounts stated in U.S. dollars have been translated at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.

Bancolombia S.A.

The selected financial data of Bancolombia is included in "Item 3A — Selected Financial Data" in Bancolombia's 2015 Annual Report, which is incorporated by reference into this offering memorandum. See "Incorporation by Reference."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations for the years ended December 31, 2015 and 2014 should be read together with our audited consolidated financial statements and related notes contained elsewhere in this offering memorandum, as well as the information presented under "Presentation of Financial and Other Information."

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth in "Forward-Looking Statements" and "Risk Factors."

Overview

Grupo SURA is the parent company of a group of leading companies operating primarily in the financial services sector in Latin America, including mandatory pension funds, voluntary savings and insurance, and the principal shareholder of Bancolombia, which is engaged in universal banking activities in Colombia and Central America. We estimate that our financial services businesses in the aggregate served over 39.2 million clients in 2015. In addition, Grupo SURA has significant interests in the industrial sector, including, among others, processed foods, cement, ready mix, energy and infrastructure development and planning. While the Group has its origins in Colombia, in recent years, the Group has expanded to other countries and regions, including Chile, Mexico, Peru, Uruguay, Central America, the Caribbean and the United States.

Our interests in the financial services sector include our 78.7% ownership of SURA AM, as of the date of this offering memorandum. SURA AM is the largest pension fund manager in Latin America, with a top three ranking in the Chilean, Mexican, Peruvian, Colombian, Uruguayan and Salvadoran markets, as measured by assets under management and/or by number of clients, as of December 31, 2015. We recently increased our stake in SURA AM by acquiring the combined 11.65% ownership interest of J.P. Morgan and General Atlantic. The remaining 21.3% of SURA AM is owned by International Finance Corporation, Bancolombia, Grupo Bolívar and Grupo Wiese. We also own 81.1% of Suramericana, the insurance operator of the largest life, property and casualty and workers' compensation insurance companies in Colombia, which also has a significant presence in El Salvador, the Dominican Republic and Panama. The remaining 18.9% of Suramericana is owned by the German reinsurer Munich Re, the largest reinsurance company in the world, as measured by reinsurance premiums and gross written premiums as of December 31, 2015. On September 7, 2015, Suramericana announced the acquisition of the RSA Latin American Insurance Businesses, which currently operate in Chile, Mexico, Colombia, Uruguay, Brazil and Argentina and serves approximately 5.6 million clients. As of the date of this offering memorandum, Suramericana has closed on the acquisitions in Brazil and Colombia, and the remaining countries are expected to close, subject to regulatory approvals, in the second half of 2016, thereby significantly increasing Suramericana's presence in the region. In addition, we are the principal shareholder of Bancolombia, the largest bank in Colombia and a relevant player in Central America and an SEC-registered public company in the United States, through our ownership of 46.4% of its voting shares (equal to 26.7% of its capital stock).

Our interest in the processed foods segment is held through our 35.3% ownership of Grupo Nutresa, the largest processed foods conglomerate in Colombia. Our interest in the cement, ready mix, energy and infrastructure segments is comprised of our 35.8% ownership of the voting shares (equal to 28.2% of the capital stock) of Grupo Argos. We are the principal shareholder of both of these conglomerates. Grupo Argos is the majority owner of Cementos Argos (the largest cement producer in Colombia with market leading operations in Central America and the United States), Celsia (the fourth largest electricity generation company in Colombia and a leading power generation company in Panama and Costa Rica), and Grupo Odinsa (a Latin American infrastructure development and planning company).

For more information on our interests in the financial services and industrial sector, see "Business."

Key Trends Affecting the Group's Principal Companies

Macroeconomic Trends Affecting the Group's Businesses

All of the Group's businesses are highly dependent upon economic conditions prevailing in the countries in which they operate. The following table sets forth certain key macroeconomic indicators by key country of operation as of or for the year ended December 31, 2015:

	As of or for the Year Ended December 31, 2015					
	Colombia	**Chile**	**Mexico**	**Peru**	**Uruguay**	**El Salvador**
	(in millions, except percentages, GDP per capita and ratings)					
Population	48.2	18.1	124.6	31.4	3.4	6.3
Economically-Active Population[(1)]	24.3	8.7	55.6	16.9	1.8	2.7
GDP Growth Rate	2.9%	2.1%	2.5%	3.3%	1.7%	2.3%
GDP per Capita (in current U.S.$)	6,155	13,292	9,440	6,048	17,718	4,007
Salary Base Growth Rate	9.9%	4.5%	N/A	3.2%	8.5%	5.7%
Inflation	6.8%	4.4%	2.1%	4.4%	9.4%	1.0%
Sovereign International Credit Ratings (Moody's/S&P/Fitch)	Baa2/BBB/ BBB+	Aa3/AA-/ A+	A3/BBB+/ BBB+	A3/BBB+/ BBB+	Baa2/BBB/ BBB-	Ba3/B+/ B+

Sources: Population statistics are based on information from the Economic Commission for Latin America & the Caribbean's 2015 Annual Statistics Report. Economically-active Population statistics are from the World Bank. GDP and inflation statistics are based on information from Focus Economics Consensus Forecast – February 2016. The salary base growth rate statistics are based on information provided by the local regulator of each country and our internal calculations.

(1) "Economically-active population" is defined as all persons of either sex who furnish the supply of labor for the production of economic goods and services during a specified time-reference period.

The primary economic drivers affecting the performance of our financial services businesses, particularly our mandatory pension fund business, are an economically-active population, formal employment and salary base growth. Each of these factors has grown significantly in the countries in which the Group's businesses operate. The economically-active population of Latin America is expected to have been growing at a CAGR of 1.8% between 2010 and 2020, according to the ECLAC Annual Statistics Report 2015. Similarly, formal employment and the salary base, both have grown significantly in the principal countries in which the Group operates (with salary base growth outstripping GDP growth in these countries). The Group's voluntary savings, insurance and banking businesses have also benefited indirectly, and are expected to continue to benefit, from these same macroeconomic drivers because they result in growing disposable income in the countries in which the Group's businesses operate as the economically-active population has more income to spend on savings solutions, such as mutual funds, life insurance and annuities. However, if the countries in which the Group's businesses operate were to experience an economic slowdown or recession, we would expect the resulting unemployment and downward pressure on wages to result in lower revenues, as premiums, contributions and savings to the Group's businesses decrease.

Devaluation of Local Currencies of the Countries in which the Group Operates

Our consolidated results of operations are impacted by market and currency volatility, which has recently resulted in significant devaluation of the Colombian peso and other local currencies against the U.S. dollar. Items included in the individual financial statements of each of our subsidiaries are measured using the currency of their primary country of operation. Because our audited consolidated financial statements are presented in Colombian pesos, we must then translate revenues, expenses and income as well as assets and liabilities, into Colombian pesos at exchange rates in effect during or at the end of each reporting period. For purposes of translating amounts into Colombian pesos, results in local currencies are first translated into U.S. dollars and then into Colombian pesos. Because the Colombian peso experienced greater devaluation against the U.S. dollar than other local currencies, the effect of translating results from local currencies into U.S. dollars and then into Colombian pesos magnifies the negative impact of the regional devaluation in our results of operations. For subsidiaries that have the U.S. dollar as their functional currency, such as SURA AM, the average exchange rate used to translate their financial statements for the year ended December 31, 2015 was COP 2,743.39 for $1.00 U.S. dollar, compared to COP 2,000.33 for the same period in 2014, a devaluation of 37.15%.

As a result of this process, changes in the value of the Colombian peso against other currencies will affect our revenues, income and the value of balance sheet line items originally denominated in other currencies. Accordingly, since the results of the companies we consolidate into our results of operations have been translated from other local currencies into Colombian pesos, our consolidated results of operations in Colombian pesos may be higher or lower than individual company results in the applicable local currency. Additionally, because the majority of our and our subsidiaries' expenses are in local currencies and we have various hedging arrangements, the net impact of foreign exchange movements resulted in a gain of COP 70,122 million for the year ended December 31, 2015. However, we cannot predict any future trends in the exchange rates of foreign currencies against the Colombian peso, and there can be no assurance that any future currency hedging activities will be successful.

The following table shows the average exchange rates used for translating our subsidiaries' financial statements into Colombian pesos and the devaluation of the Group's primary local currencies against the U.S. dollar for the year ended December 31, 2015:

Average U.S. Dollar Exchange Rates

	For the Year Ended December 31,			
	2015	2014	% Change against USD	% Change against COP
Chile	654.24	570.57	14.7%	19.61%
Mexico	15.87	13.31	19.2%	15.02%
Colombia	2,743.39	2,000.33	37.1%	-
Peru	3.18	2.84	12.0%	22.26%
Uruguay	27.29	23.23	17.5%	16.76%

High Variability of our Investment Returns

One of SURA AM's and Suramericana's sources of income is the gain realized by their pension fund administrators and insurance subsidiaries on the investment of their respective mandatory reserves. We follow prudent risk management policies in respect of these investments and our financial committee, comprised of the chief financial officers of Grupo SURA, SURA AM, Suramericana and Bancolombia, oversees these companies' investment strategy. However, due to the volatility in the global and Latin American capital markets, we have experienced a high degree of variability in respect of these investment returns. We cannot assure you that this variability will not continue in the future.

Low Penetration of Most of the Financial Services Products We Offer

The Group mostly operates in countries that have investment grade credit ratings, with highly underpenetrated financial sectors that offer compelling potential for growth and development. According to the IMF and local regulators, pension fund penetration (measured as assets under management as a percentage of GDP) in the countries in which the Group operates is on average 23.5%, compared to 83.0% in the United States and 84.4% in the Organization for Economic Co-operation and Development ("OECD") countries. Likewise, according to the IMF and the Iberoamerican Federation of Investment Funds – Federación Iberoamericana de Fondos de Inversión (FIAFIN), mutual fund penetration (also measured as assets under management as a percentage of GDP) in the principal countries in which the Group operates is 16.7% in Chile, 9.7% in Mexico, 3.3% in Peru and 5.9% in Colombia, compared to 80.2% in the United States and 49.2% in the United Kingdom. A similar trend is present in the insurance industry, where life insurance penetration (measured as life insurance premiums as a percentage of GDP) in the countries in which the Group operates is 1.0%, compared to 3.0% in the United States and 4.1% in Europe and non-life insurance penetration measured as insurance premiums as a percentage of GDP) in the countries in which the Group operates is 1.5%, compared to 4.3% in the United States and 2.7% in Europe.

Employment Formalization

Employment formalization in the countries in which our financial services businesses operate also positively influences the number of clients and consequently the revenues generated by their mandatory businesses, such as mandatory pension funds, mandatory workers' compensation insurance and mandatory health insurance. Over the past ten years, an increasing number of people have joined the formal labor force in the countries in which our financial services businesses operate. As a result of employment formalization, an increasing number of workers are subject to the mandatory contribution requirements, in respect of the mandatory product offerings mentioned above, in the countries in which these businesses operate. Furthermore, both Chile and Colombia have recently enacted labor law reforms which also subject self-employed persons to mandatory pension contributions.

Demographic Environment

Although the population of Latin America is young, the population of senior citizens in the countries in which our financial services businesses operate is growing and the average life expectancy for such seniors continues to increase. As life expectancy surges in the countries in which our financial services businesses operate, we expect there to be an increased need for insurance plans and voluntary savings products in order to complement mandatory savings. Such products help our clients improve their life conditions in their retirement. We expect an aging population to lead to further increases in the demand for SURA AM's and Suramericana's life insurance and retirement products, such as annuities. In addition, as workers retire, they have the choice to convert their mandatory pension fund accounts into an annuity, providing a unique opportunity for SURA AM to increase its market share in this area.

Competitive Environment in the Financial Services Sector

Mandatory Pension Funds

In Chile and Peru, recent reforms to pension laws introduced a bidding process for first-time system entrants that takes place every two years, with the winning AFP being the one that offers the lowest fee. This fee must be lower than the lowest fee available in the AFP industry and must apply to the AFP's entire portfolio, not only to the new entrants. Consequently, these pension reform laws have increased competition among the AFPs and placed downward pressure on their fee structures.

To date, in Chile, there have been four bidding processes for first-time system entrants, in which AFP Capital has elected not to participate because it did not consider it economically advantageous to do so; and there have been two bidding processes in Peru in which, pursuant to local law, AFP Integra has participated but has not been awarded such business due to the fee ceilings required to successfully participate in such processes. However, while the new account holders are required to keep their pension accounts with the winning bidder for two years, there is no requirement for them to remain with the winning bidder after the initial two-year period.

Voluntary Savings and Insurance and Annuities

In most of the countries in which the Group operates, the markets for SURA AM's and Suramericana's voluntary savings and insurance and annuities products are highly competitive, with a host of local and international participants. For example, in Chile, in the general life insurance market, no participant has more than a 13% market share as of December 31, 2015. Although we believe that significant opportunities remain in these markets, SURA AM and Suramericana may face significant obstacles in selling new products in such highly competitive markets.

Additionally, the global insurance industry is undergoing regulatory reforms to strengthen the stability of the insurance sector. The modernization of the solvency regimes is part of these reforms and many countries in Latin America are bringing their regulations in line with the advances achieved in risk management and group supervision in recent years. According to Swiss Re, Mexico, Brazil and Chile are in advanced stages of implementing economic risk-based capital models and are expected to adopt frameworks similar to those adopted by the European Union over the next few years. Other countries, like Colombia, have strengthened their reserve requirements and are likely to move towards incorporating tighter risk capital requirements over the coming years.

Greater capital requirements are likely to influence the insurance sector's competitive environment in the near future, potentially leading to consolidation in the region, as well as changes in product mix and pricing strategies to optimize capital consumption. Suramericana´s internal capital models already incorporate certain principles from the European Union's solvency requirements and we believe the company is well-positioned to compete on a regional basis as regulators continue to tighten capital requirements.

Operating Margins of SURA AM's Mandatory Pension Funds Business Segment

SURA AM is in the process of implementing a plan to increase its operating margins with respect to its mandatory pension funds business segment, the details of which are provided below by country:

Chile – AFP Capital: Given that AFP Capital has to date decided not to participate in any of the bidding processes for new clients in Chile, AFP Capital's only source of new clients are those that transfer from other AFPs. In this regard, SURA AM has modified AFP Capital's strategy so that it searches for clients who have higher salaries than those it loses to other AFPs. This is expected to lead to increases in AFP Capital's monthly fees, and consequently, operating margins.

Mexico – Afore SURA: SURA AM has implemented strategies so that Afore SURA attracts clients with higher assets under management backed by its excellent performance across all its managed funds. As the fees Afore SURA receives are based on assets under management, its revenues increase faster than its expenses because they are more closely tied to market performance.

Peru – AFP Integra: In 2013, SURA AM acquired and integrated 50% of AFP Horizonte's operations into AFP Integra in Peru. This acquisition significantly increased AFP Integra's revenues while only slightly increasing its operating costs because of synergy savings.

Uruguay – AFAP SURA: SURA AM continues to broaden AFAP SURA's commercial strategy to attract and retain clients with both high and median salaries and increase operational efficiencies.

Bancolombia S.A.

For a discussion of Bancolombia's results of operations for the years ended December 31, 2015 and 2014, including the key trends affecting Bancolombia's business, see "Item 5 — Operating and Financial Review and Prospects" in Bancolombia's 2015 Annual Report, which is incorporated by reference into this offering memorandum. See "Incorporation by Reference" for additional information.

Impact of Colombian Wealth Tax

On December 23, 2014, the Colombian congress approved a tax reform by enacting Law 1739 of 2014. The new tax law introduced significant changes to already existing taxes and created new ones. The main highlights of the law are:

- The creation of a wealth tax, that differs from the equity tax that was previously enacted in Colombia from 2011 to 2014. The tax base is the taxpayer's wealth, calculated as the taxpayer's gross assets minus debts as of January 1, 2015, as long as it is equal to or greater than COP 1.0 billion. The tax rate ranges between 0% to 1.5% depending on the wealth of the taxpayer, as adjusted each year, and will be paid each year from 2015 to 2018.

- The financial transaction tax was extended until 2021. The tax rate will be 0.4% from 2015 to 2018, and will be reduced to 0.3% in 2019, 0.2% in 2020 and 0.1% in 2021. The tax ends in 2022.

- A surcharge over the already existing CREE Tax (this tax is only applicable to corporations) at a rate between 0 - 9% over the base calculated for CREE and for years 2015 until 2018. The tax reform permanently increases the CREE tax rate to 9% beginning in 2016 and, thus, the lower tax rate will no longer apply, which was expected to be 8% beginning in 2016.

For the year ended December 31, 2015, Grupo SURA and its subsidiaries paid an aggregate of COP 100,660 million, attributable to the wealth tax. We cannot assure you that the manner in which the wealth tax and the other taxes applicable to corporations in Colombia are currently interpreted by the Colombian Tax Authority and applied will not change in the future. In addition, any further tax reform may have other consequences on us, and there can be no assurance that the corporate tax rate will not be adjusted in the future in order to finance future social reforms to be promoted by the Colombian government resulting in a material adverse effect on our business, financial condition and results of operations.

Treatment of the Group's Principal Companies in our Audited Consolidated Financial Statements

In respect of the Group's principal companies, our audited consolidated financial statements fully consolidate the results of operations of SURA AM and Suramericana.

Since we own less than 50% of the voting stock (and less than 50% of the capital stock) of Bancolombia, Grupo Nutresa and Grupo Argos, their results of operations are not consolidated into our consolidated results of operations. Rather, we account for our ownership interest in these companies in our consolidated income statement under the equity method, recording our share of the net income of each of these companies' net income in the line item "share of profit in equity-accounted investees." This line item forms part of our total income and, hence, net income for any relevant period.

Treatment of AFP Protección in SURA AM's Financial Statements and our Audited Consolidated Financial Statements

As of December 31, 2015 and as the date of this offering memorandum, SURA AM owns 49.4% of AFP Protección. Hence, SURA AM does not consolidate AFP Protección's results of operations into its consolidated results of operations. Rather, SURA AM accounts for this 49.4% ownership interest in its consolidated income statement under the equity method, recording its share of AFP Protección's net income. In preparing our audited consolidated financial statements, we recognize this equity pick-up in our SURA AM business segment, dividing SURA AM's share of AFP Protección's net income between the SURA AM sub-segments in which AFP Protección participates, mandatory pension funds and voluntary savings.

SURA AM's 49.4% ownership interest in AFP Protección does not grant SURA AM control over AFP Protección, and its subsidiary in El Salvador, AFP Crecer. Although neither SURA AM nor we consolidate AFP Protección into SURA AM's or our consolidated results of operations, we have nonetheless included certain financial and operating information relating to AFP Protección , and its subsidiary in El Salvador, AFP Crecer in this offering memorandum because they represent significant interests to SURA AM, one of the Group's principal companies.

Description of Revenues and Expenses

The following is a brief description of the principal revenues and expenses that are included in our consolidated income statement.

Revenues

Written Premiums. Written premiums principally reflect insurance and annuity premiums and, secondarily, voluntary health insurance premiums. In respect of annuity premiums, our subsidiaries record as income 100% of the cash contribution made by beneficiaries as they convert their pension fund savings into annuities.

Ceded Premiums. Ceded premiums are premiums ceded to reinsurers. Ceded premiums reflect the premium paid by SURA AM's and Suramericana's insurance subsidiaries to their reinsurers in consideration for the liability assumed by the reinsurers.

Retained Premiums (net). Retained premiums (net) reflect gross premiums minus premiums ceded to reinsurers.

Revenue from Commissions. Revenue from commissions principally reflects the commissions charged by SURA AM's pension fund managers on mandatory and voluntary contributions. It also reflects the investment advisory fees charged by our mutual fund managers in respect of the mutual funds that they manage.

Services Rendered. Services rendered primarily reflect income received by Suramericana's mandatory healthcare insurance provider, EPS SURA, as well as the fees charged for healthcare services received in respect of Suramericana's healthcare segment.

Dividends. Dividend income reflects the cash dividends and distributions received from investees in which we hold less than 20% of the voting stock.

Revenue from Investments. Revenue from investments principally reflects the gain realized from the investment portfolio of our asset management and insurance businesses. In respect of SURA AM's pension fund managers, it reflects the gain realized from the investment of their mandatory reserves; and in respect of SURA AM's and Suramericana's insurance subsidiaries, it reflects the gain realized from the investment of their reserves.

Share of Profit in Equity–Accounted Investees. Share of profit in equity–accounted investees reflects the income attributable to us based on our ownership interest in investees in which we hold between 20% and 50% of the voting stock, with the primary contributors being Bancolombia, Grupo Nutresa and Grupo Argos.

Other Income. Other income principally reflects income received from collections, recoveries of provisions and re-assessments.

Exchange Difference (net). Exchange difference (net) reflects losses or gains relating to foreign currency exchange movements.

Expenses

Claims from Customers. Claims from customers principally reflect payments on insurance claims.

Claims to Reinsurance Companies. Claims to reinsurance companies reflect payments received from reinsurers that decrease our total claims.

Claims Net. Claims net reflect the payments by SURA AM's and Suramericana's insurance subsidiaries on insurance claims minus the reimbursements received from reinsurers.

Adjustments to Reserves for Insurance Contracts. Adjustments to reserves for insurance contracts principally reflect the amounts SURA AM and Suramericana set aside to fund the net present value of their annuities.

Healthcare Related Expenses. Healthcare related expenses rendered primarily reflect the amounts Suramericana's healthcare segment pays in respect of rendering healthcare services to its members and the costs incurred by EPS SURA in its provision of mandatory health insurance.

Administrative Expense. Administrative expense principally reflects payments provided to third parties for the provision of administrative services. It also reflects deferred acquisition cost, tax-related expenses (including the wealth tax), leases, advertising and other day-to-day expenses.

Overhead and Benefits. Overhead and benefits principally reflect certain short-term and long-term employee benefits, personnel expenses, severance, salaries and bonus payments.

Fees. Fees principally reflects the fees paid to the members of our board of directors, our external auditors and all legal and financial advisory fees involved in our day-to-day operations.

Commissions. Commissions principally reflects the commissions paid to property, casualty and personal insurance brokers.

Other Expense. Other expense reflects, among others, costs corresponding to our renegotiation of reinsurance contracts with our reinsurers and any asset impairments in any relevant period.

Interest. Interest principally reflects payments made in connection with indebtedness.

Grupo SURA's Results of Operations for the Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014:

The following table sets forth the principal components of our consolidated income statement for the years ended December 31, 2015 and 2014:

	For the Year Ended December 31,		
	2015	**2014**	**Change**
	(in millions of COP)		**%**
Consolidated income statement:			
Written premiums	8,470,432	6,754,566	25.4%
Ceded premiums	(937,985)	(808,816)	16.0%
Retained premiums (net)	**7,532,447**	**5,945,750**	**26.7%**
Revenue from commissions	1,963,268	1,531,873	28.2%
Services rendered	1,953,275	1,609,665	21.3%
Dividends	70,806	60,401	17.2%
Revenue from investments	1,073,161	860,440	24.7%
Fair value gains	134,580	408,858	(67.1)%
Share of profit in equity – accounted investees	810,906	1,009,727	(19.7)%
Gains on sale of investments	72,701	81,756	(11.1)%
Revenue from investment property	78,981	57,204	38.1%
Other income	193,161	109,856	75.8%
Exchange difference (net)	70,122	29,771	135.5%
Total income	**13,953,408**	**11,705,303**	**19.2%**
Claims from customers	(3,839,509)	(3,153,327)	21.8%
Claims to reinsurance companies	430,407	307,297	40.1%
Claims net	**(3,409,102)**	**(2,846,031)**	**19.8%**
Adjustments to reserves for insurance contracts	(2,499,772)	(1,697,426)	47.3%
Healthcare related expenses	(1,983,177)	(1,567,936)	26.5%
Administrative expense	(1,041,107)	(818,839)	27.1%
Overhead and benefits	(1,227,944)	(1,050,722)	16.9%
Fees	(557,014)	(485,691)	14.7%
Commissions	(564,279)	(457,414)	23.4%
Amortizations	(291,416)	(216,402)	34.7%
Depreciation	(55,801)	(44,509)	25.4%
Other expense	(124,720)	(149,480)	(16.6)%
Interest	(305,648)	(255,087)	19.8%
Total expense	**(12,059,980)**	**(9,589,537)**	**25.8%**
Earnings before tax	**1,893,428**	**2,115,765**	**(10.5)%**
Income tax	(569,487)	(484,736)	17.5%
Net income for the period	**1,323,941**	**1,631,029**	**(18.8)%**

Total Income by Grupo SURA's Business Segments

The following table sets forth a breakdown of our total income (loss) by business segment, for the years ended December 31, 2015 and 2014.

	For the Year Ended December 31,		
	2015	2014	Change
	(in millions of COP)		%
SURA AM			
Mandatory Pension Funds	1,864,149	1,652,721	12.8%
Voluntary Savings	163,681	122,907	33.2%
Insurance and Annuities	3,316,869	2,253,517	47.2%
Other and Corporate[1]	(40,342)	(99,908)	(59.6)%
Total SURA AM	**5,304,357**	**3,929,237**	**35.0%**
Suramericana			
Life Insurance	3,983,507	3,594,746	10.8%
Non-life Insurance	1,809,941	1,473,123	22.9%
Healthcare	2,182,582	1,805,137	20.9%
Other and Corporate[1]	(296,694)	(266,084)	11.5%
Total Suramericana	**7,679,335**	**6,606,921**	**16.2%**
Other and Corporate[1][2]	**969,715**	**1,169,144**	**(17.1)%**
Total Income	**13,953,408**	**11,705,302**	**19.2%**

(1) The Other and Corporate segments also reflect intercompany eliminations and adjustments made during the consolidation process.
(2) Includes income from our share of profit in the equity of our accounted investees.

The 19.2% increase in our total income was primarily the result of the positive results obtained by our business segments as described below:

SURA AM

The total income of SURA AM increased 35.0%. The following table sets forth a breakdown of SURA AM's income for the years ended December 31, 2015 and 2014:

	For the Year Ended December 31,		
	2015	2014	Change
	(in millions of COP)		%
SURA AM			
Revenue from commissions	1,810,133	1,417,082	27.7%
Retained premiums (net)	2,532,308	1,640,937	54.3%
Investment income[1]	703,159	669,411	5.0%
Other[2]	258,758	201,807	28.2%
Total Income	**5,304,357**	**3,929,237**	**35.0%**

(1) For purposes of this summary table, "investment income" includes the following lines from the income statement: revenue from investments, fair value gains, gains on sale of investments and revenue from investment property.
(2) For purposes of this table, "Other" income includes dividends, SURA AM's share of profit in the equity of AFP Protección, exchange difference (net), services rendered and other income.

This increase primarily reflects the following results of SURA AM's segments:

Mandatory Pension Funds

The primary component of the income attributable to SURA AM's mandatory pension fund segment is revenue from commissions charged by SURA AM's pension fund managers on mandatory and voluntary contributions. This income also reflects, among others, the gains realized by these pension fund managers on the investment of their mandatory reserves.

The 12.8% increase in income attributable to SURA AM's mandatory pension fund segment in 2015 as compared to 2014 primarily reflects a 25.4% increase in revenue from commissions, which increased from COP 1,318,989 million in 2014 to COP 1,653,985 million in 2015. This increase principally reflects the following results by country:

Chile – AFP Capital: The 23.9% increase in AFP Capital's mandatory revenue from commissions principally reflects a 25.0% increase in salary base. This increase was partially offset by a 2.8% decrease in clients.

Mexico – Afore SURA: The 26.7% increase in Afore SURA's mandatory revenue from commissions principally reflects a 19.2% increase in assets under management and a 0.9% increase in clients. This increase was partially offset by a 3.5% decrease in Afore SURA's commission rate which decreased from 1.15% to 1.11%.

Peru – AFP Integra: The 25.0% increase in AFP Integra's mandatory revenue from commissions principally reflects a 26.1% increase in salary base. This increase was partially offset by a 0.8% decrease in clients as SURA AM continues to focus on attracting high income clients, rather than an overall higher volume of clients to help offset the downward pressure on fees and commissions resulting from Peru's implementation of a bidding process for new entrants to the mandatory pension system.

Uruguay – AFAP SURA: A 25.9% increase in AFAP SURA's mandatory revenue from commissions principally reflects (i) a 26.7% increase in salary base and (ii) a 2.0% increase in the number of clients.

This increase in mandatory fee and revenue from commissions was partially offset by a 38.3% decrease in the investment income earned by SURA AM's pension fund administrators due to a 51.2% decrease in the returns they earned on their mandatory reserves, which led to investment income of a COP 72,848 million for the year ended December 31, 2015 as compared to COP 149,282 million in 2014. This decrease was largely due to the deceleration in the economic performance of the Latin American financial markets, particularly, in Mexico, Chile and Peru.

The following table shows the returns earned by each of SURA AM's pension fund administrators on their mandatory reserves for the year ended December 31, 2015:

Returns on Mandatory Reserves

	For the Year Ended December 31,		
	2015	**2014**	**% Change**
	(in millions of COP)		
AFP Capital	53,954	86,349	(37.5)%
Afore SURA	616	40,621	(98.5)%
AFP Integra	15,014	20,002	(24.9)%
AFAP SURA	3,265	2,310	41.3%
Total	**72,847**	**149,282**	**(51.2)%**

Voluntary Savings

The primary component of the income attributable to SURA AM's voluntary savings segment is revenue from commissions originating from commissions charged on the voluntary contributions of SURA AM's pension fund clients as well as the investment advisory fees of SURA AM's mutual funds managers.

The 33.2% increase in income attributable to SURA AM's voluntary savings segment in 2015 as compared to 2014 primarily reflects a 48.9% increase in revenue from commissions in 2015. This increase in turn principally reflects increases in the revenue from commissions of SURA AM's Mexican and Chilean's businesses of 37.5% and 66.4%, respectively. These results, in turn, primarily reflect the positive results of our business strategy of attracting more clients to buy other savings products. This strategy largely led to increases in assets under management of 33.7% in Chile and 26.8% in Mexico. This increase was partially offset by a 33.0% decrease in the investment income earned by SURA AM's mutual fund managers due the aforementioned deceleration in the economic performance of the Latin American financial markets.

Life Insurance and Annuities

The primary component of income attributable SURA AM's life insurance and annuities segment is payments received from life insurance and annuities premiums. This income also reflects, among others, the gains realized by SURA AM's insurance subsidiaries on the investment of their reserves.

In evaluating this income stream, it is important to note that, because SURA AM records 100% of the premiums that it receives from its life insurance and annuities segment, this segment's contribution to SURA AM's results of operations can seem unusually high. However, given the nature of the income of this business, those premiums are offset by the resulting reserves taken in respect thereof and claims paid out. This segment is also affected by the gain or loss SURA AM experiences from the investment of these reserves. Accordingly, the net contribution of this segment to SURA AM's income is significantly lower than its contribution to SURA AM's income. For example, for 2015, while this segment had income of COP 3,316,869 million, it had expenses of COP 3,237,084 million. Investors are urged to evaluate the totality of these factors when analyzing the results of SURA AM's life insurance and annuities segment.

The 47.2% increase in income attributable to SURA AM's life insurance and annuities segment in 2015 as compared to 2014 primarily reflects a 54.3% increase in retained premiums, net, which increased from COP 1,640,937 million in 2014 to COP 2,532,308 million in 2015. This increase principally reflects the positive results of SURA AM's life insurance and annuity subsidiary in Chile, Seguros SURA Chile, which recorded written premiums of COP 1,741,502 million, representing a 60.8% increase in 2015 as compared to 2014. This increase was primarily driven by regulatory changes to Chile's mortality rates table which led to a greater number of clients to select their pension annuity option before such changes take effect in May 2016. Seguros SURA Chile's results represented 67.3% of SURA AM's consolidated written premiums.

The increase in income attributable to SURA AM's life insurance and annuities segment was also positively affected by the 22.9% increase in investment income from COP 538,698 million in 2014 to COP 662,297 million in 2015 due to greater gains from the investment of these subsidiaries' reserves, which in turn primarily reflects higher assets under management as a result of the increase in written premiums.

Other and Corporate

The primary components of the income (loss) attributable to SURA AM's other and corporate segment are the value of derivatives, investments held for trading and other minor income received at the SURA AM parent level in Colombia, as well as the results of SURA AM's smaller subsidiaries such as those that provide back office support services.

The 59.6% decrease in the loss attributable to SURA AM's other and corporate segment in 2015 as compared to 2014 primarily reflects a reversal of a provision we had taken in connection with our agreement to indemnify AFP Protección for any losses it could incur in connection with certain lawsuits relating to Interbolsa (a company that has been liquidated) that AFP Protección inherited as a result of its merger with AFP ING Colombia. This litigation reserve has been reversed as the probability of loss is low and the possibility that SURA AM would have to indemnify AFP Protección is no longer probable.

AFP Protección

As of December 31, 2015 and as the date of this offering memorandum, SURA AM owns 49.4% of AFP Protección. Hence, SURA AM does not consolidate AFP Protección's results of operations into its consolidated results of operations. Rather, SURA AM accounts for this 49.4% ownership interest in its consolidated income statement under the equity method, recording its share of AFP Protección's net income. In preparing our audited consolidated financial statements, we recognize this equity pick-up in our SURA AM business segment, dividing SURA AM's share of AFP Protección's net income between the SURA AM sub-segments in which AFP Protección participates, mandatory pension funds and voluntary savings (in the same way SURA AM itself divides this equity pick-up).

SURA AM's share of AFP Protección's net income decreased by 24.6% from COP 114,322 million in 2014 to COP 86,214 million in 2015, primarily due to an increase in tax-related expenses in connection with the Colombian wealth tax as well as the payment of other taxes incurred in Colombia. This decrease was partially offset by an increase in AFP Protección's business activity, which led to an increase in net commissions and fee revenues.

Suramericana

The total income of Suramericana increased 16.2%. The following table sets forth a breakdown of Suramericana's income for the years ended December 31, 2015 and 2014:

	For the Year Ended December 31,			
	2015	**2014**	**Change**	**Change**
		(in millions of COP)		**%**
Suramericana				
Retained premiums (net)	5,001,893	4,306,756	695,137	16.1%
Services rendered	1,779,099	1,460,359	318,740	21.8%
Investment income[(1)]	602,504	614,881	(12,377)	(2.0)%
Other	295,839	224,926	70,913	31.5%
Total Income	**7,679,335**	**6,606,921**	**1,072,414**	**16.2%**

(1) For purposes of this summary table, "investment income" includes the following lines from the income statement: revenue from investments, fair value gains, gains on sale of investments and revenue from investment property.

This increase primarily reflects the following results of Suramericana's segments:

Life Insurance

The primary component of income attributable to Suramericana's life insurance segment is payments received from insurance premiums. This income also reflects, among others, the gains realized by Suramericana's insurance subsidiaries on the investment of their reserves. In evaluating this income stream, because Suramericana is an insurance provider, investors are urged to assess the results of Suramericana's life insurance segment by analyzing the premiums recorded for any given period against the claims from customers incurred during the same.

The 10.8% increase in income attributable to Suramericana's life insurance segment in 2015 as compared to 2014 primarily reflects a 12.3% increase in retained premiums, net, which increased from COP 3,097,397 million to COP 3,478,833 million in 2015. This increase principally reflects the positive results of Suramericana's life insurance subsidiary in Colombia, Seguros de Vida, and workers' compensation company, ARL Sura, which recorded retained premiums, net of COP 3,312,473 million, representing a 10.6% increase in 2015 as compared to 2014. This increase was primarily driven by Seguros de Vida's successful sales efforts in which it was able to attract a significant amount of new clients for its group life, and voluntary health insurance products through its various distribution networks. Retained premiums from Suramericana's life insurance segment represented 69.6% of Suramericana's consolidated retained premiums.

The increase in the income attributable to Suramericana's life insurance segment was partially offset by a deceleration in the economic performance of the Latin American financial markets, which negatively impacted Suramericana's investment income from this segment, which decreased by 1.9% from COP 460,203 million in 2014 to COP 451,476 million in 2015. In particular, these investments that are marked to market decreased by 68.3% from COP 114,721 million in 2014 to COP 36,351 million in 2015. Whereas, investments that are held to maturity increased by 19.5% from COP 344,668 million in 2014 to COP 412,012 million in 2015.

Non-life Insurance

The primary component of income attributable to Suramericana's non-life insurance segment is payments received from non-life insurance premiums. This income also reflects, among others, the gains realized by Suramericana's insurance subsidiaries on the investment of their reserves. In evaluating this income stream, because Suramericana is an insurance provider, investors are urged to assess the results of Suramericana's non-life insurance segment by analyzing the premiums recorded for any given period against the claims from customers incurred during the same.

The 22.9% increase in income attributable to Suramericana's non-life insurance segment in 2015 as compared to 2014 primarily reflects a 25.9% increase in retained premiums, net, which increased from COP 1,220,133 million to COP 1,536,669 million in 2015. This increase principally reflects the positive results of Suramericana's non-life insurance subsidiary in Colombia, Seguros Generales, which recorded retained premiums, net, of COP 1,189,091 million, representing a 16.8% increase in 2015 as compared to 2014. This increase was primarily driven by a significant increase in auto insurance and mandatory car accident insurance, reflecting increases of 18.9% and 25.8%, respectively, due to an increase in the number of operating vehicles in Colombia. The positive results in Colombia were accompanied by a 120.2% increase in Suramericana Panama's results, which recorded retained premiums, net, of COP 168,245 million, primarily resulting from the acquisition of Banistmo Seguros S.A. in Panama ("Banistmo Seguros Panama") in 2015. Retained premiums from Suramericana's non-life insurance segment represented 30.7% of Suramericana's consolidated retained premiums.

The increase in the income of Suramericana's non-life insurance segment was partially offset by increased market volatility during 2015, which negatively impacted Suramericana's investment income attributable to this segment, which decreased by 12.4% from COP 122,737 million in 2014 to COP 107,490 million in 2015.

Healthcare

The primary components of income attributable to Suramericana's healthcare segment are income received by Suramericana's mandatory healthcare insurance provider, EPS SURA, as well as the fees charged for healthcare services rendered in respect of Suramericana's healthcare segment. This income also reflects, among others, early payment discounts received by EPS SURA from its service providers that are recorded as income.

The 20.9% increase in income attributable to Suramericana's healthcare segment in 2015 as compared to 2014 primarily reflects a 21.0% increase in payments received from services rendered, which increased from COP 1,747,262 million to COP 2,113,700 million in 2015. This increase principally reflects the positive results of Suramericana's health insurance subsidiary in Colombia, EPS Sura, which recorded payments received from services rendered of COP 1,622,873 million, representing a 23.1% increase in 2015 as compared to 2014. This increase was primarily driven by an increase in EPS SURA's affiliated members as well as an increase in amounts received from the Colombian national health system to guarantee the provision of health services.

The increase in the income of Suramericana's healthcare segment was also positively affected by the 17.2% increase in other income from COP 47,893 million in 2014 to COP 56,134 million in 2015, mainly due to an increase in the early payment discounts received by EPS SURA from its service providers.

Other and Corporate

The primary component of the income attributable to Suramericana's other and corporate segment is the results of Suramericana's smaller subsidiaries. This income also reflects any income received at the Suramericana parent level in Colombia, as well as revenue eliminations taken during the consolidation process.

In 2015, this income reflected (i) COP 203,989 million in income received as compared to COP 130,812 million recorded in 2014 and (ii) revenue eliminations of COP 500,683 million taken in the consolidation process as compared to revenue eliminations of COP 396,896 million recorded on 2014.

The 55.9% increase in the revenue attributable to Suramericana's other and corporate segment (excluding eliminations) in 2015 as compared to 2014 primarily reflects an increase of COP 45,411 million in services rendered by Suramericana's smaller subsidiaries due to slightly increased business activity.

Other and Corporate

The primary components of the income attributable to Grupo SURA's other and corporate segment are revenues from our share of profit in the equity of our accounted investees, which are companies in which we hold between 20% but less than 50% of the share capital, principally Bancolombia, Grupo Nutresa and Grupo Argos. This income also reflects revenue from investments from minor investments held for trading, as well as revenue eliminations taken during the consolidation process.

In 2015, this income reflected (i) COP 1,648,849 million in income received (including the equity pickup described in the paragraph immediately above) as compared to COP 1,841,701 million recorded in 2014 and (ii) revenue eliminations of COP 679,134 million taken in the consolidation process as compared to revenue eliminations of COP 672,557 million recorded on 2014.

The total income of our other and corporate business segment (excluding eliminations) decreased by 10.5% in 2015 as compared to 2014. The primary component of this decrease was that our share of Bancolombia's net income decreased by 12.2% from COP 632,316 million in 2014 to COP 555,431 million in 2015. This decrease principally reflects the impact of the wealth tax on Bancolombia in 2015.

Our share of Grupo Nutresa's net income decreased by 26.7% from COP 206,504 million in 2014 to COP 151,310 million in 2015, primarily due to a non-recurring tax credit recognized in 2014 and no similar effect in 2015, higher interest expenses in connection with debt incurred to finance Grupo Nutresa's acquisition of Hamburguesas El Corral, and the negative effect of the Colombian wealth tax on Grupo Nutresa's net income for the year. These results were partially offset by Grupo Nutresa's focus on maintaining a strong pricing strategy to help it balance increases in costs associated with the depreciation of the Colombian peso against other applicable local currencies and the U.S. dollar.

Our share of Grupo Argos' net income decreased by 97.8% from COP 41,365 million in 2014 to COP 908 million in 2015. This decrease principally reflects (i) higher interest expenses associated Cementos Argos' acquisition of Vulcan Materials, (ii) higher interest expenses associated with Celsia's acquisition of GDF Suez's operations in Panama and Costa Rica, (iii) Celsia's losses attributable to the strong El Niño phenomenon, which raised its generation costs, and (iv) the impact of the aforementioned Colombian wealth tax. These results were partially offset by the strong performance of Cementos Argos' operations in the United States.

Total Expense by Grupo SURA's Business Segments

The following table sets forth a breakdown of our total expense by business segment, for the years ended December 31, 2015 and 2014.

	For the Year Ended December 31,		
	2015	2014	Change
	(in millions of COP)		%
SURA AM			
Mandatory Pension Funds	(751,365)	(619,347)	21.3%
Voluntary Savings	(180,186)	(123,715)	45.6%
Insurance and Annuities	(3,237,084)	(2,195,335)	47.5%
Other and Corporate(1)	(371,891)	(271,553)	36.9%
Total SURA AM	**4,540,525**	**(3,209,950)**	**41.5%**
Suramericana			
Life Insurance	(3,529,447)	(3,121,926)	13.1%
Non-life Insurance	(1,709,252)	(1,411,572)	21.1%
Healthcare	(2,156,991)	(1,778,813)	21.3%
Other and Corporate(1)	249,247	251,778	(1.0)%
Total Suramericana	**(7,146,443)**	**(6,060,533)**	**17.9%**
Other and Corporate(1)	**(373,012)**	**(319,054)**	**16.9%**
Total expenses	**(12,059,980)**	**(9,589,537)**	**25.8%**

(1) The Other and Corporate segments also reflect the intercompany eliminations and adjustments made during the consolidation process to each company's different segments.

The 25.8% increase in our total expense was primarily the result of the negative impact on our business segments as described below:

SURA AM

Total expenses of SURA AM increased 41.5%. The following table sets forth a breakdown of SURA AM's expenses for the years ended December 31, 2015 and 2014:

	For the Year Ended December 31,		
	2015	**2014**	**Change**
	(in millions of COP)		**%**
SURA AM			
Claims net	(761,055)	(544,378)	39.8%
Adjustment to reserves for insurance contracts	(2,177,723)	(1,433,033)	52.0%
Administrative expense	(329,522)	(207,505)	58.8%
Overhead and benefits	(709,911)	(602,386)	17.8%
Commissions	(61,132)	(26,593)	129.9%
Other(1)	(501,183)	(396,054)	26.5%
Total expenses	**(4,540,525)**	**(3,209,950)**	**41.5%**

(1) For purposes of this summary table, "Other" expenses include the following lines from the income statement: fees, amortizations, depreciation, other expense and interest.

This increase primarily reflects an increase in revenue from commissions at each of our pension fund administrators, as well as the following:

Mandatory Pension Funds

The primary components of the expenses attributable to SURA AM's mandatory pension fund segment are administrative expenses and other day-to-day expenses, interest payments on indebtedness and fee payments (such as legal and financial advisory fees) incurred by SURA AM's pension fund managers.

The 21.3% increase in the expenses attributable to SURA AM's mandatory pension fund segment in 2015 as compared to 2014 primarily reflects the following factors:

Chile – AFP Capital. The 24.0% increase in AFP Capital's expenses primarily reflects the effect of the 19.6% depreciation of the Colombian peso against the Chilean peso, as expenses are incurred in Chilean pesos and must be translated to Colombian pesos during the consolidation process. Measured in Chilean pesos, AFP Capital's expenses increased by 3.7% due to an increase in ordinary day-to-day expenses in line with increased business activity.

Mexico – Afore SURA. A 20.8% increase in Afore SURA's expenses primarily reflects the effect of the 15.0% depreciation of the Colombian pesos against the Mexican peso, as expenses are incurred in Mexican pesos and must be translated to Colombian pesos during the consolidation process. Measured in Mexican pesos, Afore SURA's expenses increased by 5.0% due to an increase in commissions paid to sales agents for the successful recruitment of new clients as the number of new clients increased in 2015.

Peru – AFP Integra. A 19.8% increase in AFP Integra's operating expense primarily reflects the effect of the 22.3% depreciation of the Colombian peso against the Peruvian sol, as expenses are incurred in Peruvian soles and must be translated to Colombian peso during the consolidation process. Measured in Peruvian soles, AFP Integra's expenses decreased by 2.0% due to a decrease in personnel expenses and commissions paid to sales agents driven by AFP Integra's focus on operating efficiencies.

Uruguay – AFAP SURA. An 18.7% increase in AFAP SURA's operating expense primarily reflects the effect of the 16.8% depreciation of the Colombian peso against the Uruguayan peso, as expenses are incurred in Uruguayan pesos and must be translated to Colombian pesos during the consolidation process. Measured in Uruguayan pesos, AFAP SURA's expenses increased by 1.6% due to an increase in commissions paid to sales agents for the successful recruitment of new clients as the number of new clients increased in 2015 as well as an increase in depreciation and amortization related to the purchase of intangible assets.

Voluntary Savings

The primary components of the expenses attributable to SURA AM's voluntary savings segment are administrative expenses and other day-to-day expenses, interest payments on indebtedness and fee payments (such as legal and financial advisory fees) incurred by SURA AM's mutual fund managers.

The 45.6% increase in the expenses of SURA AM's voluntary savings segment primarily reflects an increase in commissions paid to sales agents as SURA AM seeks to capture market share and strengthen its commercial activity by developing and broadening its service portfolio. SURA AM also incurred expenses in this segment due to the restructuring of its sales force. It is important to highlight that because SURA AM is a relatively new participant in the voluntary savings market, SURA AM expects commissions paid to sales agents to increase faster than revenues in the short to medium term due to commission structures that incentivize agents to bring in new clients, while SURA AM expects revenues to grow in the longer term as it increases assets under management and enters into long-term relationships with its clients.

Life Insurance and Annuities

The primary component of the expenses attributable to SURA AM's life insurance and annuities segment are payments made on insurance claims from customers as well as amounts set aside by SURA AM's insurance subsidiaries to fund the net present value of annuities. In addition, these expenses reflect administrative expenses and other day-to-day expenses, interest payments on indebtedness and fee payments (such as legal and financial advisory fees) incurred in SURA AM's insurance subsidiaries.

The 47.5% increase in the expenses of SURA AM's life insurance and annuities segment primarily reflects a 39.8% increase in claims net and a 52.0% increase in adjustments to reserves for insurance contracts. These increases result from the retained premiums increase that SURA AM observed in 2015 as compared to 2014. In particular, both SURA AM's life insurance claims and annuity premium reserves increased in 2015 as compared to 2014 due to an increase in the business activity of SURA AM's Chilean, Peruvian and Mexican life insurance and annuities subsidiaries.

The expenses of SURA AM's life insurance and annuities segment were also affected by increases in administrative expenses, which primarily resulted from increased personnel expenses and commissions paid to third parties in connection with the increased in the business activity of the Chilean, Peruvian and Mexican subsidiaries.

Other and Corporate

The primary components of expenses attributable to SURA AM's other and corporate segment are the administrative expenses and other day-to-day expenses, interest payments on indebtedness and fee payments (such as legal and financial advisory fees) incurred by SURA AM at the parent level in Colombia as well as by SURA AM's holding company subsidiaries in each operating country as well as the results of SURA AM's smaller subsidiaries such as those that provide back office support services.

The 36.9% increase in expenses attributable to SURA AM's other and corporate segment in 2015 as compared to 2014 primarily reflect a 348.5% increase in administrative expenses, which in turn reflects the payment of COP 63,806 million in connection with the Colombian wealth tax, as well as the payment of other taxes incurred in Colombia. This increase was also attributable to an increase in SURA AM's interest payments as it made a full year of interest payments in 2015 on its international bonds issued in April 2014.

Suramericana

Total expenses of Suramericana increased 17.9%. The following table sets forth a breakdown of Suramericana's expenses for the years ended December 31, 2015 and 2014:

	For the Year Ended December 31,			
	2015	2014	Change	Change
		(in millions of COP)		%
Suramericana				
Claims net	(2,650,879)	(2,304,295)	346,584	15.0%
Adjustments to reserves for insurance contracts	(322,050)	(264,393)	57,656	21.8%
Administrative expense	(694,913)	(597,261)	97,652	16.4%
Overhead and benefits	(481,577)	(409,409)	72,168	17.6%
Healthcare related expenses	(1,832,290)	(1,435,765)	396,525	27.6%
Commissions	(503,147)	(430,821)	72,326	16.8%
Other[(1)]	(661,587)	(618,589)	42,998	7.0%
Total expenses	**(7,146,443)**	**(6,060,533)**	**1,085,909**	**17.9%**

(1) For purposes of this summary table, "Other" expenses include the following lines from the income statement: fees, amortizations, depreciation, other expense and interest.

This increase primarily reflects an increase in written premiums at each of our insurance subsidiaries, as well as the following:

Life Insurance

The primary component of the expenses attributable to Suramericana's life insurance segment are payments made on insurance claims from customers as well as amounts set aside by Suramericana's insurance subsidiaries to fund the net present value of insurance contracts and annuities. In addition, these expenses reflect administrative expenses and other day-to-day expenses, interest payments on indebtedness and fee payments (such as legal and financial advisory fees) incurred by Suramericana's insurance subsidiaries.

The 13.1% increase in the expenses of Suramericana's life insurance segment primarily reflects an 11.6% increase in claims net and a 4.4% increase in adjustments to reserves for insurance contracts, as a result of the increase in written premiums. These increases result from the retained premiums increase that Suramericana observed in 2015 as compared to 2014.

The expenses of Suramericana's life insurance segment were also affected by a 14.0% increase in administrative expenses, which primarily resulted from an increase in day-to-day expenses related to an increase in the segment's business activity, and the payment of COP 18,547 million in connection with the Colombian wealth tax.

Non-life Insurance

The primary component of the expenses attributable to Suramericana's non-life insurance segment are payments made on insurance claims from customers as well as amounts set aside by Suramericana's insurance subsidiaries to fund the net present value of their insurance contracts. In addition, these expenses reflect administrative expenses and other day-to-day expenses, interest payments on indebtedness and fee payments (such as legal and financial advisory fees) incurred by Suramericana's insurance subsidiaries.

The 21.1% increase in the expenses of Suramericana's non-life insurance segment primarily reflects a 24.8% increase in claims net and a 110.2% increase in adjustments to reserves for insurance contracts as a result of an increase in written premiums. In particular, our non-life insurance claims from customers increased in 2015 as compared to 2014 due to an increase in auto insurance and mandatory car accident insurance coverage in Colombia and the acquisition of Banistmo Seguros Panama in 2015.

The expenses of Suramericana's non-life insurance segment were also affected by a 12.3% increase in administrative expenses and a 34.5% increase in overhead and benefits, in each case primarily as a result of our consolidation of Banistmo Seguros Panama and the payment of COP 5,401 million in connection with the Colombian wealth tax.

Healthcare

The primary components of the expenses attributable to Suramericana's healthcare segment are payments made in respect of the mandatory health insurance services offered by EPS SURA. These expenses also reflect the healthcare related expenses in connection with providing health insurance and healthcare services. In addition, these expenses reflect administrative expenses and other day-to-day expenses, interest payments on indebtedness and fee payments (such as legal and financial advisory fees) incurred by Suramericana's healthcare subsidiaries.

The 21.3% increase in the expenses of Suramericana's healthcare segment primarily reflects a 22.8% increase in costs of services rendered due to greater use of high-cost and hospital services and the opening of new healthcare centers.

The expenses of Suramericana's healthcare segment were also affected by a 15.7% increase in administrative expenses due to an increase in day-to-day expenses related to an increase in the segment's business activity and the payment of COP 1,791 million in connection with the Colombian wealth tax. In 2015, healthcare administrative expenses totaled COP 158,738 million in Colombia, as compared to COP 137,164 in 2014.

Other and Corporate

The primary component of expenses attributable to Suramericana's other and corporate segment are the administrative expenses and other day-to-day expenses, interest payments on indebtedness and fee payments (such as legal and financial advisory fees) incurred by Suramericana at the parent level in Colombia as well as by Suramericana's smaller subsidiaries. The expenses of this segment also include expense eliminations taken during the consolidation process.

In 2015, these expenses reflected (i) COP 248,748 million in expenses as compared to COP 144,263 million recorded in 2014 and (ii) expense eliminations of COP 497,995 million taken in the consolidation process as compared to expense eliminations of COP 396,041 million recorded on 2014.

The 72.4% increase in expenses attributable to Suramericana's other and corporate segment (excluding eliminations) in 2015 as compared to 2014 primarily reflects a 115.7% increase in non-recurring fees paid in connection with the acquisition of the RSA Latin American Insurance Businesses and Banistmo Seguros Panama, which did not appear in 2014. In addition, the increase was also due to a 55.9% increase in interest payments at Suramericana's parent level in connection with indebtedness to finance the acquisitions discussed above, and the payment of COP 6,856 million in connection with the Colombian wealth tax.

Other and Corporate

The primary components of the expenses attributable to Grupo SURA's other and corporate segment are administrative expenses, interest payments, expenses from smaller subsidiaries and payment of taxes by Grupo SURA. The expenses of this segment also include expense eliminations taken during the consolidation process.

In 2015, these expenses reflected (i) COP 448,760 million in expenses as compared to COP 381,015 million recorded in 2014 and (ii) expense eliminations of COP 75,748 million taken in the consolidation process as compared to expense eliminations of COP 61,961 million recorded on 2014.

The total expense of our other and corporate segment (excluding eliminations) increased by 17.8% in 2015 as compared to 2014. The primary component of this increase was a 28.2% increase in interest payments in connection with indebtedness incurred by Grupo SURA to finance its acquisition of J.P. Morgan's 4.34% ownership interest in SURA AM and the payment of COP 4,258 attributable to the wealth tax.

Income Tax

Our effective tax rate was 30.1% in 2015 as compared to 22.9% in 2014. The increase in our income tax expense was primarily the result of recent tax reforms, which increased tax rates, in Colombia and Chile.

Net Income

The 18.8% decrease in our net income for the year was primarily the result of the factors discussed above.

Bancolombia S.A.

Bancolombia is Colombia's and Central America's leading financial institution, providing a wide range of financial products and services to a diversified individual and corporate customer base throughout Colombia and Central America as well as in other countries such as the United States, Puerto Rico and Peru. For more information about Bancolombia's business, see "Business—Our Interests in the Financial Services Sector—Bancolombia S.A."

For a discussion of Bancolombia's results of operations for the years ended December 31, 2015 and 2014, see "Item 5 — Operating and Financial Review and Prospects" in Bancolombia's 2015 Annual Report, which is incorporated by reference into this offering memorandum. See "Incorporation by Reference" for additional information.

Liquidity and Capital Resources

General

Grupo SURA's principal sources of liquidity have historically been proceeds from:

- dividend payments from the Group's principal companies; and
- cash from short- and long-term borrowings and financial arrangements.

Grupo SURA's principal cash requirements have historically been:

- cash used to acquire, or increase, Grupo SURA's ownership of its subsidiaries;
- cash used to purchase Grupo SURA's financial instruments held for investment;
- repayment of borrowings; and
- dividend payments.

Grupo SURA derives most of its cash flows from dividends paid by a diversified group of companies operating across various industries and countries in Latin America. In recent years, these companies have consistently paid dividends, which have been increasing by at least the rate of inflation as measured by the IPC. Nevertheless, we cannot assure you that these companies will be able to continue to do so in the future.

Cash Dividends and Other Distributions

The following table sets forth the cash dividends and other distributions received by Grupo SURA, as principal shareholder, from other Group companies in 2015 and 2014.

	2015		**2015**		**2014**	
	(U.S.$ in thousands)[(1)]	***%of Total***	***(COP in millions)***	***% of Total***	***(COP in millions)***	***% of Total***
SURA AM[(2)]	109,412	42.4%	344,591	42.4%	252,034	37.9%
Bancolombia	66,525	25.8%	209,519	25.8%	192,545	28.9%
Suramericana	29,768	11.5%	93,752	11.5%	87,619	13.2%
Grupo Nutresa	23,417	9.1%	73,750	9.1%	68,450	10.3%
Grupo Argos	19,260	7.5%	60,659	7.5%	56,097	8.4%
Others[(3)]	9,399	3.6%	29,601	3.6%	8,755	1.3%
Total	**257,781**	**100%**	**811,872**	**100%**	**665,500**	**100%**

(1) Solely for the convenience of the reader, amounts stated in U.S. dollars have been translated at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.
(2) The COP 344,591 million received from SURA AM in 2015 includes COP 230,981 million classified as a reimbursement of additional paid-in capital.
(3) Others includes dividends received from some of our smaller subsidiaries and investees, such as Hábitat Adulto Mayor S.A., Tipiel S.A., Integradora de Servicios Tercerizados S.A.S., Sodexo Servicios de Beneficios e Incentivos Colombia S.A. and Sodexo S.A.

Overview

Under the Colombian Commerce Code, after payment of income taxes and appropriation of legal and other reserves, and after setting off losses from prior fiscal years, companies must distribute to their shareholders at least 50% of their annual net income or 70% of their annual net income if the total amount of reserves exceeds their outstanding capital. Such dividend distribution must be made to all shareholders, in cash or issued stock, as may be determined by the shareholders, within a year from the date of the ordinary general shareholders' meeting in which the dividend was declared. According to Colombian law, the minimum dividend per share may be waived by an affirmative vote of the holders of 78% of the shares present at an ordinary general shareholders' meeting.

Grupo SURA

The annual net income of Grupo SURA must be applied as follows: (i) first, an amount equal to 10% of Grupo SURA's net income to a legal reserve until such reserve is equal to at least 50% of Grupo SURA's paid-in capital; and (ii) second, as may be determined in the ordinary general shareholders' meeting by the vote of the holders of a majority of the shares entitled to vote and present at the meeting, which may include a dividend distribution as described above.

Grupo SURA (i) declared in 2016 COP 262,370 million in dividends corresponding to the year ended December 31, 2015 and (ii) declared in 2015 COP 242,807 million in dividends corresponding to the year ended December 31, 2014. Grupo SURA generally pays out dividends in quarterly installments.

SURA AM

According to the bylaws (*estatutos*) of SURA AM the annual net income of SURA AM is to be applied as follows: (i) first, an amount equal to 10% of SURA AM's net income to a legal reserve until such reserve is equal to at least 50% of SURA AM's paid-in capital; and (ii) second, as may be determined in the ordinary general shareholders' meeting by the vote of the holders of a majority of the shares entitled to vote and present at the meeting, which may include a dividend distribution as described above.

SURA AM (i) declared in 2016 COP 465,027 million in dividends and a distribution of additional paid-in capital, corresponding to the year ended December 31, 2015 and (ii) declared in 2015 COP 492,922 million in dividends and a distribution of additional paid-in capital, corresponding to the year ended December 31, 2014. SURA AM generally pays out dividends in one yearly installment.

Suramericana

According to the bylaws (*estatutos*) of Suramericana, the annual net income of Suramericana is to be applied as follows: (i) first, an amount equal to 10% of Suramericana's net income to a legal reserve until such reserve is equal to at least 50% of Suramericana's paid-in capital; and (ii) second, as may be determined in the ordinary general shareholders' meeting by the vote of the holders of a majority of the shares entitled to vote and present at the meeting, which may include a dividend distribution as described above.

Suramericana (i) declared in 2016 COP 123,649 million in dividends corresponding to the year ended December 31, 2015 and (ii) declared in 2015 COP 115,560 million in dividends corresponding to the year ended December 31, 2014. Suramericana generally pays out dividends in three yearly installments.

Bancolombia

According to the bylaws (*estatutos*) of Bancolombia, the annual net income of Bancolombia is to be applied as follows: (i) first, an amount equal to 10% of Bancolombia's net income to a legal reserve until such reserve is equal to at least 50% of the Bancolombia's paid-in capital; (ii) second, to the payment of the minimum dividend on Bancolombia's preferred shares (holders of Bancolombia's preferred shares are entitled to receive a minimum dividend based on the profits of the preceding fiscal year, after deducting losses affecting the capital and once the amount legally set apart for the legal reserve has been deducted, but before creating or accruing for any other reserve, of a minimum preferred dividend equal to one per cent (1%) yearly of the subscription price of the preferred share; provided this dividend is higher than the dividend assigned to common shares; if this is not the case, the dividend shall be increased to an amount that is equal to the per share dividend on the common shares); and (iii) third, as may be determined in the ordinary general shareholders' meeting by the vote of the holders of a majority of the shares entitled to vote and present at the meeting, which may include a dividend distribution as described above.

Bancolombia (i) declared in 2016 COP 854,218 million in dividends corresponding to the year ended December 31, 2015 and (ii) declared in 2015 COP 798,316 million in dividends corresponding to the year ended December 31, 2014. Bancolombia generally pays out dividends in four quarterly installments.

Grupo Nutresa

According to the bylaws (*estatutos*) of Grupo Nutresa, the annual net income of Grupo Nutresa is to be applied as follows: (i) first, an amount equal to 10% of Grupo Nutresa's net income to a legal reserve until such reserve is equal to at least 50% of Grupo Nutresa's paid-in capital; and (ii) second, as may be determined in the ordinary general shareholders' meeting by the vote of the holders of a majority of the shares entitled to vote and present at the meeting, which may include a dividend distribution as described above.

Grupo Nutresa (i) declared in 2016 COP 222,713 million in dividends corresponding to the year ended December 31, 2015 and (ii) declared in 2015 COP 212,577 million in dividends corresponding to the year ended December 31, 2014. Grupo Nutresa generally pays out dividends in 12 monthly installments.

Grupo Argos

According to the bylaws (*estatutos*) of Grupo Argos, the annual net income of Grupo Argos is to be applied as follows: (i) first, an amount equal to 10% of Grupo Argos' net income to a legal reserve until such reserve is equal to at least 50% of Grupo Argos' paid-in capital; and (ii) second, as may be determined in the ordinary general shareholders' meeting by the vote of the holders of a majority of the shares entitled to vote and present at the meeting, which may include a dividend distribution as described above.

Grupo Argos (i) declared in 2016 COP 234,896 million in dividends corresponding to the year ended December 31, 2015 and (ii) declared in 2015 COP 212,565 million in dividends corresponding to the year ended December 31, 2014. Grupo Argos generally pays out dividends in four quarterly installments.

Cash Flow Analysis for the Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014:

The following table summarizes our generation and use of cash for the years ended December 31, 2015 and 2014:

	For the Year Ended December 31,		
	2015	2014	Change
	(in millions of COP)		(%)
Net cash flows generated from operating activities	5,563,962	3,959,179	40.5%
Net cash flows used for investing activities	(6,569,085)	(4,428,761)	(48.3)%
Net cash flows provided by (used in) financing activities	929,753	360,165	158.1%
Increase (decrease) in net cash and cash equivalents	139,195	(49,066)	383.7%

Operating Activities. The 40.5% increase in our net cash provided by operating activities was primarily the result of (i) the 42.4% increase in our insurance subsidiaries' accounts payable, which in turn reflected an increase in reserves in line with the increase in written premiums and (ii) the 45.5% increase in our trade payables to suppliers, which expenses were incurred but unpaid and (iii) the 33.1% increase in our depreciation and amortization expense, which in turn reflected an increase in our intangible assets. In addition, we recorded net cash inflows from the 87.4% decrease in the adjustment for retained earnings via the equity method due to an accounting adjustment we made in 2014 in preparing our opening balance under IFRS, as of January 1, 2014. These net cash contributions were partially offset by negative adjustments from (i) the reversal in the accounts receivable position of our insurance subsidiaries from decreases to increases due to a slight increase in unpaid written premiums, (ii) a decrease in our non-controlling interest position to a net cash outflow due to our acquisition of J.P. Morgan's interest in SURA AM in September 2015. Our consolidated dividend position remained stable, with an 11.7% decrease in dividends paid given that we did not have to pay preferred dividends on our preferred shares issued in 2012, and a 21.1% increase in dividends received from associates.

Investing Activities. The 48.3% increase in our net cash used in investing activities was primarily due to our purchase of (i) J.P. Morgan's 4.34% ownership interest in SURA AM and Suramericana's acquisition of Banistmo Seguros Panama in August 2015, given that part of the purchase price for each of these transactions was financed with cash on hand and (ii) an increase in investments to fund the net present value of our subsidiaries' mandatory reserves.

Financing Activities. The 158.1% increase in our net cash from financing activities was primarily the result of (i) the significant 65.6% decrease in our loan repayments due to the liability management exercises undertaken by Grupo SURA and SURA AM in 2014 in which each company issued bonds, the proceeds of which were used to repay outstanding loans. This increase was partially offset by the 39.9% decrease in proceeds from loans, which in turn reflects the loan repayments made in 2014 and was itself partially offset by new loans incurred by Grupo SURA and Suramericana to finance the remainder of the purchase price of our purchase of J.P. Morgan's 4.34% ownership interest in SURA AM and Suramericana's acquisition of Banistmo Seguros Panama, respectively. Our interest payments also decreased, in line with the loan repayments given that we no longer had to make interest payments on such loans.

Capital Expenditures

The following table summarizes our capital expenditures, on a consolidated basis, for the years ended December 31, 2015 and 2014:

	For the Year Ended December 31,		
	2015	**2014**	**Change**
	(in millions of COP)		**%**
Capital expenditures	104,277	128,614	(18.9)%

Our primary capital expenditures in 2016, on a consolidated basis, will relate to will relate to upgrading our information technology infrastructure and systems to improve our operational efficiency.

Description of Indebtedness and Potential Sources of Liquidity

Total Financial Obligations

As of December 31, 2015, we had total consolidated financial obligations of COP 6,265,444 million, all of which was unsecured and as of December 31, 2015, we had, on an unconsolidated basis, total financial obligations of COP 2,780,236 million (including the U.S.$ 300 million issued by Gruposura Finance in 2011 and guaranteed by us), 59.7% of which was U.S. dollar-denominated. For more information on our and our subsidiaries' financial obligations, see Note 18.2 to our audited consolidated financial statements.

The following table sets forth a breakdown of our consolidated financial obligations by company as of December 31, 2015:

	December 31, 2015
	(in millions of COP)
Grupo SURA financial obligations:	
Financial leasing	–
Derivatives	–
Debt due to banks	726,418
Issued securities[1]	2,053,818
Total Grupo SURA financial obligations	**2,780,236**
SURA AM financial obligations:	
Financial leasing	19,542
Derivatives	196,235
Debt due to bank	1,058,960
Issued securities[2]	1,583,686
Total SURA AM financial obligations	**2,858,423**
Suramericana financial obligations:	
Financial leasing	40,538
Derivatives	35,044
Debt due to bank	479,345
Issued securities	–
Total Suramericana financial obligations	**554,927**
Others financial obligations:	
Financial leasing	9,324
Derivatives	–
Debt due to bank	62,533
Issued securities	–
Others financial obligations	**71,857**
Total financial obligations	**6,265,444**

(1) Grupo SURA's issued securities include the U.S.$ 300 million of 5.70% notes due 2021 issued by Gruposura Finance and guaranteed by Grupo SURA in the international market on May 18, 2011.
(2) SURA AM's issued securities includes the U.S.$ 500.0 million of 4.875% notes due 2024 issued by SURA AM in the international market on April 17, 2014.

Loan Agreements and Finance Lease Liabilities

The following table sets forth a summary of our loan and lease obligations as of December 31, 2015:

Obligation[1]	***(in millions of COP)***
Short-term	
Bank loans	911,835
Finance lease liabilities	33,107
Short-term Total	**944,942**
Long-term	
Bank loans	1,339,443
Finance lease liabilities	89,615
Long-term Total	**1,429,058**
Total	**2,374,000**

(1) Includes outstanding principal and accrued but unpaid interest owed.

For a detailed description of our loan and finance lease liabilities, see Notes 8, 18, 19 and 24 to our audited consolidated financial statements contained elsewhere in this offering memorandum.

In addition to the loan agreements and finance lease liabilities above:

- on February 26, 2016, the Issuer, as borrower, Grupo SURA and Grupo de Inversiones Suramericana Panamá S.A., as guarantors, entered into the Bridge Loan, which was drawn down in full. We expect to repay the full U.S.$ 540 million (COP 1,701 billion) of our outstanding loan obligations under the Bridge Loan with the net proceeds from this offering. See "Use of Proceeds"; and

- in order to partially finance the acquisition of the RSA Latin American Insurance Businesses, in 2016 Suramericana entered into the RSA Acquisition Bridge Loans. See "Capitalization" elsewhere in this offering memorandum for further details on these loans. As of the date of this offering memorandum, Suramericana had drawn down the Scotiabank Bridge Loan in full and the Corpbanca Bridge Loan for U.S.$ 30.0 million.

Bonds

International

On May 18, 2011 Gruposura Finance issued U.S.$ 300 million of 5.70% notes due 2021 in the international market.

On April 17, 2014, SURA AM issued U.S.$ 500.0 million of 4.875% notes due 2024 in the international market (the "SURA AM International Bonds").

Local

As of December 31, 2015, Grupo SURA, SURA AM and Suramericana and their respective subsidiaries have issued from time an aggregate of COP 900,000 million and U.S.$ 3.0 million in local offerings in the countries in which they operate.

In addition, on March 30, 2016, Grupo SURA issued an aggregate of COP 100,000 million in a local bond offering in Colombia.

Financial Covenants

The credit agreements executed by Grupo SURA and its subsidiaries with financial institutions and the indentures governing Grupo SURA's and its subsidiaries' local and international bonds impose certain financial covenants during the term of these agreements which are customary for these types of agreements. In particular,

- the indenture governing the terms of the SURA AM International Bonds requires SURA AM and its subsidiaries to comply with certain negative covenants, which, among others, restrict the ability of SURA AM and its subsidiaries to pay dividends or make other distributions unless certain conditions are met; and

- the RSA Acquisition Bridge Loans require Suramericana and its subsidiaries to comply with certain negative covenants, which, subject to specified exceptions, restrict the ability of Suramericana and its subsidiaries to pay dividends or make other distributions, incur certain additional indebtedness or additional liens on assets, among others.

As of December 31, 2015, we were in compliance with all restrictions and covenants related to our obligations under such credit agreements and bond indentures, and SURA AM and Suramericana had met all covenant requirements in respect of dividend distributions.

Tabular Disclosure of Contractual Obligations

The following table sets forth a summary of our consolidated contractual obligations and commercial commitments, including all interest (including future interest) owed, as of December 31, 2015. The table below has not been adjusted to take into account the Bridge Loan or the issuance of the notes offered hereby.

Obligation	Payments due in period Less than 1 year	 1 – 5 years	 More than 5 years	 Total
		(in millions of COP)		
Long-term debt obligations	0	1,154,643	3,598,011	4,752,654
Short-term debt obligations	1,136,128	0	0	1,136,128
Lease obligations, other liabilities and derivatives	1,447,057	108,131	196,234	1,751,422
Total	**2,583,185**	**1,262,774**	**3,794,245**	**7,640,204**

Off-Balance Sheet Arrangements

As of December 31, 2015, we did not have any off-balance sheet arrangements.

New Accounting Pronouncements

A summary of standards issued by the International Accounting Standards Board but not yet in full force and effect in Colombia is included in Note 5 to our audited consolidated financial statements included elsewhere in this offering memorandum.

Critical Accounting Policies and Estimates

Summaries of our significant accounting policies are included in Notes 3 and 4 to our audited consolidated financial statements included elsewhere in this offering memorandum. We believe that the consistent application of these policies enables us to provide readers of our audited consolidated financial statements with more useful and reliable information about our operating results and financial condition.

Qualitative and Quantitative Disclosure about Market Risks

We are exposed to risks in the ordinary course of business. We regularly assess and manage our exposures to these risks through our consolidated operating and financing activities and, when appropriate, by (i) taking advantage of naturally offsetting exposures within our businesses, (ii) purchasing insurance from commercial carriers or (iii) utilizing derivative financial instruments such as swaps, forwards and options to hedge our exposure to foreign exchange and interest rates, cash flows and net investments abroad. For further information on risk management, see Notes 12, 38 and 39 to our audited consolidated financial statements contained elsewhere in this offering memorandum.

BUSINESS

Overview

Grupo SURA is the parent company of a group of leading companies operating primarily in the financial services sector in Latin America, including mandatory pension funds, voluntary savings and insurance, and the principal shareholder of Bancolombia, which is engaged in universal banking activities in Colombia and Central America. We estimate that our financial services businesses in the aggregate served over 39.2 million clients in 2015. In addition, Grupo SURA has significant interests in the industrial sector, including, among others, processed foods, cement, ready mix, energy and infrastructure development and planning. While the Group has its origins in Colombia, in recent years, the Group has expanded to other countries and regions, including Chile, Mexico, Peru, Uruguay, Central America, the Caribbean and the United States.

Our interests in the financial services sector include our 78.7% ownership of SURA AM, as of the date of this offering memorandum. SURA AM is the largest pension fund manager in Latin America, with a top three ranking in the Chilean, Mexican, Peruvian, Colombian, Uruguayan and Salvadoran markets, as measured by assets under management and/or by number of clients, as of December 31, 2015. We recently increased our stake in SURA AM by acquiring the combined 11.65% ownership interest of J.P. Morgan and General Atlantic. The remaining 21.3% of SURA AM is owned by International Finance Corporation, Bancolombia, Grupo Bolívar and Grupo Wiese. We also own 81.1% of Suramericana, the insurance operator of the largest life, property and casualty and workers' compensation insurance companies in Colombia, which also has a significant presence in El Salvador, the Dominican Republic and Panama. The remaining 18.9% of Suramericana is owned by the German reinsurer Munich Re, the largest reinsurance company in the world, as measured by reinsurance premiums and gross written premiums as of December 31, 2015. On September 7, 2015, Suramericana announced the acquisition of RSA Latin American Insurance Businesses, which currently operate in Chile, Mexico, Colombia, Uruguay, Brazil and Argentina and serves approximately 5.6 million clients. As of the date of this offering memorandum, Suramericana has closed on the acquisitions in Brazil and Colombia, and the remaining countries are expected to close, subject to regulatory approvals, in the second half of 2016, thereby significantly increasing Suramericana's presence in the region. In addition, we are the principal shareholder of Bancolombia, the largest bank in Colombia and a relevant player in Central America and an SEC-registered public company in the United States, through our ownership of 46.4% of its voting shares (equal to 26.7% of its capital stock).

Our interest in the processed foods segment is held through our 35.3% ownership of Grupo Nutresa, the largest processed foods conglomerate in Colombia. Our interest in the cement, ready mix, energy and infrastructure segments is comprised of our 35.8% ownership of the voting shares (equal to 28.2% of the capital stock) of Grupo Argos. We are the principal shareholder of both of these conglomerates. Grupo Argos is the majority owner of Cementos Argos (the largest cement producer in Colombia with market leading operations in Central America and the United States), Celsia (the fourth largest electricity generation company in Colombia and a leading power generation company in Panama and Costa Rica), and Grupo Odinsa (a Latin American infrastructure development and planning company).

The following table sets forth the cash dividends and other distributions received by Grupo SURA, as principal shareholder, from other Group companies in 2015 and 2014.

	2015			2014	
	(U.S.$ in thousands)[1]	*(COP in millions)*	*% of Total*	*(COP in millions)*	*% of Total*
SURA AM[2]	109,412	344,591	42.4%	252,034	37.9%
Bancolombia	66,525	209,519	25.8%	192,545	28.9%
Suramericana	29,768	93,752	11.5%	87,619	13.2%
Grupo Nutresa	23,417	73,750	9.1%	68,450	10.3%
Grupo Argos	19,260	60,659	7.5%	56,097	8.4%
Others[3]	9,399	29,601	3.6%	8,755	1.3%
Total	**257,781**	**811,872**	**100%**	**665,500**	**100%**

(1) Solely for the convenience of the reader, amounts stated in U.S. dollars have been translated at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.
(2) The COP 344,591 million received from SURA AM in 2015 includes COP 230,981 million classified as a reimbursement of additional paid-in capital.
(3) "Others" includes dividends received from some of our smaller subsidiaries and investees, such as Hábitat Adulto Mayor S.A., Tipiel S.A., Integradora de Servicios Tercerizados S.A.S., Sodexo Servicios de Beneficios e Incentivos Colombia S.A. and Sodexo S.A.

As of March 31, 2016, Grupo SURA had a market capitalization of COP 22.9 trillion (U.S.$ 7.6 billion), the fourth largest of all companies in Colombia. As of December 31, 2015, its shareholders' equity was COP 22.8 trillion (U.S.$ 7.3 billion).

Our common and preferred shares are traded on the BVC under the symbol "GRUPOSURA" and "PFGRUPSURA", respectively, and our Level 1 ADRs are traded on the OTC Market in the United States under the symbol "GIVSY" and "GIVPY."

The Group's Performance in 2015

The following table sets forth key statistics relating to the Group's principal companies as of December 31, 2015:

	SURA AM[1]	**Suramericana**	**Bancolombia**	**Grupo Nutresa**	**Grupo Argos**
% of Capital Stock	78.7%	81.1%	26.7%	35.3%	28.2%
% of Voting Shares	78.7%	81.1%	46.4%	35.3%	35.8%
Ratings (Moody's/S&P/Fitch)[2]	Baa1/N/A/BBB+	Baa3[5]/BBB/N/A	Baa2/BBB-/BBB+	N/A/N/A/AAAcol	N/A/N/A/AA+col[6]
% of Dividends Received by Grupo SURA[3]	42.4%	11.5%	25.8%	9.1%	7.5%
Operating Revenues (COP in millions)	5,304,357	7,679,335	9,133,922	7,945,417	12,579,678
Market Capitalization (COP in millions)[4]	N/A	N/A	20,459,446	10,407,993	12,713,268
Net Income (COP in millions)	502,572	343,283	2,608,898	430,819	643,155

(1) Ownership of Grupo SURA, directly or indirectly, as of March 31, 2016.
(2) All ratings are international except for the Grupo Nutresa and Grupo Argos ratings, which are local ratings.
(3) Cash dividends and other distributions received by Grupo SURA, as principal shareholder, from other Group companies.
(4) This measurement does not apply to SURA AM or Suramericana because they are not listed on any stock exchange.
(5) Insurance financial strength rating of Suramericana's subsidiaries Seguros de Vida Suramericana S.A. and Seguros Generales Suramericana S.A.
(6) Rating data corresponds to Cementos Argos only.

The following table sets forth a breakdown of Grupo SURA's consolidated total income and net income by country of operation for the years ended December 31, 2015 and 2014, excluding the effect of the acquisition of the RSA Latin American Insurance Businesses:

	For the Year Ended December 31,							
	2015				**2014**			
	(COP in millions, except percentages)							
	Income	**% of Total Income**	**Net Income**	**% of Net Income**	**Income**	**% of Total Income**	**Net Income**	**% of Net Income**
Colombia[(1)(2)]	8,063,470	57.8%	852,320	64.4%	7,361,809	62.9%	983,027	60.3%
Chile	2,835,048	20.3%	147,188	11.1%	1,941,084	16.6%	286,100	17.5%
Mexico	1,259,067	9.0%	222,631	16.8%	1,046,412	8.9%	245,313	15.0%
Peru	1,135,147	8.1%	160,893	12.2%	856,348	7.3%	215,745	13.2%
El Salvador[(1)]	285,046	2.0%	16,480	1.2%	197,275	1.7%	(22,212)	(1.4)%
Panamá	181,211	1.3%	(68,414)	(5.2)%	141,456	1.2%	(8,057)	(0.5)%
Dominican Republic	114,638	0.8%	(6,677)	(0.5)%	81,492	0.7%	(1,279)	(0.1)%
Uruguay	79,725	0.6%	17,672	1.3%	57,864	0.5%	23,355	1.4%
Spain, Netherlands, Curaçao	56	0.0%	(18,154)	(1.4)%	21,563	0.2%	(90,963)	(5.6)%
Total	**13,953,408**	100.0%	**1,323,941**	100.0%	**11,705,303**	100.0%	**1,631,029**	100.0%

(1) SURA AM owns 49.4% of AFP Protección. Hence, SURA AM does not consolidate AFP Protección's results of operations into its consolidated results of operations. Rather, SURA AM accounts for this 49.4% ownership interest in its consolidated income statement under the equity method, recording its share of AFP Protección's net income. In preparing our audited consolidated financial statements, we recognize this equity pick-up in our SURA AM business segment, dividing SURA AM's share of AFP Protección's net income between the SURA AM sub-segments in which AFP Protección participates, mandatory pension funds and voluntary savings (in the same way SURA AM itself divides this equity pick-up). For purposes of the table above, this equity pick-up is reflected in both the total income and net income columns for Colombia. AFP Protección's consolidated net commissions and fee revenue under Colombian IFRS totaled COP 701,503 million and COP 582,961 million for the years ended December 31, 2015 and 2014, respectively. AFP Protección's consolidated net commissions and fee revenue under Colombian IFRS totaled COP 701,503 million and COP 582,961 million for the years ended December 31, 2015 and 2014, respectively. AFP Protección fully consolidates AFP Crecer into its consolidated results of operations. AFP Crecer's net commissions and fee revenue in accordance with Salvadoran GAAP totaled COP 156,713 million and COP 107,147 million for the years ended December 31, 2015 and 2014, respectively.

(2) Since we own less than 50% of the voting stock (and less than 50% of the capital stock) of Bancolombia, Grupo Nutresa and Grupo Argos, their results of operations are not consolidated into our consolidated results of operations. Rather, we account for our ownership interests in these companies in our consolidated income statement under the equity method, recording our share of the net income of each of these companies in the line item "share of profit in equity – accounted investees." Although these companies have operations outside of Colombia, for purposes of the table above, these equity pick-ups are reflected in both the total income and net income columns for Colombia.

History

Compañía Nacional de Chocolates S.A., Compañía de Cementos Argos S.A., Suramericana de Seguros S.A. and Banco Industrial Colombiano S.A, which were the predecessor companies of Grupo Nutresa, Grupo Argos, Suramericana and Bancolombia, respectively, were incorporated in 1912, 1934, 1944 and 1945, respectively. These companies operated largely as independent, operating companies until the 1970s when, as a result of an alliance among the Medellín business community, which led Compañía Nacional de Chocolates S.A., Compañía de Cementos Argos S.A. and Suramericana de Seguros S.A. to enter into an equity swap as an anti-takeover measure, thereby becoming the three leading companies in Antioquia, Colombia. These companies also acquired ownership interests in Bancolombia as a result of Suramericana de Seguros S.A.'s then-ownership of Banco Industrial Colombiano S.A. Following a corporate restructuring in December 1997, Grupo SURA's predecessor, Suramericana de Inversiones S.A., was incorporated to become the Group's parent company. In April 2009, Suramericana de Inversiones S.A., further restructured its businesses and changed its name to Grupo SURA.

Since 2011, the Group has made a number of significant acquisitions that have led to its transformation from a Group with a predominant Colombian presence to a leading player in the financial services sector throughout Latin America. Most notably:

- SURA AM became a subsidiary of Grupo SURA following our acquisition of certain of ING's pension, life insurance and asset management businesses in Latin America in December 2011. Many of these businesses have had a presence for over 30 years in their respective countries. We currently own approximately 78.7% of SURA AM's shares, and the remaining 21.3% are held by a group of leading financial institutions and institutional investors, namely International Finance Corporation, Bancolombia, Grupo Bolívar and Grupo Wiese. The investment in SURA AM represented a key event in our history as we moved our focus to the mandatory pension funds, voluntary savings and insurance industries. For the past three years, SURA AM has been our largest source of dividends.

- In 2013 Bancolombia acquired all of HSBC Bank's businesses in Panama and in 2015 Bancolombia acquired an additional 20% stake in BAM, which brought the bank's share of BAM's equity to 60%. Bancolombia is now the largest bank in Colombia and a relevant player in Central America as measured by total loans and deposits, accounting for 22.9% and 20.8%, respectively, of the Colombian market, 10.7% and 12.2%, respectively, of the Panamanian market, 10.1% and 8.3%, respectively, of the Guatemalan market and 27.2% and 26.4%, by total loans and deposits, respectively, of the Salvadoran market, in each case as of December 31, 2015.

- On September 7, 2015, Suramericana announced the acquisition of the RSA Latin American Insurance Businesses, which currently operate in Chile, Mexico, Colombia, Uruguay, Brazil and Argentina and serve approximately 5.6 million clients. This acquisition will significantly increase Suramericana's presence in the region. For details on the financing of the acquisition, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Description of Indebtedness and Potential Sources of Liquidity—Loan Agreements and Finance Lease Liabilities" and "—Our Interests in the Financial Services Sector—Suramericana S.A.—Acquisition of the RSA Insurance Group's Latin American Business."

Corporate Structure

As a result of our acquisitions, organic growth and the streamlining of our shareholder structure, we now have the corporate structure set forth on the inside front cover of this offering memorandum. As set forth in that structure chart, aside from our ownership interests, many of the Group's principal companies also have equity interests in other Group companies, including Grupo SURA, which as of December 31, 2015 were as set forth below:

- SURA AM had a 49.4% interest in AFP Protección, the second-largest pension fund administrator in Colombia, based on assets under management and number of clients as of December 31, 2015;

- Bancolombia had a 3.7% ownership interest in SURA AM (held indirectly through its subsidiary Banco Agricola S.A.) and a 20.6% ownership interest in AFP Protección (held directly and through its subsidiary Fiduciaria Bancolombia S.A.);

- Grupo Nutresa had a 12.7% ownership interest in the voting shares (equal to 10.3% of the capital stock) of Grupo SURA and a 12.4% ownership interest in the voting shares (equal to 9.8% of the capital stock) of Grupo Argos; and

- Grupo Argos and its subsidiaries had a 35.3% ownership interest in the voting shares (equal to 29.2% of the capital stock) of Grupo SURA, a 5.5% ownership interest in the voting shares (equal to 2.9% of the capital stock) of Bancolombia and a 9.8% ownership interest in Grupo Nutresa.

The Key Countries in which the Group Operates

The Group mostly operates in countries that have investment grade credit ratings, with highly underpenetrated financial sectors that offer compelling potential for growth and development. The following table sets forth certain key macroeconomic indicators by key country of operation as of or for the year ended December 31, 2015:

	As of or for the Year Ended December 31, 2015					
	Colombia	**Chile**	**Mexico**	**Peru**	**Uruguay**	**El Salvador**
	(in millions, except percentages, GDP per capita and ratings)					
Population	48.2	18.1	124.6	31.4	3.4	6.3
Economically-Active Population(1)	24.3	8.7	55.6	16.9	1.8	2.7
GDP Growth Rate	2.9%	2.1%	2.5%	3.3%	1.7%	2.3%
GDP per Capita (in current U.S.$)	6,155	13,292	9,440	6,048	17,718	4,007
Salary Base Growth Rate	9.9%	4.5%	N/A	3.2%	8.5%	5.7%
Inflation	6.8%	4.4%	2.1%	4.4%	9.4%	1.0%
Sovereign International Credit Ratings (Moody's/S&P/Fitch)	Baa2/BBB/ BBB+	Aa3/AA-/ A+	A3/BBB+/ BBB+	A3/BBB+/ BBB+	Baa2/BBB/ BBB-	Ba3/B+/ B+

Sources: Population statistics are based on information from the Economic Commission for Latin America & the Caribbean's 2015 Annual Statistics Report. Economically-active Population statistics are from the World Bank. GDP and inflation statistics are based on information from Focus Economics Consensus Forecast – February 2016. The salary base growth rate statistics are based on information provided by the local regulator of each country and our internal calculations.

(1) "Economically-active population" is defined as all persons of either sex who furnish the supply of labor for the production of economic goods and services during a specified time-reference period.

The following map demonstrates the geographic reach of our interests in the financial services sector. This reach will increase once we have completed the full acquisition of the RSA Latin American Insurance Businesses. As of the date of this offering memorandum, Suramericana has closed on the acquisitions in Brazil and Colombia, and the remaining countries are expected to close, subject to regulatory approvals, in the second half of 2016.

Our Strengths

Market-leading group of companies operating primarily in the Latin American financial services sector. Our businesses are well-established companies that are market leaders in Latin America across the financial services sector, providing a full range of mandatory pension fund, voluntary savings, insurance and universal banking products. Our subsidiary SURA AM is the largest pension fund manager in Latin America as measured by assets under management and clients, accounting for 22.8% and 19.6%, respectively, of the markets in the countries in which it operates as of December 31, 2015. Our subsidiary Suramericana is the insurance operator of the largest life, property and casualty and workers' compensation insurance companies in Colombia as measured by written premiums, accounting for 29.4%, 17.5% and 29.7%, respectively, of the Colombian market as of December 31, 2015. Bancolombia is the largest bank in Colombia and a relevant player in Central America as measured by total loans and deposits, accounting for 22.9% and 20.8%, respectively, of the Colombian market, 10.7% and 12.2%, respectively, of the Panamanian market, 10.1% and 8.3%, respectively of the Guatemalan market and 27.2% and 26.4%, by total loans and deposits, respectively, of the Salvadoran market, in each case as of December 31, 2015. These leading market positions have given us unparalleled opportunities to grow our client base across our various businesses. We estimate that our financial services businesses served over 39 million clients in 2015.

Strong, diversified and growing cash flows. Grupo SURA derives most of its cash flows from dividends paid by a diversified group of companies operating mainly in the financial services sector in Latin America. In recent years, these companies have consistently paid dividends, which have been increasing by at least the rate of inflation as measured by the Colombian Consumer Price Index and our dividend income has grown at a CAGR of 22% since 2012. For the past two years, SURA AM has been our largest source of dividends, representing 42.4% in each year of the dividends and other distributions we have received.

The Group has a competitive advantage from its robust geographic diversification, with an active presence in Colombia, Chile, Mexico, Peru, Uruguay, Central America, the Caribbean and the United States. The Group mostly operates in countries that have investment grade credit ratings, with highly underpenetrated financial sectors that offer compelling potential for growth and development. Furthermore, this diversification serves as a natural hedge, as when one country experiences less growth, other countries may be performing better.

Significant earnings stability from our mandatory businesses. 38.0% of our consolidated net income for the year ended December 31, 2015 came from our subsidiary SURA AM, which in turn derives 93.1% of its total operating segments' net income from its mandatory pension funds segment. These earnings represent a stable and growing source of cash flow and have proven to be resilient even in the face of the recent global financial crisis. This earnings stability results from the mandatory nature of the contributions in the countries in which SURA AM operates and the fact that the commission SURA AM charges each of its clients on their mandatory pension contributions is calculated as a percentage of each client's taxable salary base or, in the case of Mexico, assets under management, or, in the case of Peru, both, on a recurring monthly basis. SURA AM's earnings have also been growing consistently with the growth of the economically-active population and the salary base of the countries in which it operates. Our subsidiary Suramericana also derives a significant portion of its consolidated operating income from its mandatory product offerings, such as mandatory workers' compensation, mandatory health insurance and D&S insurance, thereby also benefiting from earnings stability.

Multi-product and multi-channel business model, allowing us to exploit synergies. We have increased our market share across all of our financial services businesses by developing a business model that permits us to exploit synergies between our mandatory pension fund, voluntary savings, insurance and universal banking businesses while accessing a wider customer base and creating enhanced customer loyalty. As we seek to accompany our clients throughout their life cycle, we believe that our business model allows us significant room for margin improvements through revenue synergies from our distribution, operational and administrative structure and the identification of promising brands and products that complement our existing brands and products. This business model enables us to benefit from an extensive distribution network in the countries in which we operate that provides the Group's companies with a competitive advantage and creates high entry barriers that protect our businesses from competition.

Regional diversification with a presence across countries with compelling demographic trends and potential for growth. The Group benefits from growing populations and improving socio-economic conditions in the countries in which the Group companies operate that directly result in increased revenues. Based on IMF data, the population of the countries in which the Group operates, taking into account Suramericana's acquisition of the RSA Latin American Insurance Businesses, reached approximately 500 million people in 2015, with an economically-active population of 250 million in 2014. We have also seen a significant increase in the middle class, a commensurate decline in urban poverty rates and an increase in employment formalization. The Group benefits directly from an increase in real income levels, as operating revenues from SURA AM's and Suramericana's mandatory businesses are directly derived from the salary levels of its clients or, in the case of Afore SURA in Mexico, the assets that Afore SURA manages for them, which increase with their salaries and Afore SURA's market performance. The Group also indirectly benefits from growing disposable income in the countries in which Group companies operate in terms of our insurance, voluntary savings and commercial banking product offerings.

Experienced management teams. All of the Group companies benefit from experienced and talented management teams. Most of the members of the Group companies' senior management have held executive positions across various industries in the countries in which the Group's companies operate. In particular, the Group's country and segment managers have held various positions within the Group, on average, for more than 17 years. Furthermore, the Group companies' management teams have a proven track record of executing successful and value-added acquisitions.

Commitment to best practices, corporate governance and sustainable development. In 2002, we established the Corporate Governance Code, which we continuously update and expand to cover all our business, and we have been publishing annual reports on corporate governance since 2005. The guiding principle behind our corporate governance policies is to champion a business policy governed by principles of fairness, respect, responsibility and transparency and a firm commitment to the countries and the people where the Group operates, and to its shareholders. Our Corporate Governance system follows international standards regarding relationships with regulatory entities, independent board members, board of directors' roles, board of directors' committees, control and disclosure of information. Beginning in 2015, we also adopted the SFC's *Codigo País* at the highest standard recommended by the SFC. We also have a commitment to sustainability and, as of December 31, 2015, we continue to be the only Latin American company in the financial services sector to be ranked in the Dow Jones

Global Sustainability Index for five consecutive years. In addition, as part of our emphasis on social responsibility and good corporate citizenship, we, our subsidiaries and investees take part in projects that help improve the quality of life for more vulnerable communities, by means of institutional contributions and our own group of volunteers, all of which is channeled through our SURA Foundation.

Our Strategy

Our business strategy is to develop and support our financial services businesses by consolidating our recent acquisitions, identifying synergies and continuing to grow our market leading positions organically. We will also continue to participate in our industrial sector investees. We plan to pursue our business strategy by focusing on the following:

Maintaining leadership in Latin American markets, particularly in the financial services sector. Our financial services businesses are leaders in the markets in which they operate. SURA AM is the leading pension fund administrator in Latin America; Suramericana is the leading insurance operator for the largest insurance companies in Colombia; and Bancolombia is the leading financial institution in Colombia and a relevant player in Central America. We plan to maintain our leadership in these markets by employing highly skilled and trained individuals, offering superior products and solutions to our customers, investing in research and development for innovation, fostering customer loyalty by providing a combination of personalized service and high-quality products and services at competitive prices and ensuring that our businesses continue to carry out their operations through our guiding principles of fairness, respect, responsibility and transparency.

Consolidating the recent growth of our core financial services businesses, and supporting the growth of Group companies in the industrial sector. In the past five years, the Group has increased its market share in Latin America through the acquisition of various market leading companies in the financial services sector. For example, we acquired certain of ING's pension, life insurance and asset management businesses in Latin America in December 2011, which are now operating under our subsidiary SURA AM. Bancolombia also acquired all of HSBC Bank's businesses in Panama in 2013. We also acquired, through Suramericana, Asesuisa, Seguros SURA and Banistmo Seguros S.A. (merged in 2015 with Suramericana Panama), market leading insurance companies in El Salvador, the Dominican Republic and Panama, respectively. On September 7, 2015, Suramericana also announced the acquisition of the RSA Latin American Insurance Businesses. As of the date of this offering memorandum, Suramericana has closed on the acquisitions in Brazil and Colombia, and the remaining countries are expected to close, subject to regulatory approvals, in the second half of 2016. The Group has a successful track record of integrating completed acquisitions into its business model and day-to-day operations. We plan on doing the same with the RSA Latin American Insurance Businesses.

In the industrial sector, while we will not finance the future expansion of Grupo Nutresa and Grupo Argos, we actively support these companies through our participation on their boards of directors.

Promoting synergies among the Group. While all Group companies operate individually, within our financial services businesses, we seek to achieve synergies among our businesses through our common knowledge and common management system. In this respect, we have an executive committee, comprised of the chief executive officers of each of Grupo SURA, SURA AM, Suramericana and Bancolombia, that coordinates our long-term strategy and synergy plans. Our financial committee, comprised of the chief financial officers of each of these same companies, oversees these companies' strategies on cash management, indebtedness and hedging policies.

We also plan on continuing to implement our multi-product and multi-channel business model through which we offer products and services across different businesses and industries. This approach is cost-effective because it allows us to market more products while using fewer resources. It also reduces client turnover, as our experience has shown that client loyalty rises with an increased number of products per client. For example, Bancolombia and Suramericana have developed the bancassurance joint venture through which Suramericana's subsidiaries offer general insurance products and services at 696 of Bancolombia's branches throughout Colombia. Suramericana and SURA AM also executed a distribution agreement for SURA AM to offer and market Suramericana's products, increasing the cross-selling opportunities between their wide range of clients. SURA AM's regional leadership in the mandatory pension funds segment provides a competitive advantage in this respect and positions us favorably to capture the upside potential and growth of underpenetrated sectors, such as voluntary pensions, mutual funds and life insurance and annuities. We intend to continue promoting similar arrangements across all of our strategic interests in the near future.

Our financial services businesses also seek to accompany their clients throughout their life cycle by offering different savings solutions depending on their stage of life. Our multi-product and multi-channel business model fits favorably within this goal. For example, SURA AM first acquires a new member of the working group population through his or her contributions to one of its mandatory pension fund plans. As clients' salaries grow and they start focusing more on savings, SURA AM may subsequently advise them on additional savings solutions and may offer them voluntary savings products and life insurance or Suramericana's products through the distribution agreement described above. As our clients approach retirement, we advise them on the benefits of other retirement options and may offer products such as annuities.

Promoting technological and product innovation. Based on an analysis of the business environment, we are able to identify vectors and current and future challenges to our business segments both from within and outside our Group. Widespread internet use, the surge in new financial technologies, an aging population and the attitude of the younger generations towards financial services are just some of the potential challenges we face. In this sense, innovation is a permanent component of our strategy. We emphasize vigilance as an opportunity to build knowledge and understand our business environment so that we can adequately adapt to challenges as they arise. We also participate in civic events, analyze our investments in innovation and provide employee training and development. By concentrating on innovation we have been able to, and expect to continue to be able to, face the challenges of different business environments, so as to be able to build pathways towards sustainable organic growth, while remaining at the forefront of each of our business segments.

Following prudent risk management policies. We and each of our subsidiaries and investees follow an integrated risk management approach where risk management is embedded in our operations, internal controls and strategic planning. We believe we are better equipped to manage risk than our competitors because we have a consistent strategic view across all of our businesses and interests in the region and our risk management staff have become true experts in their field. While risk management is run by each Group company on an individual basis, as the parent company and/or principal shareholder, we have developed appropriate communication channels, such as board and committee participation, so as to enable us to properly assess the risk profile and risk management functions of the Group companies themselves. In this way, we hope to identify and control each of the key risks facing Group companies, particularly in the financial services sector.

Maintaining and enhancing our strong, diversified and growing cash flows and solid credit position. By expanding our presence in the financial services sector and supporting the growth of our interests in the industrial sector, we seek to maintain and enhance the financial strength of Group companies. In doing so, we aim to ensure that our dividend flow continues to be well diversified across various industries and countries and grows at similar or faster rates than in recent years. In addition, to assure that our growth will not hamper our solid credit position, we intend to continue with our long- term policy of maintaining conservative leverage levels. This policy is evident through our proven track record on deleveraging, such as we did after the ING acquisition. We plan to continue with this policy, supported by our strong cash flow generation and prudent investment decisions. We also plan to maintain adequate liquidity levels through our cash holdings, uncommitted lines of credit, securities available for sale and access to the local and international capital markets

Legal Proceedings

We are involved in various claims and legal actions arising in the ordinary course of business. These proceedings are not likely to have a material adverse effect on Grupo SURA's operations or financial condition. See Note 23 to our audited consolidated financial statements included in this offering memorandum for further information.

OUR INTERESTS IN THE FINANCIAL SERVICES SECTOR

Sura Asset Management S.A.

Overview

SURA AM is the largest pension fund manager in Latin America, with a top three ranking in the Chilean, Mexican, Peruvian, Colombian, Uruguayan and Salvadoran markets, as measured by assets under management and/or by number of clients, as of December 31, 2015, according to the local regulator in each of these countries. As SURA AM seeks to accompany its 17.3 million clients throughout their life cycle, it offers a diverse range of savings solutions through mandatory pension funds, voluntary savings products, and life insurance and annuities. SURA AM had COP 324.7 trillion in assets under management as of December 31, 2015, of which 89.2% are in its highly stable mandatory pension funds segment.

Contributions to pension funds are mandatory in the countries in which SURA AM operates and represent a certain percentage of each employee's taxable salary base, as established by law. SURA AM's primary source of earnings is the commission it charges on these mandatory pension contributions. This commission is calculated as a percentage of each client's taxable salary base or, in the case of Mexico, assets under management, or, in the case of Peru, both, on a recurring monthly basis, making SURA AM's revenue stream highly stable. SURA AM's mandatory pension funds segment revenues are therefore a function of the growth in the economically-active population, formal employment and the salary base, all of which have grown significantly in the countries in which SURA AM operates (with salary base growth outstripping GDP growth in these countries). SURA AM's pension fund administrators invest the mandatory pension fund contributions in one or more regulated pension funds with specific investment guidelines. These regulatory limits make fund performance among pension fund managers similar, reducing the incentive of clients to move among pension fund administrators.

SURA AM's mandatory pension fund businesses are AFP Capital in Chile, Afore SURA in Mexico, AFP Integra in Peru and AFAP SURA in Uruguay. As of December 31, 2015, AFP Capital is the fourth-largest pension fund administrator in Chile based on assets under management and the third-largest based on number of clients, while Afore SURA is the third-largest pension fund administrator in Mexico based on assets under management and the fourth-largest based on number of clients, according to the local regulator in each of these countries. Similarly, AFP Integra is the largest pension fund administrator in Peru, and AFAP SURA is the second-largest pension fund administrator in Uruguay, in each case, based on assets under management and number of clients as of December 31, 2015, according to the local regulator in each of these countries. SURA AM also owns 49.4% of AFP Protección, the second-largest pension fund administrator in Colombia, based on assets under management and number of clients as of December 31, 2015, according to the local regulator. AFP Protección owns 100% of AFP Crecer, one of two pension fund administrators operating in El Salvador.

SURA AM's broad regional footprint in its mandatory pension funds segment provides economies of scale that represent a significant competitive advantage in the marketing of its voluntary savings and life insurance and annuities segments. In SURA AM's experience, providing these savings solutions is not only cost-effective but also builds loyalty and reduces client turnover. In particular, SURA AM provides voluntary pension plans in Chile, Mexico, Peru and Colombia that enable its clients to invest additional savings for retirement and, in some cases, non-retirement purposes. SURA AM provides mutual fund products in Chile, Mexico, Peru, Colombia and Uruguay, with its revenues primarily consisting of the fee charged on the average daily net asset value of each mutual fund. Additionally, SURA AM provides voluntary life insurance and annuity products in Chile, Mexico and Peru, from which its revenues primarily consist of gross written premiums as well as its investment income. In Colombia and El Salvador, SURA AM distributes the life insurance products of Suramericana's insurance subsidiaries. SURA AM also has a small stock broker in Chile. In SURA AM's experience, the more of its products its clients have, the less client turnover it experiences.

The following table sets forth certain of SURA AM's operating metrics, including those of AFP Protección and AFP Crecer, by country of operation as of December 31, 2015:

	As of December 31, 2015					
	Chile	Mexico	Peru	Colombia[(1)]	Uruguay	El Salvador[(2)]
	(COP in millions, except clients, percentages, rankings and direct employees)					
Total Clients (in millions)	1.9	6.2	2.1	5.4	0.3	1.5
Mandatory Pension Fund Clients (in millions)	1.8	6.1	2.0	4.1	0.3	1.5
Mandatory Pension Fund Clients Market Share/Ranking	17.6%/3	12.9%/4	33.8%/1	30.6%/2	24.3%/2	53.0%/1
Direct Employees	2,485	3,025	1,280	1,939	152	302
Assets Under Management	105,832,066	79,368,486	51,316,742	69,292,607	6,140,841	12,758,965
Mandatory Pension Funds AUM Market Share/Ranking	20.0%/4	14.7%/3	40.4%/1	36.7%/2	18.0%/2	46.9%/2
Declared Dividends 2015	106,440.0	201,917.6	143,379.3	72,856.7[(3)]	27,606.7	N/A[(4)]

Source: Market share and ranking information is based on information provided by the local regulator of each country.

(1) Represents 100% of the key operating metrics of AFP Protección, in which SURA AM currently holds a 49.4% ownership interest. SURA AM does not consolidate AFP Protección's results into its consolidated results of operations.

(2) Represents 100% of the key operating metrics of AFP Crecer, AFP Protección's wholly-owned subsidiary. SURA AM does not consolidate AFP Crecer's results into its consolidated results of operations.

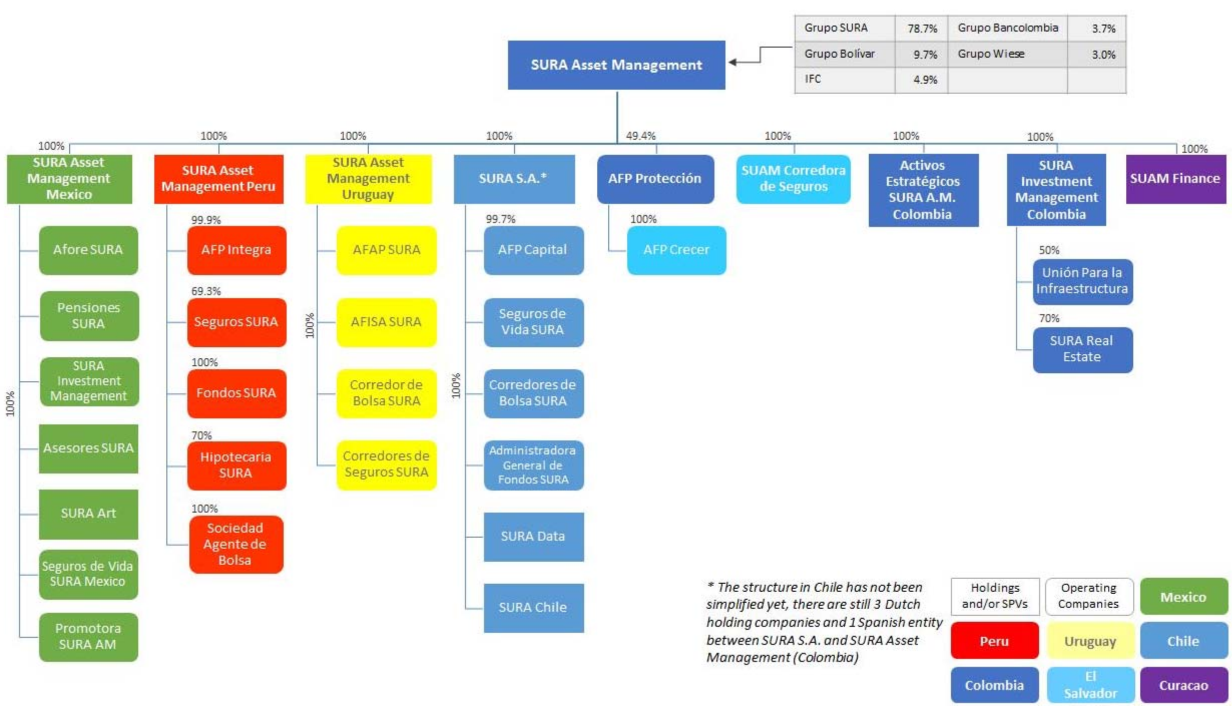
(3) Represents SURA AM's share of AFP Protección's dividends based on its 49.4% ownership interest in AFP Protección.

(4) SURA AM has no direct ownership interest in AFP Crecer and does not receive direct dividends from AFP Crecer. AFP Crecer is a wholly-owned subsidiary of AFP Protección.

For the year ended December 31, 2015, SURA AM's consolidated total revenue was COP 5.3 trillion and its consolidated net income was COP 502.6 billion, as compared to consolidated total revenue of COP 3.9 trillion and consolidated net income of COP 409.6 billion for the year ended December 31, 2014. As of December 31, 2015, SURA AM's consolidated assets under management were COP 324.7 trillion and its consolidated shareholders' equity was COP 9.1 trillion, as compared to consolidated assets under management of COP 272.4 trillion and consolidated shareholders' equity of COP 8.3 trillion as of December 31, 2014.

Corporate Structure

The following chart presents SURA AM's ownership in its material subsidiaries as of the date of this offering memorandum:



Mandatory Pension Funds Segment

Overview

In each of Chile, Mexico, Colombia, Peru, Uruguay and El Salvador, SURA AM's pension fund administrators provide a wide range of pension products and services to a diversified client base under the national pension fund system of each country, each of which requires workers to make mandatory pension contributions for their retirement.

The following chart sets forth certain of the key features of SURA AM's mandatory pension fund administrators:

	Chile	**Mexico**	**Colombia**	**Peru**	**Uruguay**	**El Salvador**
Pension fund administrator	AFP Capital	Afore SURA	AFP Protección [(1)]	AFP Integra	AFAP SURA	AFP Crecer
Number of funds	5	5	3	3	2	1
Mandatory salary contribution ("MSC")						
Employee	10%	1.125%	4%	10%	15%	6.25%
Employer	0%	5.150%	12%	0%	0%	6.75%
Government	0%	0.225%	0%	0%	0%	0%
Total	10%	6.5%	16% [(1)]	10.0%	15%	13%
MSC fee scheme	Salary	AuM[(2)]	Salary	Mixed	Salary	Salary
MSC fee	1.44%	1.11%	1.35%	Varies[(3)]	1.99%	1.18%
MSC fee responsibility	Client	Client and Employer	Client and Employer	Client	Client	Client and Employer
Retirement age (men/women)	65/60	65/65	62/57	65/65	60/60	60/55

(1) AFP Protección's total fees include income received for administering severance contributions. In Colombia, AFPs, are also required to collect, manage and invest the severance contributions of their accountholder, which contributions are made by account holders' employers.
(2) "AuM" refers to assets under management.
(3) Peru currently has two commission regimes. Under the salary-based commission regime, AFP Integra's fee is 1.55%. Under the mixed commission regime, AFP Integra's fees are (i) a salary-based fee of 1.23% (which will be linearly phased out in 8 years) and (ii) an AuM fee of 1.20%.

In Chile and Peru, recent reforms to pension laws introduced a bidding process for first-time system entrants that takes place every two years, with the winning AFP being the one that offers the lowest fee. This fee must be lower than the lowest fee available at that time in the AFP market and must apply to the AFP's entire portfolio, not only to the new entrants. Consequently, these pension reform laws have increased competition among the AFPs and placed downward pressure on their fee structures. While the new account holders are required to keep their pension accounts with the winning bidder for two years, there is no requirement for them to remain with the winning bidder after the initial two-year period. Further, in Peru, as of April 1, 2016, a new fund called Fund 0 will be eligible for clients that (i) are in process of obtaining a retirement pension or (ii) have reached 60 years of age or more.

Principal Activities

SURA AM's pension fund administrators are required by law to be single-purpose companies. SURA AM's pension fund administrators primarily engage in and are authorized to provide the following services:

Collection and management of mandatory and voluntary contributions made by account holders

The primary services provided by SURA AM's pension fund administrators are the collection and management of mandatory and voluntary contributions made by account holders. The services provided by the pension fund administrators in connection with the collection and management of contributions are provided for mandatory contributions and voluntary contributions made by their respective account holders.

Generally, contributions are withheld from a worker's pre-tax monthly salaries. Mandatory contribution rates are based on an employee's monthly base salary and vary by country pursuant to applicable rules and regulations.

Investment management of account holders' contributions in the pension funds

SURA AM's pension fund administrators also manage the investment of account holders' contributions in the pension funds. The general investment policy of each of SURA AM's pension fund administrators is determined by a board of directors or committee in accordance with applicable local law. Further, subject to applicable law, the general objective of a pension fund administrator's investment activity is to administer its investment portfolios, which are composed of its account holders' contributions, in order to obtain the highest possible return on its investment and based on the account holders' risk profiles and account terms. Fund composition is further regulated by applicable law, which varies by country.

Disability and survivorship insurance

SURA AM's pension fund administrators also provide D&S insurance. The rules and regulations governing the process and procedures for the provision of D&S insurance vary by country. Generally, D&S insurance covers survival, disability and burial expenses. An insurance premium is charged for the provision of this service.

Senior pension benefits

As required and governed by local law, each of SURA AM's pension fund administrators must provide specific senior pension benefits to its account holders who meet the minimum age requirement. Account holders meeting certain requirements, which vary by country, can obtain senior pensions before the minimum age requirement, which also varies by country as set forth below. Further, in each of the countries in which pension fund administrators operate, the government guarantees a minimum level of senior pensions for all pension fund account holders in that country, subject to account holders meeting certain requirements, such as making contributions for the applicable numbers of years, in accordance with local law. Additionally, the retirement options granted by law vary from country to country but mainly consist of programmed withdrawal plans, immediate life annuities or a combination of both. Even though all of the pension systems in which SURA AM operates legally provide these options, currently in in Uruguay, account holders can only use an immediate life annuity whereas in El Salvador, account holders can only use programmed withdrawal plans.

The following chart sets forth the minimum age requirement for senior pension benefits by country:

	Chile	**Mexico**	**Colombia**	**Peru**	**Uruguay**	**El Salvador**
Minimum age requirement (men/women)	65/60	65/65	62/57	65/65	60/60	60/55

Retirement options

At retirement, in accordance with local law, an account holder may choose among a range of options, which vary by country, for receiving his or her pension benefits.

The table below sets forth the services SURA AM's pension fund administrators provide across countries in which they operate:

	Chile	Mexico	Colombia	Peru	Uruguay	El Salvador
Pension fund administrator	AFP Capital	Afore SURA	AFP Protección	AFP Integra	AFAP SURA	AFP Crecer
Collection and management of mandatory and voluntary contributions made by their account holders	☒	☒	☒	☒	☒[1]	☒
Contribution Rates	10.0%	6.5%	16.0%	10.0%	15.0%	13.0%
Investment of account holders' contributions in one or more of SURA AM's pension funds	☒[2]	☒[3]	☒[3]	☒[3]	☒[3]	☒[3]
Provision of D&S insurance to account holders	☒		☒	☒	☒	☒
Provision of retirement options to account holders	☒[4]	☒[5]	☒[7]		☒[8]	☒[9]
Provision of a severance benefit to account holders			☒	☒[6]		

(1) In Uruguay, only management services of mandatory and voluntary contributions are provided.
(2) In Chile, a pension fund administrator may invest account holders' contributions in a maximum of two funds administered by such a pension fund administrator.
(3) In Mexico, Colombia, Peru, Uruguay and El Salvador, a pension fund administrator may invest account holders' contributions in a maximum of one fund administered by such a pension fund administrator.
(4) In Chile, the following retirement options are available: immediate life annuity, temporary income with deferred life annuity, a programmed withdrawal plan and immediate life annuity with a programmed withdrawal plan.
(5) In Mexico, the following retirement options are available: immediate life annuity and a programmed withdrawal plan.
(6) In Peru, the following retirement options are available: immediate life annuity, temporary income with deferred life annuity, a programmed withdrawal plan, mixed annuity and *bimoneda* (dual-currency) annuity.
(7) In Colombia, the following retirement options are available: immediate life annuity plan, a programmed withdrawal plan and immediate life annuity with a programmed withdrawal plan.
(8) In Uruguay, the retirement option is in the form of an immediate life annuity.
(9) In El Salvador, the retirement option is in the form of a programmed withdrawal plan.

Primary Revenues

Fee income

The most significant source of revenues from operations for SURA AM's pension fund administrators is the monthly fee charged to account holders in connection with (i) deposits into their individual capitalization accounts or (ii) with the assets under management for each client's account. Fees charged by the pension fund administrators vary by service and country. This fee commission is calculated differently across the various countries in which we operate, in accordance with applicable laws. Generally, the commission is calculated as a percentage of one or a combination of the following metrics: each client's taxable salary base, assets under management or on a recurring monthly basis. Consequently, SURA AM's revenue stream is extremely stable. Additionally, such fees are subject to local law limitations and further limited by competitive pressures.

The following table sets forth the fee structure for SURA AM's pension fund administrators for the years ended December 31, 2015:

Monthly Fees for Mandatory Contributions

	For the Year Ended December 31, 2015		
	SURA AM	**Industry High**	**Industry Low**
AFP Capital	1.44%	1.54%	0.47%
Afore SURA	1.11%	1.02%	0.92%
AFP Protección	1.35%	1.99%	1.05%
AFP Integra(1)	1.23%	1.46%	0.38%
AFAP SURA	1.99%	1.99%	0.77%
AFP Crecer	1.18%	1.18%	1.18%

Source: Local superintendencies or associations.

(1) Peru has two co-existing fee regimes: (i) a salary based fee regime of 1.55% and (ii) a mixed commission fee regime consisting of a salary based component of 1.23% and an AuM component of 1.20%. The percentages in the table relate to the salary based component of the mixed commission fee regime.

Gains (losses) on mandatory reserves

Rules and regulations governing the pension fund administration business require that each of SURA AM's pension fund administrators hold mandatory reserves to ensure that each such pension fund administrator is able to meet future obligations. Accordingly, each of SURA AM's pension fund administrators must maintain a portion of its own capital invested in a reserve. This reserve represents a percentage of assets under management. Additionally, pension fund administrators are required to invest this mandatory reserve in the same securities as those in the respective pension funds managed. This legislation is intended to eliminate potential conflicts of interest that could arise between investment decisions relating to a portfolio held as the pension fund administrator's reserves and those relating to the portfolio where pension funds are invested.

Gains (losses) on mandatory reserves also represent a primary source of revenue in the countries in which SURA AM operates. As detailed in the following table, such returns on mandatory reserves evolve in accordance with each pension fund administrator's performance as well as each fund's total assets under management, and have recently experienced significant variations in recent years as a result of volatility in the international and local capital markets.

	Chile		**Mexico**		**Colombia**		**Peru**		**Uruguay**	
	AFP Capital[1]		**Afore SURA[2]**		**AFP Protección[3]**		**AFP Integra[4]**		**AFAP SURA[5]**	
	For the Year Ended December 31,									
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	(in millions of COP, except for percentages)									
Gains (losses) on mandatory reserve	53,954	86,349	616	40,621	28,046.0	71,613.0	15,014	20,002	3,265	2,310
Weighted average real returns of pension funds	2.3%	7.0%	1.2%	12.6%	3.6%	11.1%	0.5%	5.1%	(0.5)%	0.8%
Mandatory reserves in pension funds	906,841.8	859,724.5	522,163.4	487,659.4	646,698.8	598,249.1	388,318.3	373,109.1	28,796.8	24,427.4
% Mandatory reserves' participation in portfolio	1.01%	1.01%	0.81%	0.80%	1.02%	1.02%	0.91%	0.93%	0.50%	0.50%

(1) Source: Chilean Superintendency of Pensions.
(2) Source: CONSAR.
(3) Source: SFC.
(4) Source: SBS.
(5) Source: BCU.

Summary Operating Data

The following table sets forth the key operating data for SURA AM's pension fund administrators as of the dates indicated:

	Chile		Mexico		Colombia		Peru		Uruguay		El Salvador	
	AFP Capital		Afore SURA		AFP Protección		AFP Integra		AFAP SURA		AFP Crecer	
	As of December 31,											
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Account holders...........	1,762,511	1,812,801	6,145,185	6,089,559	4,053,287	3,903,322	2,013,792	2,029,348	316,793	310,563	1,461,537	1,388,231
Contributors.................	1,012,259	1,056,549	1,779,387	1,823,609	2,272,663	2,261,533	845,791	850,414	156,727	174,541	351,080	339,538
Assets under management (in millions of COP)	93,517,392	78,565,215	67,406,713	56,570,470	64,081,967	59,056,690	45,818,397	37,488,391	6,057,854	4,795,801	12,758,965	8,994,902

Voluntary Savings Segment

SURA AM's pension fund administrators also offer account holders additional products, subject to applicable local laws, through which they may opt to make (i) voluntary pension fund contributions to a voluntary contribution account or (ii) additional contributions to a voluntary pension savings account.

Voluntary contributions, whether to a voluntary pension fund contribution account or to voluntary pension savings account, are managed similarly to mandatory contributions.

Voluntary Pension Fund Contributions

In each of Chile and Mexico, SURA AM's pension fund administrators offer account holders the option to establish a voluntary contribution account into which they may deposit additional funds to be invested. Because such voluntary accounts are not designated as pension savings and are freely available, the account holder may make deposits into his or her account as often as desired with no limit on the withdrawal amount. The fees charged for these voluntary pension fund contribution services vary by country, subject to applicable law, but generally calculated as a percentage of assets under management. Both Chile and Mexico provide tax benefits and incentives for these contributions. Peru also provides this option to account holders, but it is rarely used because there are no tax incentives or liquidity associated with such contributions.

Voluntary Contributions to Mandatory Pensions

Similarly, in Chile, Mexico, Colombia, Peru, Uruguay and El Salvador, SURA AM's pension fund administrators offer account holders the option to make additional voluntary contributions toward retirement in addition to their mandatory contributions to increase future pension benefits. Generally, the pension fund administrators can charge an annual fee for the administration of voluntary contributions into voluntary pension savings accounts, calculated as a percentage of assets under management.

Mutual Funds

Principal Activities

In Chile, Mexico, Colombia, Peru and Uruguay, the primary business activities of each of SURA AM's investment managers are managing, servicing and marketing open-end mutual funds in its respective country.

Summary Operating Data

The following table summarizes the commission income and assets under management for SURA AM's voluntary savings segment as of December 31, 2015 and 2014:

	Chile		Mexico		Colombia[1]		Peru		Uruguay	
	As of December 31,									
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(In millions of COP)									
Commission income	70,923	42,634	62,291	45,294	–	–	9,615	8,320	911	272
Assets under management as of January 1	4,766,426	3,749,153	8,098,325	6,560,013	5,012,293	4,521,804	977,200	648,960	34,163	7,422
Assets under management as of December 31	6,371,628	4,766,426	10,270,736	8,098,325	5,210,640	5,012,293	1,336,015	977,200	81,526	34,163

(1) SURA AM owns 49.4% of AFP Protección. Hence, SURA AM does not consolidate AFP Protección's results of operations into its consolidated results of operations. For purposes of this table, all amounts for Colombia reflect the total commissions and assets under management received by AFP Protección's voluntary savings segment.
(2) The AuM figures contain the assets under management related to voluntary pensions, mutual funds and stock brokerage.

Life Insurance and Annuities Segment

Life Insurance

Principal Activities

In Chile, Mexico and Peru, the primary business activities of each of SURA AM's life insurance solutions providers includes the provision of various types of life insurance. Voluntary life insurance products are offered in the form of (i) term life products, which provide a guaranteed benefit upon the death of the insured for a specified time period, in return for periodic payments of premiums, or (ii) whole life products, which provide a guaranteed benefit upon the death of the insured, in return for the periodic payment of a fixed premium over a predetermined period and a participation feature in the form of dividends. D&S insurance generally covers survival, disability and burial expenses. The following table sets forth the services provided by SURA AM's life insurance solutions providers:

	Chile	Mexico	Peru
Life insurance solutions provider	Seguros SURA Chile	Seguros SURA Mexico	Fondos SURA
D&S insurance	☒	☐	☒
Voluntary life insurance	☒	☒	☒
Term life products	☒	☒	☒
Whole life products	☒	☒	☒

Summary Operating Data

The following table sets forth the key operating data for SURA AM's life insurance solutions providers as of the dates indicated (unless otherwise indicated):

	Chile		Mexico		Peru	
	Seguros SURA Chile		Seguros SURA Mexico		Seguros SURA Peru	
	As of and for the Year Ended December 31,					
	2015	2014	2015	2014	2015	2014
Written Premiums[1]	COP 794,002	COP 512,480	COP 120,366	COP 86,662	COP 84,831	COP 65,991
Ceded Premiums[1]	COP 21,689	COP 36,598	COP 27,352	COP 18,843	COP 6,804	COP 5,661
Retained Premiums (net)[1]	COP 772,313	COP 475,882	COP 93,015	COP 67,819	COP 78,027	COP 60,330
Number of clients[2]	44,761	44,537	72,810	50,558	40,585	35,256

(1) Represents figures for the years ended December 31, 2015 and 2014, as applicable, in COP millions.
(2) Represents figures as of December 31, 2015 and 2014, as applicable.

Investment Portfolio

Each of SURA AM's life insurance solutions providers maintains a diversified investment portfolio to support its obligations, including public and private fixed income securities and money market instruments, particularly corporate bonds, bank bonds, mutual funds, among others.

The following table sets forth the breakdown of the investment portfolios of SURA AM's life insurance solutions providers as of the dates indicated:

Investment Portfolio by Asset Class

	Chile				Mexico				Peru			
	Seguros de Vida SURA				Seguros de Vida SURA Mexico				Seguros SURA Peru			
	As of December 31,											
	2015		2014		2015		2014		2015		2014	
	COP million	% of Total	COP million	% of Total	COP million	% of Total	COP million	% of Total	COP million	% of Total	COP million	% of Total
Public fixed income securities	665,935	16%	725,528	21%	861,223	49%	746,211	42%	736,976	17%	1,111,873	27%
Private fixed income securities	2,891,057	70%	1,973,600	58%	850,878	49%	1,029,308	58%	2,280,185	53%	2,204,419	54%
Money market instruments	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Other	567,782	14%	730,418	21%	30,263	2%	0	0%	1,263,032	30%	764,547	19%
Total	4,124,773	100%	3,429,546	100%	1,742,364	100%	1,775,519	100%	4,280,193	100%	4,080,839	100%

Annuities

Principal Activities

In Chile, Mexico and Peru, the primary business activities of each of SURA AM's annuities providers are the development and sale of single premium annuity products in its respective country. Each annuities provider sells single premium immediate annuities that are designed to provide a series of periodic payments for a fixed period of time or for a person's lifetime, according to the policyholder's choice at the time of issue.

Summary Operating Data

The following table sets forth the key operating data for SURA AM's annuities providers as of the dates indicated (unless otherwise indicated):

	Chile		Mexico		Peru	
	Seguros de Vida SURA		Seguros de Vida SURA Mexico		Seguros SURA Peru	
	As of and for the Year Ended December 31,					
	2015	2014	2015	2014	2015	2014
Written Premiums[1]	COP 947,500	COP 570,679	COP 278,234	COP 220,987	COP 363,224	COP 251,709
Ceded Premiums[1]	-	-	-	-	-	COP 6,462
Number of clients[2]	N/A		10,222	8,903	16,372	14,964

(1) Represents figures for the years ended December 31, 2015 and 2014, as applicable, in COP millions.
(2) Represents figures as of December 31, 2015 and 2014, as applicable.

Interests in Other Services

SURA AM also offers the following:

Stock Brokerage. SURA AM's Chile mutual funds product offering is also supported by Corredores SURA, which is the stock broker that was incorporated in 2012. Corredores SURA allows SURA AM to reach high net worth clients, engage in the general distribution of mutual funds and act as broker-dealer in local offerings of securities. Corredores SURA has also entered into agreements for the distribution of mutual funds to retail clients in Chile. In Uruguay, we established a similar structure by incorporating Agente de Valores SURA, a stock brokerage firm.

These businesses represent less than 1.0% of SURA AM's total revenues for the year ended December 31, 2015.

Principal Markets

In Chile, SURA AM's main market is the Santiago region. In Mexico, SURA AM's main markets are mainly Mexico City, Monterrey and Guadalajara. In Peru, SURA AM's main market is the Lima region. In Colombia, SURA AM's main markets are Bogota and Medellin. In Uruguay, SURA AM's main market is the Montevideo region. In El Salvador, 70% of SURA AM's main market is located in the metropolitan area of San Salvador and La Libertad, where most of the country's economic activity and employment takes place.

SURA AM has branches in other regions of the respective countries in which it operates, and it is making inroads toward broader national presence in those regions and expects to do so in the near future.

Competition

Mandatory Pension Funds Segment

Chile

As of December 31, 2015, there were six AFPs operating in Chile. To date, there have been four bidding processes for first-time system entrants in Chile, in which AFP Capital has elected not to participate because it did not consider it economically advantageous to do so. AFP Planvital has won the last two bidding processes for the applicable two-year period, first for the period starting in August 1, 2014, and then again for the period starting on August 1, 2016.

The following table presents the market shares of AFPs based on various indicators as of December 31, 2015:

Market Share as of December 31, 2015

AFP	Assets Under Management	Account Holders	Contributors
Provida	28.0%	32.6%	30.8%
Habitat	25.9%	20.6%	22.1%
AFP Capital	20.2%	17.6%	18.2%
Cuprum	20.7%	6.5%	8.8%
Planvital	3.0%	7.9%	7.6%
Modelo	2.2%	14.9%	12.5%
Total	**100.0%**	**100.0%**	**100.0%**

Source: Based on information published by the Chilean Superintendency of Pensions.

In accordance with the Chilean Pension Law, no company in Chile other than an AFP may provide pension benefits or benefits of a similar nature, except for certain authorized institutions, such as insurance companies and mutual fund administrators that are permitted to manage voluntary pension savings and group voluntary pension savings.

Mexico

As of December 31, 2015, there were eleven Afores operating in Mexico. The following table presents the market shares of Afores based on various indicators as of December 31, 2015:

Market Share as of December 31, 2015

AFP	Assets Under Management	Account Holders
Banorte XXI	23.3%	23.3%
Citi - Banamex	17.2%	16.9%
Afore SURA	15.0%	12.9%
Profuturo GNP	13.0%	7.1%
Principal	6.0%	7.5%
Invercap	6.9%	6.8%
PensionISSSTE	5.0%	3.1%
Inbursa	4.0%	2.3%
Coppel	5.0%	15.2%
Metlife	2.9%	2.1%
Azteca	1.6%	3.1%
Total	**100.0%**	**100.0%**

Source: Assets under management are based on information published by CONSAR.

Colombia

As of December 31, 2015, there were four AFPs operating in Colombia. The following table presents the market shares of AFPs based on various indicators as of December 31, 2015 in the mandatory pension funds segment:

Market Share as of December 31, 2015

AFP	**Assets Under Management**	**Account Holders**	**Contributors**
AFP Porvenir	44.2%	55.2%	43.0%
AFP Protección	36.4%	30.6%	39.8%
Colfondos	13.7%	13.4%	15.9%
Old Mutual	5.7%	0.%8	1.4%
Total	**100.0%**	**100.0%**	**100.0%**

Source: Based on information published by the SFC.

Additionally, as of December 31, 2015, U.S.$ 96 million or 14.4% of AFP Protección's total revenues corresponded to fee income received for administering severance contributions. As of December 31, 2015, AFP Proteccion's severance fund segment had a market share of 37.8% based on assets under management.

Peru

As of December 31, 2015, there were four AFPs operating in Peru. To date, there have been two bidding process in Peru. Pursuant to local law, AFP Integra has participated in the bidding process but has not been awarded such business due to the fee ceilings required to successfully participate in such processes. AFP Habitat won the last two bidding process for the applicable two-year period, first for the period starting in February 1, 2013, and then again for the period starting on June 1, 2015. The following table presents the market shares of AFPs based on various indicators as of December 31, 2015:

Market Share as of December 31, 2015

AFP	**Assets Under Management**	**Account Holders**	**Contributors**
AFP Integra	40.4%	33.8%	34.9%
Prima AFP	31.7%	24.4%	26.2%
Profuturo AFP	26.7%	30.5%	26.9%
AFP Habitat	1.2%	11.3%	12.0%
Total	**100.0%**	**100.0%**	**100.0%**

Source: Based on information published by the Peruvian Superintendency of Pensions.

Uruguay

As of December 31, 2015, there were four AFAPs operating in Uruguay. AFAP República, a state-owned entity, has the highest number of contributors and is the market leader in Uruguay.

The following table presents the market shares of AFAPs based on various indicators as of December 31, 2015:

Market Share as of December 31, 2015

AFAP	Assets Under Management	Account Holders	Contributors
AFAP República	56.5%	38.8%	44.7%
AFAP SURA	18.0%	24.3%	21.7%
Unión Capital	16.4%	21.3%	19.9%
Integración	9.1%	15.6%	13.7%
Total	**100.0%**	**100.0%**	**100.0%**

Source: Based on information published by the Uruguayan Superintendency of Financial Services.

El Salvador

As of December 31, 2015, there were two AFPs operating in El Salvador: AFP Crecer and AFP Confia.

The following table presents the market shares of AFP Crecer and AFP Confia based on various indicators as of December 31, 2015:

Market Share as of December 31, 2015

AFP	Assets Under Management	Account Holders	Contributors
AFP Crecer	46.9%	53.0%	50.9%
AFP Confia	53.1%	47.0%	49.1%
Total	**100.0%**	**100.0%**	**100.0%**

Source: Based on information published by the Salvadoran Superintendency of the Financial System.

Voluntary Savings and Life Insurance and Annuities Segments

Chile

In Chile, SURA AM's principal competitors in terms of voluntary savings and life insurance products are Banchile, Consorcio, Corpseguros, Principal and Metlife.

Mexico

In Mexico, SURA AM's principal competitors in terms of voluntary savings and life insurance products are Afore XXI, Principal México, Metlife, Banamex and BBVA.

Peru

In Peru, SURA AM's principal competitors in terms of voluntary savings and life insurance products are Prima, Pacífico Vida, Interseguros, Rímac Seguros, BBVA, Banco Continental and BCP.

Uruguay

In Uruguay, AFISA SURA is the only asset manager in the local mutual funds industry. It competes with international banks and brokers that have operations in Uruguay.

Sales and Marketing

Chile

As of December 31, 2015, SURA AM's operation's sales force in Chile consisted of 1,558 agents selling its financial products described above. Other than certain training allowances or salary paid at the beginning of their employment, SURA AM pays agents on a commission basis for the products they sell. In addition to commissions, SURA AM's agents in Chile receive employee benefits, including medical and disability insurance, an employee savings program and qualified retirement plans.

Mexico

As of December 31, 2015, SURA AM's operation's sales force in Mexico consisted of 1,847 agents selling its financial products described above. Other than certain training allowances or salary paid at the beginning of their employment, SURA AM pays agents on a commission basis for the products they sell. In addition to commissions, SURA AM's agents in Mexico receive employee benefits, including medical and disability insurance, an employee savings program and qualified retirement plans.

Colombia

As of December 31, 2015, AFP Protección's sales force consisted of 867 agents selling its financial products described above. Other than certain training allowances or salary paid at the beginning of their employment, AFP Protección's operation pays agents on a commission basis for the products they sell. In addition to commissions, AFP Protección's agents receive employee benefits, including medical and disability insurance, an employee savings program and qualified retirement plans.

Peru

As of December 31, 2015, SURA AM's operation's sales force in Peru consisted of 608 agents selling its financial products described above. Other than certain training allowances or salary paid at the beginning of their employment, SURA AM pays agents on a commission basis for the products they sell. In addition to commissions, SURA AM's agents in Peru receive employee benefits, including medical and disability insurance, an employee savings program and qualified retirement plans.

Uruguay

As of December 31, 2015, SURA AM's operation's sales force in Uruguay consisted of 68 agents selling its financial products described above. Other than certain training allowances or salary paid at the beginning of their employment, SURA AM pays agents on a commission basis for the products they sell.

El Salvador

As of December 31, 2015, AFP Crecer's sales force in El Salvador consisted of 43 agents selling its financial products described above. Other than basic monthly salary payments, AFP Crecer pays agents on a commission basis for the products they sell. In addition to commissions, AFP Crecer's agents receive employee benefits, including life, medical and disability insurance and participate in the employee savings program.

Intellectual Property

SURA AM has an intellectual property portfolio, including trademarks, which are used as strategic tools in the protection of its business activities. SURA AM seeks to protect its intellectual property by establishing its title through trademarks, copyright and other relevant laws and conventions and by using legal and regulatory recourse in the event of infringement by a third party.

SURA AM has also been given the right to use the name "SURA" by its affiliate company, Suramericana.

Some of SURA AM's key slogans are "Tu Número" and "Aprende a Ahorrar."

Property, Plant and Equipment

Chile

As of December 31, 2015, SURA AM maintained 64 branches and two administrative offices in Chile of which two were owned and 64 were rented. SURA AM's lease contracts in Chile have standard commercial terms and contain renewal options pursuant to which it can extend the lease terms. SURA AM does not anticipate any difficulty in renewing its leases that are set to expire in the near future.

Mexico

As of December 31, 2015, SURA AM maintained 50 branches, 64 service centers and five administrative offices in Mexico of which one was owned and 118 were rented. SURA AM's lease contracts in Mexico have standard commercial terms and contain renewal options pursuant to which it can extend the lease terms. SURA AM does not anticipate any difficulty in renewing its leases that are set to expire in the near future.

Colombia

As of December 31, 2015, AFP Protección's operations maintained 39 branches and six administrative offices of which nine were owned and 36 were rented. AFP Protección's lease contracts have standard commercial terms and contain renewal options pursuant to which it can extend the lease terms. AFP Protección does not anticipate any difficulty in renewing its leases that are set to expire in the near future.

Peru

As of December 31, 2015, SURA AM maintained 32 branches and one administrative office in Peru of which four were owned and 29 were rented. SURA AM's lease contracts in Peru have standard commercial terms and contain renewal options pursuant to which it can extend the lease terms. SURA AM does not anticipate any difficulty in renewing its leases that are set to expire in the near future.

Uruguay

As of December 31, 2015, SURA AM maintained six branches and one administrative office in Uruguay. All of these were rented. SURA AM's lease contracts in Uruguay have standard commercial terms and contain renewal options pursuant to which it can extend the lease terms. SURA AM does not anticipate any difficulty in renewing its leases that are set to expire in the near future. AFAP SURA owns an office in Montevideo that was previously used as SURA AM headquarters in Uruguay until 2012 and is currently available for renting.

El Salvador

As of December 31, 2015, AFP Crecer maintained six branches and two administrative offices in El Salvador of which one was owned and seven were rented. AFP Crecer's lease contracts in El Salvador have standard commercial terms and contain renewal options pursuant to which it can extend the lease terms. AFP Crecer does not anticipate any difficulty in renewing its leases that are set to expire in the near future.

Employees

As of December 31, 2015, SURA AM had 9,194 employees in total. The country breakdown of these employees is provided below, and they are divided as follows:

Chile

As of December 31, 2015, SURA AM had 2,493 employees in Chile, of which 22.7% were members of a union. SURA AM has a good working relationship with the various unions representing its employees. The collective bargaining agreements into which SURA AM has entered with these unions are renegotiated every two to four years and the renegotiation processes have historically been smooth. Additionally, SURA AM does not have a history of strikes by employees in Chile.

Mexico

As of December 31, 2015, SURA AM had 3,025 employees in Mexico. Those employees are not unionized and SURA AM believes it has a good working relationship with its employees. SURA AM does not have a history of strikes by employees in Mexico.

Colombia

As of December 31, 2015, AFP Protección had 1,872 employees in Colombia, of which 7.37% were members of a union. AFP Protección believes that it has a good working relationship with the various unions representing its employees. The collective bargaining agreements into which AFP Protección has entered into with these unions are renegotiated every two years and the renegotiation processes have historically been smooth. AFP Protección does not have a history of strikes by employees.

Peru

As of December 31, 2015, SURA AM had 1,280 employees in Peru. Those employees are not unionized and SURA AM believes it has a good working relationship with its employees. SURA AM does not have a history of strikes by employees in Peru.

Uruguay

As of December 31, 2015, SURA AM had 152 employees in Uruguay, of which 4.61 % were members of a union. SURA AM has a good working relationship with this union. The collective bargaining agreement into which SURA AM has entered into with this union is renegotiated every three years and the renegotiation processes has historically been smooth. Additionally, SURA AM does not have a history of strikes by employees in Uruguay.

El Salvador

As of December 31, 2015, AFP Crecer had 302 employees. Those employees are not unionized and AFP Crecer believes it has a good working relationship with its employees. AFP Crecer does not have a history of strikes by employees.

Legal Proceedings

SURA AM is involved in various claims and legal actions arising in the ordinary course of business. SURA AM does not believe that these proceedings will have a material adverse effect on its results of operations or financial condition

Suramericana S.A.

Overview

Suramericana is the parent company for a group of companies providing a full range of insurance products and related services, including mandatory health and workers' compensation related services, to customers in Colombia and elsewhere in Latin America, particularly El Salvador, the Dominican Republic and Panama.

Suramericana divides its business into the following segments:

- **Life Insurance**: includes Suramericana's subsidiaries providing life insurance products in Colombia and El Salvador. Suramericana's main subsidiary in this segment is Seguros de Vida, which provides life insurance services, including voluntary health, life, group life, D&S and other life insurance products. This segment also includes Suramericana's workers' compensation subsidiary, SURA ARL, which provides mandatory workers' compensation insurance, including professional risk. Life insurance accounted for 48.7% of Suramericana's business by total revenues and 60.8% by written premiums in 2015.

- **Non-life Insurance**: includes Suramericana's P&C subsidiaries in Colombia, El Salvador, Dominican Republic and Panama. Suramericana's main subsidiary in this segment is Seguros Generales, which provides P&C insurance, including vehicle, fire, theft, transport and other liabilities. Non-life Insurance products accounted for 22.3% of Suramericana's business by total revenues and 39.2% by written premiums in 2015.

- **Healthcare**: includes Suramericana's subsidiaries in Colombia providing mandatory health insurance in (EPS SURA), healthcare services (IPS SURA) and diagnostic and laboratory services (Dinamica). Healthcare accounted for 26.8% of Suramericana's business by total revenues in 2015.

In 2015, Suramericana's subsidiaries Seguros de Vida, Seguros Generales and SURA ARL were Colombia's largest insurance companies in their respective categories, with 29.4%, 17.5% and 29.7% market shares based on written premiums, respectively. In 2015, Suramericana's subsidiaries primarily marketed their services through a distribution network of 5,599 insurance agents operating through 74 branches, 354 selling stations through Suramericana's joint venture with Almacenes Éxito, the largest retail company in Colombia, and the bancassurance joint venture with Bancolombia that provides access to 696 of Bancolombia's branches. Suramericana's subsidiaries service approximately 10 million clients in Colombia, 644,000 clients in El Salvador, 220,399 clients in the Dominican Republic and 150,000 clients in Panama.

For the year ended December 31, 2015, Suramericana's consolidated total revenue was COP 7.7 trillion, consolidated written premiums were COP 5.9 trillion and consolidated net income was COP 343.3 billion, as compared to consolidated total revenue of COP 6.6 trillion, consolidated written premiums of COP 5.0 trillion and consolidated net income of COP 378.5 billion for the year ended December 31, 2014. As of December 31, 2015, Suramericana's consolidated total assets were COP 13.2 trillion and consolidated shareholders' equity was COP 2.7 trillion, as compared to consolidated total assets of COP 11.1 trillion and consolidated shareholders' equity was COP 2.3 trillion as of December 31, 2014.

Acquisition of the RSA Insurance Group's Latin American Business

On September 7, 2015, Suramericana announced the acquisition of the RSA Latin American Insurance Businesses, which currently operate in Chile, Mexico, Colombia, Uruguay, Brazil and Argentina. The RSA Latin American Insurance Businesses provide a wide array of insurance products, including life, health, and P&C insurance. For the year ended December 31, 2015, the RSA Latin American Insurance Businesses serviced over 5.6 million clients and had net written premiums of GBP 691 million.

This acquisition supports Suramericana's growth strategy by diversifying its geographic scope in Latin America and providing access to more than 70% of Latin America's population, thus positioning Suramericana to further strengthen its overall presence and standing in the region. Subject to the terms and conditions set forth in the acquisition agreement for the RSA Latin American Insurance Businesses, Suramericana will acquire from 99% to 100% of RSA Insurance Group's share capital in its Latin American subsidiaries in Chile, Argentina, Mexico, Brazil, Colombia and Uruguay.

The total purchase price for the acquisition of the RSA Latin American Insurance Businesses is GBP 403 million, subject to certain price adjustments. Approximately 70% of the purchase price will be financed by Grupo SURA and Munich Re, Suramericana's shareholders, and the remaining 30% will come from cash on hand and third-party financing. Upon regulatory approval from each country's applicable regulator, Suramericana will pay the purchase price for the share capital being acquired in each such RSA Insurance Group's subsidiary. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Description of Indebtedness and Potential Sources of Liquidity—Loan Agreements and Finance Lease Liabilities" for additional information on the financing of the acquisition of the RSA Latin American Insurance Businesses.

To date, Suramericana continues to submit documentation to the applicable regulatory agencies to obtain the required authorizations for the acquisition and closing of RSA Insurance Group's subsidiaries in Argentina, Chile, México and Uruguay. As of the date of this offering memorandum, Suramericana has closed on the acquisitions in Brazil and Colombia, and the remaining countries are expected to close, subject to regulatory approvals, in the second half of 2016. Upon completion, Suramericana will consolidate RSA Latin American Insurance Businesses with and into Suramericana.

Corporate Structure

The following table presents Suramericana's ownership in its material subsidiaries as of the date of this offering memorandum, excluding the acquisition of the RSA Latin American Insurance Businesses:

Operating Companies	Location	% Direct Participation	% Total Participation (Direct and Indirect)
Seguros Generales Suramericana S.A.		94.73%	100%
Seguros de Vida Suramericana S.A.		94.95%	100%
Seguros de Riesgos Laborales Suramericana S.A.		94.99%	100%
EPS y medicina prepagada Suramericana S.A.		93.68%	100%
Inversiones Sura Brasil S.A.S.		100%	100%
Sura Re		100%	100%
Inversura Panamá Internacional S.A.		100%	100%
Seguros Suramericana S.A. Panamá		23.44%	100%
Seguros Sura S.A. República Dominicana		-	99.99%
Aseguradora Suiza Salvadoreña S.A.		-	97.11%
Asesuisa Vida S.A. Seguros de Personas		-	97.11%

Holding Companies	Location	% Direct Participation	% Total Participation (Direct and Indirect)
Operaciones Generales Suramericana S.A.S.		100%	100%
Consultoría en gestión de riesgos Suramericana S.A.		94.99%	100%
Servicios Generales Suramericana S.A.S.		7.02%	100%
Servicios Generales Suramericana S.A. Panamá		-	100%
Servicios de salud IPS Suramericana S.A.		57.89%	100%
Dinámica I.P.S. Zonas Francas S.A.S.		100%	100%
Dinámica IPS		49.01%	100%

Life Insurance Segment

<u>Principal Activities</u>

In Colombia and El Salvador, the primary business activities of each of Suramericana's life insurance solutions providers include the provision of various types of life insurance solutions, including voluntary life, D&S insurance, workers' compensation insurance and voluntary health insurance. Voluntary life insurance products are offered in the form of (i) group life products, which are purchased by companies or professional organizations, and provide a guaranteed benefit based on the insured's salary upon the death of the insured during the employment period, or (ii) individual life products, which provide a guaranteed benefit upon the death of the insured, in return for periodic payments of premiums over a predetermined period. D&S insurance generally covers survival, disability and burial expenses; and, workers' compensation insurance generally provides medical and economic benefits in connection with disability resulting from accidents and exposure to illnesses in the workplace. Workers' compensation is mandatory in Colombia, with our fee being assessed as a percentage of each clients' taxable base based on each clients' industry and the risks associated with each client's employment within such industry. Employers are required to provide workers' compensation in Colombia. Workers' compensation fees are deposited on a monthly basis to the corresponding ARL Sura account by each respective employer.

The following table sets forth the services provided by Suramericana's life insurance solutions providers:

	Colombia	El Salvador
Voluntary life insurance	☒	☒
Term life products	☒	☒
Whole life products	☒	☒
D&S insurance	☒	☐
Workers' compensation	☒	☐
Voluntary health insurance	☒	☐

Summary Operating Data

The following table sets forth the key operating data of Suramericana's life insurance segment as of the dates indicated across its life insurance products (unless otherwise indicated):

	Colombia		El Salvador	
	As of and for the Year Ended December 31,			
	2015	2014	2015	2014
Written Premiums[1]	COP 3,390,890	COP 3,062,600	COP 214,152	COP 143,530
Ceded Premiums[1]	COP (78,417)	COP (68,050)	COP (47,792)	COP (40,684)
Retained Premiums (net)[1]	COP 3,312,473	COP 2,994,550	COP 166,360	COP 102,846
Number of clients[2]	4,118,665	3,941,974	973,530	93,849

(1) Represents figures for the years ended December 31, 2015 and 2014, as applicable, in COP millions. Revenues from Asesuisa are collected in U.S. dollars and have been translated at the exchange rate of COP 3,149.47 per U.S.$ 1.00, which was the official rate published by the SFC on December 31, 2015.

(2) Represents figures as of December 31, 2015 and 2014, as applicable.

The following table sets forth a breakdown of premiums recorded by Suramericana's life insurance subsidiaries in 2015 and 2014:

	Premiums by Business Line For the years ended December 31,	
	2015	2014
	(COP in millions)	
Voluntary life insurance	1,211,564	1,051,848
D&S insurance	609,603	584,232
Workers' compensation	860,981	781,856
Voluntary health insurance	744,975	637,376
Other	177,920	150,818
Total	**3,605,042**	**3,206,130**

Investment Portfolio

Each of Suramericana's life insurance solutions providers maintains a diversified investment portfolio to support its obligations, including stocks, public and private fixed income securities and money market instruments, particularly corporate bonds, bank bonds and mutual funds.

The following table sets forth the breakdown of the investment portfolios of Suramericana's life insurance solutions providers as of the dates indicated:

Investment Portfolio by Asset Class

	Colombia				El Salvador			
	As of December 31,							
	2015		2014		2015		2014	
	COP million	% of Total	COP million	% of Total	COP million	% of Total	COP million	% of Total
Public fixed income securities ..	2,255,244	35%	1,692,372	30%	73,851	31%	49,119	32%
Private fixed income securities .	3,151,665	49%	3,104,518	56%	162,806	68%	100,139	66%
Money market instruments........	57	0%	73	0%	–	0%	–	0%
Other..	976,377	15%	790,314	14%	2,276	1%	2,197	1%
Total................................	**6,383,344**	**100%**	**5,587,277**	**100%**	**238,932**	**100%**	**151,456**	**100%**

Non-Life Insurance Segment

Principal Activities

In each of Colombia, El Salvador, the Dominican Republic and Panama, Suramericana's subsidiaries provide P&C insurance covering vehicle including mandatory road accident protection, fire, theft, transport and other liabilities. Suramericana's main subsidiary in this category is Seguros Generales, which provides P&C insurance services in Colombia. P&C insurance is provided in El Salvador through Asesuisa, in the Dominican Republic through Seguros SURA and in Panama through Suramericana Panama. Non-life insurance products accounted for 39.2% of Suramericana's business in terms of written premiums in 2015.

Summary Operating Data

The following table sets forth the key operating data of Suramericana’s non-life insurance providers as of the dates indicated across its non-life insurance products (unless otherwise indicated):

	Colombia		El Salvador		Dominican Republic		Panama	
	As of and for the Year Ended December 31,							
	2015	2014	2015	2014	2015	2014	2015	2014
Written Premiums(1)	COP 1,782,210	COP 1,533,503	COP 107,392	COP 76,340	COP 192,961	COP 141,077	COP 239,381	COP 119,599
Ceded Premiums(1)	COP (593,119)	COP (515,491)	COP (16,068)	COP (13,827)	COP (104,952)	COP (77,888)	COP (71,137)	COP (43,180)
Retained Premiums (net)(1)	COP 1,189,091	COP 1,018,012	COP 91,324	COP 62,513	COP 88,009	COP 63,190	COP 168,245	COP 76,419
Number of clients(2)	1,462,536	1,399,793	23,827	20,873	220,399	212,857	150,136	73,654

(1) Represents figures for the years ended December 31, 2015 and 2014, as applicable, in COP millions.
(2) Represents figures as of December 31, 2015 and 2014, as applicable.

The following table sets forth a breakdown of P&C insurance premiums recorded by Suramericana’s non-life insurance subsidiaries, by insurance category, as of the dates indicated:

	Premiums	
	(COP in millions) As of the Year Ended December 31,	
	2015	2014
Automobile	897,802	700,151
Mandatory Road	328,846	272,148
Fire	480,301	425,461
Other	614,995	472,760
Total	**2,321,944**	**1,870,519**

Investment Portfolio

Each of Suramericana’s non-life insurance providers maintains a diversified investment portfolio to support its obligations, including stocks, public and private fixed income securities and money market instruments, particularly corporate bonds, bank bonds and mutual funds.

The following table sets forth the breakdown of the investment portfolios of Suramericana’s non-life insurance providers as of the dates indicated:

Investment Portfolio by Asset Class

	Colombia				El Salvador				Dominican Republic				Panama			
	As of December 31,															
	2015		2014		2015		2014		2015		2014		2015		2014	
	COP million	% of Total	COP million	% of Total	COP million	% of Total	COP million	% of Total	COP million	% of Total	COP million	% of Total	COP million	% of Total	COP million	% of Total
Public fixed income securities	206,440	18%	150,306	15%	6,294	13%	4,893	14%	35,798	46%	27,901	52%	162,148	39%		
Private fixed income securities	624,738	53%	654,831	63%	41,266	86%	29,405	84%	41,832	54%	25,980	48%	189,765	46%	93,067	96%
Money market instruments	49	0%	82	0%												
Other	346,597	29%	229,737	20%	559	1%	711	2%					60,432	15%	4,278	4%
Total	1,177,823	100%	1,034,956	100%	48,119	100%	35,009	100%	77,630	100%	53,881	100%	412,345	100%	97,345	100%

Healthcare Segment

Principal Activities

Suramericana provides mandatory health insurance and a variety of healthcare services in Colombia through its subsidiaries EPS SURA, IPS SURA and Dinámica. EPS SURA provides mandatory health insurance. IPS Suramericana provides medical, paramedical, dental services and other wellness services through its healthcare centers. Dinámica provides diagnostic health services.

Suramericana's health insurance subsidiary, EPS SURA, has an extremely stable revenue base as health insurance is mandatory in Colombia, with its fee being assessed as a percentage of each client's salary. EPS SURA was the fourth largest health insurance provider in Colombia based on written premiums as of December 31, 2015.

Suramericana's healthcare subsidiaries are among the leading private health insurance and healthcare services providers in Colombia. As of December 31, 2015, IPS Suramericana operated 32 healthcare centers, Dinamica operated 88 diagnostic centers, and are staffed by 1,571 doctors, nurses and dentists. Through their healthcare centers, Suramericana's healthcare subsidiaries offer a comprehensive range of medical and surgical services, including general acute care hospital services, pediatrics, obstetrics and gynecology, pediatric sub-acute care, general surgery, medical surgical services, orthopedic surgery and diagnostic, outpatient, skilled nursing and urgent care services. Through their diagnostic centers, Suramericana's healthcare subsidiaries offer imaging and laboratory testing services. These healthcare and diagnostic centers are staffed by doctors, dentists, nurses, and laboratory technicians who utilize guidelines established by applicable law to diagnose and treat minor health conditions, perform health screenings, monitor chronic conditions, provide wellness services and deliver vaccinations. Suramericana's healthcare and diagnostic centers provide convenient, high-quality, cost-effective care, in many cases offering an attractive alternative to more expensive sites of care.

Summary Operating Data

The following table sets forth the key operating data of Suramericana's health insurance and healthcare services providers as of the dates indicated across its healthcare products (unless otherwise indicated):

	EPS SURA(1)		IPS Suramericana		Dinámica	
	As of and for the Year Ended December 31,					
	2015	2014	2015	2014	2015	2014
Services rendered(2)	COP 1,622,873	COP 1,318,274	COP 317,164	COP 272,688	COP 173,663	COP 156,300
Healthcare related expenses(2)	1,521,503	1,220,522	220,399	186,867	120,822	110,055

(1) For EPS SURA, revenues from services rendered are calculated based on total written premiums received.
(2) Represents figures for the years ended December 31, 2015 and 2014, as applicable, in COP millions.

Sales and Marketing

Colombia

In 2015, Suramericana's insurance and healthcare subsidiaries in Colombia primarily marketed their services through a distribution network of 5,599 insurance agents operating through 74 branches, 354 selling stations through Suramericana's joint venture with Almacenes Éxito, the largest retail company in Colombia, and the bancassurance joint venture with Bancolombia that provides access to offer insurance products and services at 696 of Bancolombia's branches.

Suramericana's subsidiaries serviced more than ten million clients in Colombia in 2015.

El Salvador

In 2015, Suramericana's subsidiary in El Salvador, Asesuisa, primarily marketed its services through a distribution network of 1,072 insurance agents operating through two of their own branches.

Asesuisa serviced more than 644,000 clients in El Salvador in 2015.

Dominican Republic

In 2015, Suramericana's subsidiary in Dominican Republic, Seguros SURA, primarily marketed its services through a distribution network of 805 insurance agents operating through four branches.

Seguros SURA serviced more than 220,399 clients in the Dominican Republic in 2015.

Panama

In 2015, Suramericana's subsidiary in Panama, Suramericana Panama, primarily marketed its services through a distribution network of 2,161 insurance agents operating through seven branches.

Suramericana Panama serviced more than 150,000 clients in Panama in 2015.

Competition

Suramericana's businesses operate in intensely competitive industries. While we believe that our technology, knowledge, experience, customer service and brand reputation provide us with competitive advantages, we face significant competition from companies selling similar products. Below we set forth Suramericana's competitive position across its principal insurance products.

Life Insurance

Colombia

Suramericana's subsidiary, Seguros de Vida, is Colombia's largest life insurance solutions provider, with a 29.4% market share based on written premiums in 2015. Seguros de Vida has 74 branches and through the bancassurance joint venture with Bancolombia, Seguros de Vida also has access to offer insurance products and services at 696 of Bancolombia's branches. As of December 31, 2015, Seguros de Vida's three main competitors in the Colombian life insurance market were Seguros de Vida Alfa S.A., Seguros Bolivar S.A. and Positiva Compañía de Seguros S.A. ("Positiva"), with 17.1%, 8.1% and 7.0% market shares by written premiums, respectively.

El Salvador

Suramericana's subsidiary, Asesuisa, is the second largest life insurance solutions provider in El Salvador, with a 31.3% market share based on written premiums in 2015. As of December 31, 2015, its main competitors were Sisa, Vida, S.A. and Pan American Life Insurance Company, with 35.1% and 12.3% market share by written premiums, respectively.

Workers' Compensation

Colombia

Suramericana's subsidiary, ARL SURA, is Colombia's largest provider of workers' compensation products with a 29.7% market share based on written premiums in 2015. As of December 31, 2015, ARL SURA's three main competitors in Colombia were Positiva, ARL AXA Colpatria and Colmena Seguros de Riesgos Laborales, with 25.8%, 15.5% and 11.6% market shares by written premiums, respectively.

P&C Insurance

Colombia

Suramericana's subsidiary, Seguros Generales, is Colombia's largest P&C insurer, with a 17.5% market share based on written premiums in 2015. As of December 31, 2015, Seguros Generales' three main competitors in the Colombian P&C insurance market were Seguros Del Estado S.A., Allianz Seguros S.A., Mapfre Seguros

Generales de Colombia S.A., with 10.6%, 7.9% and 7.7% market shares based on written premiums in 2015, respectively.

El Salvador

Suramericana's subsidiary, Asesuisa, is El Salvador's third largest P&C insurer, with a 10.9% market share based on written premiums in 2015. As of December 31, 2015, Asesuisa's main competitors in the Salvadoran P&C insurance market were Aseguradora Agrícola Comercial, S.A. and La Centro Americana, S.A., with 23.4% and 16.2% market shares based on written premiums in 2015, respectively.

Dominican Republic

Suramericana's subsidiary, Seguros SURA, is the Dominican Republic's fifth largest P&C insurer, with a 8.6% market share based on written premiums in 2015. As of December 31, 2015, Seguros SURA's main competitors in the Dominican P&C insurance market were Seguros Universal, S.A. and Seguros Banreservas, S.A., with 25.1% and 18.1% market shares based on written premiums in 2015, respectively.

Panama

Suramericana's subsidiary, Suramericana Panama, is Panama's fourth largest P&C insurer, with a 10.3% market share based on written premiums in 2015. As of December 31, 2015, Suramericana Panama's main competitors in the Panamanian P&C insurance market were ASSA Compañía de Seguros S.A. and Compañía Internacional de Seguros S.A., with 17.7% and 16.5% market shares based on written premiums in 2015, respectively.

Health Insurance

Suramericana's subsidiary, EPS Sura, is Colombia's fourth largest health insurance company with a 10.1% market share based on affiliated members. As of December 31, 2015, EPS Sura's three main competitors in the Colombian health insurance market were Cafesalud Cruz Blanca, Coomeva EPS and Nueva EPS, with 22.3%, 13.8% and 13.7% market shares by written premiums, respectively.

Intellectual Property

Suramericana has an intellectual property portfolio, including trademarks, which are used as a strategic tool in the protection of its business activities. Suramericana seeks to protect its intellectual property by establishing its title through trademarks, copyright and other relevant laws and conventions and by using legal and regulatory recourse in the event of infringement by a third party. Recently, Suramericana began to modify the trade name of all of its subsidiaries so that they all carry the term "SURA" in order to integrate and consolidate its market presence. Suramericana's subsidiaries now provide their services under the trade name SURA and sub-brands Seguros SURA, ARL SURA, EPS SURA, Salud SURA and Autos SURA, among others.

Property, Plant and Equipment

Colombia

As of December 31, 2015, Suramericana's subsidiaries in Colombia maintained 276 branches, healthcare centers and other locales, and five administrative offices in Colombia of which 83 were owned and 193 were rented. Suramericana's subsidiaries' lease contracts in Colombia have standard commercial terms and contain renewal options pursuant to which they can extend the lease terms. Suramericana's subsidiaries in Colombia do not anticipate any difficulty in renewing their leases that are set to expire in the near future.

El Salvador

As of December 31, 2015, Asesuisa maintained two branches and one administrative office in El Salvador, of which one was owned and two was rented. Asesuisa's lease contracts in El Salvador have standard commercial terms and contain renewal options pursuant to which it can extend the lease terms. Asesuisa does not anticipate any difficulty in renewing its leases that are set to expire in the near future.

Dominican Republic

As of December 31, 2015, Seguros SURA maintained four branches and one administrative offices in the Dominican Republic of which three were owned and two were rented. Seguros SURA's lease contracts in Dominican Republic have standard commercial terms and contain renewal options pursuant to which it can extend the lease terms. Seguros SURA does not anticipate any difficulty in renewing its leases that are set to expire in the near future.

Panama

As of December 31, 2015, Suramericana Panama maintained seven branches and two administrative offices of which six were owned and three were rented. Suramericana Panama's lease contracts have standard commercial terms and contain renewal options pursuant to which it can extend the lease terms. Suramericana Panama does not anticipate any difficulty in renewing its leases that are set to expire in the near future.

Employees

As of December 31, 2015, Suramericana had 11,940 employees in total. The country breakdown of these employees is provided below, and they are divided as follows:

Colombia

As of December 31, 2015, Suramericana had 11,048 employees in Colombia, of which 0.9% were members of a union. Suramericana believes that it has a good working relationship with these unions. The collective bargaining agreements into which Suramericana has entered into with these unions are renegotiated every two years and the renegotiation processes have historically been smooth. Suramericana does not have a history of strikes by employees.

El Salvador

As of December 31, 2015, Suramericana had 300 employees in El Salvador. Those employees are not unionized and Suramericana believes it has a good working relationship with its employees. Suramericana does not have a history of strikes by employees in El Salvador.

Dominican Republic

As of December 31, 2015, Suramericana had 238 employees in the Dominican Republic. Those employees are not unionized and Suramericana believes it has a good working relationship with its employees. Suramericana does not have a history of strikes by employees in the Dominican Republic.

Panama

As of December 31, 2015, Suramericana had 354 employees in Panama. Those employees are not unionized and Suramericana believes it has a good working relationship with its employees. Suramericana does not have a history of strikes by employees in Panama.

Legal Proceedings

Suramericana and its subsidiaries are involved in various claims and legal actions arising in the ordinary course of business. These proceedings are not likely to have a material adverse effect on Suramericana's results of operations or financial condition.

Bancolombia S.A.

Bancolombia is Colombia's and Central America's leading financial institution, providing a wide range of financial products and services to a diversified individual and corporate customer base throughout Colombia and Central America as well as in other countries such as the United States, Puerto Rico and Peru. Bancolombia is the largest bank in Colombia and a relevant player in Central America as measured by total loans and deposits, accounting for 22.9% and 20.8%, respectively, of the Colombian market, 10.7% and 12.2%, respectively, of the Panamanian market, 10.1% and 8.3%, respectively of the Guatemalan market and 27.2% and 26.4%, by total loans and deposits, respectively, of the Salvadoran market, in each case as of December 31, 2015. As of December 31, 2015, Bancolombia's non-performing loans on a 90-day basis as a percentage of total loans was 1.8% (on a 30-day basis was 3.0%).

Bancolombia was founded in 1875 and has grown substantially over the years, through organic growth as well as through acquisitions. For example, in 2013 Bancolombia acquired all of HSBC Bank's businesses in Panama and in 2015 Bancolombia acquired an additional 20% stake in BAM, which brought the bank's share of BAM's equity to 60%. Bancolombia's distribution network in Colombia and Central America includes 1,256 branches, 5,086 ATMs and additional channels that contribute to its regional presence. Bancolombia serves approximately 8.03 million clients in Colombia and 2.77 million clients in Central America.

For the year ended December 31, 2015, Bancolombia's consolidated total net revenue was COP 9.1 trillion, consolidated net interest income after provisions net was COP 5.6 trillion and consolidated net income was COP 2.6 trillion (representing an average return on equity of 13.6% and an average return on assets of 1.5%), as compared to consolidated total net revenue of COP 8.2 trillion, consolidated net interest income after provisions net of COP 5.1 trillion and consolidated net income of COP 2.4 trillion (representing an average return on equity of 14.8% and an average return on assets of 1.7%) for the year ended December 31, 2014. As of December 31, 2015, Bancolombia's consolidated total assets were COP 193.0 trillion, total net loans and financial leases, net were COP 140.4 trillion, total deposits were COP 121.8 trillion and consolidated stockholders' equity was COP 20.4 trillion, as compared to consolidated total assets of COP 149.6 trillion, total net loans and financial leases, net, of COP 110.4 trillion, total deposits of COP 94.8 trillion and consolidated stockholders' equity of COP 17.4 trillion as of December 31, 2014.

While we do not consolidate Bancolombia into our consolidated results of operations, we are Bancolombia's principal shareholder.

Bancolombia's common and preferred shares are traded on the BVC under the symbols "BCOLOMBIA" and "PFBCOLOM", respectively. Its ADRs, each representing four preferred shares, are traded on the New York Stock Exchange under the symbol "CIB."

The full business description of Bancolombia is included in "Item 4—Information on the Company" in Bancolombia's 2015 Annual Report, which is incorporated by reference into this offering memorandum. See "Incorporation by Reference" for additional information.

OUR INTERESTS IN THE INDUSTRIAL SECTOR

Processed Foods Business

Grupo Nutresa S.A.

Overview

Grupo Nutresa is the leading processed foods group in Colombia, as measured by market share in the majority of the business lines that it serves. Grupo Nutresa is also one of the most significant processed foods groups in the sector in Latin America, with a significant presence in Central America, the United States, Chile, Mexico and Peru, among others.

Grupo Nutresa's main activities involve producing, distributing and selling cold cuts, biscuits, chocolates, roasted and ground coffee, ice cream and pasta, as well as providing memorable experiences in its restaurants, ice cream parlors and coffee shops. Grupo Nutresa's other activities include its interests in the metal-packaging industry. Grupo Nutresa's business units offer a competitive set of products and brands that have helped it reach leading market positions in the majority of its business lines in Colombia. Grupo Nutresa has an extensive distribution network in 45 countries, its own production facilities in 14 countries and benefits from the broad international distribution of its products, which are exported to 72 countries.

In 2015, Grupo Nutresa had consolidated operating revenues of COP 7.9 trillion attributable to its principal business lines as follows: 24.0% to the cold cuts business, 19.7% to biscuits, 16.0% to chocolates, 11.3% to Tresmontes Lucchetti, 11.2% to coffee, 6.8% to retail food, 5.6% to ice cream, 3.2% to pasta and 2.2% to other. Grupo Nutresa's consolidated net income in 2015 was COP 430.8 billion as compared to consolidated net income of COP 589.5 billion in 2014. As of December 31, 2015, Grupo Nutresa had consolidated total assets of COP 13.1 trillion as compared to consolidated total assets of COP 11.8 trillion as of December 31, 2014.

While we do not consolidate Grupo Nutresa into our consolidated results of operations, we are Grupo Nutresa's principal shareholder.

Grupo Nutresa's common shares are traded on the BVC under the symbol "NUTRESA," and its Level 1 ADRs are traded on the OTC Market in the United States under the symbol "GCHOY."

Corporate Structure

Grupo Nutresa currently has 78 subsidiaries across its different business lines. Of these subsidiaries, 73 are wholly owned by Grupo Nutresa. The remaining five are La Recetta Soluciones Gastronómicas Integradas S.A.S., a food distribution company in which Grupo Nutresa has a 70.0% ownership interest, Setas, in which Grupo Nutresa has a 99.5% ownership interest, Schadel Ltda. In which it has a 99.9% ownership interest, Helados Bon in which it has an 81.2% ownership interest and Novaceites in which it has a 50.0% ownership interest.

Grupo Nutresa also has significant participation in other food processing companies, such as Bimbo de Colombia S.A. (40% ownership), Dan Kaffe (Malaysia) Sdn Bhd (44% ownership), Estrella Andina S.A.S. (30% ownership), and Oriental Coffee Alliance Sdn Bhd (50% ownership).

Business Lines

Grupo Nutresa's cold cuts, cookies, chocolates, Tresmontes Lucchetti, coffee, retail food, ice cream and pasta division offer a competitive group of products which have helped Grupo Nutresa capture a significant share of the market in many of its divisions in Colombia, based on information published by Nielsen Colombia.

Cold Cuts

The cold cuts division has 73.5% of the market share in Colombia, as measured by sales volume in 2015. The division's strong performance is attributable to a strong brand portfolio that includes products such as Rica, Pietran and Ranchera (barbecue sausage), among others.

Cookies

The cookies division has 55.9% of the market share in Colombia, as measured by sales volume in 2015. Key market-leading products include Saltín Noel (saltine crackers), Festival (cookies semi-covered in a variety of flavor or with variety of filling flavors), Tosh (wafer cookies in a variety of flavors), Ducales and Dux (wheat flour crackers), among others.

Chocolates

The chocolate division has a significant market share in each category in which it participates in Colombia. Based on sales volume in 2015, the chocolates segment had 67.2% of the market share of the chocolate confectionary category and a 62.1% of the market share in the hot chocolate category, among other categories. Popular brands in this segment include Jet and Jumbo (chocolate bars with a variety of toppings), Corona, Especial, Choco Lyne and Chocolisto (chocolate blocks or powders for drinks).

Tresmontes Lucchetti

Tresmontes Lucchetti holds substantial market shares in Chile and Mexico in the categories in which it participates. Based on sales volumes in 2015, the cold instant beverage category had 62.5% and 31.6% of the market share in Chile and Mexico, respectively, and 27.4% of the market share of the pasta category in Chile. Popular brands in the Tresmontes Lucchetti division are Zuko and Livean (cold instant beverages), Lucchetti and Talliani (pasta), Gold and Monterrey (coffee) and Kryspo (potato chips).

Coffee

The coffee division has important market shares in the categories in which it participates in Colombia. Based on sales volumes in 2015, the ground coffee category had 54.2% of the market share and the instant coffee category had 42.0% of the market share. Key market-leading brands in this division, include Sello Rojo, La Bastilla and Matiz (ground coffee) and Colcafé (instant coffee), among others.

Retail Food

Grupo Nutresa's retail food division is the leader in the burger and barbecue restaurant market in Colombia, as well as in the ice cream parlor market in Costa Rica and the Dominican Republic as measured by sales volume. Popular brands in this division include Hamburguesas El Corral, Leños & Carbón, Beer Station, Starbucks, Papa John's, Krispy Kreme, Bon and Pops.

Ice Cream

Grupo Nutresa's ice cream division is the leader in the ice cream market in Colombia as measured by sales volume. The market-dominating performance is attributable to such products as Crem Helado, Polet (flavored ice creams) and Aloha (ices and sorbets), among others.

Pasta

Grupo Nutresa's pasta division has 52.2% of the market share in Colombia, as measured by sales volume in 2015. Key products include Doria (rice-sized pasta), Monticello and Comarrico (variety of pastas).

The following table sets forth the trademarks under which Grupo Nutresa operates by business line:

Legal Proceedings

Grupo Nutresa is involved in various claims and legal actions arising in the ordinary course of business. These proceedings are not likely to have a material adverse effect on Grupo Nutresa's operations or financial condition.

Cement, Ready Mix, Energy and Infrastructure Business

Grupo Argos S.A.

Grupo Argos is the holding company for a group of companies operating mainly in the cement, ready mix, energy and infrastructure development and planning industries in Colombia, the United States, Central America and the Caribbean. As of December 31, 2015, Grupo Argos directly held a 55.3% interest in the cement company Cementos Argos, a 52.5% interest in the energy company Celsia and a 54.7% interest in the infrastructure development and planning company Grupo Odinsa.

Grupo Argos' consolidated operating revenues for 2015 were COP 12.6 trillion and consolidated net income was COP 643.2 billion as compared to consolidated operating revenues of COP 9.3 trillion and consolidated net income of COP 930.4 billion in 2014. As of December 31, 2015, Grupo Argos had consolidated total assets of COP 41.8 trillion as compared to consolidated total assets of COP 34.3 trillion as of December 31, 2014.

While we do not consolidate Grupo Argos into our consolidated results of operations, we are Grupo Argos' principal shareholder.

Grupo Argos' common and preferred shares are traded on the BVC under the symbol "GRUPOARGOS" and "PFGRUPOARG" respectively.

Cementos Argos S.A.

Overview

Cementos Argos is engaged in the business of producing cement and ready mix in Colombia, the United States, Panama, Haiti, the Dominican Republic, St. Maarten, St. Thomas, Antigua, Dominica, Curacao, Surinam, Honduras, French Guyana and Puerto Rico. Cementos Argos' operating revenues derive from sales of cement and ready mix in these countries, as well as from its cement exports to more than 35 countries. In addition to what Cementos Argos produces abroad, approximately 13% of its Colombian production is exported to Central America and the Caribbean region.

In 2015, Cementos Argos was the leading cement and ready mix producer in Colombia in terms of cement and ready mix sales volumes, the fifth largest cement and ready mix producer in Latin America in terms of cement and ready mix sales volumes, and the third largest ready mix producer in the United States in terms of ready mix sales volume. In the United States, Cementos Argos operates in the regional markets of Texas, Arkansas, Georgia, South Carolina, North Carolina, Florida and Virginia.

Cementos Argos has achieved its market position through internal growth and strategic acquisitions in the North America and South America.

In terms of its cement production, Cementos Argos controls 24 ports and operates 13 cement plants with a total production capacity of 21.5 million tons per year. In ready mix, Cementos Argos owns 2,586 mixers and 376 plants, and has a total production capacity of 18 million cubic meters. Internationally, Cementos Argos exports cement and clinker to over 35 countries.

Cementos Argos' common and preferred shares are traded on the BVC under the symbol "CEMARGOS" and "PFCEMARGOS" respectively, and its Level 1 ADRs are traded on the OTC Market in the United States under the symbol "CMTOY."

Corporate Structure

Cementos Argos currently has 44 subsidiaries which include cement companies, ready mix producers and ports in Colombia, the United States, Central America and the Caribbean. Of these subsidiaries, 21 are wholly owned by Cementos Argos.

Products

Cementos Argos' cement production plants produce a diverse range of products, including general use cement (used for any construction), structural cement (intermediate resistance for mid-size construction), gray cement for industrial use (specific use), gray cement for ready mix (specific use), cement type I and II for exports, white cement for general use and white cement for exports.

Cementos Argos is a producer of white cement in Colombia. White cement is used as a construction material for ornamental purposes. White cement production is particularly difficult because the limestone and other minerals needed to produce white cement must comply with certain specifications that are only available at the quarry near Cementos Argos' Nare plant in Puerto Nare, Colombia.

Cementos Argos' portfolio of ready mix products includes construction materials to satisfy the demands of various infrastructure and architectural projects. For example, high resistance ready mix for infrastructure products, white ready mix for architectural projects, light ready mix for ornamental purposes and floor ready mix for public space.

Celsia S.A.

Celsia is a leading electricity company in Colombia, Panama and Costa Rica based on electricity generation and installed capacity. Celsia divides its business into three segments that complement each other and represent independent sources of revenue: electricity generation and commercialization, electricity transmission and distribution and natural gas distribution and commercialization.

As of December 31, 2015, Celsia had an installed generation capacity of 2,390 MW distributed across 27 power plants located in Colombia, Panama and Costa Rica, of which five are thermal power plants, 21 are hydroelectric power plants and one is a wind farm. In 2015, Celsia generated 9% of the energy consumed in Colombia during the year, which positions Celsia as the fourth largest electricity generation company in Colombia, based on management estimates. As a result of the company's international expansion in the last quarter of 2014 through the purchase of hydroelectric and thermal power plants in Panama and a wind farm in Costa Rica, Celsia became the second largest electricity generator in Panama, based on management estimates.

Through its subsidiary EPSA, Celsia is present in the four stages of the electricity business in Colombia: generation, transmission, distribution, and commercialization. It provides electricity transmission and distribution services to 39 municipalities in Valle del Cauca and one in Chocó, which represent approximately 4% of Colombia's distribution customers. Celsia's transmission and distribution services are supported by a network of seven substations and 274 kilometers of high voltage lines (greater than 220 kV), as well as 72 substations and 19,955 kilometers of medium and low voltage lines (lower than 220 kV).

Celsia's common shares are traded on the BVC under the symbol "CELSIA."

Grupo Odinsa S.A.

Grupo Odinsa is primarily focused on the planning, development, management and financing of large and complex infrastructure projects throughout Latin America and the Caribbean, including, among others, highway-related projects, airports, tolls and electricity generation.

In 2015, Grupo Odinsa derived 40% of its revenues from roads and highway-related concessions, 32% from energy generation, 7% from the operation and management of concessions, 16% from construction and 5% for other services, such as the administration of toll booths and toll collections for both public and private entities. As of December 31, 2015, Grupo Odinsa was one of the leading companies in Colombia's infrastructure sector, in terms of number of concession contracts awarded.

Grupo Odinsa's common shares are traded on the BVC under the symbol "ODINSA."

Legal Proceedings

Grupo Argos and its subsidiaries are involved in various claims and legal actions arising in the ordinary course of business. These proceedings are not likely to have a material adverse effect on Grupo Argos' operations or financial condition.

REGULATION

COLOMBIA

General Regulation Applicable to Pension Funds, Insurance and Banking Businesses

Overview

The *Constitución Política de Colombia* ("Colombian Constitution") provides that pension fund, insurance, banking and securities exchange activities and others related to the management and investment of funds raised from the public require prior authorization and supervision by the Colombian government. Further, the Colombian Constitution provides that Colombian Congress shall establish by law the general principles and objectives that limit the scope of regulations issued by administrative authorities relating to the pension fund, banking, securities exchange and insurance businesses. Accordingly, the Colombian government, acting through the *Ministerio de Hacienda y Crédito Público* ("Colombian Ministry of Finance") regulates AFPs, banking institutions and insurance companies, among others, ("Supervised Entities") by means of decrees. Similarly, the SFC issues the regulations necessary for compliance with governmental decrees by means of circulars and resolutions.

The Central Bank of Colombia has the authority to establish the monetary, exchange and credit policy of Colombia, which directly affects the pension fund, insurance and banking businesses. These policies are determined by the board of directors of the Central Bank of Colombia.

The activities of Supervised Entities, such as broker dealers and other participants, in the securities exchange are subject to the regulations enacted by the *Autoregulador del Mercado de Valores* ("Self -Regulatory Organization of the Securities Exchange," or "AMV") to maintain and protect the integrity and reliability of the Colombian capital markets. Additionally, the *Superintendencia de Industria y Comercio* (Superintendency for Industry and Commerce, or "SIC") regulates and supervises anti-trust matters.

Colombian regulation provides that Supervised Entities must be incorporated as *sociedades anónimas* (corporations) and that prior authorization from the SFC is required not only for their incorporation but also for the acquisition of 10% or more of their capital stock, the disposition of a relevant part of their assets, liabilities and contracts, their merger or spin-off.

The Colombian regulatory framework applicable to Supervised Entities also includes:

- Capital adequacy and solvency, as well as other prudential regulation in accordance with Basel recommendations, accounting and financial rules of Supervised Entities;
- Comprehensive risks management standards – see "—Other Regulations—Risk Management Systems;"
- Financial stability of the Supervised Entities and preventive measures when such stability is jeopardized;
- Permitted investments, particularly for AFPs, regarding their assets under management and insurance companies, regarding their technical reserves;
- Valuation of assets and investments, liability, risk management policies, among others;
- Credit exposure and lending limits;
- Intercompany operations and synergies among companies being part of the same group, such as allowing the use of banking offices by companies to sell insurance in a process currently known as *bancaseguros*;
- Customer and client protection;
- Inclusion of lower income households by means of non-traditional deposit mechanisms by non-

banking correspondents (*corresponsales no bancarios*) or micro-insurances; and

- Financial and other related reporting requirements, among others.

Significant Regulatory and Supervisory Authorities

Central Bank of Colombia

The Central Bank of Colombia exercises the customary functions of a central bank, including price stabilization, monetary policy, regulation of currency circulation, regulation of credit, exchange rate monitoring and management of international reserves. Its board of directors is the regulatory authority for monetary, currency exchange and credit policies, and is responsible for the direction of the Central Bank of Colombia's duties. The Central Bank of Colombia also acts as lender of last resort to financial institutions.

Colombian Ministry of Finance

One of the functions of the Colombian Ministry of Finance is to regulate all aspects of financial (including pension funds and banking businesses) and insurance activities. The Colombian Ministry of Finance issues decrees relating to financial insurance, pension and severance matters that may affect pension funds, banking and insurance businesses in Colombia. In particular, the Colombian Ministry of Finance is responsible for regulations relating to capital adequacy, risk management and limitations, authorized operations, permitted investments, disclosure of information and accounting of Supervised Entities. This role is conducted through the *Unidad de Regulación Financiera* (Financial Regulation Unit), which is a specialized division within the Colombian Ministry of Finance responsible for designing policies and drafting decrees applicable to Supervised Entities.

Superintendency of Finance (SFC)

The SFC is responsible for regulating the Supervised Entities by issuing circulars, such as the Basic Legal Circular 029 of 2014 and Basic Financial and Accounting Circular 100 of 1995. The SFC adopts a risk-based supervision policy described in the *Marco Integral de Supervisión* (Integral Supervision Framework) published in their webpage. Additionally, the SFC is focused on the implementation of prudential requirements based on Basel, International Organization of Securities Commissions, International Association of Insurance Supervisors and Bank for International Settlements recommendations, along with OECD policies. More recently, the SFC has been moving beyond local supervision, to collaborate with several Latin and Central American supervisors and other international regulators, to carry on simultaneous supervision of multinational Supervised Entities and entering into information sharing agreements.

In addition, the SFC is responsible for monitoring and regulating the market for publicly traded securities in Colombia and for monitoring and supervising securities market participants, including the Colombian Stock Exchange, brokers, dealers, mutual funds and issuers.

Violations of the financial system regulations are subject to administrative and, in some cases, criminal sanctions.

Self-Regulatory Organization of the Securities Exchange (AMV)

The AMV is a private oversight body responsible for the regulation of entities participating in the Colombian capital markets. The AMV may issue mandatory instructions to its members, its members' compliance, and impose sanctions for violations. All capital market intermediaries, including Bancolombia, some of its affiliates and SURA AM, must become members of the AMV and be subject to its regulations.

Superintendency of Industry and Commerce (SIC)

The SIC is the authority responsible for supervising and regulating competition in several industrial sectors, including AFPs and financial and insurance institutions. The SIC is authorized to initiate administrative proceedings and impose sanctions on Supervised Entities, whenever a Supervised Entity engages in anti-competitive behavior.

Regulation of the Mandatory Pension Funds Business

Overview

The current pension system in Colombia was created by the Colombian Pension Law (Law 100 of 1993). Before the Colombian Pension Law, the public system was the only provider of social security services. The pension system aids workers as they experience old age, disability and death through the recognition and payment of pensions and special benefits. The Colombian Pension Law established a dual system whereby clients can choose the system that manages their contributions for retirement.

The Colombian pension sector is composed of two competing systems: the public system *Régimen Solidario de Prima Media con Prestación Definida* (Solidarity Medium Premium Regime) and the private system *Régimen de Ahorro Individual con Solidaridad* (Individual Savings Regime). The private system is a defined contribution system in which contributions are deposited in an individual account that is managed in accordance with a client's instructions. Members of the pension system can choose the pension system of their choice. Once the initial selection is made, to the extent the client is 10 or more years away from the legal retirement age, he or she can choose to move between the public and private system once every five years.

AFPs are required by law to be single-purpose companies and are authorized to provide the following services: the collection and management of mandatory and voluntary contributions made by their account holders and the investment of their account holders' contributions to one of their three mandatory pension funds (lower risk funds, mid-risk funds and high risk funds,) which have a mandatory investment regime set forth by the government through Decree 2555 of 2010 as amended from time to time. Colombian AFPs also manage a special fund, the programmed withdrawal special fund, which funds are used to administer the pensions of clients who choose the programmed withdrawal option. They are also authorized to manage two severance funds (short-term and long-term).

Under the Colombian Pension Law, each pension fund administered by an AFP is a distinct asset, whose assets are segregated from those of the AFP and is not affected in any way by the AFP's financial condition and results of operations. If the AFP is subject to an administrative takeover by the SFC, the SFC can order the transfer of the pension funds to another AFP.

Significant Regulatory and Supervisory Authorities

For a description of the regulatory and supervisory authorities applicable to the pension funds businesses, see "—General Regulation Applicable to Pension Funds, Insurance and Banking Businesses—Significant Regulatory and Supervisory Authorities."

Significant Pension Fund Regulations

D&S insurance

The Colombian Pension Law requires AFPs to individually procure D&S insurance to provide D&S benefits to their account holders.

Senior Pension Benefits

As required by the SFC, each AFP must provide specific senior pension benefits to their participants who meet the minimum age requirement: men at age 62 and women at age 57.

New Account Holders

Clients can voluntarily choose an AFP and the fund (either conservative, balanced, or higher risk), with certain limitations based on age.

Mandatory Reserve

A reserve of approximately 1% of an AFP's assets under management is required to be held by the AFP. This reserve is required to be invested in the same funds that are managed by the AFP. If an AFP fails to comply with this the mandatory reserve requirement, the SFC may order its dissolution.

Minimum Return

AFPs are required to achieve a legal minimum return for each of their mandatory pension and severance funds. This minimum return for mandatory pensions funds (over the last three years), long-term severance funds (over the last two years) and short-term severance funds (over the last quarter), is based on the weighted average of the aggregate returns of the respective funds in the AFP system and a reference portfolio established by the SFC. If a fund's return for any month is lower than the minimum return, the AFP must cover the difference within a period of five days. To do so, the AFP must first apply funds from its mandatory reserve. If the mandatory reserve is insufficient to cover the difference, the AFP must provide resources from its own capital within the same five-day period. In such a situation, the SFC may require capitalization of the AFP up to the amount needed to cover the shortfall in order to replenish the legally mandated minimum reserve level. If an AFP fails to comply with the minimum return requirement, it may eventually be dissolved and subject to an administrative takeover.

Board Practices

The Colombian Pension Law establishes a requirement for AFPs to have independent directors on their boards of directors and audit committees. Moreover, pursuant to the Colombian Pension Law, clients and employers have the right to elect two members to represent them at board meetings. Such members have the right to participate without vote in all board meetings.

Severance

AFPs in Colombia are also required to collect and manage the severance contributions of their account holders, which in turn are made by their respective employers, and invest these contributions in one of two severance funds.

Under Colombian law, employees must make an annual severance contribution for certain qualified employees equal to one month's salary (or a proportional amount for any employee who worked less than a year). Qualified employees are those that make less than a certain level of salary as established under the applicable regulations.

Regulation of the Insurance and Annuities Business

Overview

Insurance companies in Colombia are regulated by the SFC, which has set forth certain regulatory requirements for insurance companies related to the minimum capital required for incorporation and for each line of insurance offered.

Insurance contracts in Colombian are regulated by the Colombian Code of Commerce, but the insurance practice has developed dynamically through court and arbitral rulings that have cause the industry to evolve in ways similar to many advanced jurisdictions. Some such developments are manifested in law, including Law 389 of 1997 that authorizes sunset clauses in legal liability insurance as well as discovery clauses in bankers blanket bond. These clauses permit insurers to limit their risk by clearly limiting the time available to make a claim or discovery, respectively. This law also allows companies to use banking offices to sell insurance in a process currently known as *bancaseguros*.

Colombian insurance regulation also allows insurance companies to provide insurance policies that Colombian companies and individuals need to hedge risk. Law 491 of 1999 establishes ecological or environmental insurance as a mechanism to cover quantifiable economic loss resulting from damage to the environment and natural resources. More recently, Law 1328 of 2009 allows Colombian citizens to get any type of insurance abroad, except for mandatory insurances, when the insured person or its beneficiary is the Colombian government and insurance policies related to the social security system.

Significant Regulatory and Supervisory Authorities

For a description of the regulatory and supervisory authorities applicable to the life insurance and annuities businesses, see "—General Regulation Applicable to Pension Funds, Insurance and Banking Businesses—Significant Regulatory and Supervisory Authorities."

Significant Life Insurance and Annuities Regulations

Reserve Requirements

Insurance companies are required to satisfy some certain requirements; Decree 2973 of 2013(currently incorporated into Decree 2555 of 2010) provides that insurance companies in Colombia must have certain levels of technical reserves and adequate equity levels to guarantee the protection of the insured persons', policy holders´ and beneficiaries' interests. Specifically, the decree set forth the following six technical reserves that apply to cover different risks regarding insurance companies' activities developed by insurance companies: The on-going technical reserve (*reserva de riesgo en curso*), mathematical reserve (*reserva matemática*), assets shortfall reserve (*reserva de insuficiencia de activos*), reserve of the pending claims (*reserva de siniestros pendientes*), casualty's deviation reserve (*reserva de desviación de siniestralidad* and reserve of catastrophic risks (*reserva de riesgos catastróficos*).

Insurance companies must calculate, create and adjust its technical reserves on monthly basis.

Regulation of the Banking Business

Overview

Banking institutions in Colombia have undergone significant changes since the liberalization of the Colombian banking regime in the early 1990s. The most significant of these changes has been the increased consolidation of the Colombian banking industry, which has experienced significant growth in the size of Colombian financial institutions and commercial banks and a decrease in the number of market participants as a result of numerous mergers and acquisitions.

During the late 1990s, Colombia experienced a severe financial crisis, as a result of which much of the country's current regulatory framework was adopted. These regulations laid the foundation for the country's current robust standards related to solvency, net worth, liquidity and risk management. Following the Colombian financial crisis, the country experienced periods of strong economic growth, particularly between 2003 and 2007, and during this period the country's banking institutions were strengthened and capitalized. In 2008, worldwide economic growth declined, and by 2009, many countries experienced severe recessions as a result of the global financial crisis. Although Colombian banks were also affected by the global financial crisis, the effect was less severe than in many countries, in large part due to the macroeconomic management of the Central Bank of Colombia and the Colombian government, and the strength of the financial and regulatory regime that was implemented in response to the Colombian financial crisis of the late 1990s.

The Colombian financial system has also been engaged in the adoption of international principles of corporate and social responsibility. Additionally, banks have contributed to foundations and participate in sectors with high social impact, such as microfinance, employment, growth and creation and demonstrating their commitment to emerging businesses.

In the past two decades, several measures were taken by Colombian authorities in order to strengthen the financial system and special banking institutions. The list below describes some of the most relevant measures taken by regulators:

- set maximum loan-to-value levels for mortgage loans;
- restrict the ability of municipalities to assume debt above certain levels;

- prohibit capitalization of interest on mortgages;
- gradual implementation of Basel standards;
- conversion of savings and mortgage companies into banks; and
- introduction of risk management models and provision requirements for commercial and consumer loans based on the probability of default and expected losses in case of default.

Significant Regulatory and Supervisory Authorities

For a description of the regulatory and supervisory authorities applicable to the banking business, see "—General Regulation Applicable to Pension Funds, Insurance and Banking Businesses—*Significant Regulatory and Supervisory Authorities*."

Significant Banking Regulations

Reserve Requirements

Commercial banks are required by the board of directors of the Central Bank of Colombia to satisfy reserve requirements with respect to deposits and other cash demands. These reserves are held by the Central Bank of Colombia in the form of cash deposits. According to Resolution 11 of 2008, the reserve requirements for Colombian banks are measured bi-weekly and the amounts depend on the class of deposits.

The reserves of credit institutions range between zero and 11%. For example, credit institutions must maintain reserves of 11% for checking accounts deposits and savings accounts deposits and other liabilities, reserves of 4.5% for term deposits with a maturity of less than 540 days, and no reserves for term deposits with a maturity of more than 540 days and for indebtedness in a foreign currency.

Credit institutions may maintain these reserves in their accounts at the Central Bank of Colombia or in cash.

Non-performing Loan Allowance

The SFC maintains guidelines on non-performing loan allowances for financial institutions.

Lending Activities

Decree 2555 of 2010, as amended, sets forth the maximum amounts that a financial institution may lend to a single borrower (including for this purpose all related fees, expenses and charges). These maximum amounts may not exceed 10.0% of a bank's technical capital. However, there are several circumstances under which the limit may be raised. In general, the limit is raised to 25.0% when amounts lent above 5.0% of technical capital are secured by guarantees that comply with the financial guidelines provided in Decree 2555 of 2010, as amended or up to 40% to finance infrastructure projects (4G projects). Also, according to Decree 2555 of 2010, a bank may not make loans to any shareholder that holds directly more than 10.0% of its capital stock for one year after such shareholder reaches the 10.0% threshold. In no event may a loan to a shareholder holding directly or indirectly 20.0% or more of the bank's capital stock exceed 20.0% of the bank's technical capital. In addition, no loan to a single financial institution may exceed 30.0% of the bank's technical capital, with the exception of loans funded by Colombian development banks which are not subject to such limit.

Also, Decree 2555 of 2010 set a maximum limit for risk concentrated in one single party, equivalent to 30.0% of the bank's technical capital, the calculation of which includes loans, leasing operations and equity and debt investments.

The Central Bank of Colombia also has the authority to establish maximum limits on the interest rates that commercial banks and other financial institutions may charge on loans. However, interest rates must also be consistent with market terms with a maximum limit established by the SFC.

CHILE

Regulation of the Mandatory Pension Funds Business

Overview

The Chilean private pension fund system was created in May 1981 pursuant to the Chilean Pension Law.

Chilean AFPs are required by law to be single-purpose companies authorized to provide the following services: the collection and management of mandatory and voluntary contributions made by its account holders, the investment of its account holders' contributions in one or more of its five pension funds, the provision of D&S insurance to their account holders through the purchase of fixed insurance premiums through a bidding process with life insurance companies and the provision of a senior pension for each one of its account holders.

Under the Chilean Pension Law, each pension fund administered by the AFP is a separate legal entity that is not affected in any way by the AFP's financial condition and results of operations.

AFPs are subject to the rules and regulations of the Chilean Corporations Law, the Chilean Pension Law and, complementarily, the provisions of Law No. 18,046 of 1981, its amendments and regulations. Additionally, the Chilean Pension Reform Law introduced amendments to the Chilean Pension Law as well as Law No. 20,366, which regulates the solidarity pension system financed by the resources of Chilean government that began granting benefits on July 1, 2008.

Significant Regulatory and Supervisory Authorities

All AFPs are subject to extensive and continuous regulatory reviews. The principal authorities regulating AFPs in Chile are the Chilean Superintendency of Pensions, the Central Bank of Chile, the SVS, the *Comisión Clasificadora de Riesgo* ("Ratings Commission") and the *Consejo Consultivo Previsional* ("Pension Advisory Council"), with the Chilean Superintendency of Pensions being the primary regulator.

The Chilean Superintendency of Pensions

The Chilean Superintendency of Pensions was created pursuant to the Chilean Pension Reform Law as the successor entity to the Superintendency of AFPs. It is an independent governmental agency that works in conjunction with the *Ministerio del Trabajo y Previsión Social* (Ministry of Labor and Social Security). Its main purpose is to regulate and supervise AFPs to ensure compliance with the laws and regulations applicable to the AFPs as well as the Chilean Superintendency of Pensions' instructions. In such capacity, the Chilean Superintendency of Pensions monitors the legal, administrative and financial operations of AFPs and ensures that they are in compliance with minimum capital and mandatory reserve requirements. In cases of non-compliance, it has the ability to impose sanctions, such as warnings and fines, and in extreme cases it may order the liquidation of an AFP.

In addition, the Chilean Superintendency of Pensions authorizes the creation of new AFPs and mergers between existing AFPs. It also approves any amendment to an AFP's bylaws, including capital increases. The Chilean Pension Reform Law also gave the Chilean Superintendency of Pensions broad power to monitor and supervise the solidarity pension system and establish and administer the *Registro de Asesores Previsionales* (Pension Advisors Registry).

The Chilean Superintendency of Pensions imposes certain reporting requirements on AFPs. In particular, the annual audited financial statements for each AFP must be filed with the Chilean Superintendency of Pensions within 60 days after the end of each fiscal year. AFPs are also required to submit their quarterly financial statements to the Chilean Superintendency of Pensions and periodically provide detailed information on their operations. Additionally, officials from the Chilean Superintendency of Pensions frequently inspect AFPs' branch offices and examine their activities and records.

The Central Bank of Chile

The Central Bank of Chile is an independent legal entity created under the *Constitución Política de la República de Chile* (Chilean Constitution) that is responsible for, among other things, monetary policy and exchange controls in Chile. It acts pursuant to the *Ley Orgánica Constitucional del Banco Central de Chile* ("Central Bank Act") and, to the extent applicable and not inconsistent, the laws and regulations applicable to the private sector. It is governed and administered by a council composed of five members appointed by the President of Chile, who require a "special majority" vote of the *Senado de Chile* (Chilean Senate) to be elected.

With respect to the pension fund business, the Central Bank of Chile plays a key part in the regulation of foreign investment. For example, in order for investors to gain access to the formal exchange market, foreign investments must be registered with the foreign investment committee under Decree Law No. 600 or the Central Bank of Chile under the Central Bank Act. Additionally, the Central Bank of Chile is responsible for establishing the maximum investment limits permitted for each pension fund type according to security and issuer classes within certain defined ranges. However, the Central Bank of Chile cannot establish minimum investment limits.

The SVS

The SVS is an independent governmental agency that supervises, regulates and controls the Chilean capital and insurance markets. See "—Regulation of the Voluntary Savings Business."

The Ratings Commission

The Ratings Commission is a regulatory entity whose main objective is to determine whether securities qualify for pension fund investment. It is comprised of one representative from the Chilean Superintendency of Pensions, one representative from the *Superintendencia de Bancos e Instituciones Financieras* (Chilean Superintendency of Banks and Financial Institutions) and one representative from the SVS, whom are all appointed by their respective superintendents and four AFP representatives.

Pursuant to the Chilean Pension Reform Law, the determination of whether foreign securities qualify for pension fund investment is set forth in the investment regime, a new legal framework that regulates pension fund investments. The investment regime was created through a resolution adopted by the Chilean Superintendency of Pensions and approved by the *Ministerio de Hacienda de Chile* (Chilean Treasury Department), with the prior consultation of the Pension Advisory Council.

The Pension Advisory Council

The Pension Advisory Council is a legal entity whose main objective is to issue rules, regulations and pronouncements regarding investment regime matters and proposals to regulate pension fund investments, especially in connection with investment limiting structures, risk management and derivatives. Additionally, it advises the Chilean Superintendency of Pensions on matters related to pension fund investments. It is comprised of one executive appointed by the President of Chile, one executive designated by the Central Bank of Chile, one executive designated by the AFPs and two executives designated by the deans of the economics and business administration faculties of accredited universities.

Significant Pension Fund Regulations

D&S Insurance

The Chilean Pension Reform Law eliminated the individual responsibility of AFPs in connection with D&S insurance by establishing that the AFPs collectively should purchase a fixed and single insurance premium through a bidding process to cover this obligation. Such insurance is awarded to one or more insurance companies, that provide the best economic offer.

Senior Pension Benefits

As required by the Chilean Pension Law, each AFP must provide specific senior pension benefits to its participants who meet the minimum age requirement: 60 years of age for women and 65 years of age for men.

New Account Holders

The Chilean Pension Reform Law introduced a bidding process for new account holders, which takes place every two years, beginning on May 2009. The AFP offering the lowest fee is generally declared the winning bidder, and this fee must be lower than the lowest fee operating in the industry and must apply to the AFP's entire portfolio, not only to the awarded portion. During such two-year period, only the winning bidder may sign up new clients.

Mandatory Reserve and Minimum Return

The Chilean Pension Law establishes that each AFP must maintain a reserve for mandatory reserves equal to 1% of the value of each pension fund under management The mandatory reserve is calculated in accordance with instructions issued by the Chilean Superintendency of Pensions and corresponds to the value of each pension fund two days prior to calculation. Since June 1995, the Chilean Pension Law has required AFPs to invest this mandatory reserve in shares of the respective pension fund managed by the AFP. This legislation is intended to eliminate potential conflicts of interest that could arise between investment decisions relating to a portfolio held as an AFP's reserves and those relating to the portfolio where pension funds are invested.

The mandatory reserves' purpose is to provide a guarantee in the event that the performance of a specific pension fund drops below the required minimum level of return. This requirement has been determined in accordance with the different portfolio compositions, requiring those with a greater investment in variable income securities and therefore potentially subject to higher volatility (fund types A and B) to maintain a larger margin to achieve the requirement. The minimum return for pension fund types A and B is the lesser of (a) the weighted average annual real return for the last 36 months of the same type of all pension funds in the system less 4% and (b) 50% of the weighted average annual real return for the last 36 months of the same type of all pension funds in the system. For pension fund types C, D and E, this level is the lesser of (a) the weighted average annual real return for the last 36 months of the same type of all pension funds in the system less 2% and (b) 50% of the weighted average annual real return for the last 36 months of the same type of all pension funds in the system.

The Chilean Pension Reform Law includes an exception to the minimum level of return for funds that have been in operation for less than 36 months. In these cases, the AFP will be liable to the fund to the extent that the weighted annual real return of fund types A and B are less than the lesser of (a) the weighted average annual real return of all funds of the same type for the period equivalent to the months in operation of the new fund less 6% and (b) 50% of the weighted average real return of all funds of the same type for the period equivalent to the months in operation of the new fund type. In the case of pension fund types C, D and E, the weighted average real return may not be less than the lesser of (a) the weighted average real return of all funds of the same type for the period equivalent to the months in operation of the new fund less 4 % and (b) 50% of the weighted average real return of all fund types of the same type for the period equivalent to the months in operation of the new fund type. The latter will not be applicable to AFPs with respect to any of their pension funds that have less than twelve months in operation.

The average annual real return is calculated by the Chilean Superintendency of Pensions according to a weighted formula established by the Chilean Pension Law based on the weighted average real rate of return for all pension funds in the AFP system over a 36-month period that, among other things, limits the maximum participation of any AFP in the calculation. If for a certain month the pension fund's annual real return on investment falls below the minimum return required, the difference must be covered by the mandatory reserves. If the resources from mandatory reserves are applied and the minimum return is still not reached, the Chilean government makes up the difference.

In the event that the pension funds managed by an AFP fail to fulfill the required minimum level of investment return, the AFP is required to cover the difference within five days of such determination by the Chilean Superintendency of Pensions. If reserves are used to fund any deficit in the required level of return, the AFP must replenish them within 15 days. If a deficit is not covered or if reserves are not replenished, the AFP will be liquidated by the Chilean Superintendency of Pensions.

Given that all six AFPs have similar investment strategies, none of them have had to use their minimum reserves. As of the date of this offering memorandum, AFP Capital is in compliance with the minimum reserve and minimum return requirements.

Board Practices

The Chilean Pension Reform Law incorporates additional limitations over executives that might serve on the board of directors of AFPs and the requirement that at least two members of an AFP's board of directors members be independent.

Executive Limitations. Since October 2008, directors and/or executives of other AFPs, banks or financial institutions, stock exchanges, stock intermediaries, administrators of investment funds, administrators of mutual funds or insurance companies may not be appointed as directors of an AFP. In addition, directors of other companies, foreign or local, that belong to an AFP's business group may not be appointed as a director of an AFP.

Independence. A director is considered independent when he has no relationship with the AFP, the other companies of the corporate group to which the AFP belongs, its controlling shareholder or the principal executives of any of the group companies that might generate a potential conflict of interest or hinder his independence. Furthermore, directors of corporations complying with certain requirements, including AFPs, must also meet the independence criteria set forth in the *Ley de Sociedades Anónimas* ("Chilean Corporations Law").

Committee of Investment and Conflict of Interest Resolution

The Chilean Pension Reform Law requires that AFPs establish investment policies for each of the pension fund types administered by them, conceived by their respective board of directors. In addition, AFPs must have a conflicts of interest policy approved by their board of directors.

AFPs must submit copies of their policies on investment and conflicts of interests to the Chilean Superintendency of Pensions, which then publishes such policies on its website.

Regulation of the Voluntary Savings Business

Overview

Historically, the Chilean mutual fund system has been regulated by Law Decree No. 1328 ("Chilean Funds Law") enacted in 1976. Recently, however, the *Congreso Nacional de Chile* (Chilean National Congress) approved Law No. 20712, entitled *Ley Única de Fondos* (Single Funds Act) which currently regulates the mutual fund and investment funds business in Chile.

Mutual funds and investments managers are managed by investment managers (*Administradoras Generales de Fondos*) that are allowed to provide funds administration and related services. According to the Chilean Funds Law, mutual funds may be redeemable and non-redeemable and investment funds may be public or private.

Under the Chilean Funds Law, each investment manager is a separate legal entity that is not affected in any way by financial condition and results of the operations of the funds.

Mutual funds and investment managers are subject to the rules and regulations issued by the SVS.

Significant Regulatory and Supervisory Authorities

All mutual funds and investment managers are subject to extensive and continuous regulatory reviews. The principal authorities regulating this business in Chile are the SVS and the *Unidad de Análisis Financiero* (Chilean Financial Analysis Unit), which also regulates AFPs, brokerage funds and insurance companies, with the SVS being the primary regulator.

The SVS

The SVS was created in 1980 by the Law Decree No. 3.538. It is an independent governmental agency that is supervised by the *Ministerio de Hacienda* (Treasury Department). Its main purpose is to regulate and supervise investment managers and its mutual funds to ensure compliance with the laws and regulations applicable to such entities. In such capacity, the SVS monitors the legal, administrative and financial operations of investment managers and ensures that they are in compliance with minimum capital and mandatory reserve requirements. In cases of non-compliance, it has the ability to impose sanctions, such as warnings and fines, and in extreme cases it may order their liquidation.

In addition, the SVS authorizes the creation of new investment managers and their mutual funds, as well as mergers between existing investment managers. It also approves any amendment to the bylaws of investment managers, including capital increases.

The SVS imposes certain reporting requirements on mutual funds. In particular, annual audited financial statements must be filed with the SVS within two months after the end of each fiscal year. Mutual funds are also required to submit their quarterly financial statements to such regulator and periodically provide detailed information on their operations. Additionally, officials from the SVS frequently inspect and examine activities and records.

Significant Mutual Fund Regulations

Board Practices

Under the Chilean Mutual Fund Law, there is no obligation for investment managers to have independent members on their boards of directors. The main requirements for an individual to be appointed a director and/or executive are that they: (i) be of legal age, (ii) be a high school graduate, (iii) not have been processed or convicted of crimes of economic nature or sentenced to serve prison time and (iv) not have been declared bankrupt or entered into judicial or extrajudicial agreements with creditors.

Regulation of the Insurance and Annuities Business

Overview

The regulatory framework of the Chilean insurance market is comprised of regulations covering insurance and reinsurance activities in Chile, which are set forth in the *Código de Comercio de Chile* (Chilean Code of Commerce), the *Ley de Compañías de Seguros* ("Law on Insurance Companies") and its amendments (DFL No. 251) and the Chilean Pension Law.

Significant Life Insurance Regulations

Law on Insurance Companies (DFL No. 251)

Chilean legislation reserves the performance of insurance activities to Chilean publicly-traded corporations that have the provision of insurance services as their sole corporate objective. Foreign insurance companies incorporated overseas may engage in certain types of insurance activity in Chile, including establishing offices in the country, establishing brokers and requesting authorization from the SVS to sell insurance. Nevertheless, any person or legal entity in Chile may procure insurance outside of Chile, except for those that are mandatory by law and those set forth in the Chilean Pension Law, which can only be underwritten by companies incorporated in Chile.

Significant Legal Requirements

Below is a summary of the principal legal requirements imposed on insurance companies by the applicable laws and regulations:

- Before the SVS authorizes the insurance activity of a company, it must be a Chilean corporation and have a minimum capital of UF 90,000 that is completely subscribed and paid-in. If the equity of an insurance company falls below the UF 90,000 minimum, the company is required to make up the difference, and if it fails to do so, the SVS will revoke its authorization to exist. Each Chilean corporation whose exclusive purpose is reinsurance must have a minimum equity of UF 120,000 per each group in which it operates. If during the course of its operations, this equity falls below the UF 120,000 minimum, the entity is required to make up the difference, and if it fails to do so, the SVS will revoke its authorization to exist.

- There are two business groups in which insurance companies can operate: (i) the first group is comprised of insurance to cover the risk of loss or deterioration of a policyholder's equity, and (ii) the second group is comprised of insurance to cover risks to people or that guarantees, within or at the termination of a policy term, a capital or profit. An insurance company may not participate in both groups.

- Insurance companies may reinsure risks for the group in which they are authorized to operate.
- Insurance covering personal accidents and health risks may be covered by companies operating in the first or second group.
- Credit risks (i.e., the risk of loss or deterioration of a policyholder's equity due to failure to pay a financial obligation) may only be insured by companies in the first group whose sole purpose is to cover this type of risk, *provided* that they may also cover *garantías y fidelidad* ("warranties and fidelity").

Each insurance company is required to maintain the highest risk equity possible taking into account the equity necessary to keep the indebtedness ratios and solvency margins required by the applicable regulations and the minimum equity requirements discussed above. In terms of indebtedness ratios, the total debt-to-equity ratio may not be greater than five times for first group of insurance providers or greater than 15 times for second group of insurance providers. The total amount of debt with third parties that do not maintain technical insurance reserves may never exceed the amount of the minimum equity requirements discussed above. Solvency margins are used by international insurance markets and are based on the technical behavior of an insurance company, which considers the volume of direct premium and the average load of claims in order to determine which one requires more equity according to formulas and parameters established by the SVS.

Supervision

The SVS may at any time request insurance companies to provide information on their business, inspect their offices, examine their documentation and accounting books, establish regulations related to the preparation and presentation of balance sheets, financial statements and the management of accounting, order the appointment of external auditors to report on their general balances and appoint external auditors to perform specific activities within supervised entities.

In case of non-compliance by an insurance company with applicable laws and regulations or its bylaws, the SVS is entitled to apply the following sanctions: censure or warning, fine, suspension of the management for up to six months, suspension of all or some operations for up to six months and revocation of the authorization of existence.

Insurance companies have a reporting obligation to the SVS and the public and must provide timely notice of any material events affecting them and their businesses.

Policy forms and clauses underwritten by insurance companies must be filed in the policy registry of the SVS.

Investment Regulations

Technical reserves and risk equity of insurance companies, without prejudice to the deposits held by them in bank accounts, must be backed by investments made with the instruments and assets identified in *Decreto con Fuerza de Ley* ("DFL") 251 and by the SVS, in each case within the limits established by the SVS for each kind of asset.

If any investment backing the technical reserves or risk equity of an insurance company (or the combination of these) exceeds any of the diversification limits established by law, the excess shall not be accepted as back-up technical reserves or risk equity. In addition, investments that have failed to comply with the legal requirements to be considered as technical reserves shall not be accepted as technical reserves.

Investments corresponding to technical reserves and risk equity may not be subject to taxes, prohibitions, seizure, lawsuit, precautionary measures, precedent or subsequent conditions, or be the subject of any other official document or contract that restricts its free transferability. In the event that any investment is subject to these restrictions, it will not be deemed to cover technical reserves or risk equity.

Fees, Premiums and Commissions

Premiums for insurance policies may be freely set by insurers. Likewise, intermediate commissions between insurers and brokers may also be freely negotiated, except for commissions related to life insurance annuities, which are limited to 2% of the premium and capped at 60 UFs.

Chilean law specifies that the amount of the insurance premiums and indemnity payments shall be expressed in *Unidades de Fomento* ("UFs"), unless a contract is denominated in foreign currency in accordance with law. The UF is an inflation indexed Chilean monetary unit of account with a value in Chilean pesos that is linked to and adjusted daily to reflect changes in the Chilean Consumer Price Index published by the *Instituto Nacional de Estadísticas* (the Chilean National Statistics Institute). Notwithstanding the foregoing, the SVS may authorize that contracts be written in other currencies.

Risk Rating of Insurance Companies' Obligations

Insurance companies are required to have at least two independent risk rating agencies listed in the special registry held by the SVS to provide continuous and uninterrupted ratings of the insurance companies' obligations owed to their policyholders.

Insurance Sales Auxiliaries

Insurance may be underwritten directly by an insurance entity, through one of its sales agents or by an independent insurance intermediary.

Insurance claims adjustment may be performed directly by insurance companies or by an adjuster who is an independent professional in charge of determining whether a loss has occurred, if the risk is covered and the amount of indemnity to be paid.

MEXICO

Regulation of the Mandatory Pension Funds Business

Overview

Mexico instituted the Afore mandatory defined contribution pension system in 1996, which began operating in 1997 and replaced a defined benefit system managed by the government. The Afore system was modeled on established mandatory pension systems elsewhere in Latin America.

Mexican Afores are financial institutions that are required by law to be single-purpose companies authorized to provide, among others, the following services: (i) the collection and management of mandatory and voluntary contributions made by account holders and the investment of such contributions in one or more of its five pension funds and (ii) the provision of a senior pension for each of its account holders.

Under the Mexican Pension System Law, each pension fund administered by an Afore is required to be a separate legal entity incorporated in the form of a *sociedad de inversion* (investment corporation) that is not affected in any way by the Afore's financial condition and results of operations.

Afores and Siefores are subject to the rules and regulations issued by CONSAR, the *Ley General de Sociedades Mercantiles* (Mexican Corporations Law) and the Mexican Pension System Law.

Significant Regulatory and Supervisory Authorities

All Afores and Siefores are subject to extensive and continuous regulatory reviews. The principal authorities regulating Afores in Mexico are the *Secretaría de Hacienda y Crédito Público* ("Mexican Ministry of Finance"), CONSAR and the Central Bank of Mexico, with CONSAR being the primary regulator.

Additionally, there is a self-regulating entity, the *Asociación Mexicana de Administradoras de Fondos para el Retiro, A.C.* ("Mexican Association of Administrators of Retirement Funds, A.C."), comprised of Afores in Mexico.

CONSAR

CONSAR was created pursuant to the *Ley del Seguro Social* (Mexican Social Security Law) and the *Sistema de Ahorro para el Retiro* (Mexican Pension System). It is an independent governmental agency that is supervised by the Mexican Ministry of Finance. Its main purpose is to regulate and supervise the Mexican pension system and its participants to ensure compliance with applicable laws, rules, directives, instructions and regulations. In such capacity, CONSAR monitors the legal, administrative and financial operations of Afores and Siefores and ensures that they are in compliance with minimum capital and mandatory reserve requirements. In addition, CONSAR annually approves the commissions that Afores may charge their clients. In cases of non-compliance, CONSAR has the ability to impose sanctions, such as fines, and in extreme cases it may order the liquidation of Afores and Siefores.

Additionally, CONSAR authorizes the creation of Afores and Siefores as well as mergers and acquisitions thereof. It must also approve any amendment to an Afore's and Siefore's bylaws, including capital increases.

CONSAR imposes certain reporting requirements on Afores and Siefores. In particular, the annual audited financial statements for each Afore and Siefore must be filed with CONSAR within 120 days after the end of each fiscal year. Afores and Siefores are also required to submit their quarterly financial statements to CONSAR and periodically provide detailed information on their operations. Moreover, officials from CONSAR frequently inspect and examine the activities and records of Afores and Siefores to ensure full compliance.

The Central Bank of Mexico

The Central Bank of Mexico is a legal entity created under the *Constitución Política de los Estados Unidos Mexicanos* (Mexican Constitution) that is responsible for, among other things, monetary policy and exchange controls. It is governed and administered by a *Junta de Gobierno* (a board) composed of five members who are nominated by the President of Mexico, and whose appointment is confirmed by an affirmative vote of the majority of the *Senado Mexicano* (Mexican Senate).

The Central Bank of Mexico issues regulations governing the investment regime of pension funds, specifically with respect to investments in derivative instruments, securities lending and repossession activities.

Significant Pension Fund Regulations

Senior Pension Benefits

As required by the Mexican Pension System Law, each Afore manages the funds and information of its clients who are eligible for a senior pension when meeting the legal requirements set forth by the Mexican Social Security Law: people of at least 60 years of age who have certified working 1,250 weeks under the social security system.

New Account Holders

Active accounts that have not been registered with an Afore enter into a redistribution cycle between Afores. Afores are assigned a number of active accounts each year and are mandated by law to contact their account holders on a best-efforts basis in order to register the accounts. After the expiry of a two-year period from an assignment, the accounts that have not been registered are transferred to a different Afore offering a higher net return and a more effective registration process.

Minimum Capital

Afores are required to maintain a minimum amount of capital in order to operate, which for the fiscal year ended December 31, 2015 amounted to approximately U.S.$ 1.45 million. Each Siefore must also maintain a minimum amount of corporate capital in order to operate, which for the fiscal year ended December 31, 2015 amounted to approximately U.S.$ 5,800. These minimum capital requirements are updated annually by CONSAR. This capital must be maintained at all times and cannot be withdrawn or decreased.

Mandatory Reserve

Afores must keep a special reserve on the following terms: (a) for each basic Siefore, Afores must invest at least the amount equal to 0.8% of the net assets corresponding to such Siefore; (b) for each additional Siefore, Afores must invest at least an amount equal to 1.0% of the net assets corresponding to such Siefore, up to an amount of approximately U.S.$ 52,300. These reserves are additional to (i) the minimum capital requirements described above and (ii) the legal reserve set forth in the Mexican Corporations Law. If an Afore fails to comply with the mandatory reserve requirements, its authorization may be revoked. Revocation of an Afore's or Siefore's authorization results in its dissolution and liquidation.

Board Practices

The Mexican Pension System Law sets forth corporate governance provisions and specific requirements and limitations on the individuals that may serve on the board of directors of the Afores and the Siefores. The board of directors of the Afores and the Siefores must be composed of a minimum of five members, two of whom must be independent.

Afores and Siefores must have independent directors who are experts in financial, economic, legal or social security matters. Among other requirements and limitations, independent directors cannot be (i) employed by the Afore or the Siefore, its main officers or the controlling shareholders or (ii) a shareholder or employee of any entity that forms part of the corporate group of the controlling shareholder of the Afore or the Siefore. In addition, first-and second-level executives of an Afore cannot serve as such at other Afores or serve in any capacity in any other financial intermediary.

Multi-Fund System

The main purpose of the investment regime of the Siefores managed by an Afore is to provide the most security while limiting risks when seeking returns for employees. The investment regime also promotes internal savings and the development of a long-term instruments market and pension system in Mexico. The investment regime is developed to focus investments on job creation, housing, development of strategic national infrastructure and regional development.

Siefores can only invest in such securities, documents and other instruments expressly provided for in the statutory investment regime. This regime is determined by CONSAR for each Siefore. Additionally, these mutual funds that specialize in Siefores are supervised by the CONSAR and are specifically regulated by the Mexican Pension Law.

Afores must invest funds of the individual accounts according to the following: (i) the Basic Siefore fund invests the contributions of retired clients; (ii) the Basic Siefore 1 fund invests the contributions of employees otherwise 60 years or older; (iii) the Basic Siefore 2 fund invests the contributions of employees between 46 and 59 years old; (iv) the Basic Siefore 3 fund invests the contributions of employees between 37 and 45 years old; and (v) the Basic Siefore 4 fund invests the contributions of employees 36 years old and less.

In order to evaluate the monthly performance of the Siefores, CONSAR determines a net return index per Siefore, using the movable average of market returns, which are calculated over a 60-month period.

Potential legislation amendments

An important amendment to the pension system has been introduced to the Mexican congress; however, it is not currently included in the current legislative agenda. One of the proposed modifications is to base the Afores' commissions on two components: a percentage of assets under management and a percentage of performance on investments. The other modification under consideration is whether Afores would be required to charge 75% of the lowest authorized commission charged among the Afores if the CONSAR does not approve the proposed annual commission charged by such Afore.

Moreover, the criteria for the assignment of new accountholders would be changed to primarily consider other factors, such as quality of service, the low commission, the number of account holders that have switched to the Afore, among others. Further, account holders would be required to be members in an Afore for a minimum of three years, instead of one year.

Regulation of the Voluntary Savings Business

Overview

The Mexican mutual fund system is regulated by the *Ley de Fondos de Inversion* ("Mexican Mutual Funds Law").

Mexican mutual funds are managed by investment managers that are allowed to provide the following services: management of assets, distribution (commercialization), administrative and accounting services. According to the Mexican Mutual Funds Law, there are four types of mutual funds based on the type of instruments in which they invest: debt, stock, private equity (*de capitales*) and limited purpose.

Under the Mexican Mutual Funds Law, each investment manager is a separate legal entity from the administered funds and is not affected in any way by financial condition and results of the operations of the funds.

Mutual funds and investment managers are subject to the rules and regulations of the *Ley del Mercado de Valores* (Mexican Securities Law), the Mexican Mutual Funds Law and regulations issued by the *Comisión Nacional Bancaria y de Valores* ("Commission of Banking and Securities") and the Central Bank of Mexico.

Significant Regulatory and Supervisory Authorities

All mutual funds and investment managers are subject to extensive and continuous regulatory reviews. The main authorities regulating this business in Mexico are the Mexican Ministry of Finance and the Commission of Banking and Securities, with the Commission of Banking and Securities being the primary regulator.

The Commission of Banking and Securities

The Commission of Banking and Securities was created pursuant to the *Ley de la Comisión Nacional Bancaria y de Valores* (Mexican Commission of Banking and Securities Law). It is an independent governmental agency that is supervised by the Mexican Ministry of Finance. Its main purpose is to regulate and supervise financial institutions in Mexico to ensure compliance with applicable laws and regulations. In such capacity, the Commission of Banking and Securities monitors the legal, administrative and financial operations of these entities and ensures that they are in compliance with minimum capital and mandatory reserve requirements. In cases of non-compliance with such law and regulations, it has the ability to impose sanctions, such as warnings and fines, and in extreme cases it may order the liquidation of such entities.

In addition, the Commission of Banking and Securities authorizes the creation of new investment managers and its mutual funds, as well as mergers between existing ones. It also approves any amendment to bylaws, including capital increases.

The Commission of Banking and Securities also imposes certain reporting requirements. In particular, the Afores' and Siefores' annual audited financial statements must be published within 90 days after the end of each fiscal year. They are also required to publish their quarterly financial statements and periodically provide detailed information on their operations. Additionally, officials from the Commission of Banking and Securities frequently inspect and examine Afores' and Siefores' activities and records.

Significant Mutual Fund Regulations

Mandatory Reserves

Mexican mutual funds must have a minimum amount of capital as determined by the Commission of Banking and Securities, based on their corresponding investment regime. The corporate capital of Mexican mutual funds is variable and unlimited. Shares representing the fixed portion of the corporate capital of mutual funds may only be subscribed by founding partners. Additionally, shares representing the fixed portion of the corporate capital of mutual funds may only have one series, with no right of withdrawal, and may only be transferred with prior authorization from the Commission of Banking and Securities. Shares representing the variable portion of the capital of mutual funds may be freely subscribed (as determined in the corresponding prospectus).

Board Practices

Mutual funds do not have shareholders' meetings, a board of directors or statutory auditors, and the corresponding operations and decisions are performed and adopted by means of their partners or investment managers.

The board of directors of investment managers are required to be composed of a minimum of five and maximum of 15 directors. At least 40% of these directors must be independent. The Mexican Mutual Funds Law and other regulations issued by the Commission of Banking and Securities set forth the guidelines and prohibitions relating to independent directors.

Investment Regime

The investment regime of a mutual fund is supervised by the investment manager. Such regime must be approved by the Commission of Banking and Securities.

PERU

Regulation of the Mandatory Pension Funds Business

Overview

The Peruvian private pension fund system was created in 1992 pursuant to Decree No. 25897 ("Peruvian Pension Law").

Peruvian AFPs are required by law to be single-purpose companies authorized to provide the following services: (i) the collection and management of mandatory and voluntary contributions made by their account holders and (ii) the investment of their account holders' contributions in one or more of their three pension funds.

Under the Peruvian Pension Law, each pension fund administered by the AFP is a separate legal entity that is not affected in any way by the AFP's financial condition and results of operations.

AFPs are subject to the rules and regulations of the Peruvian Pension Law and regulations issued by the SBS regarding the Peruvian Pension Law.

Significant Regulatory and Supervisory Authorities

AFPs are subject to extensive and continuous regulatory reviews. The principal authorities regulating AFPs in Peru are the SBS and *Superintendencia del Mercado de Valores* ("Securities Market Superintendency," or "SMV"), with SBS being the primary regulator.

The SBS

The SBS is a public governmental agency whose functional autonomy is recognized by the *Constitución Peruana* (Constitution of Peru). Its main purpose is to regulate and supervise AFPs to ensure compliance with the laws and regulations applicable to the AFPs as well as SBS regulations. In such capacity, the SBS monitors the legal, administrative and financial operations of AFPs and ensures that they are in compliance with minimum capital and mandatory reserve requirements. In cases of non-compliance, it has the ability to impose sanctions, such as warnings and fines, and in extreme cases it may order the liquidation of AFPs.

In addition, the SBS authorizes the creation of new AFPs and mergers between existing AFPs. It also approves any amendment to an AFP's bylaws, with certain exceptions.

The SBS imposes certain reporting requirements on AFPs. In particular, AFPs must provide their annual audited financial statements within 90 days after the end of each fiscal year, quarterly financial statements and periodically provide detailed information on their operations. Additionally, officials from the SBS frequently inspect AFPs' branch offices and examine their activities and records.

Pursuant to the Peruvian Pension Law, the determination of whether foreign securities qualify for pension fund investment is set forth in the investment regime, a legal framework that regulates pension fund investments. The regime of foreign investments is established by the *Reglamento sobre Inversiones Extranjeras* (Regulations on Foreign Investments), adopted by the SBS. Under this regulatory structure, the Peruvian Pension Law defines the maximum limit of investment abroad, while the operating limits are set by the Central Bank of Peru.

Significant Pension Fund Regulations

D&S Insurance

Beginning in September 2013, with the implementation of various reforms to the Peruvian Pension Law, the requirement to provide D&S insurance was awarded to a group of insurers through a bidding process that provides all AFP account holders with the same fee regardless of the AFP to which they contribute. The AFP does not bear insurance risk related to D&S insurance coverage.

Senior Pension Benefits

As required by the SBS, each AFP must provide specific senior pension benefits to their participants who meet the minimum age requirement. The minimum age for retirement in Peru is 65 years old for both men and women.

New Account Holders

Peruvian law requires a bidding process to take place every two years for new account holders. New account holders are enrolled with the AFP that wins the bidding process by offering the lowest fee.

Mandatory Reserve

A reserve of approximately 1% of an AFP's assets under management is required to be held by the AFP. This reserve is required to be invested in the same funds that are managed by the AFP. If an AFP fails to comply with this the mandatory reserve requirement the SBS may order its dissolution.

Minimum Return

AFPs are required to achieve a minimum return. This minimum return is calculated monthly. For Fund Type 1, this level is the lesser of (i) the average annualized real returns over the last 36 months of Fund Type 1 less 2%; or (ii) 50% of the average annualized real returns over the last 36 months of Fund Type 1. For Fund Type 2, this level is the lesser of (i) the average annualized real returns over the last 36 months of Fund Type 2 less 3%; or (ii) 35% of the average annualized real returns over the last 36 months of Fund Type 2. For Fund Type 3, this level is the lesser of (i) the average annualized real returns over the last 36 months of Fund Type 3 less 4%; or (ii) 25% of the average annualized real returns over the last 36 months of Fund Type 3. These requirements are applicable in accordance with the portfolio compositions of each fund, giving those with a higher component of variable income and therefore higher volatility a larger margin to achieve the requirement. If a fund's real returns for a certain month are lower than the legal minimum return, the AFP is required to cover the difference with its mandatory reserves, and such amount must be refunded within three days. If the mandatory reserves do not cover the difference, then the AFP is required to use its own resources to cover the difference. If an AFP fails to comply with this minimum return requirement, the SBS may order its dissolution.

Board Practices

Each AFP must have at least two independent directors on its board of directors.

Multi-Fund System

Clients can choose among three funds (1, 2 and 3) with different risk profiles according to their risk and/or return appetite with constraints according to their age (people near retirement cannot choose the more aggressive profile). The more aggressive funds have a higher component of equity investments over fixed income. Each fund has strict investment limitations (issuer, type of instruments, sector, concentration and liquidity).

Regulation of the Voluntary Savings Business

Overview

Mutual Funds and Investment Managers

The Peruvian mutual funds and investment managers are regulated by the Securities Law (Legislative Decree No. 861 of 2002), the Regulation of Mutual Funds and their Mutual Funds Managers (CONASEV Resolution No 68-2010), the Investment Fund Law (Law Decree No. 862-1996) and the related Regulation (SMV Resolution No. 29-2014).

Mutual funds are administered by investment managers. According to applicable law, there are different types of funds, including those that invest in variable, fixed and mixed securities. Under Peruvian law, risk factors of each investment in the mutual or investment fund must be clearly detailed in the fund's prospectus. In the case of local regulation, the SMV (*Superintendencia de Mercado de Valores*) only regulates investment funds that place securities through public offerings are placed through public offerings.

Stock Brokerage Firms

The stock brokerage firms are regulated by the Securities Law (Legislative Decree N° 861 of 2002) and the Regulation of Intermediaries (SMV Resolution N° 045-2006 and as of January 1, 1017 the SMV Resolution N° 034-2015).

Stock brokerage firms are entitled to provide investment advisory, distribution of local and foreign currencies through the Lima Stock Exchange and foreign stock exchange entities through international intermediaries and portfolio management.

Significant Regulatory and Supervisory Authorities

All mutual funds and investment managers are subject to extensive and continuous regulatory reviews. The primary regulator of this this business in Peru is the SMV.

The SMV

The SMV is a technical and specialized entity. Its main purpose is to safeguard investors and the efficiency and transparency of the market. It is a governmental entity with functional, administrative, economic, technical and budgetary autonomy. In order to achieve the above purposes, it supervises investment managers and their mutual funds to ensure compliance with the laws and regulations applicable to such entities. In such capacity, the SMV monitors the legal, administrative and financial operations of the above said entities and the mutual funds they manage.

In addition, the SMV authorizes the creation of new investment managers and their mutual funds and the corresponding prospectus, as well as mergers between existing investment managers. It also approves any amendment to bylaws, save for certain exceptions.

The SMV imposes certain reporting requirements. In particular, annual audited financial statements, quarterly financial statements, immediate reporting of relevant information and periodically provided detailed information on their operations are required to be made. Additionally, officials from the SMV frequently inspect and examine activities and records of investment managers.

Regulation of the Insurance and Annuities Business

Overview

The regulatory framework of the Peruvian insurance market is comprised of regulations covering insurance activities in Peru, which are set forth in the General Law of the Financial and Insurance System and Structural Law of the Superintendency of Banking and Insurance (Law No. 26.702 of 1996 or the "Insurance Law") and Securities Law (Legislative Decree No. 861 of 2002).

Significant Legal Requirements

Insurance Law

Peruvian legislation reserves the development of insurance activities to entities incorporated as a corporation (*sociedad anónima)* that have the provision of insurance services as their sole corporate objective. Foreign insurance companies incorporated overseas may engage in certain types of insurance activity in Peru, including establishing offices in the country and engaging as brokers. Such companies require approval by the SBS. Nevertheless, any person or legal entity in Peru may procure insurance outside of Peru.

Every insurance company is required to maintain a minimum amount of capital determined under applicable law. This means that companies must have sufficient capital available to cover technical risks, credit risk and any other operational risk.

Investment Regulations

Insurance and/or reinsurance companies must ensure at all times that the net present value of their total insurance obligations is funded with assets that meet the SBS's requirements.

Supervision

The SBS may, at any time, request insurance companies to provide information on their business, inspect their offices, examine their documentation and accounting records, set regulations related to the preparation and presentation of balance sheets, financial statements and the management of accounting, order the appointment of external auditors to report on their general balances and appoint external auditors to perform specific activities within supervised entities.

In case of non-performance by an insurance company with the applicable laws and regulations or its bylaws, the SBS is entitled to apply sanctions that range from fines to revoking that insurance company's authorization to do business. As established by law, insurance companies have a reporting obligation to the SBS and the public and must provide timely notice of any material events affecting them and their businesses.

Fees, Premiums and Commissions

Peruvian law allows insurance companies to determine the conditions of their policies, fees, premiums and other commissions. These are required to be distributed to the public under the regulations issued by the SBS.

Risk Ratings

Insurance companies are required to maintain at least two independent risk ratings of the insurance company's obligations to policyholders from ratings agencies listed in the special registry held by the SBS.

Potential Legislation Amendments

In December 2015, the Peruvian congress passed a law that authorizes withdrawal of up to 95.5% of the accumulated savings in a mandatory pension fund when the accountholder reaches the retirement age of 65. This law also authorizes a withdrawal of up to 25% of such savings to secure a first-time home buyer's mortgage down payment and allows early retirement and reimbursement of savings due to a terminal disease or cancer diagnosis.

On April 14, 2016, the Peruvian congress re-passed the law over the President's veto. Although the law is not yet in effect, it is expected to become effective during the 2016 fiscal year.

EL SALVADOR

Regulation of the Mandatory Pension Funds Business

Overview

The private pension fund system in El Salvador was created in December 1996 pursuant to the *Ley del Sistema de Ahorro para Pensiones* ("Salvadoran Pension Law"). However, it was not until April 1998 that the pension system started operations through the authorization of the AFPs.

AFPs in El Salvador are required by law to be single-purpose companies and are authorized to provide the following services: collect contributions, record contributions and invest such contributions in pension funds, with the exclusive purpose of generating returns for their clients. The AFPs are also responsible for managing the payment of the benefits defined in the Salvadoran Pension Law, which include pensions for retirement and D&S insurance.

Under the Salvadoran Pension Law, the pension fund administered by an AFP is required to have separate accounting and financial records from the AFP.

AFPs are subject to the rules and regulations of the Salvadoran Pension Law, the *Ley de los Sistemas de Ahorro para el Retiro* (Retirement Obligations Trust Law of El Salvador), the *Ley de Supervisión y Regulación de Sistema Financiero* ("Financial Supervision and the Regulation of the Financial System Law of El Salvador") and the regulations and decrees issued by the Salvadoran Superintendency of the Financial System.

Regulatory and Supervisory Authorities

AFPs are subject to extensive and continuous regulatory reviews. The principal authorities regulating this business in El Salvador are the Salvadoran Superintendency of the Financial System and the Central Bank of El Salvador. The regulation of financial entities is the responsibility of the Salvadoran Superintendency of the Financial System, whereas the approval of the regulatory framework needed to execute the applicable laws is the responsibility of the Central Bank of El Salvador.

Salvadoran Superintendency of the Financial System

The Salvadoran Superintendency of the Financial System was created pursuant to Legislative Decree No. 592 dated January 14, 2011 which created the Financial Supervision and the Regulation of the Financial System Law of El Salvador. This document defines the legal framework applicable to financial entities, with the Salvadoran Superintendency of the Financial System being the sole supervisor whose main purpose is to preserve the stability and transparency of the financial system in accordance with international best practices. In such capacity, the Salvadoran Superintendency of the Financial System monitors the legal, administrative and financial operations of the AFPs and ensures that they are in compliance with minimum capital and mandatory reserve requirements. In cases of non-compliance, it has the ability to impose sanctions, such as fines, and in extreme cases it may order the liquidation of an AFP.

Significant Pension Fund Regulations

D&S Insurance

The Salvadoran Pension Law requires AFPs to individually procure D&S insurance to provide D&S benefits to their account holders.

Senior Pension Benefits

As required by Salvadoran Pension Law, each AFP must provide specific senior pension benefits to its participants who meet the minimum age requirement: 60 years old for men and 55 for women.

New Account Holders

Clients can voluntarily choose an AFP.

Mandatory Reserve

A reserve (*Aporte Especial de Garantía* (Special Guarantee Contribution)) of approximately 0.25% of an AFP's assets under management is required to be held by the AFP. This reserve is required to be invested in the same fund that is managed by the AFP. Alternatively, an AFP can have a guarantee issued by an insurance company for the amount of the reserve. In either case, if an AFP fails to comply with this the mandatory reserve requirement, the Salvadoran Superintendency of the Financial System may order its dissolution.

Minimum Return

AFPs with over 12 months in operation are required to achieve a legal minimum return. This minimum return is calculated as the lesser of the following: (i) the average 12-month pension system return minus 3% and (ii) 80% of the average 12-month pension system return. This requirement is applicable in accordance with different portfolio compositions, giving those with a higher component of variable income and therefore higher volatility a larger margin to achieve the requirement. If a fund's real returns for the last 12 months are lower than the legal minimum return, the AFP is required to cover the difference within a five-day period. To do so, the AFP is permitted to apply funds from its mandatory reserves, and in that event, such amount must be refunded within 15 days. If the mandatory reserves are insufficient to cover the difference, the AFP must provide resources from its own capital within the same five-day period. If an AFP fails to comply with this minimum return requirement, the Salvadoran Superintendency of the Financial System may order its dissolution.

Board Practices

Directors of AFPs must comply with the general requirements established by the *Ley del Sistema de Ahorro para Pensiones* ("El Salvador Pension Law"), which include: (i) being 25 years or older, (ii) being of recognized honorability and (iii) possessing requisite financial or administrative knowledge. Directors, officers or employees of (i) other financial entities (such as other AFPs, banks, insurance companies, stock brokerage entities and stock exchanges) and (ii) the Salvadoran Superintendency of the Financial System cannot be appointed as directors of AFPs.

Potential legislation amendments

El Salvador's congress is currently discussing an amendment to the El Salvador Pension Law. The Minister of Finance has publicly announced that this amendment aims to create a new public fund that guarantees a minimum pension and to distribute allocation of new accountholders among the newly-created public fund and AFPs. As of the date of this offering memorandum, the proposed text of this amendment is not publicly available.

Regulation of the Insurance and Annuities Business

Overview

Insurance companies in El Salvador are regulated by a comprehensive legal framework that ensures compliance with obligations to policyholders, shareholders and entities involved in the development of insurance businesses.

Significant Regulatory and Supervisory Authorities

The Salvadoran Superintendency of the Financial System is the regulatory agency responsible for monitoring and supervising insurance companies and has developed administrative oversight and accounting standards and has developed regulations related to solvency margins, wealth standards, technical reserves, social capital and how to conduct investments.

Significant Insurance and Annuities Regulations

An insurance contract between an insurer and an insured is regulated by the *Código de Comercio* ("Salvadoran Commercial Code"), which sets forth the essential elements of insurance such as the insurable interest that must exist when establishing a business, policies, premium payments and compensation guidelines, as well as the different types of insurance including life and general insurance. It also regulates the operations of reinsurers. The Salvadoran Commercial Code also contains provisions governing the corporate framework of shareholders, the manner of administration, performance parameters for management and the procedures for the dissolution and liquidation of insurance companies.

The *Ley de Seguros* (the "Insurance Act") is aimed at regulating the establishment and operation of insurance companies in particular and also regulates the marketing of insurance contracts. Authorization of new insurance rates and commissions, and the activities of brokerage advisors agents in the promotion and offering of insurance contracts are all subject to the Insurance Act's requirements and limitations.

Furthermore, the Financial Supervision and the Regulation of the Financial System Law of El Salvador gives the *Banco Central de Reserva de El Salvador* ("Salvadoran Central Reserve Bank") the power to monitor the Salvadoran Superintendency of the Financial System and take punitive action through an autonomous committee, the *Comité de Apelaciones del Sistema Financiero* (Appeals Committee for the Financial System) in order to ensure due process related to the oversight actions of the Salvadoran Superintendency of the Financial System.

Within the legal framework, there are also complementary laws, such as laws governing the rights of the public, including the *Ley de Competencia* (Competition Act) that promotes and ensures competition in favor of economic efficiency and consumer welfare and the *Ley de Protección al Consumidor* (Consumer Protection Act) that sets forth procedures for dispute resolution between producers of goods or providers of services and consumers . Further, the Insurance Act contains mechanisms for reconciliation when there is a discrepancy between the insurer and the insured regarding the application of an insurance contract and the *Ley de Mediación y Arbitraje* (Law on Mediation and Arbitration) provides an alternative means to resolve disputes between contracting parties in order to avoid protracted judicial processes; however in some cases parties can also submit their disputes to the courts of civil and commercial law.

Additional legal frameworks applicable to insurance business are contained in civil and criminal laws that prohibit money laundering and other applicable laws in connection with the regulation of insurance contracts.

Currently, Salvadoran insurance companies, the Salvadoran Superintendency of the Financial System and the Salvadoran Central Reserve Bank are developing reforms to the Insurance Act. These reforms aim to integrate the various legal and regulatory provisions that regulate the insurance industry in El Salvador.

URUGUAY

Regulation of the Mandatory Pension Funds Business

Overview

The Uruguayan private pension fund system was created in 1996 pursuant to Law No. 16,713 ("Uruguayan Pension Law"). The private mandatory pension funds system in Uruguay co-exists with a public defined benefit option governed by a public entity named the *Banco de Previsión Social* ("Social Security Bank"). Within the private system, a state-owned entity, República AFAP, is the largest competitor.

Uruguayan AFAPs are required by law to be single-purpose entities authorized to provide the following services: the management of mandatory and voluntary contributions made by their account holders and the investment of account holders' contributions in the two pension funds currently existing in Uruguay (one targeted to young account holders with a longer investment horizon and higher risk tolerance- named *subfondo acumulación* (accumulation fund) and the other targeted to older account holders with shorter investment horizon and with limited market risk named *subfondo de retiro* (retirement fund).

Under Uruguayan Pension Law, the pension fund administered by an AFAP is a separate legal entity that is not affected in any way by the AFAP's financial condition and results of operations.

AFAPs are subject to the rules and regulations of Uruguayan Pension Law and regulatory decrees made thereunder, *Carta Orgánica del BCU* (Organic Law of the Central Bank) (Law 16,969) and its amendments, and rules issued by the Central Bank of Uruguay.

Significant Regulatory and Supervisory Authorities

AFAPs are subject to extensive and continuous regulatory reviews. The principal authority regulating AFAPs in Uruguay is the Uruguayan Superintendency of Financial Services.

Uruguayan Superintendency of Financial Services

The Uruguayan Superintendency of Financial Services was created pursuant to Law No. 16.696, as amended and is an agency of the Central Bank of Uruguay. Its main purpose is to regulate and supervise the Uruguayan financial system to ensure compliance with the laws and regulations applicable to, among other entities AFAPs. In such capacity, the Uruguayan Superintendency of Financial Services monitors the legal, administrative and financial operations of AFAPs and ensures that they are in compliance with minimum capital and mandatory reserve requirements. In cases of non-compliance, it has the ability to impose sanctions, such as warnings and fines, and in extreme cases, it may order the liquidation of an AFAP.

In addition, the Uruguayan Superintendency of Financial Services authorizes the creation of new AFAPs, mergers between existing AFAPs and changes of control direct or indirect in AFAPs.

The Uruguayan Superintendency of Financial Services imposes certain reporting requirements on AFAPs. In particular, the annual audited financial statements for each AFAP must be filed with the Central Bank of Uruguay within two months after the end of each fiscal year. AFAPs are also required to submit their quarterly financial statements and periodically provide detailed information on their operations. Additionally, the Central Bank of Uruguay officials may inspect AFAPs' branch offices periodically and examine their activities and records.

Significant Pension Fund Regulations

D&S Insurance

The Uruguayan Pension Law requires AFAPs to individually procure D&S insurance to provide D&S benefits to their account holders. The contract is renewable each year.

Senior Pension Benefits

As required by Uruguayan Pension Law, each AFAP must provide specific senior pension benefits to its participants who meet the minimum age requirement: 60 years of age for both men and women.

New Account Holders

Clients can voluntarily choose an AFAP, except in cases where their nominal salary (before taxes) exceeds a certain level (approximately U.S.$ 1,250). In such cases, the client is assigned to the AFAP that charges the lowest commissions.

Mandatory Reserve

A reserve of approximately 0.5% of the AFAP's assets under management is required to be held by the AFAP. This reserve is required to be invested in the same funds that are managed by the AFAP. If an AFAP fails to comply with this mandatory reserve requirement, the Uruguayan Superintendency of Financial Services may order its dissolution.

Minimum Return

AFAPs are required to achieve a legal minimum return. This minimum return is the lesser of (i) an annual real return of 2% or (ii) the average of the real returns of all pension funds in the AFAP system over a 36-month period minus 2%. This requirement is applicable in accordance with different portfolio compositions, giving those with a higher component of variable income and therefore higher volatility a larger margin to achieve the requirement. If a fund's real returns for a certain month are lower than the legal minimum return, the AFAP is required to cover the difference within a 10-day period. To do so, the AFAP is permitted to apply funds from its mandatory reserves, and such amount must be refunded within 15 days. If an AFAP fails to comply with this minimum return requirement, the Central Bank of Uruguay may order its dissolution.

Board Practices

Although Uruguayan laws do not impose the obligation of having independent members of the board of directors, recent rules issued by the Uruguayan Superintendency of Financial Services require a clear separation of roles and responsibilities between the board of directors and senior management as well as an audit committee composed of independent members which can implement the required risk management controls.

Right to Opt Out of the AFAP Regime

In October 2013, the Uruguayan congress approved Law No. 19,162, which introduced the right for workers who contribute to AFAPs between the ages of 40 to 50 to opt out of the AFAP regime and contribute solely to the public system and have their accrued contributions transferred to the Social Security Bank.

Regulation of the Voluntary Savings Business

Overview

The regulatory framework of the Uruguayan mutual funds market is established in the Investment Funds Law No. 16,774 as amended by Law No. 17,202. Uruguayan law limits the performance of mutual fund activities to corporations whose corporate purpose is investment fund management.

Significant Regulatory and Supervisory Authorities

The Central Bank of Uruguay

The Central Bank of Uruguay may, at any time, request investment managers to provide information on their funds under management, business, inspect their offices, examine their documentation and accounting books, set regulations related to the preparation and presentation of balance sheets, financial statements and the management of accounting, order the appointment of external auditors to report on their general balances and appoint external auditors to perform specific activities within supervised entities.

Significant Mutual Fund Regulations

Independence

Mutual funds are required to be separate legal entities from their administrators and must keep separate books and records.

Investment Regulations

Investment regulations stipulate the types of investments that funds may invest in. The description of the type of assets in which the fund will invest and the proposed investment goals and purposes of the fund is required to be included in the fund's quarterly public disclosure document.

OTHER REGULATIONS

In addition to the specific business regulations applicable to our subsidiaries and material investees, below are other generally applicable Colombian regulations:

Foreign Currency Loans

Residents of Colombia may only obtain foreign currency loans from foreign residents (e.g. financial foreign financial institutions, foreign companies, etc.), entities registered with the Central Bank of Colombia and from Colombian currency exchange intermediary (upon certain events) or by placing debt securities abroad. Foreign currency loans must be either channeled through a foreign exchange intermediaries (such Colombian financial institutions) or deposited in offshore compensation accounts (including specially designated accounts at foreign banks held by Colombian residents and registered before the Central Bank of Colombia).

According to regulations issued by the Central Bank of Colombia, every Colombian resident and institution borrowing funds in foreign currency is generally required to post with the Central Bank of Colombia non-interest bearing deposits for a specified term, although the size of the required deposit is currently zero. No such deposits would be required for foreign currency loans aimed at financing Colombian investments abroad or for short-term exportation loans (provided the loan is disbursed against the funds of *Banco de Comercio Exterior—Bancoldex*). In addition, pursuant to Law 9 of 1991, the board of directors of the Central Bank of Colombia is entitled to impose conditions and limitations on the incurrence of foreign currency indebtedness, as an exchange control policy, to limit pressures to currency exchange market.

Risk Management Systems

Supervised Entities, must have risk administration systems to meet the SFC minimum standards for compliance and mitigate the following risks: (i) credit; (ii) liquidity; (iii) market; (iv) operational; (v) money laundering and terrorism; and (vi) insurance risk (applicable to insurance companies).

Generally, commercial banks have to weigh their assets based on 0.0%, 25.0%, 50.0% and 100.0% ratios depending on their risks. Standards to evaluate risk have been established and different ratings are awarded (A, B, C, D and E) to each credit asset depending on the level of risk. Depending on the rating assigned, a different amount of provisions is required, as established by the SFC pursuant Chapter II of the Basic Accounting Circular.

With respect to liquidity and market risks, Supervised Entities must follow the provisions of the Basic Accounting Circular, which defines criteria and procedures for measuring an entity’s exposure to interest rate risk, foreign exchange risk, and market risk. Under such regulations, Supervised Entities must send the SFC information on the net present value, duration, and interest rate of its assets, liabilities, and derivative positions. Since January 2002, Supervised Entities have been required to calculate, for each position on the balance sheet, a volatility rate and a parametric VaR (value at risk), which is calculated based on net present value, modified duration and a risk factor computed in terms of a basis points change. Each risk factor is calculated and provided by the SFC.

With respect to operational risk, Supervised Entities must qualify, according to principles provided by the Basic Accounting Circular, each of their operative lines in order to record the risk events that may occur and cause fraud, technology problems, legal and reputational problems and problems associated with labor relations at the Supervised Entity.

Bankruptcy Considerations

Supervised Entities

Pursuant to Organic Statute of the Financial System and other complementary regulation, the SFC has the power to intervene a Supervised Entity in order to prevent it from, or to control and reduce the effects of, such entity’ failure.

The following events for intervention are considered to be “automatic” in the sense that, if the SFC discovers their existence, the SFC is obligated to step in and take over the respective financial institution: (i) if the financial institution's technical capital (*patrimonio adecuado*) falls below 40.0% of the legal minimum, or (ii) the expiration of the term of any then current recovery plans or the non-fulfillment of the goals set forth in such plans.

In addition, and subject to the approval of the Colombian Ministry of Finance, the SFC may, at its discretion, initiate intervention procedures in respect of Supervised Entities under the following circumstances: (i) suspension of payments; (ii) failure to pay deposits; (iii) refusal to submit its files, accounts and supporting documentation for inspection by the SFC; (iv) repeated failure to comply with orders and instructions from the SFC; (v) repeated violations of applicable laws and regulations or of the bank's by-laws; (vi) unauthorized or fraudulent management of the bank's business; (vii) reduction of the Supervised Entity's technical capital below 50.0% of its subscribed capital; (viii) failure to comply with the minimum capital requirements set forth in the Colombian Financial Statute; (ix) failure to comply with the recovery plans that were adopted by the supervised entities; (x) failure to comply with the order of exclusion of certain assets and liabilities to another institution designated by the SFC; and (xi) failure to comply with the order of progressive unwinding (*desmonte progresivo*) of the operations of the AFP, bank, or insurance company.

The purpose of the intervention in a Supervised Entity is to decide whether the entity should be liquidated, whether it is possible to place it in a position to continue doing business in the ordinary course, or whether other measures may be adopted to secure better conditions so depositors, creditors and investors may obtain the full or partial payment of their credits.

Upon the intervention in a Supervised Entity, depending on its financial condition and the reasons that gave rise to such measure, the SFC may (but is not required to) order the Supervised Entity to suspend payments of its obligations.

During the intervention process, the Organic Statute of the Financial System prevents any creditor of the Supervised Entity from (i) initiating collection procedures against the Supervised Entity; (ii) enforcing a judicial decision to secure payment of any of the Supervised Entity's obligations; (iii) order the creation of liens over the Supervised Entity's assets to secure payment of any of its obligations; or (iv) making any payment, advance or compensation or assuming any obligation with the Supervised Entity's assets held by third parties, except from set-off between Supervised Entities.

During the liquidation process, claims of creditors rank as follows: (i) amounts owed to employees and former employees; (ii) bank deposits and other savings; (iii) taxes; (iv) all other credits, except subordinated credits; and (v) subordinated credits. Each category of creditors will collect in the order indicated above, whereby distributions in one category will be subject to completing full distribution in the prior category.

Colombian AFPs, banks, insurance companies and other financial institutions are not subject to the laws and regulations that govern generally the insolvency, restructuring and liquidation of industrial and commercial companies.

Other Companies

Law 1116 of 2006, as amended, regulates reorganization and insolvency procedures for corporations in Colombia, including issuers of securities, such as Grupo SURA. The regime adopts the multinational insolvency regime provided in the UNCITRAL model.

The reorganization procedure provided in Law 1116 of 2006 seeks to preserve the feasibility of companies and the regularization of their credit by restructuring their operations and managing their assets and credits.

A reorganization procedure can be requested by the company or by its creditors in one of the following situations: (i) default of two or more obligations for more than 90 days, (ii) the existence of at least two collection judicial proceedings against the company for a value of not less than 10% of the current debts of the company, or (iii) when default is imminent, due to the circumstances of the market or of the company.

Reorganization agreements are entered between the company and its creditors and set forth the terms and conditions under which the company will pay outstanding debt. Reorganization agreements are usually carried out before the *Superintendencia de Sociedades* ("Superintendence of Corporations"). The company must not (without prior authorization) offset accounts, make payments, or settlements with respect to any of its obligations, neither carry out operations different to its ordinary course of business. Non-compliance with the reorganization agreement can trigger the immediate judicial liquidation of the company, among other legal consequences.

The judicial liquidation proceeding is directed towards the prompt and orderly winding up of the company. The liquidation of a company requires the sale of its assets in a public auction to pay creditors in the order of priority established by law.

Decree 1749 of 2011 regulates the insolvency regime for corporate groups. A request to initiate an insolvency proceeding may be made by (i) two or more members of the corporate group, (ii) one or more creditors or (iii) by the Superintendence of Corporations. Through this insolvency regime, it is possible to request a coordinated procedure for two or more insolvency proceedings with respect to multiple debtors or corporations of the same group.

Further, Law 1116 of 2006 and Decree 1749 of 2011 provide regulation in regards to the opening or participation in an insolvency proceeding in Colombia of creditors located in a foreign jurisdiction and also includes the possibility of carrying on simultaneous insolvency proceedings in Colombia and in a foreign jurisdiction with respect to a same debtor. Foreign creditors are entitled to the same rights and benefits as Colombian creditors in connection with an insolvency procedure.

Anti-Money Laundering Provisions

The regulatory framework to prevent and control money laundering is contained in, among others, Decree 663 of 1993 and Circular 26 of 2008 and Circular 029 of 2014 issued by the SFC, as well as Law 599 of 2000 the *Código Penal* ("Colombian Criminal Code"), as amended.

Colombian laws adopt the latest guidelines related to anti-money laundering and other terrorist activities established by the Financial Action Task Force on Money Laundering. Colombia, as a member of the Financial Action Task Force of Latin America, follows all recommendations and eight special recommendations. Circular 26 of 2008 issued by the SFC required the implementation by financial institutions of a control system for money laundering and terrorism financing. These rules emphasize "know your customer" policies and knowledge of customers and markets. They also establish processes and parameters to identify and monitor a financial institution's customers. According to these regulations, financial institutions must cooperate with the appropriate authorities to prevent and control money laundering and terrorism. Finally, the Colombian criminal code introduced criminal rules and regulations to prevent, control, detect, eliminate and adjudicate all matters related to financing terrorism and money laundering. The criminal rules and regulations cover the omission of reports on cash transactions, mobilization or storage of cash, and the lack of controls.

For companies that are not Supervised Entities, the Superintendence of Corporations issued Circular 004 of 2009 establishing the minimum controls that such companies must have and the responsibilities of each of their corporate bodies, such as the shareholders assembly, the board of directors and the legal representatives. This circular also sets certain recommendations to prevent companies from being used to launder money or finance of the terrorism.

Colombian Anti-Bribery Law

Law 1778 of 2016 provides the legal framework that holds companies liable for acts of transnational corruption. Pursuant to this law, companies, acting through their administrators, employees, contractors or shareholders, that offer or promise, whether directly or indirectly, a foreign public officer sums of money, any object of value, or any other benefit in exchange for doing, omitting or delaying any act related to the exercise of that foreign public officer's functions related to any transnational business, will be held liable for the sanctions contained therein. Foreign public officers are defined as any person who holds a legislative, administrative or judicial position in a state or whose power of decision is subject to any state authority, or any person who serves at a public international organization.

The Superintendence of Corporations will impose one or more of the following sanctions to companies that commit an act of transnational corruption: (i) a fine up to 200,000 minimum legal wages (COP 137,890 million for

2016); (ii) a restriction on the entry into agreements with the Colombian government for up to 20 years, (iii) the publication of the sanctioned conduct through of communication media with broad circulation and on the company's website for a period of up to one year and (iv) the prohibition of receiving any kind of incentive or benefit from the Colombian government for a period of five years.

Controlling companies will be held liable and will be sanctioned when one of its affiliated companies incur in an act of transnational corruption.

Further, the Colombian Criminal Code was amended to include the punishment of acts of transnational corruption with imprisonment for nine up to 15 years and a fine of 650 or up to 50,000 minimum legal wages (COP 448 – 34,472 million for 2016), among other sanctions.

Data Protection Law

Law 1581 of 2012 introduced a new data protection regime that applies to any person that administers databases in Colombia, as implemented through Decree 1377 of 2013 and Decree 886 of 2014. Although it does not apply in its entirety to financial institutions to Law 1266 of 2008 applies, it provides a set of principles on legality, freedom, truth, quality, transparency, access, and confidentiality, among others, that apply to the Group's administration of its databases. Additionally, there is a general prohibition on transferring personal data to other countries that do not provide adequate levels of data protection according to the standards set by the Superintendence of Industry and Commerce. This prohibition does not apply to transfers of data that are inherent to banking and securities activities under the applicable law.

DIRECTORS AND SENIOR MANAGEMENT

Directors

We are managed by our Board of Directors, which, in accordance with our by-laws (*estatutos*), consists of seven directors who are elected at annual ordinary shareholders' meetings. The current members of the Board of Directors were elected by the shareholders at the ordinary shareholder's meeting held on March 31, 2016. Members of the Board of Directors are elected for two-year terms. Directors may be appointed for additional terms without limitation.

The following table sets forth certain information about our current directors:

Name	Position	Year of Birth	Year Appointed
Luis Fernando Alarcón	Chairman of the Board of Directors(*)	1951	2015
Jorge Mario Velásquez	Director	1960	2015
Carlos Ignacio Gallego	Director	1964	2014
Jaime Bermúdez	Director(*)	1966	2011
Carlos Antonio Espinosa	Director(*)	1949	2013
Sergio Michelsen	Director(*)	1960	2015
Alejandro Piedrahita	Director	1973	2016

(*) Independent members, in accordance with Colombian law

According to Colombian law, at least two members of a company's board must be independent. Currently, Grupo SURA has four independent board members, Luis Fernando Alarcón, Jaime Bermúdez, Carlos Antonio Espinosa and Sergio Michelsen. In accordance with principles of good corporate governance, our Board of Directors includes independent directors so as to guarantee a plurality of opinions and to ensure that decisions in certain matters are made without potential conflicts of interest.

Luis Fernando Alarcón Mantilla has served on our Board of Directors since 2015. He is currently the chairman of Grupo SURA. Prior to assuming this position, he was the general manager of Interconexión Eléctrica (ISA) from January 2007 to 2015 and the president of Asofondos de Colombia. He holds a bachelor's degree in civil engineering from Universidad de los Andes and has a postgraduate degree in economics at the Universidad de los Andes. He also holds a master's of science in civil engineering from the Massachusetts Institute of Technology (MIT) and attended the Advanced Management Program at the University of Oxford.

Jorge Mario Velásquez Jaramillo has served on our Board of Directors since 2015. He is currently the president of Grupo Argos. Prior to assuming this position, he was the general manager of Cementos del Nare, the president of Cementos Paz del Río, the vice president of logistics of Cementos Argos and the CEO of Cementos Argos. He holds a degree in civil engineering from the Escuela de Ingenierá de Antioquia and a certificate in Industrial Operations with an emphasis in cements from Confederation of British Industries in England. He also attended the CEO Management program at the Kellogg School of Management and the Supply Chain Strategist program at Stanford University. Additionally, he has taken specialization courses at the School of Top Management of the Universidad de los Andes. He is a trustee of the Escuela de Ingenierá de Antioquia and a member of the boards of directors of the National Board of Andi, Camacol, Compas, Argos USA and Trans Atlantic Shipment Ltda., among others.

Carlos Ignacio Gallego has served on our Board of Directors since 2014. He is currently the president of Grupo Nutresa S.A. Prior to assuming this position, he was the industrial vice president of Compañía Nacional de Chocolates S.A., president of Servicios Nutresa S.A.A, director general of Fundación Nutresa, president of the Grupo Nutresa chocolate business and vice president of strategy for the southern region of Grupo Nutresa. He holds a degree in civil engineering and a master's degree in business administration from Universidad EAFIT.

Jamie Bermúdez Merizalde has served on our Board of Directors since 2011. He is currently the president of Banca de Inversión MBA-Lazard in Colombia. Prior to assuming this position, he was an advisor to the president of Colombia, the ambassador of Colombia to Argentina and the minister of foreign affairs of Colombia. He holds a degree in law from the Universidad de los Andes and a Ph.D. in political science, with a specialization in public opinion from the University of Oxford.

Carlos Antonio Espinosa Soto has served on our Board of Directors since 2013. He is currently the president of Grupo Espinosa. Prior to assuming this position, he was the president of Acegrasas S.A. He holds a degree in economics from Louisiana State University. He has also attended the Top Management program of INALDE at the Universidad de la Sabana and taken courses at the Wharton School of Business and Harvard Business School. He is a member of the board of directors of Teamfoods Colombia S.A. and Leonisa S.A. and a trustee of Fedesarrollo, the Chamber of Commerce of Bogota and Fundación Cardio Infantil.

Sergio Michelsen Jaramillo has served on our Board of Directors since 2015. He is currently a partner and head of the mergers and acquisition group at Brigard & Urrutia Abogados. Prior to assuming this position, he was a visiting partner at Hughes Hubbard & Reed LLP's Miami office, and has also held positions at Shell in Colombia, the Colombian Stock Exchange in Bogotá, Baker & Botts, Cavelier Abogados and the Colombian Superintendency of Exchange Control. He holds a degree in law from the Universidad de los Andes with a master's degree in commercial law from the University of Paris. As a Fulbright scholar, he studied the U.S. legal system and comparative law at the University of Texas. He has also attended courses in the Euromoney Institute of New York and Harvard University. He has been a member of the boards of directors of several entities, such as Fundación Roberto Michelsen and Fundación Compartamos con Colombia.

Alejandro Piedrahita Borrero has served on our Board of Directors since 2016. He is currently the corporate finance vice president of Grupo Argos. Prior to assuming this position, he was the special projects and planning director of Susalud S.A. (EPS Sura), the economic research director of Corfinsura S.A., the manager of derivatives and the capital market structuring vice president at Bancolombia. He holds a degree in business administration from Universidad EAFIT and a master's of science from the London School of Economics. He is a member of the board of directors of Odinsa S.A., Pactia SAS and Aceros Mapa, Celsia S.A., among others.

Senior Management

Our current executive officers are as set forth in the table below. As of the date of this offering memorandum, Ignacio Calle Cuartas, our current chief financial officer, had presented his resignation (effective April 30, 2016) as he will be assuming the position of chief executive officer of SURA AM (effective May 1, 2016). On April 13, 2016, our Board of Directors appointed Ricardo Jaramillo Mejía as our new chief financial officer, effective May 1, 2016.

Name	Position Held	Year of Birth	Year Appointed
David Bojanini García	Chief Executive Officer	1956	2006
Ignacio Calle Cuartas(1)	Chief Financial Officer	1972	2012
Fernando Ojalvo Prieto	Chief Administrative Officer	1953	1988

(1) Resignation effective April 30, 2016.

David Bojanini García has served as our Chief Executive Officer since 2006. Prior to assuming this position, he was president of AFP Protección, a position he held for 15 years. He also served as the chief actuary for Suramericana's insurance companies. Since October 2006 he has also been chairman of the board of directors of Suramericana. He also serves of the board of directors of SURA AM, Bancolombia, Grupo Nutresa and Grupo Argos. In addition, he is the chairman of the board of the Colombian Private Council on Competitiveness, the ProAntioquia Foundation and the Foundation for Education. He holds a degree in engineering from the Universidad de Los Andes and a master's degree in business administration from the University of Michigan.

Ignacio Calle Cuartas has served as our Chief Financial Officer since 2012. Prior to assuming this position, he was vice president of mergers and acquisitions for Latin America and the international finance director for Groupe Casino's Asian subsidiaries. He also held various prior positions at Suramericana. He currently serves on the boards of directors of Suramericana and AFP Integra, among others. He holds a degree in engineering from the Universidad EAFIT and a master's of economics and finance from the New York University (NYU). As noted above, Mr. Calle Cuartas has presented his resignation (effective April 30, 2016) because he will be assuming the position of chief executive officer of SURA AM (effective May 1, 2016).

Ricardo Jaramillo Mejía has been appointed as our Chief Financial Officer, effective May 1, 2016. Mr. Jaramillo currently serves as the Chief Executive Officer of Banca de Inversión Bancolombia, a subsidiary of Bancolombia that offers a wide variety of value-added services, including services related to project finance, capital markets, capital investments, mergers and acquisitions, restructurings and corporate lending across all economic sectors, a position he will vacate when he becomes our Chief Financial Officer. Prior thereto, Mr. Jaramillo had served as Vice-President of Corporate Finance and Investment Banking at Bancolombia since 2005, leading transactions and projects in Colombia and other Latin American countries for an estimated amount of U.S.$ 17.0 billion. He has over 14 years of professional experience in industrial and financial sector companies and has also held positions at Fiduciaria Bancolombia, Kimberly Clark and Corfinsura. He holds a degree in civil engineering from Escuela de Ingeniería de Antioquia and a master's degree in business administration, with a diploma in finance, from Boston University.

Fernando Ojalvo Prieto has served as our Chief Administrative Officer since 1988. Prior to assuming this position, he was a manager at Administradora Suramericana de Inversiones and general counsel and secretary general of Seguros SURA. He also served as president of the Suramericana Foundation. He currently serves on the boards of directors of AFP Protección, EPS SURA, Afore SURA and Asesuisa, among others. He holds a degree in law from the Universidad de Medellín and a specialization in labor law from the Universidad Pontificia Bolivariana.

Board Committees

Our Board of Directors currently has the following committees:

Corporate Governance Committee

The Corporate Governance Committee is responsible for designing, implementing and monitoring Grupo SURA's corporate governance practices, as well as those of our Board of Directors and senior management for compliance with Grupo SURA's Code of Corporate Governance. The Corporate Governance Committee is comprised of three directors.

Finance and Audit Committee

The Finance and Audit Committee is responsible for evaluating Grupo SURA's internal control system, ensuring continued adherence to the policies adopted under our Code of Ethics and evaluating all aspects of Grupo SURA's finances and accounting, including its financial planning, contingency planning, internal risk identification and management policies and its relationship with its external auditors. The Finance and Audit Committee is also responsible for reviewing interim and year-end financial statements and proposing a list of external auditors to be elected at the general shareholders meeting. The Finance and Audit Committee is comprised of three directors, all of whom must be independent.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee is responsible for providing general guidelines for the selection and compensation of our directors and our executive officers. It is also responsible for the development of a strategic approach for the management of human resources, in terms of compensation and employee development. This approach must be approved by our Board of Directors and must be strictly correlated to individual and company-wide performance. The Appointments and Remuneration Committee is comprised of four directors.

Risk Committee

The Risk Committee is responsible for Grupo SURA's risk management policies, including external and internal regulations, as required by our Corporate Governance Code. It provides support to our Board of Directors to ensure the proper coordination of risk management through an internal control system aimed at providing reasonable assurance the Company will achieve its objectives, including building the trust of stakeholders and adding value to subsidiaries and material investees. The Risk Committee is comprised of three directors.

Compensation

Our shareholders' general assembly determines the compensation of our directors and approves the principal parameters of the compensation policy for our Board of Directors as a whole. In 2015, the annual aggregate compensation for our directors and executive officers totaled COP 7,966 million.

SHARE OWNERSHIP

Our outstanding capital stock consists of our common and preferred shares. Our common and preferred shares are listed for trading on the Colombian Stock Exchange. Our common and preferred shares in the form of American Depositary Shares also trade on the OTC Market in the United States.

The following table sets forth certain information concerning actual ownership of our common stock as of December 31, 2015 with respect to our largest shareholders.

Shareholder	Number of Shares of Common Stock	Common Stock Percentage Beneficial Ownership	Number of Shares of Preferred Stock	Preferred Stock Percentage Beneficial Ownership
Grupo Argos S.A.	134,795,646	28.7%	2,219,207	2.1%
Grupo Nutresa S.A.	59,387,803	12.7%	0	0.0%
Fondo de Pensiones Obligatorias Porvenir Moderado	49,156,151	10.5%	4,071,165	3.8%
Cementos Argos S.A.	28,183,262	6.0%	0	0.0%
Oppenheimer Developing Markets Fund	17,689,539	3.8%	0	0.0%
Fondo de Pensiones Obligatorias Protección Moderado	14,932,179	3.2%	31,901,129	30.0%
Harbor International Fund	14,804,449	3.2%	1,382,217	1.3%
Fondo de Pensiones Obligatorias Colfondos Moderado	13,351,231	2.8%	3,025,007	2.8%
Colombiana de Comercio S.A.	9,178,289	2.0%	0	0.0%
Old Mutual Fondo de Pensiones Obligatorias Moderado	6,224,798	1.3%	598,055	0.6%
Fundación Fraternidad Medellín	5,070,000	1.1%	0	0.0%
Other shareholders[1]	116,263,913	24.8%	63,138,183	59.4%
Total	469,037,260	100.0%	106,334,963	100.0%

(1) Includes all other shareholders, who individually hold less than 1.0% of our common stock.

RELATED-PARTY TRANSACTIONS

Colombian law sets forth certain restrictions and limitations on transactions carried out with certain related parties, such as directors and senior management of a company, as well as its subsidiaries.

The transactions that are limited or prohibited are described in the Colombian Code of Commerce, as amended by Law 222 of 1995. This law establishes, among other things, the following: (i) subsidiaries must carry out their activities independently and with administrative autonomy; (ii) transactions between the parent company and its subsidiaries or affiliates must be of a real nature and may not differ considerably from standard market conditions, nor be to the detriment of the Colombian government, stockholders or third parties and (iii) subsidiaries may not acquire any shares issued by their parent company.

In addition, our Corporate Governance Code provides that all transactions carried out between Grupo SURA and our shareholders, directors and senior executives must be carried out on an arm's length basis and must be carried out with transparency, fairness and impartiality.

We have engaged in a variety of transactions with related parties in the ordinary course of business. For example, we obtain from time to time credit facilities and other financial services from Bancolombia and SURA AM's and Suramericana's subsidiaries and investees. We believe that the prices, interest rates and the terms and conditions set forth in those agreements are comparable to those that would be obtained at arms-length negotiations with unrelated parties.

During the last three fiscal years and through the date of this offering memorandum, we have not been involved in any related party transactions that are material to us or any of our related parties and that are not in the ordinary course of business.

For more information regarding our related party transactions, please see Note 41 to our audited consolidated financial statements.

DESCRIPTION OF THE NOTES

Gruposura Finance will issue the notes pursuant to an indenture to be entered into by Gruposura Finance, Grupo SURA, as guarantor, and The Bank of New York Mellon, as trustee. Gruposura Finance will, under the indenture, appoint a registrar, paying agents and transfer agents, which are identified on the inside back cover page of this offering memorandum. A copy of the indenture will be available for inspection during normal business hours at the corporate trust office of the trustee in New York City and any other paying agents. You should refer to the indenture for a complete description of the terms and conditions of the notes and the indenture, including the obligations of Gruposura Finance and Grupo SURA and your rights.

Definitions of capitalized terms used, but not otherwise defined, in this section are set forth under "—Definitions." For purposes of this section of this offering memorandum, references to "Gruposura Finance" are to Gruposura Finance, and references to "Grupo SURA" are to Grupo de Inversiones Suramericana S.A. (parent company only) and not its subsidiaries and affiliates.

General

The notes:

- will be senior unsecured obligations of Gruposura Finance;
- will be unconditionally guaranteed on a senior unsecured basis by Grupo SURA;
- will initially be limited to an aggregate principal amount of U.S.$ 550 million;
- will mature on April 29, 2026;
- will not be subject to redemption prior to maturity except as described under "—Optional Redemption—Make-Whole Redemption" and "—Tax Redemption";
- will be issued in minimum denominations of U.S.$ 200,000 and integral multiples of U.S.$ 1,000 in excess thereof; and
- will be represented by registered notes in global form and may be exchanged for notes in certificated form only in limited circumstances.

Interest on the notes:

- will accrue on their outstanding principal amount at the rate of 5.500% per year;
- will accrue from the date of issuance or from the most recent interest payment date;
- will be payable in cash semi-annually in arrears on April 29 and October 29 of each year, commencing on October 29, 2016;
- will be payable to the holders of record on the April 14 and October 14 immediately preceding the related interest payment dates (whether or not such record date is a business day); and
- will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Gruposura Finance may from time to time, without notice or consent of the holders of the notes, create and issue an unlimited principal amount of additional notes having the same terms and conditions (except for issue date, issue price and, if applicable, the first interest payment date) as, and forming a single series with, the notes initially issued in this offering.

Ranking

The notes will constitute direct, senior and unsecured obligations of Gruposura Finance. The obligations of Gruposura Finance under the notes will rank at all times equal in right of payment to all the future unsecured and unsubordinated obligations of Gruposura Finance.

Guarantees

Grupo SURA will irrevocably and unconditionally guarantee, on a senior and unsecured basis, Gruposura Finance's payment obligations under the notes and the indenture. The obligations of Grupo SURA under the guarantees will rank at all times:

- equal in right of payment to other existing and future senior unsecured and unsubordinated indebtedness of Grupo SURA (other than certain obligations granted preferential treatment under Colombian laws, such as tax claims);

- effectively subordinated to any future secured indebtedness of Grupo SURA to the extent of such security; and

- effectively subordinated to all indebtedness and other liabilities (including trade payables) of the subsidiaries and affiliates of Grupo SURA.

At December 31, 2015, Gruposura Finance had U.S.$ 300 million of outstanding indebtedness, and Grupo SURA had total unconsolidated indebtedness of COP 1,836,091 million, all of which was unsecured. These indebtedness amounts exclude debt undertaken subsequent to December 31, 2015 under the Bridge Loan which will be repaid in full with this offering. See "Risk Factors—Risks Related to the Notes—Grupo SURA's ability to make payment in respect of the notes and guarantees will depend on the dividend distributions that it receives from its subsidiaries and affiliates, and holders of the notes will be effectively subordinated to the claims of creditors of Grupo SURA's subsidiaries and affiliates."

Optional Redemption

The notes will not be redeemable prior to maturity, except as described below.

Make-Whole Redemption

At any time prior to January 29, 2026 (three months prior to the maturity date of the notes), the notes will be redeemable, at the option of Gruposura Finance or Grupo SURA, in whole but not in part, at a redemption price equal to the greater of (1) 100% of the outstanding principal amount of the notes and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 50 basis points, in each case plus accrued and unpaid interest to the redemption date and any Additional Amounts (as defined below).

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes.

"Comparable Treasury Price" means, with respect to the redemption date, (1) the average of the Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers reasonably designated by Gruposura Finance.

"Reference Treasury Dealer" means Merrill Lynch, Pierce, Fenner and Smith Incorporated and J.P. Morgan Securities LLC or their affiliates which are primary United States government securities dealers in New York City (each, a "Primary Treasury Dealer") and not less than three other leading Primary Treasury Dealers in New York City reasonably designated by Grupo SURA; *provided* that if any of the former cease to be a Primary Treasury Dealer, Grupo SURA will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and a redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at or about 3:30 p.m., New York City time, on the third business day preceding such redemption date.

"Treasury Rate" means, with respect to a redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

At Par Redemption

At any time on or after January 29, 2026 (three months prior to the maturity date of the notes), the notes will be redeemable, at the option of Gruposura Finance or Grupo SURA, in whole but not in part, at a redemption price equal to 100% of the outstanding principal amount of the notes, plus accrued and unpaid interest to the redemption date and any Additional Amounts.

Tax Redemption

The notes will be redeemable, at the option of Gruposura Finance or Grupo SURA, in whole but not in part, at 100% of the outstanding principal amount of the notes, plus accrued and unpaid interest to the redemption date and any Additional Amounts (as defined under "—Additional Amounts") payable with respect thereto, only if:

(1) Gruposura Finance or Grupo SURA would be obligated to pay any Additional Amounts as a result of any change in, or amendment to, the laws or regulations of any Taxing Jurisdiction (as defined below), or any change in, or a pronouncement by competent authorities of any Taxing Jurisdiction with respect to, the official application or official interpretation of such laws or regulations, which change, amendment or pronouncement occurs (a) after the date of the indenture (or, in the case of any Taxes (as defined below) imposed by the jurisdiction of a paying agent, after the date of appointment of such paying agent) or (b) in the case that Gruposura Finance or Grupo SURA, as applicable, merges with or into, or conveys, transfers or leases all or substantially all of its assets to, another Person and any Taxes are imposed or levied by or on behalf of the Taxing Jurisdiction (other than the Cayman Islands or Colombia) in which such successor entity is incorporated, after the date of such merger, conveyance, transfer or lease; and

(2) such obligation cannot be avoided by Gruposura Finance or Grupo SURA taking reasonable measures available to it; *provided* that, for this purpose, reasonable measures shall not include any change in Gruposura Finance's or Grupo SURA's jurisdiction of organization or locations of principal executive office, or the incurrence of material out-of-pocket expenses by Gruposura Finance or Grupo SURA. (For the avoidance of doubt, reasonable measures may include a change in the jurisdiction of a paying agent, *provided*, *however*, that such change shall not require Gruposura Finance or Grupo SURA to incur material additional costs or legal or regulatory burdens.)

No notice of redemption will be given earlier than 60 days prior to the earliest date on which Gruposura Finance or Grupo SURA would be obligated to pay such Additional Amounts if a payment in respect of the notes or the guarantees were then due.

Prior to the publication or mailing of any notice of redemption of the notes, Gruposura Finance or Grupo SURA must deliver to the trustee an officers' certificate confirming that it is entitled to exercise such right of redemption. Gruposura Finance or Grupo SURA will also deliver an opinion of legal counsel of recognized standing stating that Gruposura Finance or Grupo SURA would be obligated to pay such Additional Amounts due to the changes in tax laws or regulations or changes in, or pronouncements with respect to, the official application or official interpretation of such laws or regulations. The trustee will accept this certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set forth in clauses (1) and (2) above, in which event it will be conclusive and binding on the holders.

Redemption Procedures

Gruposura Finance or Grupo SURA will mail, or cause to be mailed, a notice of redemption to each holder (which, in the case of global notes, will be DTC) by first-class mail, postage prepaid, at least 30 days and not more than 60 days prior to the redemption date, to the address of each holder as it appears on the register maintained by the registrar. A notice of redemption will be irrevocable.

In addition, so long as the notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market and the rules of the exchange so require, a notice of redemption will also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxembourger Wort*) or on the website of the Luxembourg Stock Exchange (http://www.bourse.lu).

Unless Gruposura Finance or Grupo SURA defaults in the payment of the redemption price, interest will cease to accrue on the notes on and after the redemption date.

Open Market Purchases

Gruposura Finance, Grupo SURA or their affiliates may at any time purchase notes in the open market or otherwise at any price. Any such purchased notes may not be reissued or resold except in accordance with applicable securities and other laws.

Change of Control Offer

No later than 30 days following a Change of Control, Grupo SURA, on behalf of Gruposura Finance, will be required to make an Offer to Purchase for all outstanding notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the Purchase Date (as defined below).

An "Offer to Purchase" must be made by written offer, which will specify the principal amount of the notes subject to the offer and the offer price. The offer must specify the expiration date (the "Expiration Date") not less than 30 days or more than 60 days after the date of the offer and a settlement date for purchase (the "Purchase Date") not more than five business days after the Expiration Date. The offer must include such information concerning the business of Grupo SURA and its subsidiaries and affiliates which it believes will enable the holders to make an informed decision with respect to the Offer to Purchase. The offer will also contain instructions and materials necessary to enable holders to tender notes pursuant to the offer. Grupo SURA will comply with Rule 14e-1 under the Exchange Act (to the extent applicable) and all other applicable laws in making any Offer to Purchase, and the above procedures will be deemed modified as necessary to permit such compliance.

A holder may tender all or any portion of its notes pursuant to an Offer to Purchase, subject to the requirement that any portion of a note tendered must be in a multiple of U.S.$ 1,000 principal amount and that the minimum tender of any holder must be no less than U.S.$ 200,000, and that any Holder who tenders only a portion of its notes must retain an amount of notes no less than U.S.$ 200,000. Holders shall be entitled to withdraw notes tendered up to the close of business on the Expiration Date. On the Purchase Date, the purchase price will become due and payable on each note accepted for purchase pursuant to the Offer to Purchase, and interest on notes purchased will cease to accrue on and after the Purchase Date.

Grupo SURA will not be required to make an Offer to Purchase upon a Change of Control if (1) a third party makes the Offer to Purchase in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to an Offer to Purchase made by Grupo SURA and purchases all the notes properly tendered and not withdrawn under the Offer to Purchase, or (2) a notice of redemption for all outstanding notes has been given pursuant to the indenture unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, an Offer to Purchase may be made in advance of a

Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Offer to Purchase is made.

"Change of Control" means if:

(i) any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 under the Exchange Act, except that such person or group shall be deemed to have "beneficial ownership" of all shares that any person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than the percentage of the total voting power of the Voting Stock of Grupo SURA collectively owned by the Permitted Holders at any time of determination, including, without limitation, as a result of any consolidation, merger, conveyance or transfer, in one or a series of related transactions, of all or substantially all the assets of Grupo SURA; or

(ii) the first day on which a majority of the members of the Board of Directors of Grupo SURA are not Continuing Directors; or

(iii) the adoption by the shareholders of Grupo SURA of a plan or proposal for the liquidation or dissolution of Grupo SURA.

"Continuing Directors" means, as of any time of determination, any member of the Board of Directors of Grupo SURA who was elected to such Board of Directors with the vote of the Permitted Holders.

"Permitted Holders" mean Grupo Argos S.A. and Grupo Nutresa S.A. and their respective Subsidiaries. Notwithstanding the preceding sentence, so long as any "person" or "group", other than Grupo SURA and its Subsidiaries or another Permitted Holder, is or becomes the "beneficial owner", directly or indirectly, of more than the percentage of the total voting power of the Voting Stock of a Permitted Holder collectively owned by Grupo SURA and the other Permitted Holders at any time of determination, then such Permitted Holder shall no longer be deemed a "Permitted Holder" under this definition.

"Voting Stock" means, with respect to Grupo SURA as of any date, the share capital of Grupo SURA that is at the time entitled to vote generally in the election of the Board of Directors of Grupo SURA and in respect of other matters presented at the shareholders' meeting of Grupo SURA.

Payments

Gruposura Finance and Grupo SURA will make all payments on the notes and the guarantees exclusively in U.S. dollars or such other currency of the United States as at the time of payment will be legal tender for the payment of public and private debts.

Gruposura Finance will make payments of principal of and premium, if any, and interest on the notes to the paying agents. The trustee will initially act as a paying agent with respect to the notes. So long as the notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, Gruposura Finance will also maintain a paying agent in Luxembourg.

Gruposura Finance will pay interest on the outstanding principal amount of the notes to the Persons in whose name the notes are registered on the relevant record date (which, in the case of global notes, will be DTC) and will pay principal of and premium, if any, on the notes to the Persons in whose name the notes are registered at the close of business on the fifteenth day before the due date for payment (which, in the case of global notes, will be DTC). All such payments shall be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in New York City. Gruposura Finance will make payments of principal and premium, if any, upon surrender of the relevant notes at the specified office of the trustee or any of the paying agents.

Under the terms of the indenture, payment by Gruposura Finance of any amount payable under the notes to the paying agents in accordance with the indenture will satisfy the obligation of Gruposura Finance to make such payment; *provided* that the liability of any paying agent will not exceed any amounts paid to it by Gruposura Finance, or held by it, on behalf of the holders under the indenture. Gruposura Finance has agreed in the indenture to indemnify the holders in the event that there is subsequent failure by the trustee or any paying agent to pay any amount due in respect of the notes in accordance with the indenture as will result in the receipt by the holders of such amounts as would have been received by them had no such failure occurred.

All payments will be subject in all cases to any applicable tax or other laws and regulations, but without prejudice to the provisions of "—Additional Amounts." No fees or expenses will be charged to the holders in respect of such payments.

Subject to applicable law, the trustee and the other paying agents will pay to Gruposura Finance or Grupo SURA upon request any monies held by them for the payment of principal, premium, if any, or interest that remains unclaimed for two years, and, thereafter, holders entitled to such monies must look to Gruposura Finance or Grupo SURA for payment as general creditors. After the return of such monies by the trustee or the other paying agents to Gruposura Finance or Grupo SURA, neither the trustee nor the other paying agents will be liable to the holders in respect of such monies.

Form, Denomination and Title

The notes will be issued in fully registered form without coupons attached in minimum denominations of U.S.$ 200,000 and integral multiples of U.S.$ 1,000 in excess thereof.

Notes sold in offshore transactions in reliance on Regulation S will be represented by a permanent global note in fully registered form without coupons deposited with a custodian for and registered in the name of a nominee of DTC. Notes sold in reliance on Rule 144A will be represented by a permanent global note in fully registered form without coupons deposited with a custodian for and registered in the name of a nominee of DTC. Beneficial interests in the global notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Euroclear and Clearstream. Except in certain limited circumstances, definitive registered notes will not be issued in exchange for beneficial interests in the global notes. See "Form of the Notes—Global Notes."

Title to the notes will pass by registration in the register. The holder of any note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, writing on, or theft or loss of, the definitive note issued in respect of it) and no Person will be liable for so treating the holder.

Transfer of Notes

Notes may be transferred in whole or in part in an authorized denomination upon the surrender of the note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the registrar or any transfer agent. Transfer of beneficial interests in the global notes will be effected only through records maintained by DTC and its participants. See "Form of the Notes." Notes will be subject to certain restrictions on transfer as more fully set out in the indenture and as described under "Transfer Restrictions."

The trustee will initially act as the registrar and as a transfer agent with respect to the notes. So long as the notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market and the rules of such exchange so require, Gruposura Finance will also maintain a transfer agent in Luxembourg.

Transfer will be effected without charge by or on behalf of Gruposura Finance, the registrar or the transfer agents, but upon payment, or the giving of such indemnity as the registrar or the relevant transfer agent may require, in respect of any tax or other governmental charges which may be imposed in relation to it.

No holder may require the transfer or exchange any note selected for redemption. No holder may require the transfer of a note to be registered during the period of 15 days ending on the due date for any payment of principal of or premium, if any, or interest on that note.

Additional Amounts

All payments by Gruposura Finance or Grupo SURA in respect of the notes or the guarantees will be made free and clear of and without any withholding or deduction for or on account of any present or future Taxes (as defined below), unless the withholding or deduction of such Taxes is required by law or the official interpretation thereof, or by the administration thereof. If Gruposura Finance or Grupo SURA shall be required by any law of any Taxing Jurisdiction (as defined below) to withhold or deduct any Taxes from or in respect of any sum payable under the notes or the guarantees, Gruposura Finance or Grupo SURA, as the case may be, will (a) pay such additional amounts ("Additional Amounts") as may be necessary in order that the net amounts receivable by holders of any notes after such withholding or deduction equal the respective amounts which would have been receivable by such holders in the absence of such withholding or deduction, (b) make such withholding or deduction, and (c) pay the full amount withheld or deducted to the relevant tax or other authority in accordance with applicable law, except that no such Additional Amounts will be payable in respect of any note:

(i) to the extent that such Taxes are imposed or levied by reason of such holder (or the beneficial owner) having some connection with the Taxing Jurisdiction other than the mere holding (or beneficial ownership) of such note or receiving principal or interest payments on the note (including but not limited to citizenship, nationality, residence, domicile, or existence of a business, permanent establishment, a dependent agent, a place of business or a place of management present or deemed present in the Taxing Jurisdiction);

(ii) to the extent that any Tax is imposed other than by deduction or withholding from payments of principal of or premium, if any, or interest on the notes;

(iii) in the event that the holder (or beneficial owner) fails to comply with any certification, identification or other reporting requirement concerning its nationality, residence, identity or connection with the Taxing Jurisdiction if (1) compliance is required by applicable law, regulation, administrative practice or treaty as a precondition to exemption from all or part of the Taxes, (2) the holder (or beneficial owner) is able to comply with these requirements without undue hardship and (3) Gruposura Finance or Grupo SURA, as the case may be, has given the holders (or beneficial owners) at least 30 days prior notice that they will be required to comply with such requirement;

(iv) in the event that the holder fails to surrender (where surrender is required) the note for payment within 30 days after Gruposura Finance or Grupo SURA, as the case may be, has made available a payment of principal or interest, provided that Gruposura Finance or Grupo SURA, as the case may be, will pay Additional Amounts to which a holder would have been entitled had the note been surrendered on the last day of such 30-day period;

(v) to the extent that such Taxes are imposed by reason of an estate, inheritance, gift, personal property, value added, use or sales tax or any similar taxes, assessments or other governmental charges;

(vi) where such withholding or deduction of Taxes is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive on the taxation of savings implementing the conclusions of the European Council of Economic and Finance Ministers (ECOFIN) meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;

(vii) by or on behalf of a holder who would have been able to avoid such withholding or deduction of Taxes by presenting the relevant note to another paying agent in a member state of the European Union; or

(viii) any combination of items (i) through (vii) above.

Furthermore, no Additional Amounts will be paid to a holder that is a fiduciary or a partnership or not the sole beneficial owner of such payment to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or such beneficial owner would not have been entitled to receive the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the holder.

"Taxes" means all taxes, withholdings, duties, assessments or governmental charges in the nature of a tax imposed or levied by or on behalf of the Cayman Islands or Colombia or the jurisdiction of incorporation of any successor entity to Gruposura Finance or Grupo SURA, or, in the event that Gruposura Finance or Grupo SURA appoints additional paying agents, by the jurisdictions of such additional paying agents or, in each case, any political subdivision thereof or any authority or agency therein or thereof having power to tax (each, a "Taxing Jurisdiction").

Gruposura Finance or Grupo SURA, as the case may be, will provide the trustee with the official acknowledgment of the relevant taxing authority (or, if such acknowledgment is not available, other reasonable documentation) evidencing any payment of any Taxes in respect of which Gruposura Finance or Grupo SURA, as the case may be, has paid any Additional Amounts. Copies of such documentation will be made available to the holders of the notes or the paying agents, as applicable, upon request therefor.

GrupoSura Finance or Grupo SURA, as the case may be, will also pay any present or future stamp, issue, registration, court or documentary taxes or any excise or property taxes, charges or similar levies which arise in any jurisdiction from the execution, delivery, registration, enforcement, or the making of payments in respect of the notes and the related guarantees, or the indenture, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside of Colombia or the Cayman Islands other than those resulting from, or required to be paid in connection with, the enforcement of the notes and the related guarantees following the occurrence of any Default or Event of Default.

All references in this offering memorandum to principal of and premium, if any, and interest on the notes will include any Additional Amounts payable by Gruposura Finance or Grupo SURA, as the case may be, in respect of such principal, premium, if any, and interest.

Covenants

The indenture contains the following covenants:

Limitation on Liens

Grupo SURA will not create or suffer to exist any Lien upon any of its property or assets now owned or hereafter acquired by Grupo SURA (including, without limitation, in respect of any Share Capital held by Grupo SURA) securing any Debt unless simultaneously therewith effective provision is made to secure the notes equally and ratably with such obligation for so long as such obligation is so secured. The preceding sentence will not, however, require Grupo SURA to equally and ratably secure the notes if the Lien consists of the following:

(1) any Lien existing on the date of the indenture, and any extension, renewal or replacement thereof or of any Lien referred to in clause (2) below; *provided* that the total amount of Debt so secured is not increased, other than any increase reflecting premiums, fees and expenses in connection with such extension, renewal or replacement;

(2) any Lien existing on any property or assets of any Person before that Person's acquisition by, merger into or consolidation with Grupo SURA after the date of the indenture; *provided* that (a) the Lien is not created in contemplation of or in connection with such acquisition, merger or consolidation, (b) the Debt secured by the Liens may not exceed the Debt secured on the date of such acquisition, merger or consolidation, in each case, taking into account any accrued interest or monetary variation, (c) the Lien will not apply to any other property or assets of Grupo SURA and (d) the Lien will secure only the Debt that it secures on the date of such acquisition, merger or consolidation;

(3) any Lien imposed by law that was incurred in the ordinary course of business, including, without limitation, carriers', warehousemen's and mechanics' liens and other similar encumbrances arising

in the ordinary course of business, in each case for sums not yet due or being contested in good faith by appropriate proceedings;

(4) any pledge or deposit made in connection with workers' compensation, unemployment insurance or other similar social security legislation, or any deposit to secure appeal bonds in proceedings being contested in good faith to which Grupo SURA is a party;

(5) any Lien securing taxes, assessments and other governmental charges, the payment of which are not yet due or are being contested in good faith by appropriate proceedings and for which such reserves or other appropriate provisions, if any, have been established as required by IFRS;

(6) Liens securing Hedging Obligations not for speculative purposes and incurred in the ordinary course of business pursuant to customary collateral provisions for Hedging Obligations of such type; or

(7) in addition to the foregoing Liens set forth in clauses (1) through (6) above, Liens securing Debt of Grupo SURA which do not in aggregate principal amount, at any time of determination, exceed 10.0% of Grupo SURA's Total Assets.

For the avoidance of doubt, the limitation set forth in the preceding paragraph will not restrict any Subsidiary or Investee of Grupo SURA from creating any Liens on its property and assets.

Limitation on Transactions with Affiliates

Grupo SURA will not enter into any transaction or series of related transactions with or with respect to any Affiliate of Grupo SURA unless (A) such transaction or series of related transactions are no less favorable to it than those that could be obtained at the time in a comparable transaction or series of related transactions in arm's-length dealings with an unrelated third Person and (B) in the event such transaction involves an aggregate consideration in excess of U.S.$ 50 million, the terms of such transactions have been approved by a resolution of the majority of members of the board of directors of Grupo SURA and a majority of members of such board of directors having no personal interest or stake in such transaction, if any. The preceding sentence will not, however, apply to:

(1) the performance of any transaction under the terms of any agreement as in effect on the date of the indenture and described in this offering memorandum;

(2) any employment agreement, employee benefit plan, officer or director indemnification agreement or similar agreement entered into by Grupo SURA in the ordinary course of business consistent with past practices;

(3) loans or advances to directors, officers and employees in the ordinary course of business consistent with past practices; or

(4) the payment of reasonable and customary fees paid to, and indemnity provided on behalf of, directors of Grupo SURA.

For the avoidance of doubt, the limitation set forth in the preceding paragraph will not restrict any transaction or series of related transactions between Grupo SURA and any Subsidiary of Grupo SURA or among such Subsidiaries.

Limitation on Consolidation, Merger or Transfer of Assets

Grupo SURA will not consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (if not Grupo SURA) is a Person organized and existing under the laws of Colombia, the United States or any state or territory thereof, a member state of the European Union or a member state of the Organization for Economic Co-operation and

Development (OECD) and expressly assumes, by a supplemental indenture to the indenture, executed and delivered to the trustee, all the obligations of Grupo SURA under the indenture, the notes and the guarantees;

(2) immediately prior to such transaction and immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and

(3) Grupo SURA delivers to the trustee an officers' certificate and an opinion of counsel of recognized standing, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture, if any, comply with the indenture and that all conditions precedent provided for in the indenture relating to such transaction have been complied with.

The trustee will be entitled to rely exclusively on and will accept such officers' certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set forth in this covenant, in which event it will be conclusive and binding on the holders.

Reporting Requirements

Grupo SURA will provide or cause to be provided promptly to the trustee any financial statements which Grupo SURA may file with the SFC or the SEC, or which are otherwise made available to the public in such language or form as such financial statements are prepared. In addition to the foregoing (and without duplication), Grupo SURA will cause to be provided to the trustee (i) in English (or accompanied by an English translation thereof) as soon as available and in any case within 45 days after the end of each fiscal quarter (other than the fourth quarter), its unaudited consolidated balance sheet and statement of income calculated in accordance with IFRS and its combined net cash receipts information substantially in the form of such information set forth in the "Liquidity and Capital Resources" subsection of "Management's Description and Analysis of Results of Operations and Financial Condition" in this offering memorandum and (ii) in English (or accompanied by an English translation thereof) as soon as available and in any case within 90 days after the end of each fiscal year, its audited consolidated balance sheet, statement of income, statement of changes in stockholders' equity and statement of cash flow calculated in accordance with IFRS and accompanied by a report thereon by an independent public accountant of recognized international standing, together in all cases under (i) and (ii) with a "management discussion and analysis of Grupo SURA's financial condition and results of operations" disclosure substantially in the form set forth under "Management's Description and Analysis of Results of Operations and Financial Condition" in this offering memorandum.

For as long as the notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, Grupo SURA will furnish to any holder of notes issued under Rule 144A, or to any prospective purchaser designated by such holder of notes, upon request of such holder of notes, financial and other information described in paragraph (d)(4) of Rule 144A with respect to Grupo SURA to the extent required in order to permit such holder of notes to comply with Rule 144A with respect to any resale of its note, unless during that time Grupo SURA is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or is exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act and no such information about Grupo SURA is otherwise required pursuant to Rule 144A.

Additional Limitations relating to Gruposura Finance

The indenture will contain the following additional covenants applicable to Gruposura Finance:

- Gruposura Finance will not engage in any business, or conduct any operations, other than to finance the operations of Grupo SURA and its Wholly-Owned Subsidiaries and activities that, in the good faith judgment of Gruposura Finance's directors and officers, are reasonably ancillary thereto (including, without limitation, on-lending of funds, repurchases of Debt permitted to be issued by the indenture and entering into transactions involving Hedging Obligations relating to such Debt);

- Gruposura Finance will not incur any Debt other than (1) the notes and (2) any other senior unsecured indebtedness which (i) ranks equally with the notes, or (ii) is subordinated to the notes;

- Gruposura Finance will not make any investments, other than Permitted Investments; and
- Gruposura Finance will not incur any Liens on any of its assets, except for any Liens imposed by operation of law.

Grupo SURA, as the sole shareholder of Gruposura Finance, and Gruposura Finance will also agree in the indenture that, for so long as any of the notes is outstanding, neither Grupo SURA nor Gruposura Finance will take any corporate action with respect to:

- the consolidation or merger of Gruposura Finance with or into any other Person, except that Gruposura Finance may merge with Grupo SURA or a Wholly-Owned Subsidiary of Grupo SURA that is in compliance with the preceding paragraph;
- the voluntary liquidation, wind-up or dissolution of Gruposura Finance while Gruposura Finance is the issuer of the notes, unless Grupo SURA fully and unconditionally assumes all of the obligations of Gruposura Finance, including the notes; or
- the transfer or disposition by Grupo SURA of Gruposura Finance to any Person other than a Wholly-Owned Subsidiary of Grupo SURA, except as permitted under "—Covenants—Limitation on Consolidation, Merger or Transfer of Assets."

Events of Default

An "Event of Default" occurs if:

(1) Gruposura Finance or Grupo SURA defaults in any payment of interest (including any related Additional Amounts) on any note or guarantee when the same becomes due and payable, and such default continues for a period of 30 days;

(2) Gruposura Finance or Grupo SURA defaults in any payment of principal (including premium, if any, and any related Additional Amounts) of any note or guarantee when the same becomes due and payable upon its Stated Maturity, upon redemption, or otherwise;

(3) Gruposura Finance or Grupo SURA fails to comply with any of its covenants or agreements in the indenture, the notes or guarantees (other than those referred to in clauses (1) and (2) above), and such failure continues for 60 days after the notice specified below;

(4) Gruposura Finance, Grupo SURA, any of Grupo SURA's Subsidiaries, any of Grupo SURA's Material Investees, or any of Grupo SURA's Investees that, in the aggregate, would constitute a Material Investee, defaults with respect to any of its Debt (whether such Debt now exists or is created after the date of the indenture), which default (a) is caused by failure to pay principal of or premium, if any, or interest on such Debt after giving effect to any grace period provided in such Debt on the date of such default ("Payment Default") or (b) results in the acceleration of such Debt prior to its Stated Maturity and, in each case, the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, totals U.S.$ 75 million or more in the aggregate (or, in each case, the equivalent thereof at the time of determination);

(5) one or more final judgments or decrees for the payment of money of U.S.$ 75 million or more in the aggregate (or, in each case, the equivalent thereof at the time of determination) are rendered against Gruposura Finance, Grupo SURA, any of Grupo SURA's Subsidiaries, any of Grupo SURA's Material Investees, or any of Grupo SURA's Investees that, in the aggregate, would constitute a Material Investee, and are not paid (whether in full or in installments in accordance with the terms of the judgment) or otherwise discharged and, in the case of each such judgment or decree, either (a) an enforcement proceeding has been commenced by any creditor upon such judgment or decree and is not dismissed within 30 days following

commencement of such enforcement proceedings or (b) there is a period of 60 days following such judgment during which such judgment or decree is not discharged, waived or the execution thereof stayed;

(6) any Colombian Governmental Authority condemns, nationalizes, seizes, or otherwise expropriates all or any substantial portion of Grupo SURA's assets or property or the Share Capital of any of Grupo SURA's Significant Subsidiaries or any of Grupo SURA's Material Investees, or assumes custody or control of such assets or property or of the business or operations or Share Capital of any such Significant Subsidiaries or Material Investees or takes any action that would prevent Grupo SURA or any such Significant Subsidiaries or Material Investees or their respective officers from carrying on a substantial portion of the business or operations of Grupo SURA or any such Significant Subsidiaries or Material Investees for a period longer than 60 days and the result of any such action materially prejudices Gruposura Finance's or Grupo SURA's ability to perform its obligations under the indenture, the notes and the guarantees;

(7) Grupo SURA, any of Grupo SURA's Significant Subsidiaries, or any of Grupo SURA's Material Investees, or any Colombian Governmental Authority, declares a general suspension of payment or a moratorium on the payment of Grupo SURA's indebtedness, or any indebtedness of such Significant Subsidiaries or Material Investees;

(8) a resolution is passed or adopted by the board of directors or shareholders of Grupo SURA, any of Grupo SURA's Significant Subsidiaries or any of Grupo SURA's Material Investees or by the SFC or any similar Colombian Governmental Authority, or a judgment of a court of competent jurisdiction in Colombia is made, that Grupo SURA or any such Significant Subsidiaries or Material Investees be wound up or dissolved (otherwise than for the purposes of, or pursuant to, or in connection with, a consolidation or merger or other transaction in accordance with the terms of the indenture described in "—Covenants—Consolidation, Merger or Transfer of Assets");

(9) any proceeding is instituted by or against Grupo SURA, any of Grupo SURA's Significant Subsidiaries or any of Grupo SURA's Material Investees seeking to adjudicate Grupo SURA or any such Significant Subsidiaries or Material Investees bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of any Debt under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for Grupo SURA or any such Significant Subsidiaries or Material Investees or for any substantial part of the property of Grupo SURA or any of such Significant Subsidiaries or Material Investees and, in the case of any of the foregoing actions, such proceeding or action is not dismissed or discharged and remains in effect for 60 days; or Grupo SURA any such Subsidiaries or Material Investees takes corporate action to authorize any of the actions set forth above in this clause (9); or

(10) any material provision of the indenture, the notes or the guarantees ceases to be in full force and effect or binding and enforceable against Gruposura Finance or Grupo SURA, it becomes unlawful for Gruposura Finance or Grupo SURA to perform any material obligation under indenture , the notes or the guarantees, or Gruposura Finance or Grupo SURA contests the enforceability of any of the indenture, the notes or the guarantees, or denies that it has liability under the indenture, the notes or the guarantees.

A Default under clause (3) above will not constitute an Event of Default until the trustee or the holders of at least 25% in principal amount of the notes outstanding notify Gruposura Finance and Grupo SURA of the Default and Gruposura Finance or Grupo SURA does not cure such Default within the time specified after receipt of such notice.

If an Event of Default (other than an Event of Default specified in clauses (7), (8) and (9) above) occurs and is continuing, the trustee or the holders of not less than 25% in principal amount of the notes then outstanding may declare all unpaid principal of and premium, if any, and accrued interest on all notes to be due and payable immediately, by a notice in writing to Gruposura Finance, with a copy to Grupo SURA, and upon any such declaration such amounts will become due and payable immediately. If an Event of Default specified in clauses (7), (8) and (9) above occurs and is continuing, then, to the extent permitted by applicable law, the principal of and premium, if any, and accrued interest on all notes will become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

Subject to the provisions of the indenture relating to the duties of the trustee in case an Event of Default will occur and be continuing, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders, unless such holders will have offered to the trustee indemnity satisfactory to the trustee. Subject to such provision for the indemnification of the trustee and certain other conditions set forth in the indenture, the holders of a majority in aggregate principal amount of the outstanding notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee.

Defeasance

Gruposura Finance or Grupo SURA may at any time terminate all of its obligations with respect to the notes and the guarantees ("defeasance"), except for certain obligations, including those regarding any trust established for a defeasance and obligations to register the transfer or exchange of the notes, to replace mutilated, destroyed, lost or stolen notes and to maintain agencies in respect of notes. Gruposura Finance or Grupo SURA may at any time terminate its obligations under certain covenants set forth in the indenture, and any omission to comply with such obligations will not constitute a Default or an Event of Default with respect to the notes issued under the indenture ("covenant defeasance"). In order to exercise either defeasance or covenant defeasance, Gruposura Finance or Grupo SURA must irrevocably deposit in trust, for the benefit of the holders of the notes, with the trustee money or U.S. government obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants expressed in a written certificate delivered to the trustee, without consideration of any reinvestment, to pay the principal of and premium, if any, and interest on the notes to redemption or maturity and comply with certain other conditions, including the delivery of an opinion of counsel as to certain tax matters.

Amendment, Supplement, Waiver

Subject to certain exceptions, the indenture, the notes and the guarantees may be amended or supplemented with the written consent of the holders of at least a majority in principal amount of the notes then outstanding, and any Default or Event of Default and its consequences may be waived with the consent of the holders of at least a majority in principal amount of the notes then outstanding. However, without the consent of each holder of an outstanding note affected thereby, no amendment may:

(1) reduce the rate of or extend the time for payment of interest on any note;

(2) reduce the principal of or change the Stated Maturity of any note;

(3) reduce the amount payable upon the redemption of any note or change the time at which any note may be redeemed;

(4) change the currency for payment of principal of or premium, if any, or interest on any note;

(5) impair the right to institute suit for the enforcement of any payment on or with respect to any note;

(6) waive a Default or Event of Default in the payment of principal of and premium, if any, and interest on the notes;

(7) amend or modify any provisions of the guarantees in a manner that could materially and adversely affect the holders;

(8) reduce the principal amount of notes whose holders must consent to any amendment, supplement or waiver; or

(9) make any change in the amendment or waiver provisions which require each holder's consent.

The holders of the notes will receive prior notice as described under "—Notices" of any proposed amendment to the indenture, the notes or the guarantees described in this paragraph.

The consent of the holders of the notes is not necessary to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Gruposura Finance, Grupo SURA and the trustee may, without notice to or the consent or vote of any holder of the notes, amend or supplement the indenture, the notes or the guarantees for the following purposes:

(1) to cure any ambiguity, defect or inconsistency (including, without limitation, any inconsistency between the text of the indenture, the notes or the guarantees and the description of the indenture, the notes and the guarantees contained in this "Description of the Notes" section of this offering memorandum);

(2) to comply with the covenant described under "—Covenants—Limitation on Consolidation, Merger or Transfer of Assets";

(3) to add guarantees or collateral with respect to the notes;

(4) to add to the covenants of Gruposura Finance or Grupo SURA for the benefit of holders of the notes;

(5) to surrender any right conferred by the indenture upon Gruposura Finance or Grupo SURA;

(6) to evidence and provide for the acceptance of an appointment by a successor trustee;

(7) to provide for the issuance of additional notes; or

(8) to make any other change that does not materially and adversely affect the rights of any holder of the notes.

After an amendment described in this section becomes effective, Gruposura Finance or Grupo SURA is required to mail to the holders a notice briefly describing such amendment. However, the failure to give such notice to all holders of the notes, or any defect therein, will not impair or affect the validity of the amendment.

Any notes owned by Gruposura Finance, Grupo SURA or any of their Affiliates will be disregarded for purposes of determining whether holders of the requisite principal amount of notes outstanding have given any request, demand, authorization, direction, consent or waiver under the indenture.

Prior to the effectiveness of any amendment under the indenture, the trustee shall receive an officer's certificate and an opinion of counsel setting forth the details of the amendment and stating that all conditions precedent have been met and that such amendment is permitted under the indenture.

Notices

For so long as notes in global form are outstanding, notices to be given to holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If notes are issued in individual definitive form, notices to be given to holders will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to holders of the notes at their registered addresses as they appear in the trustee's records. In addition, so long as the notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market and the rules of such exchange so require, notices will be prepared and delivered by Grupo SURA and will also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxembourger Wort*) or on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). Any such notice will be deemed to have been delivered on the date of first publication.

Trustee

The Bank of New York Mellon is the trustee under the indenture.

The indenture contains provisions for the indemnification of the trustee and for its relief from responsibility. The obligations of the trustee to any holder are subject to such immunities and rights as are set forth in the indenture.

Except during the continuance of an Event of Default, the trustee need perform only those duties that are specifically set forth in the indenture and no others, and no implied covenants or obligations will be read into the indenture against the trustee. In case an Event of Default has occurred and is continuing, the trustee shall exercise such of those rights and powers vested in it by the indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. No provision of the indenture will require the trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability or expense.

Gruposura Finance, Grupo SURA and their Affiliates may from time to time enter into normal banking and trustee relationships with the trustee and its Affiliates.

Registrar, Transfer Agent and Paying Agents

The trustee will initially act as registrar for the notes. The trustee will also act as transfer agent and paying agent for the notes. Gruposura Finance has the right at any time to change or terminate the appointment of the registrar, any paying agents or any transfer agents and to appoint a successor registrar or additional or successor paying agents or transfer agents in respect of the notes. Registration of transfers of the notes will be effected without charge, but upon payment (with the giving of such indemnity as Gruposura Finance and the trustee may require) in respect of any tax or other governmental charges that may be imposed in relation to it. Gruposura Finance will not be required to register or cause to be registered the transfer of notes after all the notes have been called for redemption.

For so long as the notes are listed on the Luxembourg Stock Exchange for trading on the Euro MTF Market, Gruposura Finance will maintain a paying agent and transfer agent in Luxembourg. Gruposura Finance has initially appointed The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg paying agent and transfer agent. To the extent that the Luxembourg paying agent is obliged to withhold or deduct tax on payments of interest or similar income, Gruposura Finance will, to the extent permitted by law, ensure that it maintains an additional paying agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive on the taxation of savings implementing the conclusions of the European Council of Economic and Finance Ministers (ECOFIN) meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Governing Law, Submission to Jurisdiction and Claims

The indenture, the notes and the guarantees will be governed by, and construed in accordance with, the laws of the State of New York.

Each of the parties to the indenture will submit to the non-exclusive jurisdiction of the U.S. federal and New York state courts located in the Borough of Manhattan, New York City for purposes of all legal actions and proceedings instituted in connection with the indenture, the notes and the guarantees. Each of Gruposura Finance and Grupo SURA has appointed Corporation Service Company, 1133 Avenue of the Americas, Suite 3100, New York, New York 10036, as its authorized agent upon which process may be served in any such action.

According to the laws of the State of New York, claims against Gruposura Finance and Grupo SURA for the payment of principal of and premium, if any, and interest on the notes must be made within six years from the due date for payment thereof.

Waiver of Immunities

To the extent that Gruposura Finance or Grupo SURA may claim for itself or its assets immunity from a suit, execution, attachment, whether in aid of execution, before judgment or otherwise, or other legal process in connection with the indenture, notes or the guarantees and to the extent that in any jurisdiction there may be immunity attributable to Gruposura Finance or Grupo SURA or its assets, whether or not claimed, Gruposura Finance and Grupo SURA will for the benefit of the holders irrevocably waive and agree not to claim such immunity to full extent permitted by law.

Currency Indemnity

U.S. dollars are the sole currency of account and payment for all sums payable by Gruposura Finance or Grupo SURA under or in connection with the indenture, the notes and the guarantees, including damages. Any amount received or recovered in a currency other than dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of Gruposura Finance or Grupo SURA or otherwise) by any holder of a note in respect of any sum expressed to be due to it from Gruposura Finance and Grupo SURA will only constitute a discharge of Gruposura Finance and Grupo SURA to the extent of the dollar amount that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that dollar amount is less than the dollar amount expressed to be due to the recipient under any note, Gruposura Finance and Grupo SURA will indemnify such holder against any loss sustained by it as a result. In any event, Gruposura Finance and Grupo SURA will indemnify the recipient against the cost of making any such purchase.

For the purposes of the preceding paragraph, it will be sufficient for the holder of a note to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of Gruposura Finance and Grupo SURA, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any holder of a note and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any note.

Definitions

The following is a summary of certain defined terms used in the indenture. Reference is made to the indenture for the full definition of all such terms.

"Affiliate" means, with respect to any specified Person, (a) any other Person which, directly or indirectly, is in control of, is controlled by or is under common control with such specified Person or (b) any other person who is a director or officer (i) of such specified Person, (ii) of any subsidiary of such specified Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Colombian Governmental Authority" means the government of Colombia or of any political subdivision thereof, whether state or local, any branch of government, whether legislative, executive or judicial, of any state or department (*departamento*), acting through any body or entity, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Debt" means, with respect to any Person, without duplication:

(a) indebtedness for money borrowed and premium, if any, and accrued interest in respect thereof;

(b) liabilities under or in respect of any acceptance or credit;

(c) the principal and premium, if any, and any accrued and unpaid interest in respect of any bonds, notes, debentures, certificates of deposit or other securities (whether issued for cash or in whole or in part for consideration other than cash);

(d) all obligations issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable in the ordinary course of business);

(e) all obligations of such Person for the reimbursement of any obligor or any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (a) through (d) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth business day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(f) all obligations of the type referred to in clauses (a) through (e) of other Persons and all dividends of other Persons for the payments of which, in either case, such Person is responsible, or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee (other than obligations of other Persons that are customers or suppliers of such Person for which such Person is or becomes responsible or liable in the ordinary course of business to (but only to) the extent that such Person does not, or is not required to, make payment thereof);

(g) the net obligations under Hedging Obligations;

(h) guarantees and other contingent obligations in respect of Debt referred to in clauses (a) through (g) above; and

(i) any other obligations of such Person which are required to be, or are in such Person's financial statements, recorded or treated as indebtedness under IFRS.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt or other obligation of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation of such Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (b) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate collar agreement, option, forward or futures contract or other similar agreement or arrangement designed to protect such Person against changes in interest rates or foreign exchange rates.

"holder" means the Person in whose name a note is registered in the register.

"IFRS" means International Financial Reporting Standards, as supplemented or modified by any Colombian Governmental Authority.

"Investee" means any Person in which Grupo SURA, directly or indirectly, owns or controls 20% or more, but not more than 50%, of the shares of Share Capital or other interests (including partnership interests) or of the voting power thereof.

"Issue Date" means the first date of issuance of notes under the indenture.

"Lien" means any mortgage, pledge, security interest, conditional sale or other title retention agreement or other similar lien.

"Material Investee" means any of Grupo SURA's Investees (i) which, for the year ended December 31 of the most recent year for which audited consolidated financial statements are available, made dividend payments or other distributions, directly or indirectly, to Grupo SURA which constituted at least 20% of the dividends payments and other distributions received by Grupo SURA for such year, or (ii) in which the direct or indirect investment of Grupo SURA, as of December 31 of the most recent year for which audited consolidated financial statements are available, constituted at least 20% of Grupo SURA's Total Assets, in the case of clauses (i) and (ii) determined in accordance with IFRS, *provided* that, for purposes of clauses (4) and (5) of the definition of "Event of Default", Material Investee shall only be based upon clause (i) of this definition.

"Permitted Investments" means, with respect to Gruposura Finance, (i) investments in cash and short-term, high-quality investments that are recorded as cash equivalents on Grupo SURA's consolidated balance sheet in accordance with IFRS, (ii) investments in fixed income securities rated (on a non-local foreign currency basis or equivalent) at the time of acquisition thereof at least "A2" or the equivalent thereof by Moody's Investor Service, Inc., "A" or the equivalent thereof by Standard & Poor's Ratings Services or "A" or the equivalent thereof by Fitch Ratings Limited, or carrying an equivalent rating by an internationally recognized rating agency, if all three of the named rating agencies cease publishing ratings of investments and (iii) on-lending to Grupo SURA or any direct or indirect Subsidiary of Grupo SURA.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"SEC" means the U.S. Securities and Exchange Commission, or any successor thereto.

"SFC" means the Colombian Financial Superintendency (*Superintendencia Financiera de Colombia*).

"Share Capital" means, with respect to any Person, any and all shares of capital stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting), such Person's equity, including any preferred stock, but excluding any debt securities convertible into or exchangeable for such equity.

"Significant Subsidiary" means any Subsidiary of Grupo SURA which would be a "significant Subsidiary" within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC in effect on the

Issue Date, assuming Grupo SURA is the registrant referred to in such definition, *provided* that all references therein to 10% are modified to 20% for purposes of this definition.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which any principal of such security is due and payable, including pursuant to any mandatory redemption or purchase provision (but excluding any provision providing for the purchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"Subsidiary" means any Person of which more than 50% of the total voting power of shares of Share Capital or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (a) Grupo SURA, (b) Grupo SURA and one or more Subsidiaries or (c) one or more Subsidiaries.

"Total Assets" means, as of any date of determination, the total assets shown on the unconsolidated balance sheet of Grupo SURA as of the most recent date for which financial statements have been provided to the trustee, determined in accordance with IFRS.

"Wholly-Owned Subsidiary" means a Subsidiary of which at least 95% of the Share Capital (other than directors' qualifying shares) is owned by Grupo SURA or another Wholly-Owned Subsidiary.

Form of the Notes

Notes sold pursuant to Regulation S will be represented by a global note in fully registered form without interest coupons (the "Regulation S Global Note") and will be registered in the name of a nominee of The Depository Trust Company ("DTC") and deposited with a custodian for DTC. Notes sold pursuant to Rule 144A will be represented by a global note in fully registered form without interest coupons (the "Rule 144A Global Note" and, together with the Regulation S Global Note, the "global notes") and will be deposited with a custodian for DTC and registered in the name of a nominee of DTC.

The notes are being offered and sold in this initial offering in the United States solely to "qualified institutional buyers" under Rule 144A under the Securities Act and in offshore transactions to persons other than U.S. persons, as defined in Regulation S under the Securities Act, in reliance on Regulation S. Following this offering, the notes may be sold:

- to qualified institutional buyers under Rule 144A;
- to non-U.S. persons outside the United States pursuant to Regulation S; and
- under other exemptions from, or in transactions not subject to, the registration requirements of the Securities Act, as described under "Transfer Restrictions."

Prior to the 40th day after the date of original issuance of the notes, any resale or transfer of beneficial interests in the Regulation S Global Note to U.S. persons will not be permitted unless such resale or transfer is made pursuant to Rule 144A or Regulation S.

Exchanges between the Global Notes

Transfers by an owner of a beneficial interest in a Regulation S Global Note to a transferee, who takes delivery of that interest through a note offered and sold in the United States to qualified institutional buyers pursuant to Rule 144A Global Note, will be made only in accordance with applicable procedures and upon receipt by the trustee of a written certification from the transferee of the beneficial interest in the form provided in the indenture to the effect that the transfer is being made to a qualified institutional buyer within the meaning of Rule 144A in a transaction in compliance with the requirements of Rule 144A. Transfers by an owner of a beneficial interest in a Rule 144A Global Note to a transferee who takes delivery of the interest through a Regulation S Global Note will be made only upon receipt by the trustee of a certification from the transferor that the transfer is being made outside the United States to a non-U.S. person in accordance with Regulation S.

Any beneficial interest in one of the global notes that is transferred to a person who takes delivery in the form of an interest in another global note will, upon transfer, cease to be an interest in that global note and become an interest in the other global note and, accordingly, will then be subject to any transfer restrictions and other procedures applicable to beneficial interests in the other global note.

Global Notes

Upon receipt of the Regulation S Global Note and the Rule 144A Global Note, DTC will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such global note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the initial purchasers. Ownership of beneficial interests in a global note will be limited to persons who have accounts with DTC ("DTC Participants") or persons who hold interests through DTC Participants. Ownership of beneficial interests in the global notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of persons other than DTC Participants).

So long as DTC, or its nominee, is the registered owner or holder of a global note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such global note for all purposes under the indenture and the notes. Except as described in "Certificated Notes", owners of beneficial interests in a global note will not be entitled to have any portions of such global note registered in their names, will not receive or be entitled to receive physical delivery of notes in certificated form and will not be considered the owners or holders of the global note (or any notes represented thereby) under the indenture or the notes. In addition, no beneficial owner of an interest in a global note will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the indenture referred to herein and, if applicable, those of Euroclear Bank S.A./N.V., as operator of Euroclear System ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream").

Investors may hold interests in the Regulation S Global Note through Euroclear or Clearstream, if they are participants in such systems. Euroclear and Clearstream will hold interests in the Regulation S Global Note on behalf of their account holders through customers' securities accounts in their respective names on the books of their respective depositaries, which, in turn, will hold such interests in the Regulation S Global Note in customers' securities accounts in the depositaries' names on the books of DTC. Investors may hold their interests in the

Rule 144A Global Note directly through DTC, if they are DTC Participants, or indirectly through organizations which are DTC Participants, including Euroclear and Clearstream.

Payments of the principal of and interest on global notes will be made to DTC or its nominee as the registered owner thereof. None of Gruposura Finance, Grupo SURA or any initial purchaser will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Gruposura Finance and Grupo SURA anticipate that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a global note representing any notes held by its nominee, will immediately credit DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global note as shown on the records of DTC or its nominee. Gruposura Finance and Grupo SURA also expect that payments by DTC Participants to owners of beneficial interests in such global note held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

Transfers between DTC Participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds. The laws of some jurisdictions require that certain persons take physical delivery of securities in certificated form. Consequently, the ability to transfer beneficial interests in a global note to such persons may be limited. Because DTC can only act on behalf of DTC Participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in a global note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificated note in respect of such interest. Transfers between accountholders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions available to the notes described above, crossmarket transfers between DTC Participants, on the one hand, and directly or indirectly through Euroclear or Clearstream account holders, on the other hand, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the Regulation S Global Note in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Euroclear and Clearstream account holders may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream account holder purchasing an interest in a global note from a DTC Participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date and such credit of any transactions in interests in a global note settled during such processing day will be reported to the relevant Euroclear or Clearstream accountholder on such day. Cash received in Euroclear or Clearstream as a result of sales of interests in a global note by or through a Euroclear or Clearstream account holder to a DTC Participant will be received for value and the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

DTC has advised that it will take any action permitted to be taken by a holder of notes (including the presentation of notes for exchange as described below) only at the direction of one or more DTC Participants to whose account or accounts with DTC interests in the global notes are credited and only in respect of such portion of the aggregate principal amount of the notes as to which such DTC Participant or DTC Participants has or have given such direction. However, in the limited circumstances described above, DTC will exchange the global notes for certificated notes (in the case of notes represented by the Rule 144A Global Note, bearing a restrictive legend), which will be distributed to its participants. Holders of indirect interests in the global notes through DTC Participants have no direct rights to enforce such interests while the notes are in global form.

The giving of notices and other communications by DTC to DTC Participants, by DTC Participants to persons who hold accounts with them and by such persons to holders of beneficial interests in a global note will be governed by arrangements between them, subject to any statutory or regulatory requirements as may exist from time to time.

DTC has advised as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for DTC Participants and to facilitate the clearance and settlement of securities transactions between DTC Participants through electronic book-entry changes in accounts of DTC Participants, thereby eliminating the need for physical movement of certificates. DTC Participants include security brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("indirect participants").

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the Regulation S Global Note and in the Rule 144A Global Note among participants and accountholders of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of Gruposura Finance, Grupo SURA or any initial purchaser will have any responsibility for the performance of DTC, Euroclear or Clearstream or their respective participants, indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Certificated Notes

If (1) DTC or any successor to DTC is at any time unwilling or unable to continue as a depositary for a global note and a successor depositary is not appointed by Gruposura Finance within 90 days, (2) any of the notes has become immediately due and payable in accordance with "—Events of Default" or (3) if Gruposura Finance, at its sole discretion, determines that the global notes will be exchangeable for certificated notes and Gruposura Finance notifies the trustee thereof, Gruposura Finance will issue certificated notes in registered form in exchange for the Regulation S Global Note and the Rule 144A Global Note, as the case may be. Upon receipt of such notice from DTC or a paying agent, as the case may be, Gruposura Finance will use its best efforts to make arrangements with DTC for the exchange of interests in the global notes for certificated notes and cause the requested certificated notes to be executed and delivered to the registrar in sufficient quantities and authenticated by the registrar for delivery to holders. Persons exchanging interests in a global note for certificated notes will be required to provide the registrar with (a) written instruction and other information required by Gruposura Finance and the registrar to complete, execute and deliver such certificated notes and (b) certification that such interest is being transferred in compliance with the Securities Act, including, if any, an exemption from the registration requirements thereof. In all cases, certificated notes delivered in exchange for any global note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by DTC.

Certificated notes will not be eligible for clearing and settlement through the DTC, Euroclear or Clearstream.

TAXATION

The following discussion summarizes certain Cayman Islands, Colombian and U.S. federal income tax considerations that may be relevant to you if you invest in the notes. This summary is based on laws, regulations, rulings and decisions now in effect in the Cayman Islands, Colombia and the United States, which, in each case, may change. Any change could apply retroactively and could affect the continued validity of this summary.

This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of holding the notes, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and other tax laws.

U.S. Federal Income Tax Considerations

The following discussion is a summary of certain U.S. federal income tax consequences of acquiring, owning and disposing of the notes. This discussion applies only to U.S. Holders (as defined below) of notes that purchase the notes at the initial issue price indicated on the cover of this offering memorandum and that hold the notes as "capital assets" (generally, property held for investment). This discussion is based on the Internal Revenue Code of 1986, as amended, (the "Code"), its legislative history, existing final, temporary and proposed U.S. Treasury regulations, administrative pronouncements by the U.S. Internal Revenue Service (the "IRS") and judicial decisions, all as of the date hereof and all of which are subject to change (possibly on a retroactive basis) and to different interpretations. This discussion assumes that the notes will not be issued with more than a de minimis amount of original issue discount for U.S. federal income tax purposes.

This discussion does not purport to address all U.S. federal income tax consequences that may be relevant to a particular holder and holders are urged to consult their own tax advisors regarding their specific tax situations. The discussion does not address the tax consequences that may be relevant to holders subject to special tax rules, including, for example:

- insurance companies;
- tax-exempt organizations;
- dealers in securities or currencies;
- traders in securities that elect the mark-to-market method of accounting with respect to their securities holdings;
- banks or other financial institutions;
- partnerships or other pass-through entities for U.S. federal income tax purposes;
- U.S. Holders whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- U.S. expatriates; or
- holders that hold the notes as part of a hedge, straddle, conversion or other integrated transaction.

Further, this discussion does not address the U.S. federal estate and gift tax, alternative minimum tax consequences or the Medicare tax on net investment income, or any state, local and non-U.S. tax consequences of acquiring, owning and disposing of the notes.

As used herein, the term "U.S. Holder" means a beneficial owner of the notes that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or any other entity taxable as a corporation, created or organized in or under the laws of the

United States, any state thereof or the District of Columbia;

- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has an election in effect under current U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisor as to its consequences of acquiring, owning and disposing of the notes.

Stated Interest

Stated interest paid to a U.S. Holder on a note, including any amount withheld in respect of any taxes and any additional amounts, will be includible in such U.S. Holder's gross income as ordinary interest income at the time such payments are received or accrued in accordance with such U.S. Holder's usual method of tax accounting for U.S. federal income tax purposes. In addition, interest (including any additional amounts) on the notes will be treated as foreign source income for U.S. federal income tax purposes and generally will constitute "passive category" income for most U.S. Holders. Subject to generally applicable restrictions and conditions (including a minimum holding period requirement), a U.S. Holder generally will be entitled to a foreign tax credit in respect of any foreign income taxes withheld on interest payments on the notes. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale, Exchange or Other Taxable Disposition

Upon the sale, exchange or other taxable disposition (including a redemption) of a note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or other taxable disposition (other than accrued but unpaid stated interest which will be taxable as ordinary income to the extent not previously included in gross income) and the U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note generally will equal the cost of the note to the U.S. Holder. Any such gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if the note has been held for more than one year at the time of its sale, exchange or other taxable disposition. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code.

Any gain or loss realized on the sale, exchange or other taxable disposition of a note generally will be treated as U.S. source gain or loss, as the case may be. If any gain from the sale, exchange or other taxable disposition of notes is subject to foreign income tax, U.S. Holders may not be able to credit such tax against their U.S. federal income tax liability under the U.S. foreign tax credit limitations of the Code (because such gain generally would be U.S. source income) unless such income tax can be credited (subject to applicable limitations) against U.S. federal income tax due on other income that is treated as derived from foreign sources. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year.

U.S. Backup Withholding and Information Reporting

Backup withholding and information reporting requirements generally apply to payments of principal of, and interest on, a note and to proceeds of the sale or redemption of a note, to U.S. Holders. Information reporting generally will apply to payments of principal of, and interest on, notes (including additional amounts, if any), and to proceeds from the sale or redemption of notes, within the United States, or by a U.S. payor or U.S. middleman, to a U.S. Holder (other than an exempt recipient). Backup withholding will be required on any such payments or proceeds that are paid to a U.S. Holder, other than an exempt recipient, if the U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements.

Backup withholding is not an additional tax. A holder of notes generally will be entitled to credit any amounts withheld under the backup withholding rules against its U.S. federal income tax liability or to obtain a refund of the amounts withheld provided the required information is furnished to the IRS in a timely manner.

In addition, legislation requires certain U.S. Holders who are individuals to report information relating to an interest in the notes, subject to certain exceptions (including an exception for notes held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of the notes.

Certain Colombian Taxation Considerations

The following summary contains a description of the principal Colombian income tax considerations in connection with: (i) the purchase, ownership and sale of the notes by Non-Colombian Resident Holders; and (ii) the payments made by Grupo SURA to the Non-Colombian Resident Holders under the guarantees but does not purport to be a comprehensive description of all Colombian tax considerations that may be relevant to a decision to purchase the notes. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than those of Colombia.

This summary is based on the tax laws of Colombia as in effect on the date of this offering memorandum, as well as regulations and decisions in Colombia available on or before such date and now in effect. All of the foregoing is subject to change, which change could affect the continued validity of this summary.

Prospective purchasers of the notes should consult their own tax advisors as to Colombian tax consequences of the purchase, ownership and sale of the notes, including, in particular, the application of the considerations discussed below to their particular situations, as well as the application of state, local, foreign or other tax laws.

As used in this offering memorandum, a "Non-Colombian Resident Holder" means a holder that is not a citizen or a resident of Colombia or a company or other entity neither organized under the laws of Colombia nor having its effective place of management in Colombia.

Purchase, Ownership and Sale of the Notes by Non-Colombian Resident Holders

As a Cayman Islands company that does not have its effective place of management in Colombia, Gruposura Finance's payment of principal of or premium, if any, or interest on the notes to Non-Colombian Resident Holders, or the income resulting from the sale of the notes by Non-Colombian Resident Holders, will not be subject to Colombian income tax withholdings solely by reason of their investment in the notes. There is no Colombian income tax applicable to the notes, unless the holder is a Colombian resident for tax purposes.

Payments made by Grupo SURA to the Non-Colombian Resident Holders under the Guarantees

Payments, if any, made by Grupo SURA to the Non-Colombian Resident Holders under the guarantees will not be subject to Colombian withholding tax because these kinds of payments are not deemed Colombian source income. In the event that Grupo SURA makes any tax withholding, the withholding will be assumed by Grupo SURA.

Certain Cayman Islands Taxation Considerations

Prospective investors should consult their professional advisors on the possible tax consequences of buying, holding or selling of the notes under the laws of their country of citizenship, residence or domicile.

Cayman Islands Taxation

The following is a discussion of certain Cayman Islands income tax consequences of an investment in the notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under Existing Cayman Islands Laws:

1. Payments of interest and principal on the notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the notes, nor will gains derived from the disposal of the notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

2 No stamp duty is payable in respect of the issue of the notes. An instrument of transfer in respect of the notes is stampable if executed in or brought into the Cayman Islands.

The Issuer has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has applied for and has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

The Tax Concessions Law
1999 Revision
Undertaking as to Tax Concessions

In accordance with the provision of section 6 of The Tax Concessions Law (1999 Revision), the Governor in Cabinet undertakes with Gruposura Finance, the "Issuer."

1. That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Issuer or its operations; and

2. In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

    2.1 On or in respect of the shares, debentures or other obligations of the Issuer; or

    2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

3. These concessions shall be for a period of twenty years from the date hereof.

This summary does not describe all of the tax considerations that may be relevant to you or your situation and you should consult your tax adviser about the tax consequences of holding the notes.

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in a purchase agreement among the Issuer, Grupo SURA and the initial purchasers, the Issuer has agreed to sell to the initial purchasers, and each of the initial purchasers has, severally and not jointly, agreed to purchase from the Issuer, the principal amount of the notes that appears opposite its name in the table below.

Initial Purchasers	Principal Amount of Notes
J.P. Morgan Securities LLC	U.S.$ 275,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	275,000,000
Total	U.S.$ 550,000,000

The purchase agreement provides that the obligation of the initial purchasers to purchase the notes is subject to certain conditions precedent and that the initial purchasers will purchase all of the notes if any of the notes are purchased.

We have agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, and to contribute to payments the initial purchasers may be required to make in respect of any of these liabilities.

The initial purchasers initially propose to offer the notes for resale at the issue price that appears on the cover of this offering memorandum. After the initial offering, the initial purchasers may change the offering price and other selling terms. The initial purchasers may offer and sell notes through certain of their affiliates.

The notes have not been registered under the Securities Act. The initial purchasers have agreed that they will offer or sell the notes only (1) to qualified institutional buyers in the United States in reliance on Rule 144A under the Securities Act and (2) outside the United States pursuant to Regulation S under the Securities Act. In addition, until 40 days after the commencement of this offering, an offer or sale of notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A." See "Transfer Restrictions."

New Issue of Securities

The notes are a new issue of securities with no established trading market. Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market. However, we cannot assure you that the application will be approved. The initial purchasers may make a market in the notes after completion of the offering, but will not be obligated to do so, and may discontinue any market-making activities at any time without notice. Neither we nor the initial purchasers can provide any assurance as to the liquidity of the trading market for the notes or that an active public market for the notes will develop. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

No Sales of Similar Securities

We have agreed that we will not, for a period of 30 days after the date of this offering memorandum, without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, offer, sell, contract to sell or otherwise dispose of any debt securities substantially similar to the notes offered hereby, except for the notes sold to the initial purchasers pursuant to the purchase agreement.

Stabilization Transactions

In connection with the offering of the notes, the initial purchasers (or persons acting on their behalf) may engage in over-allotment and stabilizing transactions. Over-allotment involves sales in excess of the offering size, which creates a short position for the initial purchaser. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes.

Stabilizing transactions may cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. However, there is no assurance that the stabilizing managers (or persons acting on their behalf) will undertake stabilization action. If the initial purchasers engage in stabilizing covering transactions, they may discontinue them at any time, but it must end no later than 30 days after the date on which the Issuer received the proceeds of the issue, or no later than 60 days after the date of allotment of the relevant bonds. Any stabilization action or over-allotment must be conducted by the relevant stabilizing manger (or persons acting on their behalf) in accordance with all applicable laws and rules.

Sales Outside the United States

Neither we nor the initial purchasers are making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute this offering memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the initial purchasers will have any responsibility therefor.

Colombia

The notes will not be authorized by the *Superintendencia Financiera de Colombia* (Colombian Superintendency of Finance) and will not be registered with the Colombian National Registry of Securities and Issuers, and, accordingly, the notes will not be offered or sold to persons in Colombia except in circumstances which do not result in a public offering pursuant to Section 6.11.1.1.1 of Decree 2555 of 2010, as amended, or an exemption therefrom under Colombian law.

European Economic Area

In relation to each Member State of the European Economic Area (each, a “Relevant Member State”), each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of notes which are the subject of the offering contemplated by this offering memorandum to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require the Issuer or any initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of notes to the public” in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC, as amended, and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each initial purchaser has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

Singapore

Each initial purchaser acknowledges that this offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each initial purchaser represents, warrants and agrees that it has not offered or sold any notes or caused such notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such notes or cause such notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Japan

The notes offered in this offering memorandum have not been, and will not be, registered under the Financial Instruments and Exchange Act. Each initial purchaser has agreed that it has not, directly or indirectly, offered or sold and will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The notes may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This offering memorandum does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the notes or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this offering memorandum nor any other offering or marketing material relating to the offering, the Issuer, the notes have been or will be filed with or approved by any Swiss regulatory authority. In particular, this offering memorandum will not be filed with, and the offer of notes will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of notes has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of notes.

Hong Kong

The notes have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the notes has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

The contents of this offering memorandum have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this offering memorandum, you should obtain independent professional advice.

Chile

Pursuant to Law No. 18,045 of Chile (the Chilean Securities Market Law) and Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the SVS, the notes may be privately offered in Chile to certain "qualified investors" identified as such by SVS Rule 336 (which in turn are further described in Rule No. 216, dated June 12, 2008, of the SVS).

SVS Rule 336 requires the following information to be provided to prospective investors in Chile:

1. Date of commencement of the offer: April 26, 2016. The offer of the Notes is subject Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the Superintendency of Securities and Insurance of Chile (*Superintendencia de Valores y Seguros de Chile*, or "SVS").

2. The subject matter of this offer are securities not registered with the Securities Registry (Registro de Valores) of the SVS, nor with the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the SVS, due to the Notes not being subject to the oversight of the SVS.

3. Since the notes are not registered in Chile there is no obligation by the issuer to make publicly available information about the notes in Chile.

4. The notes shall not be subject to public offering in Chile unless registered with the relevant Securities Registry of the SVS.

Información a los Inversionistas Chilenos

De conformidad con la ley N° 18.045, de mercado de valores y la Norma de Carácter General N° 336 (la "NCG 336"), de 27 de junio de 2012, de la Superintendencia de Valores y Seguros de Chile (la "SVS"), los bonos pueden ser ofrecidos privadamente a ciertos "inversionistas calificados", a los que se refiere la NCG 336 y que se definen como tales en la Norma de Carácter General N° 216, de 12 de junio de 2008, de la SVS.

La siguiente información se proporciona a potenciales inversionistas de conformidad con la NCG 336:

1. La oferta de los bonos comienza el 26 de abril del 2016, y se encuentra acogida a la Norma de Carácter General N° 336, de fecha 27 de junio de 2012, de la SVS.

2. La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que tales valores no están sujetos a la fiscalización de esa Superintendencia.

3. Por tratarse de valores no inscritos en Chile no existe la obligación por parte del emisor de entregar en Chile información pública sobre los mismos.

4. Estos valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente.

Peru

The notes and the information contained in this offering memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the notes and therefore, the disclosure obligations set forth therein will not be applicable to us or the sellers of the notes before or after their acquisition by prospective investors. The notes and the information contained in this offering memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the SMV nor have they been registered under the Peruvian Securities Market Law (*Ley del Mercado de Valores*) or any other Peruvian regulations. Accordingly, the notes cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

The notes may be registered with the Foreign Investment and Derivatives Instruments Registry (*Registro de Instrumentos de Inversión y de Operaciones de Cobertura de Riesgo Extranjeros*) of the Peruvian Superintendency of Banks, Insurance and Private Pension Funds Administrators (*Superintendencia de Bancos, Seguros y Administradoras Privadas de Fondos de Pensiones*) in order to make the notes eligible for investment by Peruvian Private Pension Funds Administrators.

Brazil

The notes have not been, and will not be, registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*). The notes may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or distribution under Brazilian laws and regulations.

Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Relationships with the Initial Purchasers

In the ordinary course of business, the initial purchasers and their affiliates have provided, and may in the future provide, investment banking, commercial banking, cash management, foreign exchange or other financial services to us and our investees and other affiliates for which they have received customary compensation and may receive compensation in the future. Affiliates of the initial purchasers are lenders under the Bridge Loan, which will be repaid in full with net proceeds from this offering. J.P. Morgan Securities LLC acted as financial advisor to Grupo SURA in connection with its acquisitions of equity interests in SURA AM from General Atlantic.

TRANSFER RESTRICTIONS

The notes have not been registered, and will not be registered, under the Securities Act or any state securities laws, and the notes may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the notes are being offered and sold only:

- to qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A under the Securities Act; and

- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Regulation S under the Securities Act.

Purchasers' Representations and Restrictions on Resale and Transfer

Each purchaser of notes (other than the initial purchasers in connection with the initial issuance and sale of notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

(1) it is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made pursuant to Rule 144A or (b) a non-U.S. person that is outside the United States;

(2) it acknowledges that the notes have not been registered under the Securities Act or with any securities regulatory authority of any state and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(3) it understands and agrees that notes initially offered to qualified institutional buyers will be represented by a global note and that notes offered outside the United States pursuant to Regulation S will also be represented by a global note;

(4) it will not resell or otherwise transfer any of such notes except (a) to us or any of our subsidiaries, (b) within the United States to a qualified institutional buyer in a transaction complying with Rule 144A under the Securities Act, (c) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (d) pursuant to an exemption from registration under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable securities laws of the states of the United States and other jurisdictions;

(5) it agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes;

(6) it acknowledges that prior to any proposed transfer of notes (other than pursuant to an effective registration statement or in respect of notes sold or transferred either pursuant to (a) Rule 144A or (b) Regulation S) the holder of such notes may be required to provide certifications relating to the manner of such transfer as provided in the indenture;

(7) it acknowledges that the trustee, registrar or transfer agent for the notes may not be required to accept for registration or transfer of any notes acquired by it, except upon presentation of evidence satisfactory to us that the restrictions set forth herein have been complied with;

(8) it acknowledges that we, the initial purchasers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the notes are no longer accurate, it will promptly notify us and the initial purchasers; and

(9) if it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

Legends

The following is the form of restrictive legend which will appear on the face of the Restricted Global Note and which will be used to notify transferees of the foregoing restrictions on transfer. This legend will only be removed with our consent. If we so consent, it will be deemed to be removed.

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, (A) IS A QUALIFIED INSTITUTIONAL BUYER (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) OR (B) IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") AND, WITH RESPECT TO (A) AND (B), EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO SUCH ACCOUNT, (2) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT (A) (I) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (II) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, (III) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A, (IV) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S, OR (V) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S.

THIS LEGEND MAY ONLY BE REMOVED AT THE OPTION OF THE ISSUER.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH PARAGRAPH 2A(V) ABOVE, THE ISSUER RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS, OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

The following is the form of restrictive legend which will appear on the face of the Regulation S Global Note and which will be used to notify transferees of the foregoing restrictions on transfer:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS. PRIOR TO EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON, EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF THE INDENTURE. THE TERMS "UNITED STATES" AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S.

LEGAL MATTERS

The validity of the notes and guarantee will be passed upon for the Issuer and the guarantor by Shearman & Sterling LLP, our New York counsel, and for the initial purchasers by Simpson Thacher & Bartlett LLP, New York counsel to the initial purchasers. Certain matters of Colombian law relating to the notes and guarantee will be passed upon for us by our Colombian counsel Posse Herrera Ruiz, and for the initial purchasers by Gómez-Pinzón Zuleta Abogados S.A.S., Colombian counsel to the initial purchasers. Certain matters of Cayman Islands law relating to the notes and guarantee will be passed upon for the Issuer by Maples and Calder, Cayman Islands counsel to the Issuer.

INDEPENDENT AUDITORS

Our audited consolidated financial statements as of December 31, 2015, 2014 and January 1, 2014 and for the years ended December 31, 2015 and 2014 prepared in accordance with Colombian IFRS included in this offering memorandum have been audited by KPMG Ltda., independent accountants, as indicated in their report appearing herein.

The financial statements of Bancolombia S. A. as of December 31, 2015, 2014 and January 1, 2014 and for the years ended December 31, 2015 and 2014 prepared in accordance with IFRS-IASB (included in the Bancolombia's 2015 Annual Report incorporated by reference into this offering memorandum) have been audited by PricewaterhouseCoopers Ltda., an independent registered public accounting firm, as stated in their report appearing therein.

LISTING AND GENERAL INFORMATION

1. The Global Notes have been accepted for clearance and settlement through DTC. The CUSIP and ISIN numbers for the notes are as follows:

	Restricted Global Note	**Regulation S Global Note**
CUSIP	40052X AB6	G42036 AB2
ISIN	US40052XAB64	USG42036AB25

2. Copies of our latest audited consolidated annual financial statements and unaudited consolidated quarterly financial statements and copies of our by-laws (*estatutos sociales*), as well as the indenture (including forms of notes and the guarantees) and this offering memorandum, may be obtained free of charge at the offices of the Luxembourg paying agent and at our principal executive office at Calle 49 No. 63 – 146, Medellín, Colombia, and our telephone number at that address is (011) 57 4435 5628.

3. Except as disclosed in this offering memorandum, there has been no material adverse change, or any development reasonably likely to involve an adverse material change, in the Issuer's or our condition (financial or otherwise) and in the Issuer and our' general affairs since December 31, 2015, the date of our latest audited financial statements included in this offering memorandum and there has been no significant change in the Issuer and our financial or trading position since December 31, 2015.

4. Except as disclosed in this offering memorandum, the Issuer and we are not involved in any legal, governmental, litigation or arbitration proceedings (including any such proceedings of which we are aware), during a period covering the last 12 months), relating to claims or amounts that are material nor so far as the Issuer or we are aware is any such legal, governmental, litigation or arbitration threatened.

5. Application has been made to the Luxembourg Stock Exchange for the notes to be admitted to the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF Market of the Luxembourg Stock Exchange.

6. The issuance of the notes was authorized by the Issuer's Board of Directors on April 13, 2016. The issuance of the guarantees was authorized by Grupo SURA's Board of Directors on April 13, 2016.

7. The Issuer and we accept responsibility for the information contained in this offering memorandum. To the best of the Issuer and our knowledge, having taken all reasonable care to ensure that such is the case, the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

8. The Bank of New York Mellon (Luxembourg) S.A. is acting solely in its capacity as listing agent for the Issuer in connection with the notes and is not itself seeking admission of the notes to the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF Market of the Luxembourg Stock Exchange.

9. The Issuer was incorporated on March 18, 2011 in the Cayman Islands, as an exempted company with limited liability under the laws of the Cayman Islands with incorporation number 253645, and its registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

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KPMG Ltda.
Cra. 43A No. 16A Sur - 38 Piso 3
Medellín - Colombia

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Independent Auditors' Report

To the Shareholders
Grupo de Inversiones Suramericana S.A.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Grupo de Inversiones Suramericana S.A., and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2015, 2014 and January 1, 2014, the consolidated statements of income and other comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia, which is comprised by International Financial Reporting Standards as adopted, in Colombia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Standards on Auditing accepted in Colombia Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2015, 2014 and January 1, 2014, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2015 and 2014 in accordance with Accounting and Financial Reporting Standards accepted in Colombia, which is comprised by International Financial Reporting Standards as adopted, in Colombia.

KPMG Ltda.

February 29, 2016
Medellín, Colombia

GRUPO sura

Consolidated Financial Statements
As of December 31, 2015 and 2014 and January 1, 2014, as well as for the years ended December 31, 2015 and 2014

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GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2015, 2014 and January 1, 2014
(Stated in millions of Colombian pesos)

	Notes	December 31, 2015	December 31, 2014	January 1, 2014
Assets				
Cash and cash equivalents	7	1,433,184	1,293,989	1,343,055
Investments	8	21,723,891	16,374,659	12,644,786
Trade and other accounts receivable	8	2,952,740	2,496,743	2,193,886
Accounts receivable from related parties	8	89,008	85,823	73,053
Technical reserves - reinsurance portion	9	581,124	439,913	443,380
Inventories	10	12,138	14,640	9,992
Current tax assets	11	332,191	315,338	256,201
Derivative financial instruments	12	262,181	49,776	7,578
Other non-financial assets		84,714	92,764	78,235
Investment properties	13	805,188	669,840	517,423
Property and equipment	14	918,130	813,853	685,239
Intangible assets	15	3,880,369	3,445,875	3,071,432
Goodwill	15	4,280,774	3,746,714	3,405,003
Equity-accounted investees	16	17,759,665	16,998,552	15,213,128
Deferred tax assets	11	417,809	369,363	313,889
Total assets		55,533,106	47,207,843	40,256,281
Liabilities				
Loans and borrowings with financial institutions	8	2,627,940	1,111,620	1,990,681
Trade and other accounts payable	8 / 20	1,312,252	1,133,560	1,145,078
Accounts payable to related parties	8	62,509	67,896	93,482
Technical reserves	9	18,865,979	14,294,607	11,083,873
Current tax liabilities	10	454,197	440,677	379,260
Employee benefits	21	335,711	298,610	224,517
Other non-financial liabilities	22	395,264	314,331	259,281
Provisions	23	78,405	117,765	110,131
Issued securities	8	3,637,504	3,022,228	1,126,006
Deferred tax liabilities	11	1,700,745	1,448,944	1,224,478
Total liabilities		29,470,506	22,250,238	17,636,785

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2015, 2014 and January 1, 2014
(Stated in millions of Colombian pesos)

Equity		December 31, 2015	December 31, 2014	January 1, 2014
Issued capital	25	107,882	107,882	107,882
Share premium	25	3,307,663	3,307,662	3,307,663
Reserves	25	4,602,459	4,177,866	3,656,070
Accumulated earnings	42	11,305,792	11,665,743	12,592,799
Other comprehensive income	27	2,413,441	1,023,290	(386)
Income for the period		1,104,091	1,420,193	-
Equity attributable to controlling interest		22,841,328	21,702,636	19,664,029
Equity attributable to Non-controlling interest	28	3,221,272	3,254,969	2,955,467
Total equity		26,062,600	24,957,605	22,619,496
Total equity and liabilities		55,533,106	47,207,843	40,256,281

The accompanying notes are an integral part of these consolidated financial statements

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED INCOME STATEMENT
For the year ended December 31, 2015 and 2014
(Stated in millions of Colombian pesos, except for basic earnings per share)

	Notes	2015	2014
Written premiums	9	8,470,432	6,754,566
Ceded premiums	9	(937,985)	(808,816)
Retained premiums (net)		**7,532,447**	**5,945,750**
Revenue from commissions	30	1,963,268	1,531,873
Services rendered	31	1,953,275	1,609,665
Dividends	32	70,806	60,401
Revenue from investments	32	1,073,161	860,440
Fair value gains	32	134,580	408,858
Share of profit in equity—-accounted investees	16	810,906	1,009,727
Gains on sale of investments	32	72,701	81,756
Revenue from investment property	13	78,981	57,204
Other income	33	193,161	109,856
Exchange difference (net)	32	70,122	29,771
Total income		**13,953,408**	**11,705,303**
Claims from customers	9	(3,839,509)	(3,153,327)
Claims to reinsurance companies	9	430,407	307,297
Claims net		**(3,409,102)**	**(2,846,031)**
Adjustments to reserves for insurance contracts	9	(2,499,772)	(1,697,426)
Healthcare related expenses	31	(1,983,177)	(1,567,936)
Administrative expense	34	(1,041,107)	(818,839)
Overhead and benefits	21	(1,227,944)	(1,050,722)
Fees	35	(557,014)	(485,691)
Commissions	30	(564,279)	(457,414)
Amortizations	15	(291,416)	(216,402)
Depreciation	14	(55,801)	(44,509)
Other expense	33	(124,720)	(149,480)
Interest	32	(305,648)	(255,087)
Total expense		**(12,059,980)**	**(9,589,537)**

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2015 and 2014

(Stated in millions of Colombian pesos, except for basic earnings per share)

Earnings before tax		1,893,428	2,115,765
Income tax	11	(569,487)	(484,736)
Net income for the period		1,323,941	1,631,029
Net income attributable to:			
Controlling interest:		1,104,091	1,420,193
Non-controlling interest		219,850	210,837
Earnings per share	36	1,918,92	2,468,30

The accompanying notes are an integral part of these consolidated financial statements

GRUPO DE INVERSIONES SURAMERICANA S.A.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2015 and 2014

(Stated in millions of Colombian pesos)

	Note	2015	2014
Net income for the period		1,323,941	1,631,029
Other comprehensive income, net of tax, related to gains (losses) on equity-accounted investees	27	(516)	8,941
Other comprehensive income, net of tax, related to revaluation gains in property and equipment	27	6,797	25,335
Other comprehensive income, net of tax, related to gains on remeasurements of defined employee benefit plans	27	770	190
Total other comprehensive income that shall not be reclassified to profit or loss, net of tax		7,051	34,467
Gains on exchange differences, net of tax	27	474,340	566,854
Loss on cash flow hedges, net of tax	27	(2,980)	-
Loss on derivatives hedging net investments in foreign operations, net of tax	12	(11,114)	-
Share of other comprehensive income from associates and joint ventures recognized through equity method that shall be reclassified to profit or loss, net of tax	16	922,854	422,355
Total other comprehensive income to be classified to profit or loss		1,383,100	989,209
Total other comprehensive income		1,390,151	1,023,675
Total comprehensive income		2,714,092	2,654,704
Comprehensive Income attributable to:			
Controlling interest		2,339,025	2,163,294
Non-controlling interest		375,067	491,410

The accompanying notes are an integral part of these consolidated financial statements

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED STATEMENT OF CHANGES TO SHAREHOLDERS EQUITY
For the year ended December 31, 2015 and 2014
(Stated in millions of Colombian pesos)

	Issued capital	Share premium	Accumulated earnings	Other comprehensive income	Statutory reserve	Occasional reserve	Income for the period	Equity attributable to controlling interest	Non-controlling interest	Total equity
Balance at January 1, 2014	107,882	3,307,663	12,592,799	(386)	138,795	3,517,275	-	19,664,029	2,955,467	22,619,496
Other comprehensive income	-	-	-	1,023,675	-	-	-	1,023,675	280,573	1,304,249
Property and equipment revaluation reserve	-	-	-	25,335	-	-	-	25,335	8,546	33,881
Adjustment for conversion effect on foreign operations	-	-	-	567,857	-	-	-	567,857	272,901	840,759
Financial instruments with changes to Other Comprehensive Income	-	-	-	8,998	-	-	-	8,998	(478)	8,520
Actuarial calculations	-	-	-	190	-	-	-	190	-	190
Equity method investments recognized in equity	-	-	-	422,355	-	-	-	422,355	-	422,355
Others	-	-	-	(1,060)	-	-	-	(1,060)	(396)	(1,456)
Income for the period	-	-	-	-	-	-	1,420,193	1,420,193	210,837	1,631,029
Total Net Comprehensive Income for the period	-	-	-	1,023,675	-	-	1,420,193	2,443,868	491,410	2,935,278
Profit distribution corresponding to 2013 based on authorization contained in the minutes of Shareholders' Meeting No. 19 held on March 27, 2014:	-	-	-	-	-	-	-	-	-	-
Dividends recognized as distributions to owners at COP 390 on each of the 469,037,260 ordinary shares outstanding as well as COP 682.50 on each of the 106,334,963 preferred shares outstanding.	-	-	(255,499)	-	-	-	-	(255,499)	-	(255,499)
Donations for social outreach projects	-	-	(4,500)	-	-	-	-	(4,500)	-	(4,500)
Reserve for the protection of investments	-	-	(521,796)	-	-	521,796	-	-	-	-
Preferred shares dividend in excess of minimum	-	-	(145,261)	-	-	-	-	(145,261)	(191,909)	(337,170)
December 31, 2014	107,882	3,307,663	11,665,743	1,023,290	138,795	4,039,071	1,420,193	21,702,637	3,254,969	24,957,605

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2015 and 2014
(Stated in millions of Colombian pesos)

	Issued capital	Share premium	Accumulated earnings	Other comprehensive income	Statutory reserve	Occasional reserve	Income for the period	Equity attributable to controlling interest	Non-controlling interest	Total equity
Other comprehensive income	-	-	-	1,390,151	-	-	-	1,390,151	155,216	1,545,368
Property and equipment revaluation reserve	-	-	-	6,797	-	-	-	6,797	1,880	8,677
Adjustments on converting net investments in foreign currency	-	-	-	474,146	-	-	-	474,146	155,824	629,970
Financial instruments with changes to Other Comprehensive Income	-	-	-	(511)	-	-	-	(511)	1,119	608
Actuarial calculations	-	-	-	543	-	-	-	543	107	650
Equity method investments recognized in equity	-	-	-	922,854	-	-	-	922,854	-	922,854
Cash flow hedges - derivatives	-	-	-	(1,268)	-	-	-	(1,268)	(508)	(1,776)
Hedges for net investments in foreign currency	-	-	-	(11,114)	-	-	-	(11,114)	(2,585)	(13,699)
Others	-	-	-	(1,296)	-	-	-	(1,296)	(620)	(1,916)
Income for the period	-	-	-	-	-	-	1,104,091	1,104,091	219,850	1,323,941
Total Net Comprehensive Income for the period	-	-	-	1,390,151	-	-	1,104,091	2,494,242	375,066	2,869,309
Profit distribution corresponding to 2014 based on authorization contained in the minutes of Shareholders' Meeting No. 20 held on March 26, 2015:	-	-	-	-	-	-	-	-	-	-
Dividends recognized as distributions to owners at COP 422 on each of the 469,037,260 ordinary shares as well as 106,334,963 preferred shares outstanding.	-	-	-	-	-	-	(242,807)	(242,807)	-	(242,807)
Donations for social outreach projects	-	-	-	-	-	-	(4,500)	(4,500)	-	(4,500)
Reserve for the protection of investments	-	-	-	-	-	424,593	(424,593)	-	-	-
Surplus paid on acquiring non-controlling interests	-	-	-	-	-	-	(394,579)	(394,579)	-	(394,579)
Increases (decreases) due to other changes in equity	-	-	(359,951)	-	-	-	(353,713)	(713,664)	(408,763)	(1,122,427)
Balance at December 31, 2015	107,882	3,307,663	11,305,792	2,413,441	138,795	4,463,664	1,104,091	22,841,328	3,221,272	26,062,600

The accompanying notes are an integral part of these consolidated financial statements

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2015 and 2014
(Stated in millions of Colombian pesos)

	2015	2014
Income for the period	1,323,941	1,631,029
Adjustments to reconcile gains (losses)		
Adjustments for income tax expense	569,487	484,736
Adjustments for financial costs	305,648	255,087
Adjustments for increases (decreases) in inventories	2,502	(4,648)
Adjustments for decreases (increases) in accounts receivable corresponding to the insurance business	(141,211)	3,467
Adjustments for decreases in trade receivables	(458,909)	(315,406)
Adjustments for increase (decrease) in trade payables	173,305	(37,104)
Adjustments for increase in account payables corresponding to the insurance business	4,571,372	3,210,735
Adjustments for increases in other accounts payables corresponding to operating activities	80,933	55,050
Adjustments for depreciation and amortization expense	347,216	260,911
Adjustments for provisions	128,104	69,749
Adjustments for unrealized foreign currency (gains) losses	(815,121)	(766,721)
Adjustments for losses (gains) in fair value	(163,967)	(114,749)
Adjustments for retained earnings via the equity method	(99,296)	(790,157)
Non-controlling interests (Note 28)	(33,697)	299,501
Total adjustments to reconcile gains (losses)	4,466,366	2,610,451
Cash flows generated from operating activities	5,790,307	4,241,480
Dividends paid	(248,194)	(281,085)
Dividends received from Associates	395,850	326,998
Interest received	(12,312)	-
Income tax paid	(369,466)	(313,463)
Other non-financial assets	7,777	(14,751)
Net cash flows generated from operating activities	5,563,962	3,959,179
Cash flows generated from (used for) investing activities		
Cash flows from the sale of subsidiaries or associates	96,578	251,645
Cash flows used to acquire subsidiaries or associates	(1,192,683)	(941,899)
Other cash receipts on sales of equity or debt securities	4,817,793	4,519,097
Other payments for purchasing equity or debt securities from other entities	(8,206,420)	(6,831,444)
Proceeds from sales of property and equipment	6,501	59,772
Purchases of property and equipment	(117,726)	(159,089)
Proceeds from sales of intangible assets	11,343	8,601
Purchases of tangible assets	(338,781)	(307,526)
Proceeds from sales of other long-term assets	6,097	40,526
Purchases of other long-term assets	(54,456)	(150,300)
Payments on futures, forwards, options and swaps	(210,758)	-
Cash receipts from futures, forwards, options and swaps	-	17,002
Dividends received on financial instruments	70,806	60,401
Interest received	(1,457,379)	(995,547)
Net cash flows used for investing activities	(6,569,085)	(4,428,761)

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2015 and 2014
(Stated in millions of Colombian pesos)

Net cash flows provided by (used in) financing activities	2015	2014
Proceeds from loans	1,934,452	3,220,048
Loan repayments	(962,472)	(2,798,659)
Interest paid	(42,227)	(61,224)
Net cash flows provided by (used in) financing activities	929,753	360,165
Decrease in net cash and cash equivalents before exchange rate effect	(75,370)	(109,417)
Effects of exchange rate fluctuations on cash and cash equivalents	214,565	60,351
Increase (decrease) in net cash and cash equivalents	139,195	(49,066)
Cash and cash equivalents at beginning of the period	1,293,989	1,343,055
Cash and cash equivalents at the end of period	1,433,184	1,293,989

The accompanying notes are integral part of these consolidated financial statements

NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A. *(hereinafter referred to as the "Company", and together with its subsidiaries referred to as "Grupo SURA")* was incorporated as a result of being spun off from Compañía Suramericana de Seguros S.A., by means of Public Deed No. 2295 dated as of December 24, 1997 before the Notary Public No. 14 of the Circuit of Medellin, with all the corresponding formalities duly completed by January 1, 1998. Its main registered place of business is in Medellin, but it is entitled to set up branches, agencies, offices and representations in other parts of the country as well as abroad, should its Board of Directors so decide. The Company is legally authorized to carry on its business purpose until 2097.

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

Grupo SURA's reporting period follows that of the normal calendar year, ending on December 31. The Company comes under the exclusive oversight of the Colombian Superintendency of Finance ("*Superintendencia Financiera de Colombia*"), since it is listed as an issuer of securities with the Colombian National Registry of Securities (*Registro Nacional de Valores*).

Corporate Profile:

The Company is a multi-national corporation, which operates in Latin America ("multi-Latina company") listed on the Colombian Stock Exchange and registered with the ADR- Level 1 program in the United States. It is also the only Latin American company from the Diversified Financial Service Sector to be admitted to the Dow Jones Sustainability Index ("DJSI"), an index which tracks companies who have become global benchmarks due to their best practices they have adopted from the economic, environmental and social standpoints. In 2015, the DJSI awarded Grupo SURA its "Silver Class" distinction as the company upholding the second highest sustainability standards in its sector, on a worldwide level. Group Sura's investments are classified into two categories: (i) strategic or core – those pertaining to the financial, insurance, pension, savings and investment sectors; (ii) industrial – those found mainly in the processed food, cement, energy, port services and real estate sectors.

The Company´s subsidiaries (Sura AM S.A., Suramericana S.A.,) and investee companies (Bancolombia S.A., Nutresa S.A. and Inversiones Argos S.A.) have continued to strengthen their presence in different parts of Latin America, the United States and to a lesser degree in Asia.

The Group´s interests in the financial services sector includes a 64.29% stake in SURA Asset Management Colombia S.A.'s share capital as well as another 7.11% stake through its subsidiary, Grupo de Inversiones

Suramericana Panamá S.A. Both companies oversee businesses in the Latin American pension, savings and investment sectors, while the remaining 28.60% stake in Sura Asset Management S.A.'s share capital belongs to other local and international shareholders. An 81.13% stake in Suramericana, the Group´s insurance holding company, and the remaining 18.87% of Suramericana is owned by the German insurer Münchener Rückversicherungs-Gesellschaft Munich, commonly known as “Munich Re.”. Finally, we also have a 46.43% stake in the voting shares of Bancolombia (which is equal to 26.67% of its capital stock), this being the largest bank in Colombia, where the Group is the largest shareholder.

The Group´s investments in the processed food segment of the local industrial sector include a 35.34% stake in Grupo Nutresa S.A., the largest processed foods conglomerate in Colombia where Grupo SURA is also the largest shareholder.

Grupo SURA´s interests in the cement, concrete, energy, port services, coal-mining and real estate sectors include a 35.77% stake in the voting shares of Grupo Argos S.A. (equal to 28.21% of its share capital) where again GRUPO SURA is the largest shareholder. Grupo Argos is in turn the controlling shareholder of Cementos Argos, S.A. and Celsia S.A. E.S.P.

NOTE 2. BASIS FOR PREPARING THE FINANCIAL STATEMENTS

2.1. Compliance Statement

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted in in Colombia (“Colombian IFRS”), as provided by Law 1314 of 2009, which in turn was regulated by the Unified Regulatory Decree 2420 of 2015 and subsequently amended by Decree 2496 of 2015, all issued by the Government of Colombia.

These are Grupo SURA’s first consolidated financial statements prepared in accordance with Colombian IFRS; and IFRS 1 - First-time Adoption of International Financial Reporting Standards has been applied, as explained in Note 43.

Until December 31, 2014, the Company prepared its financial statements in accordance with generally accepted accounting principles in Colombia (“Previous GAAP”). The financial information corresponding to prior periods, as shown for comparative purposes in these financial statements, has been modified and is presented in accordance with the new regulatory framework. The effects of changes between the Previous GAAP applied until December 31, 2014 and IFRS are described in further detail in Note 43.

2.2. Basis of measurement

These consolidated financial statements have been prepared on a historic cost basis, except for the following major items included in the Statement of Financial Position.

- Financial instruments are measured at fair value.
- Investment properties are measured at fair value.
- Assets and liabilities are measured either at cost or amortized cost, except for certain financial assets and liabilities that are measured at fair value.
- Financial assets and liabilities measured at fair value correspond to those classified as assets and liabilities at fair value through profit or loss, together with equity investments measured at fair value through equity; and in the case of all recognized derivatives, assets and liabilities that are

designated as hedged items as part of hedging arrangements measured at fair value, their corresponding carrying values are adjusted based on changes to their fair value attributable to the hedged risk.

These consolidated financial statements have been reported in Colombian pesos with figures stated in millions rounded up to the nearest unit, except for basic earnings per share and exchange rates quoted in Colombian pesos (i.e. for US dollar, euro, Chilean peso, Dominican peso and Mexican peso, the New Sol and Peruvian peso).

2.3. Presentation of Financial Statements

Grupo SURA presents its Statement of Financial Position in order of liquidity.

Grupo SURA’s Statement of Comprehensive Income, its income and its expenses are not offset, unless permitted or required by any accounting standard or interpretation thereof, as stipulated in Grupo SURA's policies.

Grupo SURA’s activities include insurance, pension fund management, healthcare, and other services activities; costs and expenses are classified by nature, as Grupo SURA considers this presentation provides information that is reliable and more relevant to the stakeholders.

2.4. Consolidation principles

Subsidiaries
These consolidated financial statements include those of Grupo SURA and its subsidiaries at December 31, 2015, December 31 2014 and January 1 2014, and for the years ended in December 2015 and 2014. Grupo SURA consolidates assets, liabilities and the financial results of all those entities over which it exerts control.

A subsidiary is an entity that comes under the direct or indirect control of any of the companies that make up Grupo SURA. Control exists when any of the companies have the power to direct the subsidiary's activities, such as operating and financing activities, in order to obtain benefits from such activities and is also exposed, or is entitled, to variable returns from said subsidiary.

Grupo SURA's consolidated financial statements are presented in Colombian pesos, which is the functional and reporting currency of the parent company, Grupo SURA. Each of Grupo SURA's Subsidiaries determines its own functional currency and draws up its financial statements using said currency.

To facilitate subsequent consolidation, subsidiary financial statements are prepared according to Grupo SURA's accounting policies and are included in the consolidated financial statements as of the date said subsidiary was acquired and until Grupo SURA no longer exerts control over said subsidiary.

All intercompany assets, liabilities, equity, income, costs, expense and cash flows are eliminated upon preparing these consolidated financial statements.

When Grupo SURA no longer exerts control over a subsidiary, any residual stake retained in such subsidiary is measured at fair value and any gains or losses produced are recognized through profit and loss for the period.

Investments in associates
An associate is an entity over which Grupo Sura exerts significant influence in terms of financial and operating policy decisions without having total or joint control.

When first acquired, any surplus between the associate´s purchase price and the share obtained in terms of the net fair value of all identifiable assets, liabilities, and contingent liabilities taken over from the associate or joint venture is counted as goodwill. Goodwill includes the investment´s carrying value.

The associate´s income, assets and liabilities are recorded in the consolidated financial statements using the equity method. The equity method is applied as of the date the associate is first acquired and until whenever significant influence or joint control is no longer exerted over the associate in question.

The share of the earnings or losses obtained or incurred by the associate is shown in the income statement net of tax and non-controlling interest in the associate´s subsidiaries or joint ventures, whereas the share of any changes directly recognized in the associate´s equity or other comprehensive income statement are shown in the consolidated statements of changes to shareholders´ equity and other comprehensive income.

Cash dividends received from the associate or joint venture are recognized by reducing its amount from the investment value.

Grupo SURA periodically analyzes whether there are any signs of impairment and, whenever necessary, impairment losses are recognized for the corresponding investment in the associate or joint venture. Impairment losses are recognized as in profit or loss statement for the period and are calculated as the difference between book value and the recoverable amount of the associate or joint venture, which is the higher of its value in use or its fair value less selling costs.

When significant influence is no longer exerted over the associate, Grupo Sura measures and recognizes any residual investment that remains at fair value. The difference between the carrying amount of the associate or joint venture (taking into account the relevant items of other comprehensive income) and the fair value of the retained residual investment, including the value obtained from its sale, is recognized in profit or loss.

Non-controlling interest
Non-controlling interest in the net assets belonging to the consolidated subsidiaries are shown separately in Grupo SURA's equity accounts. The income and other comprehensive income obtained during the period are also allocated to both controlling and non-controlling interests.

Any other stakes in subsidiaries sold or purchased by non-controlling interests, which in no way imply a loss of control over the entity in question, are directly recognized in equity.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied upon preparing the Opening Consolidated Statement of Financial Position as well as the other consolidated financial statements in accordance with the Colombian IFRS, unless otherwise indicated.

3.1. Business combinations and goodwill

Grupo SURA considers business combinations to be all those transactions involving the merger of two or more entities or economic units into one single entity or group of entities.

Business combinations are accounted for using the acquisition method. The identifiable assets acquired and the liabilities and contingent liabilities taken over from the acquired company are recognized at fair value on the date of their acquisition, and the corresponding acquisition costs are recognized through profit and loss for the period, with the respective goodwill recorded as an asset in the consolidated statement of financial position.

The consideration transferred in exchange for a business combination is measured as the capital gain at fair value, of the assets handed over, the liabilities incurred or taken over and the equity interests issued by Grupo SURA, including any contingent consideration in order to gain control over the acquired entity.

Goodwill is measured as the difference between the value of the consideration transferred, the fair value of any non-controlling interest, and wherever applicable, the fair value of any stake previously held in the acquired entity and the net identifiable assets acquired and the liabilities and contingent liabilities taken over on the date the entity is acquired. Any gains or losses resulting from measuring any previous stake held may be recognized through profit and loss for the period in question, or in the other comprehensive income statements, as required. It is possible that the acquiring company may have recognized changes in the value of the stake held in the acquired entity in the other comprehensive income statement corresponding to prior reporting periods. Should this be the case, the value thus recorded in other comprehensive income must be recognized on the same basis that would have applied had the acquiring company directly divested the previous stake in the acquired entity´s equity. Should the consideration thus transferred be lower than the fair value of the net assets belonging to the acquired entity, the difference is directly recognized in the consolidated statement of income as of the date these were acquired.

On the date when each business combination is acquired, Grupo SURA must decide whether to measure the non-controlling interest either as a proportionate share of the identifiable assets acquired and the liabilities and contingent liabilities taken over from the acquired entity or at fair value.

Any contingent consideration for a business combination qualifies as a liability or an equity interest and is recognized at fair value on the acquisition date. Subsequent changes in the fair value of a contingent consideration qualifying as a financial liability are recognized through profit or loss or other comprehensive income and when qualifying as an equity interest these are not remeasured but rather are subsequently calculated and recognized in equity. If the consideration does not qualify as a financial liability, it is measured in accordance with applicable Colombian IFRS.

Goodwill acquired as part of a business combination is allocated, on the acquisition date, to the cash-generating units belonging to Grupo SURA that are expected to benefit from the business combination in question, irrespective of whether the other assets or liabilities of the acquired entity are assigned to those units.

In the event that this goodwill forms part of a cash-generating unit and subsequently a portion of said unit´s operations are sold off, the goodwill associated with the operations thus disposed of is included in the carrying amount of said operations when determining the gain or loss on their disposal. Goodwill that is written off is determined based on the percentage of the operation that is sold off, which is equal to the ratio between its carrying value and the carrying value of the cash-generating unit.

3.2. Cash and cash equivalents

Cash and cash equivalents, as appearing in the Statement of Financial Position and Cash Flow Statement, include cash in hand and highly liquid investments and money market transactions with banks that can be readily converted into cash, are subject to an insignificant risk of changes to value, and have maturities of three months or less from the date of their acquisition.

3.3. Financial instruments

Financial assets

Grupo Sura initially recognizes its financial assets at fair value for subsequent measurement at amortized cost or fair value depending on the business model used to manage said financial assets and the specific characteristics of the contractual cash flows obtained from the instrument in question.

The effective interest rate method is used to measure financial assets at amortized cost if the asset held forms part of a business model for obtaining contractual cash flows and the contractual terms of such financial instrument provide for cash flows, on specific dates, consisting solely of payments of principal and interest on the amount of principal outstanding. Notwithstanding the foregoing, Grupo SURA has irrevocably determined that its financial assets are to be measured at fair value through profit or loss

Accounts receivable due from customers and insurance activities

The business model used for measuring accounts receivable is based on their contractual cash flows, which is why accounts receivable are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method, provided that they qualify as long-term assets, meaning that the Company intends to collect such accounts more than 12 months into the future.

In contrast, short term accounts receivable continue to be recognized at fair value.

Financial assets other than those measured at amortized cost

Financial assets, other than those measured at amortized cost, are measured at fair value, and include investments in equity instruments that are not held for sale.

Cash dividends received from these investments are recognized in the income statement as profit or loss.

Financial assets measured at fair value are not subject to impairment tests since fair value reflects this valuation.

Impairment of financial assets at amortized cost

In the case of assets recognized at amortized cost, impairment is assessed using the incurred credit loss model at the end of the reporting period. Grupo Sura recognizes the value of changes to credit losses incurred as an impairment, gain or loss.

A single financial asset or group of such shall be considered impaired and have sustained a loss to its value if, and only if, there is objective evidence of an impairment as a result of one or more events that occurred after the asset´s initial recognition (a "loss event") and when such loss event (or events) have an impact on the estimated cash flows of the financial asset(s) in question and can be reliably estimated.

Financial liabilities

Upon their initial recognition, Grupo SURA measures its financial liabilities at fair value less the transaction costs that are directly attributable to the acquisition or issue of the financial liability in question and then later classifies financial liabilities either at amortized cost or at fair value depending on the liability.

Liabilities at amortized cost are measured using the effective interest rate, provided that these are long-term liabilities, with maturities exceeding 12 months. In contrast, short term liabilities are recorded at fair value and since their valuation at amortized cost is similar to that of their fair value.

The effects of derecognizing a financial liability are recognized in the income statement and are amortized using the effective interest rate method, which is recorded as a financial cost in the income statement.

Financial instruments that contain both a liability and an equity component (compound financial instruments) are recognized and accounted for separately. The liability component is determined by the fair value of future cash flows and the residual value is assigned to the equity component.

Derecognition

A financial asset, or a portion thereof, is derecognized from the Statement of Financial Position when it is sold, transferred or otherwise matures or when Grupo SURA loses control over the contractual rights or cash flows pertaining to said instrument. A financial liability, or a portion thereof, is derecognized from the Statement of Financial Position when the contractual obligation is settled, paid or has otherwise matured

Offsetting financial instruments

Financial assets and financial liabilities are offset and their net amounts are recognized in the Consolidated Statement of Financial Position if, and only if (i) there is, at the present time, a legally enforceable right to offset such recognized values, and (ii) the holder of such intends to settle these at their net values or realize the assets and settle the liabilities simultaneously.

Derivatives

When a derivative contract is first signed, Grupo Sura must classify whether the derivative instrument is held for trading or hedging purposes.

Certain derivative transactions that are not eligible to be accounted for as hedging derivatives are treated and reported as derivatives held for trading purposes, even though they provide an effective hedge for managing risk positions.

Changes to the fair value of derivative contracts held for trading purposes are included under net gains (losses) from financial operations in the Consolidated Statement of Income. Certain derivatives that are incorporated in other financial instruments (embedded derivatives) are treated as separate derivatives when their risk and characteristics are not closely related to the host contract and they are not recorded at fair value with their unrealized gains and losses posted in income for the period.

Hedge accounting:

Hedged items:
In the case of Grupo Sura, a hedged item may consist of a recognized asset or liability, an unrecognized firm commitment, a highly probable transaction or a net investment in a foreign operation.

Types of hedging arrangements:
Grupo Sura's hedging arrangements consist of the following:

- Fair value hedges: these address the Company's exposure to changes in the fair value of a recognized asset or liability or an unrecognized, firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and that could affect profit or loss.

- Cash flow hedges: these address the Company's exposure to changes in its cash flows due to a specific risk relating to the recognized asset or liability or to a highly probable transaction that could affect profit or loss.

- Hedges of net investments in foreign currency: these address the exchange rate risk on the Company's net investments in foreign currency. The hedged item is the difference resulting from the currency conversion process and the amounts posted in the consolidated financial statements.

Measuring effectiveness
The decision to apply hedge accounting is based on considerations regarding expectations of future hedging effectiveness (prospective), the purpose of which is to ensure that there is sufficient evidence to support an expectation of a highly effective hedge, as well as an assessment of its actual effectiveness (retrospective).

A hedge is considered as being highly effective only if it meets both of the following conditions:

a. At the start of the hedging arrangement, and during subsequent periods, the effectiveness of the hedging instrument is expected to fall within a range of between 80% and 125%.

b. The actual results of the hedging instrument falls on a range from 80% to 125%.

Measurement
Grupo Sura initially measures its hedging instruments at fair value. As in the case of derivatives, their fair values are zero on the date of their initial recognition, except for some options.

Any subsequent measurements of hedging instruments are at fair value.

The best evidence of their fair value are quoted prices in an active market.

Recognition:

Fair value hedges:

If, during the period, a fair value hedge fulfills the corresponding documentation requirements, it is recorded as follows:

a. The gain or loss from remeasuring the hedging instrument at fair value is recognized in income for the period.

b. The gain or loss on the hedged item attributable to the hedged risk is duly adjusted for the carrying amount of the hedged item and subsequently recognized as income for the period, even if the hedged item is measured at cost.

Cash flow hedges:

a. The separate component of equity relating to the hedged item is adjusted so that it is equal (in absolute terms) to the lesser of:
    i. The cumulative gain or loss on the hedging instrument from the inception of the hedging instrument.
    ii. The cumulative change in the fair value (present value) of the expected future cash flows from the hedged item from the inception of the hedging instrument.

b. Any remaining gain or loss from the hedging instrument or the designated component of this same instrument (that is not an effective hedge) must be recognized in income for the period.

c. If the Company's documented risk management strategy governing a particular hedging relationship excludes a specific component of the gain or loss or related cash flows on the hedging instrument from the corresponding assessment of the hedge´s effectiveness, the component of the gain or loss thus excluded must be recognized in income for the period.

   On the other hand, if, during the period, a cash flow hedge fulfills the corresponding documentation requirements, it is recorded as follows:

   - The portion of the gain or loss obtained from a hedging instrument that is determined to be an effective hedge must be recognized in other comprehensive income.
   - The ineffective portion of the gain or loss obtained from a hedging instrument must be recognized in income for the period.

Hedges for net investments in foreign currency

Hedge accounting can be applied only to exchange differences arising between the functional currency of the foreign operation and the functional currency of the controlling entity.

The hedged item could be, for the value of net assets, equal to or lower than the carrying value of the net assets of the foreign operation, as recorded in the consolidated financial statements of the controlling entity.

Compound financial instruments

According to IAS 32, an issuer of a non-derivative financial instrument should assess the corresponding terms and conditions for classifying it as a compound financial instrument, that is to say, whether it contains both a liability and an equity component, based on the following criteria:

- **A financial liability:** is a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable.

- **An equity instrument:** is any contract or arrangement that evidences a residual interest in the assets of an entity after deducting all of its liabilities (net assets).

Grupo SURA's preferred shares cannot be considered entirely an equity instrument because the corresponding contractual clauses provide for the obligation of delivering cash or another financial asset to their holders. Similarly, they cannot be considered entirely a liability because they do not convey the obligation of providing the holder with the total amount of money received on the issue of shares. Consequently they must be considered compound financial instruments.

Initial measurement of a compound financial instrument

The liability and equity components of compound financial instruments must be measured separately. Therefore, for the initial measurement of a compound financial instrument, the equity component is determined as the residual amount after deducting the fair value of the instrument as a whole and the amount of the liability component is determined separately. The sum of the carrying amounts allocated to these liability and equity components, at the time of their initial recognition, is equal to the fair value of the instrument as a whole. No gains or losses may arise from the initial recognition separately performed on said components.

Incremental costs relating to the issue of preferred shares

Under IAS 32, a company incurs various types of costs and expense upon issuing its own equity instruments, which are posted at the lowest value thereof (net of any applicable tax benefit), to the extent that these qualify as incremental costs directly attributable to the equity transaction itself, which would otherwise not have been incurred had the instruments not been issued in the first place.

Transaction costs relating to an issue of compound financial instruments are allocated between their equity and liability components, bearing in mind that upon initial recognition IFRS 9 stipulates that a company shall measure a financial asset or a financial liability at fair value, adding or subtracting transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability itself. These costs are included in calculating the effective interest rate for appraising the value of such.

Subsequent measurement of a financial liability in the form of a compound financial instrument

Grupo de Inversiones Suramericana S.A. measures its financial liabilities at amortized cost subsequent to their initial recognition.

Business Model of Grupo Sura

Fair Value

The Company's structural portfolio includes alternate investments that do not meet the requirements to be rated at amortized cost as a result of their nature, and, hence, are rated at their fair value with an effect on the income statement. These investments include, but are not limited to: fixed income certificates with a prepayment option, private capital funds and structured products. These may be acquired to fit the liability and to maintain them during a long period, and consequently, may be part of the structural portfolio of the Company.

Fair value with changes in Other Comprehensive Result (OCI).

Initially, Grupo Sura may irrevocably designate a capital instrument of other companies which is not kept for negotiation, as fair value with changes in Other Integral Result (ORI). This means that, in later measurements, the changes in fair value do not have an impact on results but rather on the corporation's equity

3.4. Insurance activities

Under IFRS 4, an insurance company may continue using non-uniform accounting policies for all insurance contracts (as well as deferred acquisition costs and related intangible assets) belonging to its subsidiaries. However, IFRS 4 does not relieve the Group of certain implications inherent to the criteria set out in paragraphs 10 to 12 of IAS 8. Therefore, the Company:

- Shall not recognize provisions for future claims as a liability when they arise as a result of nonexistent insurance contracts at the end of the corresponding reporting period (such as catastrophe or equalization provisions).

- Shall perform the required liability adequacy tests.

- Shall eliminate an insurance contract liability (or portion thereof) from its Statement of Financial Position when, and only when, it no longer exists, meaning when the obligation stipulated in the corresponding contract is settled, paid or otherwise expires.

- Shall not offset (i) reinsurance assets against the related insurance liabilities, or (ii) income or expense from reinsurance contracts against income or expense, from the related insurance contracts.

- Shall consider whether its reinsurance assets have suffered any type of impairment.

An insurance risk is significant only if an insured event may give rise to the insurance company having to pay out a significant value in added benefits under any scenario. Additional benefits refer to amounts that exceed those that would have been paid if the event in question had not occurred. Significant risk is assessed on an individual contract basis.

Based on the inherent characteristics of our products, our products qualify as insurance contracts. It is important to note that once a contract is classified as an insurance contract, it remains in this category for the rest of its term, even when the corresponding insured risk becomes significantly lower.

Permitted practices and policies include mandatory liability adequacy tests and impairment tests performed on reinsurance assets. Prohibited practices and policies include setting up catastrophic reserves, maintaining or setting up compensation or contingent reserves and offsetting reinsurance assets and liabilities.

Products classified under IFRS 4 - Insurance Contracts

Grupo Sura took into account the following criteria contained in IFRS 4 upon classifying its insurance portfolios:

Insurance contracts: These apply when the company (the insurer) accepts significant insurance risk from the counterparty (the policy-holder) by agreeing to provide compensation in the event of any uncertain adverse event affecting the policy-holder in the future. A significant insurance risk is considered to exist when the benefits to be paid out, should the insured event occur, differ to a substantial extent from those that would otherwise be paid out in the absence of such an event. Insurance contracts include those that transfer the inherent financial risk, provided that the insured risk component is more significant.

Investment Contracts: These apply when the policy-holder transfers significant financial risk, but not the actual insured risk. The definition of financial risk includes the risk of a future change in one or any combination of the following variables: interest rates, prices of financial instruments, commodity prices, foreign exchange rates, price indexes or rates, credit risk or credit risk indexes or any other non-financial variables, as long as the variable is not specific to one of the parties to the contract.

Reinsurance and coinsurance operations

Grupo Sura shares its risks, from insurance operations, with reinsurers. See Note 2.2.1.5

Reinsurance operations

Grupo SURA considers reinsurance as a contractual relationship between an insurance and a reinsurance company, in which the former transfers all or a portion of the risks assumed with its policyholders to the latter.

Ceded premiums corresponding to reinsurance are recorded based on the corresponding terms and conditions of the applicable reinsurance contracts and using the same criteria as for direct insurance contracts.

Ceded reinsurance contracts do not relieve Grupo SURA of any of its obligations with policy-holders.

Grupo SURA does not offset reinsurance assets against liabilities arising from insurance contracts and these are recorded separately in the statement of financial position.

Coinsurance operations

Grupo SURA considers coinsurance a mutual arrangement agreed between two or more insurers for covering the same risk. With regard to co-insurance contracts, the responsibility of each insurer with regard to the policy holders is limited to its percentage stake in the arrangement itself.

Grupo SURA recognizes the balance obtained from its coinsurance operations based on the percentage stake held in the agreed insurance arrangement in its Statement of Financial Position.

Impairment of reinsurance and coinsurance assets
Grupo SURA only considers a reinsurance and coinsurance asset to be impaired when it must reduce its carrying value and recognize the corresponding effects in the income for the period, if, and only if:

- As a result of an event that occurred after the initial recognition of the reinsurance asset in question, there is objective evidence that the ceding party may not receive all the amounts that it is owed based on the terms and conditions of the contract; and
- That the event in question has an effect that can be reliably measured based on the amounts that the cedant shall receive from the reinsurance company.

Reinsurance assets are examined for impairment on a yearly basis so as to be able to opportunely detect any event that could impair the value of such. Triggers may include legal disputes with third parties, changes to the Company's capital structure and surplus levels, changes to the counterparty´s credit risk rating as well as past experience with collecting amounts due from the respective reinsurance companies. In the case of Grupo SURA´s insurance companies, no impairment has been found with regard to their reinsurance assets.

Insurance liabilities
Insurance liabilities in the case of Grupo SURA consist of its best estimates of future payments to be made on the risks assumed as part of its insurance obligations, which are measured and recognized through technical reserves. Grupo SURA's reserves include the following:

a. Ongoing Risk Reserve: set up for fulfilling future obligations arising from commitments undertaken based on policies in full force and effect on the date the corresponding calculations are made. The ongoing risk reserve is composed of the unearned premium reserve as well as the insufficient premium reserve.

   The unearned premium reserve represents the portion of premiums written on policies in full force and effect as well as premiums written on policies beginning on future dates, less policy issue expense, corresponding to the unused term of the corresponding risk.

   The insufficient premium reserve supplements the unearned premium reserve to the extent that premiums are not sufficient to cover the ongoing risk and non-accrued expense;

b. Mathematical Reserve: provides for the payment of individual life insurance obligations and those with premiums that are either level for specific periods of time or paid out in the form of annuities.

c. Insufficient Asset Reserve: set up to compensate for any shortfall with regard to covering expected flows of liabilities that make up the mathematical reserve using asset flows from the insurer;

d. Pending Claims Reserve: provides for the payment of claims incurred once reported or to ensure coverage of those that have not been reported on the date this reserve is calculated. The pending claims reserve consists of both the reported and the incurred but not reported (IBNR) claim reserves.

The reported claims reserve contains the amount of funds that the insurer must allocate to meet payments of claims incurred once these have been reported and the corresponding expense on the date this reserve is calculated.

The incurred but not reported claims reserve represents the estimated amount of funds that the insurer must allocate to meet payments of future claims incurred but not reported, at the date this reserve is calculated, along with other claims for which the insurer does not have sufficient information;

e. Embedded derivatives: embedded derivatives pertaining to insurance contracts are recorded separately if these are not considered as closely relating to the host insurance contract and do not meet the definition of an insurance contract.

These embedded derivatives are recorded separately as financial instruments and are measured at fair value through profit and loss.

f. Liability adequacy tests
The technical provisions recorded in the financial statements are tested once a year in order to determine their adequacy based on projections of all future cash flows from existing contracts. If, as a result of these tests, they are found to be inadequate, they are adjusted against income.

Future contractual cash flows are used to perform these adequacy tests, which are measured based on the best estimates available. Cash flows include both assets and liabilities over time and are discounted based on the rate of return corresponding to the portfolio of investments underpinning the Company's provisions and reinvestment.

The methodology used to perform these reserve adequacy tests and obtain the corresponding assumptions include the following:

- Projecting contractual cash flows using assumptions based on the best estimates available at the time these projections are made. Assumptions are periodically reviewed and approved by the models and assumptions committee as well as the Company's risk management department.

- Drawing up return rate scenarios (based on the investment-divestiture intentions of each of the Company's subsidiaries).

- Discounting flows of commitments (in order to obtain their current value).

- Calculating the 50th percentile of the present values and comparing them to the carrying values of reserves. In the case of Mexico and Peru, where contracts have no optionality (they are symmetrical), cash flows are projected symmetrically. However, in the case of Chile, which has non-symmetrical contracts (for example: flexible contracts with guaranteed rates), stochastic projections are drawn up so as to proceed to calculate the 50th percentile.

The assumptions used to gauge the reserve adequacy tests that are performed include the following:

· *Operating Assumptions:*

- Exit rates, partial surrenders, collection factors (non-applicable in the case of life annuities): an experience-based analysis is periodically performed so as to be able to include the most recent behavioral patterns within the corresponding assumption. Analyses are performed on families of similar products.
    - Operating Expense: operating expense assumptions are reviewed every year taking into account the best estimated expense (based on portfolio volume and levels of expenditure). The Company's annual strategic road map forms an important tool for gauging these assumptions.

    - Mortality tables: the Company draws up its own tables for its life annuity portfolio. For the rest of its life insurance portfolio, since it does not have enough experience for building its own tables, the assumptions used are based on the mortality tables provided by the reinsurer.

- Financial assumptions: the reinvestment model provides scenarios for rates of return based on updated assumptions from the market and investment standpoints at the end of the reporting period. The assumptions obtained from the reinvestment model include:
    - Scenarios for Government Zero Coupon Rates: used in conjunction with the spread index to value the assets held for investment / reinvestment purposes
    - Projected Spread Index: applicable to zero coupon rates
    - Multiplicative Spread Factor
    - Depreciation Factor: applicable to real estate and equity securities
    - Projected Asset and Liability Flows

g. Favorable Experience Dividend (FED): Grupo SURA accounts for future payments of favorable experience [dividends] in terms of claims and continuity, as agreed on the effective dates of the corresponding insurance contracts by recognizing a provision for such payments.

Grupo SURA recognizes such income during the corresponding terms of reinsurance coverage.

Deferred Income Liabilities (DIL)
Deferred Income Liabilities correspond to the deferral of income from fund members to cover maintenance expense and a level of profit, in the periods in which those members become non-contributors or pensioners who by law cannot be charged for the management of their funds and/or pension payments, while, from the tax standpoint, this income is recognized in full for the year in which it is obtained.

3.5. Inventories
Grupo Sura recognizes its inventories as of the date on which the risks and rewards inherent to the ownership of such begin to take effect.

These inventories are measured on two separate occasions: their initial measurement is first recognized at cost and then any subsequent measurements performed at the end of the reporting period are be recognized at the lower of their cost or net realizable value.

Initial inventory measurements

Grupo Sura initially measures its inventories as follows:

Purchase price, plus import costs, plus non-refundable taxes paid, plus transport costs, less discounts or rebates.

Subsequent inventory measurements

In the case of those products that are to be sold or marketed, Grupo Sura performs all subsequent measurement at the lower of their cost and their net realizable value.

Grupo Sura recognizes its inventories when they are sold at their carrying value, along with the related expense incurred for the period in which the corresponding income is recognized, for which it applies the weighted average cost method.

Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or group of assets that are closely interrelated or interdependent in terms of their design, technology and function, or with regard to their ultimate purpose or use.

Revenues received on ordinary activities as part of construction contracts are measured as the fair value of the consideration received or pending receipt.

When the revenue and costs of a construction contract can be reliably estimated, they are recognized either as revenue or expense depending on the degree that said contracts have been fulfilled in terms of their contractual activities at the end of the reporting period in question.

The company uses the percentage completion method to recognize construction contracts, based on which contractual revenues are recognized as such in profit and loss for the period, in the costs of services rendered line, and over the various accounting periods taken to perform the contract itself. Contractual costs are recognized as part of the inventory and in turn are expensed when assigned to a service contract in which the risks and rewards of such item are transferred to the customer, as provided by contractual agreements.

3.6. Taxes

Based on the tax structures of each of the countries in which Grupo SURA's subsidiaries operate, together with the respective rules and regulations governing the different types of business operations that each subsidiary carries out, each subsidiary is liable to pay taxes, rates and contributions on a nationwide as well as local level.

Income tax

Current

Current income tax assets and liabilities for the current period are measured based on the amounts expected to be either recovered from or paid to the corresponding tax authorities. Income tax expense is recognized under current tax, based on comparing taxable income with book profits or losses subject to the income tax rate levied for the current year and in accordance with the provisions set out in Colombian tax legislation. The tax rates and regulations on which these values are based are those that are in full force and effect at the end of the reporting period in question.

Deferred Charges
Deferred tax is calculated on temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences as well as for the future offsetting of unused tax credits and tax losses to the extent that there is sufficient future taxable income against which said tax can be offset. Deferred tax is not discounted.

Deferred tax assets and liabilities are not recognized if the temporary differences arising from the initial recognition of an asset or liability forming part of a transaction that does not constitute a business combination and if, at the time of the transaction, said deferred tax items affect neither book profits nor the taxable gains or losses and, in the case of deferred tax liabilities, when they arise as a result of the initial recognition of goodwill.

Deferred tax liabilities with regard to investments in subsidiaries, associates and interests in joint ventures are not recognized when the timing of the reversal of temporary differences can be controlled and it is probable that these differences shall not be reversed in the near future. On the other hand, deferred tax assets with regard to investments in subsidiaries, associates and interests in joint ventures are recognized only to the extent that it is probable that the temporary differences shall be reversed in the near future and there is likely to be sufficient future taxable income against which these deductible differences can be charged.

The carrying amounts of deferred tax assets is reviewed at the close of each reporting period and are reduced to the extent that it is no longer probable that sufficient taxable income shall be available to offset all or part of the deferred tax asset. Unrecognized deferred tax assets are reassessed at the close of each reporting period and are recognized to the extent that it is probable that there shall be sufficient future taxable income to cover such.

Deferred tax assets and liabilities are measured based on the tax rates projected for the period in which the asset is realized or the liability is paid, based on the tax rates and regulations that were either approved or due to be approved on or near the respective filing date.

Deferred tax is recognized as profit or loss, except for those items that are recognized either as other comprehensive income or directly in the equity accounts.

Current income tax assets and liabilities also are offset if they relate to the same tax authority and the holder intends to settle these at their net values or realize the asset and simultaneously settle the corresponding liability.

3.7. Other non-financial assets

Pre-paid expense
This account consists of disbursements for future expense, which are recognized in the income statements when the corresponding goods or services are received.

Art Works:
Grupo Sura recognizes works of art at acquisition cost

3.8. Investment properties

Grupo SURA has defined its investment properties as land and buildings held for the purpose of earning income through operating leasing arrangements or obtaining capital gains.

Grupo SURA initially measures its investment properties at cost, including all expense that directly relates to acquiring this type of asset.

For all subsequent measurements of such, Grupo Sura uses the Fair Value approach, based on the price that would be obtained if the Company were to sell the asset as part of an orderly transaction between market participants on the date the measurement is carried out.

The fair value of these properties was determined based on observable market transactions, given the nature of the property in question (land and buildings), which have similar market transactions, in compliance with the valuation model made in IFRS 13 Fair Value Measurement. (See Note 13 regarding Investment Properties).

Any increases or decreases to the value of Grupo SURA's investment property produced by changes to its fair value must be recognized in the income statement for the corresponding reporting period.

Consequently, Grupo Sura assesses whether there are any changes to the condition of use of an assets classified as investment property, and, if there are changes, said assets are reclassified or transferred to another group of assets on Grupo SURA's financial statements. Assessments must also be performed to decide whether there are any operating assets and whether they continue to meet the conditions to be classified as an investment property.

Derecognitions or write-offs
Grupo SURA derecognizes an investment property when it is sold or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal or when the property is handed over as part of financial leasing arrangements.

Any gains or losses produced upon withdrawing or disposing of an investment property is recognized as profit or loss when the asset is withdrawn or disposed of.

3.9. Property and equipment

Grupo Sura has defined its property and equipment (PP&E) as all those tangible assets that will be used in more than one accounting period and that are expected to be recovered through their use as opposed to their sale.

Grupo Sura includes in the initial cost of such property and equipment all costs incurred in their acquisition or construction once they are made ready for use.

After initially recognizing real estate property (land and buildings) Grupo Sura proceeds to subsequently measure it using the revaluation approach, or at fair value, which is the price that would be obtained if Grupo Sura were to sell the asset as part of an orderly transaction between market participants on the date the measurement is carried out. Property, plant and equipment's fair value is determined by independent experts with recognized professional capabilities and experience.

For all other types of property and equipment the cost approach is used.

At least every four years, Grupo Sura commissions property appraisals to be performed on said property so as to ensure that the carrying value of these assets does not differ materially from their fair value. Revaluation gains are usually recognized as other comprehensive income in the Statement of Comprehensive Income while the equity component is separately accounted for as a "revaluation surplus".

Declines in the prices of assets must be posted as a lower value of the balance of other comprehensive income account, should it exist, and if not, directly as profit and loss.

Depreciation

Grupo Sura depreciates its property and equipment using the straight-line method for all types of assets, except for land. Land and buildings are separate assets and are accounted for separately, even when they are acquired together.

Depreciation begins when the assets are situated in their location and are ready to be operated; and ceases on the date the asset is classified as held for sale or as an investment property measured at fair value, in accordance with applicable accounting policies.

Grupo Sura derecognizes its property, plant and equipment when they is sold or when no future economic benefits are expected to be obtained from their use or disposal. Any gains or losses arising from derecognition of any item belonging to the property, plant and equipment account are charged to profit and loss for the period.

Useful lives

Grupo Sura defined the following useful lives for its property and equipment:

Buildings	between 80 and 100 years
IT equipment	5 years
Medical equipment	between 7 and 17 years
Furniture and fixtures	between 8 and 10 years
Vehicles	between 8 and 10 years

Grupo SURA reviews the useful lives of all assets at the end of each accounting period, at least.

3.10. Intangible assets

An intangible asset is defined as an identifiable, non-monetary, non-physical asset, from which an economic benefit is expected for more than an accounting period. Intangible assets separately acquired are initially measured at cost. The cost of intangible assets acquired through business combinations is posted at fair value on their respective acquisition dates. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment.

The useful lives of intangible assets are defined as finite or indefinite. Intangible assets with finite useful lives are amortized linearly over their useful economic life and periodically evaluated to determine whether there exists any impairment, whenever there are signs of a potential impairment. The amortization period and method used for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in their expected useful lives or the expected flows of future economic benefits of these intangible assets are accounted for by changing the amortization period or method, as appropriate, and treating them as changes to accounting estimates. The amortization expense of intangible assets with finite useful lives is recognized in the income statement.

The useful lives of intangible assets are as follows:

	Estimated useful life
Client relations	Based on their initial valuation (between 4 and 30 years)
Acquired goodwill	Indefinite
Trademarks	Indefinite
Contracts, licenses and software	Based on the term of the contract (between 3 and 17 years)

Intangible assets with indefinite useful lives are not amortized, but are tested every year to determine whether they have suffered any impairment to their value, either individually or at the level of the cash-generating unit to which they were assigned. Assets classified as having indefinite useful lives are reviewed on a yearly basis in order to determine whether this is still appropriate, if not, the change in their useful lives from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognizing an intangible asset are measured as the difference between net income obtained from its sale and its carrying amount, which is recognized in the income statement when the asset in question is derecognized.

Deferred acquisition costs
Deferred acquisition costs correspond to the deferral of costs incurred in acquiring new customers for insurance and pension contracts. International standards provide for recognizing amortizable intangible assets that represent the right of the company to benefit from the handling of investments belonging to its fund members, and this is amortized to the extent that the company recognizes the income due for the period in which a customer maintains his or her investment with the company.

Deferred acquisition costs are directly related to an insurance contract subscription, which grants a contractual right to obtain economic benefits during the services delivery.

3.11. Investments

3.11.1 Subsidiaries

A subsidiary is an entity that comes under the direct or indirect control of any of the companies that make up Grupo SURA´s portfolio. Control exists when any of the companies have the power to direct the subsidiary's activities, such as operating and financing activities, in order to obtain benefits from such activities and is also exposed, or is entitled, to variable returns from said subsidiary.

3.11.2 Associates

An associate is an entity over which Grupo Sura exerts significant influence in terms of its financial and operating policy decisions without having total or joint control.

Grupo Sura exerts significant influence when it has the power to intervene in the financial or operating decisions of another company without achieving total or joint control. Grupo Sura is presumed to exert significant influence when:

- It directly or indirectly holds 20% or more of the voting power of the company in question, unless there is clear evidence that such influence does not exist through its governing bodies; or
- Although it may directly or indirectly hold less than 20% of the voting power of the company in question, there is clear evidence that such influence effectively exists through its governing bodies; or

Grupo Sura exerts significant influence through one or more of the following:

By being a member of the governing body of either the subsidiary or the associate;

- Participating in the policy-making and decisions taken in terms of dividends and other distributions;
- Performing material transactions with the associate;
- Exchanging senior management personnel; or
- Providing essential technical information.

Investments are initially recognized at cost and are subsequently measured using the equity method.

When an investment is first acquired, Grupo Sura must post the difference between the cost of investment and the portion corresponding to Grupo Sura as the net fair value of identifiable assets and liabilities of the associate:

- If the portion of the fair value of the associate´s identified assets and liabilities is less than the value of its acquisition, it produces a higher value that forms part of the cost of the investment; or
- If the portion of the fair value of the associate´s identified assets and liabilities is higher than the value of their acquisition, it is considered a purchase on favorable terms and the difference is recognized as income for the period.

Cash dividends received from the associate or joint venture are recognized as a lower value of the investment in question.

Grupo SURA periodically analyzes whether there are any signs of impairment and, whenever necessary, impairment losses are recognized for the corresponding investment in the associate or joint venture. Impairment losses are recognized in profit or loss statement for the period and are calculated as the difference between the recoverable amount of the associate or joint venture, which is the higher of its value in use or its fair value less selling costs, and its corresponding carrying amount.

When significant influence is no longer exerted over the associate or joint control over the joint venture, Grupo Sura measures and recognizes any residual investment that remains at fair value. The difference between the carrying amount of the associate or joint venture (taking into account the relevant items of other comprehensive income) and the fair value of the retained residual investment, including the value obtained from its sale, is recognized in profit or loss statement.

3.12. Impairment of non- financial assets

At each reporting date, Grupo SURA assesses whether there is any indication of an impairment to the value of a non-financial asset. Grupo SURA estimates the recoverable amount of the asset or cash-generating unit when it detects any signs of impairment, or as part of its annual reviews (as carried out at year-end 2015) of goodwill and intangible assets with indefinite useful lives as well as those assets that are not yet made ready for use.

The recoverable value of an asset corresponds to the higher of (i) its fair value less selling costs, whether or not this is an asset or a cash-generating unit, and (ii) its value in use. An asset´s recoverable value is determined on an individual basis, except when the asset in question does not produce cash flows that are largely separate from those from other assets. When the carrying value of an asset or a cash-generating unit exceeds its recoverable value, the asset is considered impaired and its carrying value is reduced to its recoverable value.

Upon calculating an asset´s value in use, its estimated cash flows, whether from the asset or the cash-generating unit, are discounted at their present value by applying the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The valuation approach is used to determine the fair value less selling costs of this type of asset.

Impairment losses corresponding to continuing operations are posted in the income statement, specifically in the expense accounts corresponding to the actual function of the impaired asset in question. Impairment losses attributable to a cash-generating unit are initially allocated to goodwill and, once this is exhausted, proportionally to other non-current assets belonging to the cash-generating unit, based on the carrying value of each asset.

Impairment to goodwill is determined by assessing the recoverable value of each cash-generating unit (or group of cash-generating units) to which the goodwill is linked. Impairment losses relating to goodwill cannot be reversed in future periods.

In the case of assets in general, excluding goodwill, at the end of each reporting period an assessment is carried out to determine whether there is any indication that any previously recorded impairment loss either no longer exists or has decreased. Should this be the case, the recoverable value of either the asset or the cash-generating unit in question shall be re-estimated. A previously recorded impairment loss can only be reversed when there are changes in the assumptions used to determine the recoverable value of an asset since the last time an impairment loss was recognized. Such reversals are limited to the carrying value of the asset or cash-generating unit in question, and shall not exceed its recoverable value or the carrying value net of depreciation that would have been obtained if an impairment for such asset or cash-generating unit had not been recognized for prior periods. These reversals are recognized in the income statements.

3.13. Fair value

Fair value is the price that would have been received or paid should the asset or liability have been sold or otherwise transferred between market participants on the date the asset or liability is measured. The fair value of all financial assets and liabilities are determined at the date on which the financial statements are prepared for their subsequent recognition or disclosure on the notes accompanying said financial statements.

Fair value is determined on the following inputs:

- Based on quoted prices in active markets for identical assets or liabilities that the entity can access on the date the measurements are made (Level 1 inputs).
- Based on the valuation approaches commonly used by market participants who use variables other than quoted prices that are observable for the asset or liability in question, either directly or indirectly (Level 2 inputs).
- Based on internal discounted cash flow or other valuation approaches, using non-observable variables estimated by Grupo Sura for the asset or liability in question in absence of observable market variables (Level 2 inputs).

This includes weighing the corresponding liquidity, credit and volatility risks. Changes in assumptions regarding these factors could affect the reported fair values of financial instruments.

In measuring fair value, Grupo Sura takes into account all the following items:

a. The specific asset or liability to be measured (in keeping with its unit of account).
b. For a non-financial asset, the corresponding valuation approach selected.
c. The main (or most advantageous) market for the asset or liability in question.
d. The valuation approaches used for their measurement, in the light of available data with which to calculate the variables that form the basis of the assumptions that market participants would use when pricing the assets and liabilities and the level of the fair value hierarchy in which the variables are classified.

Measuring assets or liabilities

When measuring the fair value of an asset or liability, Grupo Sura considers the characteristics of the specific asset or liability as would market participants when pricing said asset or liability including, for example, the following:

- The condition and location of the asset.
- Restrictions, if any, on the sale or use of the asset in question.
- How market participants would consider these characteristics.

Measuring non-financial liabilities

A fair value measurement supposes that a non-financial liability is transferred to a market participant on the date the measurement is performed, and this liability remains outstanding while the recipient is able to satisfy the obligation.

When there is no observable market capable of providing pricing information, this data may be obtained from other parties who maintain these liabilities in the form of assets and the fair value of such shall be measured from the standpoint of a market participant.

Fair value at initial recognition

When Grupo SURA acquires an asset or a liability, the price paid (or the price of the transaction) is taken as the entry price. Since companies do not necessarily sell assets at the prices paid to acquire them and similarly, companies do not necessarily transfer liabilities at the prices received for taking them on, from the conceptual viewpoint entry and exit prices can be widely different. The purpose of a fair value measurement is to estimate the exit price.

Valuation approaches

Grupo Sura uses the following valuation techniques:

- Market approach: this valuation technique is used mainly to value investment property and fixed assets whose later measurement has been defined by Grupo Sura as a revalued model. It is also used for financial models that have been defined according to the fair value business model for which there is an active market.
- Revenue approach: this valuation technique is used for financial assets and liabilities defined at their fair value but which do not have an active market.

3.14. Lease rentals

Determining whether an arrangement consists of or contains a lease based on the actual conditions of the agreement on its effective date, and whether fulfilling such agreement depends on using a specific asset or group of assets, or if the agreement grants a right to use the asset(s) in question.

Leases are classified either as financial or operating leases. A financial lease is when substantially all of the risks and benefits inherent to the ownership of the leased asset is transferred to the lessee, otherwise, it is classified as an operating lease.

Assets leased under financial leasing arrangements are shown as assets in the Statement of Financial Position at the beginning of the lease agreement and recognized at the fair value of the leased asset or the present value of the minimum lease payments, whichever is lower.

Assets leased under financial leasing arrangements are depreciated over the useful life of the asset in question using the straight line method. However, should there be no reasonable certainty that Grupo SURA would retain ownership at the end of the term of the corresponding leasing arrangement, the asset is depreciated over its estimated useful life or during the term of the lease, whichever is the lesser. Lease payments are divided upon between interest and payments of principal. Finance charges are recognized in the income statement.

Operating lease payments, including incentives received, are recognized linearly over the term of the lease as an expense in the income statement.

Leases classified as financial leasing arrangements are recognized as belonging to the property, plant and equipment account using the measurement criteria defined for that group of assets in the accounting policy governing property, plant and equipment.

Grupo Sura considers that if a lease does not classify as a financial leasing arrangement it should be classified as an operating leasing arrangement and all rentals paid on said leased asset are recognized as an expense in the income statement.

3.15. Employee benefits

Employee benefits include all amounts that Grupo Sura pays its workers in exchange for their services. Employee benefits are classified as short-term, post-employment, long-term and/or termination benefits.

Short-term benefits

Short-term benefits are benefits (other than termination benefits) that are expected to be completely settled within a 12-month period following the end of the annual reporting period in which the employees provide their corresponding services. These short-term benefits are recognized to the extent that employees provide their services for the amounts expected to be paid. The effects of the changes in the valuation of the short-term benefits are registered in the gains and losses of the period.

Long-term benefits

Long-term benefits include all types of remuneration owed to the employee after a 12-month period following the end of the annual reporting period in which the employees provide their corresponding services. Grupo Sura measures the surplus or deficit amounts obtained from the long-term employee benefit plan using the post-employment benefit approach both for estimating the corresponding obligation as well as the assets pertaining to the plan; and, in this way, it is able to arrive at the value of the net defined benefit by calculating the deficit or surplus produced by the obligation.

A liability for long-term benefit is recognized as follows:

a) The present value of the obligation for the benefits defined at the end of the reporting period;

b) Minus fair value at the end of the reporting period of the assets, if any, that are directly used to pay off the obligations.

The changes due to valuation for long-term employee benefits are recognized in the results for the period.

Post-employment benefits

Post-employment benefits are all those that are granted to employees after they leave the Company´s service. Post-employment benefits for Grupo SURA consist of:

a) A fixed contributions plan, under which the obligation is limited to payments by an outside company or fund, and is recognized once the employee has provided his or her services for a set period of time and the expense incurred for the period is disclosed at its nominal value.
b) A defined benefit plan, under which Grupo Sura has a legal or implicit obligation to pay such benefits, which require the use of actuarial calculations in order to recognize the defined benefit obligation based on actuarial assumptions.

Actuarial profits and losses in the defined benefit plans are recognized in the other integral result and the rest of the changes in the valuation of the defined benefits are recognized in the statement of results.

Benefits classified as long-term and post-employment are discounted using the sovereign bond rates of each of the countries where Grupo SURA is present, using the dates of the cash flows from which Grupo SURA expects to make such disbursements. This rate is used because no rates for high-quality corporate bonds are presented.

Termination benefits

Termination benefits are payments for early retirement or redundancy payments, and therefore only accrue when the employment relationship is completed. Grupo Sura recognizes termination benefits as a liability as well as an expense when the benefits thus offered cannot be withdrawn due to contractual issues or when recognizing restructuring costs.

3.16. Provisions and contingencies

Provisions are recognized when Grupo SURA has a present legal or contractual obligation as a result of a past event and there is the likelihood of an outflow of resources embodying economic benefits being required in order to settle the obligation, the value of which can be reliably estimated. If these conditions are not met, a provision is recognized.

Grupo SURA recognizes provisions in its Statement of Financial Position using its best estimates of the expenditure required, i.e. the value to be paid in order to settle the obligation for the reporting period in question, bearing in mind the risks and uncertainties affecting said estimates.

Grupo SURA considers that a provision must be set up when there is more than a 50% probability of incurring a loss.

Grupo Sura recognizes, measures and discloses the provisions arising in connection with contracts made for valuable consideration, restructurings, contractual and litigation proceedings, as long as it is probable that the Company shall have incurred in an obligation and must settle such.

Grupo Sura defines a contingent liability as an obligation arising from past events and whose existence is confirmed by the occurrence or non-occurrence of uncertain future events, or as a present obligation that arises from past events but is not recognized because: a) it is not likely that, in order to meet the obligation, it will be necessary to disburse resources that involve economic benefits or b) the value of the obligation cannot be measured reliably. The Company also classifies a contingent asset as arising from past events and whose existence is confirmed by the occurrence or nonoccurrence of uncertain future events.

Since contingent assets and liabilities stem from unexpected events and there is no certainty of obtaining future economic benefits from such, they are not recognized in the Statement of Financial Position until they actually materialize.

3.17. Operating segments

An operating segment is a unit belonging to Grupo SURA that engages in business activities from which it may earn revenues and/or incur costs and expenses and for which financial information is made available and whose operating performance is regularly reviewed by Grupo SURA's highest governing body in making operating decisions, deciding on how resources are to be allocated to the different segments and assessing their performance.

The financial information pertaining to these operating segments is drawn up using the same accounting policies as those used to prepare Grupo SURA's consolidated financial statements.

3.18. Income

Grupo SURA recognizes revenue when there a transfer of risks and benefits meaning when the service is rendered or when the respective goods are delivered, to the extent that it is probable that the economic benefits shall flow to Grupo SURA and that said revenue can be reliably measured. Revenue is measured based on the fair value of the consideration received or pending receipt, excluding taxes or other obligations. Discounts are recorded as a lesser value of the income received.

The following specific recognition criteria must also be met before proceeding to record income.

Revenues relating to activities performed during the normal course of business are recognized based on the degree to which the transaction is completed during the respective reporting period. Revenues from a transaction can be reliably estimated providing all of the following conditions are met:

- The amount of revenue from ordinary business activities can be reliably measured;
- It is probable that the entity shall receive economic benefits associated with the transaction in question;
- The degree of completion of the transaction at the end of the reporting period in question can be reliably measured; and
- The costs already incurred with the transaction and the remaining costs to be incurred until the transaction is completed can be reliably measured.

Grupo SURA estimates the extent to which the service is provided as follows:

- The proportion of services performed compared to the total extent of the services agreed upon.
- The proportion of costs incurred and paid compared with the total amount of estimated costs. For this purpose, the costs incurred up to the present time include the costs incurred with the service provided up to said date; and, with regard to the total estimated costs of the transaction itself, only the cost of the services that have been or shall be provided are included.

Measuring income

Grupo Sura measures income by estimating the fair value of the consideration received or pending.

The amount of income obtained from a transaction is usually decided between the Company and the buyer or user of the asset in question.

In almost all cases, this consideration is usually paid to the Company in the form of cash or cash equivalents and the amount of revenue corresponds to the amount of cash or cash equivalents received or pending receipt.

The following specific recognition criteria must also be met before income can be recognized as such.

3.18.1 Income from written premiums

Income from written premiums is recognized when the corresponding policies are issued, except for those whose terms have not yet begun or which exceed a 12-month period, in which case said income accrues on the date the corresponding term begins or the year following the beginning of the term. Income from accepted reinsurance premiums accrue when the corresponding account statements from the reinsurance firms are received.

Unearned premiums are calculated separately for each individual policy in order to cover the remaining portions of written premiums.

3.18.2 Workers´ Compensation income

The Workers´ Compensation subsidiary must estimate the value of all mandatory contributions bearing in mind the number of workers that were affiliated during all or part of the period (incoming and outgoing), the wages on which contributions are calculated and the type of risk addressed, as reported on the last payment settlement or affiliation form. Worker's Compensation Income is presented within written premiums in the income statement

3.18.3 Dividend income

Grupo SURA recognizes dividend income when it is entitled to receive such income, which is usually when the dividends are first declared, except when the dividend represents a recovery of the cost of the investment. No dividend income is recognized when payment is made to all shareholders in the same proportion as the stakes held in the corresponding issuer.

3.18.4 Commission income

Commissions derived from pension funds administration are generally recognized when the corresponding service is rendered. Those services corresponding to negotiating or participating in the negotiations of transactions with a third party, such as disposals of purchased shares or other securities acquired or purchases or sales of business enterprises, are recognized when the underlying transaction is completed.

Fees corresponding to portfolio management or management consultancy and other services are recognized based on the applicable service contract when the service is rendered.

Asset management fees relating to investment funds and contractual investment rates are recognized on a proportional basis over the period in which the service is provided. The same principle applies in the case of wealth management, financial planning and custodial services performed continuously for a prolonged period of time. The rates charged and paid between banks in payment of services are classified as fee and/or commission income and expense.

3.18.5 Investment income

Interest accruing on financial assets measured at their amortized cost is recognized in the income statement based on their projected inflows, as contractually defined.

3.18.6 Healthcare service provider income

The healthcare companies belonging to Grupo Sura that are delegated members of the Colombian Solidarity and Guarantee Fund and, as such, are responsible for receiving contributions for the Mandatory Health Plan, receive a set amount per capita for providing health care services for each fund member. This is called a Capitation Payment Unit – CPU, which is increased every year by the Colombian National Health and Social Security Board and forms a source of income for said companies. Consequently, the Company records as income the aforementioned Capitation Payment Unit – CPU for the health care services provided as recognized by the Colombian General Healthcare and Social Security System based on each service settlement statement once this has passed the corresponding clearance process.

Income from prepaid health care contracts accrue as their contractual terms elapse.

3.19. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to the holders of ordinary shares for the period in question by the weighted average number of shares outstanding during this same time frame.

3.20. Currency

3.20.1 Functional currency

The amounts reported in the financial statements of each of Grupo SURA entities are stated in the currency of the primary economic environment (the functional currency) of the country where each entity operates. The functional and reporting currency of the consolidated financial statements belonging to Grupo SURA is the Colombian peso, which is the currency of the primary economic environment of the country in which it operates, as well as the currency in which the Group´s spending and revenue structure is denominated.

Grupo SURA's consolidated financial statements are presented in millions of Colombian pesos, rounded up to the nearest unit.

3.20.2 Foreign currency

Foreign currency transactions are initially recorded using the exchange rate applicable to the functional currency on the date of the corresponding transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate of the functional currency prevailing at the close of the reporting period. Non-monetary items that are measured at fair value are translated using the exchange rates applicable on the dates when their fair value is determined and non-monetary items measured at historic cost are translated using the exchange rates applicable on the dates of the original transactions.

All exchange differences are recognized in the income statement, except for exchange differences arising from the translation of foreign operations and the application of hedge accounting recognized in other income statement, even the disposal of a foreign-based business enterprise is recognized in profit and loss statement for the period.

For Grupo SURA's consolidated financial statements, assets and liabilities held abroad, including goodwill and any adjustments made to the fair value of the assets and liabilities arising from these acquisitions, are converted to Colombian pesos using the exchange rate applicable on the closing date of the corresponding reporting period. Income, costs, expense and cash flows are translated using average exchange rates for the reporting period in question, and equity is converted using historic rates.

3.21 Events after the reporting period

Grupo SURA has defined the following circumstances as events occurring after the reporting period:

Events occurring after the reporting period that entail adjustments

Grupo SURA must adjust the figures recorded in its financial statements to show the effect that any event occurring after the end of the reporting period could have in terms of additional adjustments to be made, provided that these events occur prior to the date on which these financial statements are approved by Grupo SURA's Board of Directors.

Events occurring after the reporting period that do not entail adjustments

Grupo SURA does not have to amend the figures stated in its financial statements as a result of this type of event. However, if the event is materially important for Grupo SURA the nature of the event itself must be disclosed and its financial effects estimated, or failing that, a statement as to the impossibility of making such an estimate.

Ownership dividends or surpluses.

Grupo SURA must abstain from recognizing any dividends or surpluses agreed upon subsequent to the reporting period as a liability on its financial statements.

Going concern assumption

Grupo Sura prepares its financial statements based on a going concern assumption, provided that, after the respective reporting period, Senior Management does not decide or state its intention to wind up or cease to perform its business activities or that there is no other alternative but to proceed with one of the aforementioned courses of action.

NOTE 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND CAUSES OF UNCERTAINTY IN PREPARING THE FINANCIAL STATEMENTS

The preparation of the consolidated financial statements in accordance with Colombian IFRS requires Senior Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

These estimates and underlying assumptions are periodically reviewed. The corresponding adjustments made to the accounting estimates are recognized in the period in which the estimate is reviewed as well as in any future periods that may be affected.

Said estimates and assumptions are determined subject to internal control procedures and approvals, which are in turn based on internal and external studies, industry statistics, environmental factors and trends as well as legal and regulatory requirements.

Accounting estimates and assumptions

The following are the key assumptions regarding the future performance of certain variables at the reporting date and which pose a significant risk of causing a material adjustment to the value of assets and liabilities to be stated in the next financial statement given the uncertainty prevailing with their performance.

a) Revaluation of investment property and property for own use

Grupo SURA records its real estate property (land and buildings) at fair value and any changes thereto are recognized in the other comprehensive equity account and in the case of investment properties in the corresponding income statement.

Revaluation gains with regard to fixed assets are directly recognized in other comprehensive income and are accumulated in the equity accounts as a revaluation surplus. These revaluations are calculated every four years.

When the carrying value of an asset as a result of a revaluation is reduced, the corresponding decrease is recognized in profit or loss. However, this decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus with regard to said asset. The decrease thus recognized in other comprehensive income reduces the amount accumulated in equity as a revaluation surplus.

The fair values of land and buildings are based on periodic appraisals carried out by qualified outside appraisal firms as well as internally by the Group´s own professional staff.

b) Fair value of financial instruments

When the fair value of financial assets and liabilities recorded in the Statement of Financial Position is not obtained from active markets it is determined using valuation methods that include the cash flow discount model. The information provided by these models is taken from observable markets where possible, but when this is not the case, a certain amount of judgment is required to determine their fair values. This includes weighing the corresponding liquidity, credit and volatility risks.

c) Taxes

There is a certain degree of uncertainty regarding the interpretation of complex tax regulations, the modifications made from time to time to such regulations as well as the measurement and timing of future taxable income. Given the wide range of international trade relations and the complex long-term horizons contained in contractual agreements, differences may well arise between the results actually obtained and the estimates and assumptions used for calculating them, as well as future changes to the latter. Future adjustments may be required to be made to taxable income and expense already recorded. Provisions are set up, based on reasonable estimates, with regard to possible findings produced by official audits performed by the tax authorities in each of the countries where the Company is present. The scope of these provisions is based on several factors, including the Company´s past experience with previous audits conducted by the tax authorities on the taxpayer entity.

Deferred tax assets are recognized as unused tax losses to the extent that it is probable that taxable profits shall be available to offset such losses. Senior management is also required to exercise its judgment in determining the value of the deferred tax asset to be recognized, based on the likely timing and level of future taxable profits, together with the Company´s own strategies in terms of tax planning.

d) Impairment to goodwill

Determining whether goodwill is impaired requires estimating the value in use of the cash generating units to which goodwill has been allocated. It requires Senior Management to estimate the expected future cash flows from the cash-generating unit in question and an appropriate discount rate to calculate the present value of the aforementioned value in use. In the event of future real cash flows being lower than expected, an impairment loss could occur.

e) The useful life and residual values of property, plant and equipment as well as intangible assets.

Grupo SURA reviews the useful lives of all property, plant and equipment as well as intangible assets at least at the end of each accounting period. The effects of changes to the estimated useful life of an asset are recognized prospectively over its remaining life.

f) Provisions

Grupo SURA shall recognize a provision when the following conditions are met:

- It has a present obligation (legal or constructive) as a result of a past event; and

- There is a likelihood of an outflow of resources embodying economic benefits being required in order to settle the obligation, the value of which can be reliably estimated.

g) Employee benefits

The measurement of post-employment and defined benefit obligations includes determining key actuarial assumptions on which the value of these liabilities is based. Among the key assumptions are discount rates, inflation and salary growth.

h) Technical reserves - insurance contracts

Provisions for insurance and life annuity contracts are recognized according to best estimate assumptions. Also, like all insurance contracts, these are subject to annual liability adequacy tests, which reflects Senior Management´s best estimates of future cash flows. In the event these reserves prove to be insufficient, the assumptions used are updated and remain locked-in until the next review or until these prove insufficient, whichever occurs first.

As described in the section corresponding to Deferred Acquisition Costs, certain expenses are deferred and amortized over the lifetime of the contracts. In the event that the assumptions regarding future contractual returns prove erroneous, the amortization of these costs is accelerated with the corresponding impact on the income statement for the period.

The main assumptions used in the calculation of provisions include: mortality, morbidity and longevity rates, returns on investment, expenses, fund exit and collection as well as surrender and discount rates.

The assumptions corresponding to the mortality, morbidity and longevity rates are based on local industry standards for each subsidiary and are adjusted to reflect the Company’s own risk exposure, where applicable, as well as whenever there is sufficient historic information to perform an experience-based analysis that would alter industry estimates. The longevity assumptions are introduced through future improvement factors for mortality rates

For assumptions regarding rates of return, the proceeds received from investments (assets underlying the technical reserves corresponding to insurance contracts) are taken into account based on market conditions at the date the contract is entered into, while factoring in future expectations of changes to local economic and financial conditions in all those markets where the companies operate, together with the Company’s own investment strategy.

Expense assumptions are based on expenditure levels prevailing when the contracts are signed that are then adjusted for expected inflation increases, where applicable.

Exit, collection and surrender rates are based on an analysis of the subsidiary´s own experience in terms of the product itself or the respective family of products.

Discount rates are based on current industry and market rates and adjusted for the subsidiary´s own risk exposure.

In the case of insurance contracts with savings components based on unit-linked fund units, obligations are determined based on the value of the assets underlying the provisions as well as those arising from the value of each of the funds where the policies are deposited.

i) Impairment to financial assets

In order to calculate impairment to this type of asset the Company must estimate the future cash flows that are expected from a single or group of financial assets.

Information regarding assumption and estimation uncertainties that pose a significant risk of producing material adjustments at December 31, 2015, December 31, 2014 and January 1, 2014 are included in the following notes:

- Note 6. Business combinations; acquired subsidiaries, fair value provisionally measured.
- Note 9. Insurance Contracts: assumptions for calculating reserves.
- Note 11. Taxes: availability of future taxable profits to be used to offset losses obtained in prior periods.
- Note 17. Impairment to the value of assets: key assumptions for calculating the recoverable value, including the recoverability of development costs.
- Note 23. Provisions and contingent liabilities: recognizing and measuring provisions and contingencies: key assumptions relating to the probability and magnitude of an outflow of economic resources.
- Notes 21.2 Long-term benefits.
- Note 21.3 Defined benefit plans: key actuarial assumptions.

The following notes also include additional information regarding assumptions made for the purpose of measuring fair value:

- Note 8. Financial instruments.
- Note 13. Investment properties.

Discretionary judgment

Upon preparing Grupo SURA's financial statements, its Senior Management is called on to make judgments that affect the values of the income, expense, assets and liabilities therein reported as well as contingent liabilities disclosed at the end of the reporting period in question.

Information concerning critical judgments made when applying accounting policies and which significantly affect the amounts recognized in the financial statements is shown as follows:

- Note 9. Insurance Contracts: to determine if Grupo Sura acts as an agent or principal in insurance contracts.
- Note 13. Investment properties: classification of investment properties.
- Note 16. Investments in Subsidiaries, Associates and Joint Businesses: to determine the existence of control at subsidiaries, including the revision of pension funds managed by Grupo Sura.
- Note 19. Leases: determining whether an agreement contains a lease; classification of leasing arrangements.
- Note 30. Commission income and expense: determining whether the Group acts as an agent in a specific transaction as opposed to the principal.

NOTE 5. STANDARDS ISSUED NOT YET EFFECTIVE

The following standards issued by the IASB have not as yet entered into full force and effect in Colombia pursuant to Article 2.1.2 of Book 2, Part 1 of Decree 2420 of 2015 as amended by Decree 2496 of 2015, and which have yet to be implemented by Grupo SURA:

IFRS 9 Financial instruments

IFRS 9, as amended in 2014, finalized the reform of financial instrument accounting and supersedes IAS 39 Financial Instruments: Recognition and Measurement and modifies IFRS 7. Information to be disclosed. This new standard was issued in the following stages:

- Stage 1: Classification and measurement of financial assets and liabilities.
- Stage 2: Impairment methodology.
- Stage 3: Hedge accounting.

IFRS 9 shall enter into full force and effect as of January 1, 2018, although Decree 2420 issued in 2015, amended by Decree 2496 also issued in this same year, has set this date for January 1, 2017. Nevertheless early adoption is permitted.

So far Grupo SURA is still applying the first stage of IFRS 9, with Stages 2 and 3 to follow afterwards.

IFRS 15 - Revenue from contracts with clients

IFRS 15 was published in May 2014 and establishes a new five-step approach for revenues obtained from contracts with clients. According to IFRS 15, revenue is recognized in an amount that reflects the consideration that an entity expects to be entitled to receive in exchange for transferring goods or services to a client. The principles underlying IFRS 15 represent a more structured approach for valuing and recording revenue.

This new standard is applicable to all entities and shall abrogate all previous standards used to recognize revenue. A full or partial retroactive application is required for periods beginning on January 1, 2018, but earlier application is permitted.

NOTE 6. BUSINESS COMBINATIONS AND GOODWILL

6.1. Business combinations carried out in the present reporting period (2015)

On August 31, 2015, Grupo SURA through its subsidiary Suramericana S.A., acquired 100% of the voting rights in the acquired company Seguros Suramericana de Panama (formerly Seguros Banistmo S.A.) in Panama, by purchasing 1,000,000 shares for a total value of USD 96,495,801. With this new business combination, Grupo Sura through its subsidiary Suramericana S.A., expanded its coverage in Latin America, thus diversifying the risks and opportunities inherent to new business ventures, while recognizing on its financial statements the identifiable assets acquired and the liabilities taken over. It also recognized the goodwill, or gain, obtained with this bargain purchase. Once the Company obtains control, it shall be directing the operating and financial policies of this newly acquired business, strengthening its corporate strategy, enriching its corporate knowledge by exploring other markets and cultures, and capitalizing on the expertise of the human talent now joining the Group while reaping the benefits of its financial situation and performance.

Seguros Suramericana de Panama S.A., is an insurance company based in Panama, which was incorporated on May 31, 1957 under the laws of the Republic of Panama and is licensed to operate in the insurance and reinsurance business in all branches of property, casualty and life insurance as well as to issue performance bonds.

The breakdown of the fair value of the net assets acquired as of August 31, 2015, and the corresponding goodwill is as follows:

	Carrying value of the acquired company	Recognized fair value	Fair value of the acquired company
Amount allocated / cash consideration			297,204
Assets			
Cash and cash equivalents	75,958	-	75.958
Investments and derivatives	218,582	-	218.582
Loan portfolio	543	-	543
Accounts receivable	72,185	(11)	72.174
Property, plant and equipment	524	-	524
Intangible Assets	-	41,298	41.298
Other assets	24,326	(905)	23.421
Total assets	392,118	40,382	432.500
Liabilities			
Accounts payable	42,382	-	42.382
Technical reserves	131,871	-	131.871
Labor liabilities	2,142	-	2.142
Total Liabilities	176,395	-	176.395
Net acquired assets	215,723	40,382	256.105
Goodwill obtained from the acquisition			41,099

	2015
From the date of acquisition to the end of the present reporting period	
Revenue from normal business activities	56,206
Profit or Loss	7,284
For the entire reporting period	
Revenue from normal business activities	164,233
Profit or Loss	11,717

*This information corresponds to the data reported until October 2015 because on November 6, 2015 Grupo de Inversiones Suramerica S.A., one of Grupo Sura´s subsidiaries, merged with Seguros Suramericana de Panama S.A., after obtaining the necessary authorizations from the corresponding authorities.

6.2. Business combinations carried out in prior reporting periods (2014)

In April 2013, Sura Asset Management Mexico S.A. de C.V. announced the signing of an agreement to purchase the life insurance company Primer Seguros Vida S.A. de C.V., a Mexican company that is now handling approximately 600,000 life insurance policies and premiums worth more than 450 million Mexican pesos, with a nation-wide presence which is particularly strong in the cities that Grupo SURA has defined as having strategic importance in Mexico.

As a result a wholly-owned (100%) stake in this Company was acquired and therefore there are no non-controlling stakes.

This transaction forms part of Grupo SURA's corporate strategy in attaining a leading position in the Mexican pension, insurance and investment sector through its subsidiary SURA Mexico, thus extending this subsidiary´s business portfolio that, until now, only included mandatory and voluntary pension as well as investment funds.

This acquisition was first announced in April 2013 and after SURA Asset Management obtained the corresponding authorizations from the Mexican regulatory authorities, the transaction was completed on December 6, 2013.

The acquiring company was SURA Asset Management México S.A. de C.V, who paid COP/Mexican Ps 21.434 (USD 11,124).

Identification and registration of Intangible Assets and Goodwill

In keeping with the parameters established by IFRS 3 "Business Combinations", all identifiable assets acquired along with the liabilities taken over in the acquired company were measured using the acquisition method. For this purpose, an analysis of the items involved in the transaction was performed, considering the following factors:

i. The valuation of the investment portfolio.
ii. The value of fixed assets.
iii. Checks of the reinsurance asset accounts.
iv. A valuation of the acquired company´s reserves at fair value on which adequacy tests were performed.
v. Identifying, recognizing and estimating the market value of intangible assets on the date the acquisition was performed.
vi. Determining goodwill.
vii. Calculating deferred tax.

Thus, Senior Management in conjunction with the consultancy firm, Towers Watson, identified the following intangible assets to be potentially recognized separately from goodwill:

- Short-term accounts: these have not been recognized from the standpoint of assigning a purchase price to such accounts, since as stated, insurance contracts carry non-automatic annual renewal clauses that require significant efforts to be renewed upon maturity, so their market value is based on the flows corresponding to the remaining months to maturity, which do not represent any material values in the Company's opinion.

- Trademarks: even though the acquired company´s trademarks have been identified as separable and measurable, the Company has stated that this is not relevant to the business since it intends to use its own SURA brand as applicable to its current range of insurance, savings and investment products.

- VOBA (Value of Business Acquired)/Long-term accounts: in order to estimate the acquired company´s market value, the Company considered the "MEEM" method (Multi-period Excess Earnings Method) as the most suitable, which falls within the income approach, based on the principle that the value of a specific asset may be obtained as the present value of future surplus cash flows, after tax, attributable to the asset over its remaining useful life. The accounts subject to this exercise were specifically the Long-Term Individual and Group Life Insurance existing on the date of the transaction. The calculated values are as follows:

  - VOBA on individual life COP 166 million (1,126,743 Mexican pesos) amortized over an estimated life of 7.06 years

  - VOBA on group life COP 490,753 (3,335,773 Mexican pesos) amortized over an estimated life of 1.2 years

Recognition and measurement of goodwill

Goodwill was calculated as follows:

Balances held at January 1, 2014

(Stated in millions of Colombian pesos)

	Carrying value of the acquired company	Recognized fair value	Fair value of the acquired company
Amount allocated / cash consideration			21.434
Assets			
Financial assets	21,392	(865)	20.527
Reinsurance assets	5,831	(33)	5.798
Cash and cash equivalents	6,254	-	6.254
Accounts receivable	7,170	-	7.170
Property, plant and equipment	285	-	285
Deferred tax assets	3,019	620	3.640
Other assets	426	-	426
Total assets	44,377	(277)	44.099
Liabilities			
Technical reserves	28,486	1,170	29.656
Accounts payable	1,909	-	1.909
Employment benefits	538	-	538
Other liabilities	2,811	-	2.811
Total Liabilities	33,745	1,170	34.914
Net acquired assets			9.185
Goodwill obtained from the acquisition			12,249

NOTE 7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for Grupo SURA and Subsidiaries are broken down as follows:

	2015	2014	January 1, 2014
Cash and due from banks	6,031	340	31,845
Petty cash	521	382	284
Domestic banks	893,436	806,418	715,946
Foreign banks	278,442	210,767	315,484
Others (*)	246,968	268,133	272,661
Cash and cash equivalents	1,425,398	1,286,040	1,336,220
Restricted cash	7,786	7,949	7,835
Cash and cash equivalents pertaining to the Statement of Cash Flows	1,433,184	1,293,989	1,343,055

(*) Including checks, special investment funds, fiduciary rights and other cash equivalents.

7.1. Restricted cash

Restricted cash at the end of the reporting period is broken down as follows:

Restriction details	Country	Total restricted cash - 2015
Securities in court actions	Dominican Republic	1,769
Garnished bank accounts	Colombia	5,891
Funds used to pay taxes to SUNAT	Peru	126
Total		7,786

Restriction details	Country	Total restricted cash - 2014
Securities in court actions	Dominican Republic	1,810
Garnished bank accounts	Colombia	5,840
Bail bond deposits made by clients that were reclassified as ordered by the Superintendence of Banking and Insurance	Peru	299
Total		7.949

Restriction details	Country	Total restricted cash at January 1, 2014
Securities in court actions	Dominican Republic	1,118
Garnished bank accounts	Colombia	5,715
Injunction charges ordered by the Board of Conciliation and Arbitration	Mexico	840
Bail bond deposits made by clients that were reclassified as ordered by the Superintendency of Banking and Insurance	Peru	162
Total		7.835

Bank accounts bear interest at variable rates based on daily bank deposit rates. Short-term loans are issued for periods of between one day and three months depending on the immediate cash needs of Grupo SURA and subsidiaries, all of which bear interest at the applicable short-term lending rates.

7.2. Financing activities that did not entail movements of cash

On June 4, 2014, Grupo SURA carried out the following investment and/or funding transactions that did not involve using its cash or cash equivalents:

- Grupo Sura increased the share capital belonging to Grupo de Inversiones Suramericana Panama S.A. through a non-monetary operation as follows: 3,734,875 registered shares of Grupo de Inversiones Suramericana Panama S.A. were acquired, for which 2,550,000 ordinary shares in Bancolombia S.A. and 1,200,000 ordinary shares in Grupo Argos S.A. were exchanged as a contribution in kind, the latter at the following values:
    - Bancolombia's ordinary shares each with a par value of USD 2.8047, or COP 5,330.7349 per share.
    - Grupo Argos' ordinary shares each with a par value of USD 3.3772, or COP 6,418.8658 per share.

NOTE 8. FINANCIAL INSTRUMENTS

The methodologies and assumptions used to determine the value of financial instruments not recorded at fair value in the financial statements (i.e., items at amortized cost as well as loans and accounts receivable) are as follows:

Assets whose fair value is approximated to their book value

In the case of financial assets with short-term maturities (less than three months), such as demand deposits and savings accounts with no specific maturity, their carrying amounts approximate their fair value. In the case of other equity instruments, adjustments are made to reflect the change in the required credit spread, since the instrument was initially recognized.

As for short-term receivables, which are measured at amortized cost, their carrying values correspond to a reasonable approximation of their fair value.

Financial instruments at agreed rates

The fair value of fixed income assets measured at amortized cost is calculated by comparing the market interest rates when they were first recognized with current market rates for similar financial instruments.

Fair value hierarchy

Financial assets and liabilities carried at fair value by Grupo SURA are classified based on a fair value hierarchy, as shown below.

Level 1 - Prices listed on active markets

Inputs for Level 1 consist of unadjusted prices listed on active markets for identical assets and liabilities. An active market is one in which transactions for the asset or liability in question occur frequently providing sufficient volume on which to provide pricing information.

Level 2 - Modeling with input data from observable markets

Level 2 inputs are those other than quoted prices belonging to Level 1 that are observable for the asset or liability in question, either directly or indirectly. Inputs for Level 2 include:

- Listed prices for similar assets or liabilities on active markets;
- Listed prices for identical or similar assets or liabilities on inactive markets; and
- Input data other than listed prices, i.e. interest or exchange rates.

Level 3 - Modeling with unobservable inputs

Inputs for Level 3 are unobservable for the asset and liability in question. They can be used to determine fair value when observable inputs are not available. These valuations reflect assumptions that the business unit makes based on other market participants i.e. earnings on non-listed shares.

Financial liabilities whose fair value is approximated to their book value

In the case of short-term obligations, their carrying amounts approximate their fair value.

With regard to loans bearing variable interest rates, their carrying amounts correspond to approximations of their fair values. As for loans bearing fixed interest rates, the market interest rates for similar loans do not differ to a significant degree; therefore, their carrying amounts correspond to reasonable approximations of their fair value.

8.1. Financial assets

The balance of the financial assets held by Grupo SURA is as follows:

	Note	2015	2014	January 1, 2014
Cash	7	1,433,184	1,293,989	1,343,055
Investments	8.1.1	21,723,891	16,374,659	12,644,786
Other financial assets-derivatives	12	262,181	49,776	7,578
Trade receivables	8.1.2	2,952,740	2,496,743	2,193,886
Accounts receivable due from related parties (1)		89,008	85,823	73,053
		26,461,004	**20,300,990**	**16,262,358**

(1) Accounts receivable due from related parties consist of outstanding dividends receivable from Associates as shown below:

	2015	2014	January 1, 2014
Bancolombia S.A.	52,744	49,320	42,826
Inversiones Argos S.A.	15,416	14,227	13,254
Grupo Nutresa S.A.	18,781	17,475	16,019
Sura Asset Management S.A.	-	-	57
Others	2,067	4,801	897
Total dividends receivable	**89,008**	**85,823**	**73,053**

The following table shows a breakdown of current and non-current financial assets

	2015	2014	January 1, 2014
Current			
Cash	1,433,185	1,293,988,28	1,343,055,20
Investments	6,218,641	4,395,512	3,461,185
Accounts receivable	2,665,680	2,240,666	1,965,109
Derivatives	123,827	1,750	3,400
Total current	10,441,332	7,931,916	6,772,750
Non-current			
Investments	15,505,251	11,979,148	9,183,601
Accounts receivable	376,067	341,901	301,830
Derivatives	138,354	48,026	4,178
Total non-current	16,019,671	12,369,075	9,489,609
Total financial assets	26,461,003	20,300,992	16,262,359

Financial assets are broken down as follows:

	2015	2014	January 1, 2014
Financial assets at fair value	10,743,651	7,958,879	6,082,803
Financial assets at amortized cost	14,284,169	11,048,122	8,836,500
Other financial assets (cash)	1,433,184	1,293,989	1,343,055
Total financial assets	26,461,004	20,300,990	16,262,358

The maturities of the financial obligations held at year-end are shown as follows:

2015	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Cash	1,433,184	-	-	-	1,433,184
Investments	6,218,640	8,501,472	2,039,864	4,963,915	21,723,891
Trade receivables	2,665,681	299,334	25,219	51,514	3,041,748
Other financial assets	123,827	13,019	2,928	122,407	262,181
Total	10,441,332	8,813,825	2,068,011	5,137,836	26,461,004

2014	Less than 1 year	Between 1 and 5 years	Between 3 and 5 years	More than 5 years	Total
Cash	1,293,989	-	-	-	1,293,989
Investments	4,395,511	5,819,831	1,355,798	4,803,519	16,374,659
Trade receivables	2,240,665	290,919	21,307	29,675	2,582,566
Other financial assets	1,750	-	-	48,026	49,776
Total	7,931,915	6,110,750	1,377,105	4,881,220	20,300,990

January 1, 2014	Less than 1 year	Between 1 and 5 years	Between 3 and 5 years	More than 5 years	Total
Cash	1,343,055	-	-	-	1,343,055
Investments	3,461,185	4,633,537	436,799	4,113,265	12,644,786
Trade receivables	1,965,109	16,936	257,054	27,840	2,266,939
Other financial assets	3,400	-	-	4,178	7,578
Total	6,772,749	4,650,473	693,853	4,145,283	16,262,358

Financial assets are classified based on their fair value hierarchy as shown below, except accounts receivable short-term which are measured at cost that the carrying value correspond to an approximation of their fair value, for the year 2015 was $2,331,765; 2014 was 1,927,495 and January 1, 2014 was 1,594,648:

2015	Level 1	Level 2	Level 3	Total
Investments	6,716,826	1,359,283	73,596	8,149,705
Other financial assets	62,986	199,195	-	262,181
Total	6,779,813	1,558,478	73,596	8,411,886

2014	Level 1	Level 2	Level 3	Total
Investments	5,119,697	830,625	31,287	5,981,609
Other financial assets	1,750	48,026	-	49,776
Total	5,121,447	878,651	31,287	6,031,385

January 1, 2014	Level 1	Level 2	Level 3	Total
Investments	3,433,124	979,772	35,914	4,448,809
Other financial assets	3,400	35,946	-	39,346
Total	3,436,524	1,015,718	35,914	4,488,155

Financial assets for each subholding company are shown as follows, net intercompany eliminations:

2015	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Cash and cash equivalents	221,228	762,498	423,963	2,331	23,165	1,433,184
Investments	21,512	8,160,767	13,473,618		67,993	21,723,891
Other financial assets	185,302	13,893	62,986		-	262,181
Trade and other receivables	177	2,271,724	634,576	44,057	2,205	2,952,740
Current accounts receivable from related parties and associates	86,723	503	1,663	3	115	89,008
	514,942	11,209,386	14,596,806	46,391	93,478	26,461,004

2014	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Cash and cash equivalents	10,609	837,138	440,139	3,741	2,363	1,293,989
Investments	24,868	6,896,193	9,366,467	-	87,132	16,374,659
Other financial assets	48,026	1,750	-	-	-	49,776
Trade and other receivables	132	1,868,540	590,890	34,409	2,771	2,496,743
Current accounts receivable from related parties and associates	81,021	256	4,439	-	107	85,823
	164,656	9,603,877	10,401,934	38,150	92,373	20,300,990

January 1, 2014	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Cash and cash equivalents	210,901	620,705	473,937	3,136	34,375	1,343,055
Investments	21,769	5,899,709	6,700,602	-	22,707	12,644,786
Other financial assets	4,178	3,400	-	-	-	7,578
Trade and other receivables	-	1,566,843	585,849	35,425	5,770	2,193,886
Current accounts receivable from related parties and associates	72,099	209	224	520	-	73,053
	308,947	8,090,866	7,760,613	39,082	62,852	16,262,358

The breakdown by country is shown as follows:

2015	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Spain	Holland	Curacao	Dominican Rep	Panama	Total
Cash and cash equivalents	109,822	106,411	187,308	1,638	19,693	886,740	1,635	2,438	50	16,106	101,343	1,433,184
Investments	6,881,450	2,328,809	4,202,527	60,549	281,599	7,439,403	-	-	-	65,643	463,911	21,723,891
Other financial assets	62,986	-	-	-	-	199,195	-	-	-	-	-	262,181
Trade receivables and other receivables	186,713	50,747	380,828	16,251	94,964	2,048,720	-	-	-	94,838	168,687	3,041,748
	7,240,971	2,485,967	4,770,663	78,438	396,256	10,574,058	1,635	2,438	50	176,587	733,941	26,461,004

2014	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Spain	Holland	Curacao	Dominican Rep	Panama	Total
Cash and cash equivalents	79,930	242,112	75,563	749	16,606	819,704	1,870	7,072	14,264	11,814	24,305	1,293,989
Investments	4,409,904	1,687,129	3,211,456	57,905	181,456	6,619,268	-	-	-	43,357	164,184	16,374,659
Other financial assets	-	-	-	-	-	49,776	-	-	-	-	-	49,776
Trade and other receivables	184,693	46,840	345,596	13,740	64,698	1,770,787	-	-	-	78,191	78,021	2,582,566
	4,674,527	1,976,081	3,632,615	72,394	262,760	9,259,535	1,870	7,072	14,264	133,362	266,510	20,300,990

January 1, 2014	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Spain	Holland	Curacao	Dominican Rep	Panama	Total
Cash and cash equivalents	78,387	144,262	56,868	526	11,394	975,806	7,840	5,608	-	9,548	52,816	1,343,055
Investments	2,991,436	1,278,407	2,391,337	39,363	114,325	5,721,818	-	-	-	33,824	74,276	12,644,786
Other financial assets	-	-	-	-	-	7,578	-	-	-	-	-	7,578
Trade and other receivables	175,076	19,929	375,258	10,343	49,789	1,534,969	-	-	-	64,706	36,869	2,266,939
	3,244,899	1,442,598	2,823,463	50,232	175,508	8,240,171	7,840	5,608	-	108,078	163,961	16,262,358

8.1.1 Investments

Investments are broken down as follows:

	2015	2014	January 1, 2014
Domestic issuers	14,050,483	9,714,350	10,065,257
TES government bonds	4,300,486	3,109,689	960,672
Legal reserve requirement (pension funds) - investments at fair value through profit and loss	2,021,887	1,635,632	936,532
Foreign issuers	1,345,151	1,906,538	680,816
Others	11,478	11,479	11,479
Impairment to equity investments with changes to OCI *(Note 8.2)*	(1,155)	-	-
Impairment *(Note 8.2)*	(4,439)	(3,029)	(9,960)
	21,723,891	**16,374,659**	**12,644,786**

The movements recorded in the investment account are shown as follows:

Balance at January 1, 2014	**12,644,786**
Additions	6,831,444
Disposals	(4,519,097)
Interest	255,963
Valuations of financial assets (net)	730,586
Valuations of equity investments (Note 27.3)	8,998
Translation differences	421,979
Balance at December 31, 2014	**16,374,659**
Additions	8,206,420
Disposals	(4,817,793)
Interest	699,346
Valuations of financial assets (net)	758,544
Valuations of equity investments (Note 27.3)	(511)
Translation differences	503,226
Balance at December 31, 2015	**21,723,891**

8.1.2 Trade and other accounts receivable

The following is a breakdown of accounts receivable:

	2015	2014	January 1, 2014
Accounts receivable from policies issued	1,812,928	1,511,279	1,303,368
Loan portfolio	361,915	325,307	8,764
Business checking accounts	136,985	140,048	35,371
Interest	32	150	158
Commissions	109,953	97,187	-
Lease rentals	3,729	1,909	1,672
Sales of goods and services	156	121	0

Receivables	222,088	183,369	735,288
Derivative settlements	-	92	-
Judicial Deposits	23,512	2,865	1,159
Advanced payments - contracts and suppliers	5,196	5,325	1
Employees	28,859	33,047	24,313
–Employee financing for housing	44,894	39,016	37,959
Finance to clients of insurance policies	231,220	176,229	147,164
Promissory bills of sale	-	-	302
Miscellaneous	133,182	120,116	19,223
Impairment on other items of loan portfolio	(24,445)	(12,544)	(622)
Impairment (provision) trade receivables	(84,855)	(76,142)	(55,523)
Impairment (provision) accounts receivable from policies issued	(46,511)	(44,441)	(36,510)
Impairment (provision) consumer accounts receivable	(964)	(1,689)	(1,871)
Impairment (provision) other accounts receivable	(5,134)	(4,499)	(26,330)
	2,952,740	2,496,743	2,193,886

The following is a breakdown of accounts receivable per country:

Country	2015	2014	January 1, 2014
Chile	186,713	184,693	175,076
Colombia	1,959,933	1,684,963	1,461,917
Mexico	50,747	46,840	19,929
Panama	168,466	78,023	36,868
Peru	380,828	345,596	375,258
Dominican Republic	94,838	78,191	64,706
El Salvador	94,964	64,698	49,789
Uruguay	16,251	13,740	10,343
Total	2,952,740	2,496,743	2,193,886

Accounts receivable per individual company are shown as follows:

2015	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Insurance business	-	1,812,928	-	-	-	1,812,928
Loan portfolio	-	11,225	350,690	-	-	361,915
Business checking accounts:	-	-	95,859	40,889	237	136,985
Interest	-	30	-	-	2	32
Commissions	-	-	109,953	-	-	109,953
Lease rentals	-	258	3,281	-	190	3,729
Sales of goods and services	-	156	-	-	-	156
Accounts receivable	151	220,260	-	-	1,677	222,088
Deposits	2	18,427	5,084	-	(0)	23,512
Advanced payments - contracts and suppliers	24	3	5,168	-	-	5,196
Employees	-	20,156	8,453	249	-	28,859
Client payments – housing	-	44,894	-	-	-	44,894
Client payments - consumer	-	231,220	-	-	-	231,220
Miscellaneous	-	26,003	103,783	2,947	450	133,182
Impairment on other items of loan portfolio	-	(1,005)	(23,440)	-	-	(24,445)
Impairment (provision) trade receivables	-	(58,443)	(26,034)	(28)	(350)	(84,855)
Impairment (provision) insurance accounts receivable	-	(46,393)	(118)	-	-	(46,511)
Impairment (provision) consumer accounts receivable	-	(964)	-	-	-	(964)
Impairment (provision) other accounts receivable	-	(7,030)	1,896	-	-	(5,134)
	177	2,271,724	634,576	44,057	2,205	2,952,740

2014	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Insurance business	-	1,511,034	-	245	-	1,511,279
Loan portfolio	-	7,424	317,882	-	-	325,307
Business checking accounts:	-	-	107,327	32,613	108	140,048
Interest	-	149	0	-	1	150
Commissions	-	-	97,187	-	-	97,187
Lease rentals	-	268	1,618	-	22	1,909
Sales of goods and services	-	121	-	-	-	121
Accounts receivable	22	181,044	122	-	2,182	183,369
Derivative settlements	92	-	-	-	-	92
Deposits	-	185	2,679	-	-	2,865
Advanced payments - contracts and suppliers	19	228	5,076	2	-	5,325
Employees	-	25,269	7,681	96	-	33,047
Client payments – housing	-	39,016	-	-	-	39,016
Client payments - consumer	-	176,229	-	-	-	176,229
Miscellaneous	-	30,901	85,572	1,473	2,170	120,116
Impairment on other items of loan portfolio	-	(768)	(11,776)	-	-	(12,544)
Impairment (provision) trade receivables	-	(48,884)	(25,527)	(20)	(1,711)	(76,142)
Impairment (provision) insurance accounts receivable	-	(44,197)	(244)	-	-	(44,441)
Impairment (provision) consumer accounts receivable	-	(1,689)	-	-	-	(1,689)
Impairment (provision) other accounts receivable	-	(7,790)	3,291	-	-	(4,499)
	132	1,868,540	590,890	34,409	2,771	2,496,743

January 1, 2014	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Insurance business	-	1,256,995	46,373	-	-	1,303,368
Loan portfolio	-	8,764	-	-	-	8,764
Business checking accounts:	-	-	-	35,283	87	35,371
Interest	-	154	-	-	4	158
Lease rentals	-	241	1,398	-	34	1,672
Accounts receivable	-	179,457	553,566	-	2,265	735,288
Deposits	-	157	1,002	-	-	1,159
Advanced payments - contracts and suppliers	-	1	-	-	-	1
Employees	-	20,080	4,090	142	-	24,313
Client payments - housing	-	37,959	-	-	-	37,959
Client payments - consumer	-	147,164	-	-	-	147,164
Promissory bills of sale	-	302	-	-	-	302
Miscellaneous	-	9,651	2,262	-	7,311	19,223
Impairment on other items of loan portfolio	-	(622)	-	-	-	(622)
Impairment (provision) trade receivables	-	(51,592)	-	-	(3,931)	(55,523)
Impairment (provision) insurance accounts receivable	-	(36,510)	-	-	-	(36,510)
Impairment (provision) consumer accounts receivable	-	(1,871)	-	-	-	(1,871)
Impairment (provision) other accounts receivable	-	(3,488)	(22,842)	-	5,770	(26,330)
	-	1,566,843	585,849	35,425	11,539	2,193,886

8.2. Impairment to financial assets

Impairment to financial assets is broken down as follows:

	2015	2014	January 1, 2014
Impairment to accounts receivable	161,909	139,315	120,856
Impairment to investments	5,594	3,029	9,960
	167,503	142,344	130,816

The following table shows a reconciliation of the impairment sustained to financial assets:

	Accounts receivable	Investments	Total
Balance at January 1, 2014	120,856	9,960	130,816
Additions	39,471	-	39,471
Valuations and other adjustments	-	-	-
Recovered amounts	(19,247)	(6,931)	(26,178)
Exchange differences	(1,765)	-	(1,765)
Balance at January 31, 2014	139,315	3,029	142,344
Additions	20,580	-	20,580
Valuations and other adjustments	-	2,565	2,565
Recovered amounts	(1,370)	-	(1,370)
Exchange differences	3,384	-	3,384
Balance at January 31, 2015	161,909	5,594	167,503

The following table shows a breakdown of the impairment sustained on an individual company basis at December 31, 2015, December 31, 2014 and January 01, 2014:

2015	Suramericana	Sura Asset Management	Inversiones y Construcciones Estratégicas	Integradora de Servicios Tercerizados and Subsidiaries	Total
Impairment to accounts receivable	113,836	47,695	350	28	161,909
Impairment to investments	3,938	1,656	-	-	5,594
	117,774	49,352	350	28	167,503

2014	Suramericana	Sura Asset Management	Inversiones y Construcciones Estratégicas	Integradora de Servicios Tercerizados and Subsidiaries	Total
Impairment to accounts receivable	103,328	34,257	1,711	20	139,315
Impairment to investments	3,029	-	-	-	3,029
	106,357	34,257	1,711	20	142,344

January 1, 2014	Suramericana	Sura Asset Management	Inversiones y Construcciones Estratégicas	Integradora de Servicios Tercerizados and Subsidiaries	Total
Impairment to accounts receivable	94,083	22,842	3,931	-	120,856
Impairment to investments	3,350	6,610	-	-	9,960
	97,433	**29,451**	**3,931**	**-**	**130,816**

The following is a breakdown of impairment to financial assets based on maturity:

2015	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Impairment to accounts receivable	63,872	55,532	25,481	17,023	161,909
Impairment to investments	5,594	-	-	-	5,594
Total	**69,466**	**55,532**	**25,481**	**17,023**	**167,503**

2014	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Impairment to accounts receivable	67,947	42,721	22,151	6,495	139,315
Impairment to investments	3,029	-	-	-	3,029
Total	**70,977**	**42,721**	**22,151**	**6,495**	**142,344**

January 1, 2014	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Impairment to accounts receivable	59,899	41,306	11,188	8,464	120,857
Impairment to investments	3,349	6,610	-	-	9,959
Total	**63,248**	**47,916**	**11,188**	**8,464**	**130,816**

8.3. Financial liabilities

The table below shows the financial liabilities held by Grupo SURA:

	Notas	2015	2014	January, 1 2014
Lease rentals	19	122,722	129,210	107,205
Derivatives	12.3	253,938	125,612	13,718
Other accounts payable	20	1,312,252	1,133,560	1,145,078
Accounts payable to related parties	26	62,509	67,896	93,482
Other financial liabilities	18.2	2,251,279	856,798	1,869,758
Issued securities	24	3,637,504	3,022,226	1,126,006
		7,640,204	**5,335,303**	**4,355,247**

Current and non-current financial liabilities are shown as follows:

current	2015	2014	January 1, 2014
Lease rentals	33,107	27,649	25,728
Derivatives	46,360	78,105	13,718
Other accounts payable	1,367,590	1,195,237	996,520
Other financial liabilities	911,835	356,273	807,658
Issued securities	224,293	-	-
Total current	2,583,185	1,657,264	1,843,624
Non-current			
Lease rentals	89,615	101,561	81,477
Derivatives	207,579	47,507	-
Other accounts payable	7,171	6,219	242,041
Other financial liabilities	1,339,443	500,526	1,062,100
Issued securities	3,413,211	3,022,226	1,126,006
Total non-current	5,057,019	3,678,039	2,511,623
Total financial liabilities	7,640,204	5,335,303	4,355,247

The breakdown by type of financial liability is shown as follows:

	2015	2014	January 1, 2014
Financial liabilities at amortized cost	6,078,024	3,078,093	2,791,593
Financial liabilities at fair value	1,439,457	2,128,000	1,456,449
Financial leases	122,723	129,210	107,205
	7,640,204	5,335,303	4,355,247

The maturities of the financial obligations held at year-end are shown as follows:

2015	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Lease rentals	33,107	89,615	-	122,723
Derivatives	46,360	11,345	196,234	253,938
Other accounts payable	1,367,590	7,171	-	1,374,761
Other financial liabilities	911,835	1,154,643	184,800	2,251,278
Bonds and securities	224,293	-	3,413,211	3,637,504
Total	2,583,185	1,262,774	3,794,245	7,640,204

2014	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Lease rentals	27,649	85,288	16,273	129,210
Derivatives	78,105	-	47,507	125,612
Other accounts payable	1,195,237	6,219	-	1,201,456
Other financial liabilities	356,274	320,642	179,882	856,798
Bonds and securities	-	223,880	2,798,347	3,022,226
Total	1,657,265	636,028	3,042,008	5,335,303

January 1, 2014	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Lease rentals	25,728	67,481	13,996	107,205
Derivatives	13,718	-	-	13,718
Other accounts payable	996,520	242,041	-	1,238,561
Other financial liabilities	807,657	1,062,100	-	1,869,757
Bonds and securities	-	53,424	1,072,582	1,126,006
Total	1,843,623	1,425,045	1,086,578	4,355,247

The following table shows these financial liabilities based on their fair value hierarchy:

2015	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value	-	70,923	-	70,923
Derivatives at fair value	46,360	207,525	-	253,885
Accounts payable	-	1,114,649	-	1,114,649
Total Financial Liabilities at Year-End 2015	46,360	1,393,097	-	1,439,457

2014	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value	-	767,496	-	767,496
Derivatives at fair value	78,105	47,507	-	125,612
Accounts payable	-	1,234,893	-	1,234,893
Total Financial Liabilities at Year-End 2014	78,105	2,049,895	-	2,128,000

January 1, 2014	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value	-	162,187	-	162,187
Derivatives at fair value	10,479	3,240	-	13,719
Accounts payable	-	1,280,543	-	1,280,543
Total financial liabilities at January 1, 2014	10,479	1,445,970	-	1,456,449

The following table shows financial liabilities per subholding company:

2015	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Grupo Sura and Subsidiaries
Other financial liabilities	726,418	479,345	1,058,960	5,350	57,183	2,327,257
Derivatives	-	35,044	196,235	-	-	231,279
Lease rentals	-	40,538	19,542	9,324	-	69,404
Trade and other accounts payable	61,532	851,486	380,734	15,221	3,279	1,312,252
Accounts payable to related parties	61,760	275	251	3	218	62,509
Issued securities	1,109,673	-	1,583,686	-	944,145	3,637,504
	1,959,384	1,406,687	3,239,409	29,898	1,004,827	7,640,204

2014	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Grupo Sura and Subsidiaries
Other financial liabilities	6,813	106,170	689,073	10,840	43,900	856,797
Derivatives	-	78,105	47,507	-	-	125,613
Lease rentals	-	50,413	23,589	11,138	44,070	129,210
Trade and other accounts payable	1,822	762,241	356,679	12,433	385	1,133,560
Accounts payable to related parties	67,623	80	193	-	-	67,896
Issued securities	1,102,825	-	1,202,928	-	716,475	3,022,228
	1,179,083	997,010	2,319,968	34,411	804,830	5,335,303

January 1, 2014	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Grupo Sura and Subsidiaries
Other financial liabilities	294,683	112,451	1,354,117	14,231	104,754	1,880,237
Derivatives	3,239	-	-	-	-	3,239
Lease rentals	-	59,928	-	7,643	39,635	107,205
Trade and other accounts payable	52,198	635,016	439,489	18,009	366	1,145,078
Accounts payable to related parties	92,816	58	607	-	-	93,482
Issued securities	549,533	-	-	-	576,473	1,126,006
	992,469	807,453	1,794,214	39,883	721,228	4,355,247

Financial liabilities per country are shown as follows:

2015	Colombia	Chile	Mexico	Peru	Uruguay	Spain	Holland	Curacao	El Salvador	Dominican Republic	Panama	Total
Other financial liabilities	2,235,464	-	-	3,156	-	-	-	-	58	12,598	-	2,251,276
Derivatives	168,824	85,118	-	-	-	-	-	-	-	-	-	253,942
Lease rentals	53,386	16,018	-	-	-	-	-	-	-	-	53,318	122,722
Trade and other accounts payable	759,663	206,218	38,405	129,900	1,720	403	38	19	27,886	65,709	82,293	1,312,254
Accounts payable to related parties	62,015	-	-	-	-	-	-	-	104	-	390	62,509
Issued securities	1,109,673	-	-	9,392	-	-	-	1,574,294	-	-	944,142	3,637,501
	4,389,025	307,354	38,405	142,448	1,720	403	38	1,574,313	28,048	78,307	1,080,143	7,640,204

2014	Colombia	Chile	Mexico	Peru	Uruguay	Spain	Holland	Curacao	El Salvador	Dominican Republic	Panama	Total
Other financial liabilities	801,725	67		3,531	-	-	-	-	30	11,962	39,480	856,795
Derivatives	125,612	2	-	-	-	-	-	-	-	-	-	125,614
Lease rentals	65,740	19,400	-	-	-	-	-	-	-	-	44,070	129,210
Trade and other accounts payable	665,075	214,333	39,945	99,136	1,223	65	146	31	24,525	59,229	29,853	1,133,561
Accounts payable to related parties	67,816	-	-	-	-	-	-	-	79	-	1	67,896
Issued securities	1,102,826			7,192				1,195,735			716,474	3,022,227
	2,828,794	233,802	39,945	109,859	1,223	65	146	1,195,766	24,634	71,191	829,878	5,335,303

January 1, 2014	Colombia	Chile	Mexico	Peru	Uruguay	Spain	Holland	Curacao	El Salvador	Dominican Republic	Panama	Total
Other financial liabilities	1,511,459	-	-	35,379	-	275,151	-	-	27	9,058	38,683	1,869,757
Derivatives	13,718	-	-	-	-	-	-	-	-	-	-	13,718
Lease rentals	67,570	-	-	-	-	-	-	-	-	-	39,635	107,205
Trade and other accounts payable	638,317	200,677	12,197	203,240	551	1,590	191	-	16,781	49,872	21,661	1,145,077
Accounts payable to related parties	93,424	-	-	-	-	-	-	-	58	-	-	93,482
Issued securities	549,533	-	-	-	-	-	-	-	-	-	576,475	1,126,008
	2,874,021	200,677	12,197	238,619	551	276,741	191	0	16,866	58,930	676,454	4,355,247

Fair value of debt securities issued by the Company

Securities issued by the Company measured at amortized cost as well as their respective fair value are shown bellow:

	Amortized cost	Fair value
Sura Asset Management S.A.	1,583,686	1,621,544
Grupo Sura Finance	944,145	976,233
Grupo Sura S.A.	900,893	944,750
	3,428,724	3,542,527

The fair value of debt securities issued by the Company are Level 2 on the fair value heirarchy and was estimated based on discounted cash flows using market rates for similar securities.

NOTE 9. INSURANCE CONTRACTS

9.1. Technical insurance reserves - reinsurers

Reinsurance

Reinsurance assets represent the benefits obtained from insurance contracts at the closing date of the Statement of Financial Position.

	2015	2014	January 1, 2014
Reinsured reported claims	448.007	334.669	358.702
Reinsured ongoing risk	109.830	66.052	47.547
Reinsured unreported claims	22.763	38.536	36.624
Deposits - reinsurers	524	656	506
Technical insurance reserves - reinsurers	581.124	439.913	443.380

Grupo SURA has diversified its insurance risk to a substantial degree by operating in different industries and having a broad presence on the international markets.

Grupo SURA applies a set of procedures and limits so as to be able to control the degree to which its insurance risk is concentrated. Reinsurance arrangements are commonly used to mitigate the risk arising from any concentration or accumulation of insurance guarantees that exceed the maximum accepted levels.

The insurance companies belonging to Grupo SURA have transferred part of the risk of their insurance contracts to reinsurance companies so as to be able to share our future claims.

9.2. Premiums

The net premiums obtained at year-end by Grupo SURA and Subsidiaries are as follows:

	2015	2014
Life insurance contracts	6,148,450	4,884,039
Non-life insurance contracts	2,321,982	1,870,527
Written premiums	**8,470,432**	**6,754,566**
Life insurance contracts- reinsurer portion	(182,055)	(168,718)
Non-life insurance contracts- reinsurer portion	(755,930)	(640,098)
Ceded premiums - written	**(937,985)**	**(808,816)**
Total net premiums - written	**7,532,447**	**5,945,750**

Premiums per country are as follows:

2015	Colombia	Chile	Mexico	Peru	Panama	Dominican Republic	El Salvador	Total
Gross premiums - life insurance contracts	3,345,967	1,741,713	398.565	448.053	-	-	214.152	**6,148,450**
Gross premiums - non-life insurance contracts	1,782,210	-	36	-	239.383	192.961	107.392	**2,321,982**
Premiums ceded to reinsurers on life insurance contracts	(78,417)	(21,689)	(27,343)	(6,804)	-	-	(47,792)	**(182,045)**
Premiums ceded to reinsurers on non-life insurance contracts	(563,775)	-	(8)	-	(71,137)	(104,952)	(16,068)	**(755,940)**
Total net premiums - written	4,485,985	1,720,024	371.250	441.249	168.246	88.009	257.684	7,532,447

2014	Colombia	Chile	Mexico	Peru	Panama	Dominican Republic	El Salvador	Total
Gross premiums - life insurance contracts	3,032,018	1,083,159	307.632	317.700	-	-	143.530	**4,884,039**
Gross premiums - non-life insurance contracts	1,533,503	-	8	-	119.599	141.077	76.340	**1,870,527**
Premiums ceded to reinsurers on life insurance contracts	(68,049)	(36,598)	(18,843)	(12,122)	-	-	(40,768)	**(176,380)**
Premiums ceded to reinsurers on non-life insurance contracts	(489,957)	-	(6)	-	(43,180)	(77,888)	(21,405)	**(632,436)**
Total net premiums - written	4,007,515	1,046,561	288.791	305.578	76.419	63.189	157.697	5,945,750

9.3. Claims, net

Claims made by customers to Grupo SURA and Subsidiaries and claims made by Grupo sura and Subsidiaries to reinsurance companies at year-end 2015 and 2014 are as follows:

2015	Colombia	Chile	Mexico	Panamá	Perú	República Dominicana	El Salvador	Total
Life Insurance	1,705,968	410,828	143,382	-	206,846	-	100,939	2,567,963
Claim from customers	1,792,933	432,095	173,409	-	206,846	-	152,544	2,757,827
Claim to reinsurance companies	(86,965)	(21,266)	(30,027)	-	-	-	(51,605)	(189,864)
Non-Life Insurance	699,892	-	-	59,250	-	45,716	36,281	841,139
Claim from customers	878,676	-	-	77,533	-	86,798	38,676	1,081,682
Claim to reinsurance companies	(178,784)	-	-	(18,282)	-	(41,082)	(2,395)	(240,543)
Claim, Net	2,405,860	410,828	143,382	59,250	206,846	45,716	137,220	3,409,102

2014	Colombia	Chile	Mexico	Panamá	Perú	República Dominicana	El Salvador	Total
Life Insurance	1,601,458	277,259	101,591	-	165,529	-	41,046	2,186,883
Claim from customers	1,690,358	302,094	101,591	-	165,529	-	78,432	2,338,003
Claim to reinsurance companies	(88,900)	(24,835)	-	-	-	-	(37,385)	(151,120)
Non-Life Insurance	566,358	-	-	30,653	-	30,790	31,346	659,147
Claim from customers	687,202	-	-	42,486	-	45,120	40,516	815,324
Claim to reinsurance companies	(120,844)	-	-	(11,833)	-	(14,330)	(9,170)	(156,177)
Claim, Net	2,167,816	277,259	101,591	30,653	165,529	30,790	72,392	2,846,031

9.4. Technical reserves - insurance contracts

Technical reserves

Items contained in the Technical Reserve Account fall into two categories:

- Claim reserves: these are provisions set up on the estimated costs of the claims that have occurred but have not been paid. It includes:

  - Loss reserve: the liabilities and direct settlement expense on reported claims. This reserve is set up on the date the policy-holder and/or beneficiary informs the Company of an insurance claim and this is subject to monthly recalculations.

  - The Incurred But Not Reported (IBNR) claim reserve: set up on claims that have occurred, but have not been reported by the policy-holder and/or beneficiary on the corresponding reporting date.

- Reserves for future commitments: consisting of provisions set up on expected future commitments to policyholders. It includes:

  - Mathematical insurance reserves (excluding life annuities): calculated on the current terms and conditions of the insurance contracts in place using an actuarial method. This liability is determined as the sum of the present value of expected future earnings, claims and policy handling expense, options and guarantees, and the returns on investment corresponding to the assets underlying these liabilities, and that are directly related to the contract, less the discounted value of the expected premiums required to meet future payments based on the valuation assumptions used.

  - Mathematical life annuity reserves: are calculated based on the present value of future earnings from the contract as well as the direct operating expenses that the company incurs upon paying its contractual obligations.

  - Unearned premium reserves: are set up for short-term insurance (both group and individual) in which the premium payment frequency differs from the effective coverage term and therefore a premium has been received for a future risk, which must be provisioned. The provision is determined on the basis of paid premiums net of expense and is amortized over the term of coverage.

Life insurance deposit (savings) reserves or fund value reserves: are for insurance, unit linked, universal life (including flexible), and other products that include a deposit component (savings component that recognizes the value of the policyholder´s fund).

Other reserves: Grupo SURA recognizes all those reserves which are not mentioned above and that are permitted according to current accounting policies and guidelines as other reserves.

The Group´s insurance companies are shown in the following table:

	Colombia	Chile	Mexico	Panama	Peru	Dominican Republic	El Salvador
Life Insurance							
Seguros de Vida Suramericana S.A.	X						
Seguros de Riesgos Profesionales Sura	X						
Seguros de vida Sura S.A.		X					
Seguros de Vida Sura México S.A. de C.V.			X				
Pensiones Sura S.A. de C.V.			X				
Asesuisa Vida S.A.							X
Seguros Sura S.A.					X		
Non-Life Insurance							
Seguros Generales Suramericana S.A.	X						
Seguros Suramericana Panamá S.A.				X			
Seguros Sura S.A.						X	
Aseguradora Suiza Salvadoreña S.A.							X

Grupo SURA and Subsidiaries hold the following reserves:

	2015	2014	January 1, 2014
Mathematical reserve	11,682,279	8,660,637	6,532,429
Reserve for unearned premiums	3,932,620	2,871,203	947,624
Reserve for non-reported claims (IBNR)	993,283	868,261	724,819
Reserve for reported claims	1,665,638	1,538,720	1,356,201
Fund value reserve	133,218	126,541	120,088
Other reserves	458,941	229,245	1,402,712
Total technical reserves	**18,865,979**	**14,294,607**	**11,083,873**

The treatment of benefits and the adequacy of provisions are basic principles of insurance management.

Technical provisions are estimated by the actuarial teams based in the different countries.

The movement and effects on measuring insurance and reinsurance liabilities are presented below:

	Liabilities - insurance contracts with no DPFs*	Assets - insurance contracts	Net
At January 1, 2014	11,083,873	443,380	10,640,493
Changes to reserves	2,496,305	-3,467	2,499,772
Currency translation adjustments	455,043	-	455,043
Monetary correction adjustments	259,386	-	259,386
At December 31, 2014	14,294,607	439,913	13,854,694
Changes to reserves	1,838,637	141,211	1,697,426
Currency translation adjustments	2,794,184	-	2,794,184
Monetary correction adjustments	(61,449)	-	(61,449)
At December 31, 2015	18,865,979	581,124	18,284,855

*Discretionary Participation Features in Insurance Contracts

Technical reserves held by each country are shown as follows:

Year	Colombia	Chile	Mexico	Panama	Peru	Dominican Republic	El Salvador	Total
2015	7,229,240	5,292,322	1,631,388	369,980	3,829,756	117,239	396,054	**18,865,979**
2014	6,518,368	3,271,622	1,199,173	143,372	2,836,654	67,581	257,837	**14,294,607**
January 1, 2014	5,738,905	2,109,152	819,452	89,079	2,100,954	84,304	142,027	**11,083,873**

NOTE 10. INVENTORIES

Inventories are broken down as follows:

	2015	2014	January 1, 2014
Merchandise not produced by the Company	1,990	2,521	539
Materials, spare parts and accessories	6,511	6,493	5,610
Other inventories (*)	3,637	5,626	3,843
	12,138	14,640	9,992

(*) Includes other contracts in execution, hospital inventories, etc.

The Company used the weighted average cost method to account for its inventories.

Inventory encumbrances.

The Company's inventories have not been pledged as collateral for its liabilities and there are no restrictions as to their eventual sale or disposal.

Construction contracts

Grupo SURA, through its subsidiary Integradora de Servicios Tercerizados, provides outsourced construction services as part of contractual arrangements. The assets held in inventory that are used to render these services come under the scope of IAS 11 Construction Contracts. The following is an overview of this subsidiary's most important construction contracts:

Product	Solutions	Solutions	Solutions	Solutions	Solutions	Networks and cabling	Networks and cabling
Customer	Bancamia	Bancoagrario	Prebel	HACEB	E.T.B.	Chevron	Others
Project	Renting out banking network and infrastructure solutions	SL Telephony Connectivity	Server optimization	HACEB - warehousing facilities	IPSE Solutions	Cabling	Minor projects
Start date:	2014/05/25	2013/10/22	2014/11/01	2013/04/01	2014/07/01	2015/03/27	2015/05/25
Termination date:	2017/08/21	2018/12/31	2015/12/31	2016/03/31	2015/12/31	2016/03/26	2018/05/25
Estimated contractual income	1.761	13.436	197	306	20	148	717
Incurred costs and expense	(829)	(4,574)	(51)	(195)	(16)	(82)	(499)
Estimated Inventories cost	(326)	(730)	-	-	-	-	-
Cost of completing the contract	(325)	(6,262)	(109)	(55)	(1)	(43)	(91)
Estimated contractual costs and expense	(1,480)	(11,566)	(160)	(249)	(17)	(124)	(590)
Estimated earnings	281	1.869	37	57	3	24	127
Degree of completion	56%	40%	32%	78%	91%	66%	85%
Income based on degree of completion	986	5.314	63	239	19	97	607
Accrued income	808	5.164	55	224	16	96	510
Inventory values	179	150	8	15	2	1	97

NOTE 11. TAXES

11.1. Applicable rules and regulations

I. **Colombia:** Taxable income is subject to a 25% income tax rate, except for all those taxpayers that have been granted special rates as well as 10% occasional gains tax. Equality Income Tax (CREE for the acronym in Spanish) is levied at a rate of 9% pursuant to that stipulated in Law 1739 passed December 2014. Law 1739 of 23 December 2014 provided for a surtax to be charged on equality income tax paid by eligible taxpayers for the years 2015, 2016, 2017 and 2018 of 5%, 6%, 8% and 9% per year, respectively.

II. **Chile:** In Chile, current tax legislation has provided for two separate regimes "capital income" and "employment income". The former consists of a First Category Tax which is mainly paid by corporate and legal persons. This tax was levied at a fixed rate of 20% in 2014 and 21% in 2015 on the tax base, which is calculated by adding or subtracting the amounts provided by law. The tax thus paid is imputable against Global Complementary Tax, which is levied on the total amount of income received by natural persons residing in the country; or Additional Tax, which is levied on income generated in Chile, by all natural and legal persons residing outside the country, as applicable.

III. **Mexico:** During fiscal year 2014, the income tax rate in Mexico was 30%, which was levied on all taxable income for the year. Workers also pay a rate of 10% on their taxable income.

IV. **Peru:** Law 30296 passed in 2014, promoting the country´s economic recovery, provided for a gradual reduction in the income tax rate which in December 2014 stood at 30%. Thus, the tax rate for all subsequent years is shown as follows:

Tax Years	Rate
2015 – 2016	28%
2017 – 2018	27%
2019 onwards	26%

V. **Uruguay:** Corporate Income tax (IRAE in Spanish) is levied at a rate of 25% on all corporate income obtained in Uruguay on any type of economic activity.

Corporate income in Uruguay is considered to be income sourced from business activities conducted, or goods or rights used for economic purposes in Uruguay, regardless of the nationality, domicile or residence of the parties involved in the aforementioned transactions or the place in which these are carried out. Income earned or received from abroad by a local taxpayer are not subject to this tax.

VI. **Panama:** Income tax is determined on the actual income for the year. The income tax rate is currently 25%.

Dominican Republic: The tax code in the Dominican Republic, as amended, provides for an income tax either on the net taxable income base or 1% of the assets subject to tax, whichever is the greater. Income tax rates pursuant to that stipulated in Law 253-12 were 28% for 2014 and 27% from 2015 onwards. This law also introduced important changes for related party transactions as well as the obligation to include transactions carried out with domestic related entities in transfer pricing studies and the corresponding declarations for this type of transaction. It also included the concept of non-deductible expense, thin capitalization applicable also to debts with foreign entities, where the debt-equity ratio cannot exceed 3 to 1.

VII. **El Salvador:** Companies that are incorporated and duly existing in El Salvador pay income tax on income earned in that country, according to the Income Tax Law, contained in Legislative Decree No. 134 issued December 18, 1991 which has been in full force and effect since January 1992. Pursuant to this law all legal persons, whether they are domiciled in El Salvador or not, must calculate the amount of income tax payable at a rate of thirty per cent (30%), except for companies which have obtained taxable income less than or equal to one hundred fifty thousand dollars (USD 150,000.00) in which case a tax rate of twenty-five per cent (25%) shall apply, excluding from this calculation all income subject to final withholding income tax based on the percentages prescribed by law.

11.2. Current tax

The balance of taxes payable and receivable at year-end is broken down as follows:

	2015	2014	January 1, 2014
Current tax assets			
Income and Complementary Tax	65,704	79,718	97,244
Local tax	26,125	11,496	5,772
Withholding tax	88,968	74,255	40,534
Sales tax	32,677	31,126	724
Tax credits	14,855	16,799	25,047
Contributions	90,665	97,912	85,356
Equality income tax receivable	9,872	0	3
Others	3,325	4,032	1,521
Total current tax assets	**332,191**	**315,338**	**256,201**

	2015	2014	January 1, 2014
Current tax liabilities			
Income and Complementary Tax	337,581	354,954	287,908
Local tax	38,745	23,194	11,111
Equality income tax payable	1,968	4	8
Sales tax payable	61,263	51,666	36,858
Others	14,640	10,859	43,375
Total current tax liabilities	**454,197**	**440,677**	**379,260**

The following is a breakdown of the tax balances held by each country:

2015	Colombia	Chile	Mexico	Peru	Uruguay	Panama	Dominican Republic	El Salvador	Spain	Total
Current tax assets	176,631	91,766	20,626	23,004	236	6,578	-	9,247	4,103	**332,191**
Current tax liabilities	272,728	98,654	45,141	8,620	3,634	2,909	14,378	7,502	631	**454,197**
Current tax, net	**(96,097)**	**(6,888)**	**(24,515)**	**14,384**	**(3,398)**	**3,669**	**(14,378)**	**1,745**	**3,472**	**(122,006)**

2014	Colombia	Chile	Mexico	Peru	Uruguay	Panama	Dominican Republic	El Salvador	Spain	Total
Current tax assets	128,796	79,623	66,730	17,230	495	1,390	-	2,004	19,070	**315,338**
Current tax liabilities	256,897	67,171	81,982	12,529	1,479	1,168	10,120	9,005	326	**440,677**
Current tax, net	**(128,101)**	**12,452**	**(15,252)**	**4,701**	**(984)**	**222**	**(10,120)**	**(7,001)**	**18,744**	**(125,339)**

January 1, 2014	Colombia	Chile	Mexico	Peru	Uruguay	Panama	Dominican Republic	El Salvador	Spain	Total
Current tax assets	85,549	33,912	64,753	51,076	1,208	1,093	47	2,411	16,152	**256,201**
Current tax liabilities	199,680	65,628	57,610	41,776	630	2,265	7,759	3,864	48	**379,260**
Current tax, net	**(114,131)**	**(31,716)**	**7,143**	**9,300**	**578**	**(1,172)**	**(7,712)**	**(1,453)**	**16,104**	**(123,059)**

11.3. Deferred tax

The balance of the deferred tax assets and liabilities held at year-end is shown below:

Deferred tax, net	2015	2014	January 1, 2014
Financial assets	57,545	24,882	1,682
Employee benefits	25,780	54,359	14,324
Investments	9,732	7,240	
Other non-financial assets	68,413	97,541	104,730
Other liabilities	59,362	36,610	77,132
Financial liabilities	24,230	20,679	17,809
Tax losses	139,339	122,959	75,077
Property and equipment	4,831	5,093	4,397
Technical reserves	28,577		18,738
Total deferred tax assets	417,809	369,363	313,889

Deferred tax liabilities	2015	2014	January 1, 2014
Financial assets	234,185	180,558	195,851
Intangibles	213,170	154,258	99,954
Investments	235,432	179,024	149,931
Other liabilities	19,092	6,329	462
Financial liabilities	45,290	17,273	-
Tax losses	12,595	6,667	3,453
Goodwill	736,403	730,656	595,779
Property and equipment	132,112	108,734	72,706
Technical reserves	72,466	65,445	103,541
Other non-financial assets	-		2,801
Total deferred tax liabilities	1,700,745	1,448,944	1,224,478

The following is a breakdown of the tax balances held by each country:

2015	Colombia	Panama	Dominican Rep	El Salvador	Chile	Mexico	Peru	Uruguay	Total
Deferred tax assets									
Financial assets	56,840	-	-	-	-	-	705	-	**57,545**
Employee benefits	24,665	-	-	-	-	1,115	-	-	**25,780**
Investments	-				9,732	-	-	-	**9,732**
Other non-financial assets	29,738	233	88	1,962	19,659	14,730	1,077	926	**68,413**
Other liabilities	35,438	-	1,006	904	6,951	-	14,195	869	**59,363**
Financial liabilities	24,230	-	-	-	-	-	-	-	**24,230**
Tax losses	31,697	-	-	-	70,287	36,603	290	463	**139,340**
Property and equipment	3,798				-	-	-	1,031	**4,829**
Technical reserves	3,305	-	12,046	2,486	-	10,740	-	-	**28,577**
Total deferred tax assets	209,711	233	13,140	5,352	106,629	63,188	16,267	3,289	417,809
Deferred tax liabilities									
Financial assets	280	-	-	-	198,886	31,573	-	3,446	**234,185**
Intangibles	37,954	-	9,173	3,023	48,259	101,309	11,171	2,280	**213,169**
Investments	219,814	-	-	-	-	-	15,618	-	**235,432**
Other liabilities	-	-	-	-	9,278	9,814	-	-	**19,092**
Financial liabilities	45,290	-	-	-	-	-	-	-	**45,290**
Tax losses	4,158	-	-	-	-	-	8,437	-	**12,595**
Goodwill	-	-	-	-	213,780	259,356	228,478	34,789	**736,403**
Property and equipment	49,710	10,187	159	2,261	57,078	7,392	5,326	-	**132,113**
Technical reserves	-	-	-	-	72,466	-	-	-	**72,466**
Total deferred tax liabilities	357,206	10,187	9,332	5,284	599,747	409,444	269,030	40,515	1,700,745
Total deferred tax, net	(147,495)	(9,954)	3,808	68	(493,118)	(346,256)	(252,763)	(37,226)	(1,282,936)

2014	Colombia	Panama	Dominican Rep	El Salvador	Chile	Mexico	Peru	Uruguay	Total
Deferred tax assets									
Financial assets	24,882	-	-	-	-	-	-	-	24,882
Employee benefits	36,023	-	-	18,336	-	-	-	-	54,359
Investments	-		-	-	7,240	-	-	-	7,240
Other non-financial assets	40,618	-	-	-	16,642	27,898	11,615	768	97,541
Other liabilities	27,386	-	-	2,277	6,146	-	-	801	36,610
Financial liabilities	20,679	-	-	-	-	-	-	-	20,679
Tax losses	58,072	-	-	972	46,675	16,774	-	467	122,960
Property and equipment	4,247				-	-	-	845	5,092
Total deferred tax assets	211,907	-	-	21,585	76,703	44,672	11,615	2,881	369,363
Deferred tax liabilities									
Financial assets	245	-	-	-	164,513	-	15,800	-	180,558
Intangibles	27,297	-	-	-	34,152	81,135	9,816	1,858	154,258
Investments	138,759	-	-	856	-	31,128	8,280	-	179,023
Other liabilities	257	-	-	-	6,072	-	-	-	6,329
Financial liabilities	17,273	-	-	-	-	-	-	-	17,273
Tax losses	3,629	-	-	-	-	-	-	3,038	6,667
Goodwill	-	-	-	-	203,620	246,768	244,454	35,813	730,655
Property and equipment	47,333	3,953	-	1,520	46,658	5,443	3,828	-	108,735
Technical reserves	-	-	8,770	1,956	54,720	-	-	-	65,446
Total deferred tax liabilities	234,793	3,953	8,770	4,332	509,735	364,474	282,178	40,709	1,448,944
Total deferred tax, net	(22,886)	(3,953)	(8,770)	17,253	(433,032)	(319,802)	(270,563)	(37,828)	(1,079,581)

January 1, 2014	Colombia	Panama	Dominican Rep	El Salvador	Chile	Mexico	Peru	Uruguay	Spain	Holland	Total
Deferred tax assets											
Financial assets	1,682	-	-	-	-	-	-	-	-	-	**1,682**
Employee benefits	14,324	-	-	-	-	-	-	-	-	-	**14,324**
Other non-financial assets	13,819	14	-	-	90,789	-	108	-	-	-	**104,730**
Other liabilities	62,105	-	585	-	4,227	10,214	-	-	-	-	**77,131**
Financial liabilities	17,809	-	-	-	-	-	-	-	-	-	**17,809**
Tax losses	55,449	-	541	-	7,603	386	11,099	-	-	-	**75,078**
Property and equipment	4,397	-	-	-	-	-	-	-	-	-	**4,397**
Technical reserves	12,751	-	-	5,987	-	-	-	-	-	-	**18,738**
Total deferred tax assets	182,336	14	1,126	5,987	102,619	10,600	11,207	-	-	-	313,889
Deferred tax liabilities											
Financial assets	171	-	-	-	89,097	-	106,581	-	-	-	**195,849**
Intangibles	41,474	-	-	-	17,409	41,071	-	-	-	-	**99,954**
Investments	139,466	-	-	-	-	10,465	-	-	-	-	**149,931**
Other non-financial assets	-	-	-	-	2,802	-	-	-	-	-	**2,802**
Other liabilities	462	-	-	-	-	-	-	-	-	-	**462**
Tax losses	3,453	-	-	-	-	-	-	-	-	-	**3,453**
Goodwill	-	-	-	-	14,153	9,663	-	2,008	77,482	492,476	**595,782**
Property and equipment	39,844	1,001	1,991	-	26,124	3,561	-	183	-	-	**72,704**
Technical reserves	-	-	6,662	3,109	93,770	-	-	-	-	-	**103,541**
Total deferred tax liabilities	224,870	1,001	8,653	3,109	243,355	64,760	106,581	2,191	77,482	492,476	1,224,478
Total deferred tax, net	(42,534)	(987)	(7,527)	2,878	(140,736)	(54,160)	(95,374)	(2,191)	(77,482)	(492,476)	(910,589)

11.4. Tax recognized in the income statement for the period

Current tax and deferred tax expense is as follows:

	2015	2014
Current tax expense	444,427	333,278
Deferred tax expense		
Sources / reversals of temporary differences	125,060	151,458
Tax expense	**569,487**	**484,736**

Based on its evaluation of many factors, including interpretations of applicable tax laws and prior experience, Grupo SURA considers that the accrued tax liabilities shown are adequate for all tax years still open for review,.

11.5. Tax recognized in Other Comprehensive Income

The following table shows tax benefits with changes to the equity of the parent company:

	2015	2014	January 1, 2014
	Tax benefit (expense)	Tax benefit (expense)	Tax benefit (expense)
Cash flow hedges	(1,712)	-	-
Post-employment benefits	227	-	-
Financial assets at fair value with changes in OCI	-	5	62
Revaluations of property, plant and equipment	(318)	2,174	1,441
Total deferred tax, imputed to Other Comprehensive Income	**(1,803)**	**2,179**	**1,503**

11.6. Reconciliation of effective tax rate

	2015		2014	
Earnings before tax		**1,893,428**		**2,115,765**
Income tax by applying the local tax rate	33.71%	638,273	31.79%	672,625
Tax effect of:				
Eliminations consolidated income	18.71%	354,180	1.89%	39,933
Non-deductible expense	8.01%	151,700	9.56%	202,299
Tax revenues	9.19%	173,981	2.41%	51,079
Tax exempt income	-16.28%	(308,272)	-2.95%	(62,443)
Tax-exempt dividends	-11.43%	(216,502)	-15.12%	(319,851)
Tax losses	0.26%	5,015	-0.56%	(11,759)
Amortization of intangibles	-2.76%	(52,175)	1.39%	29,389
Tax deductions	-0.08%	(1,451)	-0.10%	(2,198)
Rate change adjustments	0.65%	12,394	2.73%	57,662
Tax exempt income	-8.76%	(165,875)	-8.05%	(170,320)
Others	-1.15%	(21,781)	-0.08%	(1,680)
Income tax	**30.08%**	**569,487**	**22.91%**	**484,736**

11.7. Movements in the deferred tax account

	2015	2014
Opening balance - net liabilities	**1,079,581**	**910,589**
Deferred tax expense recognized in the income statement for the period	125,060	151,458
Income tax relating to components of Other Comprehensive Income	(1,803)	2,179
Effect of changes in foreign exchange rates	80,098	15,355
Closing balance - net liabilities	**1,282,936**	**1,079,581**

NOTE 12. DERIVATIVES

12.1. Hedging assets

Grupo SURA uses derivatives such as swaps, forwards and options to hedge its exposure to foreign exchange and interest rates, cash flows and net investments abroad. These derivatives are initially recognized on the date on which the corresponding hedging agreement is signed and are subsequently remeasured at fair value when the respective information is updated.

Any gain or loss arising from changes in the fair value of derivatives are directly charged to income, except for the effective portion that may be generated from hedges of cash flows and net investments abroad, which are posted in other comprehensive income and subsequently reclassified to income when the hedged item affects other comprehensive income.

At December 31, 2015, December 31, 2014 and January 1, 2014, Grupo SURA held derivatives that were recorded in books as financial assets and financial liabilities, based on their respective positive or negative fair values.

The balance of the derivative financial assets held by Grupo SURA and subsidiaries is as follows:

	2015	2014	January 1, 2014
Hedging agreements			
Swaps			
Interest rate	3,703	1,074	-
Exchange rate	71,665	46,952	4,178
Hedging agreements	75,368	48,026	4,178
Other derivatives			
Forward hedging agreements: Exchange rate	13,892	1,750	3,400
Call options: Exchange rate	109,935	-	-
Other hedging derivatives	123,827	1,750	3,400
Total hedging assets	199,195	49,776	7,578
Hedging agreements			
Foreign exchange swaps	62,986	-	-
Total derivative assets	262,181	49,776	7,578

The following are the movements recorded with the derivative account:

Balance at January 1, 2014	7,578
Valuations	47,221
Payments	(17,002)
Exchange differences	11,979
Balance at December 31, 2014	49,776
Additions	232,608
Valuations	119,697
Interest received	12,313
Payments	(21,850)
Exchange differences	(130,363)
Balance at December 31, 2015	262,181

12.2. Hedging liabilities

Derivative liabilities held by Grupo SURA and its subsidiaries at December 31, 2015, December 31, 2014 and January 1, 2014 are broken down as follows:

	2015	2014	January 1, 2014
Traded swaps	138,193	47,505	3,239
Hedge swaps	69,370	-	-
Forward hedges	46,376	78,108	10,479
Total hedging liabilities	**253,939**	**125,613**	**13,718**

The derivatives held by Grupo SURA and its subsidiaries are normally traded on the local financial markets as well as "over the counter" on the international markets. Derivatives carry net favorable or unfavorable terms and conditions (assets or liabilities, respectively) as a result of fluctuations with foreign exchange rates or market interest rates and other variables relating to their respective terms and conditions. The total amount of fair values corresponding to the assets and liabilities that these derivatives represent may vary significantly from time to time.

12.3. Using hedge accounting

In drawing up its own risk management policies, some of the subsidiaries belonging to Grupo SURA have used hedge accounting in preparing their financial statements in accordance with the following:

12.3.1 Cash flow hedges

Two of Grupo SURA's subsidiaries have recorded cash flow hedges:

1. Seguros de Vida Sura S.A. Chile, a subsidiary of SURA Asset Management, took out swaps in 2015 as part of a strategy designed to protect its international fixed income investments (US dollar-denominated bonds earning a fixed rate of interest) against prevailing market volatility.

These investments were made to hedge liabilities with regard to: life annuities; individual life (excluding unit-linked insurance) and group debtor´s life insurance, with life annuities representing the largest hedging flows.

These agreements stipulate paying a fixed exchange rate in US dollars and receiving a fixed value in UF (Unidades de Fomento – which is an inflation-indexed monetary unit in Chile), in order to protect against the exchange rate risk to fixed income securities held in foreign currency as well as the inflation risk to UF-indexed liabilities.

2. For the purpose of hedging its cash flows against foreign exchange risk, Grupo SURA, through its subsidiary Suramericana, decided to perform three deliverable forward operations on December 17 and 18,

2015. They had the specific purpose of counteracting the effects of the revaluation of the pound sterling, the currency in which the acquisition of the Latin American operations of the RSA Insurance Group was denominated, which was considered a highly probable transaction given the contractual conditions agreed. A deliverable forward contract is settled at maturity with the delivery of the underlying asset and is intended to cover the risks of market liquidity, that is to say, the buyer secures the advance purchase of the underlying asset. The terms and conditions of these three forwards were as follows:

GBP/USD Forwards

OPERATION	ENTITY	AMOUNT IN GBP	EFFECTIVE DATE	MATURITY DATE	DAYS	FW POINTS	SPOT	STRIKE
Forward purchase	CITIBANK	48	17/12/2015	27/01/2016	41	0.0004	14.926	1.493
Forward purchase	CITIBANK	112	17/12/2015	25/02/2016	70	0.00038	14.926	149.298
Forward purchase	GOLDMAN SACHS	155	18/12/2015	29/03/2016	102	0.0005	1.49	14.905
TOTAL		315						

Hedging operations averaged out at between GBP 48.000 and 155,000 with terms ranging from between 41 to 102 days. The aforementioned operations recorded a loss on fair value of COP 11,021 on December 31, 2015. At year-end 2015, all changes to hedging derivatives, as mentioned in this section, were recorded in equity under other comprehensive income, since the hedge had been fully effective.

The company's functional and reporting currency is the Colombian peso (COP). The Company, in keeping with its ongoing expansion plans, signed an agreement to acquire the assets held by RSA Insurance Group (hereinafter RSA) in a total of 6 countries in Latin America. This transaction shall be settled using cash flows to be paid as and when due authorization is received from the respective regulators in each country; therefore, not all of the corresponding obligations shall fall due and payable at the same time. Furthermore, the price of this acquisition has been set in pounds sterling (GBP), which means that Suramericana´s payment obligation is denominated in GBP.

Suramericana has decided to hedge the exchange rate risk relating to the payment of this transaction using derivatives; as part of this hedging strategy the maturity dates of the respective derivatives are aligned with the estimated purchase dates of the assets in each country.

Also, in order to gain the greatest possible benefit, the Company decided to separately hedge the risk of the pound to dollar exchange rate (GBP-USD) as well as the risk of the peso to dollar exchange rate (COP USD). This information refers to a partial hedge set up on the GBP-USD exchange rate, for which the Company wishes to use cash flow hedge accounting.

Identification of the hedging instrument

To cover the market risk associated with the GBP-USD exchange rate, the Company so far has taken out three deliverable forward currency contracts through which it is committed to purchasing British pounds (GBP) and selling US dollars (USD). The maturity dates of these forward contracts have been aligned with best estimates regarding the final termination dates of said acquisitions, and these shall be renewed or brought forward based on the actual dates. Suramericana has designated these derivatives as foreign exchange hedges for the acquisition of the RSA assets.

Identification of the hedged item

On September 8, 2015, the company agreed to purchase RSA´s Latin American assets, and therefore this acquisition has been designated as a hedged item based solely on the market risk associated with the exchange rate. While the entire agreement for said transaction was contained in a single legal document, it was agreed that the assets would be treated on a country basis, which is why the commitments that form part of this hedging relationship are evaluated separately. Thus, these hedging instruments shall be linked to the corresponding hedged items in the month that both commitments match, grouping them together based on that criterion.

The following are payment obligations agreed between the Company and RSA:

Country	Value of the obligation (GBP)	Estimated payment date	Added per month (GBP)
Brazil	48.59	Feb 16	
Colombia	47.38	Feb 16	162.32
Mexico	66.35	Feb 16	
Chile	159.0	Mar 16	199.71
Argentina	40.71	Mar 16	
Uruguay	58.90	Apr 16	58.90
Total	**420.93**		**420.93**

**Figures in millions of pounds sterling (GBP).*

Identification of the nature of the hedged risk

The Company plans to hedge the market risk associated with the GBP-USD exchange rate on the price of RSA´s Latin American assets which is denominated in pounds sterling (GBP).

Hedge effectiveness

The effectiveness of the hedging instruments shall be measured using the Dollar-Offset method as follows:

% effectiveness

Change in the fair value of the GBP/Derivative

Change in the fair value of the hedged item in GBP (acquisition commitments)

$$\%\ \text{efficacy} = \frac{\text{Change in the fair value of the derivative GBPUSD}}{\text{Change in the fair value of the item covered in GBP (purchase committments)}}$$

Where:

- The change in the fair value of the GBP-USD derivative corresponds to the change to their mark to market prices (MTM) brought about upon updating the spot rates, forward points and interest rate curves.

Changes in the fair value of the hedged item in GBP are changes brought about upon updating the acquisition commitments regarding the RSA assets, based on changes in the spot rates, forward points and interest rate curves. Since the transaction in question shall be performed in all likelihood, the actual updating of these variables shall not have any impact on the Company's income.

12.3.2 Net foreign investments

Grupo SURA's subsidiary Suramericana S.A. holds investments abroad and is exposed to the exchange risk to the functional currency of these operations stated in US dollars against Grupo SURA's own functional currency in Colombia which is the Colombian peso.

On August 24 and 26, 2015, Suramericana received from Helm Bank Panama and Davivienda Panama two loans for USD 35 million each, payable over a term of 10 years, based on their respective amortization schedule, in order to hedge its business abroad (this being Inversura Panama Internacional, plus a direct stake in Seguros Suramericana Panama) but only for their face value, that is to say excluding debt service.

Identification of the hedging instrument

As part of its intention to hedge its business abroad, on October 1, 2015, and based on the documentation required by IAS 39, the Company formally designated the loans granted by Helm Bank Panama and Davivienda Panama, as hedging instruments protecting against the direct stake held in its business abroad, specifically its business in Panama, solely in the amount of their principal, excluding debt service.

Identification of the hedged item

Based on the stipulation in IFRIC 16 Hedges of a Net Investment in a Foreign Operation, a hedged item can be an amount of net assets equal to or lower than the carrying value of the net assets of the foreign business reported in the consolidated financial statement.

Therefore, the Company considered that, on the effective date of this hedge, the aforementioned value was that corresponding to the net investment in the foreign business, taken as a partially hedged item, and the nominal value was assigned as hedged.

Hedged items:

Business abroad	Net assets	% stake	Net hedged assets
Direct stakes in foreign subsidiaries	199,851	100%	70

Breakdown of net investment - Suramericana S.A.'s direct stake			
Business abroad	Net assets	% Stake	Net hedged assets
Inversura Panamá Internacional	128,048	100%	70
Seguros Suramericana S.A.	776	0.79%	
Seguros Suramericana de Panamá S.A. (Banistmo)	71,028	100%	
Total	199,852	100%	

On October 1, 2015, the Company consolidated a 100% stake held in Seguros Suramericana S.A. through the 99.21% stake held then in its Subsidiary Inversura Panama, which in turn was and is wholly owned (100%) by Suramericana. On December 31, 2015, Suramericana held a 23% direct stake in Seguros Suramericana S.A., consolidating the remaining 77% stake through Panama Inversura.

Identification of the nature of the hedged risk

The company seeks to hedge the exchange rate risk on its foreign business operations.

Effectiveness of the hedging instrument

The company shall measure the effectiveness of hedging instruments as follows:

% effectiveness

Change in the exchange difference obtained on the principal of the debt

Effect on the period from converting the foreign business operation

$$\% \text{ efficacy} = \frac{\text{Variation in the difference in change of the principal of the debt}}{\text{Effect on the period from convertion of the business overseas}}$$

Where:

- The exchange difference on the principal corresponds to the exchange difference brought about by updating hedging instruments based on changes to the exchange rate; and
- The translation effect on foreign business operations corresponds to the exchange difference obtained by translating the income and financial position pertaining to the foreign business operation by continuously applying the rules contained in paragraph 23 of IAS 21.

The subsidiary Suramericana decided to measure the effectiveness of the hedge based on the exchange rate risk corresponding to the net investment abroad, as assessed on a quarterly basis. The following table shows the results obtained on the hedge effectiveness test performed on December 31, 2015:

Period	Rate	Percentage hedged (Asset)	Effectiveness. Translating hedged value (assets)	Effectiveness. Translating hedging instrument	Hedge effectiveness	Compens. (effective hedge value)
October	2,897.83	35.03%	(13,172)	(13,224)	100.40%	(13,224)
November	3,142.11	34.96%	16,962	17,100	100.81%	17,100
December	3,149.47	33.99%	1,093	515	47.15%	515
			4,883	4,391	89.91%	4,391

NOTE 13. INVESTMENT PROPERTIES

Grupo SURA's investment properties are recorded at fair value, as shown below:

	2015	2014	January 1, 2014
Land	214,732	183,848	150,832
Buildings	590,456	485,992	366,591
	805,188	669,840	517,423

The movements recorded in the investment property account are shown as follows:

	Land	Buildings	Total
Investment properties at January 1, 2014	150,833	366,590	517,423
Acquisitions	-	150,300	150,300
Gains (losses) on adjustments to the fair values of investment properties	8,551	47,783	56,334
Disposals	-	(40,526)	(40,526)
Translation effect	24,463	(38,154)	(13,691)
Investment properties at December 31, 2014	183,847	485,993	669,840
Acquisitions	-	54,456	54,456
Impairment losses to the recognized values of investment properties through profit or loss	-	(3,248)	(3,248)
Gains (losses) on adjustments to the fair values of investment properties	17,349	64,123	81,473
Transfers of investment properties from (to) inventories and real estate occupied by the owner	1,439	(9,094)	(7,654)
Disposals	-	(6,097)	(6,097)
Translation effect	8,681	7,739	16,420
Investment properties at December 31, 2015	211,317	593,871	805,188

Appraisers

Grupo SURA's investment properties are appraised by the following experts:

- J Elkin Ruiz Propiedad Raíz, holding degrees in Civil Engineering from the Universidad Nacional, Plant Design from Leheigh University, Pennsylvania and Chemical Engineering from the Universidad de Antioquia; Member of the Medellin Real Estate Exchange.
- Gabriel Rodriguez Walker, architect and independent appraiser registered with the Chilean Superintendency of Securities and Insurance (SVC in Spanish) and Guillermo Rosselot Iriarte, architect and independent appraiser also registered with the Chilean Superintendency of Securities and Insurance.

- Jesús José Gómez Cabrera, an engineer with the firm Regner Basurco Jimenez – Consultant Engineers, registered with the Peruvian Engineers Association (Reg # 49108), Technical Inspection Center RD No 082-2014-Housing /VMCS-DNC, as well as the Peruvian Superintendency of Banking and Insurance (Resolution No 6293-2013.
- Bettiana Molina, an architect with the firm, Estudio Rortones, in Uruguay.

Income on investment property

Lease income obtained from the Company's investment property at year-end is broken down as follows:

	2015	2014
Lease income	757	870
Investment appraisals	81,473	56,334
Appraisal expense	(3,249)	-
Income on investment property	**78,981**	**57,204**

Fair value hierarchy

All investment properties are classified as belonging to Level 2 in terms of fair value hierarchy. The accounting method used for both years was the Market Approach.

The fair values arrived at, as a result of the appraisals performed, are supported by market evidence and represent the values for which the asset could be purchased and sold between knowledgeable informed buyers and sellers on an arm's length basis on the date on which such property is appraised, this in accordance with that stipulated by the International Valuation Standards Council (IVSC). Properties are appraised every year and the corresponding gains or losses at fair value are recorded on the income statement.

The parameters used for these appraisals are conservative compared to those observed on the market so as to allow for eventual market fluctuations.

Investment property expense

Direct operating expense (including maintenance, repairs and taxes) corresponding to the operating lease arrangements governing the Company's investment properties came to COP11,390 for 2015 and COP 6,645 for 2014.

Restrictions

Grupo SURA and its subsidiaries are not in any way restricted with regard to disposing of or selling their investment properties, neither do they have any contractual obligations to purchase, construct or develop investment property or carry out repairs or maintenance work and/or build property extensions.

NOTE 14. PROPERTY AND EQUIPMENT

The property, and equipment account for each class is broken down as follows

	2015	2014	January 1, 2014
Land	240,523	222,068	198,357
Buildings	394,999	347,149	292,088
Vehicles	56,293	50,335	44,697
Office equipment	11,297	11,838	11,914
IT equipment	74,736	62,383	54,296
Fixtures and accessories	37,464	33,675	15,955
Machinery and medical equipment	25,266	21,225	17,372
Construction in progress	63,987	52,549	41,271
Improved leasing rights	13,565	12,631	9,289
	918,130	813,853	685,239

Movements in Grupo SURA's property, plant and equipment account are as follows:

	Land	Buildings	Vehicles	Office equipment	IT equipment	Fixtures and accessories	Machinery and medical equipment	Construction in progress	Improved leasing rights	Total
Cost										
Cost at January 1, 2014	198,357	325,346	52,086	24,853	176,240	39,537	22,567	41,271	15,461	895,718
Additions	31,537	35,482	4,485	6,010	32,911	13,161	6,533	22,732	5,513	**158,364**
Business combination acquisitions	-	-	-	-	-	725	-	-	-	**725**
Disposals and transfers	(39,922)	298	(2,196)	(1,068)	(31,799)	(189)	(161)	(11,454)	(964)	**(87,455)**
Revaluations	11,065	66	-	-	-	-	-	-	63	**11,194**
Conversion effects	21,031	28,771	10,633	(328)	11,019	4,258	7	-	804	**76,195**
Book cost at December 31, 2014	222,068	389,963	65,008	29,467	188,371	57,492	28,946	52,549	20,877	1,054,741
Accumulated depreciation and impairment										
Accumulated depreciation and impairment at January 1 2014	-	(33,258)	(7,389)	(12,939)	(121,944)	(23,582)	(5,195)	-	(6,172)	(210,479)
Depreciation for the period	-	(4,193)	(7,752)	(3,190)	(21,496)	(3,836)	(2,573)	-	(1,469)	**(44,509)**
Withdrawals	-	1,012	822	36	18,801	6,696	54	-	262	**27,683**
Conversion effects	-	(6,375)	(354)	(1,536)	(1,349)	(3,095)	(7)	-	(867)	**(13,583)**
Accumulated depreciation and impairment at December 31, 2014	-	(42,814)	(14,673)	(17,629)	(125,988)	(23,817)	(7,721)	-	(8,246)	(240,888)
Property, plant and equipment at December 31, 2014	222,068	347,149	50,335	11,838	62,383	33,675	21,225	52,549	12,631	813,853
Cost										
Cost at January 1, 2015	222,068	389,963	65,008	29,467	188,371	57,492	28,946	52,549	20,877	1,054,741
Additions	3,850	28,033	4,612	4,076	37,471	6,705	8,294	24,586	7,754	**125,381**
Disposals (-)	(2,588)	(10,981)	(3,962)	(945)	(10,133)	(1,687)	-	(12,680)	(9,848)	**(52,824)**
Revaluations	1,301	-	-	-	(35,255)	-	-	-	-	**(33,954)**
Other changes	15,895	37,678	16,682	(5)	13,470	7,209	(1,457)	(468)	1,365	**90,369**
Book cost at December 31, 2015	240,526	444,693	82,340	32,593	193,924	69,719	35,783	63,987	20,148	1,183,713
Accumulated depreciation and impairment										
Accumulated depreciation and impairment at January 1 2015	-	(42,814)	(14,673)	(17,629)	(125,988)	(23,817)	(7,721)	-	(8,246)	(240,888)
Depreciation for the period	(3)	(7,622)	(12,620)	(4,068)	(16,642)	(8,009)	(3,105)	-	(3,731)	**(55,800)**
Disposals (-)	-	1,446	1,744	23	34,930	1,875	-	-	6,305	**46,323**

Other changes	-	(704)	(498)	378	(11,488)	(2,304)	309	-	(911)	(15,218)
Accumulated depreciation and impairment at December 31, 2015	(3)	(49,694)	(26,047)	(21,296)	(119,188)	(32,255)	(10,517)	-	(6,583)	(265,583)
Property, plant and equipment at December 31, 2015	240,523	394,999	56,293	11,297	74,736	37,464	25,266	63,987	13,565	918,130

After analyzing all impairment indicators, no evidence was found of any such impairment being sustained by the Company's property, plant and equipment on the date of this report.

There are no restrictions relating to property and equipment.

- At the end of the period, an analysis was performed to determine whether there was any sign of impairment to the value of Grupo SURA's property, plant and equipment, and it was confirmed that during the period in question, the market value of these same assets had not decreased more than expected with the passage of time or the normal use of such.
- No significant changes in their value are expected due to situations that could have an adverse effect on the Company.
- There is no evidence of these assets having become obsolete or suffering any physical deterioration.
- No changes are expected in the near future with regard to how assets are used and which could have an adverse effect on the Company.

NOTE 15. INTANGIBLE ASSETS

Intangible assets held by Grupo SURA at year-end 2015 and 2014 are broken down as follows:

	Note	2015	2014	January 1, 2014
Goodwill	15.1	4,280,774	3,746,714	3,405,003
Intangible assets other than goodwill	15.2	2,994,873	2,779,538	2,610,744
Deferred acquisition costs (DAC):	15.3	885,496	666,337	460,688
		3,880,369	3,445,875	3,071,432
		8,161,143	7,192,589	6,476,435

15.1. Goodwill

Goodwill is broken down as follows:

	2015			2014			January 1, 2014		
	Cost	Impairment	Net	Cost	Impairment	Net	Cost	Impairment	Net
Assets acquired from ING (*)	3,868,745	-	3,868,745	3,427,741	-	3,427,741	3,125,873	-	3,125,873
AFP Horizonte	250,166	-	250,166	218,912	-	218,912	187,877	-	187,877
Seguros de Vida SURA Mexico S.A. de C.V. (formerly Primero Seguros de Vida S.A. de C.V.)	17,111	-	17,111	15,209	-	15,209	-	-	-
Compuredes S.A.	25,429	-	25,429	25,429	-	25,429	25,429	-	25,429
Aseguradora Suiza Salvadoreña S.A. (Asesuiza)	87,990	(24,247)	63,743	66,840	(18,417)	48,423	66,356	(9,391)	56,965
Seguros Sura S.A. República Dominicana	14,481	-	14,481	11,000	-	11,000	8,859		8,859
Seguro Suramericana Panamá (Formerly Banistmo) (Note 6)	41,099	-	41,099	-	-	-	-	-	-
	4,305,021	(24,247)	4,280,774	3,765,131	(18,417)	3,746,714	3,414,394	(9,391)	3,405,003

(*) Including goodwill paid upon acquiring the following companies:

- AFP Capital S.A. (Chile)
- Afore SURA S.A. de C.V. (Mexico)
- AFP Integra S.A. (Peru)
- AFAP SURA S.A. (Uruguay)
- SURA Investment Management Mexico S.A. de C.V. (Mexico)
- Fondos SURA SAF S.A.C. (Peru)
- Corredora de Bolsa SURA S.A.(Chile) and Administradora General de Fondos S.A. (Chile)

Besides the business combinations recorded for the period, goodwill increases on each closing date, since in accordance with paragraph 47 of IAS 21, goodwill must be stated in the same functional currency of foreign country where the company is based and then converted into the reporting currency using the exchange rate applicable on the closing date of the respective reporting period.

The following table shows a breakdown of goodwill by country:

Year	Chile	Mexico	Peru	Uruguay	Colombia	El Salvador	Dominican Republic	Panama	Total
2015	1,665,860	1,027,757	1,289,891	152,513	25,429	63,744	14,481	41,099	4,280,774
2014	1,477,046	913,494	1,128,739	142,583	25,429	48,423	11,000	-	3,746,714
January 1, 2014	1,496,833	854,054	815,876	147,666	24,751	-	-	65,823	3,405,003

15.2. Intangible assets other than goodwill

Movements in Grupo SURA's intangible asset account are as follows:

	Acquired trademarks	Customer-related intangible assets	Software and applications	Rights	Other intangible assets	Total
Cost						
Cost at January 01, 2014	106,761	2,718,906	48,041	4,401	221	2,878,330
Additions	-	437	48,447	-	-	**48,884**
Disposals (-)	-	-	-7,539	-	-	**-7,539**
Exchange differences	10,100	306,547	3,652	343	-	**320,642**
Other changes	-	-	2,361	1,423	-	**3,784**
Book cost at December 31, 2014	116,861	3,025,890	94,962	6,167	221	3,244,101
Accumulated depreciation and impairment						
Accumulated depreciation and impairment at January 1, 2014	-3,890	-220,549	-42,673	-474	-	-267,586
Amortizations	-2,942	-131,539	-13,904	-514	-76	-148,975
Additions	270	20	-	-	-	290
Disposals (-)	-	-	4,658	-	-	4,658
Exchange differences	-494	-45,268	-7,021	-167	-	-52,950
Accumulated depreciation and impairment at December 31, 2014	-7,056	-397,336	-58,940	-1,155	-76	-464,563
						-
Intangible assets at December 31, 2014	109,805	2,628,554	36,022	5,012	145	2,779,538
Cost						
Cost at January 1, 2015	116,861	3,025,890	94,962	6,167	221	3,244,101
Business combinations (Note 6.1)	-	15,171	-	26,127	-	41,298
Additions	-	1,208	36,516	-	-	37,724
Disposals (-)	-658	-663	-51,575	-	-	-52,896
Exchange differences	15,135	372,367	12,399	616	-	400,517
Other changes	-	-	-	-206	-	-206
Book cost at December 31, 2015	131,338	3,413,973	92,302	32,704	221	3,670,538

Accumulated depreciation and impairment

Accumulated depreciation and impairment at January 1, 2015	-7,056	-397,336	-58,940	-1,155	-76	-464,563
Amortizations	-3,253	-139,964	-27,528	-2,449	-74	-173,268
Additions	1,461	24	-	-	-	1,485
Disposals (-)	-	-	64,034	205	-	64,239
Exchange differences	-390	-110,762	7,408	186	-	-103,558
Accumulated depreciation and impairment at December 31, 2015	-9,238	-648,038	-15,026	-3,213	-150	-675,665
Intangible assets at December 31, 2015	122,100	2,765,935	77,276	29,491	71	2,994,873

The following are the useful lives corresponding to the more representative intangible assets:

Client relations	Total useful life (years)	Remaining useful life (years)
AFP Capital S.A. (Chile)	27	23
Corredora de Bolsa SURA S.A. y Administradora General de Fondos S.A. (Chile)	10	6
Seguros de Vida SURA S.A. (Chile)	14	10
AFP Integra (Peru)	30	26
Wealth Management SURA S.A. (Peru)	4	-
AFAP SURA S.A. (Uruguay)	23	19
Afore SURA S.A. de C.V. (Mexico)	21	17
Seguros Sura S.A. (Peru)	15	12
Seguros Suramericana S,A, (Panama)	9	9
Aseguradora Suiza Salvadoreña S.A. Asesuisa (El Salvador)	14	10
Compuredes S.A. (Colombia)	6	1
Trademarks		
AFP Capital S.A. (Chile)	Indefinite	Indefinite
AFP Integra (Peru)	Indefinite	Indefinite
AFAP SURA S.A. (Uruguay)	1	-
Rights		
Seguros Suramericana S,A, (Panama)	5	5

15.3. Deferred acquisition costs (DAC)

The following table shows the movements recorded with the Deferred Acquisition Cost account (DAC):

	Total
Balance at January 1, 2014	460,688
Additions	275,208
Exchange differences	2,130
Amortizations	67,429
At December 31, 2014	666,337
Additions	304,863
Exchange differences	32,443
Amortizations	118,147
At December 31, 2015	885,496

Deferred Acquisition Costs (DAC) for each country are as follows:

2015	Chile	Mexico	Peru	Uruguay	Colombia	Panama	El Salvador	Dominican Republic	Total
Life insurance	10,558	-	6,271	-	118,271	-	19,077	-	154,177
Non-life Insurance	-	-	-	-	94,885	44,167	11,744	15,859	166,656
Mandatory pensions	143,572	338,240	40,883	9,127	-	-	-	-	531,823
Voluntary pensions	22,619	-	-	-	-	-	-	-	22,619
Retirement savings plans	10,223	-	-	-	-	-	-	-	10,223
	186,972	338,240	47,154	9,127	213,157	44,167	30,821	15,859	885,496

2014	Chile	Mexico	Peru	Uruguay	Colombia	Panama	El Salvador	Dominican Republic	Total
Life insurance	6,299	-	-	-	91,928	-	12,423	-	110,650
Non-life Insurance	-	-	-	-	80,287	11,005	8,650	12,021	111,963
Mandatory pensions	109,608	269,697	35,920	7,429	-	-	-	-	422,654
Voluntary pensions	18,094	-	-	-	-	-	-	-	18,094
Retirement savings plans	2,976	-	-	-	-	-	-	-	2,976
	136,977	269,697	35,920	7,429	172,214	11,005	21,073	12,021	666,337

January 1, 2014	Chile	Mexico	Peru	Uruguay	Colombia	Panama	El Salvador	Dominican Republic	Total
Life insurance	4,844	-	-	-	81,613	-	9,841	-	96,298
Non-life Insurance	-	-	-	-	71,586	3,679	6,599	9,193	91,057
Mandatory pensions	-	157,572	28,573	4,463	-	-	-	-	190,608
Voluntary pensions	82,725	-	-	-	-	-	-	-	82,725
	87,569	157,572	28,573	4,463	153,199	3,679	16,440	9,193	460,688

15.4. Amortization expense

Amortization expense corresponding to intangible assets is shown as follows:

	Note	2015	2014
Amortization of intangibles	15.2	173,269	148,973
Amortization of DAC	15.3	118,147	67,429
Amortization expense		291,416	216,402

NOTE 16. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

16.1. Subsidiaries

Grupo SURA's subsidiaries on the date of this report are listed as follows:

Suramericana S.A.					
			2015	2014	January 1, 2014
Activity:	Holding	Assets	3,294,845	2,567,499	2,181,302
Registered Place of Business:	Medellin	Liabilities	631,349	219,719	102,763
Country:	Colombia	Equity	2,663,496	2,347,780	2,078,539
Date of Incorporation:	May 25, 1999	Net Income	345,848	333,465	-
		% Stake	81.13%	81.13%	81.13%

Operaciones Generales Suramericana S.A.S.					
			2015	2014	January 1, 2014
Activity:	INVESTMENT IN REAL STATE AND OTHER ASSETS	Assets	103,715	96,411	8,230
Registered Place of Business:	Medellin	Liabilities	82,810	81,877	215
Country:	Colombia	Equity	20,905	14,534	8,015
Date of Incorporation:	July 24, 1964	Net Income	6,370	6,519	-
		% Stake	81.13%	81.13%	81.13%

Seguros Generales Suramericana S.A.					
			2015	2014	January 1, 2014
Activity:	Property And Casualty Insurance	Assets	2,551,982	2,338,461	2,088,705
Registered Place of Business:	Medellin	Liabilities	2,111,066	1,919,537	1,685,072
Country:	Colombia	Equity	440,916	418,924	403,633
Date of Incorporation:	December 12, 1944	Net Income	39,497	35,502	-
		% Stake	81.13%	81.13%	81.13%

Seguros de Vida Suramericana S.A.					
			2015	2014	January 1, 2014
Activity:	Personal Insurance	Assets	5,849,801	5,460,067	4,709,713
Registered Place of Business:	Medellin	Liabilities	4,714,880	4,402,011	3,872,188
Country:	Colombia	Equity	1,134,921	1,058,056	837,525
Date of Incorporation:	August 04, 1947	Net Income	310,622	306,432	-
		% Stake	81.13%	81.13%	81.13%

Seguros de Riesgos Laborales Suramericana S.A.					
			2015	2014	January 1, 2014
Activity:	Occupational risk management	Assets	1,836,520	1,630,876	1,356,445
Registered Place of Business:	Medellin	Liabilities	1,485,492	1,278,951	1,093,283
Country:	Colombia	Equity	351,028	351,925	263,162
Date of Incorporation:	November 09, 1995	Net Income	131,001	173,771	-
		% Stake	81.13%	81.13%	81.13%

EPS y Medicina Prepagada Suramericana S.A.					
			2015	2014	January 1, 2014
Activity:	Organizing, guaranteeing and providing health care services	Assets	511,165	443,068	361,679
Registered Place of Business:	Medellin	Liabilities	377,604	328,966	265,961
Country:	Colombia	Equity	133,561	114,102	95,718
Date of Incorporation:	January 31, 1990	Net Income	20,925	18,384	-
		% Stake	81.13%	81.13%	81.13%

Servicios de Salud IPS Suramericana S.A.					
			2015	2014	January 1, 2014
Activity:	Providing medical, paramedical and dental services	Assets	61,061	54,880	49,319
Registered Place of Business:	Medellin	Liabilities	53,483	45,590	39,908
Country:	Colombia	Equity	7,578	9,290	9,411
Date of Incorporation:	December 19, 1996	Net Income	-1,634	-121	-
		% Stake	81.13%	81.13%	81.13%

Diagnóstico y Asistencia Médica S.A.					
			2015	2014	January 1, 2014
Activity:	Providing health care services through diagnostic aids	Assets	74,480	62,384	55,874
Registered Place of Business:	Medellin	Liabilities	55,205	46,033	44,326
Country:	Colombia	Equity	19,275	16,351	11,548
Date of Incorporation:	February 24, 1994	Net Income	3,094	4,804	-
		% Stake	81.13%	81.13%	81.13%

Dinámica IPS Zona Franca S,A,S,					
			2015	2014	January 1, 2014
Activity:	Providing health care services through diagnostic aids	Assets	1,961	2,391	2,299
Registered Place of Business:	Apartadó	Liabilities	1,481	1,474	1,331
Country:	Colombia	Equity	480	917	968
Date of Incorporation:	September 02, 2013	Net Income	-437	-851	-
		% Stake	0.00%	81.13%	81.13%

Servicios Generales Suramericana S.A.					
			2015	2014	January 1, 2014
Activity:	Investing in personal property especially shares, quotas or holdings	Assets	453,724	375,203	356,780
Registered Place of Business:	Medellin	Liabilities	165,637	95,595	78,641
Country:	Colombia	Equity	288,087	279,608	278,139
Date of Incorporation:	December 06, 2002	Net Income	11,400	1,480	-
		% Stake	81.13%	81.13%	81.13%

Consultoría en Gestión de Riesgos Suramericana S.A.S.					
			2015	2014	January 1, 2014
Activity:	Providing its advisory services with regard to comprehensive risk management	Assets	10.385	9.803	6.761
Registered Place of Business:	Medellin	Liabilities	9.246	8.392	5.614
Country:	Colombia	Equity	1.139	1.411	1.147
Date of Incorporation:	April 15, 1996	Net Income	-271	263	-
		% Stake	81.13%	81.13%	81.13%

Inversura Panamá Internacional S.A.					
			2015	2014	January 1, 2014
Activity:	Holding	Assets	395.567	301.777	241.980
Registered Place of Business:	Panama	Liabilities	-	-	-
Country:	Panama	Equity	395.567	301.777	241.980
Date of Incorporation:	December 23, 2002	Net Income	-1.069	865	-
		% Stake	81.13%	81.13%	81.13%

Seguros Sura S.A.					
			2015	2014	January 1, 2014
Activity:	Insurance	Assets	277.323	202.030	192.784
Registered Place of Business:	Santo Domingo	Liabilities	227.277	165.650	161.159
Country:	Dominican Republic	Equity	50.046	36.380	31.625
Date of Incorporation:	July 17, 1986	Net Income	-6.677	-1.279	-
		% Stake	81.13%	81.12%	81.12%

Seguros Suramericana Panamá S.A.					
			2015	2014	January 1, 2014
Activity:	Insurance	Assets	1,044,534	427,134	298,662
Registered Place of Business:	Panama	Liabilities	501,693	197,696	290,741
Country:	Panama	Equity	542,841	229,438	7,921
Date of Incorporation:	July 11, 1972	Net Income	17,556	-7,930	-
		% Stake	81.13%	81.13%	76.41%

Servicios Generales Suramericana S.A. (Panamá)					
			2015	2014	January 1, 2014
Activity:	Inspecting, repairing, purchasing and selling all types of vehicles and their corresponding spare parts	Assets	452	224	178
Registered Place of Business:	Panama	Liabilities	419	217	167
Country:	Panama	Equity	33	7	11
Date of Incorporation:	August 02, 2012	Net Income	21	-5	-
		% Stake	81.13%	81.13%	76.41%

Aseguradora Suiza Salvadoreña S.A.					
			2015	2014	January 1, 2014
Activity:	Property And Casualty Insurance	Assets	205,269	161,556	131,350
Registered Place of Business:	San Salvador	Liabilities	98,722	85,083	65,828
Country:	El Salvador	Equity	106,547	76,473	65,522
Date of Incorporation:	November 14, 1969	Net Income	5,137	-4,178	-
		% Stake	78.79%	78.79%	74.14%

Asesuisa Vida, S.A. Seguros de Personas					
			2015	2014	January 1, 2014
Activity:	Personal Insurance	Assets	-	-	-

Registered Place of Business:	San Salvador	Liabilities	-	-	-
Country:	El Salvador	Equity	-	-	-
Date of Incorporation:	December 5, 2001	Net Income	-	-	-
		% Stake	78.78%	78.78%	74.14%

Inversiones Sura Brasil S.A.S.					
			2015	2014	January 1, 2014
Activity:	INVESTMENT IN REAL STATE AND OTHER ASSETS	Assets	100	-	-
Registered Place of Business:	Medellin	Liabilities	-	-	-
Country:	Colombia	Equity	100	-	-
Date of Incorporation:	December 04, 2015	Net Income	-	-	-
		% Stake	81.13%	0.00%	0.00%

Integradora de Servicios Tercerizados S.A.S.					
			2015	2014	January 1, 2014
Activity:	Holding of BPO businesses,	Assets	54,192	46,923	45,092
Registered Place of Business:	Medellin	Liabilities	14	126	4,177
Country:	Colombia	Equity	54,178	46,797	40,915
Date of Incorporation:	July 11, 2012	Net Income	7,381	2,843	0
		% Stake	100.00%	100.00%	100.00%

Compuredes S.A.					
			2015	2014	January 1, 2014
Activity:	Providing and marketing its telecommunication services, products and solutions	Assets	77,472	75,821	56,843
Registered Place of Business:	Medellin	Liabilities	54,866	57,770	41,574
Country:	Colombia	Equity	22,606	18,051	15,269
Date of Incorporation:	August 16, 1988	Net Income	4,554	2,782	-
		% Stake	100.00%	100.00%	100.00%

Enlace Operativo S.A.					
			2015	2014	January 1, 2014
Activity:	Providing data processing services in the form of outsourcing	Assets	11,396	9,709	9,858

Registered Place of Business:	Medellin	Liabilities	2,213	6,003	7,443
Country:	Colombia	Equity	9,183	3,706	2,415
Date of Incorporation:	May 31, 2006	Net Income	5,477	1,291	-
		% Stake	100.00%	100.00%	100.00%

Inversiones y Construcciones Estratégicas S.A.S					
			2015	2014	January 1, 2014
Activity:	INVESTMENT IN REAL STATE AND OTHER ASSETS	Assets	135,113	134,678	165,345
Registered Place of Business:	Medellin	Liabilities	11,625	33,946	71,497
Country:	Colombia	Equity	123,488	100,732	93,848
Date of Incorporation:	August 30, 2007	Net Income	23,425	5,588	-
		% Stake	100.00%	100.00%	100.00%

Grupo de Inversiones Suramericana Panamá S.A.					
			2015	2014	January 1, 2014
Activity:	INVESTMENT IN REAL STATE AND OTHER ASSETS	Assets	999.766	790.224	601.213
Registered Place of Business:	Panama	Liabilities	922.919	761.012	604.777
Country:	Panama	Equity	76.847	29.212	-3.564
Date of Incorporation:	April 29, 1998	Net Income	-75.938	5.712	-
		% Stake	100.00%	100.00%	100.00%

Planeco Panamá S.A.					
			2015	2014	January 1, 2014
Activity:	INVESTMENT IN REAL STATE AND OTHER ASSETS	Assets	43,934	38,815	37,651
Registered Place of Business:	Panama	Liabilities	57,215	48,588	39,634
Country:	Panama	Equity	-13,281	-9,773	-1,983
Date of Incorporation:	December 12, 2012	Net Income	-8,140	-6,112	-
		% Stake	95.28%	95.28%	95.28%

Grupo Sura Finance S.A.					
			2015	2014	January 1, 2014
Activity:	Holding company for 144A/Reg S bonds issued in April 2011	Assets	922,924	701,084	564,642
Registered Place of Business:	Cayman Islands	Liabilities	944,153	716,475	576,473

Country:	Cayman Islands	Equity	-21,229	-15,391	-11,831
Date of Incorporation:	March 18, 2011	Net Income	-843	-586	-
		% Stake	100.00%	100.00%	100.00%

Habitat Adulto Mayor S,A,					
			2015	2014	January 1, 2014
Activity:	Providing health care services for the elderly	Assets	26,725	26,285	23,463
Registered Place of Business:	La Estrella	Liabilities	6,419	6,783	4,508
Country:	Colombia	Equity	20,306	19,502	18,955
Date of Incorporation:	July 24, 2007	Net Income	832	547	-
		% Stake	73.23%	71.29%	68.61%

Sura Asset Management S.A.					
			2015	2014	January 1, 2014
Activity:	Holding	Assets	10,009,508	9,529,781	8,842,441
Registered Place of Business:	Medellin	Liabilities	1,265,898	894,456	1,157,685
Country:	Colombia	Equity	8,743,610	8,635,325	7,684,756
Date of Incorporation:	September 15, 2011	Net Income	465,428	164,718	451,903
		% Stake	71.40%	67.06%	67.06%

Activos Estratégicos Sura A.M. Colombia S.A.S.					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	122	120	117
Registered Place of Business:	Medellin	Liabilities	2	2	-
Country:	Colombia	Equity	120	118	117
Date of Incorporation:	April 25, 2013	Net Income	2	-	-
		% Stake	71.40%	67.06%	67.06%

Sura Investment Management Colombia S.A.S					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	9	-	-
Registered Place of Business:	Medellin	Liabilities	21	-	-
Country:	Colombia	Equity	-12	-	-
Date of Incorporation:	June 23, 2015	Net Income	-151	-	-
		% Stake	71.40%	0.00%	0.00%

Sura Asset Management España, S.L.					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	5,128,807	4,505,760	7,050,401
Registered Place of Business:	Madrid	Liabilities	1,033	298,466	280,700
Country:	Spain	Equity	5,127,774	4,207,294	6,769,701
Date of Incorporation:	September 28, 2011	Net Income	-21,650	-77,062	34,154
		% Stake	71.40%	67.06%	67.06%

Grupo de Inversiones Suramericana Holanda B.V.					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	4,922,639	4,166,408	4,060,981
Registered Place of Business:	Amsterdam	Liabilities	18	74	48
Country:	Holland	Equity	4,922,621	4,166,334	4,060,933
Date of Incorporation:	October 12, 2011	Net Income	-230	-57,669	10,401
		% Stake	71.40%	67.06%	67.06%

Grupo Sura Chile Holdings I B.V.					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	2,107,650	1,781,821	1,388,460
Registered Place of Business:	Amsterdam	Liabilities	1.112	366	197
Country:	Holland	Equity	2,106,538	1,781,455	1,388,263
Date of Incorporation:	July 07, 1993	Net Income	-208	-138	-147
		% Stake	71.40%	67.06%	67.06%

Sura S.A.					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	2,653,978	2,119,980	1,767,702
Registered Place of Business:	Santiago	Liabilities	21,115	232,128	16,132
Country:	Chile	Equity	2,632,863	1,887,852	1,751,570
Date of Incorporation:	August 01, 2002	Net Income	217,563	159,961	137,353
		% Stake	71.40%	67.06%	67.06%

Corredores de Bolsa Sura S.A.					
			2015	2014	January 1, 2014
Activity:	Purchasing and selling securities and providing brokerage services	Assets	90,541	75,717	48,372
Registered Place of Business:	Santiago	Liabilities	36,460	38,579	26,626

Country:	Chile	Equity	54,081	37,138	21,746
Date of Incorporation:	February 04, 2008	Net Income	-940	5,627	-23,200
		% Stake	71.40%	67.06%	67.06%

Administradora General de Fondos Sura S.A.					
			2015	2014	January 1, 2014
Activity:	Managing investment and mutual funds.	Assets	28,452	25,870	21,550
Registered Place of Business:	Santiago	Liabilities	9,495	14,197	12,230
Country:	Chile	Equity	18,957	11,673	9,320
Date of Incorporation:	July 09, 2008	Net Income	5,528	-1,908	242
		% Stake	71.40%	67.06%	67.06%

Seguros de Vida Sura S.A.					
			2015	2014	January 1, 2014
Activity:	Insurance services, specifically life insurance and annuities.	Assets	6,348,976	3,987,090	2,833,559
Registered Place of Business:	Santiago	Liabilities	5,587,490	3,457,593	2,357,567
Country:	Chile	Equity	761,486	529,497	475,992
Date of Incorporation:	January 12, 1989	Net Income	31,884	2,398	58,847
		% Stake	71.40%	67.06%	67.06%

Sura Data Chile S.A.					
			2015	2014	January 1, 2014
Activity:	Providing data processing services and leasing computer equipment.	Assets	6,906	5,991	4,934
Registered Place of Business:	Santiago	Liabilities	2,092	2,432	2,088
Country:	Chile	Equity	4,814	3,559	2,846
Date of Incorporation:	August 01, 2002	Net Income	763	483	564
		% Stake	71.40%	67.06%	67.06%

Sura Chile S.A.					
			2015	2014	January 1, 2014
Activity:	Providing business consultancy and advisory services.	Assets	33,400	33,467	17,366
Registered Place of Business:	Santiago	Liabilities	23,496	27,611	15,195
Country:	Chile	Equity	9,904	5,856	2,171

Date of Incorporation:	August 01, 2002	Net Income	3,150	3,195	2,475
		% Stake	71.40%	67.06%	67.06%

AFP Capital S.A.					
			2015	2014	January 1, 2014
Activity:	Managing pension funds.	Assets	2,615,518	2,253,515	2,016,456
Registered Place of Business:	Santiago	Liabilities	474,381	406,247	306,652
Country:	Chile	Equity	2,141,137	1,847,268	1,709,804
Date of Incorporation:	January 16, 1981	Net Income	246,353	209,310	257,583
		% Stake	71.19%	66.82%	66.82%

Santa María Internacional S.A.					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	7,468	34,593	35,265
Registered Place of Business:	Santiago	Liabilities	513	75	2,677
Country:	Chile	Equity	6,955	34,518	32,588
Date of Incorporation:	October 17, 1994	Net Income	448	-87	9,523
		% Stake	71.19%	66.82%	66.82%

Grupo Sura Latin American Holdings B.V.					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	386,595	330,305	623,820
Registered Place of Business:	Netherlands	Liabilities	-50	-33	154
Country:	Holland	Equity	386,645	330,338	623,666
Date of Incorporation:	September 28, 1983	Net Income	-114	63,128	32,286
		% Stake	71.40%	67.06%	67.06%

SUAM Finance B.V					
			2015	2014	January 1, 2014
Activity:	Holding company for 144A/Reg S bonds issued in April 2014	Assets	1,511,797	1,162,644	-
Registered Place of Business:	Curaçao	Liabilities	1,574,314	1,195,765	-
Country:	Curaçao	Equity	-62,517	-33,121	-
Date of Incorporation:	December 01, 2014	Net Income	-67,196	-27,692	-
		% Stake	71.40%	67.06%	0.00%

Sura Asset Management México S.A. de C.V.					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	1,262,536	33,885	26,338
Registered Place of Business:	Mexico	Liabilities	2,234	36	13
Country:	Mexico	Equity	1,260,302	33,849	26,325
Date of Incorporation:	April 17, 2013	Net Income	365,892	-8	-5
		% Stake	71.40%	67.06%	67.06%

Afore Sura S.A. de C.V.					
			2015	2014	January 1, 2014
Activity:	Managing investment firms specializing in retirement savings funds	Assets	1,741,767	1,683,019	1,323,445
Registered Place of Business:	Mexico D.F.	Liabilities	249,047	261,185	169,685
Country:	Mexico	Equity	1,492,720	1,421,834	1,153,760
Date of Incorporation:	December 17, 1996	Net Income	262,267	232,236	181,846
		% Stake	71.40%	67.06%	67.06%

Asesores Sura S.A. de C.V.					
			2015	2014	January 1, 2014
Activity:	Providing financial services and products	Assets	9,439	6,821	2,907
Registered Place of Business:	Mexico D.F.	Liabilities	8,298	6,299	2,860
Country:	Mexico	Equity	1,141	522	47
Date of Incorporation:	October 17, 2000	Net Income	529	318	-692
		% Stake	71.40%	67.06%	67.06%

Sura Investment Management S.A. de C.V.					
			2015	2014	January 1, 2014
Activity:	Managing investment fund management firms.	Assets	59,491	43,818	46,922
Registered Place of Business:	Mexico D.F.	Liabilities	15,639	13,891	13,208
Country:	Mexico	Equity	43,852	29,927	33,714
Date of Incorporation:	February 13, 1998	Net Income	-11,044	-6,555	-1,958
		% Stake	71.40%	67.06%	67.06%

Pensiones Sura S.A. de C.V.					
			2015	2014	January 1, 2014
Activity:	Pension insurance	Assets	1,663,434	1,226,026	970,797

Registered Place of Business:	Mexico D.F.	Liabilities	1,564,687	1,146,345	844,726
Country:	Mexico	Equity	98,747	79,681	126,071
Date of Incorporation:	May 12, 1997	Net Income	8,665	7,341	10,673
		% Stake	71.40%	67.06%	67.06%

Sura Art Corporation S.A. de C.V.					
			2015	2014	January 1, 2014
Activity:	INVESTMENT IN REAL STATE AND OTHER ASSETS.	Assets	51,355	45,302	41,246
Registered Place of Business:	Mexico D.F.	Liabilities	252	74	6
Country:	Mexico	Equity	51,103	45,228	41,240
Date of Incorporation:	December 20, 2011	Net Income	207	13	11
		% Stake	71.40%	67.06%	67.06%

Promotora Sura AM S.A. de C.V.					
			2015	2014	January 1, 2014
Activity:	Providing advertising and marketing services for any type of product	Assets	6,184	3,404	65
Registered Place of Business:	Mexico	Liabilities	4,325	3,102	58
Country:	Mexico	Equity	1,859	302	7
Date of Incorporation:	October 23, 2013	Net Income	1,447	274	-
		% Stake	71.40%	67.06%	67.06%

Seguros de Vida SURA Mexico S.A. de C.V. (formerly Primero Seguros de Vida S.A. de C.V.)					
			2015	2014	January 1, 2014
Activity:	Life Insurance	Assets	132,765	84,097	-
Registered Place of Business:	Mexico	Liabilities	121,651	69,864	-
Country:	Mexico	Equity	11,114	14,233	-
Date of Incorporation:	December 01, 2014	Net Income	-4,669	-72	-
		% Stake	71.40%	67.06%	0.00%

Sura Asset Management Perú S.A.					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	156,732	116,298	39,590
Registered Place of Business:	Lima	Liabilities	5,160	17	25
Country:	Peru	Equity	151,572	116,281	39,565
Date of Incorporation:	July 04, 2013	Net Income	89,246	47,509	-26

		% Stake	71.40%	67.06%	67.06%

AFP Integra S.A.					
			2015	2014	January 1, 2014
Activity:	Pension fund management services	Assets	1,356,924	1,186,246	1,047,531
Registered Place of Business:	Lima	Liabilities	237,366	215,561	268,527
Country:	Peru	Equity	1,119,558	970,685	779,004
Date of Incorporation:	May 19, 1993	Net Income	164,297	139,591	92,841
		% Stake	71.40%	67.06%	67.06%

Fondos Sura SAF S.A.C.					
			2015	2014	January 1, 2014
Activity:	Managing investment and mutual funds.	Assets	11,067	6,969	5,297
Registered Place of Business:	Lima	Liabilities	5,832	1,574	1,337
Country:	Peru	Equity	5,235	5,395	3,960
Date of Incorporation:	December 07, 2004	Net Income	-6,045	-3,545	-2,556
		% Stake	71.40%	67.06%	67.06%

Seguros Sura S.A. (Formerly Invita)					
			2015	2014	January 1, 2014
Activity:	Life insurance and reinsurance	Assets	4,349,624	3,229,395	2,596,799
Registered Place of Business:	Lima	Liabilities	3,917,896	2,902,056	2,256,688
Country:	Peru	Equity	431,728	327,339	340,111
Date of Incorporation:	March 01, 2000	Net Income	53,585	32,365	19,907
		% Stake	49.47%	46.47%	46.47%

Hipotecaria Sura Empresa Administradora Hipotecaria S.A.					
			2015	2014	January 1, 2014
Activity:	Providing Mortgage loans and other financial services	Assets	20,190	19,274	59,065
Registered Place of Business:	Lima	Liabilities	6,335	4,385	43,123
Country:	Peru	Equity	13,855	14,889	15,942
Date of Incorporation:	May 14, 2008	Net Income	-2,965	-3,241	-413
		% Stake	49.98%	46.94%	46.46%

Sociedad Agente de Bolsa S.A.					
			2015	2014	January 1, 2014
Activity:	Stock brokerage firm	Assets	3,260	0	0
Registered Place of Business:	Peru	Liabilities	90	0	0
Country:	Peru	Equity	3,170	0	0
Date of Incorporation:	September 25, 2015	Net Income	-574	0	0
		% Stake	71.40%	0.00%	0.00%

SUAM Corredora de Seguros S.A. de C.V.					
			2015	2014	January 1, 2014
Activity:	Insurance and reinsurance brokerage services	Assets	383	174	89
Registered Place of Business:	San Salvador	Liabilities	65	27	-
Country:	El Salvador	Equity	318	147	89
Date of Incorporation:	May 07, 2013	Net Income	108	34	-8
		% Stake	71.40%	67.06%	67.05%

Sura Asset Management Uruguay Sociedad de Inversión S.A. (formerly Tublyr S.A.)					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	211,126	185,025	2
Registered Place of Business:	Uruguay	Liabilities	701	11	-
Country:	Uruguay	Equity	210,425	185,014	2
Date of Incorporation:	July 02, 2013	Net Income	42,123	19,484	-
		% Stake	71.40%	67.06%	67.06%

Agente de Valores Sura S.A. (formerly Jobely S.A.)					
			2015	2014	January 1, 2014
Activity:	Brokerage services	Assets	1,469	3	-
Registered Place of Business:	Montevideo	Liabilities	51	3	-
Country:	Uruguay	Equity	1,418	0	-
Date of Incorporation:	December 01, 2014	Net Income	-254	-3	-
		% Stake	71.40%	67.06%	0.00%

AFAP Sura S.A.					
			2015	2014	January 1, 2014
Activity:	Managing retirement savings funds.	Assets	84,182	81,714	59,025
Registered Place of Business:	Montevideo	Liabilities	19,182	16,060	9,640

Country:	Uruguay	Equity	65,000	65,654	49,385
Date of Incorporation:	March 27, 1995	Net Income	36,304	29,007	24,772
		% Stake	71.40%	67.06%	67.06%

Ahorro Inversión Sura Administradora de Fondos de Inversión S.A.					
			2015	2014	January 1, 2014
Activity:	Managing investments funds.	Assets	5,910	6,455	4,805
Registered Place of Business:	Montevideo	Liabilities	1,727	1,967	452
Country:	Uruguay	Equity	4,183	4,488	4,353
Date of Incorporation:	January 19, 2011	Net Income	-7,124	-5,731	-3,348
		% Stake	71.40%	67.06%	67.06%

Disgely S.A.					
			2015	2014	January 1, 2014
Activity:	Selling merchandise and leasing goods, properties and services.	Assets	1,881	986	-
Registered Place of Business:	Montevideo	Liabilities	458	1,042	-
Country:	Uruguay	Equity	1,423	-56	-
Date of Incorporation:	December 01, 2014	Net Income	-1,115	-53	-
		% Stake	71.40%	67.06%	0.00%

Grupo Sura Chile Holdings II B.V.					
			2015	2014	January 01, 2014
Activity:	Holding Company	Assets	-	-	-
Registered Place of Business:	Netherlands	Liabilities	-	319	179
Country:	Holland	Equity	-	-319	-179
Date of Incorporation:	January 01, 1984	Net Income	-	-112	-147
		% Stake	0.00%	67.06%	67.06%

Compañía de Inversión y Servicios Sura LTDA.					
			2015	2014	January 01, 2014
Activity:	Holding Company	Assets	-	1,087,608	988,948
Registered Place of Business:	Santiago	Liabilities	-	1,225	1,103
Country:	Chile	Equity	-	1,086,383	987,845
Date of Incorporation:	October 20, 1986	Net Income	-	132,537	122,884
		% Stake	0.00%	67.06%	67.06%

Inverconsa S.A. de C.V.					
			2015	2014	January 1, 2014
Activity:	Special Vehicle currently being wound up	Assets	-	7	11
Registered Place of Business:	Mexico D.F.	Liabilities	-	8	4
Country:	Mexico	Equity	-	-1	7
Date of Incorporation:	September 11, 2003	Net Income	-	-5	157
		% Stake	0.00%	67.06%	67.06%

Wealth Management Sura S.A.					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	-	16,521	10,038
Registered Place of Business:	Lima	Liabilities	-	279	2,127
Country:	Peru	Equity	-	16,242	7,911
Date of Incorporation:	May 04, 2004	Net Income	-	-150	3,452
		% Stake	0.00%	67.06%	67.06%

Pensiones Sura Perú S.A.					
			2015	2014	January 1, 2014
Activity:	Holding company currently being wound up	Assets	-	9,264	56,221
Registered Place of Business:	Lima	Liabilities	-	4	104
Country:	Peru	Equity	-	9,260	56,117
Date of Incorporation:	March 26, 1993	Net Income	-	4	15,007
		% Stake	0.00%	67.06%	67.06%

Servicios Sura S.A.C.					
			2015	2014	January 1, 2014
Activity:	Business consultancy and advisory services.	Assets	-	5	5
Registered Place of Business:	Lima	Liabilities	-	-	1
Country:	Peru	Equity	-	5	4
Date of Incorporation:	September 09, 2008	Net Income	-	-	-1
		% Stake	0.00%	67.06%	67.06%

Negocios Financieros S.A.					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	-	16,876	14,357

Registered Place of Business:	Peru	Liabilities	-	2,268	1,956
Country:	Peru	Equity	-	14,608	12,401
Date of Incorporation:	October 14, 2006	Net Income	-	135	662
		% Stake	0.00%	67.06%	67.06%

Mexamlux S.A.					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	-	43	65
Registered Place of Business:	Luxembourg	Liabilities	-	57	31
Country:	Luxembourg	Equity	-	-14	34
Date of Incorporation:	August 16, 2013	Net Income	-	-169	-71
		% Stake	0.00%	67.06%	67.06%

Sura Asset Management España S,A					
			2015	2014	January 1, 2014
Activity:	Holding Company	Assets	-	1,051,626	825,288
Registered Place of Business:	Amsterdam	Liabilities	-	62	44
Country:	Holland	Equity	-	1,051,564	825,244
Date of Incorporation:	March 02, 1977	Net Income	-	83,153	-306
		% Stake	0.00%	67.06%	67.06%

GrupoSura Holanda B.V.					
			2015	2014	January 1, 2014
Activity:	This Company was merged with Grupo de Inversiones Suramericana Holanda B.V. in 2014	Assets	-	-	2,622,173
Registered Place of Business:	Amsterdam	Liabilities	-	-	176
Country:	Holland	Equity	-	-	2,621,997
Date of Incorporation:	October 12, 2011	Net Income	-	-	-1,242
		% Stake	0.00%	0.00%	67.06%

Pensiones Sura Perú S.A.					
			2015	2014	January 01, 2014
Activity:	Wound up	Assets	-	-	450
Registered Place of Business:	Lima	Liabilities	-	-	56
Country:	Peru	Equity	-	-	394
Date of Incorporation:	March 11, 1994	Net Income	-	-	-105
		% Stake	0.00%	0.00%	67.06%

The figures shown for each subsidiary were taken from their separate financial statements.

Changes to Ownership Interests

2015

At year-end 2015, the following changes were recorded to the Group´s ownership interests.

- On September 18, 2015, Grupo Sura acquired 113,435 shares, corresponding to the entire ownership interest held by JP Morgan SIG Holding in Sura Asset Management S.A.; thereby increasing its total ownership interest to 71.4%. This transaction came to a total value of COP 794,360 million.
- On August 31, 2015, Grupo de Inversiones Suramericana, through its subsidiary Suramericana S.A., acquired Seguros Banistmo S.A. in Panama (now known as Seguros Suramericana Panamá) for a total value of COP 297,204.
- Servicios Sura SAC was wound up on July 31, 2015.
- Negocios Financieros S.A. merged with Sura Asset Management Perú on July 1, 2015, where Sura Asset Management Perú was the surviving entity.
- On June 26 2015, Sura Investment Management, a company investing in real estate and personal property, was set up for a total value of COP 140 million.
- On June 2, 2015, Inverconsa S.A. de CV and Pensiones Sura Perú S.A. were wound up.
- On April 7, 2015, Inversiones y Servicios Sura S.A. merged with another of the Group´s subsidiaries, Sura S.A.
- Wealth Management Sura S.A. merged with Sura Asset Management Perú on March 31, 2015.
- On March 23, 2015 Mexamlux S.A. merged with Sura Asset Management Mexico, another of Grupo Sura´s subsidiaries.
- Seguros Suramericana Panama merged with Seguros Suramericana SA on November 1, 2015
- Dinámica IPS Zonas Francas S.A.S. became impaired at year-end 2015. See Note 17.1 Impairment of investments in subsidiaries.
- In 2015 2,297,201 stocks of Hábitat Adulto Mayor S.A. were acquired for COP $296 million.

2014

At year-end 2014, the following changes were recorded to the Group´s scope of consolidation:

- In December 2014, through Grupo SURA´s subsidiary Inversiones y Construcciones Estratégicas, a total of 3,192,433 shares were acquired in Hábitat Adulto Mayor S.A., corresponding to an additional 2.68% stake in the latter´s share capital, for a total value of COP 84,634,633, thus raising the Company's stake to 71.29%, currently worth COP 415 million.
- In December 2014, the company Dinámica Zona Franca was capitalized in the amount of COP 800 million.
- On January 1, 2014 SURA Mexico began to consolidate the Mexican insurance firm Primero Seguros Vida S.A. de C.V. after acquiring a 100% stake; and since there were no non-controlling interest the total amount paid came to COP 21.434 million.
- In 2014 and as part of a corporate streamlining initiative deployed that year in Sura Asset Management, Internacional SURA Perú S.A. was wound up.
- Grupo de Inversiones Suramericana Holanda B.V. merged with Grupo Sura Holanda B.V. in December 2014.
- Grupo Sura capitalized its subsidiary Grupo de Inversiones Suramericana Panama S.A. on June 4, 2014 by means of non-monetary contributions. For more information regarding this transaction, see Note 7. Cash and Equivalents.

- In December 2014, the subsidiary Integradora de Servicios Tercerizados received an injection of capital of COP 4,200 million.

16.2. Investments in related companies

Grupo SURA's Associates on the date of this report are listed as follows:

			2015		2014		January 1,2014	
Company	Main business activity	Country	% Stake (*)	# Shares	% Stake (*)	# Shares	% Stake (*)	# Shares
Bancolombia S.A.	Universal banking	Colombia	26.49%	254,738,751	26.49%	254,778,743	26.73%	227,748,486
Grupo Argos S.A.	Cement, energy, real estate and ports	Colombia	28.11%	230,089,478	28.93%	229,469,152	29.14%	230,501,123
Grupo Nutresa S.A.	Processed food	Colombia	35.34%	162,608,498	35.17%	161,807,155	35.17%	161,807,155
Fondo de Pensiones y Cesantías Protección S.A.	Pension and severance fund	Colombia	49.36%	12,541,088	49.36%	12,541,088	49.36%	12,541,088
Sodexo Servicios de Beneficios e Incentivos Colombia S.A	Services	Colombia	49.00%	261,342	49.00%	261,342	49.00%	261,342
Sodexo Colombia S.A.	Services	Colombia	35.0%	1,604,015	35.0%	1,604,015	35.0%	1,604,015
Interejecutiva de Aviación S.A.S. [1]	Air transport management services	Colombia	33.00%	1,300,000	0.00%	-	0.00%	-
Tipel S.A. [2]	Construction services	Colombia	11.40%	5,016,104	41.40%	18,216,104	41.40%	18,216,104
Promotora Nacional de Zona Franca S.A. [3]	Logistic services	Colombia	16.77%	5,769,024	16.77%	5,769,024	45.55%	3,409,024
Inversiones DCV S.A.	Shareholder register management services	Chile	34.82%	3,431	34.82%	3,431	34.82%	3,431
Fondos de Cesantías Chile I S.A.	Pension and severance fund	Chile	22.60%	62,401	22.60%	62,401	22.60%	62,401
Servicios de Administración Previsional S.A.	Voluntary funds	Chile	22.64%	168,806	22.64%	168,806	22.64%	168,806
Fondos de Cesantías Chile II	Pension and severance fund	Chile	29.40%	167,580	29.40%	167,580	29.40%	167,580
ARS Palic Salud S.A.	Managing and selling health care plans	Dominican Republic	30.00%	247,665	30.00%	247,665	30.00%	247,665
Subocol S.A.	Selling spare parts for vehicle repairs	Colombia	50.00%	492	45.00%	85	45.00%	85
Brinks de Colombia S.A.[4]	Transport	Colombia	18.62%	3,377,445	18.62%	3,377,445	18.62%	3,377,445

(*)Voting rights: the percentage stake held carrying voting rights in Grupo Bancolombia S.A. at December 31, 2015, December 31, 2014 and January 1, 2014 was 46.11%, 45.59% and 44.68%, respectively, given the issue of non-voting preferred shares, which this associate placed on the market. In the case of the other investments held by Grupo SURA in the aforementioned associates, the percentage stake held is equal to the voting rights accorded.

[1] In April 2015, Grupo de Inversiones Suramericana, through its subsidiary Inversiones y Construcciones Estratégicas, purchased 1,300,000 shares in Internacional Ejecutiva de Aviación S.A.S., worth COP 552 million. This amount was equal to a 33% stake in the latter´s share capital, with which it now exerts significant influence on this investment.

[2] In May 2015, a 30% stake held in the company, Tipiel S.A. was sold off. 1% of this stake, corresponding to a total of 440,000 shares in Technip, was sold to Italy SPA and the remaining 29% was sold to Ascona SAS, consisting of a total of 12,760,000 shares, for the same sale price per share. Once this investment was sold off, it was reclassified from an investment in an associate to a financial instrument with changes in equity.

More detailed information regarding the sale of Tipiel is provided below:

Selling price	20.000
Book Value	27.730
Loss on sale	(7,730)

[3] In May 2014 Promotora de Proyectos S.A. received an injection of capital consisting of 2,360,000 shares worth COP 708 million. This transaction did not change the stake held in this company.

[4] In spite having just a 20% stake in Brinks de Colombia S.A., this investment is classified as one held in an associate, since Grupo Sura sits on its Board of Directors and has a say in the decisions made by the governing body.

16.2.1 Balance of investments held in associates

The balance of investments held in associates is broken down as follows:

Associate	2015	2014	January 1,2014
Grupo Bancolombia S.A.	7,246,354	6,609,421	5,397,150
Grupo Argos S.A.	4,779,890	4,655,704	4,534,112
Grupo Nutresa S.A.	4,611,737	4,595,423	4,287,391
Admimnistradora Fondo de Pensiones y Cesantías Protección S.A.	1,023,590	1,026,480	882.141
Others	98.094	111.524	112.333
Total	17,759,665	16,998,552	15,213,128

16.2.2 Financial information regarding Grupo SURA´s associates

The assets, liabilities, shareholders´ equity and income for each of the associated companies included in Grupo SURA's consolidated financial statements at year-end 2015 are shown as follows:

2015	Assets	Liabilities	Equity	Comprehensive income	Other comprehensive income	Total comprehensive income
Bancolombia S.A.*	192,972,867	172,564,948	20,407,919	2,608,898	1,477,473	4,086,371
Grupo Argos S.A.*	41,775,013	18,885,214	22,889,799	643,155	195,087	838,242
Grupo Nutresa S.A*.	13,178,052	5,135,208	8,042,844	430,819	(230,961)	199,858
Administradora de Fondo de Pensiones y Cesantías Protección S.A.*	1,671,708	444,497	1,227,211	218,743	-	218,749
Inversiones DCV S.A.	11,700	3	11,697	1,833	-	1,833
Fondos de Cesantías Chile I S.A.	6,938	-	6,938	11	-	11
Servicios de Administración Previsional S.A.	90,550	17,747	72,803	27,618	-	27,618
Fondos de Cesantías Chile II	72,091	12,006	60,086	4,458	-	4,458
Subocol S.A.	3,443	1,921	1,522	783	-	783
Palic Salud S.A.	230,694	147,123	83,572	18,711	-	18,711

2014	Assets	Liabilities	Equity	Comprehensive income	Other comprehensive income	Total comprehensive income
Bancolombia S.A.*	149,629,881	132,263,901	17,366,480	2,429,785	640,509	3,070,294
Grupo Argos S.A.*	34,299,484	13,912,123	20,387,361	930,437	582,868	1,513,305
Grupo Nutresa S.A.*	11,817,386	3,785,713	8,031,673	589,516	445,267	1,034,783
Administradora de Fondo de Pensiones y Cesantías Protección S.A.	1,458,787	332,753	1,126,034	235,064	-	262,249
Inversiones DCV S.A.	9,290	634	8,656	1,844	-	1,844
Fondos de Cesantías Chile I S.A.	6,481	98	6,383	386	-	386
Servicios de Administración Previsional S.A.	64,910	28,731	36,179	32,029	-	32,029
Fondos de Cesantías Chile II	58,749	9,488	49,261	5,183	-	5,183
Subocol S.A.	2,842	2,397	445	-575	-	-575
Palic Salud S.A.	171,386	112,788	58,598	11,521	-	11,521

* *Figures taken from the Consolidated Financial Statements*

Grupo Sura´s associates are listed with the Colombian Stock Exchange and their shares are highly liquid. The corresponding stock prices at December 31, 2015, January 1, 2014 and December 31, 2014 are shown as follows:

Associate	2015	2014	January 1,2014
Bancolombia S.A.	20,980	27,640	23,698
Inversiones Argos S.A.	16,200	20,500	19,671
Grupo Nutresa S.A.	22,620	28,600	26,497
Fondo de Pensiones y Cesantías Proteccón S.A. (*)	71,000	73,500	65,000

(*) In spite of the fact that the Protección shares are listed on the Colombian stock market, it is classified as low liquidity stock, which means that its actual price is not a faithful indication of the Company's economic value. However, it is important to note that its weighted average listed price throughout 2015 came to COP 74.163 or USD 23.55. At year-end 2015 this investment was duly appraised and no indications were found of any impairment to its carrying value in the Consolidated Financial Statements.

While stock prices dropped in 2015 compared to 2014, the underlying fundamentals of these issuers remain strong.

Furthermore, the shares of these associates are traded above the carrying values that appear in the Company's consolidated books.

16.2.3 Movements with investments in associates

	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	Administradora de Fondo de Pensiones y Cesantías Protección S.A.	Others	Total
At January 1,2014	5,397,150	4,534,112	4,287,391	882,141	112,333	15,213,128
Additions	910,844	3,498	-	-	708	**915,050**
Sale of investments	(228,040)	(23,605)	-	-	-	**(251,645)**
Equity Method	632,316	41,365	206,504	114,323	15,219	**1,009,727**
Change in equity	95,416	157,296	171,429	7,604	3,797	**435,542**
(-) Dividends	(198,266)	(56,962)	(69,901)	-	(1,870)	**(326,998)**
Others	-	-	-	22,413	(18,664)	**3,749**
Balance at December 31, 2014	6,609,421	4,655,704	4,595,423	1,026,481	111,523	16,998,552
Additions	71,658	10,540	17,962	-	663	**100,823**
Sale of investments	(68,848)	-	-	-	(27,730)	**(96,578)**
Equity Method	555,431	908	151,310	86,214	17,050	**810,913**
Change in equity	290,201	154,103	(77,902)	989	4,990	**372,382**
(-) Dividends	(211,509)	(41,365)	(75,056)	(64,869)	(3,052)	**(395,850)**
Others	-	-	-	(25,224)	(5,351)	**(30,575)**
Balance at December 31, 2015	7,246,353	4,779,890	4,611,737	1,023,591	98,093	17,759,665

16.2.4 Restrictions and commitments:

At the end of the reporting period, there were no restrictions or commitments encumbering Grupo SURA's investments in its associates.

16.3. Joint ventures

On August 11, 2015, Sura Investment Management Colombia S.A.S (SIM), a subsidiary of Sura Asset Management Colombia, formed a joint venture with the company Credicorp Capital Holding Colombia S.A.S.

The company that was formed as a result of this joint venture is called Unión Para La Infraestructura S.A.S. (UPI S.A.S.), in which SIM and CREDICORP each hold 50% stakes.

UPI S.A.S.'s business purpose is to provide investment advisory services with regard to the professional handling of investment funds with which to finance infrastructure projects. At the end of this reporting period, Unión Para La Infraestructura S.A.S. (UPI S.A.S.) is still at a pre operating stage.

16.3.1 Cost of joint venture investments

The following is a breakdown of the cost of these investments at year-end 2015:

Initial investment	60
Additional capitalization	90
Equity Method	(150)
Closing balance December 31, 2015	-

16.3.2 Assets, liabilities, shareholders´ equity and income corresponding to joint venture investments

The following is a summary of the Colombian IFRS financial statements corresponding to joint venture investments:

	2015
Total assets	542
Total liabilities	(1,032)
Total shareholders' equity	(489)
Operating revenues	1
Operating expense	(773)
Operating earnings	(772)
Non-operating revenue	1
Non-operating expense	(18)
Losses before tax on continuing operations	(790)
Income Tax	(0)
Net Loss	(790)

At the end of this reporting period there were no restrictions encumbering the Group´s investments in joint ventures.

NOTE 17. IMPAIRMENT OF ASSETS

17.1. Impairment of investments in subsidiaries

Identifying signs of impairment is a key step in the appraisal process, as this defines the need to conduct an impairment test.

According to that set out in IAS 36- Paragraph 9: An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset in question.

According to that set out in IAS 36, "Impairment of Assets". The subsidiaries belonging to Grupo de Inversiones Suramericana have to consider the following facts and circumstances to determine whether there are signs of impairment or not.

1. Operating losses or negative cash flows for the current period compared to those budgeted.
2. Increased interest rates on investments and debt for the period. (Information: Investments in inflation-indexed securities, agreed rates on bank loans.)
3. Significant changes to the IT environment, defined as the risk relating to losses caused by technology (hardware or software) or the use of the same. (Information: Important declines in production due to technology risks or substantial exposure to hackers.)
4. Significant changes to the legal environment that give rise to losses in the form of sanctions, fines or lawsuits due to a failure to comply with regulations or contractual obligations.

5. Significant changes in the regulatory environment. These refer to the negative implications that changes to the local regulatory framework may have on a company. These may be mortality tables or taxes such as Equality Income Tax.
6. Changes in the competitive environment. (Information: The amount of market share lost (based on growth and loss rates), new or more aggressive competition or cut-throat sales quotas.)
7. Significant changes in the manner or to the extent that the cash generating unit (CGU) is used or is expected to be used.
8. Significant reduction in the use of installed capacity.
9. Additional indebtedness.
10. Absence or significant reduction, as opposed to a mere fluctuation, in the demand or need for the services provided by the asset.

Annual assessments are performed to see whether an impairment exists with the Group´s investments to rule out the aforementioned signs of such; if this is the case then the recoverable amount of the asset in question must be estimated.

In 2015 Grupo de Inversiones Suramericana recognized an impairment loss in its subsidiary IPS Zona Franca S.A.S., that affected 100% of its carrying amount, which went into disolution.

On December 31, 2015, December 31, 2014 and January 1, 2014 investments in the subsidiaries Sura Finance B.V., Grupo de Inversiones Suramericana Panama, and Grupo Sura Finance showed a shortfall in terms of their net income that shall be covered by Grupo de Inversiones Suramericana.

17.2 Impairment to goodwill

Goodwill acquired through the purchase of the ING Latin American assets.

Goodwill acquired through business combinations as well as trademarks with indefinite useful lives have been allocated to the following cash generating units (CGUs) for the purpose of performing individual impairment tests:

- AFP Capital S.A. (Chile)
- Afore SURA S.A. de C.V. (Mexico)
- AFP Integra S.A. (Perú)
- AFAP SURA S.A. (Uruguay)
- SURA Investment Management Mexico S.A. de C.V. (Mexico)
- Fondos SURA SAF S.A.C. (Perú)
- Corredora de Bolsa SURA S.A.(Chile) and Administradora General de Fondos S.A. (Chile)

The above-mentioned entities represent the most relevant operating companies when the business combination was first carried out with ING, through which the Group´s subsidiary SURA Asset Management manages, controls and projects its business throughout the region.

Grupo SURA performed impairment tests during the year, the results of which showed no indication of any impairment either to goodwill or to trademarks with indefinite useful lives.

For the purposes of allocating the consolidated goodwill to each of the CGUs, the fair value equity method was applied. This allocation was based on reasonable values stipulated at the end of the opening balance sheet (as relating to the PPA) during the 12-month period following the acquisition.

Also, certain trademarks have been associated to the business of the two CGUs, namely the AFP Capital trademark belonging to AFP Capital S.A. and the AFP trademark belonging to AFP Integra S.A.

Methodology for Estimating Value in Use

The value in use for the Group´s CGUs was estimated using the income approach.

General assumptions used in applying the income approach include the following:

- The calculation of the value in use for all CGUs is sensitive to the following assumptions: *Time horizon*: The time horizon of the projection corresponding to the estimated duration of the CGUs analyzed. For more information, see below:

  - *Forecasting horizon*: Based on the current macroeconomic conditions and the general characteristics and maturity of the different CGUs in question as well as all available information, we have considered the following specific forecasting horizons:
    - Corredora de Bolsa SURA S.A. and Administradora General de Fondos SURA S.A.: 10 years
    - AFP Capital S.A.: 5 years
    - Afore SURA S.A. de C.V.: 5 years
    - SURA Investment Management Mexico S.A. de C.V: 10 years
    - AFP Integra S.A.: 5 years
    - Fondos SURA SAF S.A.C.: 10 years
    - AFAP SURA S.A: 5 years

Generally speaking, it is understood that the CGUs in question shall achieve a degree of business maturity with the consequent stabilization of their cash flows.

- *Residual value: Since the CGUs in question are expected to continue operating and generating positive cash flows beyond* the forecasting horizon, as stated above, the perpetual performance of said CGUs was estimated. This value is known as the residual or terminal value. In order to estimate the residual value, standardized cash flows were projected in perpetuity, duly adjusted according to the same growth expectations defined in the guidelines suggested in the applicable standard.

- *Year-end*: the cut-off date corresponding to the fiscal year on which the CGU´s financial projections were estimated on the date the analysis was performed, that is to say December 31, which coincides with the closing date of the financial statements of the legal entities pertaining to said CGUs.

- *Currency Unit*: SURA Asset Management S.A. and its subsidiaries have estimated their cash flows in the functional currency of each of its markets, following the applicable standards. These cash flows were then converted to US dollars using the local exchange rate, so to achieve consistency with the discount rate applied, this being stated in U.S. dollars.

- *Discount rate*: although the functional currency of each country corresponds to its local currency, future cash flows have been converted to nominal U.S. dollars for each projected period and discounted at a nominal rate in U.S. dollars after taxes. A discount rate in U.S. dollars was used because of a certain lack of data availability, as well as potential distortions from consistency problems with the existing data, thereby affecting estimated discount rates in these local currencies. The constraining factors encountered consisted of: i) the absence of long-term benchmark rates of return in local currency; ii) market volatility; and iii) a lack of depth, diversification and liquidity on the capital markets, among other adverse aspects.

  The discount rates applied to the projections are based on the interest rates prevailing in each market, these ranging between 9.10 % and 10.10 % on an after-tax basis.

- *Income tax rates:* Projected cash flows were estimated after tax for the purpose of preserving consistency with the estimated discount rates. The tax rates that were applied to current earnings in each market at December 31, 2015 were 22.5% in Chile, 25% in Colombia, 30% in Mexico, 28% in Peru and 25% in Uruguay.

– *Macroeconomic Assumptions*: financial projections for the CGUs in question have been prepared based on macroeconomic variables projected by external sources of information.

The following assumptions were used for the impairment tests performed on trademarks:

- *Projection Horizon*: to estimate the value in use corresponding to trademarks, their indefinite useful life was used, based on brand positioning and past experience, as well as the market focus of each CGU. Therefore, a specific projection was drawn up over a fiver-year time frame for the AFP Capital and AFP Integra trademarks, respectively, and then the present value of a perpetual flow of net royalties based on a 3.0% nominal growth in U.S. dollars was projected over the long term on stabilized cash flows.

- *Projected Income*: to estimate the value in use of the AFP Capital and AFP Integra trademarks, operating income from both companies was used. This value corresponds to commission income and returns on the reserve requirements on both their mandatory and voluntary pension businesses.

- *Market royalties and trademark attributes:* the market royalty rate was estimated for the purposes of applying the Relief from Royalty methodology. In order to define the royalties corresponding to these trademarks, an estimated range of market royalties was taken as a basis, based on the trademark´s relative strength and positioning based on the following attributes:

  · Momentum: the current status and potential for future growth of both trademarks were taken into account.

· Brand recognition: the degree of brand awareness or "top of the mind" of both trademarks was evaluated based on market research.
· Brand loyalty: the degree of client loyalty towards the trademarks was evaluated according to market research.
· Market share: the brands´ market shares were evaluated on the Chilean and Peruvian markets based on market research.
· Longevity: brand seniority on the Chilean and Peruvian markets were evaluated based on market research.

Based on the above procedures, royalties of 1.05% were estimated for the trademarks AFP Capital and AFP Integra respectively.

Taxes
For the purpose of calculating after-tax flows of royalties, the current tax rates in each country were used. In the case of Chile, due to a recent tax reform was introduced, the tax rate will go from 22.5% at year-end 2015 reaching 27.0% by 2018. Peru´s tax rate will go from 28% in 2016 to 29% in 2018 and 2019 over the forecast time frame.

Goodwill corresponding to Aseguradora Suiza Salvadoreña S.A.
In 2012, Grupo de Inversiones Suramericana, through its subsidiary Suramericana S.A. acquired the companies Seguros Sura S.A in the Dominican Republic and Aseguradora Suiza Salvadoreña S.A. Asesuisa in El Salvador by means of a business combination.

Every year an impairment test is performed on these intangible assets.

Methodology used for calculating impairment.

1. Calculating value in use: appraising the value of a company on the desired cut-off date. This calculation must be carried out using the methodology defined by the Company, which shall include at least the following:

    - Present value of estimated cash flows that the Company expects to receive.
    - Projected cash flows must be based on reasonable, well-founded assumptions representing Senior Management´s best estimates of the Company's future performance.
    - All inflows and outflows of cash from future restructurings or new lines of business acquired at the moment when the acquisition is performed must be excluded from these estimates.
    - Projections shall cover a maximum term of five years, except when a longer time frame can be justified.
    - All projected cash flows subsequent to the initial five-year period must be extrapolated using a growth into perpetuity or the expected ROE.

2. Fill in the following impairment formula where:

- Amount to be allocated: the Company's value in use.
- Net Acquired Assets: measured at their carrying values.
- Surplus to be allocated: the amount to be allocated less net acquired assets at their carrying values.
- Total Intangible Assets: the value of the defined intangible assets (with a definite useful life) that are held by the Company after recording the corresponding amortization or impairment.
- Goodwill: subtracting total intangible assets and deferred assets from the surplus to be allocated.

3. Determine whether impairment exists:

Goodwill calculated at the new cut-off date is compared with the goodwill calculated for the period in question, using the following formula:

If Goodwill cut-off reference > Goodwill new cut → Exist Impairment

Impairment = Goodwill cut-off reference - Goodwill new cut-off

If Goodwill cut-off reference <= Goodwill new cut → NO Impairment loss

After checking for impairment in 2013, a loss of COP 9,392 was recorded, which has been increasing gradually ever since given the increases with the exchange rate because this intangible was recorded in the functional currency of the foreign operation, and subsequently translated into the reporting currency using the exchange rate applicable at the end of the reporting period. See Note 15.1 - Intangible Assets. Goodwill.

Goodwill corresponding to Enlace Operativo and Compuredes

Upon preparing its consolidated financial statements, the Company conducted an impairment test of the goodwill acquired through business combinations of cash-generating units (CGU), in this case Enlace Operativo and Compuredes to verify whether any impairment had been sustained.

General assumptions for estimating fair value

The calculation of the value in use for all CGUs is sensitive to the following assumptions:

- *Forecasting horizon*: based on the current macroeconomic conditions and the general characteristics and maturity of the different cash-generating units in question as well as all available information, we have set the specific forecasting horizon over a period of five years.

Generally, it is understood that at the end of said period, the cash-generating units in question will be mature, and their cash flows will be stable.

- *Residual value*: since the aforementioned cash-generating units, Enlace Operativo and Compuredes, are expected to continue operating and generating positive cash flows beyond the forecasting horizon, the Group has estimated a growth to perpetuity of 3%. This value is known as the residual or terminal value.

  In order to estimate the residual value, standardized cash flows were projected in perpetuity with a 6% rate, duly adjusted according to the same growth expectations defined in the guidelines suggested in the applicable standard.

- *Year-end*: the cut-off date corresponding to the fiscal year on which the financial projections were estimated for the cash-generating units, Enlace Operativo and Compuredes, which for the purpose of this analysis, was December 31, 2015, which coincides with the closing date of the financial statements of the legal entities pertaining to said cash-generating units.

- *Discount rate:* the discount rate applied to these projections was 12.5%, based on the interest rates prevailing on the market in which the cash-generating units operate.

- *Income Tax Rates*: projected cash flows were estimated after tax for the purpose of preserving consistency with the estimated discount rates. The tax rates applicable in Colombia were applied on the corresponding reporting dates.

- *Macroeconomic Assumptions*: financial projections for the cash-generating units in question have been prepared based on macroeconomic variables projected by external sources of information.

Based on the annual tests carried out, Grupo SURA was able to conclude that no impairment had been sustained to its goodwill.

NOTE 18. OTHER FINANCIAL LIABILITIES

18.1. Other financial liabilities

The other financial liabilities account is broken down as follows:

	Note	2015	2014	January 1,2014
Financial leases	19	122,723	129,210	107,205
Derivatives	12	253,939	125,613	13,718
Financial obligations	18.2	2,251,278	856,797	1,869,758
		2,627,940	1,111,620	1,990,681

The movements recorded in the other financial liabilities accounts are shown as follows:

Balance at January 1,2014	**1,990,681**
Loans received	1,368,624
Interest paid	(61,224)
Accrued Interest	207,332
Loans paid	(2,635,352)
Valuations	498
Exchange differences	239,350
Overdrafts	1,711
Balance at December 31, 2014	**1,111,620**
Loans received	1,934,452
Interest paid	(42,227)
Accrued Interest	270,862
Loans paid	(898,900)
Valuations	43,155
Exchange differences	210,253
Overdrafts	(1,275)
Balance at December 31, 2015	**2,627,940**

Grupo SURA has not defaulted on any payments of principal, interest and other amounts owing on its financial liabilities at December 31, 2015, December 31, 2014 and January 1, 2014:

18.2. Financial obligations

The following table shows the financial obligations held by each company:

	2015	2014	January 01, 2014
Grupo Sura	715,074	6,813	294,683
Suramericana and Subsidiaries	468,029	106,170	101,972
Sura Asset Management and Subsidiaries	1,058,960	689,073	1,354,117
Integradora de Servicios Tercerizados and Subsidiaries	5,350	10,840	14,231
Others	3,865	43,901	104,755
	2,251,278	**856,797**	**1,869,758**

The maturities and description of the current financial obligations held by at December 31, 2015, December 31, 2014 and January 1, 2014 are as follows:

Financial institution	Interest rate	Maturity	2.015	2.014	January 1,2014
Bancolombia Panamá	Libor + 1.68%	2014 - 2017	188,968	143,665	-
Banco de Bogotá Miami	Libor + 1.90%	2014 - 2017	-	144,485	-
Davivienda Miami	Libor + 1.75%	2014 - 2017	31,495	24,071	-
COFIDE - Corparación Financiera de desarrollo	0.076027	2009 - 2033	2,686	3,570	35,377
BBVA S.A.	0,077	2013 - 2020	174,150	176,312	174,151
BTG Pactual Perú SAC	-	2015-2020	161	-	-
Logicalis Andina SAC	-	2015-2020	82	-	-
Alimentos y Bebidas Gourmet		2015-2020	50	-	-

SAC	-				
JLT Affinity Latam SAC	-	2015-2019	88	-	-
Enagas Perú SAC	-	2015-2024	88	-	-
Davivienda Miami	LIBOR + 0.8%	2014 - 2015	-	24,023	-
Banco de Bogotá	LIBOR + 1.3%	2014 - 2015	-	100,569	-
Banco de Bogotá	DTF + 1.4%	2014 - 2015	-	54,754	-
Bancolombia S.A.	DTF + 1.87%	2014 - 2015	-	17,623	-
Bancolombia S.A.	IBR + 1.42%	2015 - 2016	124,864	-	-
Itaú BBA Colombia	DTF+1.2%	2015 - 2016	28,392	-	-
Bancolombia S.A.	IBR + 1.42%	2015 - 2016	75,505	-	-
Davivienda SA	0,068	2015 - 2016	12,450	-	-
Bancolombia S.A.	DTF+2.28%	2015 - 2016	30,585	-	-
Banco de Bogotá	8.06%	2015 - 2016	256,767	-	-
Davivienda S.A.	LIBOR + 3.5%	2015 - 2016	132,627	-	-
Bancolombia S.A.	Libor + 2.50%	2012 - 2015	-	-	5,395
Bancolombia S.A.	Libor + 2.50%	2012 - 2015	-	-	269,756
Bancolombia S.A.	Libor + 2.65%	2012 - 2015	-	-	3,083
Banco de Bogotá	DTF + 1.40%	2013 - 2016	-	-	13,000
Banco de Bogotá Miami	6-mth Libor + 2.65%	2013 - 2016	-	-	96,342
Banco de Bogotá NY	6-mth Libor + 2.65%	2013 - 2016	-	-	96,342
Banco de Bogotá	6-mth Libor + 2.65%	2013 - 2016	-	-	96,342
Davivienda Miami	Libor + 2.50%	2013 - 2016	-	-	43,354
Davivienda S.A.	Libor + 2.50%	2013 - 2016	-	-	120,427
Helm Bank	Libor + 2.00%	2013 - 2016	-	-	26,976
Helm Bank	Libor + 2.00%	2013 - 2016	-	-	79,000
Bancolombia S.A.	DTF+1.73%	2013-2014	-	-	30,001
Banco de Bogotá	DTF+1.8%	2012-2014	-	-	10,000
Banco de Bogotá	DTF+1.8%	2013-2014	-	-	4,000
Banco de Bogotá Miami	6-mth Libor + +2.15%	2013-2014	-	-	48,171
Banco de Bogotá NY	6-mth Libor + +2.15%	2013-2014	-	-	48,171
Banco de Bogotá	6-mth Libor + +2.15%	2013-2014	-	-	112,810
Davivienda S.A.	Libor +2.00%	2013-2014	-	-	35,646
BBVA S.A.	5.6%	360	-	-	1,023
BBVA S.A.	5.6%	360	-	-	1,422
Bancolombia S.A.	4.1%	1080	-	-	4,167
Bancolombia S.A.	6.8%	360	-	-	2,000
Bancolombia S.A.	5.0%	360	-	-	1,000
Bancolombia S.A.	6.5%	720	-	1,000	1,167
Bancolombia S.A.	6.5%	1080	-	1,000	-
Bancolombia S.A.	6.5%	1080	-	500	1,000
Bancolombia S.A.	6.33%	360	-	1,023	-
Bancolombia S.A.	6.33%	360	-	1,422	-
Bancolombia S.A.	6.33%	360	-	2,000	-
Bancolombia S.A.	6.33%	1080	-	2,000	-
Bancolombia S.A.	6.33%	720	-	1,000	1,000
Bancolombia S.A.	8.06%	90	641	-	-

Bancolombia S.A.	8.84%	360	1,000	-	-
Helm Bank	7.9%	120	2,500	-	-
Factoring Bancolombia	-	0	798	-	196
Coltefinanciera	-	0	356	693	1,093
Bancolombia S.A.	28,92% E.A.R.*	0	0	3	6
Bancolombia S.A.	-	0	27	37	44
Bancolombia S.A.	-	0	6	162	110
BBVA S.A.	-	0	-	-	4
Helm Bank	-	0	21	-	-
Bancolombia S.A.	IBR +1,8 mthly arrears	33	-	-	10,039
BBVA S.A.	4,91% E.A.R.	106	-	-	43,260
AV Villas S.A.	DTF + 1.4 E.A.R	357	-	-	17,020
Banco Popular S.A.	DTF + 1.45% Qrtly in Adv	360	-	-	68,051
Correval S.A.	4,85% EAR	22	-	-	8,246
Bancolombia S.A.	5,01% EAR	18	-	-	34,082
Corredores Asociados	4,92% EAR	26	-	-	9,825
BTG Pactual Perú SAC	5.01%	63	-	-	13,263
Banco de Bogotá	5.91%	180	-	6,813	90,898
Davivienda S.A.	Libor + 1.50%	731	142,607	-	-
Bancolombia Panamá	Libor + 1.47%	731	258,518	-	-
BBVA España	Libor + 1.25%(18 mth)/1.5% (18 mth)	1.096	313,949	-	-
Bancolombia S.A.	IBR 4,4	2520	2,559	2,557	2,556
Bancolombia S.A.	IBR 4,95	2520	706	1,863	-
Bancolombia S.A.	IBR 4,3	2520	601	-	-
Bancolombia Panamá	-	-	-	39,480	38,683
Banco de Bogotá	DTF + 1.7	365	-	-	58,074
Everfit S.A.	4% E.A.R.	365	-	-	5,441
Davivienda S.A.	6 mth Libor + 2.7%	2025	110,231	-	-
Helm Bank	6 mth Libor + 3.75%	2025	110,231	-	-
Other financial institutions	-	-	247,567	106,172	107,748
			2,251,278	856,797	1,869,758

*E.A.R means effective annual rate

NOTE 19. LEASING ARRANGEMENTS

19.1. Financial leasing arrangements

19.1.1 Financial obligations

The total value of leasing arrangements recorded as a liability at year-end is shown as follows:

Company	2015	2014	January 1,2014
Suramericana	15,358	15,487	16,343
Sura Asset Management	3,703	20,445	-
Integradora	5,645	2,637	4,246
Planeco	8,401	11,135	7,139
Total current financial leasings	33,107	49,704	27,728
Suramericana	25,180	34,926	43,585
Sura Asset Management	15,838	3,144	-
Integradora	3,679	8,501	3,397
Planeco	44,918	32,935	32,495
Total non-current financial leasings	89,615	79,506	79,477
Total financial leasings	122,722	129,210	107,205

Financial leasing arrangements are listed below:

Lender	Rate	Term	2015	2014	January 1,2014
Bancolombia S.A.	6,55% E.A.R.	3 years	-	-	3,238
IBM	6,55% E.A.R.	3 years	-	-	1,710
Banco de Occidente S.A.	6,55% E.A.R.	3 years	-	-	2,694
Bancolombia S.A.	DTF-5,90	3 years	-	7,861	-
IBM	DTF-5,90	3 years	-	1,060	-
Banco de Occidente S.A.	DTF-5,90	3 years	-	2,216	-
Bancolombia S.A.	DTF-2,567	3 years	6,609	-	-
IBM	DTF-2,567	3 years	622	-	-
Bancolombia S.A.	DTF-2,567	3 years	2,093	-	-
Helm Bank S.A.	DTF + 2.9%	2014 - 2019	3,524	4,172	-
Banco de Chile	1.80%	2014-2020	5,052	6,598	-
Banco de Chile	2.81%	2014-2020	687	933	-
Banco de Chile	2.91%	2014-2020	646	828	-
Banco de Chile	2.93%	2014-2020	4,708	6,289	-
Banco de Chile	2.93%	2014-2020	1,222	1,624	-
Leasing Bancolombia S.A.	DTF + 3.9%	2014 - 2015	-	19	-
Banco de Chile	1.80%	2014-2020	1,505	1,371	-
Banco de Chile	2.81%	2014-2020	236	203	-
Banco de Chile	2.91%	2014-2020	176	179	-
Banco de Chile	2.93%	2014-2020	1,263	1,101	-
Banco de Chile	2.93%	2014-2020	321	270	-
Banco de Chile	UF+4,5%	2015 - 2020	202	-	-
Bancolombia S.A.	DTF + 1.4%	2018	832	1,052	1,244

Bancolombia S.A.	DTF + 1.15%	2018	326	420	502
Bancolombia S.A.	DTF + 1.17%	2018	978	1,247	1,480
Bancolombia S.A.	DTF + 1.51%	2018	9,768	12,900	15,521
Bancolombia S.A.	DTF + 1.27%	2018	7,247	9,657	11,877
Bancolombia S.A.	DTF + 1.26%	2018	1,830	2,432	2,949
Bancolombia S.A.	DTF + 1.18%	2018	738	946	1,126
Bancolombia S.A.	DTF + 1.26%	2018	492	637	761
Bancolombia S.A.	DTF + 1.298%	2019	801	1,026	1,219
Bancolombia S.A.	DTF + 1.30%	2018	161	215	261
Bancolombia S.A.	DTF + 0.59%	2015	-	-	4
Bancolombia S.A.	DTF + 0.59%	2015	-	-	2
Bancolombia S.A.	DTF + 0.59%	2015	-	-	2
Bancolombia S.A.	DTF + 0.64%	2015	-	-	11
Bancolombia S.A.	DTF + 0.63%	2015	-	-	2
Bancolombia S.A.	DTF+0.98%	2017	157	452	648
Bancolombia S.A.	DTF + 1.00%	2017	17	32	45
Bancolombia S.A.	DTF +0.0104	2017	10	33	54
Bancolombia S.A.	DTF +0.0106	2017	82	122	159
Bancolombia S.A.	DTF +0.0102	2017	20	34	46
Bancolombia S.A.	DTF +0.0103	2017	40	73	103
Bancolombia S.A.	DTF +0.0101	2017	86	140	188
Bancolombia S.A.	DTF +0.0103	2017	45	70	92
Bancolombia S.A.	DTF +0.0103	2017	15	24	32
Bancolombia S.A.	DTF +0.009	2018	25	37	45
Bancolombia S.A.	DTF +0.009	2018	107	146	181
Bancolombia S.A.	DTF +0.0094	2018	76	106	136
Bancolombia S.A.	DTF +0.0094	2018	83	117	148
Bancolombia S.A.	DTF +0.009	2018	154	213	265
Bancolombia S.A.	DTF +0.0088	2018	62	83	103
Bancolombia S.A.	DTF +0.0094	2018	730	1,276	1,774
Bancolombia S.A.	DTF +0.009	2018	167	256	340
Bancolombia S.A.	DTF +0.009	2018	50	74	94
Bancolombia S.A.	DTF +0.0094	2018	64	93	-
Bancolombia S.A.	DTF +0.0094	2018	17	24	-
Bancolombia S.A.	DTF +0.0094	2016	-	639	1,393
Bancolombia S.A.	DTF +0.0083	2016	-	11	61
Bancolombia S.A.	DTF +0.0090	2016	-	124	380
Bancolombia S.A.	DTF +0.0094	2016	-	40	60
Bancolombia S.A.	DTF +0.0094	2016	-	110	166
Bancolombia S.A.	DTF +0.0094	2016	-	16	36
Bancolombia S.A.	DTF +0.0095	2016	-	24	18
Bancolombia S.A.	DTF +0.0099	2016	-	25	36
Bancolombia S.A.	DTF+0.83%	2015	-	-	1
Bancolombia S.A.	DTF+0.87%	2015	-	-	1

Bancolombia S.A.	DTF+0.80%	2015	-	-	3
Bancolombia S.A.	DTF+0.80%	2015	-	-	1
Bancolombia S.A.	DTF+0.75%	2015	-	-	5
Bancolombia S.A.	DTF+0.63%	2015	-	-	10
Bancolombia Panamá	Libor + 3.25%	2012-2019	53,318	44,070	39,635
Other financial institutions			15,358	15,487	16,343
			122,722	**129,210**	**107,205**

19.1.2 Property, plant and equipment corresponding to financial leasing arrangements

The year-end carrying values of Grupo SURA's property, plant and equipment subject to financial leasing arrangements are as follows:

	Land and buildings	Computer and communication equipment	Machinery and equipment	Office furniture, fixtures and equipment	Transport equipment
Cost at January 1,2014	101,001	41,685	9,615	17,893	49,187
Accumulated depreciation	(1,899)	(29,846)	(2,009)	(2,045)	(10,409)
Carrying values at December 31, 2014	99,102	11,839	7,606	15,848	38,778
Cost	107,935	39,480	9,609	19,874	64,812
Accumulated depreciation	(2,656)	(29,191)	(2,768)	(4,557)	(20,832)
Carrying values at December 31, 2015	105,279	10,290	6,841	15,317	43,980

19.1.3 The more significant financial leasing arrangements

The most significant financial leasing arrangements entered into by Grupo de Inversiones Suramericana corresponds to properties leased in Medellin, Bogota and Cali for the construction of clinics in these cities as well as leased medical equipment.

Another significant financial leasing arrangement is the leasing of an airplane, through the Group´s subsidiary, Planeco, in conjunction with Bancolombia Panama.

Grupo de Inversiones Suramericana also leases computer and communications equipment through its subsidiaries Compuredes and Enlace Operativo in order to cover service agreements with clients as well as for its own use. Software programs and licenses are also leased under financial leasing arrangements.

19.1.4 Minimum lease payments

Minimum future lease payments at year-end, together with the present value of minimum net lease rentals due, are shown as follows:

19.2. Operating leasing arrangements

The more significant operating leasing arrangements cover:

- The real estate property belonging to Sura Poblado, Salud Sura Sao Paulo, IPS Sura San Diego, IPS Sura los Molinos, the Autosura warehousing facilities in Medellín as well as the Metropolitan Business Center Building.
- Real estate leased for the operating and administrative headquarters of Enlace Operativo y Compuredes.

Minimum future lease payments due on operating leasing arrangements are shown as follows:

	Minimum lease payments - 2015	Minimum lease payments - 2014	Minimum lease payments - January 1,2014
Up to one year	9,752	12,280	16,019
From one to five years	29,365	39,204	48,684
More than 5 years	137,601	144,522	162,571
Total lease payments	176,718	196,007	227,274

Restrictions

To date there are no restrictions as to the operating and financial leasing arrangements held by Grupo

	Minimum lease payments - 2015	Present value of minimum lease payments - 2015	Minimum lease payments - 2014	Present value of minimum lease payments - 2014	Minimum lease payments - January 1,2014	Present value of minimum lease payments - January 1,2014
Up to one year	40,443	66,829	26,425	74,214	34,593	27,154
From one to five years	77,406	139,975	93,769	179,363	78,692	74,994
More than 5 years	-	-	-	-	7,704	6,857
Total lease payments	117,848	206,805	120,193	253,578	120,989	109,005

SURA with regard to dividend distributions, additional debt or new leasing agreements.

NOTE 20. TRADE AND OTHER ACCOUNTS PAYABLE

The following is a breakdown of the accounts payable account:

	2015	2014	January 1,2014
Foreign reinsurers - current account	280,364	284,340	269,380
Suppliers and services payable	245,937	147,215	124,747
Miscellaneous (*)	224,236	216,513	69,133
Commissions and fees	105,095	100,386	2,188
Settled claims pending payment	72,204	72,395	126,069
Brokerage obligations	71,397	47,531	39,190
Costs and expense payable	63,820	66,765	311,117
Withholdings and payroll contributions	62,016	53,166	54,486

Contributions, membership fees and transfers	44,091	36,935	30,411
Worker compensation system	31,060	29,402	24,722
Accounts payable due to insurance companies	24,710	19,244	-
Policy issuing deposits	24,407	9,226	3,151
Obligations in favor of life insurance policy-holders	19,631	13,625	-
Ceding co-insurers - current account	19,064	11,520	10,264
Domestic reinsurers - current account	16,251	17,554	1,957
Accepting co-insurers - current account	3,221	1,123	1,563
Dividends due to life insurance policy-holders	2,337	2,066	1,063
Deposits received	1,663	447	673
Foreign ceding companies - current account	700	232	287
Deposits retained from domestic reinsurers	34	135	15
Lease rentals	9	4	58
Contributions on transactions	4	29	6
Fines, sanctions, indemnities, litigations, and lawsuits	1	3,707	-
Insurance premiums	-	-	74,598
	1,312,252	1,133,560	1,145,078

(*) Miscellaneous trade payables mainly include installments on retirement pensions, uncashed issued checks, mandatory road insurance clearing houses, premiums payable on ceded coinsurance, and insurance, etc.

The following is a breakdown of accounts payable per country:

Country	2015	2014	January 01, 2014
Chile	206,218	214,333	175,076
Colombia	759,661	665,074	620,034
Spain	403	65	-
Holland	38	146	-
Mexico	38,405	39,945	19,929
Panama	82,293	29,853	21,661
Peru	129,900	99,136	231,382
Dominican Republic	65,709	59,229	49,872
El Salvador	27,886	24,525	16,781
Uruguay	1,720	1,223	10,343
Curacao	19	31	-
Total	1,312,252	1,133,560	1,145,078

The following is a breakdown of accounts receivable per company:

2015	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Commissions and fees	-	2,081	102,957	57	-	105,095
Costs and expense payable	609	59,405	-	3,619	188	63,820
Lease rentals	-	-	-	9	-	9
Contributions on transactions	-	4	-	-	-	4
Deposits received	-	1,663	-	-	-	1,663
Suppliers and services payable	60,448	114,336	58,095	10,029	3,029	245,937
Contributions, membership fees and transfers	-	44,091	-	-	-	44,091
Withholdings and payroll contributions	476	40,424	19,589	1,466	62	62,016
Fines, sanctions, indemnities, litigations, and lawsuits	-	-	1	-	-	1
Accounts payable due to insurance firms	-	-	24,710	-	-	24,710
Foreign ceding companies - current account	-	700	-	-	-	700
Accepting co-insurers - current account	-	3,221	-	-	-	3,221
Ceding co-insurers - current account	-	19,064	-	-	-	19,064
Obligations in favor of life insurance policy-holders	-	-	19,631	-	-	19,631
Policy issuing deposits	-	24,408	-	-	-	24,408
Dividends due to life insurance policy-holders	-	2,337	-	-	-	2,337
Domestic reinsurers - current account	-	648	15,603	-	-	16,251
Deposits retained from domestic reinsurers	-	34	-	-	-	34
Foreign reinsurers - current account	-	280,364	-	-	-	280,364
Settled claims pending payment	-	72,204	0	-	-	72,204
Worker compensation system	-	31,060	-	-	-	31,060
Brokerage obligations	-	64,215	7,182	-	-	71,397
Miscellaneous	-	91,229	132,966	41	1	224,236
	61,532	851,486	380,734	15,221	3,279	1,312,252

2014	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Commissions and fees	-	1,833	98,356	196	-	100,386
Costs and expense payable	756	63,123	-	2,559	327	66,765
Lease rentals	-	-	-	4	-	4
Contributions on transactions	-	29	-	-	-	29
Deposits received	-	447	-	-	-	447
Suppliers and services payable	364	91,703	46,833	8,295	20	147,215
Contributions, membership fees and transfers	-	36,935	-	-	-	36,935
Withholdings and payroll contributions	703	35,300	15,801	1,325	37	53,166

Fines, sanctions, indemnities, litigations, and lawsuits	-	-	3,707	-	-	3,707
Accounts payable due to insurance firms	-	-	19,244	-	-	19,244
Foreign ceding companies - current account	-	232	-	-	-	232
Accepting co-insurers - current account	-	1,123	-	-	-	1,123
Ceding co-insurers - current account	-	11,520	-	-	-	11,520
Obligations in favor of life insurance policy-holders	-	-	13,625	-	-	13,625
Policy issuing deposits	-	9,228	-	-	-	9,228
Dividends due to life insurance policy-holders	-	2,066	-	-	-	2,066
Domestic reinsurers - current account	-	3,457	14,097	-	-	17,554
Deposits retained from domestic reinsurers	-	135	-	-	-	135
Foreign reinsurers - current account	-	284,340	-	-	-	284,340
Settled claims pending payment	-	71,343	1,053	-	-	72,395
Worker compensation system	-	29,402	-	-	-	29,402
Brokerage obligations	-	39,186	8,344	-	-	47,531
Miscellaneous	-	80,840	135,618	54	1	216,513
	1,822	762,241	356,679	12,433	385	1,133,560

January 1,2014	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Commissions and fees	-	1,330	549	309	-	2,188
Costs and expense payable	2,191	47,165	258,436	3,043	282	311,117
Lease rentals	-	-	-	58	-	58
Contributions on transactions	-	6	-	-	-	6
Deposits received	-	673	-	-	-	673
Suppliers and services payable	1,050	85,463	24,962	13,224	48	124,747
Contributions, membership fees and transfers	-	30,411	-	-	-	30,411
Withholdings and payroll contributions	732	38,115	14,262	1,341	36	54,486
Insurance premiums	48,225	-	26,373	-	-	74,598
Foreign ceding companies - current account	-	287	-	-	-	287
Accepting co-insurers - current account	-	1,563	-	-	-	1,563
Ceding co-insurers - current account	-	10,196	68	-	-	10,264
Policy issuing deposits	-	3,152	-	-	-	3,152
Dividends due to life insurance policy-holders	-	1,063	-	-	-	1,063
Domestic reinsurers - current account	-	1,957	-	-	-	1,957
Deposits retained from domestic reinsurers	-	15	-	-	-	15
Foreign reinsurers - current account	-	234,625	34,755	-	-	269,380
Settled claims pending payment	-	56,111	69,958	-	-	126,069
Worker compensation system	-	24,722	-	-	-	24,722
Brokerage obligations	-	33,970	5,220	-	-	39,190
Miscellaneous	-	64,193	4,906	34	-	69,133
	52,198	635,016	439,489	18,009	366	1,145,078

NOTE 21. EMPLOYEE BENEFITS

Grupo Sura's employee benefits are broken down as follows:

	Note	2015	2014	January 1,2014
Short term	21.1	243,140	219,288	158,137
Long term	21.2	33,854	25,694	16,626
Post-employment	21.3	58,717	53,628	49,754
		335,711	298,610	224,517

Current and non-current employee benefits are shown as follows:

	2015	2014	January 01, 2014
Current	243,141	219,289	158,137
Non-current	92,570	79,321	66,380
	335,711	298,610	224,517

21.1. Short-term benefits

Grupo de Inversiones Suramericana's short-term benefits include:

a) Mandatory social security and employment benefits: accruing on a monthly basis according to the legal regulations of each country. Payments are made in accordance with applicable legislation.

b) Short-term Performance Incentives: accruing on a monthly basis using estimated percentages of performance compliance. These are paid every year in March to all those employees entitled to such incentives, after being evaluated in terms of their achieving the predefined targets and to the extent that corporate objectives have been attained.

c) Other employee benefits: including vacation and Christmas bonuses, as well as extra-legal seniority bonuses that are recognized as expense as the service or benefit is provided.

Short-term benefits are broken down as follows:

Short term	2015	2014	January 1,2014
Salaries/Wages	4,496	8,689	3,320
Severance payments	30,750	26,500	22,114
Interest on severance payments	3,429	2,959	2,553
Vacation bonus	39,305	28,931	35,492
Extra-legal bonus	609	304	2,711
Bonuses	33,236	29,042	4,256
Other short-term benefits	131,316	122,864	87,691
	243,141	219,289	158,137

21.2. Long term benefits

The following table contains the long-term benefits provided by Grupo de Inversiones Suramericana:

- Seniority bonus: this benefit is paid to employees for every five years of service and ranges between 18 and 44 days of their salaries or wages, based on the actual number of years of service provided. These payments are based on the following seniority benefit scale:

Years of service	Days Salary
5	18
10	29
15	34
20, 25, 30 and 35	44

- Performance bonus: the Group´s performance incentive system recognizes the efforts of all employees in achieving the Company's goals and continuing to provide capital gain. This system is governed by its own rules and regulations, as summarized below:

General terms and conditions: general policies, defined performance levels and procedures and governance.

Measurement system - performance indicators: it is essential to have an appropriate framework of performance indicators, while ensuring that these are clearly defined, measurable and achievable. These indicators are decided at the beginning of each year in keeping with the Company's strategic planning, along with the various activities and human skills required to achieve the Company's goals. This includes the corresponding measurement period, performance assessments and monitoring as well as any adjustments required to the indicators thus defined.

Payment system: this is conditional on fulfilling the performance indicators set and obtaining the approval of the Appointment and Remuneration Committee. The remuneration framework is defined according to each level.

- Productivity bonus for sales personnel: this bonus is given every five years if and when the employee in question fulfills the minimum average sales commissions that appear on the following table:

Period of Service (in years)	% Bonus	Average Minimum (basic monthly wages)
5	45%	9
10	45%	12
15	45%	14
20	45%	16
25	45%	18
30	45%	21
35 and every additional five-year period	45%	24

- Severance payments and corresponding interest payable on the part of the Company: this corresponds to the severance payments together with the interest accruing, which the Company owes to all those employees and sales and customer care staff covered under the previous employment regime (Law 50, 1990).

The following are the long-term benefits offered by Grupo SURA:

	2015	2014	January 1,2014
Seniority bonus	6,200	5,840	4,792
Performance bonus	20,660	14,802	6,957
Retroactive severance payments	6,225	4,736	4,599
Productivity bonus	769	316	278
	33,854	25,694	16,626

The movements recorded in Grupo SURA's long-term employee benefit account are shown as follows:

	Bonus bank	Retroactive severance payments	Seniority bonus	Productivity bonus	Total
Present value of obligations on January 1,2014	6.957	4.599	4.792	278	16.626
Re-measurements	4,504	152	2,510	(4)	7,162
Financial assumptions	(36)	(15)	(36)	(1)	(88)
Plan-based payments	(70)	-	(1,426)	43	(1,453)
Upcoming payments	3,447	-	-	-	3,447
Present value of obligations at December 31, 2014	14,802	4,736	5,840	316	25,694
Re-measurements	10,084	1,523	2,050	529	14,187
Financial assumptions	(147)	(34)	(415)	(14)	(610)
Plan-based payments	(3,543)	-	(1,283)	(62)	(4,888)
Upcoming payments	(528)	-	-	-	(528)
Present value of obligations at December 31, 2015	20,668	6,225	6,192	769	33,854

The main actuarial assumptions used to determine liabilities corresponding to defined long-term benefit plans are as follows:

	Bonus bank			Seniority bonus			Retroactive severance payments			Productivity bonus		
	2015	2014	January 1,2014	2015	2014	January 1,2014	2015	2014	January 1,2014	2015	2014	January 1,2014
Discount rate (%)	10-year CeC* rate in pesos: 8.7%	10-year CeC* rate in pesos: 6.9%	10-year CeC* rate in pesos: 6.8%	10-year CeC* rate in pesos: 8.7%	10-year CeC* rate in pesos: 6.9%	10-year CeC* rate in pesos: 6.8%	10-year CeC* rate in pesos: 8.7%	10-year CeC* rate in pesos: 6.9%	10-year CeC* rate in pesos: 6.8%	10-year CeC* rate in pesos: 8.7%	10-year CeC* rate in pesos: 6.9%	10-year CeC* rate in pesos: 6.8%
Annual salary increase (%)	---	---	---	5%	5%	5%	---	---	---	---	---	---
Annual inflation rate (%)	3%	4%	3%	3%	4%	3%	3%	4%	3%	3%	4%	3%
Survival tables	Own turnover table	Own turnover table	Own turnover table	Own turnover table	Own turnover table	Own turnover table	Own turnover table	Own turnover table	Own turnover table	Own turnover table	Own turnover table	Own turnover table

* Zero Cupon Pesos Curve

The following table shows the sensitivity of 1% changes to the discount and inflation rates regarding the benefits corresponding to the bonus bank and seniority bonus; plus a 1% wage increase on seniority bonuses and retroactive severance payments:

	Bonus bank				Retroactive severance payments				Seniority bonus				Productivity bonus			
	Discount rate		Inflation rate		Discount rate		Salary increase		Discount rate		Salary increase		Discount rate		Inflation rate	
	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease
Value of the obligation	17,563	17,939	17,881	17,228	5,288	5,349	5,349	5,287	5,942	6,468	6,446	5,959	748	791	811	732

21.3. Post-employment benefits

The following table contains the post-employment benefits provided by Grupo de Inversiones Suramericana:

- Retirement bonus: corresponding to a lump sum which the Company provides members of its senior management when they retire.

- Retirement pensions: this payment is awarded to all those employees who reach retirement age and is directly paid by the Company.

The following are the post-employment benefits offered by Grupo SURA:

	2015	2014	January 1,2014
Retirement bonus	42,943	37,065	32,119
Retirement pensions	15,774	16,563	17,635
	58,717	53,628	49,754

21.3.1 Defined benefit plans

The following table shows the movements corresponding to Grupo Sura's post-employment benefits:

	Retirement bonus	Retirement pension	Total
Value of the obligation at January 1,2014	32,119	17,635	49,754
Present cost of service	1,277	-	1,277
Interest income (expense)	1,952	980	2,932
Re-measurements	269	-	269
Actuarial gains or losses due to changes in: Financial assumptions	(2,235)	(217)	(2,452)
Actuarial gains or losses due to changes in: Actuarial assumptions (Note 27.2)	(190)	-	(190)
Past cost of service	3,974	-	3,974
Plan-based payments	(101)	(1,835)	(1,936)
Value of the obligation at December 31, 2014	37,065	16,563	53,628
Present cost of service	1,379	-	1,379
Interest income (expense)	2,422	918	3,340
Re-measurements	1,694	-	1,694
Actuarial gains or losses due to changes in: Financial assumptions	(564)	230	(334)
Actuarial gains or losses due to changes in: Actuarial assumptions (Note 27.2)	(544)	-	(544)
Past cost of service	1,609	-	1,609
Plan-based payments	(117)	(1,938)	(2,055)
Value of the obligation at December 31, 2015	42,944	15,773	58,717

The main actuarial assumptions used to determine liabilities corresponding to defined benefit plans are as follows:

	Senior Management retirement bonus			Retirement pension		
	2015	2014	January 1,2014	2015	2014	January 01, 2014
Discount rate (%)	10-year CeC rate in pesos: 8.7%	10-year CeC rate in pesos: 6.9%	10-year CeC rate in pesos: 6.8%	7.79%	6.28%	6.20%
Annual salary increase (%)	---	---	---	3.50%	2.41%	2.99%
Annual inflation rate (%)	3.00%	4%	3%	3.50%	2.41%	2.99%
Survival tables	Own turnover table	Own turnover table	Own turnover table	RV08	RV08	RV08

The following table shows the effect of 1% change in the inflation rate, a 1% change in the discount rate and a 1% increase in the future pension rate:

	Senior Management retirement bonus				Retirement pension			
	Discount rate		Inflation rate		Discount rate		Inflation rate	
	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease	+1 Increase	- 1 Decrease
Post-employment Benefit	42,698	43,194	20,581	20,408	15,698	15,850	15,812	15,736
Change due to variable sensitivity (*)	240	(250)	22,363	22,535	75	(77)	(39)	37

(*) The effect of the variation is the result of a higher or lower value of the obligations and its counterpart in other comprehensive results (if the sensitivity is measured on actuarial variables) or the income statement (for the other variables).

21.3.2 Defined contribution plans

Grupo Sura's defined contribution plans were recognized in the income statement for 2015 as an expense amounting to COP 33,311 million (2014: COP 30,614 million).

21.4. Employee benefit expense

The following table shows a breakdown of the expense incurred related to employee benefits for the years 2015 and 2014:

	2015	2014
Salaries and wages	421,598	345,108
Commissions	177,449	156,810
Bonuses	142,762	132,036
Other employee benefits	105,385	91,460
Integrated salary	84,996	77,319
Legal bonuses	54,443	40,849

Pension contributions	33,311	30,614
Vacation bonus	28,871	23,659
Health care contributions	25,623	21,800
Contributions to family welfare and apprentice institutes	23,988	19,822
Indemnities	22,545	21,062
Severance payments	19,822	16,048
Vacation bonuses	19,389	17,008
Extra-legal bonus	14,679	11,906
Personnel training	13,375	11,345
Meal subsidies	7,928	6,823
Severance payments - agents	7,166	5,658
Employee profit-sharing plans	7,026	7,219
Other employee benefit expense	17,589	14,175
	1,227,944	**1,050,722**

NOTE 22. OTHER NON-FINANCIAL LIABILITIES

The Other Non-Financial Liability account is broken down as follows:

	2015	2014	January 1,2014
Deferred income liabilities (DIL) (2)	173,057	142,009	107,076
Commissions (1)	150,736	139,625	120,714
Others	46,078	19,877	18,542
Surpluses from premiums	17,777	11,414	12,949
Insurance premium deposits	7,616	1,406	-
	395,264	**314,331**	**259,281**

(1) The commission costs thus recorded correspond to obligations owing to insurance brokers

(2)Since Mandatory Pension Savings entail certain administrative costs, even when no management fees are received, a provision for deferred income (DIL) is established due to the fact that the Company is entiteled to the corresponding fee

The purpose of DIL is to be able to defer income received from fund members in all those periods in which fund members become non-contributors or pensioners who by law cannot be charged for the management of their funds and/or pension payments because when fund members become non-contributors they do not generate any income to meet the costs. So, this provision remains in place while the company collects the corresponding amounts and is released as future costs are incurred.

Methodology for Calculating DIL

This provision is calculated at least every quarter, in the currency in which the Company's collections and obligations are denominated. In the case of all those subsidiaries in which the provision is calculated on an inflation-indexed unit of account, said provision is re-stated in the country´s legal Currency using the applicable exchange rate between the currency in question and the inflation-index unit rate on the closing date of the balance sheet or at the end of each month.

This provision is calculated on the basis of the estimated cost of non-contributing fund members as well as members who have already been pensioned off and who cannot be charged for the management of their funds and/or the pension payment, discounted using the AAA rated corporate bond rate with no prepayment option.

The following table contains the movements recorded in the DIL account:

	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Total
Balance at January 1,2014	60,543	46,533	107,076
Provision set up	141,018	1,182	142,200
Amortization (Note 30.1)	(114,676)	(236)	(114,912)
Translation differences	2,440	5,205	7,645
Balance at December 31, 2014	89,325	52,684	142,009
Provision set up	174,689	54	174,743
Amortizations	(152,872)	(2,937)	(155,809)
Translation differences	5,414	6,701	12,115
Balance at December 31, 2015	116,556	56,501	173,057

NOTE 23. PROVISIONS AND CONTINGENT LIABILITIES

23.1. Provisions

The following table shows the current and non-current provisions set up by Grupo SURA:

	Lawsuits	Others	Total
Current	-	14,620	14,620
Non-current	75,342	27,802	103,144
Carrying value at December 31, 2014	75,342	42,422	117,765
Current	-	15,043	15,043
Non-current	21,555	41,805	63,360
Carrying value at December 31, 2015	21,555	56,848	78,403

The following is a reconciliation of the provisions set up on lawsuits and litigations brought or defended by Grupo SURA on the reporting date:

Provisions for litigation and lawsuit expense	Chile	Mexico	Uruguay	Colombia	Total
Balance at January 1,2014	-	-	-	74.573	74.573
New provisions and additions	38	2,318	-	4,172	6,529
Amounts used	-	-	-	(5,453)	(5,453)
Translation differences	-	(239)	-	(67)	(307)
Closing balance - December 31, 2014	38	2,079	-	73,225	75,342
New provisions and additions	-	8,239	63	1,769	10,071
Amounts used	(50)	-	-	(72,620)	(72,670)
Translation differences	12	(444)	(6)	9,251	8,812
Closing balance - December 31, 2015	-	9,874	57	11,625	21,555

Grupo SURA's general provisions on the reporting date are shown below:

Other general provisions	Chile	Mexico	Peru	Uruguay	El Salvador	Colombia	Total
Balance at January 1,2014	6,881	2,414	4,480	2,863	-	18,919	35,557
New provisions and additions	-	-	-	2,634	2	8,467	11,103
Amounts used	(38)	(2,318)	(5,362)	-	-	(2,416)	(10,134)
Translation differences	1,060	514	1,073	417	-	2,833	5,896
Closing balance - December 31, 2014	7,902	610	191	5,914	2	27,802	42,422
New provisions and additions	-	3,187	88	13,760	-	14,503	31,538
Amounts used	(4,422)	-	-	(14,119)	-	(206)	(18,747)
Translation differences	1,401	(197)	20	441	1	(31)	1,634
Closing balance - December 31, 2015	4,882	3,600	299	5,997	3	42,068	56,848

In December 2015, Sura Asset Management S.A. analyzed the feasibility of a bank guarantee set up in 2013 (recorded in 2014 for a value of COP 62,144 million, USD 25,975) in favor of Protección for the purpose of covering any obligations arising for said Company, regarding the shares that ING Colombia previously held in the now defunct stock brokerage firm, Interbolsa S.A., which was officially placed under the administration of the Colombian Superintendency of Finance. When ING Colombia subsequently merged with Protección, the latter received said shares. Also, the applicability of this contingency, as recorded in books, was also assessed given the likelihood of having to repay Protección´s fund members at a later stage for the loss of funds corresponding to the stake held in Interbolsa S.A.

In the light of this analysis and together with the confirmations received from the lawyers in charge of the case, the Company concluded that the probability of having to pay out compensation to Proteccion's fund members was low and therefore the provision was reversed and the corresponding bank guarantee was canceled in full.

Provisions for lawsuit and litigation expense set up by SURA Asset Management S.A. **in** México mainly correspond to SAR (Retirement Savings System) lawsuits for COP 4,548 million (USD 1,444) and labor lawsuits amounting to another COP 4,793 million (USD 1,522). The Other Provisions account contains the CONSAR Santander fines, among other similar items.

In Uruguay, SURA Asset Management S.A. has also set up other general provisions to cover miscellaneous expenditures that had not been invoiced at year-end.

In the case of Chile, other general provisions correspond mainly to surrendered lapsed policies in the amount of COP 4,793 million (USD 1,484).

23.2. Financial liabilities

- On November 27, 2014, the Company was notified of Resolution No. 230-005278 issued by the Colombian Superintendency of Companies, imposing a fine of COP 886 million for the late filing of a Colombian Replacement Investment Abroad, as part of the restructuring which took place in 2011. The Company decided to challenge this fine and filed the corresponding appeal, in response to which the Colombian Superintendency of Companies issued Resolution No.0301002903 notifying that said fine was reduced to COP 93 million, which was promptly paid on September 29, 2015.

- On March 12, 2015, the Company was notified of certain special requirements issued by the Colombian Tax Authorities (DIAN), relating to the Company's income tax returns for the fiscal years of 2009, 2010, 2011, 2012, 2013, consisting of amending the Company´s own tax settlements drawn up for said years. The Company filed a response to these requirements alongside corrections of the income statements discussed above, paying a total of COP 6.674 million as a penalty for inaccuracy within the legal terms prescribed for such, and this is currently going through the corresponding administrative channels, as stipulated by current legislation.

  The Company's legal advisors, based on their analysis of the case, have concluded that the probability of obtaining an adverse ruling is remote.

- On July 6, 2015, a notice was published in the Official Gazette by which the investigating authority of the Federal Competition Commission (COFECE, for its name in Spanish) in Mexico reported the launch of an official investigation regarding possible monopolistic practices in the Mexican pension fund management sector.

  On the date on which these financial statements were issued, COFECE had neither completed its investigation nor announced any initial findings with such.

- The Group must also set up a guarantee in favor of the Peruvian Banking, Insurance and Pension Fund Superintendency by means of a joint, unconditional, irrevocable and automatically enforceable letter of guarantee from any reputable local or foreign bank at the beginning of each calendar quarter for an amount no less than 0.5 per cent of the value of each fund, less the value of the reserve requirement as calculated on the last day of the previous quarter and for a term of at least 95 calendar days. At year-end 2015 and 2014, these bank guarantee letters totaled COP 262,165 million (USD 83,241) and COP 190,540 million USD 79,642, respectively.

- Grupo de Inversiones Suramericana considers a legal contingency as being all those legal proceedings for which the probable of a favorable outcome has been set at medium to low by the Company's legal advisors. Legal contingencies at December 31, 2015 came to a total value of COP 48,715 million.

NOTE 24. ISSUES OF SECURITIES

Below is a breakdown of the securities issued by Grupo SURA:

	2015	2014	January 1,2014
Bonds outstanding (1)	3,428,724	2,817,661	820,035
Preferred shares (2)	208,780	204,567	305,971
	3,637,504	3,022,228	1,126,006

(1) Bonds outstanding:

- In April 2014, SURA Asset Management, through its subsidiary, Sura Asset Management Finance B.V., placed an issue of bonds worth USD 500 million at a fixed, 10-year rate of 4.875% (T+230 bp) obtaining bids for 8.6 times the amount offered.

- On May 7, 2014, Grupo de Inversiones Suramericana S.A. issued on the local bond markets a total of COP 650,000 in ordinary bonds divided into four tranches, the first three earning CPI-indexed coupon rates payable every quarter and the fourth earning an IBR-indexed coupon rate payable on a monthly basis.
    - a 5-year tranche for a total value of COP 103,278 bearing an interest rate equal to the CPI+ +3.24%;
    - a 9-year tranche totaling COP 223,361 bearing an interest rate equal to the CPI + +3.08%;
    - a 16-year tranche for a total value of COP 100,000 bearing an interest rate equal to the CPI+ 4.15%; and
    - A 2-year tranche for a total value of COP 223,361 bearing an IBR-indexed interest rate + 1.20%.

- On May 11, 2011, our subsidiary, Grupo SURA Finance placed on the international capital markets an issue of ordinary bonds worth USD 300 million, or COP 578,049 million, for a term of ten years. This issue was guaranteed in its entirety by Grupo de Inversiones Suramericana S.A, in its capacity as Parent Company.

- On November 25, 2009, Grupo de Inversiones Suramericana S.A. issued on the local bond market a total of COP 250,000 in ordinary bonds divided into three tranches all earning CPI-indexed coupon rates payable on a quarterly basis:
    - a 10-year tranche for a total value of COP 54,500 bearing an interest rate equal to the CPI+ +4.40%;
    - a 20-year tranche totaling COP 98,000 bearing an interest rate equal to the CPI + +5.90%; and
    - a 40-year tranche in the amount of COP 97,500 bearing an interest rate equal to the CPI + +6.98%.

(2) Preferred shares

On 29 November 2011, Grupo SURA placed an issue of 106,334,963 preferred shares worth COP 32,500; as of the corresponding date of issue and for a period of three years thereafter, a quarterly dividend of 3% Effective Annual Rate (“E.A.R”) was paid on the value of said issue. As of 2015, a quarterly dividend of 0.5% E.A.R. had been paid on the issue´s total value.

Movements in the Company's debt securities at year-end 2015 and 2014 are as follows:

	Bonds	Preferred shares	Total
Balance at January 1,2014	820,035	305,971	1,126,006
New issues	1,849,713	-	1,849,713
Interest payments	(40,911)	(122,396)	(163,307)
Recognized interest	26,763	20,992	47,755
Exchange differences	162,060	-	162,060
Balance at December 31, 2014	2,817,660	204,567	3,022,227
Interest payments	(49,337)	(12,960)	(62,297)
Recognized interest	17,613	17,173	34,786
Exchange differences	642,788	-	642,788
Balance at December 31, 2015	3,428,724	208,780	3,637,504

NOTE 25. SHAREHOLDERS´ EQUITY

25.1. Issued capital

The Company's authorized capital consists of 600,000,000 shares each with a nominal value of COP 187.50. It's subscribed and paid-capital at year-end 2015 and 2014, respectively consisted of 575,372,223 shares.

	2015	2014	January 1,2014
Authorized share capital	600,000,000	600,000,000	600,000,000

Subscribed and paid-in capital			
Ordinary shares at a nominal value of COP 187.50.	469,037,260	469,037,260	469,037,260
Non-voting, preferred shares at a nominal value of COP 187.50.	106,334,963	106,334,963	106,334,963
Total shares	575,372,223	575,372,223	575,372,223

25.2. Reserves

The reserves held by Grupo SURA are shown as follows:

	2015	2014	January 1,2014
Statutory [1]	138,795	138,795	138,795
Occasional [2]	4,463,664	4,039,071	3,517,275
Total share capital	4,602,459	4,177,866	3,656,070

(1) Statutory Reserve

According to that provided by law, the Company must set up a statutory reserve, appropriating 10% of each year's net profits until 50% of the value of the Company's subscribed capital is reached. This reserve may be reduced to less than 50% of the total value of its subscribed capital, providing it is used to wipe out losses that exceed the amount of undistributed profits. This reserve may not be used to either pay dividends or cover expense or losses incurred during the entire time the Company remains in possession of undistributed profits.

(2) Occasional reserves

Should the Company's shareholders so decide at their annual general meeting, this reserve may be increased beyond fifty per cent (50%) of the Company's subscribed capital, in which case this may be used for any purpose that the Company's shareholders should so determine.

25.3. Share premium

The balance of the share premium account is broken down as follows:

Initial balance	3,769,548
Value of liability upon initial recognition of preferred shares	(436,661)
Share issue costs (proportional to stated capital)	(37,647)
Share premium - tax benefit	12,423
Balance of share premium.	3,307,663

Approach used to measure preferred dividends:

Projecting the value of quarterly dividends

- The dividend paid in April 2012 came to COP 325 per share, corresponding to the payment due on December 2011 (1 month at COP 81 per share) and the first quarter of 2012 (COP 244 per quarter per share).
- In 2014 a quarterly dividend was paid equal to a 3% Effective Annual Rate ("E.A.R.") on the price of the issue.
- Since 2015, a quarterly dividend equal to a 0.5% E.A.R. has been paid on the value of this issue.
- In the specific case of January 2015, the Company paid the value corresponding to two months of the quarterly dividend at a 3% E.A.R + a one-month dividend at a 0.5% E.A.R.

Discounting flows

In order to discount the flows of projected quarterly dividends, Grupo SURA used the CPI AAA curve (over 41 years) curve obtained from PIP Latam.

Perpetuity is assumed as of year 41 at a rate of 8.97% (based on the CPI AAA curve). No growth (gradient = 0) is assumed.

The result of this exercise is the sum of the present value of cash flows (quarterly dividends paid) until the year 41 plus the value of the perpetuity.

NOTE 26. DIVIDENDS, DECLARED AND PAID

The following table contains a breakdown of the Company´s list of shareholders structure at December 31 2015, based on the data recorded in the stock ledger:

	2015		2014		January 1,2014	
Shareholder	No. shares	% Stake	No. shares	% Stake	No. shares	% Stake
Grupo Argos S.A.	137,014,853	23.81%	140,018,149	24.34%	145,839,723	25.35%
Grupo Nutresa S.A.	59,387,803	10.32%	59,387,803	10.32%	59,387,803	10.32%
Fondo de Pensiones Obligatorias Colfondos Moderado	53,227,316	9.25%	58,230,450	10.12%	36,867,557	6.41%
Fondo de Pensiones Obligatorias Colfondos Moderado	46,833,308	8.14%	46,481,461	8.08%	46,715,922	8.12%
Cementos Argos S.A.	28,183,262	4.90%	28,183,262	4.90%	28,183,262	4.90%
Oppenheimer Developing Markets Fund	17,689,539	3.07%	14,733,486	2.56%	-	0.00%
Fondo de Pensiones Obligatorias Colfondos Moderado	16,376,238	2.85%	17,710,846	3.08%	18,085,843	3.14%
Harbor International Fund	16,186,666	2.81%	-	0.00%	-	0.00%
Colombiana de Comercio S.A. Corbeta y/o Alkosto S.A.	9,178,289	1.60%	9,178,289	1.60%	9,451,033	1.64%
Old Mutual Fondo de Pensiones Obligatorias Moderado	6,822,853	1.19%	-	0.00%	-	0.00%
Fondo Bursatil Ishares Colcap	6,401,500	1.11%	9,466,074	1.65%	10,259,312	1.78%
Vanguard Emerging Markets Stock Index Fund	5,752,182	1.00%	6,285,153	1.09%	6,045,701	1.05%
Other shareholders with stakes of less than 1%	172,318,414	29.95%	171,073,265	29.73%	167,087,125	29.04%
Celsia S.A. E.S.P.	-	0.00%	8,341,163	1.45%	10,424,971	1.81%
Fondo de Pensiones Obligatorias Skandia S.A.	-	0.00%	6,282,822	1.09%	6,849,945	1.19%
Fondo de Pensiones Horizonte	-	0.00%	-	0.00%	22,929,152	3.99%
UBS AG London Branch	-	0.00%	-	0.00%	7,244,874	1.26%
Total shares outstanding	575,372,223	100.00%	575,372,223	100.00%	575,372,223	100.00%
Subscribed and paid-in capital	575,372,223		575,372,223		575,372,223	
Nominal share value:	187.50		187.50		187.50	

The following table contains the dividends paid and declared at the cut-off date of the separate financial statements:

	Grupo Sura	Others [1]	Total
At January 1,2014	**92.816**	**666**	**93.482**
Ordinary dividends	182,925	-	182,925
Preferred dividends	72,574	-	72,574
Payments on ordinary shares	(176,995)	-	(176,995)
Payments on preferred shares	(103,677)	-	(103,677)
Taxes / others	(19)	(394)	(413)
At December 31, 2014	**67.624**	**272**	**67.896**
Ordinary dividends	197,934	-	197,934
Preferred dividends	44,873	-	44,873
Payments on ordinary shares	(194,056)	-	(194,056)
Payments on preferred shares	(54,390)	-	(54,390)
Taxes / others	(6)	258	252
At December 31, 2015	**61,979**	**530**	**62,509**

(1) Corresponding to dividends payable to minority shareholders of subsidiaries other than those belonging to Grupo de Inversiones Suramericana.

NOTE 27. COMPREHENSIVE INCOME

The following is a breakdown of the comprehensive income account:

	Note	2015	2014	January 1,2014
Asset revaluations	27.1	34,457	27,660	2,325
Actuarial gains (losses) (post-employment benefits)	27.2	961	190	-
Financial instruments at fair value with changes to other comprehensive income	27.3	-197	319	(8,622)
Translation differences	27.4	1,041,143	566,803	(51)
Cash flow hedges	27.5	(2,980)	-	-
Hedges for net investments abroad	27.6	(11,114)	-	-
Equity method applied to associates	16.2	1,351,171	428,317	5,963
		2,413,441	**1,023,290**	**(386)**

27.1. Component: property, plant and equipment using the revaluation approach

The component corresponding to other comprehensive income from property, plant and equipment measured using the revaluation approach represents the cumulative value of gains or losses at fair value less the amounts transferred to accumulated net income and those used in applying impairment tests or recording losses in value. Changes to their fair values are not reclassified to profit or loss for the period.

Carrying value at January 1,2014	2,325
Net revaluation gains or losses on property, plant and equipment (See Note 14)	11,194
Translation effect	13,408
Deferred tax	733
Carrying value at December 31, 2014	27,660
Net revaluation gains or losses on property, plant and equipment (See Note 14)	(33,954)
Translation effect	43,243
Deferred tax	(2,492)
Carrying value at December 31, 2015	34,457

27.2. Component: remeasurements of defined benefit plans

The component corresponding to remeasurements of defined benefit plans represents the cumulative value of actuarial gains or losses. The net value of these remeasurements are transferred to accrued earnings and not reclassified to the income statement for the period.

Carrying value at January 1,2014	-
Net gains or losses on remeasurements of defined benefit plans (see Note 21.3.1)	190
Carrying value at December 31, 2014	190
Net gains or losses on remeasurements of defined benefit plans (see Note 21.3.1)	544
Deferred tax	227
Carrying value at December 31, 2015	961

27.3. Component: equity investments measures at fair value through equity

The component corresponding to other comprehensive income from equity investments measured at fair value through profit or loss represents the cumulative value of gains or losses at fair value less the amounts transferred to the accumulated earnings when these investments are finally sold. Changes in the fair value of equity investments are not reclassified to profit or loss for the period, including the portion corresponding to Grupo SURA with regard to the investments made in its subsidiaries.

Carrying value at January 1,2014	(8,622)
Net gains or losses resulting from changes in the fair value of equity investments (See Note 8.1.1.)	8,998
Deferred tax	(57)
Carrying value at December 31, 2014	319
Net gains or losses resulting from changes in the fair value of equity investments (See Note 8.1.1.)	8,998
Deferred tax	(5)
Carrying value at December 31, 2015	(197)

27.4. Component: translation gains or losses on foreign operations

The component corresponding to translation differences represents the cumulative value of exchange differences obtained from converting the earnings and net assets from foreign operations as well as any gains or losses obtained from hedging arrangements on net investments abroad into Grupo SURA's reporting currency. The cumulative translation differences are reclassified [as] profit and loss for the period, either partially or totally, when obtained by the foreign operation, including the portion corresponding to Grupo SURA with regard to the investments made in its associates and joint ventures.

Carrying value at January 1,2014	(51)
Gains or losses on translation differences	566,854
Carrying value at December 31, 2014	566.803
Gains or losses on translation differences	474,340
Carrying value at December 31, 2015	1,041,143

27.5. Component: cash flow hedges

The component corresponding to other comprehensive income from cash flow hedges represents the cumulative value of the effective portion of gains or losses from changes to the fair value of the hedged items, as part of a cash flow hedging arrangement. The cumulative value of these gains or losses are reclassified to profit and loss for the period, if and when the hedged transaction affects the income statement for the period, or when the highly probable transaction is no longer expected to occur, or when this is included, as a portion of its carrying value, in a non-financial hedged item. (See Note 12.3.1 for more information regarding hedging arrangements)

27.6. Component: hedges of net investments abroad

The component of other comprehensive income includes the portion of the gain or loss of the hedging instrument that is determined as being the hedge. (See Note 12.3.2 for more information regarding hedging arrangements).

27.7. Component Equity movements with investments in associates

This component consists of equity changes to investments in associates upon applying the equity method. (For more information, see Note 16.2.3. Movements with Investments in Associates

NOTE 28. NON-CONTROLLING INTEREST

Non-controlling interest corresponds to minority interest on the part of third parties in investments held in the following companies:

2015	% non-controlling interest	Minority equity	Minority profits
Habitat Adulto Mayor S.A.	26.77%	5,435	222
Sura Asset Management S.A.	28.60%	2,541,314	139,298
Seguros SURA Perú S.A.	30.71%	157,224	15,718
AFP Capital S.A.	0.29%	8,352	719
Hipotecaria SURA Empresa Administradora Hipotecaria EAH S.A.	30.00%	4,157	(886)
AFP Integra S.A.	0.00%	10	-

Planeco Panamá S.A.	4.72%	(627)	(384)
Asesuisa Vida, S.A. Seguros de Personas	0.00%	3	0
Aseguradora Suiza Salvadoreña S.A. Asesuisa	2.89%	3,151	475
Seguros Sura S.A. (República Dominicana)	0.01%	3	(0)
Suramericana S.A.	18.87%	502,251	64,688
		3,221,272	**219,850**

2014	% non-controlling interest	Minority equity	Minority profits
Habitat Adulto Mayor S.A.	28.71%	5,598	157
Sura Asset Management S.A.	32.94%	2,691,643	132,363
Seguros SURA Perú S.A.	30.71%	102,875	8,199
AFP Capital S.A.	0.35%	7,085	480
Hipotecaria SURA Empresa Administradora Hipotecaria EAH S.A.	30.00%	3,602	(972)
AFP Integra S.A.	0.00%	11	2
Planeco Panamá S.A.	4.72%	(461)	(288)
Asesuisa Vida, S.A. Seguros de Personas	0.00%	2	(1)
Aseguradora Suiza Salvadoreña S.A. Asesuisa	2.89%	1,978	(644)
Seguros Sura S.A. (República Dominicana)	0.01%	2	(0)
Suramericana S.A.	18.87%	442,634	71,542
		3,254,969	**210,837**

January 1,2014	% non-controlling interest	Minority equity
Habitat Adulto Mayor S.A.	31.39%	5,951
Sura Asset Management S.A.	32.94%	2,455,755
Seguros SURA Perú S.A.	30.71%	103,594
AFP Capital S.A.	0.35%	8,865
Hipotecaria SURA Empresa Administradora Hipotecaria EAH S.A.	0.02%	4
AFP Integra S.A.	0.00%	21
Planeco Panamá S.A.	4.72%	-94
Asesuisa Vida, S.A. Seguros de Personas	0.00%	2
Aseguradora Suiza Salvadoreña S.A. Asesuisa	2.97%	2,275
Seguros Sura S.A. (República Dominicana)	0.01%	2
Seguros Suramericana Panamá S.A.	5.82%	1,320
Suramericana S.A.	18.87%	377,771
		2,955,467

The following table shows non-controlling interest in relation to shareholders´ equity:

Accounts	2015	2014	January 1,2014
Share capital	5,215	5,034	6,799
Reserves	223,188	86,637	(103,699)
Other comprehensive income	436,944	281,657	1,083
Net Income	219,850	210,837	
Accumulated gains (losses)	2,336,075	2,670,804	3,051,284
	3,221,272	3,254,969	2,955,467

NOTE 29. OPERATING SEGMENTS

29.1. Segment reporting

For management purposes, Grupo SURA is organized into business units based on the services they provide. These business units are divided into the following five reporting segments:

1. Insurance: Including all those companies that insure against risk and that are responsible for guaranteeing or paying out indemnities for all or part of the damages sustained when certain adverse situations arise.

1.1. Life: Insurance companies that insure against personal risk.

1.2. Non-life: Insurance companies that insure against all types of risk, other than personal risk.

2. Fund management:

2.1. Mandatory pensions: The main business activity of this sub-segment is to collect and manage the amounts employees pay into their individual mandatory retirement savings accounts as well as managing and paying all those benefits required by the local pension systems.

2.2. Voluntary savings: The main business activity of this sub-segment is providing voluntary pensions, life annuities and other savings products.

3. Corporate: This segment contains holding companies whose main business purpose is to acquire different investment vehicles. Other services are reported that are not directly related to Grupo SURA´s core business, but nevertheless complement the range of services provided.

4. Services:

4.1. Outsourcing: Including all companies that provide their services and sell products and services in the areas of telecommunications and information processing.

4.2. Health care: Including all companies dedicated to providing mandatory health care services as well as pre-paid health care and medical plans.

4.3. Others: other services are reported that are not directly related to Grupo SURA´s core business, but nevertheless complement the range of services provided.

The highest decision-making authority with regard to these operating segments are the chief financial officers of Grupo SURA and its subsidiaries, who are in charge of separately overseeing their operating results for the purpose of deciding on how to allocate resources and gauge overall segment performance.

Segment performance is evaluated based on the corresponding operating earnings or losses before tax and these are measured in a consistent fashion with the operating earnings and losses recorded on the consolidated financial statements.
The following table shows how these operating segments are divided up within the Organization:

	Corporate	Fund Management		Insurance		Services		
Entity		Mandatory Pensions	Voluntary Pensions	Life	Non-life	Health care	Outsourcing	Others
Grupo de Inversiones Suramericana S.A.	X							
Suramericana S.A.	X							
Seguros Generales Suramericana S.A.					X			
Seguros de Vida Suramericana S.A.				X				
Seguros de Riesgos Laborales Suramericana S.A.				X				
EPS y Medicina Prepagada Suramericana S.A.						X		
Consultoría en Gestión de Riesgos Suramericana S.A.S.								X
Servicios Generales Suramericana S.A.								X
Diagnóstico y Asistencia Médica S.A.						X		
Operaciones Generales Suramericana S.A.S.								X
Servicios de Salud IPS Suramericana S.A.						X		
Seguros Suramericana S.A. (Panama)					X			
Inversiones Sura Brasil S.A.S.	X							
Inversura Panamá Internacional S.A.	X							
Seguros Sura S.A.					X			
Servicios Generales Suramericana S.A. (Panamá)								X
Aseguradora Suiza Salvadoreña S.A. Asesuisa					X			
Asesuisa Vida, S.A. Seguros de Personas				X				
Inversiones y Construcciones Estratégicas S.A.S.	X							
Grupo Sura Finance S.A.	X							
Grupo de Inversiones Suramericana Panamá S.A.	X							
Planeco Panamá S.A.	X							
Integradora de Servicios Tercerizados S.A.S.	X							
Enlace Operativo S.A.							X	
Compuredes S.A.							X	
Habitat Adulto Mayor S,A,						X		
Sura Asset Management S.A.	X							
Activos Estratégicos Sura A.M. Colombia S.A.S.	X							
Sura Asset Management España, S.L.	X							
Grupo de Inversiones Suramericana Holanda B.V.	X							
Grupo Sura Latin American Holdings B.V.	X							
Grupo Sura Chile Holdings I, B.V.	X							

Suam Finance B.V	X				
Sura S.A.	X				
AFP Capital S.A.		X	X		
Administradora General de Fondos Sura S.A.			X		
Seguros de Vida Sura S.A.				X	
Corredores de Bolsa Sura S.A.			X		
Sura Data Chile S.A.	X				
Sura Chile S.A.	X				
Santa María Internacional S.A.	X				
Sura Asset Management México S.A. de C.V.	X				
Sura Art Corporation S.A. de C.V.	X				
Afore Sura S.A. de C.V.		X	X		
Sura Investment Management S.A. de C.V. (Mexico)			X		
Pensiones Sura S.A. de C.V.				X	
Asesores Sura S.A. de C.V.					X
Seguros de Vida Sura Mexico S.A. de C.V. (formerly Primero Seguros de Vida S.A. de C.V.)				X	
Promotora Sura AM S.A. de C.V.					X
SURA Asset Management Perú S.A.	X				
AFP Integra S.A.		X	X		
Fondos Sura Saf S.A.C.			X		
Seguros Sura S.A. (Formerly Invita)				X	
Hipotecaria Sura Empresa Administradora Hipotecaria S.A.					X
Sura Asset Management Uruguay Sociedad de Inversión S.A. (formerly Tublyr S.A.)	X				
AFAP Sura S.A.		X			
Ahorro Inversión Sura Administradora de Fondos de Inversión S.A.			X		
Disgely S.A.				X	
Agente de Valores Sura S.A.			X		
SUAM Corredora de Seguros S.A. de C.V.				X	
Sura Investment Management Colombia S.A.S	X				
Sociedad Agente de Bolsa S.A.	X				

29.2. Information regarding operating segments

Consolidated Income Statements at December 31, 2015 broken down by segment

2015	Corporate	Fund management		Insurance		Services			Eliminations	Total
		Mandatory Pensions	Voluntary Pensions	Life	Non-life	Health care	Outsourcing	Others		
Written premiums	-	-	-	6,193,196	2,321,944	-	-	-	(44,708)	8,470,432
Ceded premiums	-	-	-	(182,055)	(785,275)	-	-	-	29,345	(937,985)
Retained premiums (net)	-	-	-	6,011,141	1,536,669	-	-	-	(15,363)	7,532,447
Commission income	117	1,653,985	143,741	25,509	138,892	14	-	3,265	(2,255)	1,963,268
Revenues on services rendered	6	-	-	554	-	2,120,242	193,962	126,307	(487,796)	1,953,275
Dividends	51,697	-	-	10,505	1,113	1	-	7,490	-	70,806
Investment income	57,367	27,271	1,611	914,308	74,180	7,261	-	41,778	(50,615)	1,073,161
Gains (losses) at fair value	(34,584)	72,848	2,068	72,629	17,138	4,451	-	30	-	134,580
Gains (losses) via equity method – Associates	713,567	82,740	14,161	438	-	-	-	-	-	810,906
Gains (losses) on sale of investments	8,644	2,594	156	61,611	(312)	8	-	-	-	72,701
Income on investment property	3,633	288	-	65,226	16,485	1,500	-	1,702	(9,853)	78,981
Other revenues	70,664	10,644	1,383	26,299	31,781	56,144	1,603	5,192	(10,549)	193,161
Exchange difference (net)	(50,702)	13,780	562	112,156	(6,005)	(449)	715	64	1	70,122
Total revenues	820,409	1,864,150	163,682	7,300,376	1,809,941	2,189,172	196,280	185,828	(576,430)	13,953,408
Total claims	-	-	-	(2,830,011)	(1,082,075)	-	-	-	72,577	(3,839,509)
Reimbursed claims	-	-	-	138,570	299,654	-	-	-	(7,817)	430,407
Retained claims	-	-	-	(2,691,441)	(782,421)	-	-	-	64,760	(3,409,102)
Reserves, net	-	-	-	(2,408,216)	(91,556)	-	-	-	-	(2,499,772)
Costs of services rendered	(7)	-	-	(188,006)	-	(1,866,549)	(147,215)	(103,537)	322,137	(1,983,177)
Administrative expense	(156,731)	(140,564)	(30,864)	(359,873)	(204,077)	(159,526)	(10,075)	(33,166)	53,769	(1,041,107)
Employee benefits	(60,637)	(402,776)	(117,254)	(383,409)	(130,288)	(97,524)	(16,799)	(19,777)	520	(1,227,944)
Fees	(44,758)	(31,477)	(6,375)	(312,285)	(211,587)	(18,809)	(621)	(11,554)	80,452	(557,014)

Brokerage commissions	-	(8,375)	(12,986)	(316,708)	(221,667)	(4,543)	-	-	-	(564,279)
Amortizations	(120,558)	(145,318)	(7,993)	(10,198)	(5,723)	(206)	(1,348)	(72)	-	(291,416)
Depreciation	(8,640)	(16,009)	(2,267)	(7,512)	(8,028)	(6,392)	(6,291)	(662)	-	(55,801)
Other expense	(1,161)	(223)	3	(78,210)	(37,108)	(4,942)	57	(3,135)	(1)	(124,720)
Interest	(304,004)	(6,624)	(2,450)	(10,673)	(16,795)	(3,963)	(1,478)	(11,767)	52,106	(305,648)
Total expense	(696,496)	(751,366)	(180,186)	(6,766,531)	(1,709,250)	(2,162,454)	(183,770)	(183,670)	573,743	(12,059,980)
Earnings (losses) before tax	123,913	1,112,784	(16,504)	533,845	100,691	26,718	12,510	2,158	(2,687)	1,893,428
Income tax	(231,669)	(273,350)	14,399	(20,132)	(40,052)	(5,417)	(3,446)	(9,820)	-	(569,487)
Earnings (losses), net	(107,756)	839,434	(2,105)	513,713	60,639	21,301	9,064	(7,662)	(2,687)	1,323,941

Consolidated Income Statements at December 31, 2014 broken down by segment

2014	Corporate	Fund management		Insurance		Services			Eliminations	Total
		Mandatory Pensions	Voluntary	Life	Non-life	Health care	Outsourcing	Others		
Written premiums	-	-	-	4,914,630	1,870,519	-	-	-	(30,583)	6,754,566
Ceded premiums	-	-	-	(176,296)	(650,386)	-	-	-	17,866	(808,816)
Retained premiums (net)	-	-	-	4,738,334	1,220,133	-	-	-	(12,717)	5,945,750
Commission income	79	1,318,989	96,521	4,474	111,036	28	-	2,446	(1,700)	1,531,873
Revenues on services rendered	-	-	-	322	1	1,752,464	168,762	80,897	(392,781)	1,609,665
Dividends	9,736	30,116	4,530	6,156	1,300	1	-	8,562	-	60,401
Investment income	37,445	11,715	3,227	731,926	73,469	4,702	-	35,991	(38,035)	860,440
Gains (losses) at fair value	38,601	149,296	1,907	173,862	40,954	4,176	-	62	-	408,858
Gains (losses) via equity method - Associates	883,383	111,110	14,920	314	-	-	-	-	-	1,009,727
Gains (losses) on sale of investments	33,803	6,059	594	40,992	290	18	-	-	-	81,756
Income on investment property	3,528	-	-	52,121	8,025	1,166	-	1,678	(9,314)	57,204
Other income	5,027	7,293	1,594	28,869	18,100	47,893	1,590	3,799	(4,309)	109,856
Exchange difference (net)	(62,210)	18,142	(386)	70,894	(185)	(71)	376	3,211	-	29,771

Total revenues	**949,392**	**1,652,720**	**122,907**	**5,848,264**	**1,473,123**	**1,810,377**	**170,728**	**136,646**	**(458,856)**	**11,705,301**
Total claims	-	-	-	(2,399,892)	(814,093)	-	-	-	60,657	(3,153,328)
Reimbursed claims	-	-	-	126,285	187,190	-	-	-	(6,179)	307,296
Retained claims	**-**	**-**	**-**	**(2,273,607)**	**(626,903)**	**-**	**-**	**-**	**54,478**	**(2,846,032)**
Reserves, net	-	-	-	(1,653,879)	(43,547)	-	-	-	-	(1,697,426)
Costs of services rendered	-	-	-	(145,302)	-	(1,520,531)	(129,285)	(50,893)	278,075	(1,567,936)
Administrative expense	(58,087)	(115,914)	(20,903)	(315,188)	(181,747)	(137,868)	(9,671)	(25,185)	45,724	(818,839)
Employee benefits	(56,407)	(368,093)	(80,241)	(320,432)	(96,861)	(88,930)	(16,012)	(24,771)	1,024	(1,050,723)
Fees	(26,520)	(25,993)	(3,482)	(262,249)	(179,010)	(17,563)	(450)	(9,628)	39,204	(485,691)
Brokerage commissions	-	(6,793)	(10,737)	(251,624)	(183,145)	(5,115)	-	-	-	(457,414)
Amortizations	(112,768)	(84,709)	(4,313)	(6,101)	(4,865)	(17)	(1,223)	(2,433)	28	(216,401)
Depreciation	(6,068)	(11,673)	(1,657)	(6,252)	(7,165)	(5,434)	(5,575)	(686)	-	(44,510)
Other expense	(679)	(232)	(6)	(73,598)	(72,797)	(4,265)	174	1,924	-	(149,479)
Interest	(242,019)	(5,940)	(2,375)	(9,030)	(15,532)	(3,581)	(1,952)	(14,126)	39,468	(255,087)
Total expense	**(502,548)**	**(619,347)**	**(123,714)**	**(5,317,262)**	**(1,411,572)**	**(1,783,304)**	**(163,994)**	**(125,798)**	**458,001**	**(9,589,538)**
Earnings (losses) before tax	**446,844**	**1,033,373**	**(807)**	**531,002**	**61,551**	**27,073**	**6,734**	**10,848**	**(855)**	**2,115,763**
Income tax	(190,840)	(247,840)	13,943	(18,468)	(22,151)	(4,427)	(2,234)	(12,720)	-	(484,737)
Earnings (losses), net	**256,004**	**785,533**	**13,136**	**512,534**	**39,400**	**22,646**	**4,500**	**(1,872)**	**(855)**	**1,631,026**

Inter-segment revenues are eliminated in the consolidation and are shown in the column "adjustments and eliminations". All other adjustments and eliminations form part of the reconciliations described above.

29.3. Geographical information:

Grupo SURA reports on its investments in the following countries: Colombia, Chile, Curacao, El Salvador, Spain, Holland, the Cayman Islands, Luxembourg, Mexico, Panama, Peru, the Dominican Republic and Uruguay.

The following table shows revenues obtained on a country basis:

Year	Chile	Colombia	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Curacao	Total
2015	2,835,048	8,063,470	45	11	1,259,067	181,211	1,135,147	114,638	285,046	79,725	-	13,953,408
2014	1,941,084	7,361,809	3,768	17,754	1,046,412	141,456	856,348	81,492	197,275	57,864	41	11,705,303

The following table shows the distribution of assets on a country basis:

Year	Chile	Colombia	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Curacao	Total
2015	7,659,865	36,314,111	2,379	724	2,991,650	1,407,412	5,179,946	220,603	481,517	150,858	1,124,040	**55,533,106**
2014	5,390,625	33,989,308	1,288,459	7,158	2,427	961,321	4,156,813	160,703	285,976	158,445	806,607	**47,207,843**
January 1,2014	3,907,262	29,569,995	245,485	332,239	1,787,879	715,779	3,234,609	161,126	175,425	126,482	-	**40,256,281**

The following table shows net income on a country basis:

Year	Chile	Colombia	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Curacao	Total
2015	147,188	852,320	780	15,344	222,631	(68,414)	160,893	(6,677)	16,480	17,672	(34,278)	**1,323,941**
2014	286,100	983,027	(23,159)	(608)	245,313	(8,057)	215,745	(1,279)	(22,212)	23,355	(67,196)	**1,631,029**

29.4. Income statement by subholding company

The following table shows the income obtained by Grupo de Inversiones Suramericana by subholding company:

2015	Grupo Sura	Suramericana and subsidiaries	Sura Asset Management and subsidiaries	Integradora de Servicios tercerizados and subsidiaries	Others	Eliminations and adjustments	Total
Written premiums	-	5,884,032	2,588,154	-	-	(1,754)	8,470,432
Ceded premiums	-	(882,139)	(55,846)	-	-	-	(937,985)
Retained premiums (net)	**-**	**5,001,893**	**2,532,308**	**-**	**-**	**(1,754)**	**7,532,447**
Commission income	-	153,184	1,810,133	-	117	(165)	1,963,268
Services rendered	-	1,779,099	6	193,962	6,541	(26,333)	1,953,275
Dividends	347,739	15,465	3,661	-	31,870	(327,930)	70,806
Investment income	5,407	531,885	535,210	-	47,785	(47,127)	1,073,161
Gains (losses) at fair value	74,320	57,939	33,309	-	(30,989)	-	134,580
Gains (losses) via equity method - Associates	573,993	3,970	97,259	-	29,393	106,292	810,906
Gains (losses) on sale of investments	7,912	(589)	72,525	-	(7,147)	-	72,701
Income on investment property	-	13,268	62,114	-	3,673	(74)	78,981
Other income	280	102,893	88,636	1,605	40	(295)	193,161
Exchange difference (net)	(20,060)	20,326	69,196	715	(55)	1	70,122
Total income	**989,591**	**7,679,335**	**5,304,357**	**196,282**	**81,228**	**(297,386)**	**13,953,408**
Claims	-	(3,081,285)	(761,055)	-	-	2,831	(3,839,509)
Reimbursed claims							

	-	430,407	-	-	-	-	430,407
Retained claims	**-**	**(2,650,879)**	**(761,055)**	**-**	**-**	**2,831**	**(3,409,102)**
Adjustments to reserves	-	(322,050)	(2,177,723)	-	-	-	(2,499,773)
Cost of services rendered	-	(1,832,290)	-	(147,222)	(3,826)	161	(1,983,177)
Administrative expense	(29,246)	(694,913)	(329,522)	(10,087)	(1,931)	24,592	(1,041,107)
Employee benefits	(19,260)	(481,577)	(709,911)	(16,799)	(565)	169	(1,227,944)
Fees	(6,009)	(482,636)	(68,281)	(654)	(193)	760	(557,014)
Commissions	-	(503,147)	(61,132)	-	-	-	(564,279)
Amortizations	(75)	(9,798)	(279,057)	(2,461)	(25)	-	(291,416)
Depreciation	(380)	(18,201)	(24,728)	(6,291)	(6,200)	-	(55,801)
Other expense	-	(112,142)	(12,580)	57	(56)	-	(124,720)
Interest	(98,652)	(38,810)	(116,537)	(1,478)	(97,406)	47,235	(305,648)
Total expense	**(153,624)**	**(7,146,443)**	**(4,540,525)**	**(184,935)**	**(110,201)**	**75,748**	**(12,059,980)**
Earnings before tax	**835,968**	**532,893**	**763,832**	**11,347**	**(28,973)**	**(221,638)**	**1,893,428**
Income tax	(111,979)	(189,610)	(261,261)	(3,458)	(3,180)	-	(569,487)
Net Income	**723,988**	**343,283**	**502,572**	**7,889**	**(32,153)**	**(221,638)**	**1,323,941**

2014	Grupo Sura	Suramericana and subsidiaries	Sura Asset Management and subsidiaries	Integradora de Servicios tercerizados and subsidiaries	Others	Eliminations and adjustments	Total
Written premiums	-	5,048,009	1,708,500	-	-	(1,943)	6,754,566
Ceded premiums	-	(741,253)	(67,563)	-	-	-	(808,816)
Retained premiums (net)	**-**	**4,306,756**	**1,640,937**	**-**	**-**	**(1,943)**	**5,945,750**
Commission income	-	114,844	1,417,082	-	79	(131)	1,531,873
Services rendered	-	1,460,359	107	168,762	5,202	(24,765)	1,609,665
Dividends	324,495	14,919	35,754	-	10,361	(325,128)	60,401
Investment income	3,756	452,317	402,616	4	36,305	(34,558)	860,440
Gains (losses) at fair value	42,205	159,851	158,145	-	48,657	-	408,858
Gains (losses) via equity method - Associates	586,193	1,670	126,344	0	24,477	271,043	1,009,727
Gains (losses) on sale of investments	33,300	292	57,359	-	(9,195)	-	81,756
Income on investment property	-	2,421	51,291	-	3,565	(72)	57,204
Other income	186	88,797	19,490	1,613	261	(492)	109,855
Exchange difference (net)	5,501	4,697	20,111	376	(914)	-	29,771
Total income	**995,636**	**6,606,921**	**3,929,237**	**170,756**	**118,799**	**(116,046)**	**11,705,302**
Claims	-	(2,611,591)	(544,378)	-	-	2,642	(3,153,327)
Reimbursed claims	-	307,296	-	-	-	-	307,296
Retained claims	**-**	**(2,304,295)**	**(544,378)**	**-**	**-**	**2,642**	**(2,846,031)**

Adjustments to reserves	-	(264,393)	(1,433,033)	-	-	-	(1,697,426)
Cost of services rendered	-	(1,435,765)	-	(129,285)	(3,088)	202	(1,567,936)
Administrative expense	(22,366)	(597,261)	(207,505)	(9,675)	(4,771)	22,740	(818,839)
Employee benefits	(22,995)	(409,409)	(602,386)	(16,012)	(658)	737	(1,050,722)
Fees	(3,825)	(416,041)	(66,044)	(481)	(257)	956	(485,691)
Commissions	-	(430,821)	(26,593)	-	-	-	(457,414)
Amortizations	(75)	(8,385)	(205,505)	(2,434)	(31)	28	(216,402)
Depreciation	(478)	(15,862)	(18,193)	(5,575)	(4,401)	-	(44,509)
Other expense	(153)	(147,950)	(1,014)	174	(537)	-	(149,480)
Interest	(78,316)	(30,351)	(105,298)	(2,117)	(73,661)	34,655	(255,087)
Total expense	**(128,208)**	**(6,060,533)**	**(3,209,950)**	**(165,405)**	**(87,402)**	**61,961**	**(9,589,537)**
Earnings before tax	**867,428**	**546,388**	**719,287**	**5,351**	**31,396**	**(54,085)**	**2,115,765**
Income tax	(2,586)	(167,904)	(309,720)	(2,259)	(2,265)	-	(484,736)
Net Income	**864,842**	**378,484**	**409,566**	**3,092**	**29,131**	**(54,085)**	**1,631,029**

NOTE 30. COMMISSION INCOME AND EXPENSE

30.1. Commission income

Grupo SURA´s commission income is broken down as follows:

	2015	2014
Mandatory pension fund management commission	1,662,455	1,320,421
Voluntary pension fund management commissions	65,074	53,955
Reinsurance income (DIL) (Note 22)	155,809	114,912
Other income [1]	79,930	42,585
	1,963,268	**1,531,873**

(1) Including income from managing client portfolios and rebates received.

The increase in commission income was mainly due to SURA Asset Management having increased its AUM in both Mexico and Peru where commissions are calculated on the balance of said AUMs thereby producing higher commissions

Commission income is broken down on an individual company basis as follows:

2015	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Total
Mandatory pension fund management commissions	-	1,662,455	-	1,662,455
Voluntary pension fund management commissions	-	65,074	-	65,074
Reinsurance income	152,872	2,937	-	155,809
Other revenues	147	79,666	117	79,930
	153,019	**1,810,132**	**117**	**1,963,268**

2014	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Total
Mandatory pension fund management commissions	-	1,320,421	-	1,320,421
Voluntary pension fund management commissions	-	53,955	-	53,955
Reinsurance income	114,676	236	-	114,912
Other revenues	37	42,469	79	42,585
	114,713	**1,417,081**	**79**	**1,531,873**

Commission income for each country is shown as follows:

Year	Colombia	Chile	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
2015	121,512	601,993	763,134	11,374	378,684	18,666	1,824	66,082	**1,963,268**
2014	95,207	462,818	598,507	6,324	303,648	13,260	101	52,008	**1,531,873**

30.2. Commission expense

Brokerage commissions are broken down as follows:

2015	2015	2014
Mandatory insurance	14,092	9,785
Property, casualty and personal insurance	498,059	399,841
Social security insurance	50,256	46,571
Accepted co-insurance	1,871	1,216
Brokerage commission expense	564,279	457,414

Commission expense for each individual company is shown as follows:

2015	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Total
Mandatory insurance	14,092	-	14,092
Property, casualty and personal insurance	436,927	61,132	498,059
Social security insurance	50,256	-	50,256
Accepted co-insurance	1,871	-	1,871
Brokerage commission expense	503,147	61,132	564,279

2014	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Total
Mandatory insurance	9,785	-	9,785
Property, casualty and personal insurance	373,248	26,593	399,841
Social security insurance	46,571	-	46,571
Accepted co-insurance	1,216	-	1,216
Brokerage commission expense	430,821	26,593	457,414

Brokerage expense for each country is broken down as follows:

Year	Colombia	Peru	Chile	Mexico	Panama	Dominican Republic	El Salvador	Total
2015	396,417	17,799	32,849	10,484	26,228	27,863	52,640	564,279
2014	363,565	-	17,402	9,191	12,472	18,503	36,282	457,414

NOTE 31. SERVICES RENDERED

Income and expenses for services rendered corresponds mainly to EPS Sura and the outsourcing firms belonging to Integradora de Servicios Compartidos.

31.1. Income from services rendered

Grupo SURA´s income from services rendered is broken down as follows:

	2015	2014
Sales of machinery, office equipment and computer programs	35,425	21,875
Sales of spare parts, components and accessories	4,452	2,132
Telecommunications services	2,315	1,932
Maintenance and repairs	68,176	53,883
Data processing	51,754	47,208
Machinery and equipment leases	527	2,772
Wiring unit - related activities	16,219	21,783
Corporate consultancy services	524	747
Income from health care providers (EPS)	1,622,336	1,318,063
Income from heath care institutes (IPS)	58,583	49,029
Other community, social and personal services	55	5
Lab services	92,202	89,847
Others	705	389
	1,953,275	**1,609,665**

Grupo SURA´s income from services rendered on an individual company basis is broken down as follows:

2015	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Sales of machinery, office equipment and computer programs	-	-	35,425	-	35,425
Sales of spare parts, components and accessories	4,452	-	-	-	4,452
Telecommunications services	2,315	-	-	-	2,315
Maintenance and repairs	4,392	-	63,784	-	68,176
Data processing	-	-	51,754	-	51,754
Machinery and equipment leases	-	-	527	-	527
Wiring unit - related activities	-	-	16,219	-	16,219
Corporate consultancy services	524	-	-	-	524
Income from health care providers (EPS)	1,622,336	-	-	-	1,622,336
Income from heath care institutes (IPS)	52,099	-	-	6,484	58,583
Other community, social and personal services	55	-	-	-	55
Lab services	92,202	-	-	-	92,202
Others	641	6	-	58	705
	1,779,018	**6**	**167,709**	**6,599**	**1,953,275**

2014	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Sales of machinery, office equipment and computer programs	-	-	21,875	-	21,875
Sales of spare parts, components and accessories	2,132	-	-	-	2,132
Telecommunications services	1,932	-	-	-	1,932

Maintenance and repairs	3,478	-	50,404	-	53,883
Data processing	-	-	47,208	-	47,208
Machinery and equipment leases	-	-	2,772	-	2,772
Wiring unit - related activities	-	-	21,783	-	21,783
Corporate consultancy services	747	-	-	-	747
Income from health care providers (EPS)	1,318,063	-	-	-	1,318,063
Income from heath care institutes (IPS)	43,887	-	-	5,142	49,029
Other community, social and personal services	5	-	-	-	5
Lab services	89,847	-	-	-	89,847
Others	226	107	-	57	389
	1,460,317	**107**	**144,042**	**5,199**	**1,609,665**

Income from services rendered on a country basis is shown as follows:

Year	Colombia	Panama	El Salvador	Total
2015	1,952,344	377	554	**1,953,275**
2014	1,609,065	383	216	**1,609,665**

31.2. Healthcare related expenses

Grupo SURA´s cost of services rendered is broken down as follows:

2015	Suramericana and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Worker´s Compensation fund	8,588	-	-	8,588
Occupational risk prevention / awareness - basic activities	26,718	-	-	26,718
Occupational risk prevention / awareness -	79,210	-	-	79,210
Others	22,739	-	-	22,739
Sales of machinery, office equipment and computer programs	-	25,417	-	25,417
Sales of spare parts, components and accessories	53,124	-	-	53,124
Maintenance and repairs	9,501	-	-	9,501
Data processing	314	53,171	-	53,485
Machinery and equipment leases	-	-	-	-
IT equipment and software consultancy services	1,651	68,468	-	70,119
Corporate consultancy services	38,797	-	-	38,797
Cost of health care provider services (EPS)	1,278,534	-	-	1,278,534
Cost of health care institute services (IPS)	312,972	-	3,823	316,795
Other community, social and personal services	151	-	-	151
	1,832,299	**147,055**	**3,823**	**1,983,177**

2014	Suramericana and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Worker´s Compensation fund	7,731	-	-	7,731

Occupational risk prevention / awareness	71,931	-	-	71,931
Others	19,281	-	-	19,281
Sales of machinery, office equipment and computer programs	-	16,146	-	16,146
Sales of spare parts, components and accessories	14,036	-	-	14,036
Maintenance and repairs	2,082	-	-	2,082
Data processing	-	37,206	-	37,206
IT equipment and software consultancy services	1,132	75,705	-	76,837
Corporate consultancy services	33,546	-	-	33,546
Cost of health care provider services (EPS)	1,015,647	-	-	1,015,647
Cost of health care institute services (IPS)	270,283	-	3,086	273,369
Other community, social and personal services	124	-	-	124
	1,435,793	**129,057**	**3,086**	**1,567,936**

Cost of services rendered for each country is shown as follows:

Year	Colombia	Panama	Total
2015	1,982,838	339	**1,983,177**
2014	1,567,538	398	**1,567,936**

NOTE 32. FINANCIAL INCOME AND EXPENSE

Financial expense for Grupo SURA and its subsidiaries at December 31, 2015 and December 31, 2014 is broken down as follows:

	2015			2014		
	Income	Expense	Net	Income	Expense	Net
Investment income [1]	1,457,379	(384,218)	**1,073,161**	995,547	(135,106)	**860,440**
Gains (losses) at fair value [2]	1,284,827	(1,150,247)	**134,580**	939,870	(531,011)	**408,858**
Exchange difference (net) [3]	167,540	(97,418)	**70,122**	584,754	(554,983)	**29,771**
Gains (losses) on sale of investments [4]	112,635	(39,934)	**72,701**	123,015	(41,259)	**81,756**
Dividends [5]	70,806	-	**70,806**	60,401	-	**60,401**
Interest [6]	-	(305,648)	**(305,648)**	-	(255,087)	**(255,087)**
	3,093,187	(1,977,465)	1,115,722	2,703,587	(1,517,448)	1,186,139

(1) Investment income includes interest income and cash returns, collective portfolios, trust arrangements, and loans to senior management, among other items which for 2015 amounted to COP 607,679 million (COP 463,551 for 2014.

This also includes net income from appraisals using the effective interest rate for the years 2015 and 2014 amounting to COP 465,482 and COP 397,000 respectively.

(2) Gains and losses recorded at fair value were as follows:

	2015	2014
Increase in fair value of debt securities	276,258	329,767
Currency swaps	74,321	42,205
2014 Increase in fair value of investments	48,266	169,961
Currency forwards (peso/dollar)	(264,265)	(133,075)
	134,580	408,858

(3) Exchange difference includes income and expense obtained from restating assets and liabilities in foreign currency.

(4) Gains and losses obtained from the sale of investments are shown as follows:

	2015	2014
Valuation gains on debt securities	103,744	68,397
Proceeds from sales of investments	8,783	54,617
Expense on sales of investments	(1,289)	(29,744)
Loss on sale of Tipiel (Note 16.2)	(7,730)	-
Valuation expense on debt securities	(30,807)	(11,514)
	72,701	81,756

(5) Dividend income for 2015 included that corresponding to Tipiel, totaling COP 24,840. This investment was recognized in 2013 and 2014 as an investment in an associate, but the stake held in this company was sold off in 2015 and it is now classified as an investment in financial instruments (See Note 16.2 Investments in Associates).

Dividend income for 2015 also included COP 19,809 million from the investment in the associate Grupo Argos, which was the surplus left over from the equity method applied in 2014, meaning the equity method applied in 2014 was lower than the dividends received in 2015.

Dividend income for 2014 mainly included dividends paid out by the associate Protección totaling COP 33,722 million.

(6) The following table shows a breakdown of interest expense:

	2015	2014
Bank loans	(228,469)	(193,639)
Interest on issued securities	(47,755)	(34,786)
Other loans	(241)	(331)
Amortized premium on debt portfolio	(2,902)	(2,179)
Interest on late pension payments	(20)	(15)
Other interest	(8,673)	(9,795)
Financial transaction tax	(17,589)	(14,343)
	(305,648)	(255,087)

The following table shows financial income and expense for each individual company:

2015	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Dividends	19,809	15,465	3,661	-	31,870	70,806
Investment income	5,407	531,885	535,210	-	659	1,073,161
Gains (losses) at fair value	74,320	57,939	33,309	-	(30,989)	134,580
Gains (losses) on sale of investments	7,912	(589)	72,525	-	(7,147)	72,701
Interest	(98,448)	(38,810)	(116,429)	(1,478)	(50,484)	(305,648)
Exchange difference (net)	(20,060)	20,327	69,196	715	(55)	70,122
	(11,059)	586,218	597,473	(763)	(56,147)	1,115,722

2014	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Dividends	(633)	14,919	35,754	-	10,361	60,401
Investment income	3,756	452,317	402,616	4	1,747	860,440
Gains (losses) at fair value	42,205	159,851	158,145	-	48,657	408,858
Gains (losses) on sale of investments	33,300	292	57,359	-	(9,195)	81,756
Interest	(77,970)	(30,351)	(105,201)	(2,117)	(39,448)	(255,087)
Exchange difference (net)	5,501	4,697	20,111	376	(914)	29,771
	6,158	601,725	568,785	(1,737)	11,208	1,186,139

Financial income and expense on a country basis is shown as follows:

Year	Colombia	Chile	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Curacao	Total
2015	384,860	439,719	36	0	119,096	(75,308)	291,336	5,670	11,339	6,033	(67,060)	**1,115,722**
2014	449,095	370,911	1,513	7,541	155,263	4,174	215,416	3,990	6,123	6,341	(34,226)	**1,186,139**

NOTE 33. OTHER INCOME AND EXPENSE

33.1. Other income

Below is a breakdown of Grupo SURA's other income account:

	2015	2014
Recovered provisions [1]	71,363	10,358
Others	54,306	50,855
Collections, recoveries and reassessments	24,791	19,308
Other income from foreign companies	17,332	7,881
Expense recognized by reinsurers	7,395	1,820
Gains on sale of fixed assets	4,661	5,809
Share of gains obtained on ceded premiums	2,815	3,053
Demand deposits	2,718	1,613
Insurance compensation	2,293	-

Default interest on late contribution payments	2,245	1,527
Reimbursements	1,296	1,610
Income from money market transactions and other policy-related interest	1,078	836
Coinsurance brokerage remuneration	696	479
Recovered amounts, other than from operating risk policies	76	91
Expense recognized by reinsurers	51	-
Insurance indemnities	45	-
Property received in payment	-	103
Bond hedges	-	3,231
Reversal of voluntary profit-sharing	-	438
Advertising	-	844
	193,161	109,856

(1) In December 2015, an analysis of the feasibility of bank guarantee set up in 2013 in favor of Protección S.A. for the purpose of covering any obligations arising for said Company regarding the shares that ING Colombia previously held in the now defunct stock brokerage firm, Interbolsa S.A., which was officially placed under the administration of the Colombian Superintendency of Finance. When ING Colombia subsequently merged with Protección the latter received said shares. The feasibility of this contingency, as recorded in books, was also assessed given the likelihood of having to repay Protección´s fund members at some stage for the loss of funds corresponding to the stake held in Interbolsa S.A. As a result of said analysis together and in the light of the confirmations received from the lawyers in charge of the case, the Company concluded that the probability of having to pay out compensation to Proteccion's fund members was uncertain and therefore the provision set up in 2014 the amount of COP 62,144 million (USD 25,975) was reversed and the corresponding bank guarantee was canceled in full. See Note 23.1 Provisions.

Other income on a country basis is shown as follows:

Year	Colombia	Panama	Dominican Republic	El Salvador	Chile	Mexico	Peru	Uruguay	Holland	Total
2015	153,936	5,938	2,022	7,035	13,358	4,041	6,398	433	0	**193,161**
2014	70,265	3,859	812	18,566	5,307	2,072	8,757	142	76	**109,856**

33.2. Other expense

Below is a breakdown of Grupo SURA's other expense account:

	2015	2014
Non proportional contract costs [1]	109,876	128,139
Asset impairment	14,268	21,021
Losses incurred on claims	558	311
Bonuses	10	5
Real estate expense	8	4
	124,720	149,480

(1) Corresponding to the cost of reinsurance contracts in extending the agreed coverage.

Other expense on a country basis is shown as follows:

Year	Colombia	Panama	Dominican Republic	El Salvador	Total
2015	104,571	3,772	8,250	8,127	124,720
2014	127,430	9,536	10,739	1,774	149,480

NOTE 34. ADMINISTRATIVE EXPENSE

Grupo SURA's administrative expense on a country basis at year-end 2015 and 2014 is shown as follows:

2015	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Wealth tax	3,786	32,596	63,806	185	287	100,660
Commissions	774	82,088	-	181	89	83,132
Advertising and publicity	2,633	33,623	44,446	323	112	81,137
Lease rentals	90	30,301	46,063	1,970	72	78,496
Temporary services	294	23,363	53,822	15	-	77,494
Other taxes	276	19,086	52,578	101	118	72,159
Maintenance and repairs	309	20,890	36,532	242	108	58,081
Other entities and trade unions	-	8,064	41,020	-	92	49,176
Fosyga	-	46,685	-	-	-	46,685
Office supplies and stationery	56	35,743	7,086	43	(7)	42,921
Public utilities	90	18,750	21,389	868	1	41,098
Industry and Commerce tax	5,542	27,853	5,217	1,731	271	40,614
Traveling expense	687	17,567	13,208	326	2	31,790
Electronic data processing	15	21,576	7,835	-	-	29,426
Other operating expense	-	-	28,064	-	-	28,064
Cleaning and security guard services	226	11,168	11,036	468	116	23,014
Transport	2,822	10,002	5,213	89	3	18,129
Licenses	-	-	14,680	-	-	14,680
Colombian Superintendency of Finance	2,161	1,777	9,886	-	-	13,824

Retrofitting and installation expense	62	12,013	107	189	48	12,419
Donations	-	4,968	7,187	37	1	12,193
Fines, sanctions, indemnities, litigations, and lawsuits - operating risk	6,768	1,769	1,544	378	-	10,459
Public relations	-	7,179	2,951	-	-	10,130
National Road Safety Fund	-	9,863	-	-	-	9,863
Other selling expense	-	-	9,231	-	-	9,231
Insurance	1,204	5,623	1,056	99	53	8,035
Publications and subscriptions	58	3,444	3,993	23	1	7,519
National Fire-fighter Fund	-	7,117	-	-	-	7,117
Property tax	3	2,411	3,424	-	333	6,171
Legal expense	7	961	3,881	23	88	4,960
Medical expense - disability and survivor insurance policies	-	-	4,324	-	-	4,324
Representation expense	1,017	737	1,725	33	8	3,520
Fasecolda	-	2,708	-	-	-	2,708
Banking expense	-	1,204	-	-	33	1,237
Proceeds from sales of property and equipment	-	244	-	-	-	244
Operating risk	-	119	-	-	-	119
Chamber of Commerce	-	25	-	-	-	25
Others	234	170,365	(173,128)	2,717	65	253
	29,114	671,882	328,176	10,041	1,894	1,041,107

2014	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Commissions	1,033	80,020	-	115	288	81,456
Legal expense	34	381	1,122	54	12	1,604
Proceeds from sales of property and equipment	-	2,774	-	-	-	2,774
Wealth tax	3	-	178	-	-	181
Industry and Commerce tax	8,009	27,588	990	1,445	90	38,122
Property tax	169	2,525	2,811	-	309	5,814
Other taxes	91	20,005	39,259	40	125	59,520
Lease rentals	50	26,209	36,848	1,837	152	65,095
Colombian Superintendency of Finance	671	1,718	7,596	-	-	9,985
Chamber of Commerce	-	29	-	-	-	29
Fasecolda	-	1,967	-	-	-	1,967
National Fire-fighter Fund	-	7,107	-	-	-	7,107
Fosyga	-	38,645	-	-	-	38,645
National Road Safety Fund	-	8,164	-	-	-	8,164
Other entities and trade unions	-	9,638	32,796	-	80	42,515
Insurance	1,450	7,404	460	(16)	12	9,310
Maintenance and repairs	291	14,368	26,368	178	87	41,292
Retrofitting and installation expense	424	16,027	72	57	2452	19,031
Fines, sanctions, indemnities, litigations, and lawsuits - operating risk	0	3,756	3,772	849	-	8,378
Cleaning and security guard services	213	10,850	9,709	524	169	21,463

Temporary services	50	24,251	71,805	18	-	96,124
Advertising and publicity	3,065	34,681	46,636	415	117	84,913
Public relations	-	6,074	2,641	-	-	8,715
Public utilities	215	16,840	17,008	749	2	34,814
Electronic data processing	43	20,394	6,847	-	-	27,284
Traveling expense	570	14,028	10,383	361	1	25,342
Transport	4,642	4,768	4,705	143	7	14,265
Office supplies and stationery	64	30,404	6,265	36	23	36,792
Publications and subscriptions	31	2,419	3,546	37	0	6,035
Donations	-	4,512	2,254	22	1	6,788
Representation expense	757	538	2,125	37	19	3,477
Banking expense	-	682	-	-	29	711
Operating risk	-	272	-	-	-	272
Medical expense - disability and survivor insurance policies	-	-	3,463	-	-	3,463
Other selling expense	-	-	1,005	-	-	1,005
Licenses	-	-	18,841	-	-	18,841
Other operating expense	-	-	23,644	-	-	23,644
Others	213	136,566	(176,200)	2,562	761	(36,098)
	22,086	575,606	206,947	9,462	4,737	818,839

The year-on-year change is due to COP 100,880 million in wealth tax accruing for 2015.

Grupo SURA's administrative expense at year-end 2015 and 2014 on a country basis is shown as follows:

Year	Colombia	Chile	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Curacao	Total
2015	756,129	56,447	1,738	-	99,035	23,593	62,846	10,289	17,574	13,393	63	1,041,107
2014	594,776	39,377	-	660	64,105	11,367	71,547	9,087	17,862	10,012	46	818,839

NOTE 35. FEES

Grupo SURA´s fee expense is broken down as follows:

	2015	2014
Trust arrangements	251	310
Pension insurance fund management	557	569
Sales and service commissions	3,853	3,074
Insurance risk assessments	5,088	3,582
Board of Directors	4,623	2,380
Statutory Auditor and external auditing staff	7,894	6,061
Property appraisals	74	108
Legal advisors	9,420	6,746
Financial consultancy services	7,377	6,930
Insurance management services	253,012	210,575
Medical assistance	85,547	73,133
Consultancy and advisory services	26,026	19,591
Insurance risk assessments	6,868	3,872
Health Care Provider fees	58,827	49,512
Exito insurance policy collection fees	1,144	980
Inspections	9,103	9,017
Others	77,350	89,251
	557,014	485,691

Fee expense for each individual company is shown as follows:

2015	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Trust arrangements	-	240	-	-	11	251
Pension insurance fund management	-	557	-	-	-	557
Sales and service commissions	-	3,853	-	-	-	3,853
Insurance risk assessments	-	5,088	-	-	-	5,088
Board of Directors	666	1,270	2,669	19	-	4,623
Statutory Auditor and external auditing staff	394	1,286	6,050	109	56	7,894
Property appraisals	5	59	1	-	10	75
Legal advisors	1,518	2,079	5,656	53	114	9,420
Financial consultancy services	-	-	7,377	-	-	7,377
Insurance management services	-	253,012	-	-	-	253,012
Medical assistance	-	85,547	-	-	-	85,547
Consultancy and advisory services	-	26,026	-	-	-	26,026
Insurance risk assessments	-	6,868	-	-	-	6,868
Health Care Provider fees	-	58,827	-	-	-	58,827
Exito insurance policy collection fees	-	1,144	-	-	-	1,144
Inspections	-	9,103	-	-	-	9,103
Others	3,206	27,141	46,527	474	3	77,350
	5,788	482,098	68,281	654	193	557,014

2014	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Integradora de Servicios Tercerizados and Subsidiaries	Others	Total
Trust arrangements	-	310	-	-	-	310
Pension insurance fund management	-	569	-	-	-	569
Sales and service commissions	-	3,074	-	-	-	3,074
Insurance risk assessments	-	3,582	-	-	-	3,582
Board of Directors	562	1,154	644	20	-	2,380
Statutory Auditor and external auditing staff	350	1,362	4,210	101	38	6,061
Property appraisals	-	93	-	-	16	109
Legal advisors	533	1,196	4,796	75	146	6,746
Financial consultancy services	343	-	6,587	-	-	6,930
Insurance management services	-	210,575	-	-	-	210,575
Medical assistance	-	73,133	-	-	-	73,133
Consultancy and advisory services	-	19,591	-	-	-	19,591
Insurance risk assessments	-	3,872	-	-	-	3,872
Health Care Provider fees	-	49,512	-	-	-	49,512

Exito insurance policy collection fees	-	980	-	-	-	980
Inspections	-	9,017	-	-	-	9,017
Others	1,608	37,495	49,807	285	56	89,251
	3,395	**415,515**	**66,044**	**481**	**257**	**485,691**

Fee income for each country is shown as follows:

Year	Colombia	Chile	Spain	Holland	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Curacao	Total
2015	485,624	31,521	1,510	608	16,065	8,231	9,525	951	1,862	1,045	73	557,014
2014	422,858	23,941	1,767	1,732	21,028	5,375	5,049	1,255	1,548	1,128	10	485,691

NOTE 36. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income attributable to the shareholders by the weighted average number of shares outstanding for the year.

The following table shows the income and share information used to calculate basic earnings per share:

	2015	2014
Net income - controlling interest	1,104,091	1,420,193
Average weighted number of shares outstanding	575,372,223	575,372,223
Earnings per share	1,918.92	2,468.30

NOTE 37. TRANSLATING CURRENCIES AND RESULTS OF FOREIGN OPERATIONS

The rates used to translate the different foreign currencies in Grupo SURA´s consolidated financial statements are shown as follows:

	Average rate *		Closing rate		
	2015	2014	2015	2014	January 1,2014
Chilean peso (CLP/USD)	654.24	570.57	716.94	614.24	529.10
Colombian peso (COP/USD)	2,743.39	2,000.27	3,149.47	2,392.46	1,926.83
Dominican peso (DOP/USD)	45.07	43.57	45.55	44.36	42.79
Euro (EUR/USD)	0.90	0.75	0.92	0.82	0.73
Mexican peso (MXN/USD)	15.87	13.31	17.36	14.83	13.09
Peruvian new sol (PEN/USD)	3.18	2.84	3.43	2.98	2.80
Uruguayan peso (UYU/USD)	27.29	23.23	29.93	24.32	21.50

*Only the closing rate was used at January 01, 2014, given the fact that this was the date of the opening balance sheet.

NOTE 38. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

This section describes the main features of the Governance Framework overarching the risk management system deployed at the individual company level and how the more important risk exposure is analyzed based on the different sectors involved. The following analysis is divided into the following three categories: financial risk, business risk and operating risk.

1. Risk Management System - Governance Framework

The Grupo Sura business group has a governance framework for risk management in order to enable its subsidiaries and their business units to address new challenges and opportunities in their constantly-evolving environments while providing capital gain through intercompany coordination.

The Board of Directors and Senior Management teams of each of the Subsidiaries are responsible for their own risk management systems, which are deployed based on the size and complexity of their lines of business and operating processes, geographic diversification and the nature of the risks to which each of these are exposed, ensuring consistency and feedback in terms of Grupo SURA´s organizational strategy.

Grupo SURA, in its capacity as parent company of the Group, is exposed to the risk of its own operating results and performance being impacted by the risks to which its subsidiaries are exposed, so the Group´s risk management policy not only focuses on the parent´s own risks, in terms of its business model and strategy, but also those of its subsidiaries.

In the case of Grupo SURA's own risks as parent company, Senior Management has focused more on strategic risks, meaning those that could restrict or prevent the organization from achieving its strategic objectives.

With regard to risk management at subsidiary level, both Suramericana as well as SURA Asset Management have their own Comprehensive Risk Management Systems. These systems, handled by their own dedicated areas, allow for strategic, administrative and operating decisions to be made in order to create capital gain not just by maximizing revenues within low levels of tolerable risk, but also understanding global trends and the internal dynamics of the different subsidiaries, creating appropriate control mechanisms and ensuring the sustainability and continuity of their different lines of business over the long term.

Therefore, considering that each of its core subsidiaries has the experience and expertise required to operate in their specific lines of business, Grupo SURA has put into place adequate communication mechanisms for tracking the Group´s risk profile and the handling of its risk exposure, including, among others, sitting on their boards of directors and board committees as well as sharing their best practices and reporting on the performance of the Group´s different investments.

2. Risk Categories

The following are the main risks that are prioritized and handled by the different companies, which are grouped into categories of relevant issues based on the risk profile of each business and the sectors in which they operate.

2.1 Financial Risk Management

The Latin American financial markets and individual economies have an effect on business operations and, hence the financial results obtained. Therefore, risk management systems must be put into place that enable these companies to monitor their exposure to credit, market and liquidity risk from the standpoint of the cash management function, investment portfolios and responsibility of handling third-party portfolios.

In 2015, Grupo SURA's subsidiaries were affected by substantial volatility prevailing over the Latin American markets as a result of widespread currency devaluation produced mainly by falling commodity prices, which in turn had a negative effect on the public debt of countries who are largely dependent on their mining and energy sectors, as is the case with Colombia, Mexico, Chile, Peru and Brazil. Also, the sluggish performance on the part of the capital markets, a tighter monetary policy in the United States, rising interest rates in Latin America, monetary stimulus programs in Europe and Japan, coupled with negative oil prices, the slowdown in China and the economic and political turmoil in Brazil, were factors that had a decisive effect on the region.

The main financial risks are listed as follows which, for the purposes of this analysis, consist of credit, market and liquidity risk.

2.1.1 Credit Risk Management

The Group´s credit risk management function is aimed at reducing the probability of incurring losses in failing to meet the Company's financial obligations with third parties. For this purpose, guidelines have been issued to facilitate the analysis and monitoring of issuers and counterparties, as well as the funds handled by the cash management departments, insurance portfolios and third-party funds

The credit risk management function ensures that the investments made by subsidiary cash management departments are always backed by issuers and/or management firms with adequate creditworthiness. At December 31, 2015, Grupo SURA's short-term investments were mostly concentrated in liquid collective portfolios managed by firms offering the highest credit quality, as well as savings accounts and checking accounts.

On the other hand, the insurance companies manage their credit risk through the handling of their portfolios of profitable, liquid assets that underpin their technical reserves, based on policies governing the allocation of quotas, limits and controls, as well as methodologies and procedures used for the different assets making up the portfolio which allow for evolving risk to be quantified and monitored. These methodologies provide for detailed analyses to be carried out on the financial strength and conditions as well as other qualitative aspects regarding the different issuers.

The portfolios belonging to these insurance companies largely consist of fixed income securities. The following table is a breakdown of fixed income financial assets at subsidiary level, based on their corresponding international credit ratings at December 31, 2015:

<u>Note:</u> *international credit ratings are restated using the maximum sovereign ratings of each country: Colombia BBB, Dominican Republic BB+, El Salvador B+, Panama BBB, Chile AA-, Peru BBB+ and Mexico BBB+. As can be seen, sovereign exposure is representative.*

Fixed Income Securities by Credit Rating- 2015 (on an International Scale)

	Suramericana				Sura Asset Management		
	Colombia	Dominican Republic	Salvador	Panama	Chile	Peru	Mexico
Sovereign	23.4%	46.0%	29.1%	44.8%	11.4%	24.4%	88.1%
AAA	0.2%	0.0%	0.0%	0.0%	0.0%	1.5%	0.0%
AA+	0.0%	0.0%	1.9%	0.0%	0.0%	0.6%	0.0%
AA	0.0%	0.0%	0.0%	0.0%	14.9%	0.0%	0.0%

AA-	0.3%	0.0%	1.7%	0.0%	0.0%	0.5%	0.0%
A+	0.1%	0.0%	1.0%	0.0%	0.0%	0.6%	0.0%
A	1.8%	0.0%	0.0%	0.8%	62.4%	0.2%	1.1%
A-	1.2%	0.0%	0.7%	0.0%	0.0%	2.7%	1.5%
BBB+	1.7%	0.0%	0.0%	7.3%	0.0%	27.9%	7.5%
BBB	50.3%	0.0%	0.7%	13.3%	9.8%	20.7%	1.8%
BBB-	17.8%	0.0%	2.0%	1.8%	0.0%	13.7%	0.1%
BB+	1.6%	0.0%	2.6%	1.7%	0.0%	2.0%	0.0%
BB	0.3%	0.0%	0.0%	25.3%	1.2%	0.5%	0.0%
BB-	0.2%	0.0%	0.0%	1.2%	0.0%	0.6%	0.0%
Others	0.0%	54.0%	27.4%	2.9%	0.3%	0.0%	0.0%
Deposits	1.2%	0.0%	32.8%	0.9%	0.0%	4.2%	0.0%

With regard to SURA Asset Management's credit risk exposure in handling third-party funds, in keeping with its fiduciary duty, the Company's fund management function includes due diligence performed on all investees, including issuers, counterparties and fund management firms. The purpose of this safeguard is to detect and identify signs of risks from the legal, accounting, financial and commercial standpoints, among others.

Exposure to credit risk at December 31, 2015 came to COP 548,360 (COP 378,743 for 2014).
The following is a breakdown of Grupo de Inversiones Suramericana S.A.'s credit risk exposure:

Financial assets	2015	2014
Housing loans	306	282
Loans and accounts receivable	627	2,136
Debt securities	44,620	34,742
Options contracts	109,934	-
Swaps	75,367	48
Equity securities	308,782	335,828
Other financial assets	8,724	5,707
	548,360	378,743

2.1.2 Market Risk Management

This type of risk management focuses on how fluctuations in market prices affect the value of the portfolios handled as well as subsidiary revenues. Market risk management systems have been deployed to identify, measure and monitor the corresponding exposure. These systems are composed of a set of policies, procedures, monitoring mechanisms and internal controls.

The impact of variables such as interest and exchange rates and asset prices on the Company's performance are also subject to periodic monitoring. Furthermore, in order to mitigate their volatility, the possibility of hedging such risk is determined, and this is constantly monitored by the area responsible for such.

This same risk is analyzed from the perspective of the cash management, the insurance portfolios and third party funds, all in terms of subsidiary assets and liabilities.

In the case of Grupo SURA, its market risk exposure is handled by its cash management department, which is responsible for monitoring currency and interest risks relating to the Group´s indebtedness. In this respect, various hedging arrangements were entered into in 2015 (see Note 12 - Derivatives) for dollar-denominated loans earning LIBOR-indexed interest rates, with the aim of reducing the potential impact of rising interest rates in the US and any further devaluation of the Colombian peso.

On the other hand, Suramericana is exposed to currency risk through a dollar-denominated loan, taken out to purchase Seguros Banistmo in Panama, and this specific exposure was subject to a net investment hedge. There is also a debt in local currency linked to a variable interest rate, which exposes the Company to an interest rate risk.

SURA Asset Management holds indebtedness that largely consists of an issue of bonds placed on the international markets as well as bank loans. Since most of the debt is denominated in USD, there is a risk with the exchange rate. Also, part of this debt is hedged by a derivative, based on an underlying loan in Colombian pesos, the result of which is an obligation in dollars at a fixed rate. Similarly, there is another debt denominated both in local currency and in dollars linked to variable interest rate, which also exposes the Company to interest rate risk.

As for how this risk is handled with regard to the portfolios held by the insurance companies, methodologies, limits and/or alerts have been put firmly into place, based on internal policies and rules and regulations governing each of the countries where the companies are present. These measurement tools include: Value at Risk, Information Ratio, Sensitivities and Simulations.

Suramericana, in particular, makes use of measurement tools such as Value at Risk (VaR), both on a regulatory and internal level. This internal methodology is based on a Monte Carlo VaR that reflects, in a more accurate and swifter fashion, the level of market risk affecting Suramericana's portfolios.

On the other hand, SURA Asset Management handles its market risk through its ALM (Assets and Liabilities Management) function which is a dynamic and continuous process. It begins by analyzing the liability profile of SURA Asset Management S.A., and depending on the corresponding risk appetite/return, a strategic asset allocation plan is drawn up, taking into account the feasibility of going ahead with such, given prevailing market conditions (liquidity and depth) and the weighting of the existing portfolio of investments (especially in relation to terms and accrual rates).

With regard to other monetary assets and liabilities denominated in foreign currencies, Grupo SURA's subsidiaries must ensure that their net exposure is kept to an acceptable level.

The following tables show the risk exposure affecting the Insurance Companies at December 31, 2015: *(Excluding Unit Linked Funds)*

Currency exposure:

	Suramericana				Sura Asset Management		
Lending positions	Colombia	Panama	Dominican Republic	El Salvador	Chile	Mexico	Peru
Local currency*	71.6%	0%	76.5%	0%	0.04%	3.6%	31.1%
Real local currency **	13.9%	0%	0%	0%	99.9%	96.2%	24.2%
USD	12.7%	100%	23.5%	100%	0.06%	0.2%	44.7%
Others	1.8%	0%	0%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

**Local currency: Colombia - COP, Panama - PAB, Dominican Republic- PDO, El Salvador - SVC, Chile - CLP, Mexico - MXN, Perú - PEH.*

*** Real Local Currency: Colombia – UVR, Chile – UF, Mexico – UDI, Peru– Soles VAC.*

Exposure to interest rate:

	Suramericana				Sura Asset Management		
Fixed Income Securities	Colombia	Panama	Dominican Republic	El Salvador	Chile	Mexico	Peru
Variable rate	50.5%	0%	1.4%	1.6%	0%	0%	0%
Fixed rate	33.1%	96%	98.6%	98.4%	86.7%	100%	85.8%
Subtotal	**83.6%**	**96%**	**100%**	**100%**	**86.7%**	**100%**	**85.8%**
Equity Securities							
Local	11.1%	2.8%	0%	0%	0.04%	0%	0.1%
Foreign	5.4%	1.2%	0%	0%	0%	0%	0.3%
Subtotal	**16.4%**	**4%**	**0%**	**0%**	**0.04%**	**0%**	**0.4%**
Others	**0%**	**0%**	**0%**	**0%**	**13.2%**	**0%**	**13.8%**
Total	100%	100%	100%	100%	100%	100%	100%

In managing market risk, Suramericana hedges between 20% and 100% of its total exposure, in accordance with guidelines issued by its board of directors. In the case of SURA Asset Management, market risk is controlled by monitoring duration mismatches as well accrual rates relating to the asset portfolio. Mitigating market risk in the form of price changes mainly involves real estate asset management, since SURA Asset Management S.A.'s business units do not have a significant quantity of variable-income investments (in addition to those assigned to the client as part of individual account funds). The concentration of this real estate portfolio is monitored. Furthermore, lessee creditworthiness and the concentration in each industrial sector are monitored to mitigate any material impact due to breaches of lease contracts.

At December 31, 2015, Suramericana held forward contracts to hedge its exchange rate risk, for a face value of COP 664,422 million, of which COP 554,307 million correspond to USD currency forwards and the remaining COP 110,116 million EURO currency forwards. It is important to note that all hedges are held by companies in Colombia.

In the case of SURA Asset Management, there is an immaterial exposure to the exchange rate with the Company's life insurance portfolio in Chile. This exposure was created because liabilities in Chile are denominated in UFs (an inflation indexed unit) and 1% of the asset portfolio consists of fixed income, dollar-denominated securities. In order to hedge this exposure, a cross currency swap was taken out by means of which the returns on said securities are converted to UFs. As for the Third-Party Fund Management firms, market risk is handled based on the policies defined by the rules and regulations governing each of these funds, in addition to their own internal handling.

Rules and regulations governing the pension business (except for in Mexico) requires each company to maintain minimum returns with respect to the funds managed by the rest of the industry. Therefore, the gap existing between fund returns provided by SURA Asset Management S.A.'s Business Units and those provided by the rest of the industry is examined. Should the difference in returns exceed the regulatory thresholds, the pension fund management firm must reimburse each fund in order to maintain the stipulated rate floors.

2.1.3 Liquidity Risk Management

Liquidity risk refers to the Company´s ability to produce sufficient funds to meet its obligations and run its business.

Subsidiary efforts in managing this risk are based on their short and long term liquidity management strategies, which are based in turn on the policies and guidelines issued by their respective boards of directors and senior management teams that address both cyclical and structural factors so as to ensure compliance with their obligations under the initially agreed terms and conditions without incurring in any extra expense. Follow-ups are also carried out on short-term cash flows in order to cover short-term receivables and payables and mid-term cash flow projections are conducted to determine each subsidiary´s liquidity positions and anticipate the measures required for their proper management.

Also, and in order to address certain specific situations, the subsidiaries maintain lines of credit from various financial institutions at their disposal as well as short-term highly liquid investments that can be readily sold off, as well as other sources of additional liquidity.

The main transaction performed by Grupo SURA in 2015 was acquiring the interest held by JP Morgan in SURA Asset Management, 85% of which was financed through debt and the remainder with the Company´s own funds. The acquisition of RSA´s Latin American operations is also expected to be completed during the first half of 2016, with regard to which Grupo SURA shall be capitalizing the equivalent of 54.7% of the value of said transaction.

As for Suramericana, one of the main transactions that had an effect on its liquidity in 2015 was the acquisition of Seguros Banistmo in Panama. 27.4% of this transaction was financed with the subsidiary´s own funds and the remaining 72.6% through debt. Another transaction is expected to have the same effect in 2016, namely the acquisition of the Latin American operations of RSA Insurance Group (in Chile, Argentina, Mexico, Brazil, Colombia and Uruguay). 32.6% of this purchase shall be financed by debt and the remaining 67.4% through an injection of capital to be carried out by Suramericana´s own shareholders.

As for SURA Asset Management, one of the main highlights for 2015 was having acquired a stake in the Pacific Alliance Fund. This seed capital was 100% financed with SURA Asset Management´s own funds, channeled through its Mexican subsidiary SURA Asset Management Mexico, with SURA Investment Management Mexico, S.A. de C.V. acting as fund manager. Based on the nature of the commitments acquired by SURA Asset Management and in the light of its ALM strategy, no short- or long-term liquidity events are anticipated in 2016. In the case of portfolios being run-off, the relationship between liquid assets and commitments on the part of SURA Asset Management S.A.'s business units is periodically monitored, identifying and prioritizing assets that must be sold off, so as to ensure the least impact on accrual rates and reconciling portfolio assets and liabilities. Note 8.3 Financial Liabilities shows the maturity of Grupo SURA's financial liabilities and their corresponding liquidity risk exposure.

The following is a breakdown of financial assets held for managing liquidity risk:

Year	Up to one month	Between one and three months	Between three and twelve months
2015	3,427,160	17,990	233,770
2014	2,837,668	21,603	317,259

Long-term liabilities are mainly hedged by the flow of dividends from investments in associates that are declared during the first quarter of each year at the corresponding shareholders' meetings.

2.2 Business Risk Management

Business risks consist of all those risks arising from a subsidiaries´ business model and performance. In the case of Suramericana and SURA Asset Management, these risks are directly related to insurance and third-party fund management, as these are their main business activities.

The following is a breakdown of business risks to which both subsidiaries are exposed:

2.2.1 Technical Risk Management - Insurance Companies

The main non-financial risks that could affect these Subsidiaries have to do with changes in the mortality, longevity and morbidity rates of the population thus exposed; as well as adverse departures from the normal claims rate pattern, the adequacy of their technical reserves and the Organization´s overall operating efficiency.

2.2.1.1 Sensitivity Analyses

In order to calculate certain risk exposures, the Subsidiaries perform sensitivity analyses on their financial statements, which show how profit or loss for the period in question could be affected should these risks materialize.

With regard to life insurance, these analyses are performed to calculate subsidiary exposure changes in variables such as the longevity, mortality and morbidity rates. For this purpose, each of these variables are artificially moved up or down so as to assess the magnitude of such changes from the profit and loss standpoint. The following impacts are shown for each type of risk exposure:

Suramericana

Country	Risk	Impact
Colombia	+ 30% increase in the Mortality Rate	COP -66,278
	+ 35% increase in the Morbidity Rate	COP -90,957
	+ 10% increase in the Longevity Rate	COP -30,110

In millions of pesos at year-end 2015. The impact was analyzed based on pretax net income.

Sura Asset Management

Country	Risk	Impact
Chile	+ 10% increase in the Mortality Rate	$-13,935
	+ 10% increase in the Morbidity Rate	$ -4,798
	+ 10% increase in the Longevity Rate	$-51,396
Peru	+ 10% increase in the Mortality Rate	$-6,118
	+ 10% increase in the Morbidity Rate	ND
	+ 10% increase in the Longevity Rate	$-68,610
Mexico	+ 10% increase in the Mortality Rate	$-817
	+ 10% increase in the Morbidity Rate	ND
	+ 10% increase in the Longevity Rate	$-33,350

In millions of pesos at year-end 2015. The impact analyzed was on pretax net income. The risk of morbidity in Peru and Mexico has not been modeled due to its immateriality.

It is to be noted that this sensitivity analysis covered the corresponding effects on the annual financial statements as a result of a change to the most important parameters used in assessing the value of long-term commitments to policyholders. The impact of structural changes in the mortality, morbidity and longevity rates was quantified for the different portfolios, which entails implications for the expectations held for future years (as opposed to just the first year along with the inherent volatility risk), thus affecting the value of long-term policy reserves

As for workers´ compensation insurance, the current occupational health and safety trends and patterns were analyzed, as well as the longevity trend on pension obligations. These sensitivity analyses produced the following results:

Suramericana

Country	Risk	Impact
Colombia	+ 7% increase in the Morbidity Rate	COP - 16,686
	+ 10% increase in the Longevity Rate	COP - 10,371

In millions of pesos at year-end 2015. The impact analyzed was on pretax net income.

As for property and casualty insurance sensitivity analyses were performed on claims rates and insufficient reserves.

The claims rate risk concerns the possibility of incurring losses as a result of inadequate policies and practices in designing products or mistakes made in calculating tariffs, making them insufficient to cover business expense or fluctuations with the timing, frequency and severity of insured risks.

The risk of inadequate reserves, on the one hand, concerns the probability of loss as a result of underestimating or overestimating of technical reserves and other contractual obligations (profit sharing, payment of guaranteed benefits, etc.).

As a result, an impact for each branch of insurance was obtained from the two combined risks, bearing in mind a correlation factor of 0.5 for both risks. In performing the corresponding sensitivity analysis, a correlated sum was arrived at for the impact on each branch of insurance. This impact represents the magnitude of such change on the Company's profit and loss after assessing the sensitivity of both risks.

Suramericana

Country	Branch of insurance	Impact - claims rate	Impact - insufficient reserves
Colombia	Car	$23,010	$5,131
	Mandatory road	$9,527	$2,124
	Civil Liability	$2,067	$461
	Fire	$1,564	$349
	Merchandise transport	$1,230	$274
	Others	$3,999	$892

In millions of pesos at year-end 2015. The impact analyzed was on pretax net income.

2.2.1.2 Liability Adequacy Tests

The technical reserves held by each subsidiary are periodically analyzed so as to determine their adequacy. Should these analyses show that said reserves are insufficient, adjustments are made in accordance with the methodologies used as well as the plans put into place by the organization.

2.2.1.3 Reserve risk

Grupo SURA's subsidiaries have designed and implemented actuarial methodologies and processes that allow for best estimates to be made regarding their liabilities. They also deploy tools for the periodic monitoring of whether their reserves are sufficient to meet their obligations, thus allowing them to take prompt action to maintain adequate liability levels.

2.2.1.4 Underwriting and Pricing Risk

Grupo SURA's subsidiaries handle this risk from two standpoints: the first from the initial design and development of solutions where policies, processes and controls are defined for underwriting and pricing these products The second consists of periodically monitoring the corresponding risk by reassessing prices, so as to be able to see whether the current prices are able to cover future contractual obligations. The aim of these analyses is to understand whether the retained earned premium is sufficient to cover the amount of expense incurred by the insurance company, in terms of claims rates, technical and administrative expense, financial income and the minimum returns expected by the shareholders given the risks taken on.

2.2.1.5 Reinsurance Risk

With respect to reinsurance contracts, Grupo SURA's subsidiaries analyze the financial capacity and strength of its reinsurers in meeting their obligations. In order to manage this risk, financial strength is analyzed through quantitative and qualitative variables (financial strength, market position, etc.) in order to support the decision making process and comply with internal control procedures.

2.2.1.6 Concentration Risk

Grupo SURA's subsidiaries periodically monitor this risk based on the degree of concentration. This includes the concentrations among policy-holders who are economic groups, as well as distribution channels, products, solutions, etc.

2.2.2 Risk Management - Pension Fund Management firms.

The main risks or factors that could affect the performance of SURA Asset Management's pension fund management firms concern departures from the normal pattern of commission income and client behavior. Fund management commissions can be affected by drops in commission income due to market competition; a decrease in the number of fund members (resulting from unemployment, increase in the informal job market, etc.); a decline in the wage base (resulting from deflation or falling real wages) or regulatory changes. Consequently, client behavior has an impact on the exit rate with which fund members transfer to other fund management firms. These transfers are linked to the commercial activities on the markets in which the individual companies operate.

To quantify this risk exposure, the financial effects of these changes are analyzed.

2.2.3 Risk Management - Fund Management Firms

The main risks that could affect the performance of SURA Asset Management's fund management firms mainly concern departures from the normal pattern of commission income. Changes in management fees are linked to declining commission rates (for example, market competitiveness) or a reduction in client funds (including market conditions and exit rates, competition, macroeconomic factors, among others).

To quantify the exposure to this risk, the financial effects of decreases to this variable are analyzed.

2.2.4 Regulatory Risk Management

Since Grupo SURA's subsidiaries operate in highly regulated industries with ever-changing rules and regulations from the business, tax, accounting and other standpoints, they have to monitor all possible changes emanating from the political or social climate in all those sectors and countries in which they operate.

In 2015, the results of both Grupo SURA and Suramericana were affected by the changeover to International Financial Reporting Standards as adopted in Colombia, the effects of which were mainly financial due to non-recurring items. Certain specific items, such as wealth tax, also had an impact on the net income of the Group´s Subsidiaries.

Regulatory risk to Grupo SURA´s different lines of business is handled from the following standpoints:

- Now that the local insurance market is beginning to embrace international best practices, Colombian regulators have been issuing standards relating to estimating reserves, minimum capital requirements and other factors. Additional rules and regulations have also been issued with a view to ensuring that adequate reserves are held by the social security companies, since any failure to comply with such could impact the results of these subsidiaries.

- In Chile in 2014, a Presidential Advisory Commission was formed to submit proposals for improving the country´s pension system in this country. Thus our companies in Chile are awaiting this new legislation so as to be able to understand the regulatory changes to be introduced and the internal adjustments that must be made to comply with such.

- The Peruvian congress, amid much debate and controversy, is considering a law that would allow people reaching the age of 65 to withdraw 95.5% of their pension funds. If this law is passed, SURA Asset Management has designed a comprehensive product offering that complements all stages of the client´s life cycle and providing more efficient options that those proposed in this new legislation.

In 2016, our subsidiaries continue waiting for any possible changes to the tax, pension and insurance regulatory frameworks within the region that could have an effect on their results.

2.3 Operating Risk Management

Operating risk relates to events that prevent the Company´s normal operations with regard to people, technology and processes. The handling of this type of risk, at the subsidiary level, is based on thorough internal controls that help to mitigate such risk and focus on analyzing the risks to both processes and projects.

In 2015, operating risk management methodologies and the corresponding controls were enhanced and updated, thus facilitating the proper mitigation of such risk and providing a more comprehensive overview of this type of exposure. This type of risk is handled from the following standpoints:

- Business Continuity Risk: companies have the necessary tools in place to address in the best way possible to address any adverse and unlikely event that could occur. These include fully-trained response teams, current continuity plans and checking the proper working order of the strategies thus implemented to ensure that the most critical services are provided even before an unexpected event that could affect normal operations occurs.

- Risk of Money Laundering, Terrorist Financing, Fraud, Corruption and Bribery: the Company has mechanisms and controls in place for preventing, detecting, investigating and handling solutions for any kind of fraud.

  For preventing and controlling the risk of money laundering and the financing of terrorism, Grupo SURA's Subsidiaries are committed to strengthening their risk management systems through which procedures are carried out to prevent them from being used, without their consent or knowledge to conceal, insure, manage and invest proceeds from illicit activities. Such procedures include performing due diligence with our suppliers, investors, clients and other stakeholders, as well periodic monitoring and follow-ups, especially with regard to international black lists.

- Legal Risk -Compliance: with respect to legal risk, Grupo SURA's subsidiaries have adopted external and general guidelines issued by the respective oversight authorities in each of the countries where they are present, as well as those issued internally by their board of directors.

  Also, each subsidiary has its own compliance department, which is primarily responsible for handling legal and regulatory compliance as well as for building up a culture of ethical conduct within their own workplaces and for strictly complying with all voluntary and mandatory, internal and external commitments.

NOTE 39. CAPITAL MANAGEMENT

Grupo SURA´s policy is to maintain a robust capital base so as to retain the confidence of investors, creditors and the market in general, as well as to sustain future development. The Company monitors shareholders´ return on equity and the level of dividends paid out.

The main purpose of Grupo de Inversiones Suramericana's capital management policy is to ensure a financial structure that optimizes the cost of capital for the company, maximizing shareholder returns and allows access to financial markets at a competitive cost so as to be able to cover the Company´s financing needs.

Grupo SURA monitors its capital using the adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total financial liabilities, including interest-bearing loans plus proposed non-accrued dividends less cash and cash equivalents.

In order to comply with the financial debt indicators used by the credit rating agencies to measure the degree of investment in its subsidiaries. Grupo SURA's adjusted debt to equity ratio at year-end was as follows:

	2015	2014	January 1,2014
Financial liabilities (Notes 18 and 24)	6,265,444	4,133,847	6,265,444
Cash and cash equivalents (Note 7)	(1,433,184)	(1,293,989)	(1,343,055)
Net debt	4,832,260	2,839,858	4,922,388
Total equity (Note 25)	26,062,600	24,957,605	22,619,496
Adjusted net debt to equity ratio(1)	18.541%	11.379%	21.762%

(1) Net debt to equity

NOTE 40. INVESTMENT COMMITMENTS

Grupo Sura's investment commitments consist of the following:

- At year-end 2015, Grupo de Inversiones Suramericana had committed a total of COP 244 million and COP187 million, respectively, to the private equity funds, Escala and Progresa. At year-end 2014 this investment commitment came to COP 463 million in the case of Escala and COP 612 million for Progresa.

Through its subsidiary Habitat Adulto Mayor S.A., Grupo SURA signed a letter of intent in December 2015 to purchase a plot of land, measuring 3,000 square meters, in the residential district of El Poblado in Medellin, for a total value of COP 3,440 million, where this subsidiary will be expanding its operation.

- In the case of Suramericana S.A., Grupo Sura will be capitalizing this company in an amount equivalent to 70% of the purchase value of acquiring the RSA operations in Latin America, in conjunction with its minority shareholder Munich Re.

NOTE 41. RELATED PARTY DISCLOSURES

41.1. Related parties

Grupo SURA's related parties consist of its subsidiaries, key management personnel and entities over which key management personnel may exercise control or joint control as well as employee post-employment benefits.

The following is a breakdown of Grupo SURA's related parties at year-end 2015:

a) Companies under the direct or indirect control of Grupo SURA are listed in Note 16.1 Investments in Subsidiaries.

b) Members of the Board of Directors:

Armando Montenegro Trujillo
Hernando Yepes Arcila
Jaime Bermúdez Merizalde
Carlos Antonio Espinosa Soto
Jorge Alberto Vélez Cadavid
Carlos Ignacio Gallego Palacio
Juan Guillermo Londoño Posada

c) Senior Management:

a. Grupo Sura

David Bojanini García: Chief Executive Officer
Ignacio Calle Cuartas: Chief Corporate Finance Officer:
Fernando Ojalvo Prieto: Chief Corporate Affairs Officer and Company Secretary:

b. Suramericana

Gonzalo Alberto Pérez
Andrés Felipe Ochoa G.
Carlos Andrés Ángel A.
Juan Fernando Uribe N.
Juan David Escobar F.
Maria Adelaida Tamayo J.
Mario Gildardo López L.
Sergio Pérez M.

c. Sura Asset Management

David Emilio Bojanini
Gonzalo Alberto Pérez
Ignacio Calle Cuartas
Miguel Cortés Kotal
Martín Emiliano Escobari Lifchitz
Ana Capella
Marianne Loner
Jaime Humberto López

d. Integradora

Juan Carlos Gomez
Daniel Mesa Gómez
María Adelaida Ocho
Ignacio Calle Cuartas
Jorge Otalvaro Tobón
Juan Pablo Arango Botero
Claudia Urquijo
Natalia Gómez
Juan David Cano Arango

d) Investments in associates and joint ventures:

Grupo SURA's associates and joint ventures are listed in Note 16.2 Investments in Associates and Note 16.3. Joint Ventures.

e) Grupo de Inversiones Suramericana's Shareholders:

See list of shareholders contained in Note 1 Reporting Entity

41.2. Transactions with related parties

Transactions between related parties include:

- Loans between related companies with contractually stipulated terms and conditions and at interest rates that are in keeping with the prevailing market rates. All are paid back in the short-term.
- Financial, management, IT and payroll services.
- Leases and subleases of office and retail space, as well as re-invoiced public utility bills corresponding to such.
- Cash reimbursements.
- Loans with senior executives.

All of these transactions are considered to be short-term transactions.

Balances are reconciled at the end of each year, in order to eliminate all applicable intercompany transactions. The exchange difference with recorded rates are charged to income on the Consolidated Financial Statements.

The following is a summary of the transactions carried out with related parties at year-end, which were subsequently eliminated in the consolidated financial statements:

2015

Company	Accounts receivable	Accounts payable	Income	Expense
Corredores de Bolsa SURA S.A.	-	(6)	14,536	(5,973)
Administradora General De Fondos Sura S.A.	119	(1,202)	(8,054)	(22,502)
Seguros De Vida Sura S.A.	1,304	(119)	27,964	(15,351)
Sura Data Chile S.A.	-	(22)	10,775	(5)
Sura Chile S.A.	2,390	(15)	41,284	(352)
AFP Capital S.A.	-	(66)	568	(32,673)
Seguros Generales Suramericana S.A.	38,148	(8,617)	39,330	(80,329)
Seguros De Vida Suramericana S.A.	604	(14,620)	18,303	(63,795)
Compuredes S.A.	1,644	-	17,728	(176)
Operaciones Generales Suramericana S.A.S	7,518	(70,707)	66,153	(3,853)
Servicios Generales Suramericana S.A.S.	102,774	(14)	3,728	(2,214)
Suramericana	13	(30,356)	-	(777)
Consultoría Y Gestión De Riesgos Ips Suramericana S.A.	4,307	(651)	52,298	(717)
Inversiones Y Construcciones Estrategicas (Ice)	26,997	-	279	(6)
Servicios De Salud Ips Suramericana	12,934	(3,763)	265,458	(33,379)
Grupo Sura	-	(26,997)	75	(627)
Seguros de Riesgos Profesionales Suramericana S.A.	64	(7,528)	20	(86,773)
EPS y Medicina Prepagada Suramericana S.A.	733	(10,520)	4,178	(255,189)
Enlace Operativo S.A.	854	-	8,525	(38)
Diagnóstico Y Asistencia Médica S.A. Dinámica	4,753	(208)	81,461	(3,810)
Technologia	-	(0)	-	-
Dinamica Ips Zonas Francas S.A.S.	-	-	-	-
Habitat Adulto Mayor S,A,	-	(57)	-	(40)
Sura Asset Management Colombia	-	-	-	(1,539)
Sura Asset Management España S.L.	-	-	-	(121)
Grupo De Inversiones Suramericana Holanda (H2)	-	-	-	-
Sura Art Corporation S.A. De C.V. (Sura Art)	590	(92)	485	(83)
Asesores Sura S.A. De C.V.	3,410	(409)	21,789	-
Pensiones Sura S.A. De C.V.	-	(694)	-	(5,249)
Sura Investment Management S.A. De C.V.	262	(5,324)	2,524	(35,872)
Afore Sura S.A. De C.V.	1,147	(4,387)	8,907	(24,230)

Sura Asset Management Mexico S.A. De C.V.	25,534	(94)	116	(85)
Promotora Sura Am S.A. De C.V.	4,336	-	28,754	-
Seguros De Vida Sura México, S.A. De C.V.	409	(26,091)	-	(3,638)
Gruposura Finance	922,919	(8)	46,922	-
Grupo De Inversiones Panama	663	(922,941)	-	(46,922)
Inversura Panamá Internacional S.A.	-	-	54	-
Seguros Suramericana Panamá S.A.	188	(26,560)	1,182	(25,387)
Servicios Generales Panamá	31	(188)	-	-
Planeco Panama	-	(655)	-	-
AFP Integra S.A.	6,647	(1,323)	967	(2,920)
Fondos Sura Saf S.A.C.	-	(137)	-	(302)
Hipotecaria Sura Eah	19	(1,851)	1,292	(127)
Seguros Sura S.A.	0	(829)	698	(3,055)
Sura Asset Managament Peru S.A.	-	(4,782)	-	(64)
Sociedad Agente De Valores Sab	16	-	-	(4)
Seguros Sura Republica Dominicana	-	-	-	(97)
Aseguradora Suiza Salvadoreña S.A.	717	(52)	3,012	(56)
Aseguradora Suiza Salvadoreña Vida S.A.	668	(717)	7,678	(10,309)
Afap Sura Sa.	-	(111)	-	(574)
Administradora De Fondos De Inversion S.A. Afisa Sura	-	-	222	-
	1,172,714	(1,172,715)	769,209	(769,210)

2014

Company	Accounts receivable	Accounts payable	Income	Expense
Sura S.A.	146,163	(216,712)	-	(484)
Compañía De Inversiones Y Servicios Sura S.A.	66,364	-	-	484
Corredores de Bolsa SURA S.A.	39	(4)	9,971	(4,308)
Administradora General De Fondos Sura S.A.	64	(741)	(4,761)	(12,890)
Seguros De Vida Sura S.A.	755	(64)	7,897	(4,665)
Sura Data Chile S.A.	-	-	8,623	(4)
Sura Chile S.A.	5,412	(6)	38,749	(139)
AFP Capital S.A.	970	(44)	497	(27,209)
Seguros Generales Suramericana S.A.	333,871	(10,228)	33,464	(52,630)
Seguros de Vida Suramericana S.A.	9,448	(18,605)	15,715	(50,659)
Compuredes S.A.	2,631	(91)	17,051	(403)
Operaciones Generales Suramericana S.A.S.	4,511	(77,814)	13,965	(3,451)
Servicios Generales Suramericana S.A.S.	86,063	(3,016)	17,736	(2,161)
Suramericana	25	(23,365)	-	(458)

Consultoría en Gestión de Riesgos IPS Suramericana S.A.	6,131	(968)	46,557	(660)
Inversiones y Construcciones Estratégicas S.A.S.	1,000	(25,000)	417	(4)
Servicios de Salud IPS Suramericana S.A	12,450	(3,261)	230.421	(31,512)
Grupo Sura	45,456	(1,094)	-	(1,152)
Seguros de Riesgos Profesionales Suramericana S.A.	10,785	(9,255)	20	(78,248)
Eps Y Medicina Prepagada S.A.	692	(10,111)	861	(216,177)
Enlace Operativo S.A.	846	(245)	7,718	(41)
Diagnóstico y Asistencia Médica S.A. IPS	4,037	(134)	66,454	(3,530)
Tecnologia	43	(119)	-	-
Dinamica Ips Zonas Francas S.A.S.	8	-	-	(10)
Habitat Adulto Mayor S,A,	-	-	3	(32)
SURA Asset Management Colombia	-	(40)	-	(1,294)
Suam Finance B.V.	-	(1,283)	-	-
Sura Asset Management España, S.L.	-	(298,076)	-	-
Grupo Sura Latin American Holdings B.V. (Gslah)	-	37	-	-
Grupo Sura Ae Chile Holding II B.V. (Gsaeii)	-	(317)	-	-
Grupo Sura Ae Chile Holding I B.V. (Gsaei)	-	(363)	-	-
Grupo De Inversiones Suramericana Holanda (H2)	643	(0)	-	-
Sura Asset Management Mexico B.V.	-	3	-	(7)
Mexamlux S.A.	-	(3)	-	(21)
Sura Art Corporation S.A. De C.V. (Sura Art)	363	(0)	328	-
Asesores Sura S.A. De C.V.	2,712	-	12,564	-
Pensiones Sura S.A. De C.V.	-	(323)	-	(4,116)
Sura Investment Management S.A. De C.V.	75	(1,844)	4,226	(25,649)
Inverconsa S.A. de C.V.	0	-	-	-
Afore Sura S.A. De C.V.	906	(2,647)	7.893	(13,510)
Sura Asset Management Mexico S.A. De C.V.	4,854	-	81	-
Promotora Sura Am S.A. De C.V.	69	-	14,798	-
Seguros De Vida Sura México, S.A. De C.V.	-	(6,174)	-	(1,072)
Gruposura Finance	701,743	-	34,213	-
Grupo de Inversiones Sura Panama	4,519	(721,532)	-	(34,213)
Inversura Panamá Internacional S.A.	3,592	-	3	-
Seguros Suramericana Panamá S.A.	140	(13,442)	712	(11,946)
Servicios Generales Panamá	11	(140)	-	-
Planeco Panama	-	(4,519)	-	-
Wealth Management Sura S.A.	-	(280)	-	(88)
AFP Integra S.A.	-	(897)	883	(2,479)
Fondos Sura Saf S.A.C.	239	(8)	-	(245)

Servicios Sura S.A.C.	-	(1)	-	-
Hipotecaria Sura Eah	19	(171)	9	(272)
Seguros Sura S.A.	179	(380)	573	(1,477)
Sura Asset Managament Peru S.A.	41	-	-	-
Sociedad Agente De Valores Sab	-	-	-	-
Seguros Sura Republica Dominicana	-	(3,671)	2	(97)
Aseguradora Suiza Salvadoreña S.A.	474	(803)	-	(31)
Aseguradora Suiza Salvadoreña Vida S.A.	803	(1,299)	6,193	(6,709)
Afap Sura Sa.	-	(98)	-	(429)
Administradora De Fondos De Inversion S.A. Afisa Sura	-	-	160	-
Sura Asset Management Uruguay Sociedad De Inversión S.A.	1	-	-	-
Agente De Valores Sura S.A.	-	(1)	-	-
	1,459,148	(1,459,148)	593,997	(593,997)

January 1, 2014

Company	Accounts receivable	Accounts payable
Seguros Generales Suramericana S.A.	12,460	(1,337)
Seguros de Vida Suramericana S.A.	243	(16,149)
Compuredes S.A.	2,374	-
Operaciones Generales Suramericana S.A.S.	7,332	-
Servicios Generales Suramericana S.A.S.	1,841	(176)
Suramericana	2	(7,533)
Consultoría Y Gestión De Riesgos Ips Suramericana S.A.	569	(94)
Inversiones Y Construcciones Estrategicas (Ice)	20,560	(0)
Servicios De Salud Ips Suramericana	11,787	(3,339)
Grupo Sura	57	(20,586)
Seguros De Riesgos Profesionales Suramericana S.A.	43	(3,554)
Eps Y Medicina Prepagada S.A.	3,663	(9,918)
Enlace Operativo S.A.	681	(5)
Diagnóstico y Asistencia Médica S.A. IPS	193	(247)
Tecnologia	-	-
Dinamica Ips Zonas Francas S.A.S.	62	-
SURA Asset Management Colombia	-	(81)
Gruposura Finance	564,623	-
Grupo De Inversiones Panama	-	(564,623)
Inversura Panamá Internacional S.A.	169,503	-
Seguros Suramericana Panamá S.A.	111	(170,362)
Servicios Generales Panamá	1	(111)
Planeco Panama	-	-
Seguros Sura Republica Dominicana	-	(35)
Aseguradora Suiza Salvadoreña S.A.	97	(35)
Aseguradora Suiza Salvadoreña Vida S.A.	2,078	(97)
	798,281	(798,281)

41.3. Remuneration of key management personnel

Senior management benefits

	2015	2014
Short-term employee benefits	73,408	57,904
Long-term employee benefits	370	5,381
Post-employment benefits	23,295	18,464
Termination benefits	-	1,850
Total	97,073	83,599

Transactions with members of the Board of Directors

	2015	2014
Accounts receivable due from directors (1)	1,836	1,812
Accounts payable to directors (1)	63,612	51,867

(1) Corresponding to loans granted to directors at an agreed rate of 0.56%.
(2) Corresponding to long-term and post-employment employee benefits.

Fees paid to Members of the Board of Directors
Board of Director's fees are shown as follows:

	2015	2014
Board of Director fees	4,623	2,380

For the year ended December 31, 2015, members of the Board of Directors received fees for attending meetings of the Board of Directors and Board Committees, pursuant to that laid out in the Company's by-laws and shareholder authorizations which established the following fees to be paid in 2015.

The members of the Board of Directors of Grupo de Inversiones Suramericana and its subsidiaries are responsible for formulating the organization´s main business guidelines and making key decisions.

NOTE 42. EVENTS AFTER THE REPORTING PERIOD

These include:

1. The acquisition of RSA 's Latin American operations

- On September 7, 2015 Suramericana S.A., Grupo SURA's insurance and risk management subsidiary signed an agreement to acquire the Latin American operations of RSA Insurance Group plc for an approximate value of COP 1,933,775(USD 614 million).

Approximately 70% of the value of this transaction will be obtained through a capitalization on the part of Suramericana´s two shareholders, Grupo SURA and Munich Re, and the remaining 30% will be paid with available cash and third party financing. This transaction will be paid once regulatory approval is obtained in each of the six countries. This is expected to take place within a maximum period of 18 months after the signing of the acquisition agreement.

Once this acquisition is completed the percentage stakes to be acquired in each respective country are shown as follows:

In Colombia

Royal & Sun Alliance Seguros (Colombia) S.A. 98.4954% Financia Expreso RSA S.A.99.9997%

In México

Royal & Sun Alliance Seguros (Mexico) S.A. de C.V.100%

In Chile

RSA Seguros Chile S.A. 99.4976% RSA Seguros de Vida S.A. 100% RSA Chilean Holding SpA. 100% Inversiones RSA Chile Limitada 100% Servicios y Ventas Compañía Limitada 100%

In Brazil

Royal & Sun Alliance Seguros (Brasil) S.A.99.9995%

In Argentina

Atlantis Sociedad Inversora S.A. 100% Santa Maria del Sol S.A. 100% Royal & Sun Alliance Seguros (Argentina) S.A.99.35%% Aseguradora de Créditos y Garantías S.A. 99.99%

In Uruguay

Royal & Sun Alliance Seguros (Uruguay) S.A. 100%

2. Commitment to an associate

On January 6, 2016, SURA Asset Management S.A. signed a letter of commitment in favor of Protección undertaking to pay all and any obligations arising from attending to and completing (i) tax liability proceedings brought or to be brought by the Office of the Colombian Comptroller General; and (ii) coactive jurisdiction proceedings.

3. Fines or sanctions imposed by government authorities

Grupo de Inversiones Suramericana S.A. received notification from the Colombian Tax Authorities that as a result of an official review of the Company's Income Tax Return corresponding to the tax year of 2013, a sanction had been imposed due to an alleged inaccuracy as to the actual amount of tax declared. Said tax return has not as yet become final and the discrepancy encountered is due to a difference in interpretation criteria with the Colombian Tax Authorities. The Company will therefore be challenging this decision via the legal remedies at its disposal.

4. Acquisition of the stake held by General Atlantic Coöperatief U.A.

The Board of Directors, as stated in Minutes No.239 of Board Meeting held on February 25, 2016, authorized Grupo Sura's Senior Management to exercise a call option with General Atlantic Coöperatief UA (GA) for purchasing the 191,198 shares that the latter holds in the Group´s subsidiary SURA Asset Management S.A., which is equal to a 7.30% stake in the Company's share capital. The value thus approved for this purchase corresponds to a baseline price of COP 1,758,647 (USD 538 million), and this can be adjusted based on the provisions of the corresponding option contract.

As a consequence of the aforementioned, during the same Board Meeting held on February 25, 2016 the Senior Management was authorized to incur in debt up to an amount of COP 1,765,184 (USD 540 million), thus allowing Grupo Sura to undertake such debt operations with the international banks: Bank of America, N.A.; JPMorgan Chase, N.A.; Merrill Lynch, Pierce and Fenner & Smith Incorporated; subsidiaries of those entities, as well as Grupo SURA´s subsidiaries as debtors or as guarantors for this operation. In addition, the legal representative was vested ample powers to sign the documents related to these loan operations and to seek an efficient financial structure to close the operation successfully with the purpose of enabling operations among companies pursuant to the regulations in force or to incorporate new companies in other jurisdictions under the requirements set forth by the applicable laws.

NOTE 43. FIRST TIME ADOPTION OF IFRS

As mentioned in Note 2.1, these are the first consolidated financial statements of Grupo SURA prepared in accordance with Colombian IFRS.

In accordance with IFRS 1, First Time Adoption of International Financial Reporting Standards, Grupo SURA presents the reconciliations related to its transition process, as follows:

a. Reconciliation of equity from previous GAAP to Colombian IFRS, as of January 1, 2014 (transition date) and December 31, 2014 (last one presented under previous GAAP).

b. Reconciliation of comprehensive income from previous GAAP to IFRS for the year ended December 31, 2014.

To prepare these reconciliations, Grupo SURA has taken into account the exceptions and exemptions provided by Colombian IFRS.

43.1. Policies and procedures pertaining to the transition exemptions to retrospective application chosen by Grupo SURA.

I. *Use of fair value as deemed cost of property and equipment and investments in associates* – the exemption of the IFRS 1 allows the use of fair value on the date of transition to the IFRS as the attributed cost for property and equipment, intangible assets, and investment property. IFRS states that the revaluation according to the previous Generally Accepted Accounting Principles (GAAP), on the date of transiton or earlies, can be used as attibuted cost on the revaluation date if on that thate it was sustantially similar:

- At fair value; or
- At depreciated cost per the IFRS.

Grupo SURA opted to measure its real estate properties at fair value as of the transition date, and used this value as deemed cost in the opening consolidated Statement of financial Position. The fair value of these assets was measured by an appraisal conducted by independent external experts.

For items of computer and transportation equipment, as well as, furniture and fixtures the Company considered the depreciated cost under previous GAAP as deemed cost at the date of transition, given that the useful lives under previous GAAP is in line with the requirements under IAS 16.

Other assets under Property and Equipment changed their useful lives to better reflect the economic life of the assets, the useful lives were determined with assessments and technical support from the operating areas of the Company. In addition, re-calculations were made of the accrued depreciation based on these new lives and the effects were recognized on the Statement of Starting Financial Position at the date of transition. See note 43.4 item f Property and Equipment.

With regards to the measurement of investments in associated companies on the opening consolidated Statement of Financial position, the fair value of these investments was taken from the price listed of each issuer.

II. *Cumulative translation differences*– Grupo SURA adopted the optional exemption provided by IFRS 1, to deem the cumulative foreign exchange differences to be zero at the transition date to IFRS, and reclassified any amounts recognized in accordance with GAAP to retained earnings.

Leases – the exemption of IFRS 1 establishes that the Company may determine if an agreement in force on the transition date of the IFRS contains a lease, after consideration of the events and existing circumstances at said date.
Grupo SURA and subsidiaries decided to use this exemption and hence, has considered the events and existing circumstances as of the transition date to determine the existence of leases implicit in its contracts and agreements.

III. *Designation of previously recognized financial instruments:* equity instruments were rated as measured to their reasonable value with equity changes based on the existing circumstances at the transition date of the IFRS.

43.2. Use of estimates: the accounting studies conducted by Grupo SURA at January 1 and December 31, 2014, reflect the conditions that existed on the transition date and the comparison period, and are consistent with the estimates made for the same date under previous GAAP, after making the adjustments necessary to exhibit any different in the accounting principles.

The items that exhibit significant differences are listed below:
- Pensions and other long-term employee benefits or as a result of contract termination.
- Fair value of properties and equipment, fair value of financial instruments and hedges.
- Useful lives for Property and equipment

43.3. Reconciliation of the Consolidated Statement of Financial Position

Pursuant to the requirements, the primary adjustments of the transition from the previous GAAP are explained below alongside the consolidations made related to said transition:
a. From the equity determined under the previous GAAP and the equity determined under the IFRS at January 1, 2014 (IFRS transition date), to December 31, 2014;

b. From the net result determined in accordance with the previous GAAP applicable to the period ended on December 31, 2014, to the total integral result determined in accordance with the IFRS on the same date:

Consolidated Statement of Financial Position	Previous. GAAP at December 31, 2013	Adjustments and Reclassifications	IFRS January 1, 2014	previous GAAP at December 31, 2014	Adjustments and Reclassifications	IFRS at December 31, 2014
Cash and cash equivalents	1,151,770	191,285	1,343,055	1,154,404	139,585	1,293,989
Investments	28,211,189	(15,566,403)	12,644,786	33,635,118	(17,260,459)	16,374,659
Accounts receivable	1,816,274	377,612	2,193,886	1,960,176	536,567	2,496,743
Accounts receivable, related parties	68,179	4,874	73,053	89,300	(3,477)	85,823
Insurance technical reserves	-	443,380	443,380		439,913	439,913
Inventories	26,201	(16,208)	9,993	26,472	(11,832)	14,640
Assets for current taxes	268,976	(12,775)	256,201	408,608	(93,270)	315,338
Other financial assets	18,596	(11,018)	7,578	1,757	48,019	49,776
Other non-financial assets	1,195,936	(1,117,701)	78,235	1,493,072	(1,400,308)	92,764
Investment properties	384,619	132,804	517,423	626,837	43,003	669,840
Properties and equipment	591,374	93,865	685,239	641,196	172,657	813,853
Intangible assets	2,600,120	471,312	3,071,432	3,071,827	374,048	3,445,875
Captial gain	3,595,825	(190,822)	3,405,003	4,387,975	(641,261)	3,746,714
Investments in associate companies	-	15,213,128	15,213,128	-	16,998,552	16,998,552
Assets from deferred taxes	-	313,889	313,889	-	369,363	369,363
Total assets	39,929,059	327,222	40,256,281	47,496,742	-288,900	47,207,842
Equity and liabilities						
Liabilities						
Other financial liabilities	1,841,579	149,102	1,990,681	1,026,640	84,980	1,111,620
Commercial accounts payable	1,442,488	-297,410	1,145,078	1,483,473	-349,913	1,133,560
Accounts payable to related entities	4	93,478	93,482		67,896	67,896
Insurance technical reserves	10,810,008	273,865	11,083,873	13,775,398	519,209	14,294,607
Liabilities for current taxes	425,140	-45,880	379,260	540,360	-99,683	440,677
Provisions for employee benefits	171,365	53,152	224,517	234,320	64,290	298,610
Other non-financial liabilities	172,191	87,090	259,281	189,565	124,766	314,331
Other provisions	-	110,131	110,131		117,765	117,765

Securities issued	828,049	297,957	1,126,006	2,820,666	201,562	3,022,228
Liabilities for deferred taxes	944,583	279,893	1,224,476	1,304,648	144,296	1,448,944
Non-controlling participations	3,086,575	-3,086,575	-	3,505,849	-3,505,849	0
Total liabilities	19,721,982	-2,085,197	17,636,785	24,880,919	-2,630,681	22,250,238
Equity						
Capital issued	107,882		107,882	107,882	0	107,882
Issue premium	3,769,548	-461,885	3,307,663	3,769,543	-461,881	3,307,662
Accumulated earning	11,842,012	750,787	12,592,799	13,870,590	-2,204,849	11,665,743
Other equity participations	-	-386	-386		1,023,290	1,023,290
Reservs	3,704,969	-48,898	3,656,071	4,217,634	-39,768	4,177,866
Utilidad Profits for the period	782,666	-782,666	-	650,173	770,020	1,420,193
Equity attributable to the owners of the controlling company	20,207,077	-543,048	19,664,029	22,615,822	-913,188	21,702,636
Non-controlling participations	-	2,955,467	2,955,467	-	3,254,969	3,254,969
Total equity	20,207,077	2,412,419	22,619,496	22,615,822	2,341,781	24,957,605
Total equity and liabilities	39,929,059	327,222	40,256,281	47,496,741	-288,900	47,207,843

Equity reconciliation at January 1, 2014 (Statement of Starting Financial Situation) and December 31, 2014:

	Notes	January 1, 2014	December 31, 2014
Equity Per Prior COL GAAP		20,207,077	22,615,823
Adjustments:			
Investments	A	(230,710)	(22,438)
Investments in associated companies	A	(2,271)	(101,529)
Commercial accounts receivable and other accounts receivable	B	(4,849)	7,420
Other financial assets – Hedges	C	(3,545)	40,187
Other non-financial assets	D	(16,918)	(11,918)
Investment property	E	70,049	73,897
Properties and equipment	F	107,594	100,470
Captial gain	G	(172,192)	(808,906)
Intangible assets other than capital gain	G	11,603	7,892
Securities issued	H	(292,119)	(289,663)
Other financial liabilities	I	(39,097)	(65,174)
Commercial accounts payable and other accounts payable	J	(52,836)	(34,720)
Provisions for employee benefits	K	(46,993)	(51,623)
Insurance technical reserves	L	53,196	34,888
Other non-financial liabilities	M	(26,067)	11,947
Assets for deferred taxes	N	19,885	(34,397)
Liability for deferred taxes	N	(70,350)	14,781
Other provisions	O	(6,035)	(1,930)
Consolidation effect (elimination and conversion)	K	(9,835)	(33,251)

Effect on equity, net		(711,488)	(1,164,067)
Reclassification- Non-controlling participation	P	3,086,575	3,505,849
Non-controlling participation in subsidiaries	P	37,332	-
Equity Under IFRS		22,619,496	24,957,605

The effect of adopting IFRS 1 cumulative loss of ($711,448) in the Grupo SURA equity at January 1, 2014 and of ($1,164,067) at December 31, 2014.

Reconciliation of the integral statement of results at December 31, 2014

CONSOLIDATED INCOME STATEMENT	Previous GAAP at December 31, 2014	Adjustments and Reclassifications	IFRS December 31, 2014
Premiums issued	6,780,952	(26,386)	6,754,566
Assigned premiums	(816,372)	7,556	(808,816)
Retained premiums (net)	5,964,580	(18,830)	5,945,750
Revenues from Commissions	1,557,083	(25,209)	1,531,873
Services provided	2,372,285	(762,619)	1,609,665
Dividends	377,535	(317,134)	60,401
Revenues from investments	34,808	825,633	860,440
Gains (Losses) at reasonable value	782,629	(373,770)	408,858
Gain (Loss) from equity method of Associate companies		1,009,727	1,009,727
Gains (Losses) from sale of investments	84,415	(2,659)	81,756
Revenue from investment properties	54,025	3,179	57,204
Other revenues	82,314	27,542	109,855
Total revenues	11,309,673	365,858	11,675,532
Total losses	(3,421,026)	267,699	(3,153,327)
Reimbursement of losses	323,236	(15,939)	307,296
Retained losses	(3,097,790)	251,759	(2,846,031)
Net production reserves	(1,351,917)	(345,509)	(1,697,426)
Cost of services provided	(1,950,191)	382,255	(1,567,936)
Administrative expenses	(1,095,139)	276,300	(818,839)
Employee benefits	(926,268)	(124,454)	(1,050,722)
Fees	(490,889)	5,198	(485,691)
Commissions to intermediaries	(422,908)	(34,506)	(457,414)
Amortizations	(229,645)	13,243	(216,402)
Depreciations	(44,484)	(24)	(44,509)
Other expesnes	(124,190)	(4,194)	(128,383)
Interests	(115,347)	(139,740)	(255,087)
FX difference (Net)	(46,304)	76,075	29,771
Deterioration	(81,610)	60,514	(21,096)
Total expenses	(9,976,684)	416,917	(9,559,767)
Gain (Loss), before taxes	1,332,989	782,776	2,115,765
Tax on profits	(503,318)	18,582	(484,736)
Gain (Loss), Net	829,672	801,357	1,631,029
Gain (Loss) of the controlling company	650,173	770,020	1,420,193
Gain (Loss) non-controlling	179,499	31,337	210,837

Reconciliation of profits for the period ended December 31, 2014:

	Notes	At December 31, 2014
Result of the period per Prior GAAP		829,672
Colombian IFRS Adjustments:		
Investments	a	(37,483)
Investments in associate companies	a	748,730
Commercial accounts and other accounts receivable	b	3,477
Other financial assets – Hedges	c	43,758
Other non-financial assets	d	4,238
Investment property	e	1,633
Properties and equipment	f	(15,003)
Intangible assets other than capital gain	g	(3,705)
Securities issued	h	(22,427)
Other financial liabilities	i	14,389
Commercial accounts payable and other accounts payable	j	8,030
Provisions for employee benefits	k	(4,504)
Insurance technical reserves	l	(18,308)
Other non-financial liabilities	m	(25,318)
Assets for deferred taxes	n	(18,838)
Liabiities for deferred taxes	n	47,830
Other provisions	o	3,972
Consolidation and elimination effect	k	70,887
Effect on the results for the period		801,357
Result of the period per IFRS		1,631,029

Cash Flow Statement Conciliation at December 31, 2014

The Cash Flow Statement had no significant effect on its presentation as a result of the transition to IFRS.

43.4. Explanatory notes to the reconciliation of equity and results for the period

The primary changes from Previous GAAP to Colombian IFRS are listed below:

a. **Investments:** Under Colombian IFRS, Grupo SURA classifies its investments portfolio using the following categories:

- *Financial Instruments*: Financial instruments are measured at fair value with changes on results or changes on the other comprehensive income or amortized cost consistent the business model of each class of instrument. Per prior GAAP, these items were measured at fair value, and amortized cost in accordance with the Regulator's method or the intrinsic value for securities of companies that are not listed.

The table below shows investment adjustments (financial instruments) with their effect on equity at January 1 and December 31, 2014 as well as their effect on results:

Investments	January 1, 2014	December 31, 2014
Adoption of IFRS 9- Financial instruments[1]	(221,009)	-
Valuation of financial instruments	(9,611)	(22,348)
Impairment of financial instruments	(90)	(90)
Equity adjustments	**(230,710)**	**(22,438)**
Valuation of financial instruments		(37,483)
Adjustment to the income satement	**-**	**(37,483)**

[1]At January 1, 2014, Sura Asset Management S.A., one of the subsidiaries of Grupo SURA changed its accounting policies to early adopt IFRS 9.

-*Investments in Associate companies:* After conducting an assessment of control and of the significant influence on companies, under IFRS, Grupo SURA classified Bancolombia S.A, Grupo Nutresa, Grupo Argos and Administradora de Fondo de Pensiones protección S.A as associate companies and valued on the consolidated financial statements under the equity method.

At January 1, 2014, the Associate companies were measured according to the attributed cost and after initialmeasurement as equity variations. However, under previous GAAP, they were valued based on their price in the stock market with equity changes (surplus from valuation), generating an equity difference compared to the IFRS Financial Statements.

The following table shows investment adjustments in associate companies and the equity effect at January 1 and December 31, 2014 as well as its effect on results:

Investments in Associate companies	January 1, 2014	December 31, 2014
Equity method acknowledgement in Associate companies – equity	(2,271)	1,159,338
Elimination of valuations per COL GAAP		(1,260,866)
Equity adjustment	**(2,271)**	**(101,529)**
Equity method acknowledgement in Associate companies Results		1,073,858
Elimination of dividends		(325,128)
Adjustment to the income statement	-	**748,730**

Commercial accounts and other accounts receivable: As of the transition date to IFRS and for the year ended December 31, 2014, long-term accounts receivable are measured under the amortized cost method. . Other swaps with maturities beyond twelve months after the reporting period we not recognized in the statement of financial position. As a result of the above at January 1 and December 31, 2014, an effect of $ 3,545 and $43,758, respectively.

b. Other non-financial assets:

At the IFRS transition date, Grupo SURA and its subsidiaries analyzed if the other assets met the characteristics of an asset under IFRS. The Company determined that several do not, such as several works of art, contributions to social clubs and differed charges, among others. Consequently, these assets were written off.

The following tables shows the adjustments made on equity at January 1 and December 31, 2014, and in turn their effect on results:

Other non-financial assets	January 1, 2014	December 31, 2014
Trust rights	(199)	(199)
Ongoing contributions to social clubs	(516)	(490)
Art and culture goods – works of art	(787)	(788)
Realizable assets and freclosure	(55)	(55)
Other assets	(1,212)	(1,088)
Elimination of deferred charges[1]	(14,148)	(9,298)
Equity adjustment	**(16,918)**	**(11,918)**
Elimination of deferred charges	-	4,238
Adjustment to income statement	-	**4,238**

[1]Per prior COL GAAP, Sura Asset Management, a subsidiary of Grupo SURA, capitalized the cost incurred by the organization and commissioning, and amortized it using the straight line method on a 5-year term. Since this cost does not qualify to be acknowledged as an asset under IFRS, the asset was written of the books charges against accumulated results.

c. Investment property :

In accordance with prior COL GAAP, immovable goods are rated as fixed assets or inventories, and measured at cost. Under IFRS, this item is rated according to its use, i.e., investment property or fixed asset at the transition date of Grupo SURA determined that the immovable good met the conditions of investment property. The above mentioned generated an effect at January 1, 2014 and an effect on the result based on the annual measurement of reasonable value.

Investment property	January 1, 2014	December 31, 2014
Valuation adjustment to fair value	36,064	39,912
Adjustment to depreciation, provisions and AXI	(24)	(24)
Book value of the asset received under lease according to the IFRS	34,008	34,008
Equity adjustment	**70,049**	**73,897**
Reasonable value adjustment	-	1,633
Adjustment to income statement	**-**	**1,633**

d. Properties and equipment:

Per prior COL GAAP, properties and equipment were measured at cost, depreciated based on fiscal useful lives and under the straight line method. In accordance with COL GAAP policies, immovable goods (land and buildings) are measured under the revaluation model while other properties under the acquisition cost minus accrued depreciation, and losses due to deterioration.

The cost of properties and equipment depends on the value on books under the COL GAAP with regards to immovable goods; for immovable goods, the attributed cost is the commercial value of the appraisal conducted at December 31, 2013. Depreciation and deterioration were reversed and charged against accumulated profits. Furthermore, an adjustment for assets written off which did not meet the NIC 16 property plant and equipment criteria for recognition.

The following tables shows the adjustments made on properties and equipment, its effect on equity at January 1 and December 31, 2014 and in turn, its effect on results:

Properties and Equipment	January 1, 2014	December 31, 2014
Adjustment for depreciation, provisions and AXI	26,480	33,098
Valuation adjustment to fair value	4,960	4,960
Shippers due to appreciation	11,922	11,922
Adjustments to thresholds, adjustments for inflation and provisions	2,821	3,572

Assets recognized as financial leases	59,819	58,832
Sale of fixed assets	1,592	(11,913)
Equity adjustment	**107,594**	**100,470**
Depreciation cost/expense	-	(3,310)
Amortization cost/expense	-	(376)
Loss from sale of land	-	(6,956)
Profit from sale of building	-	911
Loss from sale of building	-	(7,499)
Loss from sale of computers	-	(48)
Loss from sale of vehicle	-	(22)
Profit from sale of furniture	-	4
Medical equipment for sale or removed	-	105
Loss of value	-	3,070
Others	-	(882)
Adjustment to integral results	**-**	**(15,003)**

e. Intangibles:

Under prior COL GAAP, Grupo SURA and its subsidiaries conducted business combinations under IFRS 3 guidelines. However, the analysis was made and the following adjustments were determined:

Intangibles	January 1, 2014	December 31, 2014
Decreasing capital gain – acquisition of Integra[1]	(172,192)	(172,192)
Re-expression NIC 21-capital gain ING operation [2]		(636,714)
Remuneration paid to intermediaries [3]	11,603	7,892
Equity adjustment	**(160,589)**	**(801,013)**
Statement of income statement		
Remuneration paid to intermediaries	-	(3,705)
Adjustment to income statement	**-**	**(3,705)**

[1] recognition of capital gain: Under prior COL GAAP, a capital gain of AFP Integra and Wealth Management was acknowldged for $156,238 and $15,954, respectively, framed in a superior IFRS standard using the acquisition method at the date when control was transferred.
In the statement of starting financial situation, according to international standards, this capital gain has been adjusted to equity.

[2] re-expression IAS 21, the balance of intangibles from the acquisition of ING in Latin America (Mexico, Peru, Chile and Uruguay) was re-expressed pursuant to paragraph paragraph 47 of NIC 21, which mentions that these assets should be reexpressed in the same currency as the business functional currency overseas

and converted to the presentation currency rate of exchange on the closing date, the effect on equity for 2014 amounted to ($636,714).

[3]Deferred acquisition cost – at the transition date, Grupo SURA acknowledge the DAC of intermediation commissions, which is amortized on a monthly basis.

f. **Securities issued:**

-*Preferential shares* - Grupo SURA issued preferential shares with a minimum dividend guaranteed. Under IFRS, the liability is acknowledged by the minimum dividend guarantee over these securities issued since that it meets the characteristics of a compound financial instrument. This in turn forces to separate the liability component from equity and is also valued at the amortized cost because it is a long-term asset.

- *Bonds* - under prior COL GAAP, bonds are measured at their par value; under IFRS, they are valued at the amortized cost. Consequently, the bonds issued by the Company in 2014 which amount to $ 650,000 and in November, 2019 for $ 250,000, were included in the new measurement including issuance costs "recalculation of the IRR".

The following table shows the adjustments made on securities issued, its effet on equity at January 1 and December 31, 2014, and in turn, its effect on results:

Securities issued	January 1, 2014	December 31, 2014
Minimum dividend - Preferential shares	(297,630)	(295,813)
Amortized cost - Bonds	5,512	6,150
Equity effect	**(292,119)**	**(289,663)**
Amortized cost - Bonds		(22,427)
Adjustment to income statement	**0**	**(22,427)**

g. **Other financial liabilities:**

At the date of adopting IFRS, Grupo SURA and its subsidiaries acknowledge financial leases of contracts that exist on that date date and were valued at the amortized cost, given that these were acknowledged as operating leases under prior COL GAAP.

Other financial liabilities	January 1, 2014	December 31, 2014
Valuation of financial leases	(43,175)	(47,405)
Valuation of derivatives- swap *(See note C)*	4,078	(17,769)
Equity effect	**(39,097)**	**(65,174)**
Valuation of financial leases		12,571
Valuation of derivatives		1,818
Adjustment to income statement	**0**	**14,389**

h. **Commercial accounts and other accounts payable:** Commercial accounts payable and other non-current accounts payable are measured at the amortized cost minus any degradation or loss of value of the instruments or at the reasonable value, depending of the initial definition.

The following table shows the adjustments made on accounts payable, its effect on equity on January 1 and December 31, 2014, and in turn, its effect on results:

Commercial accounts and other accounts payable	January 1, 2014	December 31, 2014
Adjustments:		
Reinsurance contract cost adjustment	(2,483)	-
Other financial obligations	(42,112)	(31,921.51)
Tax on equity	(7,749)	(2,811)
Other accounts payable	(492)	13
Equity effect	**(52,836)**	**(34,720)**
Reinsurance contract cost adjustment		2,483
Leasing		9,517
Other financial obligations		(3,976)
Tax on equity		4,938
Other accounts payable		609
Equity effect		**13,571**

i. **Provision for employee benefits –** under the prior COL GAAP, long-term employee benefits or post-employment benefits (excluding the retirement Premium) were not acknowledged. At January 1, 2014, the benefits for resignations, bonuses bank, and seniority bonuses, among others, which are recognized on the date of transition to IFRS , recording the effect on accumulated profits on January 1, 2014, and in integral results on December 31, 2014. The effect is detailed below:

Employee benefits	January 1, 2014	December 31, 2014
Adjustment to severance pay	(464)	(545)
Adjustment to interest on severance pay	(3)	(92)
Bonuses bank	(6,956)	(7,488)
Seniority bonus	(4,792)	(3,742)
Productivity bonus	(278)	(312)

Resignation bonus	(32,125)	(38,679)
Actuary calculation of retirement pensions	(1,908)	(1,908)
Others	(467)	1,143
Equity effect	**(46,993)**	**(51,623)**
Adjustment to severance pay	-	(81)
Adjustment to interest on severance pay	-	(89)
Bonuses bank	-	447
Seniority bonus	-	(1,050)
Productivity bonus	-	(34)
Resignation bonus	-	(4,536)
Actuary calculation of retirement pensions	-	839
Adjustment to income statement	-	**(4,504)**

j. **Insurance technical reserves:** Insurance technical reserves are estimated based on the methods established by regulators in the countries where the insurance subsidiaries of Grupo SURA operate. Colombian insurers instead abide to Decree 1851 of 2013 and to Decree 2973 of 2013 both issued by the Financial Superintendency of Colombia and by the Ministry of Treasury and Public Credit. Nonetheless, reserves are adjusted base don the liability insufficiency test under IFRS 4; moreover, the reserve for catastrophiies is eliminated since it does not meet the conditions of a liability in terms of its estimate.
The following shows the adjustments made on insurance technical reserves and its effect on equity at January 1 and December 31, 2014, and in turn, its effect on results:

Insurance technical reserves	January 1, 2014	December 31, 2014
Adjustment to reserves for ongoing risks	2,700	(19,631)
Mathematical reserve adjustment	(111,988)	(106,549)
Adjustment to reserve for notified losses	(34,616)	(19,960)
Adjustment to reserve for non-notified losses	11,482	(15,992)
Reserve for catastrophies	185,618	197,020
Equity effect	**53,196**	**34,888**
Adjustmen could Beatles t to reserve for ongoing risks	-	(22,331)
Mathematical reserve adjustment	-	5,439
Adjustment to reserve for notified losses	-	14,656
Adjustment to reserve for non-notified losses	-	(27,474)
Creation of the reserve for catastrophies		11,402
Adjustment to income statement	-	**(18,308)**

k. Other non-financial liabilities

Other non-financial liabilities are measured at the reasonable value, at the initial acknowledgement and later the long-term are measured at the amortized cost. Suramericana, one of the subsidiaries of Grupo SURA at the date of transition established a different liability for reinsurance commissions; under the prior COL GAAP, this was immediately accrued to revenue and hence, has an effect on accrued profits at the time of the transition and on the statement of integral results of the year 2014.

The following table shows the adjustments made on non-financial liabilities, its effect on equity on January 1 and December 31, 2014, and in turn, its effect on results:

Other non-financial liabilities	January 1, 2014	December 31, 2014
Establishment of deferred revenue from commissions	(57,012)	(81,131)
Revenue received in advance	30,216	92,939
Deposits received	729	139
Equity effect	**(26,067)**	**11,947**
Revenue received in advance	-	(1,199)
Deferred reinsurance commissions	-	(24,119)
Adjustment to income statement	-	**(25,318)**

l. Deferred tax on profits. The adjustments related to the transition of IFRS gave way to temporary differences. According to accounting policies, Grupo SURA and its subdiaries should register those differences. The adjustments due to the effect of deferred tax on profits are listed below and its effect on equity at January 1 and December 31, 2014, as well as its effecton results.

Deferred tax	January 1, 2014	December 31, 2014
Deferred tax, properties, plant and equipment	(29,239)	(37,670)
Deferred tax, investment property	(6,176)	(7,874)
Deferred tax, business combination	28,601	28,601
Deferred tax, investments	(2,507)	(26,044)
Deferred tax, employee benefits	(30,887)	(9,590)
Deferred tax, provisions	9,466	24,123
Deferred tax, income from reinsurance commissions	16,370	16,370
Deferred tax, other items	(929)	11,090
Deferred tax, insurance reserves	(11,588)	(12,542)

Deferred tax, financial instruments	753	(15,811)
Deferred tax, financial leases	15,276	15,276
Deferred tax, fiscal losses	48,644	33,687
Deferred tax, taxed dividends	(88,249)	-
Equity effect	**(50,465)**	**19,616**
Deferred tax		28,992
Adjustment to income statement		**28,992**

m. Other provisions

Under Colombian IFRS provisions are measured at the fair value upon recognition after initial recognition such are measured based on the present value of the cash flows expected to disburse to extinguish the obligation. Under the previous GAAP provisions were measured at nominal value and did not consider a present value discount.

The following shows the adjustments made on other provisions and its effect on equity at January 1 and December 31, 2014, and the effect on results for the year ended December 31, 2014:

Other Provisions	January 1, 2014	December 31, 2014
Labor lawsuits adjustment	(6,083)	(1,753)
Other adjustments	48	(177)
Equity effect	**(6,035)**	**(1,930)**
Labor lawsuits adjustment	-	4,331
Other provisions	-	(359)
Adjustment to income statement	-	**3,972**

n. Noncontrolling interest

Under IFRS, the noncontrolling participation should be presented as a component of equity. Under prior COL GAAP, this item was presented as a higher value of liabilities. Likewise, a recalculation of the noncontrolling participation was conducted again bearing in mind the subsidiaries' foundations of IFRS. The following lists the adjustments made on equity of the noncontrolling and the results of the noncontrolling.

Noncontrolling participations	January 1, 2014	December 31, 2014
Minoriy interest reclassificiation under COL GAAP	3,086,575	3,505,849
Adjustment to noncontrolling participation under IFRS[1]	(131,108)	(250,880)
Equity effect of noncontrolling company	**2,955,467**	**3,254,969**
Ajuste noncontrolling participation under IFRS		**31,337**
Adjustment to income statement of the noncontrolling company	**-**	**31,337**

[1]The adjustment corresponds to the la noncontrolling participation generated by the equity variation adn by the integral results of the Subsidiaries when 100% is not owned. The primary variation is contributed by Sura Asset Management S.A of $ 111,583 at the transition date, when Grupo SURA owned 67,06% of the shares at January 1 and December 31, 2014 and the effect of the noncontrolling participation incorporating Suramericana in the Consolidated Financial Statements.

O. Consolidation effect

Conversion adjustment: For purposes of consolidation, this applies to the conversion ajustment of those companies of the Corporate Group, which operate with a currency other than the Colombian peso. At January 1, 2014, Grupo SURA and subsidiaries do not present a conversion adjustment, and used the IFRS exemption to re-express at the closing rates for that date; at December 31, 2014, a difference between the conversion adjustment under prior COL GAAP and IFRS is displayed amounting to ($6,147)

Surplus or deficit of the cost and elimination: Under prior COL GAAP, the consolidation process generated an surplus or deficit, which was adjusted in the consolidation process for the sum of ($45,452) at January 1, 2014 and of $ (41,387) at December 31, 2014. Likewise, an elimination effect is displayed of $35,617 and $14,253, respectively.

NOTE 44. AUTHORIZATION OF THE FINANCIAL STATEMENTS

The Board of Directors of Grupo Sura authorized the issuance of the Financial Statements as of December 31, 2015, 2014 and January 1, 2014 and for the years ended December 31, 2015 and 2014 to be presented to the Stockholders' general assembly, as required by the Comercial Code, on February 25, 2016 as stated in the minute Number 239.

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U.S.$ 550,000,000

5.500% Notes due 2026

OFFERING MEMORANDUM

April 26, 2016

BofA Merrill Lynch **J.P. Morgan**