

**Sura Asset Management S.A. and Subsidiaries**  
**Consolidated Income Statement**  
(Stated in thousands of US dollars)  
June 30th



	2019	2018
Revenues from contracts with clients	350,448	358,751
Investment income	4,535	844
Gains and losses at net fair value	3,918	771
Income from legal reserve	66,944	6,526
Income from the equity method applied to associates and joint ventures	36,964	21,336
Other operating revenues	5,005	2,192
<b>Operating income - fund and pension management</b>	<b>467,814</b>	<b>390,420</b>
Gross premiums	100,949	183,116
Premiums ceded to reinsurers	(6,323)	(7,843)
<b>Net premiums</b>	<b>94,626</b>	<b>175,273</b>
Income from investments underpinning insurance reserves	38,145	53,766
Fair value gains and losses from investments backing insurance reserves, net	51,752	(3,198)
Claims	(130,719)	(162,718)
Movement in reserves	(36,540)	(40,948)
<b>Insurance operating margin</b>	<b>17,264</b>	<b>22,175</b>
Administrative and selling expense	(258,293)	(254,612)
Deferred acquisition costs (DAC)	(3,211)	(3,590)
Wealth tax	(61)	(97)
<b>Total operating and administrative expense</b>	<b>(261,565)</b>	<b>(258,299)</b>
<b>Operating earnings</b>	<b>223,513</b>	<b>154,296</b>
Financial income	5,142	7,099
Financial expense	(37,535)	(26,981)
Derivative income	(94)	(1,914)
(Expense) income on exchange differences, net	4,614	10,462
<b>Net earnings before income tax from continuing operations</b>	<b>195,640</b>	<b>142,962</b>
Income tax, net	(61,724)	(47,330)
<b>Net income for the year from continuing operations</b>	<b>133,916</b>	<b>95,632</b>
Net income for the year from discontinued operations	(29,110)	6,516
<b>Net income for the year</b>	<b>104,806</b>	<b>102,148</b>
<b>Attributable to:</b>		
Controlling interest	104,612	102,011
Non-controlling interests	194	137

  
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**Sura Asset Management S.A. and Subsidiaries**  
**Consolidated Statement of Other Comprehensive Income**  
(Stated in thousands of US dollars)  
June 30th



	2019	2018
<b>Net income for the year</b>	<b>104,806</b>	<b>102,148</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent years:</b>		
Translation differences	104,367	52,127
Net (losses) gains on cash flow or net foreign investment hedges	34,509	3,419
Net (losses) gains on debt instruments measured at fair value through other comprehensive income	(39)	6,386
<b>Other comprehensive income to be reclassified to profit or loss in subsequent years</b>	<b>138,837</b>	<b>61,932</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent years:</b>		
Revaluations of tangible assets	(7,984)	2,720
Surplus via the equity method	(544)	(971)
Measured actuarial gains (losses) from defined employee benefit plans	-	-
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>(8,528)</b>	<b>1,749</b>
<b>Other comprehensive income for the year, after tax</b>	<b>130,309</b>	<b>63,681</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>235,115</b>	<b>165,829</b>
Attributable to:		
Controlling interest	235,045	165,830
Non-controlling interests	70	(1)


  
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**Sura Asset Management S.A. and Subsidiaries**  
**Consolidated Statement of Financial Position**  
(Stated in thousands of US dollars)



	June 2019	December 2018
<b>Assets</b>		
Cash and cash equivalents	287,534	175,698
Investment portfolio	3,256,353	3,081,256
Accounts receivable	85,073	102,710
Accounts receivable from contracts with clients	38,289	38,810
Reinsurance assets	9,094	7,128
Current tax	56,605	34,751
Financial assets - hedging transactions	42,367	52,224
Other assets	14,730	13,679
Deferred acquisition costs (DAC)	170,813	170,245
Investment properties	33,593	32,490
Property, plant and equipment, net	46,145	37,548
Intangible assets	2,101,977	2,071,623
Investments in associates and joint ventures	375,551	355,466
Deferred tax assets	99,973	17,445
Non-current assets held for sale	-	1,703,457
Right of use assets	61,102	6,532
<b>Total assets</b>	<b>6,679,199</b>	<b>7,901,062</b>

  
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	June 2019	December 2018
<b>Liabilities</b>		
Accounts payable	96,931	92,273
Account payable on contracts with clients	39,785	36,820
Financial liabilities at amortized cost	138,767	196,503
Financial liabilities - hedging transactions and derivatives	7,571	14,101
Technical reserves - insurance contracts	2,020,824	1,940,044
Current tax liabilities	61,992	48,918
Employee benefits	34,380	45,812
Other liabilities	440	343
Provisions and contingencies	12,085	12,309
Deferred income liabilities (DIL)	18,675	18,305
Issued bonds	849,913	849,552
Deferred tax liabilities	437,728	337,577
Liabilities relating to non-current assets held for sale	-	1,499,148
Lease liabilities	62,084	-
<b>Total liabilities</b>	<b>3,781,175</b>	<b>5,091,705</b>
<b>Equity</b>		
Subscribed and paid-in capital	1,360	1,360
Share issuance premium	3,607,651	3,607,651
Other capital reserves	169,560	187,707
Other comprehensive income	(8,332)	(4,418)
Net income for the period	104,612	98,228
Translation differences	(979,590)	(1,083,885)
<b>Total shareholders' equity</b>	<b>2,895,261</b>	<b>2,806,643</b>
Non-controlling interest	2,763	2,714
<b>Total shareholders' equity</b>	<b>2,898,024</b>	<b>2,809,357</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,679,199</b>	<b>7,901,062</b>


  
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Sura Asset Management S.A. and Subsidiaries  
Consolidated Statement of Changes to Shareholders' Equity




	Issued share capital	Share issuance premium	Legal reserve	Other equity reserves	Revaluations of assets and liabilities with changes in equity	Cash flow hedges / net foreign investment	Debt instruments measured at fair value	Net income for the year	Translation differences	Controlling interest	Non-controlling interests	Total equity
At December 31, 2017	1,360	3,607,651	62,692	71,327	10,751	3,198	1,362	208,186	(855,851)	3,111,026	3,072	3,114,698
Application of the new IFRS 9				(227)						(227)		(227)
At January 1, 2018	1,360	3,607,651	62,692	71,100	10,751	3,198	1,362	208,186	(855,851)	3,111,099	3,072	3,114,471
Carry-backs				208,239				(206,239)				
Other comprehensive income					(8)	3,443	238			3,673		3,673
Equity method - Protección					(1,420)			4,838		3,418		3,418
Legal reserve			3,771	(3,771)								
Declared dividends				(123,571)				(1,897)		(123,571)		(123,571)
Reserve set up for donated funds - Sura-AM Colombia				126						126		126
Other changes in equity									52,128	52,128	(1)	52,127
Translation differences								41,319		41,319	124	41,443
Net income for the period				351,123	9,323	6,641	1,600	46,157	(803,723)	3,086,595	3,195	3,089,790
At June 30, 2018	1,360	3,607,651	66,463	124,486	10,530	(15,900)	952	98,228	(1,083,866)	2,806,644	2,714	2,809,358
Carry-backs				98,228				(98,228)				
Other comprehensive income					1,713	489	(38)			2,164		2,164
Equity method - Protección					(763)			33,183		32,420		32,420
Exit of Seguros de Rentas Vitalicias Chile				5,315		(5,315)						
Exit of Seguros de Vida México				(1,359)						(1,359)		(1,359)
Legal reserve			6,867	(6,867)								
Declared dividends				(120,466)						(120,466)	(214)	(120,680)
Other changes in equity				133						133		133
Translation differences								71,429	104,296	104,296	70	104,366
Net income for the period				99,470	11,480	(20,756)	914	104,612	(979,590)	2,895,261	2,763	2,898,024
At June 30, 2019	1,360	3,607,651	70,090	124,486	11,480	(20,756)	914	104,612	(979,590)	2,895,261	2,763	2,898,024

  
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	2019	2018
<b>Operating activities</b>		
<b>Net income for the year</b>	<b>104,806</b>	<b>102,148</b>
<b>Adjustments to reconcile earnings before income tax with net cash flows:</b>		
Income tax, net	61,724	49,185
Depreciation of property and equipment	12,947	5,690
Amortizations of intangible assets	26,393	27,530
Amortizations of Deferred Acquisition Costs (DAC)	30,992	32,401
Gains and losses at fair value, net	(123,247)	(253)
Financial returns at amortized cost	(31,940)	(84,691)
Accrued interest	36,251	25,710
Unrealized exchange differences	(1,452)	(6,304)
Impairment losses on financial assets	139	(425)
Effect of exchange differences on sale of Seguros de Rentas Vitalicias Chile	29,213	-
Effect of exchange differences on sale of Seguros de Vida México	(1,359)	-
Adjustments on other comprehensive income - hedging transactions on sale of Seg	5,315	-
Income from the equity method applied to associates and joint ventures	(36,964)	(21,336)
Other changes in equity	136	-
<b>Adjustments to working capital:</b>		
Decrease (increase) in accounts receivable and other assets	17,107	(16,857)
Increase in Deferred Acquisition Costs (DAC)	(27,781)	(28,811)
Increase in reinsurance assets	(1,966)	(1,654)
(Decrease) increase in technical reserves	(10,689)	98,432
(Decrease) increase in accounts payable and other liabilities	(3,566)	24,922
Translation differences	743	(12,493)
Paid income tax	(58,906)	(63,957)
Non-current assets held for sale	-	(5,034)
<b>Net cash flows sourced from (used in) operating activities</b>	<b>27,896</b>	<b>124,203</b>
<b>Investment activities</b>		
Decrease in investments in associates and joint ventures (dividends)	20,953	33,775
Product of subsidiaries sale	204,309	-
Acquisitions of properties and equipment	(6,248)	(2,897)
Decrease in financial instruments	95,232	65,560
Acquisitions in intangible assets	(7,066)	(2,625)
<b>Net cash flows sourced from investing activities</b>	<b>307,180</b>	<b>93,813</b>
<b>Financing activities</b>		
Payment of dividends to shareholders	(120,467)	(31,109)
Payment of dividends to non-controlling interests	-	(356)
Loans received	-	24,775
Loans paid	(92,892)	(59,369)
Liabilities by right of use	(5,367)	-
Hedging transactions	(962)	(4,876)
Interest paid	(3,552)	(25,431)
<b>Net cash flows used for financing activities</b>	<b>(223,240)</b>	<b>(96,366)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>111,969</b>	<b>118,556</b>
Effect of exchange differences	(133)	3,094
<b>Cash and cash equivalents at January 1</b>	<b>175,698</b>	<b>97,993</b>
<b>Cash and cash equivalents at June 30</b>	<b>287,534</b>	<b>219,643</b>

  
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