

Financial Statements of Fundación Suramericana

at December 31, 2018 with comparative figures

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DIRECTOR'S RESPONSIBILITY FOR THE ACCOUNTS


The Director is required to prepare financial statements for each financial period that provide a reasonable depiction of the Company's financial situation, results, and cash flows for the periods ended on December 31, 2018 and 2017. To prepare these financial statements, the Director must:

- Select appropriate accounting policies and apply them in a consistent manner.
- Present information, including accounting principles, that is relevant, reliable, comparable, and comprehensible.
- Make reasonable and prudent judgements and estimates.
- Indicate whether the applicable accounting standards have been applied, subject to any significant deviation disclosed and explained in the accounts.
- Prepare the accounts as on-going concern, unless it is inappropriate to assume that the Entity shall remain active.

The Director confirms that the accounts meet the above criteria.

In addition, the Director believes that they are responsible for keeping appropriate accounting records that reflect with reasonable accuracy, at any time, the Entity's financial situation. They are also responsible for safeguarding the entity's assets and, therefore, for taking any reasonable steps to prevent and detect fraud and other irregularities.


María Mercedes Barrera
Representante Legal


Luis Fernando Soto Salazar
Contador

CERTIFICATION OF THE FINANCIAL STATEMENTS

The undersigned Legal Representative and the General Accountant, responsible of preparing the financial statements, hereby certify:

That, for publishing the statement of financial situation as of December 31, 2018, and the statement of results for the period, and another integrated results, statement of changes in shareholders' equity, and cash flows for the year ending on that date, which, according to the rules, are made available to the shareholders and third parties, the statement contained therein have been verified, and the figures have been accurately taken from the books.

Those explicit and implicit statements are the following:

Existence: The assets and liabilities of Fundación Suramericana are stated and the recorded transactions have been recorded, during the year.

Integrity: All realized economic transactions, have been recognized.

Rights and Obligation: The assets represent possible future economic benefits while the liabilities represent possible future economic sacrifices, obtained or under the responsibility of Fundación Suramericana as of the cutoff date.

Revaluation: All items have been recognized in the appropriate amounts.

Presentation and Disclosure: The economic transactions that impact the Foundation, have been correctly classified, described and disclosed.

In accordance with Law 222 of 1995, article 37, acting as the Legal Representative of Fundación Suramericana, the Financial Statements and other reports relevant to the public related to the period at December 31, 2018 and December 31, 2017 do not contain misstatements, errors or inaccuracies which could impact the financial position, equity or operations of the Foundation.


María Mercedes Barrera
Representante Legal


Luis Fernando Soto Salazar
Contador

FUNDACIÓN SURAMERICANA
STATEMENT OF FINANCIAL POSITION


At December 31, 2018 (with comparative figures as of December 31, 2017)

(Values expressed in thousands of Colombian Pesos)

	Notes	December 2018	December 2017
Assets			
Current assets			
Cash and cash equivalents	4	16,816,805	22,354,697
Trade and other receivables	5.1	9,851	3,563,057
Assets from current taxes	6	571,440	559,458
Total current assets		17,398,096	26,477,212
Non-current assets			
Investments	5.1	94,777,129	93,894,999
Investment properties	7	20,023,176	18,388,778
Properties, plant and equipment	8	13,091	18,125
Total non-current assets		114,813,396	112,301,902
Total assets		132,211,492	138,779,114
Liabilities			
Current liabilities			
Financial obligations	5.2	-	721,224
Trade and other receivables	5.2	2,667,923	2,699,462
Liabilities from current taxes	6	45,892	44,090
Employee benefits liabilities	9	90,943	56,911
Total current liabilities		2,804,758	3,521,687
Non-current liabilities			
Provisions for employee benefits	9	24,772	22,510
Total non-current liabilities		24,772	22,510
Total liabilities		2,829,530	3,544,197
Shareholder equity			
Share capital issued	10	1,929,751	1,929,751
Surplus (loss), net		2,121,974	(408,858)
Accumulated profits		(3,634,785)	(2,146,329)
Other equity participations	11	(4,096,125)	3,878,805
Reserves	10	133,061,147	131,981,548
Total shareholder equity		129,381,962	135,234,917

The notes are an integral part of the Financial Statements.


 María Mercedes Barrera
 Representante Legal


 Luis Fernando Soto Salazar
 Contador


 Yeraldín Vanessa Sepúlveda
 Revisor Fiscal
 T.P. 192589-T
 Designada por de Ernst & Young Audit S.A.S.
 (Véase mi informe del 4 de marzo de 2019)

FUNDACIÓN SURAMERICANA
INCOME STATEMENT


Year ended on December 31, 2018 (with comparative figures for the year ended on December 31, 2017)


(Values expressed in thousands of Colombian Pesos)

	Notes	December 2018	December 2017
Revenue			
Donations	12	14,641,918	14,031,592
Dividends	13	2,180,125	1,973,271
Revenue from investment	14	2,636,045	1,970,189
Profit (loss) from sale of investments	15	532,997	592,037
Revenue from investment property	7	3,322,644	1,228,500
Other revenue	16	2,791	95,131
Total revenue		23,316,520	19,890,720
Expenditures			
Donations	17	(8,449,964)	(9,192,546)
Administrative expenses	18	(10,182,586)	(8,944,120)
Employee benefits	9	(755,018)	(687,333)
Fees	19	(1,387,470)	(1,163,189)
Depreciations	8	(5,032)	(5,200)
Interests	20	(424,374)	(294,361)
Exchange difference (net)	21	9,898	(12,829)
Total expenditures		(21,194,546)	(20,299,578)
Surplus (loss), before taxes		2,121,974	(408,858)
		-	-
Surplus (loss), net		2,121,974	(408,858)

The notes are an integral part of the Financial Statements.


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FUNDACIÓN SURAMERICANA
COMPREHENSIVE INCOME STATEMENT

Year ended on December 31, 2018 (with comparative figures for the year ended on December 31, 2017)

(Values expressed in thousands of Colombian Pesos)

	Notes	December 2018	December 2017
Surplus (loss) for the period		2,121,974	(408,858)
Other integrated results, loss from investment in equity instruments net of taxes	11	(7,974,930)	8,099,655
Total other integrated results		(7,974,930)	8,099,655
Total integrated results		(5,852,956)	7,690,797

The notes are an integral part of the Financial Statements.


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FUNDACIÓN SURAMERICANA
CHANGE IN EQUITY STATEMENT

Year ended on December 31, 2018 (with comparative figures for the year ended on December 31, 2017)

(Values expressed in thousands of Colombian Pesos)

	Notes	Share capital	Accumulated losses	Other comprehensive results	Occasional reserve	Surplus loss of period	Total equity
Equity at December 1, 2017		1,929,751	(3,634,786)	(4,220,850)	131,981,549	1,488,457	127,544,121
Other comprehensive income	11	-	-	8,099,655	-	-	8,099,655
Surplus for the period		-	-	-	-	(408,858)	(408,858)
Total comprehensive income for the period		-	-	8,099,655	-	(408,858)	7,690,797
Transfer to accumulated results		-	-	-	-	-	-
Permanent allocation reserve	10	-	1,488,457	-	-	(1,488,457)	-
Equity at January 1, 2018		1,929,751	(2,146,329)	3,878,805	131,981,549	(408,858)	135,234,918
Other comprehensive income	11	-	-	(7,974,930)	-	-	(7,974,930)
Surplus for the period		-	-	-	-	2,121,974	2,121,974
Total comprehensive income for the period		-	-	(7,974,930)	-	2,121,974	(5,852,956)
Transfer to accumulated results		-	(408,858)	-	-	408,858	-
Permanent allocation reserve	10	-	(1,079,598)	-	1,079,598	-	-
Equity at December 31, 2018		1,929,751	(3,634,785)	(4,096,125)	133,061,147	2,121,974	129,381,962

The notes are an integral part of the Financial Statements.

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Legal Representative

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Professional Card 16951-T

Yeraldín Vanessa Sepúlveda
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(See my report of March 4, 2019)

FUNDACIÓN SURAMERICANA
CASH-FLOW STATEMENT

Year ended on December 31, 2018 (with comparative figures for the year ended on December 31, 2017)

(Values expressed in thousands of Colombian Pesos)

	Notes	December 2018	December 2017
Profits for the period		2,121,974	(408,858)
Adjustments to reconcile profits			
Adjustment for financial costs	20	424,374	294,361
Adjustment for the decrease in commercial accounts receivable		3,416,425	(2,341,187)
Adjustment for increases in accounts receivable from operating activities		136,779	277,827
Adjustment for the decrease in commercial accounts payable		(31,538)	(587,304)
Adjustments for depreciation expenses	8	5,032	5,200
Adjustments for provisions		36,295	(6,626)
Adjustments for gains in reasonable value	7	(1,634,398)	-
Investment valuation	15	(532,997)	(592,037)
Total adjustments to reconcile profits		1,819,972	(2,949,766)
Net cash flow from operating activities		3,941,946	(3,358,624)
Interests paid		(103,026)	(169,582)
Tax paid on profits		(13,551)	(79,921)
Other non-financial assets		3,374	41,803
Net cash flow from operating activities		3,828,743	(3,566,324)
Cash flow from (used in) investment activities			
Other receipts from the sale of equity of debt instruments		45,163,314	58,550,802
Other payments for the purchase of equity or debt instruments		(53,487,377)	(36,514,969)
Importes procedentes de la venta of properties, plant and equipment	8	-	746
Purchase of properties, equipment	8	-	(3,224)
Purchase of other long-term assets	7	-	(18,388,777)
Net cash flow from (used in) investment activities		(8,324,063)	3,644,578
Cash flow from financing activities			
Amounts from loans		-	596,445
Reimbursements on loans		(1,042,572)	-
Net cash flow from financing activities		(1,042,572)	596,445
Net increase (decrease) in cash and cash equivalents before the effects of changes in the foreign exchange rate		(5,537,892)	674,699
Net increase in cash and cash equivalents		(5,537,892)	674,699
Cash and cash equivalents at the beginning of the period	4	22,354,697	21,679,998
Cash and cash equivalents at the end of the period	4	16,816,805	22,354,697

The notes are an integral part of the Financial Statements.

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FUNDACIÓN SURAMERICANA
NOTES TO FINANCIAL STATEMENTS

At December 31, 2018 (with comparative figures at December 31, 2017)

(Values expressed in thousands of Colombian Pesos, except foreign currencies and exchange rates).

NOTE 1. REPORTING ENTITY

Fundación Suramericana was incorporated on August 2, 1971, through Public Deed No. 281 of the Governor's Office of Antioquia, and registered at the Medellín Chamber of Commerce on March 2, 1997, in book 1 under No. 1048 with unlimited legal effective force.

The principal activity of the Foundation is to participate in projects that contribute to social development, including, among others, the promotion and protection of human rights, well-being, quality of life, institutionality and competitiveness, either directly or with other entities which share its purpose, in Colombia or overseas.

In compliance with its purpose, Fundación Suramericana may acquire and dispose of goods, in any manner, limit them or encumber them, lend or borrow money, acquire and dispose, in any manner, of social interests or shares in corporations of any kind; and overall, perform the duties and execute the activities necessary or conducive to meet its purpose, in accordance with the law.

At December 31, 2018, Fundación Suramericana had 7 direct employees, with its principal place of business at a main office.

NOTE 2. BASIS OF ACCOUNTING

The significant accounting policies in preparation of its financial statements are summarized below. These accounting policies have been applied consistently to those presented in previous years unless indicated otherwise.

2.1. Compliance statement

These financial statements have been prepared in conformity with the Accounting and Financial Information Standards accepted in Colombia (NCIF) set forth in Law 1314 of 2009, ruled by Sole Regulatory Decree 2420 of 2015, and amended by Decree 2496 of 2015, 2131 of 2016 and 2170 of 2017. The NCIF is based on the International Financial Reporting Standards (IFRS) and interpretations thereof, issued by the International Accounting Standards Board (IASB), officially translated and authorized by the IASB. The base standards correspond to those translated to Spanish issued on December 31, 2016, and to the amendments made during 2016 by the IASB. These accounting and financial information standards correspond to the International Financial Reporting Standards (IFRS) contained in the "2015 Red Book" published by the Accounting Standards Board (IASB).

The application of the foregoing international standards in Colombia is subject to several exceptions established by the regulator and contained in Decree 2420 of 2015 and amendments thereof. The exceptions vary depending on the type of company.

2.2. Basis of measurement

The presentation of financial statements in conformity with the NCIF requires making estimates and estimates that affect the amounts reported and disclosed therein, without compromising the reliability of the financial information. Real results may differ from said estimates. The estimates

and estimates are constantly revised. The revision of accounting estimates are acknowledged in the period when the revision takes place provided it affects said period, or both said period and future periods.

2.3. Presentation of financial statements

Fundación Suramericana prepares its financial statements in conformity with the accounting and financial information standards accepted in Colombia for small and medium-size enterprises (NCIF for SMEs). These standards were established in Law 1314 of 2009, ruled by Sole Regulatory Decree 2420 of 2015, amended by Decree 2496 of 2015 and by Decree 2131 of 2016. These accounting and financial information standards correspond to the International Financial Reporting Standards (IFRS) for small and medium-size enterprises (SMEs), officially translated and authorized by the International Accounting Standards Board (IASB) at December 31, 2009.

Fundación Suramericana presents its financial position statement as current and non-current.

In the comprehensive income statement, revenue and expenditure do not compensate each other unless allowed or required by any accounting standard or interpretation described in the policies of the Foundation.

2.4. Major accounting policies

The following describes the major accounting policies implemented by Fundación Suramericana to prepare these financial statements:

2.4.1. Classification of current and non-current assets and liabilities

An asset is classified as current when maintained held-for-trading, when expected to be realized in a term no longer than one year after the period it is reported, or when it is cash and cash equivalent not subject to restrictions for its exchange or use to pay off a liability, for a term no less than one year after the period reported. All other assets are classified as non-current assets.

A liability is classified as current when maintained held-for-trading or when expected to be disposed of in a term no longer than one year after the period reported, or when Fundación Suramericana does not hold an unconditional right to postpone its liquidation for no less than one year after the period reported. All other liabilities are classified as non-current liabilities.

2.4.2 Cash and cash equivalents

Cash and cash equivalents on the financial position and cash flow statements include cash at hand and highly liquid investments, easily convertible to a specific amount of cash, and subject to an insignificant risk of changes in its value, with a maturity of three months or less upon acquisition. Bank overdrafts, which are part of the Foundation's cash management, represent a component of cash and cash equivalents on the cash flow statement.

2.4.3. Financial assets

Financial assets and liabilities are recognized in the financial position statement when Fundación Suramericana becomes a party to the contractual provisions of the instrument.

Financial assets (liabilities) are initially recognized at fair value plus (minus) transactions costs directly attributable, except those measured later at fair value and financial derivatives. Fundación Suramericana subsequently measures financial assets and liabilities at amortized cost or fair value.

Financial assets

Fundación Suramericana classifies its financial assets when it initially recognizes the subsequent measurement at amortized cost or fair value, depending on its business model, to manage the financial assets and characteristics of the contractual provisions for cash flows.

A financial asset is subsequently measured at amortized cost using the effective interest method, using the effective interest rate if the asset is maintained in a business model aimed to maintain it to gain contractual cash flows, and the contractual provisions thereof grant, on specific dates, cash flows solely paid from capital and interests over the amount of capital pending. Without prejudice of the above, Fundación Suramericana may designate a financial asset irrevocably measured at fair value with changes on results.

For assets measured at amortized cost, impairment is assessed on the date of the period reported, if any, is evidenced. When there is any objective evidence that the financial assets are impaired after their initial recognition, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate at initial recognition. The amount of loss is recognized in income or loss.

Fundación Suramericana initially assesses any objective evidence that financial assets are impaired individually or collectively if any are significant, or when there is no objective evidence of impairment of a financial asset assessed individually.

If, in subsequent periods, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to guarantee that the value in books of the financial asset exceeds the amortized cost that would have been determined if the impairment loss would not have been recognized on the date of the reverse. The amount of the reverse shall be recognized in income or loss.

Financial assets other than those at amortized cost are subsequently measured at fair value with changes recognized on income or loss. However, as far as investments in capital instruments not held for trading, Fundación Suramericana may choose the initial recognition and irrevocably present income or loss using the fair value on another comprehensive result. In the provision of investments at fair value through another comprehensive result, the accumulated income or loss is recognized directly in retained earnings, not reclassified in income or loss. Dividends from these investments are recognized in the comprehensive income statement, in the income or loss section.

The fair value category includes investments made to optimize liquidity surplus, that is, all resources which are not immediately destined for activities which are part of the Foundation's purpose.

The financial assets measured at fair value may not be tested for impairment.

Financial liabilities

Fundación Suramericana classifies financial liabilities on initial recognition and subsequently at amortized cost or fair value, with changes on income or loss.

Financial liabilities at fair value with changes on income or loss include liabilities held for trade, financial liabilities designated on initial recognition as the fair value with changes on income or loss. Income or loss due to liabilities held to trade is recognized on the comprehensive income statement. In the initial recognition, Fundación Suramericana designated financial liabilities as fair value with changes on income or loss.

Liabilities at amortized cost are measured using the effective interest method. Income and loss is recognized on the income statement when liabilities are derecognized, and through the amortization process using the effective interest method, included as financial cost on the comprehensive income statement.

Derecognition of financial liabilities

A financial asset, or part thereof, is derecognized in the financial position statement when it is sold, transferred, expired, or when Fundación Suramericana loses control over the contractual rights or over the cash flows of the instrument. A financial liability, or part thereof, is derecognized from the financial position statement when the contractual obligation has been liquidated or has expired.

When an existing financial liability is replaced by another from the same lender under significantly different conditions, or if the conditions of an existing liability are changed substantially - said exchange or change is classified as a derecognition of the original liability and the recognition of a new liability; and the difference of values in books is recognized on the comprehensive income statement in the income or loss section.

2.4.4. Taxes

Income taxes

The expenditure for income tax is determined by the tax laws which rule the determination of net benefit, net surplus and exceptions. The applicable rate is 20% given that the Foundation is a Special Tax Regime-type (Régimen Tributario Especial) tax payer.

In accordance with article 19 of the Tax Statute, Fundación Suramericana is a special tax regime type of tax payer, and hence, is not subject to pay income tax since it is a non-profit organization. However, the Foundation should present an annual income and equity statement. In addition, Fundación Suramericana is not obliged to keep an accounting record of deferred tax.

2.4.5. Investment property

Fundación Suramericana classifies investment property as the land and buildings kept to obtain revenue from operating leases.

The Foundation initially states investment property at cost, that is, including all costs directly related to the acquisition of these types of assets.

In its subsequent measurement, the Foundation takes the investment property under the fair value model that is, using as reference the price received for selling the asset through a transaction ordered among market players, on a specific measurement date.

Fundación Suramericana states losses or gains derived from a change in the fair value of a investment property, on the loss or gain they may rise from.

Fundación Suramericana assesses if there are changes in the use of an asset classified as investment property; which implies the asset should be reclassified or transferred to another group of assets on the Foundation's financial statements. In addition, the Foundation assesses the existence of an operating asset, when the conditions to be classified as an investment property are met.

Write off or removed

Fundación Suramericana derecognizes an investment property when it is sold or when fully removed from use and no future economic benefits are expected from its disposal, or when the property is placed on financial lease.

The profit of loss resulting from writing off or disposing of an investment property [??] in the books for the asset, and shall be recognized in the results for the period in which the retirement of write off takes place.

2.4.5. Equipment

Equipment is measured at cost, net of accumulated depreciation and of losses from accumulated impairment. The cost includes acquisition price, costs directly related to the location of the asset on site, and the conditions necessary for the equipment to operate as foreseen by Fundación Suramericana, as well as the present value of the expected cost to dismantle the asset after its use, if the criteria of recognition of a provision are met.

The replacement of intervals of significant components, such as significant inspections, are recognized as components of properties and equipment with specific lives and depreciations thereof. All repair and maintenance costs are recognized on the comprehensive income statement when incurred, except when they increase useful life, capacity or productive efficiency, which could lead to capitalization.

The initial depreciation, when the asset is available for use, is computed using the straight-line method. Useful lives of assets are estimated as follows:

Technology equipment	3 to 10 years
Furniture and fixtures	6 to 10 years

A component of property and equipment, and any significant part initially recognized, is derecognized when disposed of or when no future economic benefits are expected from its use or disposition. The gain or loss at the time of derecognizing the asset, computed as the difference between the net value of the disposition and the value in books of the asset is included in the comprehensive income statement.

Residual values, useful lives and depreciation methods of assets are revised and adjusted prospectively when indications show that these could have changed.

2.4.6. Impairment of non-financial assets

Every date of reporting, Fundación Suramericana assesses if there is any indication that an asset could be impaired. The Foundation estimates the recoverable amount of an asset or cash-generating unit, when it detects impairment.

The recoverable amount of an asset is the highest between fair value minus sales costs, be it an asset or a cash-generating unit and its value in use, and is determined by an individual asset, unless the asset does not generate cash flows substantially independent from the other assets or groups of assets, in which case the asset should be grouped in a cash-generating unit. When the value in books of an asset of cash-generating unit exceeds its recoverable value, the asset is classified impaired and the value is reduced to its recoverable amount.

When computing the value in use, the estimated cash flows of either an asset or a cash-generating unit, are discounted to its present value using a discount rate before taxes which reflects the market's considerations of the temporary value of the money and the specific risks of the asset. To determine reasonable value minus sales cost, the Foundation uses a proper revaluation model.

Losses from impairment of the value of continued operations are recognized in the comprehensive income statement in loss or income, in those categories of expenditures related to the role of the impaired asset. Impairment losses attributable to a cash-generating unit are assigned proportionally based on the value in books of each asset and the non-current asset of the cash-generating unit.

Overall assets are assessed on each date of reporting to find any indication of impairment losses recognized previously which no longer exist or decreased. If said indication is found, Fundación Suramericana makes an estimate of the recoverable value of the asset or cash-generating unit. A loss of the value due to impairment recognized previously solely reverses in the event of a change in the estimates used to determine the recoverable value of an asset since the last time the impairment loss was recognized. The reverse is limited so the value in books of the asset does not exceed its recoverable amount nor exceeds the value in books determined, net of depreciation, if an impairment loss would not have been recognized in previous years. Said reverse is recognized in the comprehensive income statement on income or loss.

2.4.7. Employee benefits

Employee benefits comprise every benefit that Fundación Suramericana provides its employees in exchange for their services. Employee benefits are classified as: short-term, post-employment, other long-term benefits and/or benefits from employment termination.

Short-term benefits

Short-term benefits (different from benefits from employment termination) are those expected to be fully paid before the twelve months subsequent to the end of the annual period, which reports that the employees have provided the services. Short-term benefits are recognized while employees render service entitling them to contributions.

Long-term benefits

Long-term benefits refer to every type of remuneration owed to the employee after the twelve months subsequent to the end of the accounting period or during the service provided. For this benefit, Fundación Suramericana measures the surplus or deficit of a long-term employee benefit plan using every technique applied for obligations of post-employment benefits; and should determine the amount of the net benefit by finding the deficit or surplus of the obligation.

Pensions and other post-employment benefits**Defined contribution plans**

Defined contribution plans are recognized as expenses on the comprehensive income statement, on income and loss, as the contribution thereof is earned.

2.4.8. Currency

Fundación Suramericana maintains its accounting records in thousands of Colombian Pesos, and figures are rounded to the closest unit; this is a functional currency and the coin used to report by the Foundation.

2.4.9. Fair value

The fair value of every financial asset and liability is determined on the date the financial statements are published, and recognized or disclosed on the notes to the financial statements.

Fair value is determined:

Based on prices listed in markets for identical assets or liabilities, which the Foundation may access on the date of the measurement (level 1).

Based on valuation techniques commonly used by market players using variables other than those of prices listed observable for assets or liabilities, directly or indirectly (level 2).

Based on internal revaluation techniques of cash flow discounts or other valuation models, using variables estimated by Fundación Suramericana, not observable for the asset or liability, when no variables are observed in the market (level 3).

2.4.10 Ordinary revenue

Ordinary revenue basically correspond to the main activity of Fundación Suramericana: to participate in projects that contribute to social development, including, among others, the promotion and protection of human rights, well-being, quality of life, institutionality and competitiveness, either on its own or in collaboration with other entities that share its purpose, in Colombia and overseas.

Revenue is measured at the fair value of the service received or to be received, excluding taxes and other obligations.

Revenue from interests

For the financial instruments measured at amortized cost, interests gained or lost are reported using the effective interest rate method, that is, the interest rate that precisely discounts future flows of payments and charges in cash throughout the expected life of the financial instrument, or

a shorter period based on the net value of the financial asset or liability in books. Interests earned are included in the financial revenue of the comprehensive income statement.

Revenue from dividends

Revenue from dividends is recognized when the right of Fundación Suramericana to receive the payment of the dividends is established.

2.4.11. Subsequent events

Fundación Suramericana defines the following aspects relative to subsequent events of this report:

Subsequent events implying adjustments

Fundación Suramericana should adjust figures on the financial statements to reflect the effects of subsequent events implying adjustments, provided these take place before the date in which the financial statements are approved by the board of directors.

Subsequent events not implying adjustments

Fundación Suramericana should not change the figures on the financial statements arising from these types of events. However, if the event is material, Fundación Suramericana shall disclose the nature thereof and an estimate of the financial effects or a statement of the impossibility to make said estimation.

Dividends or surplus for the owner

Fundación Suramericana shall refrain from recognizing as a liability on financial statements all dividends or surplus subsequent to the period reported.

Business underway hypothesis

Fundación Suramericana shall prepare the financial statements using the Business Underway hypothesis, provided, subsequent to the period reported, that management does not determine it intends to liquidate or stop its activities or it has no choice but to proceed in one of these manners.

2.4.12. Related parties

The following are considered related parties:

1. The companies which are part of **Grupo Empresarial SURA** (“The Companies”).
2. **Related companies.**

Solely applies to transactions considered **unusual** (not part of the ordinary course of the Company's business) **and material**.

In any case, the Foundation shall guarantee that recurring operations are made under competitive market conditions and recognized comprehensively in the financial statements. For the purposes of this document, the definition of related companies contained in the Accounting Policy of Investments in Related Companies shall be applied.

3. Members of the Board of Directors.
4. Legal Representatives, except Judicial Legal Representatives and Attorneys in fact.

5. Senior Management personnel, particularly, the first two levels of the organization (including audit executive directors and corporate or general secretaries).
6. Close relatives of members of the Board of Directors, Legal Representatives and Senior Management personnel, that is, their permanent spouse and persons in the first degree of consanguinity, first of affinity or sole civil.

This policy shall not apply to operations which do not lead to provide a service or the disposal of goods between parties; that is, activities related to collaborations, synergies or joint development between the Companies, in favor the unity of purpose and steering of Fundación Suramericana.

The operations considered in this policy are as follows:

- Products purchased or sold.
- Immovable goods or other assets purchased or sold.
- Loans between companies, in force at the end of the period reported.
- Leases, formalized by an agreement.
- Services provided or received with remuneration, reciprocity and formalization under an agreement.
- Transfers in which a company exclusively creates development or research for another entity, with remuneration, reciprocity and formalization under an agreement.
- Transfers made in terms of financing agreements (including loans and equity contributions made in cash or in kind).
- Granting of collateral warranties.
- Liquidation of liabilities on behalf of the entity, or made by the entity on behalf of the related party.
- Other commitments and contracts with reciprocity and remuneration.
- Transactions (including remuneration and benefits) with members of the Board of Directors, Legal Representatives and Senior Management personnel of the first two levels of the organization. In short, the persons with the highest hierarchy in corporations, responsible of the ordinary course of business, and in charge of designing, executing and controlling the goals and strategies of corporations; including auditors and corporate or general secretaries. (Transactions with the company in which senior management performs should be included).
- Transactions between the company where one of the directors above mentioned works and the spouse or permanent partner, or the relatives thereof and first degree of consanguinity, first of affinity or sole civil
- Dividends decreed.

Transaction materiality

Every transaction made between related parties shall be implemented with full powers and framed in the principles of transparency, fairness and impartiality.

To determine materiality, the factors kept in mind are as follows:

- Legal, accounting and tax compliance in every jurisdiction.
- Particular conditions convened with minority shareholders.
- Amount of the operation, which will determine the specific policies or procedures of the Companies.
- Realization in conditions other than the market, due to any particular event.

- Disclosure made to regulatory or oversight authorities.
- Report required from senior management and/or the Board of Directors.

Materiality is considered if one of the above factors applies at least for one of the Companies involved in the transaction.

2.5. Reclassifications

Several of the figures and disclosures pertaining to December 31, 2018, reported in these financial statements for comparative reasons, may present variations compared with the information published on this date due to the creation of new concepts, reclassifications of lines and adjustments made as a result of an internal audit and revision made by Management conducted to close the financial statements ended on December 31, 2017, presented and approved by the Board of Directors in the Shareholder Assembly held on April 13, 2018. The Management of Fundación Suramericana considers that these adjustments do not affect the reasonability of the information published before.

NOTE 3. USE OF JUDGEMENTS AND ESTIMATES

The following are significant judgements and estimates, including accounting estimates, which the Management of Fundación Suramericana used for its IFRS for SMEs accounting policies, which in turn have a significant effect on the amounts recognized on the financial statements.

Estimates are based on historical experience, technical knowledge and other factors. These estimates are used to determine the value of assets and liabilities on the financial statements, when said amount cannot be obtained from other sources. The following are the significant accounting judgements and estimates, including accounting estimates, which the Management of Fundación Suramericana used to apply IFRS for SMEs accounting policies, and which have significant effect on the amounts recognized on the financial statements.

Fundación Suramericana assesses its estimates regularly. Real results may differ from said estimates.

The estimates and significant judgements made by Fundación Suramericana are described as follows:

Estimates used to calculate the instruments' fair value including credit risk

When fair value of the financial assets and financial liabilities reported on the financial statement position is not quoted in an active market, this is determined using revaluation techniques including the cash flow discount model. Data on these models is taken from observable markets when possible otherwise, a certain judgement is necessary to establish reasonable values. Judgements include data such as liquidity risk, credit risk and volatility.

Actuary estimates to determine the value of long-term employee benefits

The measurement of obligations for postemployment benefits and defined benefits includes key actuary estimates which allow the calculation of the amount of liability.

Significant estimates and judgements made by Fundación Suramericana are described as follows:

Preparing the Financial Statements of Fundación Suramericana require judgements made by Management which affect the values of revenue, expenditures, assets and liabilities, and the disclosure of contingent liabilities, at the end of the period reported.

NOTE 4. CASH AND CASH EQUIVALENTS

	December 2018	December 2017
Cash	300	300
Domestic banks	1,570,735	7,766,903
Cash equivalents (1)	15,245,770	14,587,494
Cash and cash equivalents	16,816,805	22,354,697

(1) Cash equivalents are represented by investment trusts.

Treasury investments mature in three months or less as of their date of purchase, and earn market interest rates for this type of investment.

As of the cut off dates, there are no restrictions to cash and cash equivalents at Fundación Suramericana.

NOTE 5. FINANCIAL INSTRUMENTS

The methodologies and estimates used to determine the value of financial instruments that are not valued at their reasonable value in the financial statements (i.e., at amortized cost) and loans and accounts receivable, are shown below.

ASSETS WHOSE REASONABLE VALUE IS CLOSE TO THEIR BOOK VALUE

For those financial assets with short-term maturities (less than three months), on-sight deposits, and savings accounts without a specific maturity, the book values approximate their reasonable value. For other variable income instruments, the adjustment is also made to reflect the change in the required credit difference, because it was recognized at the start.

With respect to short-term receivable instruments, which are measured at their amortized cost, their book value is a reasonable approximation to their reasonable value.

FINANCIAL INSTRUMENTS AT AN AGREED RATE

The reasonable value of fixed income assets valued at their amortized cost is estimated by comparing the interest rates in the market, when they were initially recognized, to current market rates for similar financial instruments. The estimated reasonable value of term deposits is based on cash flows discounted at the current money market interest rates for debt with similar maturity and credit risk.

HIERARCHY OF REASONABLE VALUE

Fundación Suramericana's financial assets and liabilities carried at reasonable value are classified according to the reasonable value hierarchy that is explained below:

LEVEL 1 - PRICES QUOTED IN ACTIVE MARKETS

Level 1 input data are quoted prices, without adjustments, in active markets for identical assets and liabilities. An active market is defined as one in which transactions for an asset or a liability take place frequently and with enough volume to generate informative prices.

LEVEL 2 - MODELLED USING MARKET DATA OBSERVABLE IN THE MARKET

Level 2 instruments are defined as inputs other than the quoted prices included in Level 1 that can be either directly or indirectly observed for the asset or liability. Input data include:

- Prices quoted for similar assets or liabilities in active markets;
- Prices quoted for identical or similar assets or liabilities, but in non-active markets; and
- Input data other than quoted prices; for example, interest rates or rates of exchange.

LEVEL 3 - MODELLED USING NON-OBSERVABLE INPUT DATA

Level 3 input data are not observable for the asset or liability. They can be used to determine reasonable value when observable input data are not available. These valuations reflect estimates that the business unit will consider in which market participants would be using, for example, yields for shares not traded in the stock market.

FINANCIAL LIABILITIES WAS REASONABLE VALUE APPROACHES THEIR BOOK VALUE

For those obligations that have short term maturities, the book value approaches their reasonable value.

Long-term Accounts Payable normally have maturities between one and two years. This means that their respective book values are reasonable approximations to the reasonable values.

In the case of loans with variable interest rates, the book value is an approximation of their reasonable value. For loans with fixed interest rates, the market interest rates for similar loans are not significantly different. Therefore, their book value is an approximation of their reasonable value.

Fundación Suramericana's financial assets and liabilities at the close of the periods ending on December 31, 2018 and 2017 are shown below.

5.1. Financial assets

The balance of financial assets of Fundación Suramericana is as follows:

December 2018

Current	Financial assets at amortized cost	Financial assets at fair value		Total
		Result	Equity	
Trade and other accounts receivable	9,851	-	-	9,851
Total	9,851	-	-	9,851

Non-current	Financial assets at amortized cost	Financial assets at fair value		Total
		Result	Equity	
Investments	-	-	94,777,129	94,777,129
Total	-	-	94,777,129	94,777,129

Financial assets	9,851	-	94,777,129	94,786,980
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December 2017

Corriente	Financial assets at amortized cost	Financial assets at fair value		Total
		Result	Equity	
Trade and other accounts receivable	3,563,057	-	-	3,563,057
Total	3,563,057	-	-	3,563,057

No Corriente	Financial assets at amortized cost	Financial assets at fair value		Total
		Result	Equity	
Investments	-	-	93,894,999	93,894,999
Total	-	-	93,894,999	93,894,999

Financial assets	3,563,056	-	93,894,999	97,458,056
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Investments at fair value have a revaluation level 1.

Maturities of financial assets

Maturities of financial assets are as follows:

December 2018	Less than 1 year	More than 5 years	Total
Investments	-	94,777,129	94,777,129
Trade and other accounts receivable	9,851	-	9,851
Total	9,851	94,777,129	94,786,980

December 2017	Less than 1 year	More than 5 years	Total
Inversiones	-	93,894,999	93,894,999
Trade and other accounts receivable	3,563,057	-	3,563,057
Total	3,563,057	93,894,999	97,458,056

Financial asset movement is as follows:

	Financial assets at fair value		Financial assets at amortized cost	Total
	Results	Equity		
At December 31, 2016	5,681,403	101,557,737	1,499,696	108,738,836
Additions	325,317	36,189,652	7,960,714	94,475,683
Financial asset revaluation	-	8,099,655		8,099,655
Derecognition	(6,006,720)	(51,952,045)	(5,897,353)	(113,856,118)
At December 31, 2017	-	93,894,999	3,563,057	97,458,056
Additions	-	53,487,377	20,196,553	73,683,930
Financial asset revaluation	-	(7,974,930)		(7,974,930)
Derecognition	-	(44,630,317)	(23,749,759)	(68,380,076)
At December 31, 2018	-	94,777,129	9,851	94,786,980

5.1.1. Investments

Equity investments are as follows:

Name	2018			2017		
	Number of shares	Value of share	Balance	Number of shares	Value of share	Balance
Bancolombia S.A.	1,933,510	912,000	58,778,704	885,378	29,980	26,543,632
Grupo Argos S.A.	1,125,699	321,100	19,024,313	714,840	20,880	14,925,859
Grupo Nutresa S.A.	241,674	94,000	5,679,339	241,674	27,820	6,723,371
Bancolombia S.A. Preferencial	146,436	219,800	4,598,090	323,000	29,920	9,664,160
El Cóndor S.A.	1,450,000	1,100	1,595,000	1,450,000	1,165	1,689,250
Grupo de Inversiones Suramericana S.A.	42,535	32,120	1,366,224	42,535	40,300	1,714,161
Protección S.A.	12,434	105,094	1,306,737	12,434	87,349	1,086,094
Celsia S.A.	200,947	4,000	803,788	200,947	4,760	956,508
Enka de Colombia S.A.	100,000,000	7	695,000	100,000,000	9	895,000
Grupo Argos S.A. Preferencial	38,507	14,500	558,352	428,872	19,180	8,225,765
Concreto S.A.	1,007,849	368	370,888	1,007,849	990	997,771
Enlace Operativo S.A.	1	687,787	688	1	687,787	688
Sodexo Soluciones Motivación S.A.	1	5,859	5	1	5,859	6
Suramericana S.A.	1	500	1	1	500	1
Grupo Sura S.A.			-	476,974	39,000	18,601,986
Ecopetrol S.A.			-	656,683	2,210	1,451,269
Icolcap S.A.			-	22,766	15,200	346,043
Almacenes Éxito S.A.			-	2,349	16,560	38,899
Cemento Argos S.A.			-	2,998	11,520	34,536
			94,777,129			93,894,999

5.1.2. Trade and other accounts receivable

Details of trade and other accounts receivable are as follows:

	December 2018	December 2017
Stock brokers (1)	-	3,416,427
Dividends (2)	-	136,779
Related companies (3)	9,851	9,851
	9,851	3,563,057

(1) Corresponds to accounts receivable from Valores Bancolombia S.A. from sale of investments

(2) Details of dividends are as follows:

	December 2018	December 2017
Grupo Argos S.A.	-	97,892
Grupo Nutresa S.A.	-	32,263
Celsia S.A. E.S.P.	-	6,544
Cementos Argos S.A.	-	156
Almacenes Éxito S.A.	-	(52)
Constructora Concreto S.A.	-	(24)
	-	136,779

- (3) Charges made to Grupo Sura after transferring an employee of Fundación Suramericana to this entity.

5.2. Financial liabilities

Details of financial liabilities are as follows:

	December 2018	December 2017
Repo operations	-	721,224
Commercial accounts receivable (*)	2,667,923	2,699,462
	2,667,923	3,420,686

Financial liabilities are short-term. Repo operations are valued at fair value while commercial accounts receivable are valued at amortized cost. Details of accounts payable are as follows:

	December 2018	December 2017
Payable contributions	1,677,475	1,397,867
Suppliers	944,586	1,052,073
Withholding at source	25,696	23,469
Others	7,008	5,625
Employees fund	5,987	5,815
Colpensiones	4,402	4,275
Caja compensación familiar, ICBF & SENA	2,769	2,845
Stock broker	-	207,493
Total	2,667,923	2,699,462

NOTE 6. TAX

Details of current taxes are as follows:

	December 2018	December 2017
Assets for current tax (1)	571,440	559,458
Liabilities for current tax (2)	(45,892)	(44,090)
	525,548	515,368

- (1) Assets for current tax are as follows:

	December 2018	December 2017
Sales tax	326,557	326,557
Withholding at source	244,883	231,332
Local taxes	-	1,569
Total	571,440	559,458

- (2) Liabilities for current tax correspond to sales tax withheld

Reconciliation between the result before income tax and the estimated fiscal loss for the years ended December 31 is as follows:

	December 2018	December 2017
Surplus-Loss	2,121,974	(408,858)
Plus:		
Loss from sale of investments	-	85,264
Lien on financial movements	-	158,169
Non-applicable donations	58,600	147,556
Contributions	557,899	500,000
Miscellaneous expenses	2,071,821	303,725
Others non-deductible	734,858	-
Minus:		
Fiscal depreciation	(163,611)	-
Fair value of investment properties	(1,885,283)	-
Non-taxed revenue	(532,997)	-
Non-taxed dividends	(2,180,125)	(1,973,271)
Net profit of investments	-	(676,555)
Total Net Income	783,136	(1,863,970)

Reconciliation between the accounting and fiscal equity for the years ended December 31 is as follows:

	December 2018	December 2017
IFRS accounting equity	129,381,962	135,234,917
Plus: Items that increase equity for fiscal effects:		
Fiscal cost of investments in shares	103,474,972	94,187,356
Bonus bank benefits	24,772	-
Loan impairment	501,200	501,200
Minus: Items that decrease equity for fiscal effects:		
Accounting cost of investments in shares	(94,777,129)	(93,894,999)
Withholding at source	(18,063)	-
Property, Plant and Equipment	(401,219)	-
Fiscal equity	138,186,495	136,028,474

NOTE 7. INVESTMENT PROPERTIES

In 2017, the Foundation acquired the land and building set on calle 49 No. 63 - 146, Torre Grupo Sura in the city of Medellín, which belonged to Grupo Sura. This building is currently leased to Suramericana and hence, represents an investment property.

The investment properties of the Foundation are quoted at fair value, and present at the period-end the following balances:

	Lands	Buildings	Total
Balance at December 31, 2017	3,054,377	15,334,401	18,388,778
Fair value variation	950,259	935,024	1,885,283
Impairment	-	(250,885)	(250,885)
Net revaluation	950,259	684,139	1,634,398
Balance at December 31, 2018	950,259	684,139	20,023,176

The appraisal of investment properties is conducted by JEIkin Ruiz Propiedad Raíz, a Civil Engineer from Universidad Nacional with studies in Plant Design at Lehigh University, Pennsylvania, and Chemical Engineer from Universidad de Antioquia; He is a member of the Registered Estate Association (Lonja de Propiedad Raíz) of Medellín and of the National Record of Appraisers (Registro Nacional de Avaluadores

- R.N.A.). The method used for both years was the Market Focus and the hierarchy level of fair value is level 2. Appraisals were conducted at December 31, 2018 and 2017.

Fair values of the aforementioned revaluations are backed by market evidence and represent the values at which the assets could be purchased and sold between a buyer and a seller interested and duly informed, in a transaction with mutual independence and on the revaluation date in accordance with IFRS 3 Measuring Fair Value. Properties are appraised every year while gains and losses are quoted at fair value on the income statement.

The parameters used to realize these revaluations are conservative compared with what is observed in the market, to absorb eventual future fluctuations.

The characteristics of investment properties are as follows:

	December 2018	December 2017
Revenue from lease	1,688,246	1,228,500
Gain from fair value	1,634,398	-
	3,322,644	1,228,500

Investment properties are expressed by their fair value, determined by the revaluations made by independent appraisers not related to Fundación Suramericana. Appraisers offer duly qualifications and recent experience in property revaluation in the corresponding jurisdictions.

Restrictions

Fundación Suramericana has no restriction whatsoever for the possible disposition or sell of its investment properties nor contractual obligations to purchase, build or develop investment properties, or to make repairs, maintenance tasks and/or expansions.

NOTE 8. EQUIPMENT, NET

Details of movements of equipment of Fundación Suramericana are as follows:

	Office equipment	IT equipment	Total
Cost			
Balance at December 31, 2016	2,391	25,366	27,757
Additions	-	3,224	3,224
Removals	-	(3,544)	(3,544)
Balance at December 31, 2017	2,391	25,046	27,437
Additions	-	-	-
Removals	-	-	-
Balance at December 31, 2018	2,391	25,046	27,437
Depreciation			
Balance at December 31, 2016	(837)	(6,073)	(6,910)
Depreciation expense	(239)	(4,961)	(5,200)
Reversion of depreciation derecognized	-	2,798	2,798
Balance at December 31, 2017	(1,076)	(8,236)	(9,312)
Depreciation expense	(239)	(4,793)	(5,032)
Others	-	(2)	(2)
Balance at December 31, 2018	(1,315)	(13,031)	(14,346)
Net cost	1,076	12,015	13,091

There is no restriction related to equipment.

- At the end of the period, an analysis was conducted to determine the presence of any evidence of value impairment of the properties and equipment of Fundación Suramericana. Evidence showed

that during the period reported, the market value of assets did not decrease more than expected as a result of time or normal use.

- No significant changes of value are expected due to situations adverse to the Entity.
- No evidence is held over asset obsolescence or physical degradation.
- No immediate changes are expected in the use of assets having an unfavorable effect on the Entity.
- No evidence indicates that the economic yield of the asset is or shall be worse than expected.

After analyzing impairment indicators, the Foundation determined that there is no evidence of impairment of every element in the equipment at the date of publishing this report.

NOTE 9. EMPLOYEE BENEFITS

The table below details the employee benefits of Fundación Suramericana:

	Note	December 2018	December 2017
Short-term	9.1	90,943	56,911
Long-term	9.2	24,772	19,229
Postemployment	9.3	-	3,281
Total		115,715	79,421

9.1. Short-term benefits

The short-term benefits of Fundación Suramericana include the following:

- a) Social Security and mandatory benefits: This is earned on a monthly basis depending on the legal regulations of each country; payments are made as required by the law.
- b) Short-Term Incentive Performance Bond (ICP): This is earned on a monthly basis depending on a compliance percentage estimate; it is paid on March every year. Every official that has met the goals previously set forth is entitled to the ICP and the corporate goals are communicated on a timely basis.
- c) Other benefits: This corresponds to benefits, such as vacations premium, extralegal services premium, and Christmas premium. This item is quoted on expenditures provided the service or benefit is provided.

Details of short-term benefits are as follows:

	December 2018	December 2017
Vacations	44,130	24,003
Fringe benefits	23,336	19,530
Extralegal premium	20,677	11,224
Interests on fringe benefits	2,800	2,154
Total	90,943	56,911

9.2. Long-term benefits

The long-term benefit recorded corresponds to a Seniority Premium. This benefit is paid to the employee every 15 years up to the 18th year, up to 44 days of salary depending of the time worked.

Years of service	Days of salary
5	18
10	29
15	34
20, 25, 30 and 35	44

9.2.1. Benefit reconciliation

The movement of employee benefits is as follows:

	Seniority premium
Present value of obligations at December 31, 2016	10,970
Real cost of service	3,515
Net cost for interests	1,098
Actuary loss for experience	(4,593)
Actuary loss for change of hypothesis	1,222
Other measurements	3,438
Payments made for the plan	3,579
Present value of obligations at December 31, 2017	19,229
Real cost of service	5,112
Net cost for interests	1,283
Other measurements	(852)
Present value of obligations at December 31, 2018	24,772

9.2.2. Main estimates used in the actuary calculation

The main actuary estimates used to determine the seniority premium are as follows:

	December 2018	December 2017
Discount rate (%)	5.75%	3.06%
Salary increase rate (%)	4.50%	5.50%
Annual inflation rate (%) Long-term	3%	4.00%

9.2.3. Sensitivity analysis

The sensitivity analysis at 2018 and 2017, with a 0.5% variation in the discount rate, provides the following inflation rate:

	December 2018				December 2017			
	Discount rate		Salary increase		Discount rate		Salary increase	
	Increase +0.5%	Discount -0.5%	Increase +0.5%	Discount -0.5%	Increase +0.5%	Discount -0.5%	Incremento +0.5%	Descuento -0.5%
Value of the obligation	23,811	25,803	25,810	23,796	18,378	20,144	20,154	18,361

9.3. Postemployment benefit

The postemployment benefit corresponds to a retirement bond for pension provided to the directors of Fundación Suramericana. This benefit was fully paid in the year 2018.

9.3.1. Benefit reconciliation

The movement of employee benefits is as follows:

Presente value of obligations at December 31, 2016	109
Real cost of service	340
Net cost for interests	92
Other measurements	1,505
Actuary gain/loss due to experience	486
Actuary gain/loss due to change of hypothesis	749
Presente value of obligations at December 31, 2017	3,281
Benefit removal	(3,281)
Presente value of obligations at December 31, 2018	-

9.3.2. Main estimates used

The main actuary estimates used to determine obligations for benefit plans defined are as follows:

	December 2017
Discount rate (%)	3.06%
Salary increase rate (%)	4%
	2017: 4.0%
Annual inflation rate (%) Long-term	2018 a 2020: 3.5%
	2021++: 3%
Tables of survival	

9.3.3. Sensitivity analysis

The sensitivity analysis of 2017 with a 0.5% variation in the discount rate provides an inflation rate for the retire bond as follows:

	December 2017			
	Discount rate		Inflation rate	
	Increase +0.5%	Discount -0.5%	Increase +0.5%	Discount -0.5%
Value of the obligation	2,888	3,731	3,738	2,879

9.4. Employee benefit expenditures

Details of expenditures for employee benefits in the 2018 and 2017 periods are as follows:

	December 2018	December 2017
Salaries	(288,996)	(251,233)
Comprehensive salary	(124,030)	(107,551)
Extralegal premium	(61,949)	(66,171)
Bonuses	(55,199)	(78,981)

Contributions to pensions (*)	(49,836)	(42,954)
Contributions to caja compensación familiar, ICBF and SENA	(35,379)	(30,390)
Health care contributions	(35,298)	(30,538)
Vacations	(32,418)	(24,421)
Fringe benefits	(25,648)	(21,352)
Legal premium	(25,585)	(21,259)
Other employee benefits	(16,018)	(9,669)
Interests on fringe benefits	(3,032)	(2,250)
Personnel training	(1,273)	(327)
Sickness	(357)	(237)
Total	(755,018)	(687,333)

(*) Balance corresponds to postemployment benefit plans with defined contributions.

NOTE 10. EQUITY

Share capital

Corporate contributions correspond to the amount contributed by the founding members to incorporate Fundación Suramericana, which total \$1,929,751.

Reserve

The reserve comprises the surplus from previous years over which the entity may make investments in goods or rights, so the yields enable the ongoing maintenance and development of several activities derived from its purpose. Reserve ended the period reported with \$133,061,147 at December 31, 2018, and \$131,981,548 at the end of 2017.

Accumulated losses

Accumulated losses increase from one period to the other, while a loss in the preceding period totals \$(3,634,785) at December 2018 and \$(2,146,329) at December 2017.

NOTE 11. OTHER COMPREHENSIVE RESULTS

The other comprehensive results of Fundación Suramericana, as of December 31, 2018 and 2017, is as follows:

	Note	December 2018	December 2017
Initial balance other comprehensive result		3,878,805	(4,220,850)
Investments at fair value with equity changes (1)	5.1	(7,974,930)	8,099,655
Final balance other comprehensive result Equity		(4,096,125)	3,878,805

(1) The item of other comprehensive result of equity investments measured at fair value through equity represents the accumulated value of the gains or losses from the revaluation at fair value minus the amounts transferred to accumulated surplus when these investments are sold. Changes in fair value are not reclassified on income and loss.

The movement is produced by the investment. Details thereof are found in Note 5.1 Financial Assets.

NOTE 12. REVENUE FROM DONATIONS

Details of donations received in the years ended December 31, 2018 and 2017, are as follows:

	December 2018	December 2017
Grupo de Inversiones Suramericana S.A.	5,500,000	5,002,275
Sura Asset Management S.A.	4,400,000	4,400,000
Servicios Generales Suramericana S.A.S.	3,333,000	3,210,058
Seguros de Vida Suramericana S.A.	500,350	506,120
Seguros de Riesgos Laborales Suramericana S.A.	300,083	301,481
Suramericana SA	250,000	226,137
Seguros Generales Suramericana S.A.	184,150	186,349
EPS y Medicina Prepagada Suramericana S.A.	100,000	100,302
Fundación Nutresa	61,000	84,000
Others less than \$30 million	13,335	14,870
	14,641,918	14,031,592

NOTE 13. DIVIDENDS

Details of dividends received as of December 31, 2018 and 2017, are as follows:

	December 2018	December 2017
Bancolombia S.A.	1,591,159	676,239
Grupo Argos S.A.	277,065	312,987
Grupo Nutresa S.A.	127,313	129,054
Administradora de fondos Protección	90,047	87,583
Construcciones el Cóndor S.A.	49,300	71,036
Celsia S.A. E.S.P.	25,608	26,123
Grupo de Inversiones Suramericana S.A.	16,525	624,976
Seguros Generales S.A.	1,938	1,698
Fondo Bursatil Ishare	801	13,188
Seguros de vida Suramericana S.A.	175	505
Seguros de Riesgos Laborales S.A.	83	83
Cementos Argos S.A.	79	541
Constructora Conconcreto S.A.	24	14,614
Almacenes Éxito S.A.	8	-
Ecopetrol S.A.	-	14,644
	2,180,125	1,973,271

NOTE 14. REVENUE FROM INVESTMENTS

Details of interests received from investments as of December 31, 2018 and 2017, are as follows:

	December 2018	December 2017
Procaucho S.A.	967,261	30,597
Bogotá Distrito Capital	836,021	600,000

	December 2018	December 2017
Fondo de Capital Privado Velum Early	304,978	-
BTG Pactual Colombia S.A.	219,687	260,390
Valores Bancolombia S.A.	104,664	503,339
Bancolombia S.A.	77,553	9,616
Cartera Colectiva Abierta Fiducuenta	69,858	20,843
Corredores Davivienda	42,993	-
Credicorp Capital Colombia	12,800	412
Seguros Generales Suramericana S.A.	216	-
Surenta Fondo de Valores	14	-
Grupo de Inversiones Suramericana S.A.	-	209,062
Itaú CorpBanca Colombia S.A	-	168,738
Colombiana C.F.C. Leasing	-	93,622
Corredores Asociados S.A.	-	73,549
Fondo de Valores Surenta	-	21
	2,636,045	1,970,189

NOTE 15. INCOME (LOSS) FROM SALE OF INVESTMENTS

Details of third-party income (loss) from sale of investments as of December 31, 2018 and 2017:

	December 2018	December 2017
Bancolombia S.A.	585,860	-
Ecopetrol S.A.	143,537	-
Fondo Bursatil Ishar	6,775	(49,369)
Celsia S.A. E.S.P.	5,377	-
Almacenes Éxito S.A.	564	-
Cementos Argos S.A.	(240)	-
Grupo Argos S.A.	(54,709)	(53,759)
Grupo de Inversiones Suramericana S.A.	(154,167)	679,056
Colombiana C.F.C Leasing	-	(12,202)
Interconexión Electrica S.A.	-	28,311
	532,997	592,037

NOTE 16. OTHER REVENUE

The item of other revenue mainly represents uses and activities pertaining to teaching. Details of this item as of December 31, 2018 and 2017, are as follows:

	December 2018	December 2017
Bancolombia S.A.	1,861	2
Artesanías de Colombia S.A.	482	668
EPS y Medicina Prepagada S.A.	302	557
Travel Club Ltda.	108	1,130
AM Mensajes S.A.S.	38	2
Valores Bancolombia S.A.	-	77,653
Suramericana S.A.	-	13,495
Publicaciones Semana S.A.	-	1,600
Construcciones Conconcreto S.A.	-	24

2,791

95,131

NOTE 17. EXPENDITURES FOR DONATIONS

Details of donations as of December 31, 2018 are as follows:

	December 2018
Fundación Empresarios	(2,132,000)
Fundación Apostolado L	(2,006,313)
Fundación Hospitalaria	(550,000)
Fundación Secretos Par	(370,000)
Corporación Manos Visi	(300,000)
Dividendo Por Colombia	(296,077)
Corporación Museo De A	(250,000)
Fundación Para El De	(196,000)
Asociación Medellin Cu	(105,000)
Fundación Juan Felipe	(100,000)
Corporación Excelencia	(100,000)
Fedesarrollo	(100,000)
Fundación Fraternidad	(100,000)
Corporación Futuro Par	(100,000)
Universidad De La Sall	(96,764)
Corporación Cuenca V	(90,000)
Museo De Antioquia	(80,000)
Corporación Orquesta F	(80,000)
Fundación Prolirica De	(75,000)
Fundación Educativa Ce	(75,000)
Fundación Solidaridad	(69,020)
Fundación Teletón	(60,000)
Fundación Endeavor Col	(60,000)
Corporación Cultural N	(50,000)
Corporación Ballet Fol	(50,000)
Corporación Para El De	(50,000)
Corporación Museo	(50,000)
Fundación Universidad	(45,000)
Fundación Pablo Tobón	(40,000)
Fundación Ideas Para L	(35,000)
Asociación De Amigos Y	(35,000)
Yadilton Zorrilla Ramí	(34,000)
Corporación Universita	(30,519)
Fundación Museo De A	(30,000)
Fundación Para El Desa	(30,000)
Fundación La Cueva	(30,000)
Corporación Transparen	(30,000)
Consejo Privado De Com	(30,000)
Asociación Consejo Emp	(26,740)
Corporación Vallenpaz	(25,000)
Fundación Fundalianza	(22,000)
Comité Asesor Voluntar	(21,420)
Corporación Colegio D	(20,000)
Fundación Mi Sangre	(20,000)
Fundación Amigos Del P	(20,000)

	December 2018
Fundación Andi	(18,645)
Corporación De Educaci	(16,500)
Asociación Cultural	(15,000)
Corporación Fomento De	(15,000)
Fundación Sirenaica	(15,000)
Est Buddies Colombia	(15,000)
Museo De Arte Moderno	(15,000)
Instituto Musical Dieg	(15,000)
Corporación Antioquia	(15,000)
Fundación La Purnia Ca	(12,229)
Fundación Integrar	(12,000)
Club Fotográfico Medel	(12,000)
Centro De Historia De	(12,000)
Geraldine Arguello Ca	(11,000)
Fundación Fondo Social	(10,737)
Gustavo Vega Bustaman	(10,000)
Fundación Bututa Calda	(10,000)
Batuta Meta	(10,000)
Fundación Granitos De	(10,000)
Fundación Cinemateca D	(10,000)
Corporación Superarse	(10,000)
Fundación Fuprocadis	(10,000)
Fundación Providencia	(8,530)
Fundación Social Colom	(7,210)
Fundación Incolmotos Y	(7,000)
Centro De Bienestar De	(7,000)
Refugio Santa Ana	(7,000)
Fundación Marina Orth	(5,040)
Maria Del Socorro Reye	(3,600)
Siervas De Maria Minis	(3,000)
La Casita De Nicolas	(2,500)
Hogares Infantiles San	(2,025)
Hogares Acogida Belen	(1,095)
	(8,449,964)

NOTE 18. ADMINISTRATIVE EXPENSES

Details of administrative expenses as of December 2018 are as follows:

	December 2018	December 2017
Corporate services	(8,671,190)	(7,270,538)
Travelling and entertainment expenses	(582,641)	(554,777)
Contributions	(557,899)	(500,000)
Surcharges and other taxes	(144,082)	(263,001)
Maintenance and repairs	(68,828)	(49,984)
Advertising	(68,730)	(65,063)
Leases	(34,932)	(20,017)
Insurance	(19,610)	(19,369)
Office supplies and stationary	(18,348)	(4,586)
Public utilities	(12,959)	(20,497)
Legal	(2,282)	(143,498)
Temporary services	(1,085)	(21,790)

Electronic data processing	-	(11,000)
Total	(10,182,586)	(8,944,120)

NOTE 19. FEES

Details of fees of Fundación Suramericana as of December 31 2018 and 2017, are as follows:

	December 2018	December 2017
Consultancy and advice	(1,376,458)	(1,143,341)
Board of Directors	(7,812)	(10,328)
Others	(3,200)	(9,520)
Total	(1,387,470)	(1,163,189)

NOTE 20. FINANCIAL EXPENSES

Details of interests of Fundación Suramericana as of December 31, 2018 and 2017, are as follows:

	December 2018	December 2017
Interests	(321,348)	(124,779)
Commissions	(103,026)	(169,582)
Total	(424,374)	(294,361)

NOTE 21. EXCHANGE DIFFERENCE

Details of exchange difference of Fundación Suramericana as of December 31, 2018 and 2017, are as follows:

	December 2018	December 2017
Revenue from exchange difference	24,109	32,512
Expense from exchange difference	(14,211)	(45,341)
	9,898	(12,829)

Exchange difference corresponds to fluctuations in the records of transactions made with suppliers.

NOTE 22. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Fundación Suramericana manages mainly risks associated with its participation in social projects and the administration of the financial assets that make up its portfolio.

With respect to the management of the social projects in which it participates, management of associated initiatives, their financial conditions, and the progress of results are monitored to ensure the viability of the projects and make decisions taking into consideration the opportunities and associated risks. Details of this activity can be found in the 2018 Fundación SURA report and on the website www.fundacionsura.com.

In addition, financial mismanagement focuses on having a sustainable portfolio that makes it possible to have the equity and the resources to carry out the projects in which the Foundation participates, and achieve its social objective.

That portfolio consists of investments in Colombia, especially in variable income instruments such as stocks and investment funds.

The management of these risks is described below:

Financial risks

Specifically, 2018 was characterized as a year full of economic uncertainty, restrictive monetary policies in several countries, inflationary pressures, and international political tensions mostly due to the trade war between the world's major economies.

It was a year of higher volatility and lower returns compared to 2017. The sustained growth of financial markets during the previous year was replaced by lower overall yields in international markets. In this context, the United States had a significant role in the behavior of the world economy. That country's economy grew driven by higher levels of private investment, industrial production, household consumption, and decreased unemployment rates. This performance, and a steady increase in consumer prices, led to the Federal Reserve implementing a restrictive monetary policy which impacted emerging markets because of phenomenon known as "flight-to-quality" became real.

The growth seen in Latin America during this period was less than in 2017. This was reflected in the economies of countries such as Brazil, Argentina, and Colombia where some risks increased due to commercial tensions, fiscal reforms, the normalization of monetary policy in the United States, and a depreciation of local currencies vis-à-vis a stronger dollar, especially the Brazilian real and the Argentine peso, which had historic devaluations during the third quarter of the year. This, in addition to the impact created by presidential elections in Colombia, Mexico and Brazil, and the political circumstances that these countries experienced during the elections period. Chile was one of the most resilient countries to the economic adversities in the region, and had a significant economic growth during the first half of 2018 and maintained encouraging growth rates during the second half of the year. All these local and international variables impacted the performance of the financial markets in which the Companies operate.

Finally, the performance of the world's largest economies, monetary policies, the development of possible trade wars, political stability in the Latin American region, and the effective implementation of fiscal reforms, will determine the region's future economic performance.

The major financial risks to which the Foundation's portfolio is exposed — credit risk, liquidity risk, and market risk— are detailed below.

1. Credit risk

Credit risk management is intended to decrease the probability of losses due to third parties' failure to comply with their financial obligations. To achieve this, portfolio investments should always be backed by issuers and/or managers with good credit standing.

As of December 31, 2018, the Foundation's treasury investments are mostly concentrated in liquid investment funds handled by managers who apply high asset management standards, savings accounts, and current accounts with local and international banks.

Note 5 – Financial Instruments, provides more details about the Foundation's financial instruments.

Impairment of assets and receivables

The Foundation carries out regular analyses looking for value deterioration indicators and, if necessary, recognizes losses due to deterioration in the related account. Details about accounting policies, including deterioration methods, are shown in Note 2.4.3. - Financial instruments.

2. Liquidity risk

Liquidity risk refers to the ability to have the necessary resources to fulfill the obligations acquired, and to keep the Foundation operating.

To manage this risk, the Foundation frames its actions within a liquidity administration strategy for the short- and for the long-term, taking into consideration structural and temporary aspects to make sure that commitments are met, especially those associated with the projects in which the Foundation participates.

Specifically, there is a monthly monitoring of cash flows to have a clear idea of the Foundation's revenue and obligations and make sure there are no defaults, even though they are not material compared to the current portfolio.

3. Market risk

Market risk refers to the way in which market variations affect the revenue from or the value of the Foundation's investments. Taking into consideration the characteristics of the Foundation's portfolio, the Foundation monitors the impact of variables such as rates of interest or the price of shares on the results.

Details about the Foundation's financial assets exposure as of December 31, 2018 are shown below:

Domestic variable income	86.14%
Trusts	13.86%
Total	100.00%

Further details about the Foundation's investments can be found in Note 5.1.1. - Investments.

Price risk: Price risk is the risk that the reasonable value of financial instruments changes as a result of variations in the prices of variable income instruments. For this risk, an evaluation of how market price variations would affect the revenue or value of the investments is carried out.

For the Foundation, this risk is mainly associated with the variation of prices for local shares and the value of the units of the funds in which the Foundation invests.

Other operating risks associated with managing the Foundation are:

Risk of fraud, corruption, and bribery: The Foundation has adopted Grupo Empresarial SURA's Code of Conduct, which contains guidelines intended to promote ethical behavior and the principles of equality, respect, responsibility, and transparency in work teams and in relationships with the third parties with which the Foundation has relationships.

In 2018, the Holding Company reinforced the compliance area to work actively to consolidate the Business Group's guidelines for the antifraud and anticorruption system. The adoption of this code of conduct establishes directives and provisions to manage events which could create fraud and/or corruption risks, and minimize the probability of these events occurring and having an impact.

Legal risk – compliance: To manage compliance with the legal requirements, the Foundation is supported by the Legal Affairs department which monitors compliance with internal and external commitments. In addition, with the consolidation of the compliance area in Grupo SURA, the articulated management of this risk in the business group will be strengthened through the definition of corporate guidelines.

Technology and information risk: to manage the information security risk, the Foundation has procedures for securely controlling improper use of confidential or privileged information, preventing its disclosure and inappropriate use.

NOTE 23. INFORMATION TO DISCLOSE ABOUT RELATED PARTIES

Parties related to Fundación Suramericana are defined as key management personnel and any entities on which key management personnel can exert control, and postemployment benefit plans for employees.

Details about parties related to Fundación Suramericana as of December 31, 2018 and 2017 are provided below:

- 1) Members of the Board of Directors: the members of the Board of Directors of Fundación Suramericana are responsible for establishing the rules and regulations for the business, and for making key decisions.
- 2) Directors

NOTE 24. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for Fundación Suramericana for the period ended on December 31, 2018 shall be presented to the managing counsel assembly on April 8, 2019.