



Interim condensed consolidated financial statements  
of Grupo de Inversiones Suramericana S.A.  
for the three-month period between  
January 1st and March 31st 2020

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## **CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The undersigned Legal Representative and Public Accountant under whose responsibility the condensed consolidated interim financial statements were prepared, certify:

That for the issuance of the consolidated statement of financial position as of March 31, 2020, and the consolidated statement of income for the year and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, which in accordance with the regulations are made available to the shareholders and third parties, the statements contained therein have been previously verified.

These statements, explicit and implicit, are as follows:

*Existence:* The assets and liabilities of Grupo de Inversiones Suramericana S.A. exist at the cut-off date and the transactions recorded have been carried out during the year.

*Integrity:* All realized economic events have been recognized.

*Rights and obligations:* The assets represent probable future economic benefits and the liabilities represent probable future economic sacrifices, obtained or to be made by Grupo de Inversiones Suramericana S.A. at the cut-off date.

*Valuation:* All items have been recognized at appropriate amounts

*Presentation and disclosure:* Economic events have been properly classified, described and disclosed.

In accordance with Article 46 of Law 964 of 2005, in my capacity as legal representative of Grupo de Inversiones Suramericana S.A., the Financial Statements and other relevant reports for the public, related to the year ended March 31, 2020, March 31 and December 31, 2019 do not contain any defects, inaccuracies or errors that would prevent us from knowing the true financial position or operations of the Company.

Gonzalo Alberto Pérez Rojas  
President

Luis Fernando Soto Salazar  
Public accountant  
Professional card 16951-T

## AUDITORS REPORT





**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONDENSED INTERIM STATEMENT OF CONSOLIDATED FINANCIAL POSITION**

At 31 March, 2020 (with comparative figures at December 31, 2019)

(Values expressed in millions of Colombian pesos)

	Note	March 2020	December 2019
<b>Assets</b>			
Cash and cash equivalents	7.1	2,670,143	2,346,157
Investments	7.1.1	24,536,973	23,982,370
Trade and other accounts receivable	7.1.2	6,672,202	6,334,838
Accounts receivable, related parties and current associates	7.1	637,221	109,153
Technical reserves of insurance, reinsurer parties	9.1	4,596,155	4,103,398
Inventories		15,402	11,920
Current tax assets	10.2	586,966	231,720
Non-current assets held for sale	13	11,662	5,212
Other financial assets	7.1	1,967,255	594,249
Other non-financial assets		160,061	124,654
Investment properties		175,299	169,287
Properties and equipment		1,330,238	1,309,173
Right-of-use assets	8	635,736	645,484
Intangible assets other than goodwill	11.2	4,396,446	4,188,717
Goodwill	11.1	5,124,858	4,721,695
Investments accounted for using the equity method	12	19,821,478	19,965,689
Deferred tax assets	10.5	294,920	194,114
<b>Total assets</b>		<b>73,633,015</b>	<b>69,037,830</b>



**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONDENSED INTERIM STATEMENT OF CONSOLIDATED FINANCIAL POSITION**

At 31 March, 2020 (with comparative figures at December 31, 2019)

(Values expressed in millions of Colombian pesos)

	Note	March 2020	December 2019
<b>Liabilities</b>			
Other financial liabilities	7.3.1	2,312,091	1,889,749
Financial lease liabilities	8	629,640	666,663
Trade and other accounts payable	7.3.2	3,692,405	3,613,367
Accounts payable to related entities	7.3	472,177	82,011
Technical reserves	9.4	24,312,288	23,215,289
Current tax liabilities	10.2	783,568	464,723
Provisions for employee benefits		456,495	533,657
Other non-financial liabilities		725,298	594,700
Other provisions	14	219,970	227,155
Securities issued	15	9,615,704	8,203,145
Deferred tax liabilities	10.5	1,445,367	1,456,369
<b>Total liabilities</b>		<b>44,665,003</b>	<b>40,946,828</b>
<b>Equity</b>			
Capital issued		109,121	109,121
Share premium		3,290,767	3,290,767
Net income		(74,658)	1,525,537
Retained earnings		13,280,520	13,373,220
Other equity interest		3,634,922	2,424,607
Reserves		6,207,980	4,913,515
<b>Equity attributable to the holders of the controlling interest</b>		<b>26,448,652</b>	<b>25,636,767</b>
Non-controlling interest	17	2,519,360	2,454,235
<b>Total equity</b>		<b>28,968,012</b>	<b>28,091,002</b>
<b>Total equity and liabilities</b>		<b>73,633,015</b>	<b>69,037,830</b>

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas  
Legal representative

Luis Fernando Soto Salazar  
Accountant  
T.P. 16951-T

Mariana Milagros Rodríguez  
Auditor  
T.P. 112752-T

Designated por Ernst & Young Audit S.A.S. TR-530  
(See my report of 15 may 2020)

**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONDENSED INTERIM STATEMENT OF CONSOLIDATED INCOME**

At March 31, 2020 (with comparative figures at March 31, 2019)

(Values expressed in millions of Colombian pesos except net earnings per share)

	Note	March 2020	March 2019
Premiums issued	9.2	3,336,680	3,031,155
Premiums		3,240,819	2,944,967
Complementary insurance services		95,861	86,188
Premiums ceded	9.2	(608,864)	(549,855)
<b>Retained premiums (net)</b>		<b>2,727,816</b>	<b>2,481,300</b>
Commission income	19.1	695,506	653,501
Provision of services	20.1	1,163,340	927,437
Dividends		9,932	945
Investment income		478,244	205,300
(Loss) Earnings at fair value - Investments		(522,888)	382,484
Profit by equity method of associates and joint ventures	12.1	95,007	340,370
Profit from the sale of investments		16,146	14,742
Income from investment properties		3,947	3,113
Other income		68,843	60,672
<b>Operating income</b>		<b>4,735,893</b>	<b>5,069,864</b>
Total claims	9.3	(2,105,754)	(2,175,020)
Reimbursement claims	9.3	459,011	662,541
<b>Retained claims</b>		<b>(1,646,743)</b>	<b>(1,512,479)</b>
Reserves, net of production	9.4	303,715	40,250
Costs for the provision of services	20.2	(1,106,668)	(879,804)
Administrative expenses	22	(461,277)	(428,569)
Employee benefits		(563,187)	(495,191)
Fees	23	(126,193)	(109,897)
Broker commissions	19.2	(624,461)	(573,663)
Amortization		(74,335)	(70,426)
Depreciation		(55,018)	(49,610)
Other expenses		(129,222)	(141,443)
Impairment		(8,376)	(2,991)
<b>Operational expenses</b>		<b>(4,491,765)</b>	<b>(4,223,823)</b>

**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONDENSED INTERIM STATEMENT OF CONSOLIDATED INCOME**

At March 31, 2020 (with comparative figures at March 31, 2019)

*(Values expressed in millions of Colombian pesos except net earnings per share)*

	Note	March 2020	March 2019
<b>Operating profit</b>		<b>244,128</b>	<b>846,041</b>
Profit, at fair value – Derivatives	21	327,515	19,930
Exchange differences (Net)	21	(460,241)	26,840
Interest	21	(191,426)	(170,762)
<b>Financial results</b>		<b>(324,152)</b>	<b>(123,992)</b>
<b>(Loss) Pre-tax profit</b>		<b>(80,024)</b>	<b>722,049</b>
Income tax	10.3	4,068	(164,308)
<b>(Loss) Profit, net continuing operations</b>		<b>(75,956)</b>	<b>557,741</b>
Profit, net discontinued operations	13	-	2,531
<b>(Loss) Net profit</b>		<b>(75,956)</b>	<b>560,272</b>
(Loss) Controlling income		(74,658)	500,120
(Loss) Non – controlling income		(1,298)	60,152
<b>(Loss) Earnings per share</b>			
(Loss) Net income per share from continuing operations	24	(111)	872
(Loss) Net income per share from discontinued operations	24	-	5

The notes are an integral part of the financial statements.

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**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
 31 March 2020 (with comparative figures as at 31 March 2019)  
*(Values expressed in millions of Colombian pesos)*

	March 2020	March 2019
<b>(Loss) Profit for the period</b>	<b>(75,956)</b>	<b>560,272</b>
<b>Entries that will not be reclassified to profit and loss</b>		
Investments in equity instruments, net of taxes	(10,096)	7,961
Revaluation, net of taxes	589	(31,293)
New measurements of defined benefit plans, net of taxes	511	139
<b>Total other comprehensive income that will not be reclassified to the results of the period, net of taxes</b>	<b>(8,996)</b>	<b>(23,193)</b>
<b>Entries to be reclassified to profit and loss for the period</b>		
Profit for translation exchange differences, net of taxes	1,032,719	32,778
Income (Loss) from cash flow hedges, net of taxes	128,444	1,964
Income (Loss) from hedging with derivatives of net investments abroad, net of taxes	(172,263)	-
Participation of other comprehensive income of associates and joint ventures, accounted for using the equity method, that will be reclassified to income for the period, net of taxes	394,569	101,012
<b>Total other comprehensive income that will be reclassified to the results</b>	<b>1,383,469</b>	<b>135,754</b>
<b>Total other comprehensive income</b>	<b>1,374,473</b>	<b>112,561</b>
<b>Total comprehensive income</b>	<b>1,298,517</b>	<b>672,833</b>
Comprehensive income attributable to:		
Controlling interest	1,135,660	609,585
Non-controlling interest	162,857	63,248

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**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
Year ending 31 March 2020 (with comparative figures 31 March 2019)  
*(Values expressed in millions of Colombian pesos)*

	Note	Issued capital	Share premium	Retained earnings	Other Participation in equity (OCI)	Reserve	Net income	Equity attributable to controlling interest	Non - controlling interest	Total equity
<b>Balance at January 1, 2019</b>		109,121	3,290,767	13,466,180	2,519,074	3,905,725	1,182,880	24,473,747	2,427,165	26,900,912
Other comprehensive income					<b>110,694</b>	-		<b>110,694</b>	<b>3,003</b>	<b>113,697</b>
Reserves for revaluation of property and equipment					(26,124)	-		<b>(26,124)</b>	(5,169)	<b>(31,293)</b>
Adjustment for translation of net foreign investments					29,054	-		<b>29,054</b>	4,860	<b>33,914</b>
Financial instruments with changes to OCI					6,847	-		<b>6,847</b>	1,114	<b>7,961</b>
Losses due to new measurements of defined benefit plans net of taxes					112	-		<b>112</b>	27	<b>139</b>
The equity method of associates recognized on equity	12				101,475	-		<b>101,475</b>	(463)	<b>101,012</b>
Hedges of cash flows of derivative instruments					(670)	-		<b>(670)</b>	2,634	<b>1,964</b>
<b>Net income</b>						-	<b>500,120</b>	<b>500,120</b>	<b>60,152</b>	<b>560,272</b>
<b>Total net comprehensive income for the period</b>		-	-	-	<b>110,694</b>	-	<b>500,120</b>	<b>610,814</b>	<b>63,155</b>	<b>673,969</b>
Transfer to retained earnings				1,182,880		-	(1,182,880)	-		-
Distribution of 2018 results According to the minutes of Meeting of Shareholders No 24 of March 29, 2019:	16									
Dividends recognized as distributions to shareholders (550 per share)				(320,088)		-		<b>(320,088)</b>	(97,083)	<b>(417,171)</b>
Reserves for protection of investments				(328,507)		328,507		-		-
Dividend minimum preference shares				10,157		-		<b>10,157</b>		<b>10,157</b>
Increases (decreases) from other equity changes				10,901		-		<b>10,901</b>	1,713	<b>12,614</b>
<b>Balance at 31 March, 2019</b>		109,121	3,290,767	14,021,523	2,629,768	4,234,232	500,120	24,785,531	2,394,950	27,180,481

**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN CONSOLIDATED EQUITY**  
Year ending 31 March 2020 (with comparative figures 31 March 2019)  
*(Values expressed in millions of Colombian pesos)*

		Issued capital	Share premium	Retained earnings	Other Participation in equity (OCI)	Reserves	Net income	Equity attributable to controlling interest	Non -controlling interest	Total Equity
<b>Balance at January 1, 2020</b>	Note	109,121	3,290,767	13,373,220	2,424,607	4,913,515	1,525,537	25,636,767	2,454,235	28,091,002
<b>Other comprehensive result</b>					<b>1,210,315</b>	-		<b>1,210,315</b>	<b>164,158</b>	<b>1,374,473</b>
Reserve for revaluation of properties and equipment		-	-	-	472	-	-	472	117	589
Adjustment for conversion of net investment abroad		-	-	-	863,634	-	-	863,634	169,085	1,032,719
Financial instruments with changes to OCI		-	-	-	(8,186)	-	-	(8,186)	(1,910)	(10,096)
Losses due to new measurements of defined benefit plans, net of taxes		-	-	-	414	-	-	414	97	511
Participation method associated recognized in equity	12	-	-	-	393,015	-	-	393,015	1,554	394,569
Coverage of flows - Derivative instruments		-	-	-	104,939	-	-	104,939	23,505	128,444
Net investment coverage abroad		-	-	-	(143,973)	-	-	(143,973)	(28,290)	(172,263)
<b>(Loss) Net income</b>		-	-	-			<b>(74,658)</b>	<b>(74,658)</b>	<b>(1,298)</b>	<b>(75,956)</b>
<b>Total Net Income, for the period</b>		-	-	-	<b>1,210,315</b>	-	<b>(74,658)</b>	<b>1,135,657</b>	<b>162,859</b>	<b>1,298,517</b>
Transfer to accumulated earnings				1,525,537		-	(1,525,537)	-		-
<b>Distribution of results 2019 according to the meeting minutes No 25, of the shareholders Assembly of March 27, 2020:</b>										
Ordinary dividend (583 pesos per share) and extraordinary dividend (51 pesos per share) recognized as distributions to owners	16	-	-	(368,974)	-	-	-	(368,974)	(100,783)	(469,757)
Reserves for the protection of investments		-	-	(1,000,362)	-	994,465	-	(5,897)	-	(5,897)
Reserves for share repurchase		-	-	(300,000)	-	300,000	-	-	-	-
Dividend minimum preference shares		-	-	10,157	-	-	-	10,157	-	10,157
Increases (decreases) due to other exchanges, equity		-	-	40,942	-	-	-	40,942	3,048	43,990
<b>Balance at March 31, 2020</b>		<b>109,121</b>	<b>3,290,767</b>	<b>13,280,520</b>	<b>3,634,922</b>	<b>6,207,980</b>	<b>(74,658)</b>	<b>26,448,652</b>	<b>2,519,360</b>	<b>28,968,012</b>

The accompanying notes are an integral part of the consolidated financial statements.

Gonzalo Alberto Pérez Rojas  
Legal representative

Luis Fernando Soto Salazar  
Accountant  
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(See my report of 15 may 2020)

**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONDENSED INTERIM STATEMENT OF CONSOLIDATED CASH FLOWS**

Year ending 31 March 2020 (with comparative figures 31 March 2019)

(Values expressed in millions of Colombian pesos)

	Note	March 2020	March 2019
<b>(Loss) Profit for the period</b>		(75,957)	560,276
<b>Adjustments to reconcile (Loss) income</b>			
Adjustments for income tax expenses	10	(4,068)	164,308
Interests	21	189,216	179,160
Adjustments for decreases (increases) in inventories		(3,483)	1,041
Adjustments for decreases (increases) in accounts receivable, insurance activity		(66,811)	301,966
Adjustments for the decrease of accounts receivable from trade sources		(283,357)	67,966
Adjustments for the increases in other accounts receivable from operating activities		7,593	8,476
Adjustments for the increase of accounts payable from trade sources		37,440	(5,831)
Adjustments for the increase (decrease) in accounts payable, insurance activity		41,540	(151,293)
Adjustments for depreciation and amortization expenses		155,435	169,520
Adjustments for impairment of value recognized in the profit and loss for the period		8,376	2,991
Adjustments for provisions		(83,618)	(114,126)
Adjustments for unrealized losses from foreign currency		(894)	(287,706)
Adjustments for fair value profit		29,653	(323,808)
Adjustments for undistributed earnings by application of the equity method	12	(95,007)	(340,370)
Other non-financial assets and liabilities	7.1.1	61,260	(9,785)
Adjustments for losses (profit) from the disposal of non-current assets		(6,451)	664,652
Valuation of investments at amortized cost and Profit on sale of investments	7.1.1	(494,053)	(219,714)
Variations of reserves		604,241	64,286
Dividends received, associates		107,226	101,526
Income tax paid		(328,910)	(192,883)
Other taxes		202,481	(39,220)
Other charges from the sale of equity or debt instruments of other entities	7.1.1	17,140,016	6,435,657
Other payments to acquire equity or debt instruments of other entities	7.1.1	(16,725,452)	(7,068,407)
<b>Net cash flows from operating activities</b>		<b>416,417</b>	<b>(31,319)</b>
<b>Cash flows from (used in) investment activities</b>			
Cash flows used to obtain control of subsidiaries or other businesses		(2,583)	(1,073)
Imports from the sale of property, plant and equipment		3,842	5,974
Purchase of property and equipment		(17,793)	(29,014)
Amounts from sales of intangible assets		12,236	791
Purchase of intangible assets		(49,784)	(65,028)
Resources for sales of other long-term assets		26,732	37,910
Purchases of other long-term assets		(7,011)	-
Payments derived from futures, forward contracts, financial options (swaps)		(14,200)	(24,856)
Collections from futures, forward contracts and financial options (swaps)		29,970	60,523
Dividends received financial instruments		(5)	(350)
Interest received		25,903	176,504
<b>Net cash flows from (used in) investment activities</b>		<b>7,308</b>	<b>161,381</b>

**GRUPO DE INVERSIONES SURAMERICANA S.A.**  
**CONDENSED INTERIM STATEMENT OF CONSOLIDATED CASH FLOWS**

Year ending 31 March 2020 (with comparative figures 31 March 2019)

(Values expressed in millions of Colombian pesos)

	Note	March 2020	March 2019
<b>Cash flows from financing activities</b>			
Amounts from the issuance of shares		10,157	10,157
Proceeds from loans		851,072	50,072
Loan repayments		(878,170)	(119,626)
Payment of financial lease liabilities		(39,776)	(24,991)
Dividends paid by the controller	16	(79,532)	(75,304)
Interest paid		(52,042)	(43,345)
Other cash outflows		1,554	-
<b>Net cash flows from financing activities</b>		<b>(186,737)</b>	<b>(203,037)</b>
<b>Net increase in cash and cash equivalents, prior to the effect of exchange rate changes</b>		<b>236,987</b>	<b>(72,975)</b>
Effects of exchange rate changes on cash and cash equivalents		86,999	132
<b>Net increase in cash and cash equivalents</b>		<b>323,987</b>	<b>(72,843)</b>
Cash and cash equivalents at the beginning of the year	7	2,346,157	1,878,040
<b>Cash and cash equivalents at the end of the period</b>	<b>7</b>	<b>2,670,143</b>	<b>1,805,197</b>

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas  
 Legal representative

Luis Fernando Soto Salazar  
 Accountant  
 T.P. 16951-T

Mariana Milagros Rodríguez  
 Auditor  
 T.P. 112752-T  
 Designated by Ernst & Young Audit S.A.S. TR-530  
 (See my report of 15 may 2020)



## GRUPO DE INVERSIONES SURAMERICANA S.A.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended March 31, 2020 (with comparative figures at December 31, 2019, the figures of the statement of financial position and at March 31, 2019 are the figures for the income statement, the comprehensive income statement, the changes in equity statement and cash flows statement).

*(Values expressed in millions of Colombian pesos except for the net profit per share and exchange rates expressed in Colombian pesos)*

#### NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A., as the result of the spin-off of Compañía Suramericana de Seguros S.A., according to Public deed No. 2295 of December 24, 1997 of Notary 14, in Medellín, formalized on January 1, 1998. The main domicile is in the city of Medellín, at carrera 43ª # 5ª – 113, Floor 13 – 15, but may have branches, agencies, offices, and representations in other places, in the country, and abroad, as determined by its Board of Directors. The duration of the company is until the year 2097. Its corporate purpose is investment in movable and immovable property. Related to investment in property, plus any kind of movable property, may be done in shares, quotas, or shares in companies, entities, organizations, funds, or any other legal figure that allows investment of resources. It also may invest in securities or fixed income instruments, variable, whether or not listed on a public market. In any case, issuers and/or investees may be, public or private, national, or foreign. The fiscal year will be adjusted to the calendar year, annually, with effect on the thirty-first (31st) of December.

The company is subject to exclusive control by the Superintendencia Financiera de Colombia (Financial Superintendence of Colombia), given its role as the holding of Conglomerado Financiero SURA-Bancolombia through resolution No 156 of February of 2019 of the Superintendencia Financiera de Colombia.

Below is a detailed list of the entities in which Grupo SURA has control and which are part of the consolidation:

Entity	Main activity	March 2020	December 2019	Country	Functional currency
Grupo de Inversiones Suramericana S.A.	Holding Company			Headquarters	
Activos Estratégicos Sura A.M. Colombia S.A.S.	Holding Company	83.58%	83.58%	Colombia	Colombian Peso
Sura Investment Management Colombia S.A.	Holding Company	83.58%	83.58%	Colombia	Colombian Peso
SURA Asset Management Chile S.A.	Holding Company	83.58%	83.58%	Chile	Chilean peso
Sura Data Chile S.A.	Vehicle dedicated to the provision of data processing services and leasing of computer equipment	83.58%	83.58%	Chile	Chilean peso
SURA Servicios Profesionales S.A.	Vehicle dedicated to business consulting and advice	83.58%	83.58%	Chile	Chilean peso
Sura Asset Management México S.A. de C.V.	Holding Company	83.58%	83.58%	Mexico	Mexican Peso

Entity	Main activity	March 2020	December 2019	Country	Functional currency
Sura Art Corporation S.A. de C.V.	Company dedicated to collecting Mexican art	83.58%	83.58%	Mexico	Mexican Peso
SURA Asset Management Perú S.A.	Holding Company	83.58%	83.58%	Peru	Peruvian sol
SURA Asset Management Uruguay Sociedad de Inversión S.A.	Holding Company	83.58%	83.58%	Uruguay	Uruguayan Peso
AFAP SURA S.A.	Company dedicated to the administration of social security savings funds.	83.58%	83.58%	Uruguay	Uruguayan Peso
AFP Capital S.A.	Company dedicated to the administration of pension funds	83.33%	83.33%	Chile	Peso Chileno
Afore SURA S.A. de C.V.	Company dedicated to managing investment companies specializing in retirement funds	83.58%	83.58%	Mexico	Mexican Peso
AFP Integra S.A.	Pension Fund Administrator	83.58%	83.58%	Peru	Peruvian sol
SURA Real Estate S.A.S.	Management consulting activities, real estate activities with own or leased assets	83.58%	83.58%	Colombia	Colombian Peso
Asesores SURA S.A. de C.V.	Sale of financial products and services	83.58%	83.58%	Mexico	Mexican Peso
Promotora SURA AM S.A. de C.V.	Provision of marketing, promotion and dissemination services for products of any kind	83.58%	83.58%	Mexico	Mexican Peso
WM Asesores en inversiones S.A de C.V	Performing the function of Trustee in Titling processes	83.58%	0.00%	Mexico	Mexican Peso
Seguros de Vida SURA S.A. (Chile)	Management Consulting Services	83.58%	83.58%	Mexico	Mexican Peso
Pensiones SURA S.A. de C.V.	Company engaged in insurance activities, related to life	83.58%	83.58%	Chile	Chilean peso
SUAM Corredora de Seguros S.A. de C.V.	Pension insurance	83.58%	83.58%	Mexico	Mexican Peso
Disgely S.A.	Company dedicated to all kinds of activities related to insurance and reinsurance	83.58%	83.58%	El Salvador	Dollar
Corredores de Bolsa SURA S.A.	Company dedicated to the marketing of goods, leasing of goods, works and services.	83.58%	83.58%	Uruguay	Uruguayan Peso
Administradora General de Fondos SURA S.A.	Company dedicated to the purchase and sale of securities and securities brokerage operations	83.58%	83.58%	Chile	Chilean peso
SURA Investment Management S.A. de C.V.	Company dedicated to managing mutual and investment funds	83.58%	83.58%	Chile	Chilean peso
Fondos SURA SAF S.A.C.	Company dedicated to the operation of investment companies	83.58%	83.58%	Mexico	Mexican Peso
Sociedad Agente de Bolsa S.A.	Company dedicated to managing mutual and investment funds	83.58%	83.58%	Peru	Peruvian sol
Corredor de Bolsa SURA S.A.	Securities brokers	83.58%	83.58%	Peru	Peruvian sol
AFISA SURA S.A.	Performing the function of Trustee in Titling processes	83.58%	0.00%	Peru	Peruvian sol
SURA Asset Management Argentina S.A.	Intermediation services	83.58%	83.58%	Uruguay	Uruguayan Peso
NBM Innova, S.A. de C.V.	Company dedicated to the administration of investment funds	83.58%	83.58%	Uruguay	Uruguayan Peso
	Company dedicated to financial and investment management	83.58%	83.58%	Argentina	Argentine Peso
	To provide all kinds of services for the management, promotion, dissemination and marketing of all types of goods and services.	83.58%	83.58%	Mexico	Mexican Peso

Entity	Main activity	March 2020	December 2019	Country	Functional currency
Inversiones Suramericana Colombia S.A.S.	Conclusion of mutual insurance contracts and investments.	81.12%	81.12%	Colombia	Colombian Peso
Santa Maria del Sol S.A. (Argentina)	Investments	81.13%	81.13%	Argentina	Argentine Peso
Atlantis Sociedad Inversora S.A.	Investments	81.13%	81.13%	Argentina	Argentine Peso
Chilean Holding Suramericana SPA	Investments	81.13%	81.13%	Chile	Chilean peso
Inversiones Suramericana Chile Limitada	Investments	81.13%	81.13%	Chile	Chilean peso
Seguros Generales Suramericana S.A.S (Colombia)	General insurance	81.12%	81.12%	Colombia	Colombian Peso
Seguros Sura S.A. (República Dominicana)	Insurance	81.13%	81.13%	Dominican Republic	Dominican Peso
Seguros Suramericana, S.A. (Panamá)	Insurance	81.13%	81.13%	Panama	Dollar
Aseguradora Suiza Salvadoreña S.A. Asesuisa	General insurance	81.13%	81.13%	El Salvador	Dollar
Sura RE Ltd.	Insurance and/or reinsurance business	81.13%	81.13%	Bermuda Islands	Dollar
Sura SAC Ltd.	Insurance and/or reinsurance business	81.13%	81.13%	Bermuda Islands	Dollar
Seguros Sura S.A (Brasil)	Operation in personal and damage insurance	81.13%	81.13%	Brazil	Brazilian Real
Inversiones SURA Brasil Participacoes LTDA	Investor	81.13%	81.13%	Brazil	Brazilian Real
Seguros Sura S.A (Argentina)	Insurance operations in general	80.67%	80.67%	Argentina	Argentine Peso
Aseguradora de Créditos y Garantías S.A.	Insurance, co-insurance and reinsurance operations in general on all types of risks	81.12%	81.12%	Argentina	Argentine Peso
Seguros Generales Suramericana S.A (Chile)	General insurance company	81.11%	81.11%	Chile	Chilean peso
Seguros Sura, S.A de C.V. (México)	General insurance company	81.13%	81.13%	Mexico	Mexican Peso
Seguros Sura S.A. (Uruguay)	General insurance	81.13%	81.13%	Uruguay	Uruguayan Peso
	Investments	81.13%	0.00%	Uruguay	Uruguayan Peso
Operaciones Generales Suramericana S.A.S.	Investment in movable and immovable property	81.13%	81.13%	Colombia	Colombian Peso
Servicios Generales Suramericana S.A. (Colombia)	Investment in movable property, especially shares, quotas or parts of companies.	81.13%	81.13%	Colombia	Colombian Peso
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Provision of consulting services in integrated risk management	81.13%	81.13%	Colombia	Colombian Peso
Servicios Generales Suramericana S.A. (Panamá)	Inspection service, repair, purchase and sale of vehicles.	81.13%	81.13%	Panama	Dollar
EPS y Medicina Prepagada Suramericana S.A.	Organization, guarantee and provision of health services	81.13%	81.13%	Colombia	Colombian Peso
Servicios de Salud IPS Suramericana S.A.	Provision of medical, paramedical and dental services	81.13%	81.13%	Colombia	Colombian Peso
Diagnóstico y Asistencia Médica S.A. Dinámica IPS	Provision of diagnostic aid services in health	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Vida Suramericana S.A. (Colombia)	Personal Insurance	81.13%	81.13%	Colombia	Colombian Peso
Asesuisa Vida, S.A. Seguros de Personas	Personal Insurance	81.13%	81.13%	El Salvador	Dollar

Entity	Main activity	March 2020	December 2019	Country	Functional currency
Seguros de Vida Suramericana S.A (Chile)	Life insurance company	81.13%	81.13%	Chile	Chilean peso
Suramericana S.A.	Investor	81.13%	81.13%	Colombia	Colombian Peso
Inversiones y Construcciones Estratégicas S.A.S.	Investor	100.00%	100.00%	Colombia	Colombian Peso
Planeco Panamá S.A.	Acquisition and disposal of movable and immovable property	95.28%	95.28%	Panama	Dollar
SURA Ventures S.A.	Investor	100.00%	100.00%	Panama	Dollar
SURA Asset Management S.A.	Investment in movable and immovable property	83.58%	83.58%	Colombia	Colombian Peso
Hábitat Adulto Mayor S.A.	Provision of health services for the elderly	82.66%	82.66%	Colombia	Colombian Peso
Arus Holding S.A.S	Investment in movable and immovable property	100.00%	100.00%	Colombia	Colombian Peso
Arus S.A.	Services and marketing of products and solutions in telecommunications	100.00%	100.00%	Colombia	Colombian Peso
Enlace Operativo S.A.	Information processing services under the figure of outsourcing.	100.00%	100.00%	Colombia	Colombian Peso

## Changes in the perimeter of consolidation

### Year 2020

On February 21st Suramericana S.A., together with its subsidiary Operaciones Generales S.A.S., incorporated the corporation Suramericana Uruguay S.A., domiciled in La Republica del Uruguay. The statutory capital of the company amounts to \$15,000 Uruguayan pesos, consisting of 15,000 registered shares of \$1 Uruguayan peso each. The integrated (subscribed) capital of this new company amounts to \$14,332 Uruguayan pesos, to which its founders contributed \$7,166 Uruguayan pesos each, initially acquiring a 50% equity interest for both parties. The aim of the company is to make strategic investments that will enable it to structure services and assistance operations for clients in Uruguay.

On February 29th, the management of the company Planeco Panama S.A., handed over the assets of the company to the shareholders in their entirety, considering that the purposes for which it was constituted ceased and it is in the process of formalizing the documentation of the legal procedures for the dissolution and liquidation of the company. However, as a consequence of the situation that the world is currently going through due to the pandemic, these were suspended given that the country is in a total obligatory quarantine.

On March 27, Grupo SURA reports that its subsidiary SURA Asset Management S.A. established a company called Proyectos Empresariales Al Sura, S.A. de C.V., domiciled and governed by the laws of the United Mexican States, with the purpose of carrying out research and development activities to expand the offer of the investment products of the company in that country.

Grupo SURA and SURA Asset Management S.A. will have a 100% interest in the newly formed company, directly and indirectly through its subordinates SURA Asset Management México, S.A. de C.V. (99%) and SURA Art Corporation, S.A. de C.V. (1%), both domiciled in Mexico. With a share capital of 100 Mexican pesos divided into 100 registered shares.

Also, the establishment of the company Sociedad Titulizadora Sura S.A., domiciled and governed by the laws of Peru, with the purpose of performing the function of Trustee in Titling processes, and also being able to engage in the acquisition of assets with the purpose of constituting trust assets to support the issuance of securities.

Grupo SURA and SURA Asset Management S.A. will have a 100% stake in the newly created company, directly and indirectly through the subordinate SURA Asset Management Sociedad Agente de Bolsa Sura S.A., domiciled in Peru. With a share capital of 1,000 Peruvian soles divided into 1,000 registered shares.

On January 31st, the Board of Directors, regarding the Program for the Issuance and Placement of Ordinary Bonds and Commercial Papers for the year 2014 (Program), authorized the extension of the global quota of the Program by one billion pesos (\$1,000,000), amounting to two trillion three hundred thousand million pesos (\$2,300,000).

It also approved the renewal of the term of the authorization of the public offering of the Program for an additional three (3) years.

Said modifications to the Program are subject to the respective authorisation of the Superintendence of Finance of Colombia.

On January 31, Dr. David Bojanini García, President of Grupo SURA, presented his resignation to the Board of Directors of the Company, with the purpose of enjoying his retirement as of April 2020 and devoting himself to personal projects, after presiding over the ordinary meeting of the General Meeting of Shareholders of the company.

In accordance with the succession plans established for the Senior Management of the Company, the Board of Directors asked its Appointments and Remuneration Committee to advance in the process of evaluating candidates, taking into account the profile and skills required to continue leading the sustainable development of Group SURA.

On February 27, 2020, Group SURA, reported that its Board of Directors, with the support of the Nominating and Compensation Committee, appointed Gonzalo Alberto Pérez Rojas, as the new President of the Company, a position he assumed as of April 1, 2020.

On March 19, 2020, Grupo SURA, reported that the Board of Directors of its subsidiary Suramericana S.A., which specializes in the insurance industry and trend and risk management, appointed Juana Francisca Llano Cadavid as President of said company, a position she assumed as of April 1, 2020.

On March 27, 2020, the President of the Republic of Colombia, issued Decree 488, which in its article 5 Resources of the System of Labor Risks to confront the Coronavirus COVID-19, decreed: that until the events that gave rise to the Economic, Social and Ecological Emergency continue, the Occupational Hazards Administrators, which in our case would be ARL SURA, have to allocate the resources from the occupational hazards contributions, which are dealt with in article 11 of Law 1562 of 2012, to promotional activities and prevention of contagion, for the purchase of personal protection equipment, frequent medical check-ups of preventive and diagnostic character, in addition to actions of direct intervention related to the containment, mitigation and attention of the new Coronavirus COVID-19, which will be destined to the workers of its affiliated companies, who on the occasion of the tasks they carry out, are directly exposed to the contagion of the virus.

In relation to this decree, although the present financial statements were not affected, for the next quarters we will be able to observe a negative effect on the results due to the methods of participation in subsidiaries, which for the moment it is not possible to calculate due to the lack of certainty in the economic variables due to the current situation that the world is going through.

On March 27, Grupo SURA reported that the General Meeting of Shareholders authorized the repurchase of up to three hundred billion pesos (COP \$300,000) of the shares of the Company for a period of up to three years, starting today.

For this purpose, this amount will be appropriated from the taxable component of the Occasional Reserve for the constitution of a "Reserve for reacquisition of Company shares". Similarly, the Assembly approved to delegate to the Board of Directors the definition of the form and conditions in which the repurchase operations would be conducted, which includes the determination of its execution, the number of shares and/or amounts to be repurchased and the opportunities to do so, within a maximum period of three years, the type of shares to be repurchased (ordinary and/or preferential), the setting of the repurchase price by means of a technically recognised procedure, the adoption of mechanisms that guarantee equal treatment for all shareholders and transparency with the market and, finally, the disposal of the shares, according to the applicable legislation.

Such decisions shall be informed to the market, once adopted, through this relevant information mechanism provided by the Superintendence of Finance of Colombia.

The Board of Directors may delegate to the legal representative of the Company the definition of the dates and the number of shares and/or amounts for which the repurchase operations will be carried out, within the terms approved by the Meeting. Furthermore, the Board of Directors may empower the legal representative to perform all acts necessary to perfect the repurchase operations.

Lastly, the Meeting of Shareholders empowered the Board of Directors to abstain in whole or in part from repurchasing the shares if there are no appropriate internal and market conditions to proceed with the repurchase.

## **Year 2019**

On January 1, 2019 Suramericana recognized the legal and accounting effects associated with the merger operation carried out between its subsidiaries Seguros de Vida Suramericana S.A. and Seguros de Riesgos Laborales Suramericana S.A., whereby the former absorbed the latter. The direct shareholding of Suramericana in Seguros de Vida S.A., the absorbing company, reflects a small change with respect to its previous shareholding, from 94.95% to 94.96%. However, the total direct and indirect shareholding of Suramericana in the absorbing company continues to be 100% of the shares issued.

On 9 January 2019, Sura Asset Management España, S.L. carried out an intra-community cross-border merger by absorption into the company Grupo Sura Chile Holding I B.V. This merger is governed by the simplified regime provided for in article 49.1 of the LME and section 2.333 paragraph 1 of the Dutch Civil Code, and therefore it is not necessary to draw up the independent expert's report. Furthermore, the acquiring company holds the shares representing the entire capital of the company being acquired.

In March 2019, Sura Asset Management completed the transaction for the sale of the annuity business in Chile to the BICE Group. As a result, the company is no longer consolidated.

In June 2019, Seguros Generales Suramericana S.A. in Chile capitalized Inversiones Suramericana Chile Limitada in the amount of US\$4.4 million (CLP\$3 billion), giving it a 26.15% stake in its assets. In a second operation, Inversiones Suramericana Chile Limitada transferred the same capital to Seguros de Vida Suramericana S.A. Chile. The two previous operations were carried out with the aim of leveraging the strategy of boosting the life business in the region and aimed at diversifying the risks of the subsidiaries in Chile and its holding company Suramericana S.A. On the other hand, this capital injection that ends up being made to the life company will aim to provide the client with a more complete range of solutions, incorporating collective health and life products, in line with the strategy of the company to deliver welfare and competitiveness to companies and individuals.

As of October 2019, the Board of Directors and management of Suramericana began the process of approvals and authorizations to conduct a spin-off operation by which its subsidiary Seguros de Vida Suramericana S.A., as a spin-off, will transfer on bloc and without dissolving in favor of Suramericana S.A., as beneficiary, a portion of its assets represented by an investment portfolio with an estimated value of COP \$490 billion at that time plus its future returns.

### **Currency**

For the presentation of the consolidated financial statements of Grupo SURA, the assets and liabilities of the foreign businesses, including the goodwill and any adjustments to the fair value of the assets and liabilities arising from the acquisition, are translated into Colombian pesos at the exchange rate in effect at the end of the reporting period. Income, costs and expenses and cash flows are translated at the average exchange rates for the period, and equity is translated at the historical rate.

The rates used for foreign currency translation in the consolidated financial statements are:

	Average rate		Closing rate	
	March 2020	March 2019	March 2020	December 2019
Colombian Peso (COP/USD)	3,535.78	3,137.26	4,054.54	3,277.14
Chilean Peso (CLP / USD)	803.50	667.34	866.67	752.78
Dominican Peso (DOP / USD)	53.42	50.55	53.93	52.98
Euro (EUR/USD)	0.91	0.88	0.91	0.89
Mexican Peso (MXN/USD)	20.01	19.21	24.34	18.88
Peruvian Nuevo Sol (PEN/USD)	3.40	3.33	3.44	3.31
Uruguayan Peso (UYU/USD)	39.57	32.81	43.75	37.22
Argentina (ARS/USD)	61.52	39.01	64.52	59.86
Brazil (BRS/USD)	4.44	3.77	5.20	4.03

## Hyperinflation

A hyperinflationary economy occurs when:

- the general population prefers to retain its wealth in the form of non-monetary assets, or in a relatively stable foreign currency the amounts of local currency obtained are immediately invested to maintain the purchasing power of the currency
- the general population does not consider monetary amounts in terms of local currency, but sees them in terms of another relatively stable foreign currency;
- sales and purchases on credit take place at prices that compensate for the loss of purchasing power expected during the deferment, even when the period is short;
- interest rates, wages and prices are linked to the evolution of a price index; and
- the cumulative rate of inflation over three years is close to or exceeds 100%.

The financial statements of Grupo SURA must be expressed in terms of the unit of measurement that is current on the closing date of the reporting period. This criterion is also applicable to the comparative figures for the prior period required by the financial statement presentation policy.

Re-expression of items in the statement of financial position:

- Monetary items and other items expressed at market value at year-end; no adjustment.
- Items that are contractually adjusted by reference to inflation such as indexed bonds; are modified according to the terms of the contract.
- Non-monetary items recorded at cost; they are updated by the evolution of the price index from their acquisition to the date of presentation of the financial statements.
- Non-monetary items recorded at fair value; they are updated by the movement of the price index since their last valuation until the date of presentation of the financial statements.
- Equity items; are re expressed by the evolution of the price index from the date of contribution or recognition to the date of presentation of the financial statements.

Re-expression of items from the statement of comprehensive income and cash flow:

- All items of income and expense should be restated for the changes in the price index from their date of recognition to the date of presentation of the financial statements.
- Depreciation and amortization expenses are adjusted on the same basis as the asset to which they relate.



- All items in the cash flow statement are restated to be expressed in the measuring unit current at the date of presentation of the financial statements.

For subsidiaries whose functional currency corresponds to that of a hyperinflationary economy, all items in the financial statements are translated at the closing exchange rate for the reporting period. In this case, the comparative figures are presented in the same way as in previous periods, considering that they are being translated into the Colombian peso (COP), a currency that corresponds to that of a non-hyperinflationary economy, as required by point (b) of paragraph 42 of IAS 21. Taking into account the above, while Grupo SURA is applying the restatement and translation procedures determined by IAS 29, it will assume all the translation effects associated to the subsidiaries that are in this situation as realized.

### **Selection and use of a general price index**

For the reexpression of the financial statements, the index resulting from the junction between the Wholesale Price Index (WPI) and the Consumer Price Index (CPI) was used, in accordance with the pronouncement and recommendation of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), since the CPI was only published as from December 2016. For the time being, there are no indications of the use of another index to reflect the loss of purchasing power of the Argentine peso (ARS).

The inflation indexes 12 months to each of the following cuts have been:

March 2020	December 2019	December 2018	December 2017
48.40%	53.80%	47.60%	24.80%

Source: The Central Bank of the Argentine Republic

## **NOTE 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Statement of compliance**

The consolidated interim financial statements of Grupo de Inversiones Suramericana S.A., for the three-month period ended March 31, 2020, have been prepared in accordance with International Accounting Standard - IAS 34 Interim Financial Reporting, which is part of the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, regulated by External Circular 038 of 2015 in the Sole Regulatory Decree 2420 of 2015 modified by Decree 2496 of 2015, 2131 of 2016, 2170 of 2017 and 2483 of 2018 and 2270 of 2019. The NFICs are based on International Financial Reporting Standards (IFRS), along with their interpretations, issued by the International Accounting Standards Board (IASB), officially translated and authorized by the International Accounting Standards Board (IASB) as of December 31, 2016.

The following guidelines that the company applies are included in the aforementioned decrees and constitute exceptions to IFRS as issued by the IASB:

- Article 4 of decree 2131 of 2016 amended part 2 of book 2 of decree 2420 of 2015 added by decree 2496 of 2015 allowing as of December 31, 2016 the determination of post-employment benefits for future retirement or disability pensions, under the

requirements of IAS 19, however, it requires the disclosure of the calculation of pension liabilities in accordance with the parameters established in decree 1625 of 2016, articles 1. 2.1.18.46 and following, and in the case of partial pension commutations in accordance with the provisions of paragraph 5 of article 2.2.8.8.31 of Decree 1833 of 2016, reporting the variables used and the differences with the calculation made in the terms of the technical framework under NFIC.

## **2.2. Financial statements for interim periods**

The condensed consolidated interim financial statements for the three-month period ended March 31, 2020, have been prepared in accordance with IAS 34 Interim Financial Reporting, included in "Compilatory Technical Annex No. 1, to IFRSs, Group 1" of Decree 2483 of 2018, accordingly, they do not include all the information and disclosures required by the annual financial statements. Therefore, these interim financial statements should be read in conjunction with the annual consolidated financial statements of Grupo SURA at December 31, 2019.

## **2.3. Basis of presentation**

### **2.3.1. Basis of measurement and presentation**

#### *Measurement bases*

The financial statements have been prepared on the historical cost basis with the exception of the following items included in the Statement of Financial Position:

- Financial instruments measured at fair value through profit and loss or other comprehensive income.
- Investment properties measured at fair value
- Property and equipment (land and buildings) measured at fair value
- Non-current assets held for sale, which are measured at the lower of carrying value at the date of transfer and fair value, less estimated costs to sell.
- Employee benefits, which are measured at the present value of the defined benefit obligation.

#### *Presentation of financial statements*

The consolidated financial statements are prepared on the basis of the following:

The consolidated statement of financial position presents assets and liabilities on the basis of their liquidity, since it is considered that this provides reliable information that is more relevant than that provided by an approach based on the distinction between current and non-current items.

The consolidated income statement and other comprehensive income are presented separately. The items in the income statement are broken down according to the nature of expense method, so as to provide reliable and more relevant information.

The consolidated statement of cash flows is presented using the indirect method, whereby cash flows from operating activities are determined by adjusting profit for the effects of items

not affecting cash flow, net changes in assets and liabilities relating to operating activities and any other effects of items not classified as investing or financing activities. Interest income and expense are presented as components of operating activities.

### **2.3.2. Principles of consolidation**

#### *Subsidiaries*

The consolidated financial statements include the financial statements of Grupo SURA and its subsidiaries as of and for the years ended March 31, 2020, March 31 and December 31, 2019. Grupo SURA consolidates the assets, liabilities and financial results of the entities over which it has control.

The consolidated financial statements of Grupo SURA are presented in Colombian pesos, which is both the functional and presentation currency of Grupo SURA, the controlling company. Each subsidiary of the Group SURA determines its own functional currency and includes the items in its financial statements using that functional currency.

For consolidation purposes, the financial statements of subsidiaries are prepared under the accounting policies of Grupo SURA and are included in the consolidated financial statements from the date of acquisition until the date on which Grupo SURA loses control.

Assets, liabilities, equity, income, costs, expenses and intragroup cash flows are eliminated in the preparation of the consolidated financial statements.

When Grupo SURA loses control over a subsidiary, any residual interest it retains is measured at fair value, and the gains or losses arising from this measurement are recognized in the income statement for the period.

At the acquisition date, the excess of the cost of acquisition over the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities assumed of the associate or joint venture is recognized as goodwill. The goodwill is included in the carrying value of the investment.

The results, assets and liabilities of the associate are included in the consolidated financial statements using the equity method. The equity method is applied from the date of acquisition until significant influence over the entity is lost.

The share in the profit or loss of an associate is presented in the statement of income, net of taxes, and non-controlling interests in subsidiaries of the associate or joint venture, the share in changes recognised directly in equity and other comprehensive income of the associate are presented in the consolidated statement of changes in equity and the other consolidated comprehensive income.

Dividends received in cash from the associate are recognised by reducing the carrying value of the investment.

#### *Non-controlling interests*

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately in the equity of Grupo SURA. The result for the period and other comprehensive income are also attributed to non-controlling and controlling interests.

Purchases or sales of investments in subsidiaries to non-controlling interests that do not result in a loss of control are recognised directly in equity.

### 2.3.3. Reclassifications

Some of the figures and disclosures in relation to December 31, 2019, presented in the statement of financial position and income statement for comparison purposes, may present variations from the information published to this cut-off date. The management of Grupo SURA considers that these adjustments do not affect the reasonableness of the information published previously.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 2019 Presentation	Reclassification	December 2019 Current
<b>Assets</b>			
Cash and cash equivalents	2,346,157	-	2,346,157
Investments	23,982,370	-	23,982,370
Trade and other accounts receivable	6,334,838	-	6,334,838
Accounts receivable, related parties and current associates	109,153	-	109,153
Technical reserves of insurance, reinsurer parties	4,103,398	-	4,103,398
Inventories	11,920	-	11,920
Current tax assets	231,720	-	231,720
Non-current assets held for sale	5,212	-	5,212
Other financial assets	594,249	-	594,249
Other non-financial assets	124,654	-	124,654
Investment properties	169,287	-	169,287
Properties and equipment	1,309,173	-	1,309,173
Right-of-use assets	645,484	-	645,484
Intangible assets other than goodwill	4,188,717	-	4,188,717
Goodwill	4,721,695	-	4,721,695
Investments accounted for using the equity method	19,965,689	-	19,965,689
Deferred tax assets	194,114	-	194,114
<b>Total assets</b>	<b>69,037,830</b>	<b>-</b>	<b>69,037,830</b>
<b>Liabilities</b>			
Other financial liabilities	1,889,749	-	1,889,749
Financial lease liabilities	666,663	-	666,663
Trade and other accounts payable	3,613,429	(62)	3,613,367
Accounts payable to related entities	81,949	62	82,011
Technical reserves	23,215,289	-	23,215,289
Current tax liabilities	464,723	-	464,723
Provisions for employee benefits	533,657	-	533,657
Other non-financial liabilities	594,700	-	594,700
Other provisions	227,155	-	227,155
Securities issued	8,203,145	-	8,203,145
Deferred tax liabilities	1,456,369	-	1,456,369

<b>Total liabilities</b>	<b>40,946,828</b>	<b>-</b>	<b>40,946,828</b>
<b>Equity</b>			
Share capital issued	109,121	-	109,121
Share premium	3,290,767	-	3,290,767
Profit for the year	1,525,537	-	1,525,537
Retained earnings	14,080,389	(707,169)	13,373,220
Other equity interest	2,396,714	27,893	2,424,607
Reserves	4,234,232	679,283	4,913,515
<b>Equity attributable to the holders of the controlling interest</b>	<b>25,636,760</b>	<b>7</b>	<b>25,636,767</b>
Non-controlling interest	2,454,242	(7)	2,454,235
<b>Total equity</b>	<b>28,091,002</b>	<b>-</b>	<b>28,091,002</b>
<b>Total equity and liabilities</b>	<b>69,037,830</b>	<b>-</b>	<b>69,037,830</b>

The changes in the equity accounts correspond to the reclassification of retained earnings to reserves due to the adjustment in the equity elimination methodology.

### CONSOLIDATED STATEMENT OF INCOME

	March 2019 Presentation	Reclassification	March 2019 Current
Premiums issued	3,031,155	-	3,031,155
Premiums	2,944,967	-	2,944,967
Complementary insurance services	86,188	-	86,188
Premiums ceded	(549,855)	-	(549,855)
<b>Retained premiums (net)</b>	<b>2,481,300</b>	<b>-</b>	<b>2,481,300</b>
Commission income	653,501	-	653,501
Provision of services	927,437	-	927,437
Dividends	945	-	945
Investment income	205,300	-	205,300
Earnings at fair value - investments	363,662	18,822	382,484
Profit from equity method of associates and joint ventures	340,370	-	340,370
Profit from the sale of investments	14,742	-	14,742
Income from investment properties	1,063	2,050	3,113
Other income	62,722	(2,050)	60,672
<b>Operating income</b>	<b>5,051,042</b>	<b>18,822</b>	<b>5,069,864</b>
Total claims	(2,228,017)	52,997	(2,175,020)
Reimbursement claims	715,538	(52,997)	662,541
<b>Retained claims</b>	<b>(1,512,479)</b>	<b>-</b>	<b>(1,512,479)</b>
Reserves, net of production	40,250	-	40,250
Costs for the provision of services	(879,804)	-	(879,804)
Administrative expenses	(428,568)	(1)	(428,569)
Employee benefits	(495,191)	-	(495,191)
Fees	(210,299)	100,402	(109,897)
Broker commissions	(473,261)	(100,402)	(573,663)
Amortization	(70,426)	-	(70,426)
Depreciation	(49,610)	-	(49,610)
Other expenses	(141,443)	-	(141,443)

Impairment	(2,991)	-	(2,991)
<b>Operational expenses</b>	<b>(4,223,822)</b>	<b>(1)</b>	<b>(4,223,823)</b>
<b>Operating profit</b>	<b>827,220</b>	<b>18,821</b>	<b>846,041</b>
Profit, at fair value – Derivatives	19,930	-	19,930
Exchange differences (Net)	45,661	(18,821)	26,840
Interest	(170,762)	-	(170,762)
<b>Financial results</b>	<b>(105,171)</b>	<b>(18,821)</b>	<b>(123,992)</b>
<b>Pre-tax profit</b>	<b>722,049</b>	<b>-</b>	<b>722,049</b>
Income tax	(164,308)	-	(164,308)
<b>Profit, net continuing operations</b>	<b>557,741</b>	<b>-</b>	<b>557,741</b>
Profit, net discontinued operations	2,531	-	2,531
<b>Net profit</b>	<b>560,272</b>	<b>-</b>	<b>560,272</b>
Controlling income	500,120	-	500,120
Non – controlling income	60,152	-	60,152

The changes in presentation were mainly due to the separation of the financial component; and the reclassification of insurance banking commissions between fees and intermediary commissions.

#### 2.4. Significant accounting policies

The accompanying financial statements do not include all the information and disclosures required for a year-end financial statement and, therefore, these condensed financial statements should be read in conjunction with the annual financial statements as of December 31, 2019.

#### NOTE 3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND CAUSES OF UNCERTAINTY IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods impacted.

The determination of these estimates and assumptions is subject to internal control procedures and approvals, which are considered for internal and external studies, industry statistics, environmental factors and trends and regulatory and regulatory requirements.

#### ***Accounting estimates and assumptions***

Herewith, are the key assumptions that estimate the future behavior of the variables to the reporting date that have a significant risk of causing a material adjustment to the value of the

assets and liabilities during the following financial statement, by-product of the uncertainty surrounding described such behavior.

**a) Revaluation of property for own use and investment properties**

Grupo SURA records real estate (land and buildings) at fair value and changes in it are recognized in other comprehensive income of the equity, and in the income statement, in the case of investment properties.

The revaluation increase, of assets for own use, will be recognized directly in other comprehensive income, and will be accumulated in equity, as a revaluation surplus. The revaluation is calculated every four years.

When the carrying amount of an asset, is reduced, as a result of a revaluation, such decrease shall be recognized in the profit and loss, for the period. However, the decrease will be recognized in other comprehensive income, to the extent that there is a credit balance, in the revaluation surplus, in relation to that asset. The decrease recognized in other comprehensive income, reduces the accumulated value in the equity, denominated revaluation surplus.

The fair value of land and buildings is based on periodic evaluations, realized by qualified external appraisers, as well as internally.

**b) Fair value of financial instruments**

When the fair value of the financial assets and financial liabilities recorded in the statement of financial position is not obtained from asset markets, it is determined using valuation techniques that include discount model cash flows. The information in these models is taken from observable markets where possible, but when it is not, some judgment is required to establish fair values. The trials include data such as liquidity risk, credit risk, and volatility.

**c) Taxes**

There is some uncertainty regarding the interpretation of complex tax regulations, changes to tax legislation and measurement and timing of future taxable income. Given the wide range of international trade relations and the complexity and long-term horizons of contractual agreements, differences between actual results and the estimates and assumptions made, as well as future changes to the latter arise. This may require future adjustments to taxable income and expenses already recorded. The company establishes provisions, based on reasonable estimates, for possible findings of audits performed by tax authorities in all countries where it operates. The scope of these provisions is based on several factors, including historical experience from previous tax audits conducted by the tax authorities, upon the taxable entity.

Deferred tax assets are recognized for unused tax losses, to the extent that it is probable that there is taxable profit to offset such losses. An important judgment by management to determine the value to recognize the deferred tax asset, based on the likely timing and level of future taxable profit, together with future strategies of the tax planning of the company.

**d) Impairment of goodwill**

The determination of whether the goodwill is impaired requires an estimate of the value in use of the cash-generating units to which the goodwill has been allocated. The calculation of value in use requires management to estimate the future cash flows of the CGU and an appropriate discount rate for calculating present value. When the actual future cash flows are lower than anticipated, an impairment loss may occur.

**e) The useful life and residual values of property, equipment, and intangibles**

Grupo SURA shall review the useful lives of all property and equipment and intangible assets at least at the end of each accounting period. The effects of changes in the estimated life are recognized prospectively over the remaining life of the asset.

**f) Leases term**

The lease term is established according to the contract and the expectations of the contracting company, for which the following terms should be taken into account:

- The established time for possible renewals
- The increases in fees with respect to the market
- Development of the strategic plans of the company
- The recovery expectations of the company regarding the investment made
- The cost to be paid in the event of leaving the contract (penalty)
- Additional costs incurred in the event of cancelling the contract and starting a new one

**g) Estimation of the incremental interest rate of the leases**

The Group is unable to easily establish the implied interest rate for all its leases, so it uses either the corporate bond rate or the company's average debt rate as the basis when applying adjustments for term, risk and type of collateral. This base rate therefore reflects what the group "would have to pay," which requires an estimate when observable rates are not available (such as for subsidiaries that do not engage in financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when the leases are not in the functional currency of the company).

**h) The probability of occurrence and the value of the liabilities of uncertain value or contingent**

Grupo SURA shall recognize a provision when the following conditions are met:

- It has a present obligation (legal or implicit), as a result of a past event
- Grupo SURA is likely to be an outflow of resources embodying economic benefits to settle that obligation, and
- A reliable estimate of the value of the obligation can be made.

**i) Employee benefits**

The measurement of obligations for post-employment benefits, and defined benefits, includes the determination of key actuarial assumptions that allow for the calculation of the value of the liability. Among the key assumptions are the discount and inflation rates, salary increases, among others.

Employee benefits are discounted using the TES Type B government bond rate of each country at the end of the reporting period, as this rate reflects the currency and estimated term of payment of the post-employment benefit and defined benefit obligations; and corresponds to the rate that best indicates market returns.

**j) Technical reserves - Insurance contracts**

Technical reserves of insurance contracts, and annuities, are recognized on the basis of the best estimated assumptions. Additionally, as all insurance contracts are subject to an annual



test of adequacy of liabilities, which reflects the best estimated future flows of the administration. In the case of insufficiency, the assumptions could have been updated and remain fixed until the next revision or insufficiency, whichever occurs first.

As described in the deferral of acquisition expenses section, certain expenses are deferred and amortized over the term of the contracts. In the event that the assumptions of future profitability of the contracts do not materialize, the amortization of the costs is accelerated, affecting the income statement of the period.

The main assumptions, used in the calculation of technical reserves are: mortality, morbidity, longevity, return on investments expenses, exit and collection rates, rescue rates, and discount rates.

The assumptions of mortality, morbidity and longevity are based on the standards of the local industries, of each subsidiary, and are adjusted to reflect the own exposure to risk of the company when appropriate, and when the historical information is sufficiently in depth, to perform substantiated experience analyzes that alter industry estimates. Longevity assumptions are introduced through factors of future improvement of mortality rates.

For the assumptions of rates of return, the investment product of the assets, that support the technical reserves of the insurance contracts, based on the market conditions, at the date of subscription of the contract, as well as the future expectations on the evolution of the economic and financial conditions of the markets in which it operates, and the investment strategy of the company.

The assumptions of expenses are constructed, based on the levels of expenditures in force, at the time of signing the contract and are adjusted for the expectation of increase, from inflation in the cases, in which it corresponds.

The exit, collection, and rescue rates are constructed, based on analysis of personal experience of each one of the subsidiaries, and product, or family of products.

The discount rates are based on the current rates for the corresponding industry, and market, and adjusted for the exposure to the own risk of the subsidiary.

In the case of insurance contracts, with savings components, based on units of the fund (Unit-Linked), the commitments are determined based on the value of the assets that support the provisions, which arise from the value of each of the funds in which are the deposits of the policies.

#### **k) Impairment of financial assets**

To calculate the impairment of financial assets, the future cash flows, of the respective financial asset, of the group, must be estimated. See Note 7.2 of financial instruments, in the impairment section.

#### **l) Participation in other entities**

A subsidiary is an entity controlled by one of the companies of Grupo SURA. Control exists when any of the companies of the Group has the power to direct the relevant activities of the subsidiary, which are generally operating and financing activities, for the purpose of obtaining benefits from its activities and is exposed, or entitled, to the variable yields of the same.

An associate is an entity over which Grupo SURA has significant influence over financial and operating policy decisions, without having control or joint control.

A joint venture is an agreement whereby two or more parties maintain joint control.

The investments, that Grupo SURA classifies as subsidiaries, associates, or joint ventures, is because it considers that it exercises control, significant influence, or joint control, that is, the power to intervene in the financial or operational decisions of another company. In cases where Grupo SURA does not have the required percentage for the classification of an investment in a specific category, this classification is given, because Grupo SURA has representation in the management body, which allows it to have control.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended March 31, 2020 and December 2019 is included in the following notes:

- Note 6. Business combinations: acquisition of subsidiaries: fair value assigned in accordance with IFRS 3 "Business combinations";
- Note 9. Insurance contracts: description of each of the reserves
- Note 10. Taxes: current, deferred and applicable regulations;
- Notes 14. Provisions and Contingent Liabilities: details of the recognition and measurement of provisions and contingencies: in accordance with the key assumptions relating to the probability and magnitude of an outflow of economic resources; and

The following notes include additional information about assumptions made in measuring fair values:

- Note 7. Financial instruments.

### **Judgements**

The information on the critical judgments, in the application of accounting policies, that have the most important effect on the amount, recognized in the financial statements, is described below:

- Note 8. Leases
- Note 9. Insurance contracts
- Note 12. Investments in subsidiaries, associates and joint ventures: determination of the existence of control in the subsidiaries.
- Note 19. Commission income and expenses

### **NOTE 4. NORMS ISSUED WITHOUT EFFECTIVE APPLICATION**

The accounting policies adopted in the preparation of the condensed separate interim financial statements are consistent with those used in the preparation of the annual consolidated financial statements at December 31, 2019, except for the adoption of new standards, effective January 1, 2020. The Group has not adopted in advance any standards, interpretations or amendments that have been issued but are not yet effective.

Several amendments and interpretations are applied for the first time in 2020, but have no impact on the separate condensed financial statements of the Group. These will be adopted on the date they become effective, in accordance with the decrees issued by local authorities.

**Amendments to IFRS 3: Definition of a Business**

The amendment to IFRS 3 clarifies that, to be considered a business, an integrated set of assets and activities must include, at a minimum, an input and a substantive process that together contribute significantly to the ability to generate outputs. In addition, it clarified that a business can be considered as such even if it does not include all the inputs and processes necessary to generate outputs. These amendments have no impact on the current financial statements of the Group, but may affect future periods if the Group enters into a business combination.

**Amendments to IAS 1 and IAS 8: Definition of Material**

The amendments provide a new definition of material if omission or misstatement would reasonably influence the decisions that the primary users of general-purpose financial statements make based on those statements, which provide information about a specific reporting entity.

The amendments clarify that materiality depends on the nature or extent of the information, either individually or in combination with other information, in the context of the financial statements. A misstatement is material if it would reasonably be expected to influence decisions made by primary users. These amendments had no impact on the present financial statements and are not expected to have an impact on the future financial statements of the Group.

**IFRS 17: Insurance contracts**

In May 2017, the IASB issued IFRS 17, a new comprehensive accounting standard for insurance contracts covering measurement and recognition, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4, issued in 2005. IFRS 17 applies to all types of insurance contracts, regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with discretionary participation features. This standard includes few exceptions.

The overall objective of the standard is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Unlike the requirements of IFRS 4, which primarily seeks to protect previous local accounting policies, IFRS 17 provides a comprehensive model for these contracts, including all relevant issues. The essence of this standard is a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (variable rate approach).
- A simplified approach (the bonus assignment approach) mainly for short-term contracts

IFRS 17 has not been introduced into the Colombian accounting framework by any decree to date. The Group is evaluating the potential effect of this standard on its financial statements.

**Amendments to IAS 19: Changes in the plan, curtailment or settlement**

The amendments to IAS 19 address accounting when there is a change, reduction or settlement of the plan during the reporting period. The amendments specify that when a plan modification, curtailment or settlement occurs during the annual reporting period, the entity is required to determine current service cost for the remainder of the period following the plan modification, curtailment or settlement, using the actuarial assumptions used to recover the net defined benefit liability (asset) reflecting the benefits provided under the plan and the plan

assets after that event. An entity is also required to determine net interest for the remaining period after the plan is amended, curtailed or terminated by using the net defined benefit liability (asset) reflecting the benefits provided under the plan and plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

These changes had no impact on the current financial statements of the Group, as there were no changes, reductions or settlements of a plan during the period.

### **Conceptual framework for financial reporting issued on 29 March 2018**

The Conceptual Framework is not a standard, and none of the concepts contained in it overrides the concepts or requirements detailed in another standard. The purpose of the Framework is to assist the IASB in developing standards and preparers in determining consistent accounting policies where no specific standard exists and to help all parties understand and interpret standards. The revised conceptual framework includes some new concepts, provides updated definitions, recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the present financial statements of the Group.

## **NOTE 5. COVID – 19 CRISIS RESPONSE**

In December 2019, the World Health Organization (WHO) reported cases of Severe Acute Respiratory Infection (SARI) caused by a new coronavirus (COVID-19) in Asia, specifically in the city of Wuhan in China. Consequently, due to the spread of the virus to other continents, on March 11 this Organization declared the outbreak as a pandemic. In Latin America, the first case was recorded in Brazil on February 26. Since then, following the spread of the virus in the countries of the region and the confirmation of the first case in Colombia on March 6, various governments have taken measures to preserve the social balance, economy, health and life of the population. In this way, it is hoped to avoid the collapse of health systems and guarantee specialized medical attention when required, preserving the lives of people who can be cured by being adequately assisted.

These measures, which so far have proven to be the most effective in containing the virus, have gradually been extended, bringing with them impacts on the activities of the different sectors of the economy, as well as on people's habits and living conditions, impacts which are not foreign to Grupo SURA and its employees in the region. In this sense, the company has been preparing itself by constantly monitoring the evolution of the pandemic since its beginning, evaluating the impacts from different spheres and undertaking the measures and strategies it considers appropriate.

Grupo de Inversiones Suramericana S.A. is characterized by its long-term vision, which has historically guided its strategy and will continue to be key in its growth path. Likewise, the experience acquired by the company over the years has allowed it to consolidate its knowledge on issues associated with risk assessment and capital allocation, which are fundamental to ensure the continuity of its business and the well-being of its employees, clients and suppliers in times of high volatility and uncertainty such as those we are currently experiencing. This value-generating presence is materialized through a human talent committed to trend and risk management, which allows it to have the capacity to anticipate the demands of the world and its dynamics of change, as well as in the design of social protection systems that prioritize the care of people, responding to our commitment to society, this supported by a solid financial system and an appropriate technological environment.

## Human Talent

For Grupo de Inversiones Suramericana S.A., preserving jobs and caring for people has been a priority. Today, more than 90% of Suramericana and SURA AM employees in Latin America, and 100% of the holding company, work in the remote work modality, complying with the instruction of preventive social isolation given by the governments. Similarly, all protection measures have been taken with those who perform sensitive functions for the continuity of services or processes in physical headquarters. Below are the main measures taken by the company in terms of protection and conservation of human talent and its performance:

- **Preserving employment:** Preserving employment: Freezing hiring, firing and analysis of impacts on total employee compensation.
- **Accompaniment and care of all employees:** Monitoring of mental and physical health, psychological care for the employees and their families, financial health, accompaniment of leaders, measurement of the collective mood and pulse of confidence of employees in the company, monitoring the evolution of the pandemic in each country.
- **Accompaniment and special care for employees in face-to-face work:** Training and motivation for the appropriation of prevention habits, use of protective elements, reduction of transfers between sites, alternate schedules, transport and food facilities.
- **Communication:** Close relationship, circulation of recommendations and permanent quality information.
- **Adaptation to the new normality:** Accompanying the change in human relations, healthy habits in the new daily life, normalization of working life in the family environment and adaptation of work spaces at home.
- **Care for the performance of the strategy:** Platforms for the development of knowledge and skills, flexible organizations, evaluation of the focus, speed and good performance of the projects, contribution of human talent to the development and fulfilment of the goals of the company.

Consistent with our commitment to contribute to the care of society in the countries in which we are present, it is a source of satisfaction for the company to mention that we have joined forces from the companies and the SURA Foundation with contributions of extraordinary resources that seek to strengthen the capacity of hospitals and medical supplies, and to support families whose income is affected, which translates into an initial contribution of close to COP 9 billion, in addition to the solidarity shown by thousands of SURA employees in the region.

### Business and investment portfolios

With regard to the business situation and its performance during the first quarter of the year, the capital markets have been strongly affected by two events, the oil price war between Saudi Arabia and Russia and the economic impact of the COVID-19 pandemic. In this regard, the fall in asset prices around the world is substantial, leading many of the portfolios to losses in terms of valuation. At Grupo SURA, we are aware of the significance of maintaining the necessary financial solidity and liquidity at the present time. We believe that the dynamics brought about

by operations, as well as the financial strategy followed by the Group, including portfolio optimization in recent years and capital allocation decisions, place us in an appropriate position.

As is natural in this scenario, the year will be impacted by a less dynamic economy and its effects on employment, demand, market performance and global growth. In order to determine the impact on business, we must wait for the evolution of the pandemic, given that the infection curve and the actions taken in the different countries where we are present are still in the early stages of establishing their definitive depth and scope.

However, within the analyses carried out, in the case of the operating results of Suramericana and its subsidiaries during the first quarter, we can say that it is estimated that there will be impacts that will translate into a contraction of these in the short term, mainly affecting the year 2020. However, the company has begun to develop initiatives to counteract the negative effects, such as measures to accompany and advise clients during renovations, transformation of the solutions delivered so that they respond to the new conditions of the environment, granting additional terms for payments, promoting virtual platforms and new tools for distribution channels, as well as accelerating the implementation of initiatives associated with the transformation of the operating model, which tend towards greater agility, relevance in the offer of value, virtuality and efficiency in the new conditions under which the world moves.

Today, more than ever, the role of our service providers in the health sector in Colombia is significant. They contribute to containing and alleviating the health emergency, in coordination with government authorities. Part of the actions that we contribute to the solution with, are the expansion of capacities for assistance and services, increasing the number of health professionals, which today add up to nearly 10 thousand people, as well as the implementation of technology for virtual attention, with more than 9,000 daily services, the collection of samples in our own IPS (health service provider), at home and in the drive through modality.

As opposed to the expectations of income from insurance premiums, reduction effects are expected in the projected growth, especially in new businesses, due to the difficulty of adjusting economic processes due to the quarantines of each region. In addition, there will be fewer policy renewals in some voluntary business lines, mainly associated with the personal and SME segments, which is expected to be counterbalanced by initiatives to accompany clients in solutions that favour the state of their current risks. Mandatory health insurance in Colombia is expected to have a negative impact on income, associated with the expected increase in unemployment. The quantification of these effects is highly uncertain, as in the end everything will depend on the evolution of economic conditions and the new measures taken by governments in the various countries.

In line with the above-mentioned expected reduction in revenues from the second quarter of 2020, effects are expected that partially mitigate the negative impact on results, related to the reduction in production reserves, the decrease in exposure in Auto, Property and Equity solutions, generating a reduction in the frequency of claims from these solutions. Additionally, the frequency of claims in the car solution is less during quarantines due to the reduction in mobility. On the other hand, it is expected that the Health and Life solutions will present an increase in the accident rate which will depend on the infection curves, morbidity and mortality in each of the countries, as well as the impact on variables such as unemployment.

In view of these forecasts, Suramericana and its subsidiaries are seeking to develop strategies that aim at the contraction of administrative expenses, especially in real estate, travel, logistics

and fees; as well as the re-evaluation of the relevance of projects and the focus on alternatives that tend towards a greater efficiency of the processes.

In the case of SURA AM, the Company has been performing different estimation and projection exercises of its results and the impact on the first quarter financial statements, given the worldwide health crisis. In general terms, the impacts detailed below have been identified:

*In the mandatory business:*

- a) Potential reduction in assets under management due to negative market performance effects. During the month of March the impact on financial markets worldwide was quite severe, and the operation of SURA AM was not unrelated to this. These effects were reflected in the quarterly financial statements.

It is worth mentioning that during the month of April several markets began to show some recovery after the initial shock of the pandemic.

- b) Potential impact on membership contribution rates due to unemployment triggered by quarantines and the general economic crisis: worldwide, an immediate and direct effect of the interruption of activities by quarantines has been the temporary closure of different companies and the loss of jobs. While it is expected that only a portion of these jobs will be permanently lost due to government initiatives, the Company has been monitoring official government projections regarding unemployment. The months of April, May and June are expected to be the months with the largest contraction of formal jobs.
- c) Impact of government measures that directly affect mandatory business: during the month of April, legislative initiatives and government decrees have been presented to reduce the economic impacts of the pandemic, the most notable being:
  - Peru:
    - Suspension of contributions to pension funds during the month of April: to provide greater liquidity to formal workers, the government allowed contributions of the month of April, as well as the respective fees for administering contributions, to be suspended. The decree regulating this initiative left the door open for this measure to also be applied in May, even though it had not been officially confirmed by the government at the end of April.

*Emergency Decree 033-2020 of 27/03/2020*

- Partial withdrawal of up to PEN 2,000 (approximately COP 2,385,024) from the individual capitalization account (CIC): this measure, at the beginning, applied to people who had not reported contributions (that is, had no formal work) during the previous 6 months counted until 31/03. Days later, the decree was extended to cover individuals:
  - That they would not have reported contributions in February or March,
  - Employers who would have been under the regimen de Suspensión Perfecta de Labores (the Perfect Suspension of Work regime) (temporary suspension of employment and payment).

- Whose salaries are less than PEN 2,400 (approximately COP 2,862,028), regardless of whether they are working or not.
  - Partial withdrawal of up to 25% of the ICA (individual capitalization account) members, with a minimum of PEN 4,300 (COP 5,127,801) and a maximum of PEN 12,900 (COP 15,383,402). This measure was approved by a majority in Congress around mid-April; however, Peruvian legislation requires its enactment by the President and publication in the official gazette to come into effect. Since the President of the Republic did not promulgate it within the time limits of the law, Congress was empowered to promulgate it, performing it on 30/04, and publishing it on 01/05.
  - For its implementation, the regulations must be published; the Superintendence of Banking, Insurance and AFPs has 15 calendar days to do so.
  - This Act provides for optional withdrawal of all members of the system, without any conditions for suspension of work or income limits.  
Law 31017 of 01/05/2020.
- Colombia:
  - Suspension of contributions to the General Pension System for the months of April and May 2020: during these two months (payable in May and June) employers are only obliged to transfer the 3% covered by the pension insurance or the contribution to the disability and survival funds, as the case may be, and the contribution administration commission.
  - Transfer of pensioners portfolio to Colpensiones: this decree requires private pension administrators to transfer to Colpensiones the portfolio of pensioners under the programmed retirement modality to receive a pension allowance equivalent to a monthly legal minimum wage in force, provided that the resources of these accounts are not sufficient to continue providing the allowance equivalent to 1 current legal monthly minimum wage according to the technical notes in force as of 31/03/2020. This transfer must be made within 4 months of the publication of the regulation.  
Legislative Decree 558 of 2020 of 04/15/2020.

*In the non-mandatory business:*

- d) Potential reduction in assets under management due to negative market performance effects.
- e) Potential reduction in assets under management due to increased customer departures due to liquidity needs.
- f) Potential reduction in average commissions, due to the reliance on fixed income products rather than equity or alternative products.



In general, as in other industries, the businesses in which SURA AM operates are affected by reduced mobility and quarantines, which make it difficult to close affiliations or attract new clients. However, the focus on the client in previous years has allowed the development of initiatives for digital acquisition and proximity, which at the beginning of the crisis were already in place, and have allowed us to maintain our approach to clients, digital consultancy and acquisition in some products where regulation allows for 100% remote processes.

As mentioned, the company has been continuously making projections and models that allow it to anticipate and quantify the impacts that the businesses will have, and as a consequence, the possible impacts on its Financial Statements. Given that the crisis is in the midst of development and that no date of solution or normalization is in sight, this is a year that will continue to develop over the coming weeks and months, in which SURA AM will carry out constant analysis to incorporate any effects, in compliance with IFRS and the accounting policies given by Grupo SURA.

The work teams of Grupo SURA, its subsidiaries and associates are working hard to develop models and analyses that will make it possible to determine probable scenarios for the development of this pandemic and to determine the potential effects in the face of the current high level of uncertainty. The analyses focus on aspects such as liquidity, contraction of operations, recoverability of assets and sufficiency of liabilities. At the date of preparation of the financial statements at March 31, 2020, the high levels of uncertainty imposed by the pandemic and its rapid evolution do not allow for the determination of quantified impacts with a high level of confidence; however, based on the qualitative analyses performed, management considers that none of its operations will present such significant difficulties as to prevent it from continuing as a going concern. By the end of the second quarter of 2020, we will have a more solid basis to determine impacts and they will be incorporated in these financial statements.

## **Reserves**

The company believes that the levels of insurance reserves calculated and presented in its financial statements for March 31, 2020 are sufficient, and no additional impacts are expected based on the information known at that time, as the estimates of claims made for this cut are consistent with the evaluations that have been made on the possible effects of the COVID-19 pandemic on variables such as inflation, current legal monthly minimum wage, unemployment, discount rates, devaluation of currencies, among others. Nevertheless, everything will depend on the evolution of the measures taken by governments, the health conditions of the population and their consequences on the macroeconomic variables of the different countries. In this regard, the company is continuously evaluating this evolution and its consequences with the purpose of capturing new information that will allow us to better understand risk behavior and our exposure to them in the short and medium term. The above allows us to maintain an adequate diagnosis on the adequacy of our reserves, even given the atypical nature of the situation.

## **Credit Risk**

In the case of the subsidiary Suramericana S.A., for the time being there is no foreseeing of a significant deterioration in the credit quality of the corporate issuers that support the portfolio. So far, only two issuers throughout the region have presented debt restructuring, without implying a loss of capital. On the sovereign risk side, Argentina continues with its debt

restructuring plans, which it had planned before the pandemic, in this sense, we are preparing to face a possible liquidity risk due to the deferral of some coupon payments and maturity of securities, without implications of capital loss so far.

In particular, for the closing of March, the financial statements do not reflect representative impacts associated to the deterioration of the investment portfolio, since the increases that were perceived in the market interest rates, are more due to a decrease in liquidity, associated to the exit of capital from international investors from the emerging markets, given the situation of the COVID-19, but not to a decrease in the ratings of the issuers due to the inability to honor their obligations in a short term.

Currently, the countries in which financial instruments are classified as amortized cost are Colombia, Dominican Republic, El Salvador, Panama and Chile, for these, an impact on investment portfolios and financial statements would be expected in the event of a downgrade in the credit rating of issuers. Securities classified at fair value permanently incorporate the effects of trading and fluctuations in interest rates, therefore, they do not imply extra effects associated with prospective impairment analyses. However, as a result of the downgrading of the issuers' credit ratings, for those securities classified at market value with changes in the ORI, the company may reflect negative impacts on the results of the period associated with an estimated impairment, which are offset in terms of equity by the positive movements in the ORI that allow the securities to be maintained at fair value.

With respect to the business accounts, for this cutoff we do not perceive major impacts on the stability of the reinsurers and co-insurers with which the company currently carries out transactions, given their financial strength and stability in their operating performance, which is constantly verified within Suramericana. However, from April onwards, the credit rating granted by the model could deteriorate, as the repercussions of the COVID-19 and the distancing measures implemented by governments materialize in greater volume for the macroeconomic scenarios, translating into a decrease in retained premiums for the industry at a global level and greater losses for companies with high exposure to risks in the health and life sectors.

Similarly, by the end of this first quarter, there were no significant effects on receivables from customers due to the fact that quarantine measures by governments generally began towards the end of March. However, the Bank will continue to monitor the macroeconomic effects of the economic situation and the effect this has on portfolio turnover. We are attentive to capture effects such as non-payment by clients, relief measures taken by the company or given by governments, amongst other situations that could affect the recoverability of the accounts, with the purpose of adjusting the estimate of expected losses by applying the percentages of deterioration that could be observed from the second quarter.

Notwithstanding the above, with respect to not noting significant impacts associated with credit risk during this first quarter, we are aware of the volatility and high uncertainty generated by the current situation, so the company is permanently monitoring the measures adopted by governments and the implications that these may have on the behavior of different sectors, among others, the interruption in the supply chains, extensive suspension of productive activity, increased unemployment, income recession for some sectors, price behavior (inflation), economic slowdown, etc.

## **Business Continuity**

The management of the company believes that for the time being none of its operations present significant difficulties that would prevent it from continuing as a going concern. Our continuity plans have allowed the implementation of the remote work mode in more than 90% of the employees of Suramericana and SURA AM in Latin America, and 100% of the holding company, enabling access to the systems and technological resources required to meet this objective and facilitating preventive isolation.

Similarly, all protective measures have been taken with those who perform sensitive functions for the continuity of the service or processes in physical headquarters and all necessary work has been done to ensure the protection of information, maintaining the controls and security schemes defined to mitigate the cyber security risks to which the Company may be exposed.

## **Impairment of value**

At Grupo SURA we understand that the situation generated by COVID-19 represents, given its concentrated impact, principally in the short term, a deviation in some financial and operational indicators, initially considered in order to conclude whether it is pertinent to evaluate signs of deterioration in each of the subsidiaries. However, within the company we consider that for the time being we are beginning to dimension the situation and understand the impacts that we may have during the year 2020. Thus, in view of the high uncertainty, we do not possess solid bases to foresee the consequences derived from the contingency from the year 2021 onwards, which generates limitations when making any long-term financial assessment. In addition to the restrictions this brings from the modelling point of view.

Market risk, linked to changes in the price and rate conditions of the instruments that comprise the investment portfolios, which has increased in recent weeks due to the volatility that has dominated the financial markets, has generated effects on the operations and results of Grupo SURA and its subsidiaries, as a result of the natural exposure of their businesses to this type of instrument.

Notwithstanding the above, the mitigation mechanisms and policies adopted by each of the companies as part of their risk management systems have allowed the Group to resolve the effects that have been generated, without evidence of significant impacts that could represent direct threats to its sustainability.

At the end of the quarter on June 30, 2020, we will have a more solid basis to determine impacts and they will be incorporated in these financial statements.

The fiscal measures adopted by governments and the tax implications for our operations are addressed in Note 10 on taxes.

## **NOTE 6. BUSINESS COMBINATIONS**

### **Business combinations realized in the period**

On February 28, 2018, Diagnóstico y Asistencia Médica S.A.S. Dinámica IPS signed an agreement with Fundación Institución de Alta Tecnología Médica "IATM" for the acquisition of three operational sites; along with other related assets and liabilities. Through this operation,

the company seeks to consolidate its position in the diagnostic aid business in the city of Medellín. The effective date for accounting purposes of the business combination was November 1, 2018.

By June 30, 2019, the purchase price allocation process was completed in accordance with IFRS 3 "Business Combinations". The final fair values of the identifiable assets and liabilities of the business at the date control is obtained and the adjustments made in the measurement period are as follows:

	Fair value at November 1, 2018	Adjustments of the measurement period	Fair value at November 2018
<b>Identifiable assets</b>			
Trade accounts receivable	1,894	-	1,894
Inventories	45	-	45
Properties, plant and equipment	14,800	-	14,800
Available	805	-	805
Investments	2	-	2
Intangible assets <sup>(1)</sup>	69	7,399	7,468
<b>Total identifiable assets</b>	<b>17,615</b>	<b>7,399</b>	<b>25,014</b>
<b>Identifiable liabilities</b>			
Financial obligations	848	-	848
Suppliers	148	-	148
Other Liabilities	275	-	275
Laboral obligations	395	-	395
Accounts payable	671	-	671
Deferred taxes	718	-	718
<b>Total identifiable liabilities</b>	<b>3,055</b>	<b>-</b>	<b>3,055</b>
<b>Net assets and liabilities</b>	<b>14,560</b>	<b>7,399</b>	<b>21,959</b>

<sup>(1)</sup> Includes the following assets:

- Client list in the amount of \$ 7,399, which is amortized over a term of 12 years, as of November 1, 2018.
- Software for \$69.

The value of the resulting goodwill is determined as follows:

	Fair value at November 1, 2018
Consideration transferred <sup>(2)</sup>	22,599
Provisional fair value of identifiable assets and liabilities	(21,959)
<b>Commercial credit generated in the acquisition</b>	<b>640</b>

<sup>(2)</sup> The value of the consideration transferred was paid in cash before June 30, 2019.

The goodwill is attributed to the expansion of the company strategy and the synergies expected from the integration with the current operations. According to what is indicated in subparagraph C, number 2 of article 74 and paragraph 3 of Article 143 of the tax statute,

goodwill, determined in this business combinations, is not subject to amortization for tax purposes.

Transaction costs, related to the acquisition of the business, are not significant, which were recognized as other operating expenses, in the comprehensive income statement at December 31, 2018.

## NOTE 7. FINANCIAL INSTRUMENTS

The methodologies and assumptions used to determine the values of financial instruments that are not recorded at fair value (i.e., at amortized cost and loans and receivables) are described below:

### *Assets whose fair value approximates the book value*

For financial assets with a maturity of less than three months (i.e., demand deposits and non-matured savings accounts), the carrying value approximates fair value. For debt instruments with a maturity of more than three months, valuation is performed and the balance is adjusted to reflect the change in the initial valuation.

### *Financial instruments at agreed rate*

The value of fixed-income assets carried at amortized cost is calculated by comparing market interest rates when initially recognized with current market rates for similar financial instruments.

### *Financial liabilities whose fair value approximates the carrying value*

For those obligations that have a short-term maturity, their carrying value approximates their fair value.

For loans with variable interest rates, the carrying value is an approximation of their fair value. For loans with fixed interest rates, the market interest rate for similar loans does not vary significantly; hence, the carrying value corresponds to an approximation of its fair value.

### 7.1. Financial assets

Current and non-current financial assets current, by type of financial asset, are as follows:

March 2020

Current	Note	March 2020				Total
		Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	
			Results	Equity		
Cash and cash equivalents		-	-	-	2,581,106	2,581,106
Investments	7.1.1	81,777	7,369,295	-	-	7,451,072
Accounts receivable	7.1.2	6,672,202	-	-	-	6,672,202
Accounts receivable, related parties (1)		637,221	-	-	-	637,221
Derivatives (other financial assets)		-	20,701	-	-	20,701
<b>Total</b>		<b>7,391,200</b>	<b>7,389,996</b>	<b>-</b>	<b>2,581,106</b>	<b>17,362,302</b>

Non - current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Results	Equity		
Restricted cash		-	-	-	89,037	89,037
Investments	7.1.1	13,288,531	2,979,185	818,185	-	17,085,901
Derivatives (other financial assets)		-	1,946,554	-	-	1,946,554
<b>Total</b>		<b>13,288,531</b>	<b>4,925,739</b>	<b>818,185</b>	<b>89,037</b>	<b>19,121,492</b>

<b>Financial assets</b>	<b>20,679,731</b>	<b>12,315,735</b>	<b>818,185</b>	<b>2,670,143</b>	<b>36,483,794</b>
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### December 2019

December 2019						
Current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Results	Equity		
Cash and cash equivalents		-	-	-	2,256,625	2,256,625
Investments	7.1.1	56,743	7,337,006	-	-	7,393,749
Accounts receivable	7.1.2	6,184,875	-	-	-	6,184,875
Accounts receivable, related parties (1)		109,153	-	-	-	109,153
Derivatives (other financial assets)		-	51,363	-	-	51,363
<b>Total</b>		<b>6,350,771</b>	<b>7,388,369</b>	<b>-</b>	<b>2,256,625</b>	<b>15,995,765</b>

Non - current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Results	Equity		
Restricted cash		-	-	-	89,532	89,532
Investments	7.1.1	12,788,839	3,200,273	599,509	-	16,588,621
Accounts receivable	7.1.2	149,963	-	-	-	149,963
Derivatives (other financial assets)		-	542,886	-	-	542,886
<b>Total</b>		<b>12,938,802</b>	<b>3,743,159</b>	<b>599,509</b>	<b>89,532</b>	<b>17,371,002</b>

<b>Financial assets</b>	<b>19,289,573</b>	<b>11,131,528</b>	<b>599,509</b>	<b>2,346,157</b>	<b>33,366,767</b>
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- (1) Accounts receivable, from related parties, corresponds to pending dividends receivable, from associated companies, and are as follows:

	March 2020	December 2019
Grupo Bancolombia S.A.	385,092	64,031
Grupo Nutresa S.A.	105,046	24,756
Grupo Argos S.A.	86,215	20,063
Protección S.A.	59,245	-
Others	1,623	303
<b>Total dividends, receivable</b>	<b>637,121</b>	<b>109,153</b>

A breakdown by financial assets and countries, is as follows:

Country	March 2020	December 2019
Colombia	17,558,394	15,090,900
Chile	9,354,593	9,026,418
Mexico	4,489,385	4,571,546
Argentina	1,042,486	871,227
Panama	932,944	767,649
Peru	891,651	969,120
Brazil	670,266	719,709
El Salvador	663,608	544,795
Uruguay	467,571	445,713
Dominican Republic	339,802	301,299
Bermuda	73,094	58,391
<b>Total</b>	<b>36,483,794</b>	<b>33,366,767</b>

#### 7.1.1. Investments

The breakdown of investments is as follows:

	March 2020	December 2019
National issuers	8,195,619	7,994,850
Legal reserve pension fund - Investments at fair value, with changes in profit and loss	6,255,293	6,489,116
Treasury securities - TES	5,337,247	5,165,704
Foreign issuers	4,368,409	4,004,431
Other Securities issued by the national government	362,218	340,599
Other	32,371	28,775
Impairment	(6,577)	(6,787)
Impairment of equity investments instruments, through other comprehensive	(7,607)	(34,318)
<b>Total</b>	<b>24,536,973</b>	<b>23,982,370</b>

The movement of the investment account, is as follows:

<b>Balance at January 1, 2019</b>	<b>22,696,482</b>
Additions	7,969,142
Derecognition	(8,090,685)
Interest received	(709,394)
Impairment	(15,385)
Valuation (net) of financial assets	977,225
Valuation of equity investments	12,335
Dividends received	(910)
Amortized cost valuation	1,088,590
Exchange differences	54,970
<b>Balance at December 31, 2019</b>	<b>23,982,370</b>
Additions	16,725,452
Derecognition	(17,123,870)

Interest received	(25,903)
Impairment	(2,099)
Financial instruments with changes other comprehensive income	(11,365)
Valuation (net) of financial assets	(211,943)
Valuation of investment at amortized cost	477,907
Dividends received	5
Exchange differences	726,419
<b>Balance at March 31, 2020</b>	<b>24,536,973</b>

### 7.1.2. Trade and other accounts receivables

The detail of accounts receivable as at 31 March 2020 is as follows:

	March 2020	December 2019
Insurance activity	4,674,585	4,583,762
Debtors	943,400	772,903
Payments of customers, consumption accounts	432,157	413,808
Various	294,640	235,326
Judicial deposits	233,191	231,485
Commissions	126,973	118,315
Payments on behalf of customers, housing	104,090	96,006
Securities trading company	98,529	99,462
Credits portfolio	49,084	44,816
To employees	30,016	25,626
Advances to contracts and suppliers	27,479	36,185
Leases	1,565	1,522
Promises to buy and sell	238	-
Sale of goods and services	10	-
Impairment of other loan portfolio items	(199)	(199)
General Impairment (provision)	(608)	(640)
Impairment (provision) accounts receivable, consumption	(4,728)	(4,494)
Impairment (provision) other accounts receivable	(19,724)	(23,845)
Impairment (provision) accounts receivable, insurance activity	(84,736)	(66,045)
Impairment (provision) trade accounts, receivable	(233,760)	(229,155)
<b>Total</b>	<b>6,672,202</b>	<b>6,334,838</b>

### 7.2. Impairment of financial assets

A breakdown, of the impairment of financial assets, is:

	March 2020	December 2019
Impairment accounts receivable	(343,755)	(324,378)
Impairment Investments	(14,184)	(41,105)
<b>Total</b>	<b>(357,939)</b>	<b>(365,483)</b>

### 7.3. Financial liabilities

The following are the financial liabilities of Grupo SURA:



	Note	March 2020	December 2019
Other financial liabilities	7.3.1	1,746,312	1,685,559
Derivatives	7.3.1	565,779	204,190
Trade and other accounts payable	7.3.2	3,692,405	3,613,367
Accounts payable, related entities		472,177	82,011
Securities issued	15	9,615,704	8,203,145
<b>Total</b>		<b>16,092,377</b>	<b>13,788,272</b>

The breakdown of financial liabilities in current and non-current and by type of financial liability is as follows:

#### March 2020

March 2020				
Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	7.3.1	-	129,444	129,444
Accounts payable	7.3.2	3,692,405	-	3,692,405
Accounts payable, related parties		472,177	-	472,177
Other financial liabilities	7.3.1	1,282,914	31,490	1,314,404
Securities issued	15	248,960	-	248,960
<b>Total</b>		<b>5,696,456</b>	<b>160,934</b>	<b>5,857,390</b>

Non-current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	7.3.1	-	436,335	436,335
Other financial liabilities	7.3.1	431,908	-	431,908
Securities issued	15	9,366,744	-	9,366,744
<b>Total</b>		<b>9,798,652</b>	<b>436,335</b>	<b>10,234,987</b>

<b>Financial liabilities</b>	<b>15,495,108</b>	<b>597,269</b>	<b>16,092,377</b>
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#### December 2019

December 2019				
Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	7.3.1	-	21,501	21,501
Accounts payable	7.3.2	3,613,368	-	3,613,368
Accounts payable, related parties		82,011	-	82,011
Other financial liabilities	7.3.1	1,260,228	1,501	1,261,729
<b>Total</b>		<b>4,955,607</b>	<b>23,002</b>	<b>4,978,609</b>

Non - current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	7.3.1	-	182,688	182,688
Other financial liabilities	7.3.1	423,830	-	423,830
Securities issued	15	8,203,145	-	8,203,145
<b>Total</b>		<b>8,626,975</b>	<b>182,688</b>	<b>8,809,663</b>

  

<b>Financial liabilities</b>	<b>13,582,582</b>	<b>205,690</b>	<b>13,788,272</b>
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Following is an overview of financial liabilities, by country:

	March 2020	December 2019
Colombia	13,750,802	11,620,705
Chile	1,141,269	1,083,286
Mexico	304,014	267,271
Argentina	224,027	184,914
Brazil	215,357	222,144
Dominican Republic	135,181	136,095
Panama	81,594	59,356
Peru	81,322	67,103
El Salvador	79,417	72,197
Uruguay	72,235	70,058
Bermuda Island	7,159	5,143
<b>Total</b>	<b>16,092,377</b>	<b>13,788,272</b>

### 7.3.1. Other financial liabilities

breakdown of other financial liabilities is as follows:

	March 2020	December 2019
Financial derivatives <sup>(1)</sup>	565,779	204,190
Financial obligations <sup>(2)</sup>	1,746,312	1,685,559
<b>Total</b>	<b>2,312,091</b>	<b>1,889,749</b>

<sup>(1)</sup> The variation is mainly due to market volatility, since this affects the respective curves with which derivatives are valued, and also to the trading of new hedging derivatives.

<sup>(2)</sup> The change is due to the exchange rate, since the company has financial obligations in USD and for new debt acquisition.

Grupo SURA has had no defaults on capital, interest or other liabilities during 2020 and 2019.

### 7.3.2. Accounts payable and other payables

The detail of accounts payable, is as follows:

	March 2020	December 2019
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Accounts payable to insurance companies	2,194,525	2,152,984
Suppliers	582,346	599,672
Other accounts payable	915,534	860,711
<b>Total</b>	<b>3,692,405</b>	<b>3,613,367</b>

## NOTE 8. LEASES

Grupo SURA has lease agreements for assets such as land and buildings with terms of between 3 and 12 years and for vehicles between 3 and 7 years.

The Group generally has no restrictions on subleasing the leased assets. There are lease contracts that include extension and early termination options; there are also variable lease payment contracts.

Grupo SURA also has equipment leases that are short term and/or of lesser amount. Grupo SURA applies the exception permitted by the rule for this type of contract.

The movements in assets by right of use and lease liabilities for the period ended 31 March 2020 are detailed below:

	Right-of use assets	Lease liabilities
<b>Balance at January 1, 2019</b>	<b>621,218</b>	<b>620,801</b>
Additions and increments	93,998	61,348
Decreases	7,734	(62,088)
Reclassifications	60,887	92,579
Depreciation and amortization	(128,288)	-
Adjustments for inflation	9,124	-
Interest expenditure	-	44,885
Interest payments	-	(94,802)
Difference in conversion	(19,189)	3,940
<b>Balance at December 31, 2019</b>	<b>645,484</b>	<b>666,663</b>
Additions and increments	35,606	15,545
Decreases	(27,056)	(58,028)
Depreciation and amortization	(32,039)	(1,218)
Adjustments for inflation	1,211	-
Interest expenditure	-	10,435
Lease payments	-	(21,786)
Difference in conversion	12,530	18,029
<b>Balance at March 31, 2020</b>	<b>635,736</b>	<b>629,640</b>

## NOTE 9. INSURANCE CONTRACTS

### 9.1. Technical reserves part reinsurers

#### *Reinsurance*

Reinsurance assets represent the benefits derived from insurance contracts, at the date of the statement of financial position.

	March 2020	December 2019
Reinsurance of notified claims	2,976,578	2,578,747
Reinsurance of risk-in-progress	1,346,207	1,261,719
Reinsurance of unnotified claims	272,734	262,390
Reinsurance deposits	636	542
<b>Technical reserves of insurance, reinsurer parties</b>	<b>4,596,155</b>	<b>4,103,398</b>

Grupo SURA has a diversification of its insurance risk, by operating in different lines, and having a broad presence, in international markets.

Grupo SURA applies a system of procedures and limits that allow it to control the level of concentration of insurance risk. It is a common practice to use reinsurance contracts as an element to mitigate the risk of insurance, derived from concentrations or accumulations of guarantees higher than the maximum levels of acceptance.

The insurers of Grupo SURA have ceded part of the risk of their insurance contracts to the reinsurance companies, in order to share possible claims presented.

## 9.2. Premiums

Net premiums obtained by Grupo SURA, and its subsidiaries, for the years ended March 31st, are as follows:

	March 2020	March 2019
Life insurance contracts	1,475,624	1,275,731
Non-life insurance contracts	1,861,056	1,755,424
<b>Premiums issued</b>	<b>3,336,680</b>	<b>3,031,155</b>
Life insurance contracts - reinsurer party	(70,267)	(68,244)
Non-life insurance contracts - reinsurer party	(538,597)	(481,611)
<b>Ceded premiums</b>	<b>(608,864)</b>	<b>(549,855)</b>
<b>Total net premiums</b>	<b>2,727,816</b>	<b>2,481,300</b>

Premiums by country, are as follows:

March 2020	Life insurance contracts	Non-life insurance contracts	Premiums issued	Life insurance contracts - reinsurer party	Non-life insurance contracts - reinsurer party	Ceded premiums	Total net premiums
Argentina	-	244,428	<b>244,428</b>	-	(33,925)	<b>(33,925)</b>	<b>210,503</b>
Bermuda	-	195	<b>195</b>	-	(6)	<b>(6)</b>	<b>189</b>
Brazil	-	148,262	<b>148,262</b>	-	(60,838)	<b>(60,838)</b>	<b>87,424</b>
Chile	209,446	346,623	<b>556,069</b>	(13,435)	(156,087)	<b>(169,522)</b>	<b>386,547</b>

Colombia	1,173,687	566,188	<b>1,739,875</b>	(36,711)	(152,793)	<b>(189,504)</b>	<b>1,550,371</b>
Mexico	1,661	247,307	<b>248,968</b>	-	(57,885)	<b>(57,885)</b>	<b>191,083</b>
Panama	-	126,447	<b>126,447</b>	-	(17,157)	<b>(17,157)</b>	<b>109,290</b>
Dominican Republic	-	77,033	<b>77,033</b>	-	(38,487)	<b>(38,487)</b>	<b>38,546</b>
El Salvador	90,830	39,760	<b>130,590</b>	(20,121)	(7,959)	<b>(28,080)</b>	<b>102,510</b>
Uruguay	-	64,813	<b>64,813</b>	-	(13,460)	<b>(13,460)</b>	<b>51,353</b>
<b>Total</b>	<b>1,475,624</b>	<b>1,861,056</b>	<b>3,336,680</b>	<b>(70,267)</b>	<b>(538,597)</b>	<b>(608,864)</b>	<b>2,727,816</b>

March 2019	Life insurance contracts	Non-life insurance contracts	Premiums issued	Life insurance contracts - reinsurer party	Non-life insurance contracts - reinsurer party	Ceded premiums	Total net premiums
Argentina	-	198,443	<b>198,443</b>	-	(27,166)	<b>(27,166)</b>	<b>171,277</b>
Brazil	-	151,932	<b>151,932</b>	-	(41,447)	<b>(41,447)</b>	<b>110,485</b>
Chile	170,956	412,502	<b>583,458</b>	(12,182)	(197,763)	<b>(209,945)</b>	<b>373,513</b>
Colombia	976,971	543,342	<b>1,520,313</b>	(31,650)	(133,163)	<b>(164,813)</b>	<b>1,355,500</b>
Mexico	52,319	175,422	<b>227,741</b>	(7,882)	(32,204)	<b>(40,086)</b>	<b>187,655</b>
Panama	-	113,018	<b>113,018</b>	-	(14,697)	<b>(14,697)</b>	<b>98,321</b>
Dominican Republic	-	59,282	<b>59,282</b>	-	(27,088)	<b>(27,088)</b>	<b>32,194</b>
El Salvador	75,485	35,932	<b>111,417</b>	(16,530)	(2,904)	<b>(19,434)</b>	<b>91,983</b>
Uruguay	-	65,551	<b>65,551</b>	-	(5,179)	<b>(5,179)</b>	<b>60,372</b>
<b>Total</b>	<b>1,275,731</b>	<b>1,755,424</b>	<b>3,031,155</b>	<b>(68,244)</b>	<b>(481,611)</b>	<b>(549,855)</b>	<b>2,481,300</b>

### 9.3. Claims withheld

The claims incurred by Grupo SURA and subsidiaries for the years ended March 31, 2020 and 2019 are the following:

	March 2020	March 2019
Total claims	2,105,754	2,175,020
Claim reimbursement	(459,011)	(662,541)
<b>Losses withheld</b>	<b>1,646,743</b>	<b>1,512,479</b>

Claims per country are detailed as follows:

March 2020	Life insurance	Non-life insurance	Total claims	Life insurance	Non-life insurance	Claim reimbursement	Total claims withheld
Argentina	-	148,526	<b>148,526</b>	-	(17,187)	<b>(17,187)</b>	<b>131,339</b>
Bermuda	-	104	<b>104</b>	-	-	-	<b>104</b>
Brazil	-	104,065	<b>104,065</b>	-	(59,593)	<b>(59,593)</b>	<b>44,472</b>
Chile	198,081	245,243	<b>443,324</b>	(5,605)	(147,876)	<b>(153,481)</b>	<b>289,843</b>
Colombia	714,788	345,150	<b>1,059,938</b>	(80,965)	(82,904)	<b>(163,869)</b>	<b>896,069</b>
Mexico	36,469	125,881	<b>162,350</b>	-	(27,279)	<b>(27,279)</b>	<b>135,071</b>
Panama	-	51,965	<b>51,965</b>	-	(8,964)	<b>(8,964)</b>	<b>43,001</b>
Dominican Republic	-	21,370	<b>21,370</b>	-	(7,391)	<b>(7,391)</b>	<b>13,979</b>
El Salvador	57,715	18,701	<b>76,416</b>	(15,185)	(377)	<b>(15,562)</b>	<b>60,854</b>
Uruguay	-	37,696	<b>37,696</b>	-	(5,685)	<b>(5,685)</b>	<b>32,011</b>
<b>Total</b>	<b>1,007,053</b>	<b>1,098,701</b>	<b>2,105,754</b>	<b>(101,755)</b>	<b>(357,256)</b>	<b>(459,011)</b>	<b>1,646,743</b>

March 2019	Life insurance	Non-life insurance	Total claims	Life insurance	Non-life insurance	Claim reimbursement	Total claims withheld
Argentina	-	106,537	<b>106,537</b>	-	(719)	<b>(719)</b>	<b>105,818</b>
Bermuda	-	-	-	-	-	-	-
Brazil	-	78,735	<b>78,735</b>	-	(36,970)	<b>(36,970)</b>	<b>41,765</b>
Chile	188,819	504,439	<b>693,258</b>	(4,240)	(386,386)	<b>(390,626)</b>	<b>302,632</b>
Colombia	566,559	309,981	<b>876,540</b>	(13,400)	(65,183)	<b>(78,583)</b>	<b>797,957</b>
Mexico	76,305	148,979	<b>225,284</b>	(17,668)	(81,411)	<b>(99,079)</b>	<b>126,205</b>
Panama	-	44,913	<b>44,913</b>	-	(7,119)	<b>(7,119)</b>	<b>37,794</b>
Dominican Republic	-	42,324	<b>42,324</b>	-	(25,351)	<b>(25,351)</b>	<b>16,973</b>
El Salvador	45,178	15,644	<b>60,822</b>	(8,485)	(22)	<b>(8,507)</b>	<b>52,315</b>
Uruguay	-	46,607	<b>46,607</b>	-	(15,587)	<b>(15,587)</b>	<b>31,020</b>
<b>Total</b>	<b>876,861</b>	<b>1,298,159</b>	<b>2,175,020</b>	<b>(43,793)</b>	<b>(618,748)</b>	<b>(662,541)</b>	<b>1,512,479</b>

#### 9.4. Technical reserves insurance contracts

##### Technical reserves

The items contained in the technical reserves are divided into:

- Reserves for claims: are provisions established to reflect the estimated cost of claims that have occurred and have not been paid. In this category, the following, are included:
- Claim reserves: corresponds to liabilities and direct settlement expenses for reported losses. The reserve is recognized on the date on which the insured and/or the beneficiary notifies the occurrence, of the covered loss, and is subject to a monthly recalculation.
- Reserve of unforeseen events (IBNR): this reserve is created to reflect those incidents that have occurred, but which at the date of the reporting period have not been reported by the insured and/or beneficiary.
- Reserves for future commitments: are provisions established to reflect future commitments expected, with the insured.
- Mathematical reserves for insurance (exclude annuities): insurance reserves are calculated on the basis of the actuarial method, taking the current conditions of the insurance contracts. The liability is determined as the sum of the present value of expected future benefits, the handling of claims, and the administration expenses of the policies, options, and guarantees, and the usefulness of the investments of assets that support said liabilities, which are directly related to the contract, minus the discounted value of the premiums that are expected to be required to meet future payments based on the valuation assumptions used.
- Mathematical reserves for annuities: are calculated on the basis of the present value of the future benefits, committed to under the contract, and the direct operational expenses in which the company will incur for the payment of the contract commitments.
- Reserve of unearned premiums: are constituted for short-term insurance (both collective and individual) in which the periodicity of premium payment differs from the validity of the coverage and consequently, a premium has been received for future risk,

which must be provisioned. The provision is determined as the premium paid net of expenses and is amortized over the term of coverage.

- Reserves by deposit (savings) components in life insurance or fund value reserve: For Unit linked and flexible products, the savings component is added to the reserve. In accordance with the frequency of premium payments, the value of the savings component provided by the insured is increased.
- Other reserves: Grupo SURA may recognize as "other", those reserves that are not covered in the descriptions developed above, and that are permitted under the guidelines of their accounting policies.

The technical reserves of Grupo SURA, and its subsidiaries, are the following:

	March 2020	December 2019
Mathematical reserves	7,763,754	7,508,261
Reserve of unearned premiums	7,826,157	7,845,487
Reserve of unnotified claims (IBNR)	1,683,295	1,503,463
Reserve of reported claims	6,480,212	5,818,924
Special reserves	224,761	216,447
Other reserves	334,109	322,707
<b>Total insurance technical reserves</b>	<b>24,312,288</b>	<b>23,215,289</b>

Grupo SURA considers that the adequacy of the premiums is an element of special importance and its determination is aided by specific computer applications.

The treatment of benefits and the adequacy of provisions are fundamental principles of insurance management. Technical provisions are estimated by the actuarial teams in the various countries.

The movement and effects on the measurement of insurance and reinsurance liabilities are presented below:

	Liabilities for insurance contracts	Assets from insurance contracts	Net
<b>At December 31, 2018</b>	<b>22,199,074</b>	<b>3,562,157</b>	<b>18,636,917</b>
Changes in reserves	4,806,238	633,101	4,173,137
Adjustments for conversion	(3,790,023)	(91,860)	(3,698,163)
<b>At December 31, 2019</b>	<b>23,215,289</b>	<b>4,103,398</b>	<b>19,111,891</b>
Changes in reserves	373,885	328,317	45,568
Adjustments for conversion	683,216	164,440	518,776
Adjustments for monetary correction	39,897	-	39,897
<b>At March 31, 2020</b>	<b>24,312,288</b>	<b>4,596,155</b>	<b>19,716,133</b>

Technical reserves by country, are as follows:

Country	March 2020	December 2019
Argentina	1,079,523	868,314
Bermuda	9,783	13,023
Brazil	524,606	511,399
Chile	6,328,001	6,111,977
Colombia	11,316,219	10,901,047
Mexico	3,406,299	3,431,086
Panama	596,898	490,343

Dominican Republic	249,359	215,779
El Salvador	548,705	436,267
Uruguay	252,895	236,054
<b>Total insurance technical reserves</b>	<b>24,312,288</b>	<b>23,215,289</b>

## NOTE 10. TAXES

### 10.1. Applicable norms

Current and applicable tax provisions state that the nominal income tax rates for 2020 and 2019 applicable to Grupo SURA and its subsidiaries located in Colombia, Chile, Peru, Argentina, Brazil, Uruguay, Mexico, Panama, the Dominican Republic and El Salvador, are as follows:

Country	2020	2019	Country	2020	2019
Colombia	32%	33%	Mexico	30%	30%
Chile	27%	27%	Panama	25%	25%
Peru	29.5%	29.5%	Dominican Republic	27%	27%
Argentina	25%	30%	El Salvador	25%	25%
Brazil	40%	40%			
Uruguay	25%	25%			

**Colombia:** Tax income is taxed at the rate of 32% as income tax, except for taxpayers who have special rates and 10% for income from occasional earnings. Tax losses may be offset within the 12 taxable periods following the year in which the loss was generated.

In 2019, the Financing Law 1943 of 2018 established a gradual decrease in the rental rate, from 33% in 2019 to 32% in 2020, 31% in 2021 and from 2022 onwards to 30%. It is also presumed that in 2019 and 2020 the net income may not be less than 1.5% and 0.5% respectively of the net assets of the immediately preceding taxable year, after excluding some concepts admitted by the Law such as the equity value of investments in national shares.

It is worth noting that Law 1943 was declared unconstitutional in 2019. The declaration of unconstitutionality was intended to take effect as of January 1, 2020, on the understanding that the effects of the ruling would only produce effects in the future and would not affect consolidated legal situations; similarly, it gave Congress time to issue, before the end of 2019, a regulation that will ratify, repeal, modify or subrogate the contents of Law 1943 of 2018; for which reason the Economic Growth Law was issued on December 27, 2019.

Transfer pricing regulations require reporting of operations with economic partners abroad, complementing the information with OECD guidelines with Master and Country by Country reports.

#### **Economic Growth Act (Act 2010 of 2019)**

Below is a summary of the most important modifications to the Colombian tax regime for legal entities for the years 2020 and following, introduced by the law:



The income tax rate is gradually reduced by 32% for the year 2020, 31% in 2021 and 30% as of the taxable year 2022. Additional points are included for financial institutions from 2020: 4% in 2020 and 3% for 2021 and 2022.

The presumptive rent rate is reduced to 0.5% by 2020 and from 2021 it will be 0%.

First job deduction is created, that is, 120% of salary payments to employees under 28 years of age, who are new employees and whose first job is certified by the Ministry of Labor, will be deductible.

Increase in the income tax rate for dividends received by foreign companies, non-resident individuals and permanent establishments from 7.5% to 10%.

An audit benefit is again established for the taxable periods 2020 and 2021, giving firmness to the return in 6 months provided that the net income tax is increased by at least 30% in relation to the previous year, when the increase is at least 20%, the firmness period is acquired after 12 months.

Among the exempted incomes are articles 4 of Decree 841 of 1998 and 135 of Law 100 of 1993 corresponding to the resources of Fondos de Pensiones del Régimen de Ahorro Individual con Solidaridad (the Pension Funds of the Individual Savings Regime with Solidarity) and the mathematical reserves of the retirement or old age, disability and survivors' pension insurance, as well as their returns; also the yields generated by the stabilization reserve constituted by the pension fund management entities and the income from the development of technological and creative value added industries (orange economy) provided they meet the minimum investment requirement of \$157 million in 3 years, generating at least 3 jobs without counting the managers.

The Holding Company Regime (CHC) was continued for companies whose main objective is the holding of securities, investment in shares or participations in national and/or foreign companies; provided that the participation in these companies directly or indirectly exceeds 10% of the capital of 2 or more companies, for a minimum period of 12 months and that they have human and material resources to carry out the activity (3 employees and own management). Dividends received by the CHC from foreign entities will be exempt from income.

Brokerage services for reinsurance contracts are excluded from VAT and life insurance commissions continue to be taxed.

As a consequence of the spread of COVID-19, the National Government of Colombia took measures in the midst of the economic and social emergency, such as, extension of the deadline for payment of the second income tax instalment; additionally, the deadlines for filing the income tax return and payment of the third instalment were extended until June 2020; automatic refund of applications for the return of balances in favor of a maximum of 15 days; transitory exemption from the tax on financial movements for non-profit entities; The tax known as solidarity contribution is temporarily created, which applies to some public employees, state contractors and mega-pensions to help vulnerable people; during the contingency, donations of goods or services destined only and exclusively to the treatment of COVID 19 will not have VAT, furthermore, tariff exemptions and flexibility in the importation of medical devices and medicines are contemplated.

**Chile:** The Income Tax Law classifies income from "Capital" and "labor". The former is taxed with the First Category Tax, which mainly affects companies. Since the publication of Law No. 20,780 in September 2014, and its subsequent amendment by Law No. 20,899 in February 2016, two tax systems have been in place to determine the taxation of company owners. The attributed regime, whose rate is 25% and the partially integrated regime with a rate of 27%.

The general system will be the partially integrated system, which is calculated by adding to the financial results or deducting from them as required by law. In the event of tax losses, these may be offset in the following periods without any time restrictions.

The time of distribution of dividends from a company under the partially integrated regime, the first category tax paid by companies, may be charged against the final taxes (Global Complementary Tax or Additional Tax) with the obligation to refund 35% as tax liability (Not applicable when Chile has a treaty to avoid double taxation with another country), which taxes all income of individuals resident in the country; or the Additional Tax, which taxes Chilean source income, of individuals and legal entities residing outside the country, as the case may be.

In the area of transfer pricing, it is regulated by Article 41 E of the Income Tax Law ("LIR"), which establishes definitions on relationship rules, prices and returns that must be taken into account for transactions with related parties abroad. Among the formal obligations are the submission of an annual affidavit, supporting documentation depending on the amount of the operation and country by country report, which is submitted by the parent company.

To date, the congress of the country is discussing a new tax reform, whose main impacts at the level of companies are:

- It defines as a single taxation system the semi integrated system with a 27% rate, thus eliminating the attributed income option
- The ability to claim back taxes paid when a company is in a tax loss situation and receives dividends with credits will be eliminated from 2024.
- Article 14 of the Income Law includes the obligation to report investments made abroad until 30 June each year.
- A transitory rule is added for taxpayers who maintain a balance of accumulated taxable income generated until December 31, 2016, may pay a single and substitute tax for the final taxes, of a single and fixed rate of 30%, which is given preference for allocation purposes.

In the area of transfer pricing, this has been incorporated into Article 41 E of the Income Tax Law ("LIR"), as amended on September 27, 2012, where the securities, prices and returns to be taken into consideration for transactions with related parties abroad were defined. Among the formal obligations are the sworn statement, supporting documentation depending on the amount of the operation and country by country report as of 2016.

The Government of Chile took tax measures focused mainly on Small and Medium Enterprises, to mitigate the economic impact of COVID-19, such as: suspension for 3 months of provisional monthly income tax payments, transitory reduction of the stamp tax to 0% for all credit operations during the next 6 months, acceptance as tax expense of all associated disbursements to face the sanitary contingency generated by COVID-19, return of income tax in less time.

**Peru:** The income tax rate for 2019 and 2020 is 29.5% on taxable income after calculating the participation of workers, which, in accordance with current regulations, is calculated, in the case of the Company, by applying a rate of 5% to net taxable income. Losses may be offset within 4 years from the year following the generation of the loss.

The country applies the tax transparency regime (Foreign Controlled Entities) where passive income generated by non-domiciled controlled entities is attributed to taxpayers in Peru at the time it is generated. Income tax paid by non-domiciled controlled entities may be used as a credit against the tax.

Transfer pricing rules include the preparation of the Transfer Pricing Technical Study and the Transfer Pricing Information Affidavit, with respect to their operations or transactions with related companies. Country-by-country reporting obligations are included as a master report.

**Mexico:** The income tax (ISR) is a direct tax on the profit obtained from world income. During fiscal years 2019 and 2020, the income tax rate applicable in Mexico is 30%, in addition to the 10% employee profit sharing. Tax losses may be carried forward for a period not to exceed 10 years.

Legal entities resident in Mexico that engage in transactions with related parties resident in Mexico and abroad are required to prove that such transactions have been concluded in accordance with the arm's length principle, i.e., as if they were concluded with an independent party. Similarly, the country-by-country information statement and master report have already been incorporated.

In December 2019 the authority published the tax reform for 2020, whose main provisions or changes are aimed at combating tax evasion through the incorporation of the general anti-abuse rule, the disclosure of tax schemes reportable to the authority, the fight against non-existent operations through the compacts between electronic invoicing (CFDI) and tax returns; as well as the establishment of limits and requirements for the deduction of payments abroad in operations with preferential tax territories (tax havens) either directly or through structured agreements or hybrid mechanisms; finally, the criminalization of the fiscal crimes of simulation, fraud and in general any wrongdoing against the federal treasury that will be considered a threat to national security.

With respect to the measures taken by the government in response to the COVID-19 health contingency, the federal Finance Ministry has not published, to date, any tax measures that modify, defer, extend or reduce income tax and VAT obligations; although in an isolated manner, some state governments have published incentives for discounting and deferring local obligations, mainly for payroll tax.

**Brazil:** In Brazil, taxes are based on worldwide income. There is a category of taxes on gross income and on net income.

On the net income taxes, there are taxes with a rate of 15% as income tax, plus 10% on the part of the taxable base higher than R\$ 240.000 Reales per fiscal year. There is no minimum alternative tax base and tax losses may be taken in future periods indefinitely as long as they do not exceed 30% of net income

To date, the country applies the regulations related to the transfer pricing regime applicable to transactions performed with economic affiliates domiciled abroad and third parties domiciled in tax havens.

**Argentina:** The country taxes income from global sources. Law 27,430 published on December 2017 establishes modifications to the Income Tax Law, among them the modification of the tax rate for capital companies which will be 30% for fiscal years starting on January 1, 2018 until December 31, 2019 and 25% for the following periods. Until 2018 there was an alternative minimum tax equivalent to 1% on assets held at the end of the tax period, which was repealed for tax years beginning in 2019. Tax losses can be carried forward for a maximum period of 5 years.

Law 27,541 on social solidarity and productive reactivation published in December 2019, modified the Income Tax rate and for the years after 2019 established a rate of 30%, modifying the 25% reduction established by the previous Tax Reform. The withholding tax on dividends distributed to shareholders is maintained at a rate of 7%.

Law 27,468 of 2018 provided for the application of the Tax Inflation Adjustment effective for years beginning on or after January 1, 2018. Regarding the first and second year from its effective date, this procedure will be applicable in case the accumulated variation of the consumer price index, calculated from the beginning and until the end of each of those years, exceeds 55%, 30% and 15%, for the first, second and third year of application respectively. In accordance with Law 27,541 of 2019, the adjustment for inflation may be computed 1/6 for each fiscal period starting on January 1, 2020.

The regulations contemplate the transfer pricing regime for operations with foreign related parties and there is a country-by-country report, and the legislation also includes the Foreign Controlled Entities regime.

At the Provincial level, the Gross Income Tax is calculated, which includes within the base of the insurance companies the net premiums of annuities, financial income and other taxed miscellaneous income; this tax is regulated by the Fiscal Codes of each of the 24 jurisdictions and an average rate of 5.5% is applied, according to the fiscal ordinance of each Province. The most relevant jurisdictions are the Federal Capital and the Province of Buenos Aires.

A third level is the Municipal Taxes. The Municipal Tax is applied in those jurisdictions where there is an authorized agency and its application is in relation to the production of the agency. Its calculation depends on the legislation of the respective municipality.

**Panama:** The income tax rate for corporations in Panama is 25% for the years 2018 and 2019 on income earned from domestic sources. Law No.8 of March 15, 2010, eliminates the so-called Alternate Calculation of Income Tax (CAIR) and substitutes it with another modality of presumed income tax, obliging all legal entities that earn income in excess of B/.1,500,000 to determine as taxable base for said tax, the greater amount between: (a) the net taxable income calculated by the ordinary method established in the Fiscal Code and (b) the net taxable income resulting from applying 4.67% to the total taxable income.

Companies that incur losses as a result of the tax calculated under the presumptive method or that, by reason of the application of the presumptive method, their effective rate exceeds the tax rates applicable for the tax period in question, may apply to the Directorate-General of Revenue for authorisation to calculate the tax under the traditional method.

According to current tax regulations, undistributed profits attributable to local operations of Insurance Companies registered under the laws of the Republic of Panama would be subject to a 4% complementary tax on undistributed profits and a 10% tax on dividends, at the time of distribution, subtracting in this case 4% of the complementary tax withheld and paid from such profits distributed in dividends.

In the matter of transfer pricing, it is obligatory to report the operations performed with related parties abroad regardless of the existence of a double taxation treaty. As of 2016, new reports are incorporated such as the master report and the country-by-country report.

As a result of COVID-19 The Brazilian Government has been implementing tax measures, which include the reduction of the federal import tariff rate to 0% for medical products until the end of 2020, exemption from the federal consumption tax (IPI) for imported products necessary to combat COVID-19, alternatives for companies to pay the debt (repayment, renegotiation, payment in instalments), prohibition of banks to increase their interest rates, suspension of administrative procedures until 29 May 2020, lengthening of deadlines from April and May 2020 to July and September 2020 for companies and public agencies to collect and contribute PIS / COFINS (*Program of Social Integration/ Contribution for the Financing of Social Security*).

**Dominican Republic:** The tax code of the Dominican Republic establishes that the income tax payable will be the greater of the net taxable income or 1% of the taxable assets. The income tax rate for legal entities is 27% on income received in the country. If tax losses arise, taxpayers may offset them within 5 years of the year in which the loss was generated.

Its legislation has included the obligation to disclose transactions with domestic and foreign related entities, through transfer pricing studies and information returns.

**El Salvador:** Entities established in El Salvador pay income tax on income earned in the country, according to the Income Tax Law. Legal entities, whether domiciled or not, shall calculate their tax by applying to the taxable income the rate of thirty percent (30%), with the exception of companies that have obtained taxable income less than or equal to one hundred and fifty thousand dollars (\$150,000.00) which shall apply the rate of twenty-five percent (25%), excluding in addition to such calculation any income that would have been subject to a definitive income tax withholding at the legal percentages established by the Law.

In El Salvador there is no minimum alternative tax, and tax losses generated in any period may not be allocated in subsequent periods.

In September 2019 the General Directorate of Internal Taxes (DGII) issued the General Guidance Guide to Facilitate the Recognition of Countries, States or Territories with Preferred Tax Regimes and the Tax Treatment Applicable to them, which details the list of countries that fall within this category and which must be taken into account given that on a commercial transaction with a company domiciled in these countries, an income tax retention of 25% operates and the Transfer Pricing Regime obligation applies.

As a result of the worldwide spread of COVID-19, the Government of El Salvador not only implemented emergency measures to guarantee the well-being of families as the fundamental basis of society, but also established various fiscal and economic measures to provide temporary relief from the tax obligations of the Salvadoran economy, These include extending the deadline for paying income tax for the 2019 tax year to 31 May 2020 and making interest,

surcharges and fines tax exempt (only for certain sectors), and extending the deadline for making advance payments of income tax from March, April and May 2020.

**Uruguay:** The income tax rate for companies is 25% and is based on territorial income with some exceptions, therefore, income outside the country is considered to be of foreign source and not subject to tax. The regulations do not imply a minimum alternative tax for companies and any tax loss can be imputed in the future within 5 years of its generation.

On the other hand, insurance companies must pay Income Tax whose rate varies between 5 and 7% depending on the portfolio and the National Blood Tax whose rate is 2% on the premiums issued.

Transfer pricing regulation is included in the income tax standard, based entirely on the principle of full competition and the OECD guidelines.

No relevant tax measures have been taken to date due to the COVID-19 pandemic, only measures related to the payment of taxes administered by the DGI of March that was extended until April 27, 2020 and the payment of the minimum VAT applicable to SMEs for the months of March and April in 6 equal instalments without interest or penalty as of May 2020.

**Bermuda:** In Bermuda, there are no taxes on profits, income, dividends or capital gains, nor are there any withholding taxes on such items. Profits can be accumulated and there is no obligation to pay dividends. In the event that direct taxes are levied, there is the possibility of access to legal stability contracts until 2035. Although there are no taxes on corporate income, income from investments derived from foreign sources may be subject to a withholding tax. Interest generated for foreign currency deposits is tax exempt.

## 10.2. Current taxes

The following is the detail of current tax assets and liabilities, at 31 March 2020 and 31 December 2019:

	March 2020	December 2019
<b>Current tax assets</b>		
Income tax and complements	261,970	97,571
Local taxes	25,421	1,006
Withholdings	20,607	12,648
Sales tax	58,278	34,349
Tax in favor	73,806	66,946
Contributions	131,910	3,997
Others	14,974	15,203
<b>Total assets for current taxes</b>	<b>586,966</b>	<b>231,720</b>

	March 2020	December 2019
<b>Current tax liabilities</b>		
Income tax and complements	32,763	33,622
Local taxes	433,485	108,789
Sales tax, payable	313,951	321,378
Wealth tax	2,238	16
Others	1,131	918
<b>Total liability for current taxes</b>	<b>783,568</b>	<b>464,723</b>
<b>Current tax, net</b>	<b>196,602</b>	<b>233,003</b>

Below are the current tax balances by country:

March 2020	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Current tax assets	22,109	3,804	151,163	169,173	170,034	8,394	37,775	24	9,635	14,855	586,966
Current tax liabilities	30,570	9,428	322,862	85,114	240,872	3,378	23,808	28,021	13,439	26,076	783,568
	(8,461)	(5,624)	(171,699)	84,059	(70,838)	5,016	13,967	(27,997)	(3,804)	(11,221)	(196,602)

December 2019	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Current tax assets	22,887	3,946	24,456	128,016	24,987	1,359	7,306	-	6,828	11,935	231,720
Current tax liabilities	18,511	11,961	165,891	88,338	109,131	6,433	3,420	23,643	11,701	25,694	464,723
	4,376	(8,015)	(141,435)	39,678	(84,144)	(5,074)	3,886	(23,643)	(4,873)	(13,759)	(233,003)

### 10.3. Tax recognized in profit or loss for the period

Current and deferred tax expense:

	March 2020	March 2019
<b>Current tax expense</b>	<b>(148,833)</b>	<b>(149,812)</b>
Current tax	(147,360)	(136,355)
Adjustment of previous periods	(1,473)	(13,457)
<b>Deferred tax expense</b>	<b>152,901</b>	<b>(14,496)</b>
Constitutions / reversal of temporary differences	150,443	(17,422)
Deferred tax adjustments	2,434	2,682
Exchange rates	24	244
<b>Tax expense</b>	<b>4,068</b>	<b>(164,308)</b>

Grupo SURA considers that the accumulated tax liabilities are appropriate for all open tax years based on an evaluation of many factors, including interpretations of tax laws and previous experience.

### 10.4. Reconciliation of the effective rate

	March 2020	March 2019
<b>Profit before tax</b>	<b>(80,024)</b>	<b>722,049</b>
Income tax by applying the local tax rate	31.83% 25,472	30.56% (220,647)
<b>Plus, tax impact from:</b>	<b>(324,308)</b>	<b>(282,430)</b>
Elimination effect in consolidated results	(138,393)	(122,404)
Non-deductible expenses <sup>(1)</sup>	(48,790)	(22,564)
Investments	(78,025)	-
Tax revenues	(28,498)	(88,627)
Tax losses	(7,365)	(27,145)
Financial liabilities	(22,897)	-
Adjustments in rate change	-	(9,481)
Inflationary effect	-	(2,641)
Alternative base effect	-	(2,584)
Others	(340)	(6,984)
<b>Minus the tax effect of:</b>	<b>302,905</b>	<b>338,769</b>
Untaxed income	4,192	217,906
Financial assets <sup>(2)</sup>	16,625	-
Provisions and Contingencies	2,994	-
Dividends not recorded	188,554	49,517
Amortization of intangibles	413	40
Tax Deductions/Discounts	222	2,214

Exempt income <sup>(3)</sup>		89,905	69,092
Income tax revenue (expense)	5.08%	4,069	22.76% (164,308)

<sup>(1)</sup> Includes expenses due to legal limitations and associated with management

<sup>(2)</sup> Includes valuation, impairment, difference in exchange

<sup>(3)</sup> Andean Community of Nations (CAN) dividends and other exempt income

The change in income tax is presented mainly due to the effect of the behavior of the difference in exchange and its effects on financial obligations and hedging operations, additional negative results of the legal reserve are presented.



The following are the tax balances, by Country:

March 2020

	Consolidated	Colombia	Argentina	Chile	Mexico	Brazil	El Salvador	Panama	Dominican Republic	Bermuda	Peru	Uruguay
<b>Profit before tax</b>	<b>(80,024)</b>	<b>(100,072)</b>	<b>(31,343)</b>	<b>5,418</b>	<b>81,848</b>	<b>(4,325)</b>	<b>3,126</b>	<b>(20,962)</b>	<b>10,285</b>	<b>285</b>	<b>(28,788)</b>	<b>4,503</b>
Tax Rate	30.00%	32.00%	25.00%	27.00%	30.00%	40.00%	25.00%	25.00%	27.00%	0.00%	29.50%	25.00%
Income tax by applying the local tax rate	24,620	32,023	7,836	(1,463)	(24,554)	1,730	(782)	5,241	(2,777)	-	8,492	(1,126)
Tax effect, net	(20,552)	(19,369)	1,219	7,857	1,832	(1,324)	101	(8,244)	436	-	(3,674)	614
<b>Income Tax</b>	<b>4,068</b>	<b>12,654</b>	<b>9,055</b>	<b>6,394</b>	<b>(22,722)</b>	<b>406</b>	<b>(681)</b>	<b>(3,003)</b>	<b>(2,341)</b>	<b>-</b>	<b>4,818</b>	<b>(512)</b>
Effective rate	5.08%	12.64%	28.89%	118.01%	27.76%	9.39%	21.79%	14.33%	22.76%	0.00%	16.74%	11.37%

March 2019

	Consolidated	Colombia	Argentina	Chile	Mexico	Brazil	El Salvador	Panama	Dominican Republic	Bermuda	Peru	Uruguay	Spain
<b>Profit before tax</b>	<b>722,049</b>	<b>350,285</b>	<b>13,226</b>	<b>137,434</b>	<b>107,714</b>	<b>(5,991)</b>	<b>7,453</b>	<b>9,293</b>	<b>4,289</b>	<b>243</b>	<b>78,902</b>	<b>19,713</b>	<b>(512)</b>
Tax Rate	30.00%	33.00%	30.00%	27.00%	30.00%	40.00%	30.00%	25.00%	27.00%	0.00%	29.50%	25.00%	25.00%
Income tax by applying the local tax rate	(220,380)	(115,594)	(3,968)	(37,107)	(32,314)	2,396	(2,236)	(2,323)	(1,158)	-	(23,276)	(4,928)	128
Tax effect, net	384,688	162,190	12,597	79,861	66,526	(6,447)	4,086	5,071	3,174	-	47,275	10,483	(128)
<b>Income Tax</b>	<b>164,308</b>	<b>46,596</b>	<b>8,629</b>	<b>42,754</b>	<b>34,212</b>	<b>(4,051)</b>	<b>1,850</b>	<b>2,748</b>	<b>2,016</b>	<b>-</b>	<b>23,999</b>	<b>5,555</b>	<b>-</b>
Effective rate	22.76%	13.30%	65.24%	31.11%	31.76%	67.62%	24.82%	29.57%	47.00%	0.00%	30.42%	28.18%	0.00%

## 10.5. Deferred taxes

The balance of deferred tax assets and liabilities at 31 March 2020 and 31 December 2019 comprised

March 2020	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
<b>Deferred tax assets</b>											
Financial assets	-	1,764	-	(1,575)	3,230	-	1,222	-	879	1,250	<b>6,770</b>

Employee benefits	2,539	1,154	-	2,367	2,093	-	2,397	-	241	4	<b>10,795</b>
Investments	(17,055)	-	(1)	1	137	-	-	-	-	-	<b>(16,918)</b>
Intangibles	(5,578)	(5,288)	(1,449)	(285)	(20,240)	-	-	-	(17,528)	196	<b>(50,172)</b>
Other non-financial assets	13,704	6,873	-	23	598	-	-	-	-	-	<b>21,198</b>
Other liabilities	56,855	14,623	(70)	713	30,083	-	-	-	1,602	-	<b>103,806</b>
Financial liabilities	(6,635)	-	-	89,467	(1,065)	-	4,802	-	-	449	<b>87,018</b>
Tax losses	3,507	36,844	47,496	(115,603)	75,528	-	15,826	-	(456)	438	<b>63,580</b>
Properties and equipment	-	-	(62)	(3,199)	(10,299)	-	7	-	25	844	<b>(12,684)</b>
Right-of-use	(1,167)	(64)	-	18,738	-	-	-	-	196	-	<b>17,702</b>
Technical reserves of insurance	26,139	(6,873)	4,692	(1)	23,044	-	-	-	16,823	-	<b>63,824</b>
<b>Total deferred tax assets</b>	<b>72,309</b>	<b>49,033</b>	<b>50,606</b>	<b>(9,355)</b>	<b>103,109</b>	<b>-</b>	<b>24,254</b>	<b>-</b>	<b>1,782</b>	<b>3,181</b>	<b>294,919</b>

March 2020	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
<b>Deferred tax liabilities</b>											
Financial assets	-	-	153	(91,485)	33,043	(287)	570	(889)	-	(993)	<b>(59,888)</b>
Employee benefits	-	-	-	(11,277)	(40)	(147)	-	(370)	-	-	<b>(11,834)</b>
Investments	-	-	(351)	126,375	-	-	-	(58)	-	-	<b>125,966</b>
Intangibles	-	-	294,595	(739)	328,181	5,601	275,997	(2,581)	-	35,592	<b>936,646</b>
Other liabilities	-	-	362,037	(51,012)	-	(1,968)	7,876	(2,162)	-	5,017	<b>319,788</b>
Financial liabilities	-	-	-	1,052	-	-	23,559	552	-	454	<b>25,617</b>
Tax losses	-	-	(197)	(7,617)	-	-	-	-	-	(5,292)	<b>(13,106)</b>
Properties and Equipment	-	-	5,134	54,295	-	7,669	-	6,303	-	(709)	<b>72,692</b>
Technical reserves of insurance	-	-	(33,365)	77,063	-	-	-	(649)	-	5,866	<b>48,915</b>
Right-of-use	-	-	(38)	(604)	-	-	-	396	-	(220)	<b>(466)</b>
Employee profit sharing	-	-	-	-	1,035	-	-	-	-	-	<b>1,037</b>
<b>Total, deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>627,968</b>	<b>96,054</b>	<b>362,219</b>	<b>10,868</b>	<b>308,002</b>	<b>542</b>	<b>-</b>	<b>39,715</b>	<b>1,445,367</b>
<b>Total net deferred tax</b>	<b>(72,309)</b>	<b>(49,033)</b>	<b>577,362</b>	<b>105,409</b>	<b>259,110</b>	<b>10,868</b>	<b>283,748</b>	<b>542</b>	<b>(1,782)</b>	<b>36,534</b>	<b>(1,150,448)</b>

December 2019	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
<b>Deferred tax assets</b>											
Financial assets	-	405	-	969	6,552	-	-	688	(23)	-	<b>8,591</b>
Employee benefits	1,198	1,277	-	6,876	2,929	-	-	304	-	-	<b>12,584</b>
Investments	(6,964)	-	(69)	1	(483)	-	-	40	-	-	<b>(7,475)</b>

Intangibles	(12,930)	(2,104)	(143)	(2)	(23,781)	-	-	3,574	(9,116)	-	(44,502)
Other non-financial assets	13,218	4,963	-	21	623	-	-	-	-	-	18,825
Other liabilities	42,046	15,418	(2)	376	28,776	-	-	1,779	1,287	-	89,680
Financial liabilities	(5,185)	-	-	44,258	446	-	-	-	-	-	39,519
Tax losses	3,056	38,410	3,000	6,062	-	-	-	-	-	-	50,528
Properties and equipment	-	-	(33)	(3,291)	(10,843)	-	-	(5,182)	(379)	-	(19,728)
Right-of-use	(400)	107	-	18,867	-	-	-	(333)	66	-	18,307
Technical reserves of insurance	8,826	(7,881)	3,374	-	14,577	-	-	72	8,817	-	27,785
<b>Total, deferred tax assets</b>	<b>42,865</b>	<b>50,595</b>	<b>6,127</b>	<b>74,137</b>	<b>18,796</b>	<b>-</b>	<b>-</b>	<b>942</b>	<b>652</b>	<b>-</b>	<b>194,114</b>

December 2019	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
<b>Deferred tax liabilities</b>											
Financial assets	-	-	1,370	(4,719)	(22,143)	-	6,849	-	(12)	(2,035)	(20,690)
Investments	-	-	(168)	113,889	-	-	-	-	-	-	113,721
Intangibles	-	-	285,208	(189)	343,040	2,992	227,855	-	8,414	34,379	901,699
Other non-financial assets	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	346,079	(11,599)	(205)	(2,156)	(8,359)	-	(194)	4,303	327,869
Financial liabilities	-	-	-	7,722	-	-	34,619	-	-	(488)	41,853
Tax losses	-	-	-	(1,981)	-	-	-	-	-	(4,217)	(6,198)
Properties and equipment	-	-	4,736	55,489	-	7,012	-	-	-	(656)	66,581
Technical reserves of insurance	-	-	(43,173)	77,119	-	-	-	-	(7,357)	5,305	31,894
Right-of-use	-	-	(31)	(1,311)	-	-	-	-	-	(109)	(1,451)
Employee profit sharing	-	-	-	-	1,091	-	-	-	-	-	1,091
<b>Total, deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>594,021</b>	<b>234,420</b>	<b>321,783</b>	<b>7,848</b>	<b>260,964</b>	<b>-</b>	<b>851</b>	<b>36,482</b>	<b>1,456,369</b>
<b>Net deferred tax</b>	<b>42,865</b>	<b>50,595</b>	<b>(587,894)</b>	<b>(160,283)</b>	<b>(302,987)</b>	<b>(7,848)</b>	<b>(260,964)</b>	<b>942</b>	<b>(199)</b>	<b>(36,482)</b>	<b>(1,262,255)</b>

## Deferred tax on unused tax losses and tax credits

The balance of deferred tax loss carryforwards originated in the companies in Argentina, Brazil, Mexico and Chile. In Argentina a tax credit is presented mainly due to the adjustments for tax inflation and the loss on investment securities in the year 2019 and 2020, it is anticipated that by the end of the year 2020 part of the loss will be computed against the results of the period. In the case of Mexico, the tax credits were generated mainly between 2011 and have a 10-year term.

In Brazil, the balance of \$36,844 has been carried forward since 2018; these are non-applicable credits that do not expire in accordance with Brazilian tax laws.

The tax credits generated in Chile correspond to the companies Seguros de Vida, Holding Spa and Inversiones Chile Ltda. Under Chilean tax regulations, tax losses carryforwards do not expire.

### 10.6. Deferred tax movements

	March 2020	March 2019
<b>Initial balance, net liability</b>	<b>1,262,255</b>	<b>1,152,801</b>
Deferred tax expense recognized in the results for the period	150,443	(17,421)
Adjustments from previous periods	2,434	2,682
Adjustments for exchange rates	24	244
Income tax on other comprehensive income	15,850	13,885
Impact due to the variation in the exchange rates of foreign currency	(280,560)	8,326
<b>Final balance, liability, net</b>	<b>1,150,446</b>	<b>1,160,517</b>

### 10.7. Uncertainty over income tax treatments

IFRIC 23, is an interpretation issued by the IASB that assumes that there may not be clarity about how tax law applies to a particular transaction or circumstance and, therefore, the acceptability of a particular tax treatment under tax law may not be known until a future decision is made by the relevant tax authority or court. Therefore, a dispute or inspection of a particular tax treatment by the tax authority may affect an entity's accounting for a current or deferred tax asset or liability.

Accordingly, this interpretation applies only to income taxes, which are all taxes, domestic or foreign, that relate to taxable profit. "Uncertain tax treatment" means all those tax aspects that generate profits for the entity but that, nevertheless, there is uncertainty as to whether the tax authority will accept the tax treatment under the tax law.

Accordingly, IFRIC clarifies how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty about the income tax treatment. In this case, an entity recognises and measures its current or deferred tax asset or liability by applying the requirements of IAS 12 on the basis of the taxable profit or tax loss, tax base, unused tax losses, unused tax credits and tax rates determined using that standard.

As of March 31, 2020, the company analyzed those tax issues that could be qualified as uncertain and disclosed in 2019, according to the tax legislation applicable to each jurisdiction, resulting in an uncertain tax treatment of 564 million pesos in the Dominican Republic and Mexico.

## NOTE 11. INTANGIBLE ASSETS

The classification of Grupo SURA intangible assets at 31 March is as follows:

	March 2020	December 2019
Goodwill	5,124,858	4,721,695
Intangible assets other than goodwill	4,396,446	4,188,717
<b>Total intangible assets, including goodwill</b>	<b>9,521,304</b>	<b>8,910,412</b>

### 11.1 Goodwill

A breakdown of goodwill, is as follows:

Company	March 2020	December 2019
AFP Capital S.A. Chile	1,697,560	1,579,673
AFP Integra S.A. Peru	1,583,218	1,327,347
AFORE Sura S.A. de C.V. Mexico	906,361	944,321
Seguros Generales Suramericana S.A. Chile	160,355	149,219
AFAP Sura S.A. Uruguay	134,297	127,609
Seguros Sura S.A. Uruguay	96,146	91,358
Seguros Colombia S.A. e IATM	94,290	94,290
Aseguradora Suiza Salvadoreña S.A. (Asesuisa)	82,062	66,328
Corredores de Bolsa Sura S.A. y Administradora General de Fondos Sura S.A. Chile	76,513	71,199
Fondos Sura SAF S.A.C. Peru	74,695	62,623
Seguros Suramericana S.A. Panama	68,065	55,015
Seguros Sura S.A. Mexico	47,048	49,018
Seguros Sura S.A. Brazil	38,591	40,231
Arus S.A. Colombia	25,429	25,429
Sura Investment Management S.A. de C.V. Mexico	21,489	22,389
Seguros Sura S.A. Dominican Republic	17,451	14,359
El Ciruelo	1,288	1,287
<b>Total</b>	<b>5,124,858</b>	<b>4,721,695</b>

In addition to business combinations arising in the period, goodwill is adjusted in each cut taking into account paragraph 47 of IAS 21, which indicates that goodwill should be expressed in the same functional currency of the foreign operation, and translated into the presentation currency at the closing exchange rate.

The following is a breakdown of goodwill, by country:

	March 2020	December 2019
Chile	1,934,431	1,733,748
Peru	1,657,913	1,389,970
Mexico	974,896	1,015,726
Uruguay	230,443	218,966
Colombia	121,006	121,006
El Salvador	82,062	66,328
Panama	68,065	55,015
Brazil	38,591	40,231
Dominican Republic	17,451	14,359
Holland	-	66,346
<b>Total</b>	<b>5,124,858</b>	<b>4,721,695</b>

## 11.2 Intangible assets other than goodwill

A breakdown of the movements, of the intangible assets, of Grupo SURA, is as follows:

	Acquired brands	Intangible assets related to clients	Software and computer applications	Rights	Licenses and franchises	Other intangible assets	Total
<b>Cost</b>							
Cost at 1 January, 2019	138,911	3,810,482	450,872	34,268	26,990	2,105,453	6,566,976
Additions	-	11,924	90,438	-	7,134	1,634,839	1,744,335
Provisions (-)	-	(2,002)	(230)	-	(1,562)	-	(3,794)
Exchange rate differences	(4,211)	(49,682)	8,998	230	(883)	151,748	106,200
Cost in books at December 31, 2019	134,700	3,770,722	550,078	34,498	31,679	3,892,040	8,413,717
<b>Accumulated amortization and impairment</b>							
Accumulated amortization and impairment at January 1, 2019	(2,995)	(1,193,226)	(215,873)	(24,563)	(10,543)	(721,953)	(2,169,153)
Amortization of the period	-	(211,430)	(70,320)	(6,116)	(4,470)	(1,842,617)	(2,134,953)
Provisions (-)	-	1,204	1,172	-	1,857	-	4,233
Exchange rate differences	(24)	22,066	40,469	(146)	1,441	11,067	74,873
Accumulated amortization and impairment at December 31, 2019	(3,019)	(1,381,386)	(244,552)	(30,825)	(11,715)	(2,553,503)	(4,225,000)
Intangible assets other than goodwill at 31 December, 2019	131,681	2,389,336	305,526	3,673	19,964	1,338,537	4,188,717

	Acquired brands	Intangible assets related to clients	Software and computer applications	Rights	Licenses and franchises	Other intangible assets	Total
<b>Cost</b>							
Cost at January 1, 2020	134,700	3,770,722	550,078	34,498	31,679	3,892,040	8,413,717
Additions	-	5,227	37,938	-	700	476,408	520,273
Provisions (-)	-	(12,669)	(13,559)	-	(39)	(2,033,692)	(2,059,959)

Exchange rate differences	16,823	281,554	24,624	6,534	(365)	39,527	368,697
<b>Cost in books at March 31, 2020</b>	<b>151,523</b>	<b>4,044,834</b>	<b>599,081</b>	<b>41,032</b>	<b>31,975</b>	<b>2,374,283</b>	<b>7,242,728</b>
<b>Accumulated amortization and impairment</b>							
<b>Accumulated amortization and impairment at 1 January 2020</b>	<b>(3,019)</b>	<b>(1,381,386)</b>	<b>(244,552)</b>	<b>(30,825)</b>	<b>(11,715)</b>	<b>(2,553,503)</b>	<b>(4,225,000)</b>
Amortization for the period	-	(51,871)	(20,139)	(1,486)	(839)	(413,831)	(488,166)
Provisions (-)	-	7,816	(1,166)	-	1,051	-	7,701
Exchange rate differences	(716)	(107,751)	(6,271)	(5,881)	(346)	1,980,598	1,859,183
<b>Accumulated amortization and impairment at March 31, 2020</b>	<b>(3,735)</b>	<b>(1,533,192)</b>	<b>(272,578)</b>	<b>(38,192)</b>	<b>(11,849)</b>	<b>(986,736)</b>	<b>(2,846,282)</b>
<b>Intangible assets other than goodwill at 31 March, 2020</b>	<b>147,788</b>	<b>2,511,642</b>	<b>326,503</b>	<b>2,840</b>	<b>20,126</b>	<b>1,387,547</b>	<b>4,396,446</b>

The following are the useful lives of the most significant intangibles:

Company	Relationship with clients	Total useful life (years)	Remaining useful life (years)	Remaining useful life (years) to 2019
SURA AM	AFP Capital (Chile)	27	19.75	20
	Corredora de Bolsa SURA S.A. y Administradora General de Fondos S.A. (Chile)	10	2.75	3
	Seguros de Vida SURA S.A. (Chile)	14	6.75	7
	AFP Integra (Peru)	30	22.75	23
	AFAP Sura S.A. (Uruguay)	23	15.75	16
	Afore Sura S.A. de C.V. (Mexico)	27	19.75	20
	Seguros Sura S.A. (Peru)	15	7.75	8
	AFP Integra (Perú) AFP Horizonte	17	9.75	10
	Sociedad Agente de Bolsa Sura S.A. (Peru)	4	0	0
SURA	Seguros Suramericana S.A. (Panama)	9	4.45	4.7
	Aseguradora Suiza Salvadoreña S.A. Asesuisa (Salvador)	14	5.75	6
	Arus S.A. (Colombia)	66	8.75	9
	Seguros Sura S.A. (Brazil)	5	0.95	1.2
	Seguros Generales Suramericana S.A. (Chile)	7	3.05	3.3
	Seguros Generales Suramericana S. A.	5	1.05	1.3
	Seguros Sura S.A. (Argentina)	10.6	6.65	6.9
	Seguros Sura S.A. de C.V (Mexico)	4	0.15	0.4
	Seguros Sura S.A. (Uruguay)	16	12.25	12.5
Habitat	Lista de clientes El Ciruelo	3	0.25	0.5
<b>Affinity Contracts</b>				
SURA	Seguros Sura S.A. (Brazil)	3	0	0

Non-compete rights				
SURA	Seguros Suramericana S.A. de Panama	5	1.45	1.7
Brands				
SURA AM	AFP Capital (Chile) (*)	Indefinite	Indefinite	Indefinite
	AFP Integra (Peru) (*)	Indefinite	Indefinite	Indefinite
SURA	Seguros Sura S.A. (Argentina) (*)	Indefinite	Indefinite	Indefinite
	Seguros Sura S.A. de C.V (Mexico) (*)	Indefinite	Indefinite	Indefinite

(\*) These assets have an indefinite useful life since, following the Purchase Price Allocation (PPA), it was not feasible to establish a foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Each year, Grupo SURA assesses whether these intangible assets continue to have an indefinite useful life, or whether there is evidence of impairment.

The book value of brands with an indefinite life is presented below:

Brands	Country	Valuation currency	Value in local currency	Total
ACG	Argentina	Argentine pesos	57	3,890
Answer	Argentina	Argentine pesos	70	4,639
<b>Seguros Argentina</b>			<b>127</b>	<b>8,529</b>
Hogar Master	Mexico	Argentine pesos	8	1,333
Top driver	Mexico	Argentine pesos	2	333
<b>Seguros Mexico</b>			<b>10</b>	<b>1,666</b>
AFP Capital	Chile	Chilean Peso	18	82,691
AFP Integra	Peru	Peruvian Sol	47	54,901

### Restrictions

To date, there are no restrictions on the intangible assets of Grupo SURA.

### NOTE 12. INVESTMENTS ACCOUNTED FOR, USING THE EQUITY METHOD

The balance of investments in associates and joint ventures is as follows:

	Note	March 2020	December 2019
Investments in associates	12.1	19,811,876	19,956,740
Joint ventures	12.2	9,602	8,949
<b>Total Investments accounted for using the equity method</b>		<b>19,821,478</b>	<b>19,965,689</b>
	Note	March 2020	March 2019
Income using the equity method in associates	12.1	94,552	340,082
Income using the equity method in joint	12.2	455	288



ventures

Total income by method of participation of investments accounted for using the equity method

95,007

340,370

## 12.1 Investment in associates

A breakdown of the associated companies, of Grupo SURA, at the date of the reporting period, is as follows:

Companies	Main activity	Country	March 2020			December 2019		
			% Participation	% right to vote	# Shares	% Participation	% right to vote	# Shares
<b>Associates::</b>								
Grupo Bancolombia S.A.	Universal banking	Colombia	24.44%	46.12%	235,098,823	24.44%	46.12%	235,098,823
Grupo Argos S.A.	Cement, energy, real estate and ports	Colombia	26.75%	35.53%	229,295,179	26.75%	35.53%	229,295,179
Grupo Nutresa S.A.	Food and processed	Colombia	35.20%	35.20%	161,948,089	35.17%	35.17%	161,807,155
Administradora de Fondos de Pensiones y Cesantías Protección S.A.	Pension and severance fund	Colombia	49.36%	49.36%	12,541,088	49.36%	49.36%	12,541,088
Promotora de Proyectos	Logistics services	Colombia	48.26%	48.26%	11,076,087	48.26%	48.26%	11,076,087
Inversiones DCV S.A.	Shareholder registration management	Chile	34.82%	34.82%	3,431	34.82%	34.82%	3,431
Fondos de Cesantías Chile I S.A.	Pension and severance fund	Chile	29.40%	29.40%	167,580	29.40%	29.40%	167,580
Servicios de Administración Previsional S.A.	Voluntary funds	Chile	22.64%	22.64%	168,806	22.64%	22.64%	168,806
Subocol S.A.	Marketing of spare parts for vehicle repair	Colombia	50.00%	50.00%	40,700	50.00%	50.00%	40,700
Acsendo S.A.S.	Investments	Colombia	25.80%	25.80%	63,570	25.80%	25.80%	63,570
<b>Joint Ventures:</b>								
Interejecutiva de Aviación S.A.S.	Air Transport Administration	Colombia	33.00%	33.00%	1,500,000	33.00%	33.00%	1,500,000
P.A Proyecto Crece	Technology Services	Colombia	50.00%	50.00%	-	50.00%	50.00%	-
Unión Para La Infraestructura S.A.S.	Fund	Colombia	50.00%	50.00%	150,000	50.00%	50.00%	150,000
Unión Para La Infraestructura S.A.S.	Fund	Peru	50.00%	50.00%	1,354,000	50.00%	50.00%	1,354,000
P.A Dinamarca	Mobility solutions	Medellín	33.33%	33.33%	-	33.33%	33.33%	-
P.A Servicios Tecnológicos	Technology Services	Colombia	50.00%	50.00%	-	50.00%	50.00%	-

### Corporate purpose of the associates and nature of the relationship

**Bancolombia S.A:** It is a financial institution listed in the Colombian Stock Exchange (BVC), as well as in the New York Stock Exchange (NYSE), since 1981 and 1995 respectively, Grupo Bancolombia consolidates operations in the banking, trust, off-shore banking and other segments. It is the leader in the financial sector of the Colombian and Central American markets. Grupo SURA is the largest non-controlling shareholder of Grupo Bancolombia.

The voting percentage of Bancolombia S.A. as of March 2020 and December 2019 is 46.02%. The aforementioned taking into account the issuance of non-voting preferred shares emitted by this associate.

**Grupo Argos S.A.:** It is an infrastructure holding company, leader in the cement business, with an investment structure in road and airport concessions and a portfolio in both conventional and renewable energies. It is an entity registered in the Colombian Stock Exchange.

The percentage of voting rights at March 2020 and December 2019 of Grupo Argos S.A. is 35.53%, taking into account the issue of non-voting preferred shares by this associate.

**Grupo Nutresa S.A.:** It is the leading company in processed foods in Colombia and one of the references in the sector in Latin America, with direct presence in 14 countries with 46 production plants.

Investments in the processed food segment of the industrial sector include a 35.20% stake in Grupo Nutresa S.A., where Grupo SURA is the largest shareholder.

Significant influence on the three companies is exercised through participation of the Board of Directors and governing committees, where Grupo SURA has two representatives (out of seven in total) of the Boards of Directors.

### Investment balances

The following are the balances of associates:

Investment in Associates	March 2020	December 2019
Bancolombia S.A.	8,786,263	8,711,435
Grupo Argos S.A.	5,330,144	5,126,177
Grupo Nutresa S.A.	4,493,556	4,815,632
Administradora de Fondos de Pensiones y Cesantías Protección S.A.	1,160,393	1,269,336
Others	41,520	34,160
<b>Total</b>	<b>19,811,876</b>	<b>19,956,740</b>

### Financial information of the associates (Securities issuers)

The assets, liabilities, equity and results for the year of each of the associated companies included in the consolidated financial statements of the company as at 31 March 2020 and 31 December 2019 are as stated below:

The associate Bancolombia S.A. presents the statement of financial position in order of liquidity, and therefore does not include the detail of current and non-current financial assets and liabilities.

		March 2020									
	Location	Asset Current	Asset non-current	Current Liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income	
<b>Associates:</b>											
	Bancolombia S.A. *	Colombia	276,702,369	-	247,418,932	-	29,283,437	2,637,187	366,022	1,500,138	1,866,160
	Grupo Argos S.A. *	Colombia	8,544,298	47,235,437	8,426,263	19,524,690	27,828,783	3,615,783	26,376	2,081,755	2,108,131
	Grupo Nutresa S.A. *	Colombia	3,710,909	11,546,592	2,424,198	5,069,095	7,764,208	2,659,333	191,392	(810,766)	(619,374)
	Fondo de Pensiones y Cesantías Protección S.A. *	Colombia	750,564	1,883,257	343,808	675,251	864,198	538,166	(104,827)	14,943	(89,885)

\* Figures taken from the Consolidated Financial Statements

		December 2019									
	Location	Asset Current	Asset non-current	Current Liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income	
<b>Associates:</b>											
	Bancolombia S.A. *	Colombia	236,088,113	-	207,282,494	-	28,805,619	12,731,348	3,214,567	127,033	3,341,600
	Grupo Argos S.A. *	Colombia	7,150,857	43,847,577	6,784,736	17,723,441	26,490,257	16,798,588	1,256,137	10,177	1,266,254
	Grupo Nutresa S.A. *	Colombia	3,262,962	12,382,279	2,347,837	4,612,540	8,684,864	9,958,851	513,441	111,180	624,621
	Fondo de Pensiones y Cesantías Protección S.A. *	Colombia	700,916	1,931,845	257,039	547,872	1,827,850	1427,727	442,789	16,022	458,811

\* Figures taken from the Consolidated Financial Statements

The fair value of the investments in associates of Grupo SURA listed on the Colombian Stock Exchange at March 31, 2020 and December 2019 is as follows:

Associate	March 2020	December 2019
Bancolombia S.A.	5,665,882	10,344,348
Grupo Argos S.A.	2,824,917	4,081,454
Grupo Nutresa S.A.	3,093,208	4,109,902
Fondo de Pensiones y Cesantías Protección S.A. (*)	1,522,396	1,458,817

(\*) Although Protección shares are quoted on the stock exchange, they are classified as low-brokerage shares on the Colombian stock market, meaning that the formation of prices on the asset does not represent the best reference on the economic value of this company.

Associate movement	Bancolombia S.A.	Grupo argos S.A.	Grupo Nutresa S.A.	Administradora de fondos de Pensiones y cesantías Protección S.A.	Others	Total
Balance at December 31, 2018	8,214,022	5,057,575	4,696,941	1,121,113	74,295	19,163,946
Derecognition					(29,271)	(29,271)
Profit from the equity method	761,972	89,742	178,077	203,516	21,325	1,254,632
Property variation	(7,831)	59,113	39,640	(1,028)	4,170	94,064
(-) Dividends	(256,728)	(80,253)	(99,026)	(54,265)	(31,103)	(521,375)
Adjustment in conversion	-	-	-	-	(5,256)	(5,256)
Balance at December 31, 2019	8,711,435	5,126,177	4,815,632	1,269,336	34,160	19,956,740
Additions	-	-	2,583	-	-	2,583
Profit from the equity method	82,100	(3,944)	66,919	(55,504)	4,981	94,552
Property Variation	377,820	294,126	(286,532)	5,806	1,592	392,812
(-) Dividends	(385,092)	(86,215)	(105,046)	(59,245)	-	(635,598)
Adjustment in conversion	-	-	-	-	787	787
Balance at March 31, 2020	8,786,263	5,330,144	4,493,556	1,160,393	41,520	19,811,876

#### Restrictions and commitments

At the cut-off date, there are no restrictions or commitments, with investments in associates.

## 12.2 Joint ventures

The following is a breakdown of the cost of investments March 31, 2020 and December 31, 2019:

	Interejecutiva	P.A Crece	UPI Colombia	UPI Peru	P.A Dinamarca	P. A Serv. Tecnológicos	Total
Balance at December 31 2018	4,855	-	1,239	-	-	-	6,094
Addition	-	2,200	-	1,345	506	250	4,301

Decrease - commission	-	(1,191)	-	-	-	(1,191)	
Profit from the equity method	100		1,331	(786)	(3)	(52)	590
Property Variation	354		5	-	-	-	359
(-) Dividends	-		(1,193)	-	-	-	(1,193)
Adjustment in conversion	-			(11)	-	-	(11)
<b>Balance at December 31, 2019</b>	<b>5,309</b>	<b>1,009</b>	<b>1,382</b>	<b>548</b>	<b>503</b>	<b>198</b>	<b>8,949</b>
Addition	-	-	-	-	1,328	-	1,328
Profit from the equity method	-	(434)	257	703	(67)	(4)	455
Property Variation	-	-	-	205	(2)	-	203
(-) Dividends	-	-	(1,333)	-	-	-	(1,333)
<b>Balance at March 31, 2020</b>	<b>5,309</b>	<b>575</b>	<b>306</b>	<b>1,456</b>	<b>1,762</b>	<b>194</b>	<b>9,602</b>

At the cut-off date there are no restrictions on investments, in joint ventures.

### 12.3 Impairment of investments in subsidiaries and associates

The detection of signs of impairment is a critical step in the assessment process, as it will indicate whether or not an impairment test is required.

As required by IAS 36 - Paragraph 9: An entity shall assess, at the end of each reporting period, whether there is any indication that an asset is impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

In compliance with IAS 36, "Impairment of Assets". The subsidiaries and associates of Grupo SURA must consider the following facts and circumstances to establish whether or not there is any indication of impairment.

1. Operating loss or negative cash flows in the current period compared to budget.
2. Increases during the year in interest rates associated with investments and debt. Information: Investments in securities with indexed rates, rates agreed for debt acquired with banks.
3. Important changes in the technological environment, understood as the risk associated with losses derived from technology (hardware or software) or its use. Information: Significant decrease in production associated with technology or high exposure to hacker risk.
4. Significant changes in the legal environment, established as losses from sanctions or lawsuits due to non-compliance with rules or contractual obligations.
5. Significant changes in the regulatory environment. Referring to the negative implications for a company resulting from changes in the regulatory framework in which it operates.
6. Changes in the competitive environment. Information: How much market share is lost (measuring growth and claims), new competitors or aggressiveness of current competitors and compliance in sales and marketing.
7. Significant changes in the way or extent to which the cash generating unit (CGU) is used or expected to be used.
8. Major reduction in the use of installed capacity
9. Generation of new debt

10. Discontinuance or significant reduction, other than mere fluctuation, of the demand for, or need for, services rendered with the asset.
11. For investments in associated companies quoted in the Stock Exchange of Colombia (BVC) an internal valuation model is used.

Each year, the Company assesses the existence of impairment in investments, if any of the indicators mentioned above are present; therefore, it is necessary to estimate the recoverable amount of the asset.

Based on the latest estimate of recoverable value at 31 December 2019, no impairment losses are recognised and this will be updated during the year for evaluation.

### NOTE 13. DISCONTINUED OPERATIONS

The following is a breakdown of the discontinued operation in the income statement:

*SURA Seguros de Rentas Vitalicias S.A (SURA Chile):*

	March 2019
Sale price	(696,212)
Investment cost	681,278
Operational results of the company	13,010
Conversion reclassified to results	4,455
<b>Total discontinued operations</b>	<b>2,531</b>

The following are the discontinued operations in the balance sheet:

	March 2020	December 2019
Suramericana <sup>(1)</sup>	11,662	5,212
<b>Total asset</b>	<b>11,662</b>	<b>5,212</b>

<sup>(1)</sup> The balance in Suramericana relates to land, buildings and investments in associates that are intended to be sold within a period of less than one year:

#### **Assets held for sale corresponding to real estate**

Assets held for sale corresponding to real estate

The properties are in the companies, Seguros Generales Suramericana S.A., Servicios Generales Suramericana S.A.S. and Seguros Sura S.A. of Argentina, for each company you have:

In Seguros Generales Suramericana S.A., during 2019, certain properties were sold that became part of the company with the merger of RSA. Most of these properties are located in Cartagena and Bogotá, and they yielded a profit of \$490.

As of December 2019, there are two properties for sale, the Banco Santander Building located in Cucuta, Colombia and the El Dorado Industrial and Commercial Centre, located in the city of Bogotá, Colombia.

In Servicios Generales Suramericana S.A.: As of December 31, 2017, due to the payment agreement entered into by a customer in the financial services area in which in order to cover the debt with the company, the customer hands over a house located in the Nogal

neighborhood of Medellín. The book value of this property is \$653 and was sold in 2019, leaving a profit for sale of \$7.

Seguros Sura S.A de Argentina has several properties for sale located in the provinces of Córdoba, Buenos Aires, Rosario and Rio Negro, these properties have been decided to be sold during the year 2019.

### **Assets held for sale corresponding to investments in associates**

During the year the following investments in associates were sold:

On 30 August 2019 Suramericana sold its shareholding in Administradora de Riesgos de Salud ARS Palic Salud S.A., an associate investment engaged in the business of managing and selling health plans in the Dominican Republic. These shares became directly owned by the company as part of the merger process in which it absorbed the net assets of its subsidiary Inversura Panama on December 31, 2018, the latter having acquired them since 2002. The sale corresponding to 247,665 common shares was carried out on August 30th to Centro Financiero BHD S.A., majority shareholder of said company, and was authorized on July 18th of this year by the Board of Directors of Suramericana. The sale generated a profit of \$ 41,440.

In December 2019 Suramericana sold the shares it owned in Sodexo S.A.S. and Sodexo Servicios de Beneficios e Incentivos Colombia S.A., Colombian companies that offer food and facilities maintenance services for companies and incentives for the quality of life of employees in Colombia. This operation took place through its subsidiary Servicios Generales Suramericana S.A., which had legal ownership of the shares, and left a profit of \$59,334 from the sale.

### **Restrictions**

As of December 31, 2019, Suramericana does not have assets that present legal restrictions, nor are they given as a guarantee.

## **NOTE 14. PROVISIONS**

The detail of Grupo SURA provisions is as follows:

	March 2020	December 2019
Lawsuits and litigation (*)	191,350	197,398
Other provisions (**)	28,541	28,918
Provisions for restructuring	79	839
<b>Total</b>	<b>219,970</b>	<b>227,155</b>

(\*) Includes, among others, the following concepts:

Seguros SURA S.A. in Brazil is involved in tax litigation with the Brazilian Federal Courts, and is suing COFINS for billing disputes under Law No. 9,718/98, amounting to \$144,362 in 2020 and \$147,745 in 2019.

(\*\*) Other diverse provisions include costs and expenses payable by the company EPS Medicina Prepagada Suramericana S.A., costs that include disabilities, glosses, maternity leaves, among others.

The following are provisions, by country:

	March 2020	December 2019
Brazil	144,362	149,373
Panama	10	8
Colombia	32,913	34,544
Mexico	36,642	37,650
Argentina	2,035	1,166
Chile	2,499	3,012
Uruguay	1,330	1,402
Dominican Republic	176	-
Salvador	3	-
<b>Total</b>	<b>219,970</b>	<b>227,155</b>

## NOTE 15. SECURITIES ISSUED

The following is a summary of debt instruments issued:

	March 2020	December 2019
Bonds in circulation (1)	9,155,014	7,742,433
Preference shares (2)	460,690	460,712
<b>Total</b>	<b>9,615,704</b>	<b>8,203,145</b>

Below is a breakdown of the bonds issued:

### (1) Bonds in circulation:

Issue Date	Maturity Date	Nominal value	Issue rate	Amortized cost		Fair value	
				March 2020	December 2019	March 2020	December 2019
29-apr-16*	29-apr-26	USD 550**	+ 5.50%	2,257,882	1,799,460	2,403,586	1,059,566
17-apr-14	17-apr-24	USD 500**	+ 4.875%	2,062,109	1,646,321	1,969,598	1,764,421
11-apr-17*	14-apr-27	USD 350**	+ 4.375%	1,427,717	1,140,923	1,290,433	1,229,037
18-may-11	18-may-21	USD 300**	+ 5.70%	1,239,918	987,839	1,244,737	2,110,775
22-jun-16	22-jun-26	305,622	CPI + 4.09%	304,365	304,399	315,863	331,487
22-jun-16	22-jun-31	289,235	CPI + 4.29%	287,734	287,795	292,862	315,735
22-jun-16	22-jun-23	257,145	CPI + 3.90%	256,468	256,471	266,194	273,625
07-may-14	07-may-23	223,361	CPI + 3.80%	225,355	225,364	232,503	238,766
23-feb-17	23-feb-22	193,549	+ 7.21%	194,673	194,720	197,821	202,910
23-feb-17	23-feb-29	190,936	CPI + 3.58%	191,298	191,423	186,516	200,610
23-feb-17	23-feb-24	165,515	CPI + 3.19%	165,966	166,053	168,175	172,942



22-jun-16	22-jun-20	147,998	CPI + 3.39%	148,177	148,140	148,890	149,599
07-may-16	07-may-20	100,000	CPI + 3.55%	100,783	101,005	102,236	120,354
07-may-14	07-may-30	100,000	CPI + 4.15%	100,984	100,797	101,227	131,728
25-nov-09	25-nov-29	98,000	CPI + 5.90%	96,438	96,488	112,302	109,842
25-nov-09	25-nov-49	97,500	CPI + 6.98%	95,147	95,235	120,895	101,849
				<b>9,155,014</b>	<b>7,742,433</b>	<b>9,153,838</b>	<b>8,513,246</b>

(\*) Grupo SURA merged with Grupo SURA Finance on July 31, 2018. Since the Finance bonds are issued in dollars, Grupo SURA decided to apply hedge accounting from September 2018, the effects of which are taken to other comprehensive income and the statement of income. The hedge structure was carried out with swaps and options.

(\*\*) Amounts expressed in millions of dollars.

## (2) Preference shares

On November 29, 2011, 106,334,963 preferred shares were issued for a value of \$32,500 pesos per share; from the date of issue and for 3 years, a quarterly dividend of 3% AER on the issue value is paid. As of 2015, 0.5% AER will be paid quarterly on the price of the issue.

On March 31, 2017, the Meeting of Shareholders approved the amendments to the Regulations on the Issuance and Placement of Preferred Shares issued in 2011, which establish the payment of a minimum preferential dividend equivalent to one percent (1%) per year on the amount equivalent to the Reference Subscription Price (as defined below), provided that the value resulting from this calculation exceeds the dividend declared for the common shares; otherwise, the latter will be recognized.

For these purposes, the Reference Subscription Price shall mean the subscription price for Preferred Shares in any placement of Preferred Shares by the Company in the most recent primary market transaction approved by the meeting, including, but not limited to, public issues and offerings, private issues, capitalization of claims, payment of dividends in shares, among others. In no case shall the Reference Subscription Price be deemed to correspond to the trading price of the Preferred Shares in the secondary market. The General Meeting of Shareholders shall determine the form and dates of payment of the dividend on the Preference Shares under conditions equal to those of the dividend on the ordinary shares.

The above dividend shall be paid in preference to the dividend on ordinary shares.

Also, on March 31, 2017, the Board of Directors of the Company set at thirty-five thousand nine hundred and seventy-three pesos (\$35,973) the subscription price of the preferential shares that would be paid as dividends in shares.

The movements of the debt instruments issued for March 31, 2020 and December 31, 2019, are detailed below:

	Bonds	Preferred shares	Total
<b>At December 31, 2018</b>	<b>7,844,320</b>	<b>460,699</b>	<b>8,305,019</b>
Interest earned	428,555	40,641	469,196
Payments	(578,551)	(40,628)	(619,179)
Exchange rate	48,109	-	48,109

<b>At December 31, 2019</b>	<b>7,742,433</b>	<b>460,712</b>	<b>8,203,145</b>
Interest earned	123,660	10,135	133,795
Payments	(41,955)	(10,157)	(52,112)
Exchange rate	1,330,876	-	1,330,876
<b>At March 31, 2020</b>	<b>9,155,014</b>	<b>460,690</b>	<b>9,615,704</b>

## NOTE 16. DIVIDENDS PAID AND DECLARED

The General Assembly of Shareholders of Grupo SURA held on March 27, 2020, approved the following profit distribution project:

### *Dividends*

An ordinary dividend of five hundred and eighty-three pesos (COP\$583) per share and an extraordinary dividend of fifty-one pesos (COP\$51) per share, on 581,977,548 ordinary and preferred shares.

This ordinary and extraordinary dividend was declared from the occasional reserves with profits generated until December 31, 2016, for \$368,974.

### *Repurchase of Company Shares*

Authorization to reacquire shares of the Company up to the amount of three hundred billion pesos \$300,000 for a period of up to three years, counted from the approval of the Assembly.

In Colombia, the distribution of dividends is made on the basis of separate financial statements.

Dividends decreed	No. of shares	2020					2019		
		Annual per share ordinary dividend	Ordinary dividend balance	Annual per share extraordinary dividend	Extraordinary dividend balance	Total declared dividend	No. of shares	Annual per share ordinary dividend	Ordinary dividend balance
Ordinary shares	469,037,260	583	273,449	51	23,921	297,370	469,037,260	550	257,971
Preference shares	112,940,288	583	65,844	51	5,760	71,604	112,940,288	550	62,117
	<b>581,977,548</b>		<b>339,293</b>		<b>29,681</b>	<b>368,974</b>	<b>581,977,548</b>		<b>320,088</b>

## NOTE 17. NON-CONTROLLING INTEREST

The following table shows summarized financial information as of March 2020 and 2019, for the main subsidiaries of the Group that have significant non-controlling interests. This information is prepared in accordance with the Colombian Accepted Accounting and Financial Reporting Standards (NCIF), which are based on International Financial Reporting Standards (IFRS), and is restated, when appropriate, by adjustments related to the homologation of accounting policies.

The values below are presented before eliminations between Group companies, and correspond to the values of each of the sub-consolidated companies:

	Suramericana S.A. and subsidiaries		Sura Asset Management S.A. and subsidiaries	
	March 2020	March 2019	March 2020	March 2019
Main domicile	Colombia		Colombia	
% Non-controlling interest	18.87%	18.87%	16.42%	16.42%
Ordinary income	4,144,436	3,657,862	380,002	1,065,291
Income from continuing operations	106,697	118,308	(129,870)	225,391
Income from discontinued operations	-	-	-	2,531
Other comprehensive income	202,238	(28,555)	754,499	51,644
Comprehensive result	308,935	89,753	624,629	279,566
Current assets	11,488,168	10,665,952	5,828,852	6,098,307
Non-current assets	18,712,641	16,271,600	16,580,729	15,276,246
Current liabilities	8,899,878	8,220,345	5,517,946	5,459,426
Non-current liabilities	16,173,947	14,015,681	7,560,727	6,849,773
Net assets	5,126,984	4,701,526	9,330,908	9,065,354

The contribution of the main subsidiaries of the Group that have significant non-controlling interests to the consolidation is presented below:

	Suramericana S.A. and subsidiaries		Sura Asset Management S.A. and subsidiaries		Others		Grupo SURA	
	March 2020	March 2019	March 2020	March 2019	March 2020	March 2019	March 2020	March 2019
Profit	20,110	22,487	(21,431)	37,693	23	(28)	(1,298)	60,152
Comprehensive result	59,325	16,959	103,123	46,295	409	(6)	162,857	63,248
Net assets	894,971	853,809	1,458,450	1,412,526	4,380	5,214	2,357,801	2,271,549
<b>Total non-controlling interest equity</b>	<b>974,406</b>	<b>893,255</b>	<b>1,540,142</b>	<b>1,496,514</b>	<b>4,812</b>	<b>5,180</b>	<b>2,519,360</b>	<b>2,394,949</b>

## NOTE 18. OPERATING SEGMENTS

### 18.1. Segments to be informed about

For management purposes, Grupo SURA is structured into business units according to the services provided. These business units are divided into the following reportable segments:

1. Insurance: this includes the companies dedicated to risk coverage, which are responsible for guaranteeing or compensating all or part of the damage caused by the occurrence of certain accidental occurrences.

1.1. Life: The companies in charge of covering risks against the individual are classified.

1.2. Non-life: Insurance companies that cover risks other than personal injury are classified in this segment.

2. Fund management:

2.1. Mandatory: Its main activity refers to the collection and administration of contributions made by employees in individual mandatory savings accounts and, in turn, the administration and payment of benefits established by the pension system.

2.2. Voluntary: Its main activity is focused on voluntary savings pensions, life annuities, among others.

3. Corporate: this segment includes holding companies whose main objective is the acquisition of investment vehicles. Additionally, other services are reported that are not directly related to the business strategy, but that complement the service offer.

4. Services:

4.1. Outsourcing: This segment includes companies dedicated to services and marketing of products and solutions in telecommunications and information processing services.

4.2. Health: Includes companies dedicated to the provision of health services, compulsory and prepaid medical care.

4.3. Others: other services are reported that are not directly related to the business strategy but complement the service offering.

The maximum authority for operating decisions in the segments in Grupo SURA is the financial vice-presidencies of the subsidiaries and Grupo SURA, which is responsible for monitoring the operating results of the operating segments separately for the purpose of making decisions on the allocation of resources and evaluating their performance.

Segment performance is evaluated on the basis of pre-tax operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

## 18.2. Information about operating segments

### Consolidated income statement at March 31, 2020 by Segment

March 2020	Corporate			Fund Management		Insurance		Services			Eliminations	Total
				Mandatory	Voluntary	Lifetime	No lifetime	Health	Outsourcing	Others		
Premiums issued	-	-	-	-	-	1,476,575	1,864,214	-	-	-	(4,109)	3,336,680
Premiums	-	-	-	-	-	1,411,722	1,833,206	-	-	-	(4,109)	3,240,819
Complementary insurance services	-	-	-	-	-	64,853	31,008	-	-	-	-	95,861
Premiums ceded	-	-	-	-	-	(70,267)	(541,356)	-	-	-	2,759	(608,864)
<b>Retained premiums (net)</b>	-	-	-	-	-	<b>1,406,308</b>	<b>1,322,858</b>	-	-	-	<b>(1,350)</b>	<b>2,727,816</b>
Commission Income	16,714	503,656	78,430			12,691	110,206	23	408	1,620	(28,242)	695,506
Provision of Services	-	-	-			-	-	1,310,842	59,369	59,419	(266,290)	1,163,340
Dividends	9,448	-	19			352	113	-	-	-	-	9,932
Investment income	66,259	2,175	690			315,653	75,446	2	155	18,664	(800)	478,244
Gains at fair value- investments	(17,786)	(238,100)	734			(262,737)	(5,975)	1,935	242	(1,271)	70	(522,888)
Gains from equity method of Associates	144,751	(56,616)	6,876			-	-	-	(4)	-	-	95,007
Profit from sales of investments	312	(4)	990			10,133	4,166	(1)	-	33	517	16,146
Income from investment properties	196	-	-			3,315	3,245	535	-	1,176	(4,520)	3,947
Other income	3,407	6,770	9,437			23,301	43,821	6,773	1,098	2,558	(28,322)	68,843
<b>Operating income</b>	<b>223,301</b>	<b>217,881</b>	<b>97,176</b>			<b>1,509,016</b>	<b>1,553,880</b>	<b>1,320,109</b>	<b>61,268</b>	<b>82,199</b>	<b>(328,937)</b>	<b>4,735,893</b>
Total claims	-	-	-			(1,045,895)	(1,100,493)	-	-	-	40,634	(2,105,754)
Reimbursement of claims	-	-	-			101,841	357,259	-	-	-	(89)	459,011
<b>Retained claims</b>	-	-	-			<b>(944,054)</b>	<b>(743,234)</b>	-	-	-	<b>40,545</b>	<b>(1,646,743)</b>
Reserves net of production	-	-	-			221,226	82,489	-	-	-	-	303,715
Costs of provision of services	-	-	-			1	-	(1,165,050)	(46,763)	(46,291)	151,435	(1,106,668)
Administrative expenses	(18,526)	(99,881)	(19,477)			(126,440)	(164,371)	(62,001)	(3,384)	(9,228)	42,031	(461,277)
Employee benefits	(32,619)	(155,412)	(59,457)			(112,564)	(151,204)	(51,865)	(5,880)	(9,503)	15,317	(563,187)
Fees	(7,349)	(10,649)	(14,331)			(36,927)	(81,951)	(4,068)	(201)	(3,133)	32,416	(126,193)
Broker commissions	(589)	11,643	(12,678)			(267,055)	(371,060)	(1,606)	-	-	16,884	(624,461)
Amortization	(769)	(15,129)	(1,992)			(2,135)	(26,573)	(194)	(188)	(27,355)	-	(74,335)
Depreciation	(2,665)	(14,272)	(1,926)			(6,086)	(14,404)	(10,993)	(3,341)	(1,331)	-	(55,018)
Other expenses	(6)	(3,793)	(1,101)			(73,516)	(77,338)	(383)	(16)	(26)	26,957	(129,222)
Impairment	(1,690)	482	1,642			(4,558)	(1,779)	(1,206)	(329)	(727)	(211)	(8,376)
<b>Operating expenses</b>	<b>(64,213)</b>	<b>(287,011)</b>	<b>(109,320)</b>			<b>(1,352,108)</b>	<b>(1,549,425)</b>	<b>(1,297,366)</b>	<b>(60,102)</b>	<b>(97,594)</b>	<b>325,374</b>	<b>(4,491,765)</b>
<b>Operating profit (loss)</b>	<b>159,088</b>	<b>(69,130)</b>	<b>(12,144)</b>			<b>156,908</b>	<b>4,455</b>	<b>22,743</b>	<b>1,166</b>	<b>(15,395)</b>	<b>(3,563)</b>	<b>244,128</b>
Profit at fair value - Derivatives	330,565	-	-			(2,092)	(952)	-	(6)	-	-	327,515
Exchange differences (Net)	(452,915)	(5,550)	(3,342)			(657)	-	-	-	2,223	-	(460,241)
Interest	(175,265)	(2,752)	(1,124)			(1,119)	(2,767)	(5,561)	(753)	(5,800)	3,715	(191,426)
<b>Financial Results</b>	<b>(297,615)</b>	<b>(8,302)</b>	<b>(4,466)</b>			<b>(3,868)</b>	<b>(3,719)</b>	<b>(5,561)</b>	<b>(759)</b>	<b>(3,577)</b>	<b>3,715</b>	<b>(324,152)</b>
<b>Profit (loss), before tax</b>	<b>(138,527)</b>	<b>(77,432)</b>	<b>(16,610)</b>			<b>153,040</b>	<b>736</b>	<b>17,182</b>	<b>407</b>	<b>(18,972)</b>	<b>152</b>	<b>(80,024)</b>
Income tax	7,024	4,096	1,551			(10,986)	2,271	(756)	(369)	1,237	-	4,068
<b>Net Profit, continued operations</b>	<b>(131,503)</b>	<b>(73,336)</b>	<b>(15,059)</b>			<b>142,054</b>	<b>3,007</b>	<b>16,426</b>	<b>38</b>	<b>(17,735)</b>	<b>152</b>	<b>(75,956)</b>

Net profit (loss) discontinued operations	-	-	-	-	-	-	-	-	-	-
<b>Profit (loss), net</b>	<b>(131,503)</b>	<b>(73,336)</b>	<b>(15,059)</b>	<b>142,054</b>	<b>3,007</b>	<b>16,426</b>	<b>38</b>	<b>(17,735)</b>	<b>152</b>	<b>(75,956)</b>
Controlling (loss) profit	(131,497)	(82,419)	(14,105)	142,054	3,007	16,426	38	(19,372)	11,210	(74,658)
Non-controlling (loss) profit	(6)	9,083	(954)	-	-	-	-	1,637	(11,058)	(1,298)

### Consolidated income statement at March 31, 2019 by segment

March 2019	Corporate	Fund Management		Insurance		Services			Eliminations	Total
		Mandatory	Voluntary	Lifetime	No lifetime	Health	Outsourcing	Others		
Premiums issued	-	-	-	1,276,279	1,756,316	-	-	-	(1,440)	3,031,155
Premiums	-	-	-	1,220,018	1,726,389	-	-	-	(1,440)	2,944,967
Complementary insurance services	-	-	-	56,261	29,927	-	-	-	-	86,188
Premiums ceded	-	-	-	(68,244)	(482,338)	-	-	-	727	(549,855)
<b>Retained premiums (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,208,035</b>	<b>1,273,978</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(713)</b>	<b>2,481,300</b>
Commission Income	14,264	482,178	64,079	12,229	100,691	25	78	1,850	(21,893)	653,501
Provision of Services	-	-	-	-	-	1,046,859	58,536	55,403	(233,361)	927,437
Dividends	236	-	109	568	32	-	-	-	-	945
Investment income	66	1,587	807	159,182	26,798	1	179	17,071	(391)	205,300
Profit at fair value-Investments	9,151	137,599	3,936	151,108	76,225	3,650	(203)	955	63	382,484
Profit from equity method of Associates	272,512	61,596	6,262	-	-	-	-	-	-	340,370
Profit from sales of investments	201	1,877	(208)	7,248	5,214	6	-	(35)	439	14,742
Income from investment properties	246	-	-	2,375	2,761	433	-	913	(3,614)	3,114
Other income	1,753	7,182	13,199	20,121	37,270	4,769	228	2,630	(26,480)	60,672
<b>Operating income</b>	<b>298,429</b>	<b>692,019</b>	<b>88,184</b>	<b>1,560,866</b>	<b>1,522,969</b>	<b>1,055,743</b>	<b>58,818</b>	<b>78,787</b>	<b>(285,950)</b>	<b>5,069,865</b>
Total claims	-	-	-	(909,193)	(1,300,251)	-	-	-	34,424	(2,175,020)
Reimbursement of claims	-	-	-	44,271	618,828	-	-	-	(558)	662,541
<b>Retained claims</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(864,922)</b>	<b>(681,423)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,866</b>	<b>(1,512,479)</b>
Reserves net of production	-	-	-	(19,001)	59,251	-	-	-	-	40,250
Costs of provision of services	-	-	-	(1)	-	(924,094)	(48,247)	(41,895)	134,433	(879,804)
Administrative expenses	(37,567)	(78,023)	(13,497)	(111,955)	(161,658)	(43,536)	(2,365)	(10,943)	30,975	(428,569)
Employee benefits	(28,439)	(118,134)	(56,289)	(119,548)	(132,854)	(44,795)	(6,393)	(7,771)	19,032	(495,191)
Fees	(6,895)	(11,036)	(5,927)	(33,894)	(74,329)	(4,495)	(158)	(3,022)	29,859	(109,897)
Broker commissions	(197)	(13,730)	(12,137)	(214,351)	(345,692)	(698)	-	-	13,142	(573,663)
Amortization	(396)	(12,033)	(1,799)	(2,637)	(26,226)	(285)	(44)	(27,006)	-	(70,426)
Depreciation	(3,854)	(13,670)	(1,930)	(5,074)	(13,027)	(8,825)	(2,047)	(1,183)	-	(49,610)
Other expenses	(17)	-	-	(66,290)	(96,914)	(660)	(122)	(21)	22,581	(141,443)
Impairment	137	220	(163)	1,423	(5,007)	1,482	26	(478)	(631)	(2,991)
<b>Operating expenses</b>	<b>(77,228)</b>	<b>(246,406)</b>	<b>(91,742)</b>	<b>(1,436,250)</b>	<b>(1,477,879)</b>	<b>(1,025,906)</b>	<b>(59,350)</b>	<b>(92,319)</b>	<b>283,257</b>	<b>(4,223,823)</b>
<b>Operating profit (loss)</b>	<b>221,201</b>	<b>445,613</b>	<b>(3,558)</b>	<b>124,616</b>	<b>45,090</b>	<b>29,837</b>	<b>(532)</b>	<b>(13,532)</b>	<b>(2,693)</b>	<b>846,042</b>
Profit at fair value - Derivatives	19,965	-	-	(35)	-	-	-	-	-	19,930
Exchange differences (Net)	41,530	(12,980)	(1,506)	(103)	-	-	-	(101)	-	26,840
Interest	(155,021)	(3,321)	(899)	(780)	(2,853)	(4,450)	(575)	(5,332)	2,469	(170,762)
<b>Financial Results</b>	<b>(93,526)</b>	<b>(16,301)</b>	<b>(2,405)</b>	<b>(918)</b>	<b>(2,853)</b>	<b>(4,450)</b>	<b>(575)</b>	<b>(5,433)</b>	<b>2,469</b>	<b>(123,992)</b>

<b>Profit (loss), before tax</b>	<b>127,675</b>	<b>429,312</b>	<b>(5,963)</b>	<b>123,698</b>	<b>42,237</b>	<b>25,387</b>	<b>(1,107)</b>	<b>(18,965)</b>	<b>(224)</b>	<b>722,050</b>
Income Taxes	(34,702)	(105,025)	(259)	(3,137)	(14,854)	(6,374)	(358)	401	-	(164,308)
<b>Gain (loss), net of continuing operations</b>	<b>92,973</b>	<b>324,287</b>	<b>(6,222)</b>	<b>120,561</b>	<b>27,383</b>	<b>19,013</b>	<b>(1,465)</b>	<b>(18,564)</b>	<b>(224)</b>	<b>557,742</b>
Profit (loss), net of discontinued operations	(203,397)	-	-	205,928	-	-	-	-	-	2,531
<b>Profit (loss), net</b>	<b>(110,424)</b>	<b>324,287</b>	<b>(6,222)</b>	<b>326,489</b>	<b>27,383</b>	<b>19,013</b>	<b>(1,465)</b>	<b>(18,564)</b>	<b>(224)</b>	<b>560,273</b>
Controller profit (loss)	(84,415)	324,287	(6,222)	326,489	27,383	19,013	(1,465)	(18,565)	(86,385)	500,120
Non-controlling profit (loss)	(26,009)	-	-	-	-	-	-	1	86,161	60,153

Inter-segment revenue is eliminated in consolidation and reflected in the "eliminations" column.

### 18.3. Geographic information

Grupo SURA has investments in the following countries: Colombia, Chile, Argentina, Brazil, El Salvador, Spain, Netherlands, Cayman Islands, Mexico, Panama, Peru, Dominican Republic, Bermuda and Uruguay.

Following table shows the distribution of income, by geographical area:

	March 2020	March 2019
Colombia	3,102,703	2,885,391
Mexico	523,771	502,535
Chile	353,712	824,540
Argentina	245,755	241,589
Panama	116,725	110,336
El Salvador	114,408	102,527
Brazil	108,745	128,243
Uruguay	82,613	91,070
Dominican Republic	49,575	41,019
Peru	36,433	141,664
Bermuda	1,453	951
<b>Total</b>	<b>4,735,893</b>	<b>5,069,865</b>

Below is a table with the distribution of assets by geographic area:

	March 2020	December 2019
Colombia	53,256,113	50,838,088
Chile	8,834,441	7,934,103
Mexico	4,444,330	4,361,058
Peru	1,747,952	1,362,295
Argentina	1,443,357	1,128,691
Brazil	885,355	912,443
Panama	882,225	669,981
El Salvador	809,650	635,500
Netherlands	775,077	775,077
Dominican Republic	490,600	424,903
Uruguay	479,421	422,276
Bermuda	32,242	21,147
Spain	(447,748)	(447,732)
<b>Total</b>	<b>73,633,015</b>	<b>69,037,830</b>

The following table shows the net profit (loss) by country:

	March 2020	March 2019
Mexico	59,127	73,502
Chile	11,812	1,107
Dominican Republic	7,943	2,273
Uruguay	3,991	14,158
El Salvador	2,445	5,602
Bermuda	285	243
Brazil	(3,920)	(1,940)
Argentina	(22,289)	4,597
Panama	(23,965)	6,545
Peru	(23,970)	54,903
Colombia	(87,415)	399,795
Spain	-	(512)
<b>Total</b>	<b>(75,956)</b>	<b>560,273</b>



#### 18.4. Income statement by company

The following is the income statement of Grupo de Inversiones Suramericana by company:

March 2020	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	ARUS and Subsidiaries	Others	Eliminations and adjustments	Total
Premiums issued	-	3,183,844	153,036	-	-	(200)	3,336,680
Premiums	-	3,087,983	153,036	-	-	(200)	3,240,819
Complimentary insurance services	-	95,861	-	-	-	-	95,861
Premiums ceded	-	(606,365)	(2,499)	-	-	-	(608,864)
<b>Retained premiums (net)</b>	<b>-</b>	<b>2,577,479</b>	<b>150,537</b>	<b>-</b>	<b>-</b>	<b>(200)</b>	<b>2,727,816</b>
Commission Income	-	118,009	577,372	408	-	(283)	695,506
Provision of Services	-	1,110,333	-	59,369	4,646	(11,008)	1,163,340
Dividends	1,130,125	117	9,662	-	1,060	(1,131,032)	9,932
Investment income	113	324,359	153,552	156	66	(2)	478,244
Gains at fair value - investments	(1,474)	(55,181)	(466,547)	242	1	71	(522,888)
Gains from the equity method, Associates	-	109	(49,740)	(4)	(434)	145,076	95,007
Gains in sales of investments	-	3,233	12,913	-	-	-	16,146
Income from investment properties	-	1,073	2,691	-	183	-	3,947
Other income	-	64,906	6,638	1,098	23	(3,822)	68,843
<b>Operating income</b>	<b>1,128,764</b>	<b>4,144,437</b>	<b>397,078</b>	<b>61,269</b>	<b>5,545</b>	<b>(1,001,200)</b>	<b>4,735,893</b>
Total claims	-	(1,903,937)	(202,914)	-	-	1,097	(2,105,754)
Reimbursement of claims	-	459,011	-	-	-	-	459,011
<b>Retained claims</b>	<b>-</b>	<b>(1,444,926)</b>	<b>(202,914)</b>	<b>-</b>	<b>-</b>	<b>1,097</b>	<b>(1,646,743)</b>
Reserves net of production	-	87,268	216,447	-	-	-	303,715
Costs of provision of services	-	(1,057,299)	-	(46,763)	(2,701)	95	(1,106,668)
Administrative expenses	(6,004)	(341,215)	(119,952)	(3,386)	(528)	9,808	(461,277)
Employee benefits	(9,720)	(313,998)	(233,662)	(5,880)	(439)	512	(563,187)
Fees	(1,458)	(95,974)	(28,616)	(218)	(54)	127	(126,193)
Broker commissions	-	(633,882)	9,421	-	-	-	(624,461)
Amortization	-	(28,297)	(45,850)	(188)	-	-	(74,335)
Depreciation	(526)	(29,804)	(21,034)	(3,341)	(314)	1	(55,018)
Other expenses	-	(124,230)	(4,975)	(16)	-	(1)	(129,222)
Impairment	-	(8,383)	2,056	(329)	(34,477)	32,757	(8,376)
<b>Operating expenses</b>	<b>(17,708)</b>	<b>(3,990,740)</b>	<b>(429,079)</b>	<b>(60,121)</b>	<b>(38,513)</b>	<b>44,396</b>	<b>(4,491,765)</b>
<b>Operating profit</b>	<b>1,111,056</b>	<b>153,697</b>	<b>(32,001)</b>	<b>1,148</b>	<b>(32,968)</b>	<b>(956,804)</b>	<b>244,128</b>
Profit at fair value – derivatives	318,581	(2,379)	11,319	(6)	-	-	327,515
Exchange differences (Net)	(436,930)	-	(23,311)	-	-	-	(460,241)
Interest	(98,137)	(31,558)	(60,401)	(753)	(576)	(1)	(191,426)
<b>Financial Results</b>	<b>(216,486)</b>	<b>(33,937)</b>	<b>(72,393)</b>	<b>(759)</b>	<b>(576)</b>	<b>(1)</b>	<b>(324,152)</b>
<b>Gains, before taxes</b>	<b>894,570</b>	<b>119,760</b>	<b>(104,394)</b>	<b>389</b>	<b>(33,544)</b>	<b>(956,805)</b>	<b>(80,024)</b>
Income tax	43,165	(13,061)	(25,476)	(369)	(191)	-	4,068
<b>Net gains continuous operations</b>	<b>937,735</b>	<b>106,699</b>	<b>(129,870)</b>	<b>20</b>	<b>(33,735)</b>	<b>(956,805)</b>	<b>(75,956)</b>
Net gains from discontinued operations	-	-	-	-	-	-	-

<b>Net income</b>	<b>937,735</b>	<b>106,699</b>	<b>(129,870)</b>	<b>20</b>	<b>(33,735)</b>	<b>(956,805)</b>	<b>(75,956)</b>
Controlling gains	937,735	106,729	(129,747)	16	(33,758)	(955,633)	(74,658)
Non-controlling gains	-	(30)	(123)	4	23	(1,172)	(1,298)

March 2019	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	ARUS and Subsidiaries	Others	Eliminations and adjustments	Total
Premiums issued	-	2,876,780	154,572	-	-	(197)	3,031,155
Premiums	-	2,790,592	154,572	-	-	(197)	2,944,967
Complimentary insurance services	-	86,188	-	-	-	-	86,188
Premiums ceded	-	(538,288)	(11,566)	-	-	(1)	(549,855)
<b>Retained premiums (net)</b>	<b>-</b>	<b>2,338,492</b>	<b>143,006</b>	<b>-</b>	<b>-</b>	<b>(198)</b>	<b>2,481,300</b>
Commission Income	-	109,443	544,340	78	-	(360)	653,501
Provision of Services	-	871,286	-	58,536	4,206	(6,591)	927,437
Dividends	435,403	174	534	-	840	(436,006)	945
Investment income	195	165,269	39,604	179	53	-	205,300
Gains at fair value - investments	(70)	116,481	266,213	(203)	(1)	64	382,484
Gains from the Equity Method, Associates	-	1,137	67,859	-	-	271,374	340,370
Gains in sales of investments	-	4,211	10,532	-	-	(1)	14,742
Income from investment properties	-	811	2,050	-	253	-	3,114
Other income	322	50,558	9,975	228	15	(426)	60,672
<b>Operating income</b>	<b>435,850</b>	<b>3,657,862</b>	<b>1,084,113</b>	<b>58,818</b>	<b>5,366</b>	<b>(172,144)</b>	<b>5,069,865</b>
Total claims	-	(1,961,283)	(214,647)	-	-	910	(2,175,020)
Reimbursement of claims	-	662,541	-	-	-	-	662,541
<b>Retained claims</b>	<b>-</b>	<b>(1,298,742)</b>	<b>(214,647)</b>	<b>-</b>	<b>-</b>	<b>910</b>	<b>(1,512,479)</b>
Reserves net of production	-	94,161	(53,911)	-	-	-	40,250
Costs of provision of services	-	(828,967)	-	(48,247)	(2,640)	50	(879,804)
Administrative expenses	(3,995)	(312,254)	(115,207)	(2,367)	(898)	6,152	(428,569)
Employee benefits	(5,534)	(290,816)	(192,084)	(6,393)	(394)	30	(495,191)
Fees	(2,696)	(87,410)	(20,618)	(177)	(21)	1,025	(109,897)
Broker commissions	-	(554,630)	(19,034)	-	-	1	(573,663)
Amortization	-	(28,183)	(42,199)	(44)	-	-	(70,426)
Depreciation	(546)	(26,230)	(19,720)	(2,047)	(1,067)	-	(49,610)
Other expenses	-	(141,321)	-	(122)	-	-	(141,443)
Impairment	-	(3,358)	1,016	26	2	(677)	(2,991)
<b>Operating expenses</b>	<b>(12,771)</b>	<b>(3,477,750)</b>	<b>(676,404)</b>	<b>(59,371)</b>	<b>(5,018)</b>	<b>7,491</b>	<b>(4,223,823)</b>
<b>Operating profit</b>	<b>423,079</b>	<b>180,112</b>	<b>407,709</b>	<b>(553)</b>	<b>348</b>	<b>(164,653)</b>	<b>846,042</b>
Profit at fair value – derivatives	14,360	-	5,571	-	-	(1)	19,930
Exchange differences (Net)	40,963	-	(14,123)	-	-	-	26,840
Interest	(83,625)	(29,009)	(56,482)	(577)	(1,069)	-	(170,762)
<b>Financial Results</b>	<b>(28,302)</b>	<b>(29,009)</b>	<b>(65,034)</b>	<b>(577)</b>	<b>(1,069)</b>	<b>(1)</b>	<b>(123,992)</b>
<b>Gains, before taxes</b>	<b>394,777</b>	<b>151,103</b>	<b>342,675</b>	<b>(1,130)</b>	<b>(721)</b>	<b>(164,654)</b>	<b>722,050</b>
Income tax	(14,042)	(32,795)	(117,282)	(358)	169	-	(164,308)

<b>Net gains continuous operations</b>	<b>380,735</b>	<b>118,308</b>	<b>225,393</b>	<b>(1,488)</b>	<b>(552)</b>	<b>(164,654)</b>	<b>557,742</b>
Net gains from discontinued operations	-	-	2,531	-	-	-	2,531
<b>Net Profit</b>	<b>380,735</b>	<b>118,308</b>	<b>227,924</b>	<b>(1,488)</b>	<b>(552)</b>	<b>(164,654)</b>	<b>560,273</b>
Controlling gains	380,735	118,108	227,614	(1,416)	(577)	(224,344)	500,120
Non-controlling gains	-	200	310	(72)	25	59,690	60,153

## NOTE 19. INCOMES AND EXPENSES FROM COMMISSIONS

### 19.1. Income from commissions

The income from commissions, of Grupo SURA, are as follows:

	March 2020	March 2019
Administration of mandatory pension funds	504,648	482,498
Income on cession	113,153	105,526
Others*	41,374	36,648
Administration of voluntary pension funds	32,353	26,097
Profit sharing of reinsurance	3,346	2,253
Income from reinsurance	632	479
<b>Total</b>	<b>695,506</b>	<b>653,501</b>

(\*) Includes mainly income from portfolio management of clients received.

The following is a breakdown of commission income, by country:

	March 2020	March 2019
Mexico	262,842	219,091
Chile	222,732	222,322
Peru	106,960	111,396
Colombia	50,514	50,450
Uruguay	15,496	19,911
Brazil	12,181	10,166
Argentina	8,663	7,084
Dominican Republic	7,667	6,464
Panama	5,230	4,358
El Salvador	2,366	1,602
Bermuda	855	656
<b>Total</b>	<b>695,506</b>	<b>653,501</b>

### 19.2. Commission expenses

A breakdown of the commissions to intermediaries is as follows:

	March 2020	March 2019
Acceptance expenses	-	(51)
Deferred acquisition costs (DAC)	(413,831)	(409,781)
Insurance administration	(135,325)	(100,401)
Personal and damage insurance	(43,698)	(33,313)
Occupational Risks	(20,357)	-
Brokerage fees	(4,062)	(5,377)
Commission for data processing and collection of contributions	(2,356)	(2,517)

Compulsory insurance	(1,928)	(2,048)
Paid rebates	(1,623)	(1,231)
Co-insurance accepted	(1,147)	(892)
Social Security	(134)	(18,052)
<b>Total</b>	<b>(624,461)</b>	<b>(573,663)</b>

A breakdown of expenses to intermediaries, by country, is as follows:

	March 2020	March 2019
Colombia	(301,370)	(240,517)
Chile	(96,282)	(109,317)
Argentina	(58,559)	(51,877)
Brazil	(42,192)	(45,817)
El Salvador	(37,284)	(21,403)
Mexico	(32,948)	(56,000)
Panama	(25,803)	(22,336)
Dominican Republic	(14,696)	(9,724)
Uruguay	(14,224)	(15,648)
Peru	(570)	(703)
Bermuda	(533)	(321)
<b>Total</b>	<b>(624,461)</b>	<b>(573,663)</b>

## NOTE 20. PROVISION OF SERVICES

The revenues and costs for rendering services correspond basically to the EPS SURA and outsourcing companies of Arus Holding.

### 20.1. Income from provision of services

The income for services rendered, of Grupo SURA, is as follows:

	March 2020	March 2019
Income from health -promoting entities - EPS	1,049,012	812,854
Laboratory services	35,127	34,151
Income from health services entities - IPS	26,732	25,235
Maintenance and repairs	24,290	29,121
Data processing	12,622	14,104
Rental of machinery and equipment	5,627	6,124
Sales of office machinery, office equipment, and computer programs	5,332	2,562
Activities related to wiring	2,536	1,852
Sale of parts, pieces and accessories	1,395	822
Telecommunication services	411	433
Business consulting activities	222	145
Community, social, and personal service activities	32	30
Other	2	4
<b>Total</b>	<b>1,163,340</b>	<b>927,437</b>

A breakdown of income from services rendered, by country is as follows:

	March 2020	March 2019
Colombia	1,163,320	927,340

Panama	20	97
<b>Total</b>	<b>1,163,340</b>	<b>927,437</b>

## 20.2. Costs for the provision of services

The costs for services rendered, of Grupo SURA, are as follows:

	March 2020	March 2019
Depreciation	-	(884)
Cost of sales of services EPS	(846,999)	(641,954)
Cost of sales of services IPS	(166,719)	(147,822)
Data processing	(28,415)	(30,994)
Sale of parts, pieces, and accessories	(22,484)	(18,932)
Business consulting activities	(19,121)	(18,508)
Consulting of computer equipment and software	(13,902)	(12,084)
Maintenance and repairs	(3,866)	(3,500)
Sale of office machinery equipment and computer programs	(3,136)	(2,847)
Contributions to pensions	(1,661)	(2,047)
Amortization	(365)	(232)
<b>Total</b>	<b>(1,106,668)</b>	<b>(879,804)</b>

A breakdown of the costs for services rendered, by country, is:

	March 2020	March 2019
Colombia	(1,106,656)	(879,647)
Panama	(12)	(157)
<b>Total</b>	<b>(1,106,668)</b>	<b>(879,804)</b>

## NOTE 21. FINANCIAL RESULTS

The financial income and expenses of Grupo SURA and its subsidiaries at 31 March 2020 and 2019 are detailed below:

	March 2020	March 2019	Var \$	Var %
Earnings at fair value-Derivatives <sup>(1)</sup>	327,515	19,930	307,585	1543%
Exchange differences (Net) <sup>(2)</sup>	(460,241)	26,840	(487,081)	-1815%
Interest <sup>(3)</sup>	(191,426)	(170,762)	(20,664)	12%
<b>Total</b>	<b>(324,152)</b>	<b>(123,992)</b>	<b>(200,160)</b>	<b>161%</b>

- (1) Corresponds to the valuation of derivatives  
 (2) Corresponds to a difference in net exchange for financial liabilities.  
 (3) The following is a detail of the interests as of the cut-off date:

	March 2020	March 2019
Securities issued	(123,660)	(110,812)
Hedging operations	(23,296)	-
Bank loans	(20,663)	(36,084)
Financial leases (note 8)	(10,435)	(11,878)
Preference shares	(10,135)	(10,022)
Others	(2,232)	(1,158)
Amortization of investment securities	(764)	(591)
Repo operations	(241)	(217)
<b>Total</b>	<b>(191,426)</b>	<b>(170,762)</b>

## NOTE 22. ADMINISTRATIVE EXPENSES

The administrative expenses of Grupo SURA by company at 31 March 2020 and 2019 are detailed below:

	March 2020	March 2019
Taxes	(84,046)	(78,260)
Others *	(55,977)	(64,310)
Maintenance and repairs	(42,995)	(38,901)
Contributions	(42,233)	(37,164)
Commissions	(37,512)	(37,682)
Public services	(35,102)	(30,365)
Advertising	(31,786)	(28,311)
Temporary services	(31,481)	(27,681)
Travel and representation expenses	(21,213)	(21,801)
Legal	(19,733)	(16,660)
Electronic data processing	(15,875)	(8,073)
Sales expenses	(11,914)	(13,385)
Insurance	(9,988)	(6,767)
Supplies and stationery	(7,660)	(8,455)
Leases	(7,318)	(7,457)
Occupational risk fund	(4,023)	(3,297)
Other labor risk costs	(2,421)	-
<b>Total</b>	<b>(461,277)</b>	<b>(428,569)</b>

(\*) Corresponds principally to expenses for cleaning and surveillance services, transport services and subscriptions, public relations expenses and donations.

The administrative expenses of Grupo SURA by country at 31 March 2020 and 2019 are detailed below:

	March 2020	March 2019
Spain	-	(79)
Colombia	(232,328)	(225,419)
Mexico	(71,307)	(58,186)
Chile	(58,361)	(59,385)
Argentina	(32,510)	(27,896)
Peru	(17,188)	(17,373)
Brazil	(14,268)	(11,816)
Uruguay	(14,081)	(9,718)
Panama	(11,723)	(8,907)
El Salvador	(6,073)	(6,729)
Dominican Republic	(3,153)	(2,811)
Bermuda	(285)	(250)
<b>Total</b>	<b>(461,277)</b>	<b>(428,569)</b>

## NOTE 23. FEES

The expenses from fees, for Grupo SURA, are as follows:

	March 2020	March 2019
Others *	(66,177)	(56,231)
Insurance promoters	(24,774)	(21,752)
Assistance	(16,031)	(13,910)
Commissions	(7,495)	(5,905)
Legal Advice	(3,637)	(4,195)
Tax Review	(2,926)	(2,841)
Board of Directors	(2,035)	(1,938)
Financial advice	(1,928)	(2,829)
Human talent management services	(1,143)	(209)
Appraisals	(47)	(87)
<b>Total</b>	<b>(126,193)</b>	<b>(109,897)</b>

(\*) Corresponds mainly to technical expenses of inspection and evaluation for entry into policies

A breakdown of the income from fees of each country, is as follows:

	March 2020	March 2019
Spain	-	(433)
Colombia	(68,969)	(64,578)
Mexico	(16,527)	(6,903)
Chile	(13,932)	(16,081)
Argentina	(8,487)	(6,599)
Panama	(6,801)	(4,423)
Uruguay	(5,130)	(4,888)
Brazil	(3,077)	(3,901)
Peru	(2,419)	(1,206)
El Salvador	(389)	(471)
Dominican Republic	(291)	(280)
Bermuda	(171)	(134)
<b>Total</b>	<b>(126,193)</b>	<b>(109,897)</b>



## NOTE 24. (LOSS) PROFIT PER SHARE

Basic earnings for share are calculated by dividing profit and loss, attributable to shareholders, by the number of outstanding shares, during the year.

The following table shows the data on income and shares used in basic earnings:

	March 2020	March 2019
(Loss) gain, net	(75,956)	560,272
(Loss) non-controlling gain	(1,298)	60,152
<b>(Loss) Profit of the controlling company</b>	<b>(74,658)</b>	<b>500,120</b>
Profit, net of discontinued operations	-	2,531
Profit, net of non-controlling discontinued operations	-	416
Discontinued SURA AM	-	416
<b>Profit, net of discontinued operations of the controlling company</b>	<b>-</b>	<b>2,115</b>
Plus: Interest expense on preferred shares (nota 1) <sup>1</sup>	10,135	10,022
Less: Undistributed earnings to preferred stockholder <sup>2</sup>	12,522	(99,000)
<b>Profit (loss) from ordinary ongoing operations</b>	<b>(52,001)</b>	<b>409,027</b>
Ordinary shares	469,037,260	469,037,260
<b>(Loss) earnings per share from continuing operations</b>	<b>(111)</b>	<b>872</b>
<b>Profit from ordinary discontinued operations</b>	<b>-</b>	<b>2,115</b>
<b>Earnings per share from discontinued operations</b>	<b>-</b>	<b>5</b>

<sup>1</sup> Corresponds to the minimum guaranteed dividend of the preferred shares caused as an expense during the period.

<sup>2</sup> Corresponds to the portion of the controlling net income attributable to the preferred stock that has not been declared as a dividend.

## NOTE 25. OBJECTIVES AND POLICIES OF RISK MANAGEMENT

The following information describes the main characteristics of the Governance Framework of the Risk Management System in the Companies of the Business Group and some initial definitions in relation to the Conglomerates Law. Similarly, the most relevant risks to which the Companies are subject are analyzed, considering the characteristics, complexity and size of their businesses, and the particularities of the geographies where they are present.

### Governance Framework

For Grupo Empresarial SURA, risk management is a dynamic and interactive process, framed in the internal control system, whose purpose is to support the achievement of the strategic objectives and the sustainability of the Companies. The Risk Management System allows strategic, administrative and operational decision-making aimed at creating value, not only by maximising revenue under tolerable risk levels, but also by comprehending global trends and

the internal context of the Companies, creating the relevant control mechanisms and ensuring the sustainability and continuity of the business in the long term.

Grupo SURA, as the parent company, is exposed to both its own risks and those arising from its investments. For this reason, it has a risk management framework that allows companies to generate value through their interaction and to face the new challenges and opportunities of a changing environment.

The Board of Directors, its Committees and the Senior Management of each of the Companies are responsible for an adequate Risk Management System and for making decisions based on the understanding of the opportunities and risks involved in each strategic issue. These responsibilities are complemented by an organizational structure, policies and manuals, which seek consistency and feedback with the organizational risk strategy.

Grupo SURA has appropriate mechanisms for communication and interaction to follow up on the risk profile and management of the Group, including, among others, participation in the Boards of Directors, Committees and joint spaces to share best practices, make reports and execute projects.

Supplementing to the existing risk management system, the Conglomerates Law issued on September 21, 2017, imparts new obligations to Grupo SURA as the Financial Holding Company of the Conglomerate in terms of risk management. The coverage of this system includes not only the Business Group but also all the Companies that make up the Financial Conglomerate. Said regulations seek to develop a Risk Management Framework for the Financial Conglomerate SURA-Bancolombia (CF), with emphasis on the development of guidelines to define risk appetite, adequate level of capital and management of strategic, contagion, concentration and reputational risks.

### **Measures taken in response to the COVID-19 pandemic**

It is important to emphasize that each company of the Business Group has a Business Continuity Plan designed with the objective of maintaining the operation of its critical activities in the face of interruption scenarios. These systems allow the establishment of measures to maintain an adequate level of operation during these events with all its stakeholders, including customer service, investor relations functions, accounting closure, consolidation and transmission of financial information, publication of Relevant Information and regulatory compliance, among others.

At the same time, with the aim of preserving the operation of critical business activities and protecting the health of employees, the activation of the remote work scheme for employees was established as a general measure, except for those who, due to the nature of their functions, must attend the respective facilities for the provision of services to customers. Likewise, all the necessary work has been done to ensure the protection of the health of the employees and, in turn, of the information, maintaining the controls and security schemes defined to mitigate the cyber security risks to which the Company may be exposed.

Similarly, the liquidity position of the Companies was evaluated, with the objective of ascertaining their financial capacity in the face of the scenario projected by the situation and thus, ensure the fulfilment of their obligations and the preservation of the operation.

Consequently, it became clear that Grupo Empresarial SURA has a liquidity and solvency position that allows it to adequately face the current situation.

## **Financial risks**

The Business Group has management systems that enable it to monitor exposure to different financial risks (credit, liquidity and market risks) from the management of treasuries, investment portfolios and the responsibility for managing the portfolios of third parties.

At the same time, and considering the world situation presented by the pandemic declared for COVID-19.

### **1. Credit risk**

Credit risk refers to the potential for loss arising from the failure of third parties to meet their financial obligations to the Companies.

As a consequence of the COVID-19 pandemic, no material impacts are expected by the end of March due to the quarantine measures taken by governments, which generally began towards the end of the month. Nevertheless, the evolution of accounts receivable, portfolio turnover and potential devaluation of other assets will continue to be evaluated in order to capture the effects of quarantines, such as: delays in customer accounts receivable, relief measures taken by the company and updates of impairment percentages that could be reflected as of April.

In general, although initially no major credit risks are perceived, the environment and the possible implications that the measures adopted by governments may have on the performance of each sector will continue to be monitored.

#### **1.1. Description of the objectives, policies and processes for risk management**

The management of credit risk seeks to reduce the probability of incurring losses, derived from the breach of financial obligations, contracted by third parties with the companies. To this end, policies and procedures have been defined, which facilitate the analysis and monitoring of issuers and counterparties, from the resources managed in the treasuries, the portfolios of the insurers, and the funds of third parties, in order to mitigate the exposure of the Companies.

#### **1.2. Methods used to measure risk**

In the treasuries of Grupo SURA, Suramericana, and SURA Asset Management, risk mitigation policies providing guidelines to ensure that investments are always backed by issuers and/or managers with adequate credit support.

On the other hand, the insurance companies, from the management of their portfolios, conformed by profitable and liquid assets, that support their technical reserves. They manage credit risk based on allocation policies, limits, and controls, as well as methodologies and procedures that adjust to the different assets of the portfolio and allow quantifying and monitoring the evolution of this risk. These methodologies include detailed analyzes of the

strengths and financial conditions, and of different qualitative aspects of the issuers and managers of investment funds.

Likewise, in the activity of third-party resource management, and in compliance with its fiduciary duty, the management of the funds includes a due diligence process for the issuers, counterparties, and fund managers in which they are invested.

### 1.3. Description of changes in objectives, policies, and processes to manage risk

During the quarter, there were no significant changes in the policies and processes for credit risk management.

### 1.4. Summary of quantitative data on risk exposure of the entity

Exposure of the resources administered in the treasuries:

At the end of the quarter, the treasury investments of the Companies are mostly focused on collective liquid portfolios managed by high quality credit managers, savings accounts and current accounts.

As of March 31, 2020, and 2019, the portfolios of the insurance companies of Suramericana and SURA AM are distributed as follows:

Fixed Income Assets by Credit Rating 1Q 20 (International Scale)											
Rating Sovereign*	Suramericana								SURA AM		
	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom. Rep.	Uruguay	Chile	Mexico
	CCC	BB-	A+	BBB-	B-	BBB	BBB	BB-	BBB	A	BBB
<b>Government</b>	44%	95%	20%	20%	33%	63%	19%	46%	20%	28.5%	98.3%
AAA	0%	0%	0%	0%	0%	0%	0%	0%	8%	0.0%	0.0%
AA+	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.0%	0.0%
AA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.0%	0.0%
AA-	0%	0%	0%	2%	0%	0%	0%	0%	0%	0.0%	0.0%
A+	0%	0%	26%	0%	0%	0%	0%	0%	0%	15.5%	0.0%
A	0%	0%	3%	0%	0%	0%	0%	0%	1%	9.0%	0.0%
A-	0%	0%	24%	1%	1%	0%	0%	0%	3%	22.7%	1.2%
BBB+	0%	0%	17%	0%	1%	0%	4%	0%	15%	18.1%	0.2%
BBB	0%	0%	3%	3%	0%	28%	17%	0%	23%	3.8%	0.0%
BBB-	0%	0%	1%	56%	0%	4%	1%	0%	30%	1.9%	0.3%
BB+	0%	0%	0%	17%	2%	3%	0%	0%	0%	0.6%	0.0%
BB	0%	0%	0%	0%	0%	1%	3%	0%	0%	0.0%	0.0%
BB-	0%	5%	0%	0%	0%	0%	21%	1%	0%	0.0%	0.0%
<b>Otros</b>	56%	0%	6%	1%	63%	1%	35%	53%	0%	0.0%	0.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Fixed Income Assets by Credit Rating Q1 19 (International Scale)											
	Suramericana								SURA AM		

	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom. Rep.	Uruguay	Chile	Mexico
Rating Sovereign*	CCC	BB-	A+	BBB-	B-	BBB	BBB	BB-	BBB-	A	A+
<b>Government</b>	45%	100%	41%	20%	25%	33%	20%	46%	51%	0%	29%
<b>AAA</b>	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%
<b>AA+</b>	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%
<b>AA</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>AA-</b>	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	0%
<b>A+</b>	0%	0%	22%	0%	0%	0%	0%	0%	3%	0%	0%
<b>A</b>	0%	0%	3%	0%	1%	0%	0%	0%	1%	0%	47%
<b>A-</b>	0%	0%	13%	1%	1%	0%	0%	0%	2%	0%	0%
<b>BBB+</b>	0%	0%	12%	0%	2%	0%	1%	0%	9%	0%	0%
<b>BBB</b>	0%	0%	2%	3%	1%	64%	11%	0%	13%	100%	23%
<b>BBB-</b>	0%	0%	0%	57%	1%	2%	35%	0%	11%	0%	0%
<b>BB+</b>	0%	0%	0%	16%	2%	1%	6%	0%	0%	0%	0%
<b>BB</b>	0%	0%	7%	0%	0%	0%	1%	0%	0%	0%	1%
<b>BB-</b>	0%	0%	0%	0%	0%	0%	19%	0%	0%	0%	0%
<b>Otros</b>	55%	0%	0%	1%	67%	0%	5%	54%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In Suramericana, the effects on the financial statements of instruments rated at amortized cost in IFRS have so far not been representative, particularly for the March accounting close.

To date and given the situation, there are no major impacts on the stability of the reinsurers and co-insurers with which the company currently does business, given their financial strength and stability in their operating performance which is constantly validated within the company. However, from April onwards, a deterioration in the credit rating granted by the model could be generated, to the extent that the repercussions of isolation materialise and translate into greater claims for the companies in accordance with their exposure or the decrease in retained premiums associated with events derived from the COVID19 and macroeconomic scenarios.

## 2. Liquidity risk

Liquidity risk refers to the ability of the Companies to generate the resources to comply with the obligations acquired in the operation of the businesses.

### 2.1 Description of the objectives, policies and processes for risk management

To manage this risk, the companies guide their actions within the framework of a liquidity management strategy, for the short and long-term, in order to ensure compliance with the obligations acquired, under the initially agreed conditions and without incurring cost overruns.

### 2.2 Methods used to measure risk

The Companies monitor their cash flows in the short term to manage cash collection and payment activities, and cash flow projections in the medium term to determine the liquidity position of the Companies and anticipate the necessary measures for proper management.

Furthermore, in order to face eventual situations, the Companies have credit lines available with national and international financial entities and have cash investments that could be sold as a mechanism to access immediate liquidity, in addition to other complementary liquidity sources.

### **2.3 Description of changes in risk exposure**

During the quarter, although there were impacts from public health measures to mitigate the impacts of the COVID-19 pandemic, there is no evidence of a material impact on the liquidity and solvency of the Companies.

## **3. Market risks**

Management of this risk focuses on how changes in market prices affect the value of the portfolios being managed and the revenues of the Companies. For this purpose, in the portfolios of the insurance companies and in the processes for managing portfolios and third-party resources, there are Market Risk Management Systems through which exposures are identified, measured and monitored.

Such systems are comprised of a set of policies, procedures and mechanisms for follow-up and internal control.

### **3.1. Risk of exchange rate**

Exchange rate risk refers to the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in exchange rates. The companies are exposed to this risk to the extent that they have assets or liabilities denominated in foreign currency.

#### **3.1.1. Description of the objectives, policies and processes for risk management**

To manage the exposure to this risk, the Companies monitor their exposures and, if required, determine the convenience of having some kind of coverage scheme, which is constantly monitored by the areas in charge and aligned with the guidelines given by their Boards of Directors.

#### **3.1.2. Methods used to measure risk**

The risk management in the portfolios of the Insurance Companies sets methodologies, limits and/or alerts according to the internal policies and rules applicable to each country. Some measures that are taken into account are: Value at Risk, Information Ratio, and Sensitivities and Simulations.

As part of its methodology, Suramericana makes use of Value at Risk (VaR) measurement tools, which estimate the maximum expected loss that could be incurred in a one-month period with a 95% confidence level. VaR can be expressed as a percentage of the investment portfolio value. Additionally, within the conformation of the portfolios, insurance companies take into account the characteristics of their liabilities, in order to optimize the risk/return ratio.

The methodology at SURA Asset Management consists of a dynamic and continuous ALM (Assets and Liabilities Management) process which starts with the analysis of the liability profile and, depending on the risk/return appetite, determines a strategic asset allocation.

As part of the ALM process, sensitivity analyses are performed on the impact on the balance sheet of changes in market value, exchange rates and inflation.

## Summary of quantitative data on risk exposure of the entity

At March 2020, the following exposures are held:

Assets by company, by type of currency 1Q 20				
Company	Local currency	USD	Other	Total
<b>Suramericana</b>				
Argentina	71%	29%	0%	<b>100%</b>
Brazil	100%	0%	0%	<b>100%</b>
Chile	100%	0%	0%	<b>100%</b>
Colombia	93%	7%	0%	<b>100%</b>
El Salvador	0%	100%	0%	<b>100%</b>
Mexico	93%	7%	0%	<b>100%</b>
Panama	0%	100%	0%	<b>100%</b>
Dominican Republic	77%	23%	0%	<b>100%</b>
Uruguay	50%	50%	0%	<b>100%</b>
Bermuda	0%	100%	0%	<b>100%</b>
<b>SURA Asset Management</b>				
Chile	100%	0%	0%	<b>100%</b>
Mexico	100%	0%	0%	<b>100%</b>

Assets by type of company by currency 4Q 19				
Company	Local currency	USD	Other	Total
<b>Suramericana</b>				
Argentina	72%	28%	0%	<b>100%</b>
Brazil	0%	100%	0%	<b>100%</b>
Chile	100%	-	0%	<b>100%</b>
Colombia	100%	-	0%	<b>100%</b>
El Salvador	94%	6%	0%	<b>100%</b>
Mexico	0%	100%	0%	<b>100%</b>
Panama	95%	5%	0%	<b>100%</b>
Dominican Republic	0%	100%	0%	<b>100%</b>
Uruguay	77%	23%	0%	<b>100%</b>
Bermuda	51%	49%	0%	<b>100%</b>
<b>SURA Asset Management</b>				
Chile	100%	0%	-	<b>100%</b>
Mexico	100%	0%	-	<b>100%</b>

At SURA Asset Management, the objective is to reduce the gaps in currency exposure, between assets and liabilities, to minimize the possible mismatch.

The exhibitions exclude Unit Link. Both real and nominal currency are included in local currency.

At Grupo SURA, there were no changes in the exposure to exchange rate risk, since for the first quarter of the year the company had covered a large part of its debt in foreign currency, leaving only 8.6% of the debt in dollars exposed to fluctuations in the dollar.

### **3.2. Interest rate risk**

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates. Exposure to this risk arises from holding fixed income assets or liabilities associated with floating interest rates.

#### **3.2.1 Description of the objectives, policies and processes for risk management**

To manage exposure to this risk, the companies monitor their exposures and, if necessary, determine the advisability of having a coverage scheme, constantly monitored by the areas in charge and aligned with the guidelines, issued by their Directive Boards.

In the case of insurers, the aim is to support technical reserves, by matching liabilities, in terms of interest rates and terms, thus mitigating this risk. Additionally, through an adequate investment classification strategy, financial income is stabilized and exposure to risk is reduced.

#### **3.2.2 Methods used to measure risk**

For the management of this risk, in the portfolios of the insurance companies, methodologies, limits and / or alerts are established, in accordance with the internal policies and rules applicable to each of the countries where they are present. Some measures that are taken into account are: value at risk, information ratio, and sensibilities and simulations.

Within its methodology, Suramericana uses Value-at-Risk (VaR) measurement tools, both regulatory and internal. The internal methodology is based on a MonteCarlo VaR. Additionally, in order to make the connections with the characteristics of the liability, it performs a constant monitoring of the match in durations, tranches and flows, between the liabilities and the assets of the insurers

For its part, the methodology in SURA Asset Management consists of a dynamic and continuous ALM (Assets and Liabilities Management) process that starts with the analysis of the liabilities profile and, based on the risk appetite / return, determines a strategic asset allocation. Likewise, it carries out the control of this risk by monitoring mismatch in duration, and a sensitivity analysis of the balance, at market value, before changes in interest rates and a passive adequacy test that allows quantifying the reinvestment risk of the portfolios.

#### **3.2.3 Summary of quantitative data on risk exposure of the entity**

From the resources administered in the treasuries, the exposure that the Companies have to this risk is given from the loans tied to the variable interest rate.

Exhibitions of the portfolios of Suramericana and SURA AM insurers:

In the portfolios of the insurers of Suramericana, the exposures to real estate assets are consolidated in the exposures to Variable Income.



Exposure to Fixed Income and Equity Assets 1Q 20					
Company	Fixed rate	Variable Income	Real Estate Assets	Mortgage Securities	Total
<b>Suramericana</b>					
Argentina	100%	0%	-	-	100%
Brazil	100%	0%	-	-	100%
Chile	96%	4%	-	-	100%
Colombia	90%	10%	-	-	100%
El Salvador	100%	0%	-	-	100%
Mexico	97%	3%	-	-	100%
Panama	86%	14%	-	-	100%
Dominican Republic	99%	1%	-	-	100%
Uruguay	100%	0%	-	-	100%
Bermuda	100%	0%	-	-	100%
<b>Sura Asset Management</b>					
Chile	89.9%	0%	10.1%	0%	100%
Mexico	100%	0%	0%	0%	100%
Exposure to Fixed Income and Equity Assets 4Q 19					
Company	Fixed rate	Variable Income	Real Estate Assets	Mortgage Securities	Total
<b>Suramericana</b>					
Argentina	71%	29%	-	-	100%
Brazil	100%	-	-	-	100%
Chile	80%	20%	-	-	100%
Colombia	54%	46%	-	-	100%
El Salvador	88%	12%	-	-	100%
Mexico	100%	-	-	-	100%
Panama	98%	2%	-	-	100%
Dominican Republic	100%	-	-	-	100%
Uruguay	99%	1%	-	-	100%
Bermuda	100%	-	-	-	100%
<b>Sura Asset Management</b>					
Chile	89.8%	0.3%	9.9%	0.0%	100%
Mexico	100%	0.0%	0.0%	0.0%	100%

In the case of SURA Asset Management, in Chile and Mexico, the fixed-income securities in its portfolio are mostly tied to a fixed rate.

### **3.3. Risk of price variation variable Income**

Equity price risk refers to the risk that the fair value of a financial instrument will fluctuate as a result of changes in the price of shares or other equity assets. Since the investment portfolio of the Companies has variable income assets, they are exposed to this risk.

During the quarter, the risk associated with changes in the price of the shares that comprise the investment portfolio has increased due to the volatility that has dominated the financial markets. This has generated effects on the operation and results of Grupo SURA and its subsidiaries, due to the natural exposure of their businesses to this type of instrument.

Nevertheless, the mitigation mechanisms and policies adopted by each of the companies as part of their risk management systems have allowed the Group to resolve the effects that have been generated, without evidence of significant impacts that could represent a direct threat to its sustainability.

#### **3.3.1 Description of risk management objectives, policies and processes**

The Companies perform ongoing analysis and monitoring of the exposure to this risk, using the different tools that each has.

Some of the companies have regulatory limits with respect to exposure to local and foreign equity instruments, in addition to limitations on aggregate and individual exposure to financial instruments.

#### **3.3.2 Methods used to measure risk**

The management of this risk in the portfolios of Insurance Companies establishes methodologies, limits and/or alerts according to the internal policies and rules applicable to each of the countries where they are located. Some measures that are taken into account are: Value at Risk, Information Ratio, Sensitivities and Simulations.

Value at Risk (VaR) measurement tools, both regulatory and internal. The internal methodology is based on MonteCarlo VaR.

The methodology at SURA Asset Management consists of a dynamic and continuous ALM (Assets and Liabilities Management) process that begins with the analysis of the liability profile and, based on the risk appetite/return, determines a strategic asset allocation.

#### **3.3.3 Summary of quantitative data on the risk exposure of the institution**

The exposures of the companies of Suramericana to the variation of the prices of the shares, are in the table of section 3.2.3.

At March 2020, the exposures in the SURA Asset Management portfolio are not material, only 0.28% of the investment portfolio excluding Unit Link funds, in relation to 0.25% in the same period of 2019.

#### **3.3.4 Price risk of real estate assets**

Real estate price risk relates to the risk that the market value of a property will be reduced.

#### **3.3.5 Description of risk management objectives, policies and processes**

Those companies to which it is applicable, count with limits to the exposure in real estate and, if it is the case, they also count with internal limits regarding the exposure in Real Estate Assets.

### **3.3.6 Methods used to measure risk**

In its dynamic and continuous ALM (Assets and Liabilities Management) process, based on the analysis of the liability profile and depending on the risk/return appetite, SURA Asset Management establishes a strategic asset allocation, which serves as an input to determine the limit of investment in real estate assets, among others. Additionally, a sensitivity analysis of the balance sheet at market value is performed against variations in the value of the real estate assets in the investment portfolio.

### **3.3.7 Summary of quantitative data on risk exposure of the entity**

Exposure of insurance company portfolios:

The exposure to this type of asset in the portfolio of SURA Asset Management can be found in the table in section 3.2.3

## **NOTE 26. INFORMATION DISCLOSED ON RELATED PARTIES**

### **26.1. Related parties**

Subsidiaries are defined as key management personnel, as well as entities over which key management personnel may exercise joint control and post-employment benefit plans for the benefit of employees.

Below is the detail of related parties at 31 December 2019 of Grupo SURA:

- a) Companies under direct or indirect control of Grupo SURA are listed in Note 1.
- b) Investments in associates and joint ventures  
Associates and joint ventures of Grupo SURA are listed in Note 12.1 Investments in Associates and Note 12.2 Joint ventures.
- c) Stockholders of Grupo de Inversiones Suramericana  
See details of shareholders in Note 1. Reporting Entity

### **26.2. Party transactions**

Among the transactions recorded between related parties are:

- Loans between related companies, with contractually agreed terms and conditions and at interest rates established in accordance with market rates. All are paid off in the short term.
- Provision of financial services, management services, IT services, payroll services.
- Leases and sub-leases of office and commercial premises, and re-invoicing of related public services.
- Cash refunds

It is worth mentioning that all transactions are considered to be short term and are considered to be market transactions.

Balances are reconciled at the end of each year, in order to eliminate the corresponding transactions between related companies. The exchange difference generated by the difference in recording rates is charged to the results of the consolidated financial statements.

### March 2020

Entity	Operations with the parent company			Consolidated operations grupo empresarial			
	Asset accounts	Liability accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Administradora General de Fondos Sura S.A.	-	-	-	747	(5,180)	(3,438)	(10,338)
AFAP Sura S.A.	-	-	-	-	(414)	-	(880)
Afore Sura S.A. de C.V.	-	-	-	1,252	(1,801)	3,660	(2,420)
AFP Capital S.A.	-	-	-	-	(831)	19	(9,932)
AFP Integra S.A.	-	-	-	26	(66)	59	(110)
Arus Holding S.A.S.	-	-	-	318	-	-	-
Arus S.A.	-	-	-	8,420	(14,306)	9,403	(2,060)
Aseguradora de Créditos y Garantías S.A.	-	-	-	(1,617)	-	-	(643)
Aseguradora Suiza Salvadoreña S.A. Asesuisa	-	-	-	1,175	(436)	2,673	(1,317)
Asesores Sura S.A. de C.V.	-	-	-	9,048	-	6,493	(53)
Asesuisa Vida, S.A. Seguros de Personas	-	-	-	386	(1,175)	87	(2,671)
Chilean Holding Suramericana SPA	-	-	-	-	(57,229)	-	(591)
Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(1)	(3)	235	(836)	27,285	(89)
Corredores de Bolsa Sura S.A.	-	-	-	3,087	(161)	9,093	(2,750)
Diagnóstico y Asistencia Médica S.A.S.	-	-	-	14,790	(2,573)	57,870	(2,925)
Enlace Operativo S.A.	19	-	-	13,824	(341)	3,556	(18)
EPS y Medicina Prepagada Suramericana S.A.	-	-	-	19,316	(21,330)	495	(144,336)
Fondos Sura SAF S.A.C.	-	-	-	-	(176)	-	(376)
Habitat Adulto Mayor S.A.	-	-	-	-	-	-	(15)
Inversiones SURA Brasil Participacoes LTDA	-	-	-	-	(266)	-	-
Inversiones Suramericana Chile Limitada	-	-	-	-	(229)	-	-
Inversiones y Construcciones Estratégicas S.A.S.	-	(475)	(766)	486	-	790	(1)
Operaciones Generales Suramericana S.A.S.	-	-	(5)	22,527	(39,572)	28,878	(603)
Pensiones Sura S.A. de C.V.	-	-	-	-	(2,997)	-	(1,730)
Promotora Sura AM S.A. de C.V.	-	-	-	1,180	-	2,986	(25)
Seguros de Vida Suramericana S.A. (Chile)	-	-	-	2	(2,742)	-	(706)
Seguros de Vida Suramericana S.A.	-	(22)	-	10,461	(221,996)	958	(81,765)
Seguros Generales Suramericana S.A. (Chile)	-	-	-	60,175	(160)	1,274	(189)
Seguros Generales Suramericana S.A.	-	(10)	-	24,296	(55,345)	7,409	(30,224)
Seguros Sura S.A. (Argentina)	-	-	-	-	1,617	(12)	655
Seguros Sura S.A. (Brasil)	-	-	-	266	-	-	-
Seguros Sura S.A. (Dominican Republic)	-	-	-	-	(26)	-	-
Seguros Sura, S.A de C.V. (México)	-	-	-	-	(589)	-	176
Seguros Suramericana Panamá S.A.	-	-	-	-	(19,908)	-	(1,356)
Servicios de Salud IPS Suramericana S.A.	-	-	-	16,880	(24,957)	142,581	(14,511)
Servicios Generales Suramericana S.A.S.	-	(152)	-	42,734	137	1,122	(88)
Servicios Generales Suramericana S.A. (Panama)	-	-	-	401	-	1	-
Sociedad Agente de Bolsa S.A.	-	-	-	149	(10)	321	(23)
Sura Art Corporation S.A. de C.V.	-	-	-	126	(9)	334	(26)
SURA Asset Management Argentina S.A.	-	-	-	-	(1)	-	-
Sura Asset Management México S.A. de C.V.	-	-	-	-	(8)	-	(26)
Sura Asset Management Perú S.A.	-	-	-	-	-	118	-
Sura Asset Management S.A.	603,278	-	-	360	(605,307)	22	(1,765)
Sura Asset Management Uruguay Sociedad de Inversión S.A.	-	-	-	917	(23)	1,710	(41)
Sura Data Chile S.A.	-	-	-	-	(4,715)	2,675	(34)
Sura Investment Management S.A. de C.V.	-	-	-	454	(5,887)	1,319	(9,508)
Suramericana S.A.	178,517	-	-	227,794	(179,256)	-	(341)
Seguros Sura S.A. (Uruguay)	-	-	-	44	(60)	-	(71)
Agente de Valores Sura S.A.	-	-	-	322	(392)	654	(464)
Seguros de Vida Sura S.A.	-	-	-	4,272	(985)	11,395	(6,490)
Sura Chile S.A.	-	-	-	6,724	(495)	12,836	(315)

Sura S.A.	-	-	-	-	(367)	-	(616)
Gestión patrimonial SURA asesores en inversiones S.A. de C.V.	-	-	-	-	(387)	-	(766)
NB innova S.A. de C.V.	-	-	-	-	(520)	-	(525)
Ahorro Inversión Sura Administradora de Fondos de Inversión S.A.	-	-	-	-	(421)	-	(950)
	781,814	(660)	(774)	491,577	(1,272,731)	334,626	(333,852)

## December 2019

Entity	Operations with the parent company		Consolidated operations grupo empresarial			
	Asset accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Administradora General de Fondos Sura S.A.	-	-	578	(6,659)	-	(53,932)
AFAP Sura S.A.	-	-	-	(3)	222	(24)
AFISA SURA S.A.	-	-	-	(252)	-	(2,058)
Afore Sura S.A. de C.V.	-	-	1,004	(1,975)	10,274	(13,155)
AFP Capital S.A.	-	-	-	(2,536)	415	(36,266)
AFP Integra S.A.	-	-	-	(285)	261	(1,173)
Arus S.A.	-	-	3,938	(10,291)	30,873	(300)
Aseguradora de Créditos y Garantías S.A.	-	-	-	-	-	(466)
Aseguradora Suiza Salvadoreña S.A. Asesuisa	-	-	914	(229)	8,793	(501)
Asesores Sura S.A. de C.V.	-	-	3,067	(509)	31,329	(431)
Asesuisa Vida, S.A. Seguros de Personas	-	-	92	(914)	750	(8,744)
Chilean Holding Suramericana SPA	-	-	-	(52,669)	-	(2,514)
Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(14)	144	(788)	106,608	(791)
Corredor de Bolsa SURA S.A.	-	-	252	-	2,058	(222)
Corredores de Bolsa Sura S.A.	-	-	2,750	(141)	33,858	(9,421)
Diagnóstico y Asistencia Médica S.A.S.	-	-	14,262	(1,779)	214,336	(8,674)
Enlace Operativo S.A.	-	-	12,799	-	17,194	(50)
EPS y Medicina Prepagada Suramericana S.A.	-	-	11,758	(21,066)	4,840	(546,451)
Fondos Sura SAF S.A.C.	-	-	131	(113)	-	(1,315)
Hábitat Adulto Mayor S.A.	-	-	-	-	-	(119)
Inversiones SURA Brasil Participacoes LTDA	-	-	-	(271)	-	-
Inversiones Suramericana Chile Limitada	-	-	-	(212)	-	-
Inversiones y Construcciones Estratégicas S.A.S.	(74,225)	(1,574)	74,234	-	1,665	-
NBM Innova, S.A. de C.V.	-	-	-	(93)	-	(1,140)
Operaciones Generales Suramericana S.A.S.	-	(19)	11,136	(38,740)	108,014	(3,506)
Pensiones Sura S.A. de C.V.	-	-	-	(2,386)	-	(7,956)
Promotora Sura AM S.A. de C.V.	-	-	5,855	-	22,273	-
Seguros de Vida Sura S.A. (Chile)	-	-	5,859	(996)	43,664	(20,898)
Seguros de Vida Suramericana S.A. (Chile)	-	-	1	(2,154)	-	(2,813)
Seguros de Vida Suramericana S.A.	(22)	-	17,528	(23,790)	12,483	(317,034)
Seguros Generales Suramericana S.A. (Chile)	-	-	54,761	(74)	5,238	(1,750)
Seguros Generales Suramericana S.A.	(111)	(357)	29,304	(15,626)	36,603	(118,229)
Seguros Sura S.A. (Argentina)	-	-	-	-	-	466
Seguros Sura S.A. (Brazil)	-	-	271	-	-	-
Seguros Sura S.A. (Dominican Republic)	-	-	-	(335)	10	(2,355)
Seguros Sura, S.A. de C.V. (Mexico)	-	-	-	(498)	-	(2,101)
Seguros Suramericana Panamá S.A.	-	-	-	(34,655)	520	(8,366)
Servicios de Salud IPS Suramericana S.A.S.	-	(3)	15,454	(15,307)	538,944	(62,934)
Servicios Generales Suramericana S.A.	(154)	-	41,445	(20,115)	5,238	(3,334)
Servicios Generales Suramericana S.A. (Panama)	-	-	327	-	502	-
Sociedad Agente de Bolsa S.A.	-	-	101	-	968	(3)
Sura Art Corporation S.A. de C.V.	-	-	126	(13)	1,247	(98)
Sura Asset Management Argentina S.A.	-	-	-	(1)	-	-
SURA Asset Management Chile S.A.	-	-	-	(258)	10,847	(2,294)
Sura Asset Management México S.A. de C.V.	-	-	-	(12)	-	(101)

Entity	Operations with the parent company		Consolidated operations grupo empresarial			
	Asset accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Sura Asset Management Perú S.A.	-	-	343	-	443	-
Sura Asset Management S.A.	-	-	1,955	(3,587)	5,546	(22,670)
Sura Asset Management Uruguay Sociedad de Inversión S.A.	-	-	-	101	5,552	(6,061)
Sura Data Chile S.A.	-	-	-	-	9,666	-
Sura Investment Management S.A. de C.V.	-	-	244	(6,883)	3,344	(48,619)
SURA Real Estate S.A.S.	-	-	-	-	-	(7)
SURA Servicios Profesionales S.A.	-	-	6,550	(799)	47,736	(675)
Suramericana S.A.	-	-	25,896	(1,318)	1,923	(1,354)
WM Asesores en inversiones S.A DE C.V.	-	-	-	(185)	-	(1,666)
Seguros Sura S.A. (Uruguay)	-	-	7	(69)	-	(267)
Sura RE	-	-	27	(116)	790	(688)
	(74,512)	(1,967)	343,113	(268,601)	1,325,027	(1,323,060)

### March 2019

Entity	Operations with the parent company			Consolidated operations grupo empresarial			
	Asset accounts	Liability accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Administradora General de Fondos Sura S.A.	-	-	-	540	(5,049)	(1,312)	(2,733)
AFAP Sura S.A.	-	-	-	128	(1)	79	-
AFISA SURA S.A.	-	-	-	-	(200)	-	(508)
Afore Sura S.A. de C.V.	-	-	-	885	(1,405)	1,194	(1,688)
AFP Capital S.A.	-	-	-	-	(618)	64	(2,858)
AFP Integra S.A.	-	-	-	24	(385)	23	(348)
Arus Holding S.A.S.	-	-	-	-	(232)	-	-
Arus S.A.	-	-	-	2,376	(9,326)	4,699	(66)
Aseguradora de Créditos y Garantías S.A.	-	-	-	(17)	(8)	-	(93)
Aseguradora Suiza Salvadoreña S.A. Asesuisa	-	-	-	287	(760)	740	(122)
Asesores Sura S.A. de C.V.	-	-	-	3,453	-	2,934	-
Asesuisa Vida, S.A. Seguros de Personas	-	-	-	147	(415)	469	(693)
Chilean Holding Suramericana SPA	-	-	-	-	(55,224)	-	(625)
Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(4)	(4)	598	(384)	26,585	(44)
Corredor de Bolsa SURA S.A.	-	-	-	200	(128)	514	(85)
Corredores de Bolsa Sura S.A.	-	-	-	2,461	(236)	2,305	(640)
Diagnóstico y Asistencia Médica S.A.	-	-	-	13,108	(758)	47,784	(1,121)
Enlace Operativo S.A.	-	-	-	9,289	(93)	1,870	(28)
EPS y Medicina Prepagada Suramericana S.A.	5	-	-	1,187	(13,308)	412	(126,104)
Fondos Sura SAF S.A.C.	-	-	-	-	(120)	-	(116)
Habitat Adulto Mayor S.A.	-	-	-	-	-	-	(4)
Inversiones SURA Brasil Participacoes LTDA	-	-	-	-	(158)	-	-
Inversiones Suramericana Chile Limitada	-	-	-	-	(220)	-	-
Inversiones y Construcciones Estratégicas S.A.S.	-	(39,751)	(391)	39,753	-	391	-
NBM Innova, S.A de C.V.	-	-	-	-	(116)	-	(99)
Operaciones Generales Suramericana S.A.S.	-	(3)	(9)	15,660	(41,411)	26,186	(762)
Pensiones Sura S.A. de C.V.	-	-	-	-	(671)	-	(449)
Promotora Sura AM S.A. de C.V.	-	-	-	1,499	-	1,777	-
Seguros de vida SURA México S.A. de C.V.	-	-	-	-	(1,345)	-	-
Seguros de Vida Sura S.A. (Chile)	-	-	-	4,350	(988)	2,785	(836)
Seguros de Vida Suramericana S.A. (Chile)	-	-	-	9	(1,347)	-	(697)
Seguros de Vida Suramericana S.A.	32	(34)	-	1,145	(150,579)	743	(70,577)
Seguros Generales Suramericana S.A. (Chile)	-	-	-	56,763	(289)	1,299	(272)
Seguros Generales Suramericana S.A.	-	(8)	(1)	44,512	(10,382)	4,836	(27,464)

Entity	Operations with the parent company			Consolidated operations grupo empresarial			
	Asset accounts	Liability accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Seguros Sura S.A. (Argentina)	-	-	-	-	26	8	85
Seguros Sura S.A. (Brazil)	-	-	-	158	(10)	-	-
Seguros Sura S.A. (Dominican Republic)	-	-	-	-	(330)	-	(14)
Seguros Sura, S.A. de C.V. (Mexico)	-	-	-	-	(82)	-	(1,105)
Seguros Suramericana Panamá S.A.	-	-	-	202	(23,877)	35	(707)
Servicios de Salud IPS Suramericana S.A.	-	-	-	10,806	(7,591)	127,026	(13,870)
Servicios Generales Suramericana S.A.	-	(269)	-	43,446	(11)	946	(748)
Servicios Generales Suramericana S.A. (Panama)	-	-	-	284	(202)	134	-
Sociedad Agente de Bolsa S.A.	-	-	-	69	(21)	68	-
Sura Art Corporation S.A. de C.V.	-	-	-	98	(8)	83	(7)
Sura Asset Management Argentina S.A.	-	-	-	-	(1)	-	-
SURA Asset Management Chile S.A.	-	-	-	-	(157)	-	(328)
Sura Asset Management México S.A. de C.V.	-	-	-	-	(8)	-	(8)
Sura Asset Management Perú S.A.	-	-	-	28	-	-	-
Sura Asset Management S.A.	297,661	-	-	1,975	(299,024)	2,105	(806)
Sura Asset Management Uruguay Sociedad de Inversión S.A.	-	-	-	-	(96)	-	(105)
Sura Data Chile S.A.	-	-	-	88	-	1,268	-
Sura Investment Management S.A. de C.V.	-	-	-	447	(4,749)	255	(4,071)
SURA Real Estate S.A.S.	-	-	-	-	-	-	(1)
SURA Servicios Profesionales S.A.	-	-	-	2,415	(628)	2,018	(274)
Suramericana S.A.	165,934	-	-	117,486	(166,440)	-	(18)
WM Asesores en inversiones S.A DE C.V.	-	-	-	-	(75)	-	(65)
SURA Seguros de rentas vitalicias S.A.	-	-	-	-	-	-	1,220
Seguros Sura S.A. (Uruguay)	-	-	-	41	(22)	-	(65)
	<b>463,632</b>	<b>(40,069)</b>	<b>(405)</b>	<b>375,900</b>	<b>(799,462)</b>	<b>260,323</b>	<b>(259,919)</b>

### 26.3. Transactions with directors

The outstanding amounts are not guaranteed and will be settled in cash. No guarantees have been provided or received. No expense has been recognized during the current or prior periods in regard to uncollectible accounts or doubtful accounts related to amounts owed by related parties.

#### *Compensation of key management personnel*

Compensation received by key management personnel includes the following:

	March 2020	March 2019	March 2018
Fees for members of the Board of Directors	2,035	1,938	1,102

### NOTE 27. EVENTS AFTER THE REPORTING PERIOD

The present consolidated financial statements as of March 31, 2020 were prepared for supervisory purposes and authorized for issuance by the Board of Directors of Grupo SURA on April 30, 2020, after the mentioned cut-off date and until its publication, no relevant facts involving adjustments have been presented, and the following additional information was presented::

- On April 13, 2020, Grupo SURA informed that its subsidiary Sura Asset Management S.A. constituted a company called NBM Innova S.A.S, domiciled in Colombia, with the purpose of offering financial coaching services in Colombia, through a digital platform called qiip ®.

The qiip ® platform has been operating in Mexico since 2019, using technology-based educational tools, focused on generating well-being for companies and individuals. The participation of Grupo SURA in the new company will be indirect through Sura Asset Management S.A. (100%), with an initial capital investment of USD 500 thousand.

- On April 15, 2020, the President of the Republic of Colombia issued Decree 558, in which he established the following:
  - Suspension of contributions to the General Pension System for the months of April and May 2020: during these two months (payable in May and June) employers are only obliged to transfer the 3% covered by the pension insurance or the contribution to the disability and survival funds, as appropriate, and the contribution administration commission.
  - Transfer of portfolio of pensioners to Colpensiones: this decree requires private pension administrators to transfer to Colpensiones the portfolio of pensioners under the programmed retirement modality to receive a pension allowance equivalent to a monthly legal minimum wage in force, provided that the resources of these accounts are not sufficient to continue providing the allowance equivalent to 1 monthly legal minimum wage in force, in accordance with the technical notes in force as of 03/31/2020. This transfer must be made within 4 months of the publication of the regulation.

In relation to this decree, although the present financial statements were not affected, for the next quarters we will be able to observe a negative effect in the item of the results by the methods of participation in subsidiaries, which for the moment it is not possible to calculate due to the lack of certainty in the economic variables due to the current situation that the world is going through.

- On April 23, 2020, Grupo SURA reported that the Board of Directors appointed Mr. Jaime Bermúdez M. and Mr. Sergio Michelsen J. as President and Vice President, respectively, who are independent members.

Additionally, the members of the different Committees of the Board were elected as follows:

***Audit and Finance Committee:***

Jaime Bermúdez Merizalde – President  
 Lina María Echeverri Pérez  
 María Carolina Uribe Arango

***Sustainability and Corporate Governance Committee***

Sergio Michelsen Jaramillo - President  
 Jorge Mario Velásquez Jaramillo  
 Carlos Ignacio Gallego Palacio



***Appointments and Remuneration Committee:***

Jaime Bermúdez Merizalde – President  
Jorge Mario Velásquez Jaramillo  
Carlos Ignacio Gallego Palacio

***Risk Committee:***

Sergio Michelsen Jaramillo - President  
Jaime Bermúdez Merizalde  
Alejandro Piedrahita Borrero

- On April 30, 2020, Grupo de Inversiones Suramericana S.A. reported that, in line with what was published on January 30, 2020, the Financial Superintendence of Colombia authorized, with respect to the Program for the Issuance and Placement of Ordinary Bonds and Commercial Papers for 2014 (Program), the extension of the global quota of the Program by one trillion pesos (\$1,000,000,000,000), leaving a global quota of two trillion three hundred billion pesos (\$2,300,000,000,000).

Likewise, the Superintendence approved the renewal of the term of the authorization of the public offering of the Program for three (3) additional years.

- On April 30, 2020, Grupo de Inversiones Suramericana S.A., informed the public stock market of the main aspects of its business continuity plan and impacts identified to date, derived from the State of Economic, Social and Environmental Emergency decreed in Colombia, as a result of the pandemic associated with COVID-19.
- On May 5, 2020, Suramericana S.A. (a subsidiary of Grupo SURA, which specializes in the insurance industry, and trend and risk management) reported that it had been notified of Resolution 440 of May 4, 2020, by which the Colombian Financial Superintendency decided to approve the partial spin-off of Seguros de Vida Suramericana S.A., in favor of Suramericana S.A. This spin-off corresponds to the one reported at the end of last year and the beginning of the present year, by which Seguros de Vida Suramericana S.A., as a spin-off, will transfer on bloc and without being dissolved a part of its assets constituted by a portfolio of investments in the assets and its corresponding counterpart in occasional reserves in the assets, for a value of COP \$490,000 million pesos and its future yields, in favor of Suramericana S.A., as beneficiary.
- On May 6, 2020, Grupo de Inversiones Suramericana S.A. reported that it had obtained the regulatory authorizations from the Mexican authorities (National Commission of Insurance and Bonds and Federal Commission of Economic Competition), to proceed with the transfer of the life annuity portfolio that its subsidiary SURA Asset Management S.A. has been operating in that country, through its subsidiary Pensiones SURA S.A. de C.V.

This operation will include the transfer of 15 thousand policies and an approximate value of MXN \$14 billion (USD 574 million, approx.) of assets to Grupo Financiero Banorte de México.

The definitive closing of the operation will be in the next few weeks, once the other contractual conditions agreed between the parties have been fulfilled. This release complements the relevant information disclosed to the market on November 29, 2019.

**NOTE 28. APPROVAL OF FINANCIAL STATEMENTS**

The issue of the consolidated interim financial statements of Grupo SURA for the year ended March 31, 2020 was authorized by the Board of Directors for publication, as stated in Minute No. 311 of the Board of Directors dated May 15, 2020, for presentation to the market.

## ANALYSIS OF FINANCIAL RESULTS (unaudited)

The following is an analysis of the financial results for the period ended March 31, 2020, with comparative figures as of December 31, 2019. These analyses are performed by management and are not part of the financial statements.

(Expressed in millions of pesos.)

	INDEX	March 2020		December 2019		INTERPRETATION	
	Solvency	44,665,003	=	40,946,828	=	Creditors own 60.66% as of March 2020 and 59.31% as of December 2019, with shareholders owning the complement: 39.34% in March 2020 and 40.69% as of December 2019	Total liability
		73,633,015		69,037,830			Total asset
	Total	44,665,003	=	40,946,828	=	Of each peso that the company has invested in assets, 60.66% as of March 2020 and 59.31% as of December 2019 have been financed by creditors	Total liability
		73,633,015		69,037,830			Total asset
INDEBTEDNESS	Coverage of interest	115,470	=	731,033	=	The Company generated a net profit equal to 60.32% as of March 2020 and 428.1% in December 2019 of the Interest paid	Net profit + interest
		191,426		170,762			Financial expenses
	Leverage	44,665,003	=	40,946,828	=	Each peso (\$1.00) of the owners of the Company is committed 154.19% as of March 2020 and 145.76% as of December 2019	Total liabilities with third parties
		28,968,012		28,091,002			Equity
	Financial Total	11,927,795	=	10,092,894	=	For each peso of equity, 41.18% is committed as of March 2020 and 35.93% as of December 2019	Total liabilities with financial entities
		28,968,012		28,091,002			Equity
	Net profit margin	(75,956)	=	560,271	=	Net income corresponds to -1.61% of net income in March 2020 and 11.09% of net income in 2019	Net profit
		4,718,817		5,051,043			Net income
PERFORMANCE	Return on equity	(75,956)	=	560,271	=	Net results correspond to -0.26% of equity in March 2020 and 2.04% in December 2019	Net profit
		29,043,968		27,530,731			Equity - profit
	Return on total assets	(75,956)	=	560,271	=	The net results with respect to total assets, correspond to -0.1% in March 2020 and 0.81% in December 2019	Net profit
		73,633,015		69,037,830			Total assets