



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

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RESPONSIBILITIES OF THE DIRECTORS OVER THE ACCOUNTS

The Directors are required to prepare the separate condensed interim financial statements for each financial period that reasonably present the Company's financial position, results and cash flows as of March 31, 2020 with comparative figures as of March 31 and December 31, 2019. For the preparation of these financial statements, the Directors are required to:

- Select appropriate accounting policies and apply them consistently.
- Present information, including accounting policies, that is relevant, reliable, comparable and understandable.
- Make reasonable and prudent judgments and estimates.
- State whether applicable accounting standards have been followed, subject to any material deviations disclosed and explained in the accounts.
- Prepare the accounts on a going concern basis, unless it is inappropriate to assume that the Company will continue in business.

In addition, the Directors consider that they are responsible for maintaining appropriate accounting records which reveal with reasonable accuracy, at any time, the financial situation of the Company. They are also responsible for safeguarding the assets of the Company and, therefore, for taking reasonable steps to prevent and detect fraud, and other irregularities.

Gonzalo Alberto Pérez Rojas
President

Luis Fernando Soto Salazar
Public Accountant
Professional Card 16951-T

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

That for the issuance of the statement of financial position as of March 31, 2020, and the statement of income for the year and other comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, which in accordance with the regulations are made available to the shareholders and third parties, the statements contained therein and the figures faithfully taken from the books have been previously verified.

Said affirmations, explicit and implicit, are the following:

Existence: The assets and liabilities of Grupo de Inversiones Suramericana S.A., exist on the cut-off date and the transactions recorded, have been realized during the year.

Integrity: All economic events have been recognized.

Rights and obligations: The assets represent probable future economic benefits, and liabilities represent probable future economic sacrifices, obtained or under the charge of Grupo de Inversiones Suramericana S.A., on the cut-off date.

Valuation: All elements have been recognized, in the appropriate amounts.

Presentation and disclosure: Economic events have been correctly 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 reports relevant to the public, related to the fiscal year between March 31, 2020, March 31, 2019 and December 31, 2019, do not contain defects, inaccuracies or errors, that prevent the knowledge of the true financial situation and the 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 INDIVIDUAL FINANCIAL POSITION

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

(Values expressed as millions of Colombian Pesos)

	Note	March 2020	December 2019
Assets			
Cash and cash equivalents		4,381	3,145
Investments	6.1.3	19,736	19,716
Commercial and other accounts receivable	6.1.1	98,567	99,581
Accounts receivable related parties and associates	6.1.2	1,055,621	108,851
Current tax assets	7.1	4,882	-
Other financial assets	6.1.4	1,125,569	305,660
Other non-financial assets		244	244
Property and equipment		3,278	3,413
Right-of-use assets	8	20,377	20,742
Investments in associates	9.1	14,395,241	14,392,657
Investments in subsidiaries	9.2	14,429,197	14,133,102
Deferred tax assets	7.2	112,478	62,961
Total assets		31,269,571	29,150,072
Liabilities			
Other financial liabilities	6.2.1	1,184,379	848,773
Financial lease liabilities	8	13,618	13,815
Commercial and other accounts payable	6.2.3	146,804	149,804
Accounts payable to related parties	6.2.2	371,247	155,960
Current tax liabilities	7.1	3,214	2,765
Provisions for employee benefits		15,130	12,250
Other provisions		3,470	3,470
Securities issued	10	5,129,134	4,419,096
Total liabilities		6,866,996	5,605,933
Equity			
Share capital issued		109,121	109,121
Share premiums		3,290,767	3,290,767
Profit for the period		360,222	932,190
Retained earnings		11,803,809	11,793,652
Other comprehensive income		1,884,534	1,027,504
Reserves		6,954,122	6,390,905
Total equity		24,402,575	23,544,139
Total equity and liabilities		31,269,571	29,150,072

The notes that accompany the financial statements are an integral part of the same.

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.
CONDENSED INTERIM INDIVIDUAL INCOME STATEMENT

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

(Values expressed as millions of Colombian Pesos, except for earnings per-share)

	Notes	March 2020	March 2019
Dividends	9.1	575,445	435,403
Investment income		113	195
Loss at fair value - investments		(1,474)	(70)
(Loss) profit from equity method of subsidiaries, net	9.2	(22,059)	284,697
Other income		-	322
Operational income		552,025	720,547
Administrative expenses	12	(6,012)	(4,009)
Employee benefits		(9,720)	(5,534)
Fees	13	(1,458)	(2,696)
Depreciation		(526)	(546)
Operational expenses		(17,716)	(12,785)
Operating profit		534,309	707,762
Profit at fair value- derivatives		318,581	14,360
Exchange differences (net)		(436,930)	40,963
Interest		(98,903)	(84,015)
Financial Results	14	(217,252)	(28,692)
Profit, before tax		317,057	679,070
Income Taxes	7	43,165	(14,042)
Net profit of continuing operations		360,222	665,028
Net profit		360,222	665,028
Earnings per share			
Earnings per share	15	636	1,160

The notes that accompany the financial statements are an integral part of the same.

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GRUPO DE INVERSIONES SURAMERICANA S.A.
CONDENSED INTERIM SEPARATE COMPREHENSIVE INCOME STATEMENT

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

(Values expressed in millions of Colombia Pesos)

	Note	March 2020	March 2019
Profit for the period		360,222	665,028
Items that will not be reclassified to the results of the period			
Investments in equity instruments, net of tax		20	1,717
Total other comprehensive income that will not be reclassified to income for the period, net of deferred taxes		20	1,717
Items to be reclassified to income for the period			
Profit (loss) from cash flow hedges, net of tax		(14,679)	(14,077)
Participation of other comprehensive income of associates and joint ventures accounted for using the equity method that is reclassified to profit or loss, net of tax	9.2	871,689	25,107
Total other comprehensive income that is reclassified to results		857,010	11,030
Total other comprehensive income		857,030	12,747
Total comprehensive income		1,217,252	677,775

The notes that accompany the financial statements are an integral part of the same.

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GRUPO DE INVERSIONES SURAMERICANA S.A.
CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

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

(Values expressed in millions of Colombia Pesos)

	Note	Issued capital	Share premium	Retained earnings	Other comprehensive income	Legal reserves	Occasional reserves	Total reserves	Profit for the period	Total Equity
Balance at January 1, 2020		109,121	3,290,767	11,793,652	1,027,504	138,795	6,252,110	6,390,905	932,190	23,544,140
Other comprehensive income		-	-	-	857,030	-	-	-	-	857,030
Participation in subsidiaries accounted for under the equity method of subsidiaries	9.2	-	-	-	871,689	-	-	-	-	871,689
Profit (loss) on equity instruments		-	-	-	20	-	-	-	-	20
Cash flow hedges - Derivative instruments		-	-	-	(14,679)	-	-	-	-	(14,679)
Profit for the period		-	-	-	-	-	-	-	360,222	360,222
Total net comprehensive income for the period		-	-	-	857,030	-	-	-	360,222	1,217,252
Transfer to retained earnings		-	-	932,190	-	-	-	-	(932,190)	-
Distribution of 2019 results According to the minutes of the Shareholders' Assembly No. 25 of March 27, 2020	11	-	-	-	-	-	-	-	-	-
Ordinary dividend (583 Colombian pesos per share) and extraordinary dividend (51 Colombian pesos per share) recognized as distributions to owners		-	-	(368,974)	-	-	-	-	-	(368,974)
Occasional reserves		-	-	(263,217)	-	-	263,217	263,217	-	-
Reserves for repurchase of shares		-	-	(300,000)	-	-	300,000	300,000	-	-
Minimum dividend on preference shares	10	-	-	10,157	-	-	-	-	-	10,157
Balance at March 31, 2020		109,121	3,290,767	11,803,808	1,884,534	138,795	6,815,327	6,954,122	360,222	24,402,575

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

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

(Values expressed in millions of Colombia Pesos)

	Note	Issued capital	Share premium	Retained earnings	Other equity interests	Legal reserves	Occasional reserves	Total reserves	Profit for the period	Total Equity
Balance at January 1, 2019		109,121	3,290,767	11,760,980	1,203,532	138,795	5,923,603	6,062,398	648,593	23,075,391
Other comprehensive income		-	-	-	12,747	-	-	-	-	12,747
Adjustment for conversion of net investment abroad		-	-	-	-	-	-	-	-	-
Financial instruments with changes in OCI		-	-	-	1,717	-	-	-	-	1,717
The Equity Method of subsidiaries, recognized in equity	9.2	-	-	-	25,107	-	-	-	-	25,107
Hedge flows – derivative instruments		-	-	-	(14,077)	-	-	-	-	(14,077)
Profit for the period		-	-	-	-	-	-	-	665,028	665,028
Total net comprehensive income for the period		-	-	-	12,747	-	-	-	665,028	677,775
Transfer to retained earnings		-	-	648,593	-	-	-	-	(648,593)	-
2018 Profit distribution in accordance with the Minutes No. 24 of the Shareholder's Assembly March 29, 2019:		-	-	-	-	-	-	-	-	-
Dividends recognized as distributions for owners (550 pesos per share)	11	-	-	(320,086)	-	-	-	-	-	(320,086)
Reserves for the protection of investments		-	-	(328,507)	-	-	328,507	328,507	-	-
Minimal dividends, preference shares	10	-	-	10,157	-	-	-	-	-	10,157
Balance at March 30, 2019		109,121	3,290,767	11,771,137	1,216,279	138,795	6,252,110	6,390,905	665,028	23,443,237

The notes that accompany the financial statements are an integral part of the same.

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 (See my report of 15 May 2020)

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONDENSED INTERIM SEPARATE CASH FLOWS STATEMENT

At March 31, 2020 (with comparative figures at March 31, 2019)
(Values expressed in millions of Colombian Pesos)

	Note	March 2020	March 2019
Profit for the period		360,222	665,028
Adjustments to reconcile profit			
Adjustments for income tax expenses	7	(43,165)	14,042
Interests	14	98,388	83,987
Adjustments for decreases from accounts receivable from trade sources		1,014	3,380
Adjustments for increases in other accounts payable from operating activities		(500,941)	(435,408)
Adjustments for increases in accounts payable from trade sources		(3,000)	(485)
Adjustments for increases (decreases) in other operating accounts payable		(73,750)	-
Adjustments for depreciation and amortization expenses		526	546
Adjustments for provisions		2,880	154
Adjustments for losses from unrealized foreign currency		433,566	(52,950)
Adjustments for fair value profit		(318,581)	(11,189)
Adjustments for undistributed profits from application of the equity method	9	22,059	(284,697)
Associates dividends receivable		108,851	101,526
Interest paid		(4,607)	(7)
Other non-financial assets		113	(563)
Net cash flows from operating activities		83,575	83,364
Cash flows from (used in) investing activities			
Cash flows used to capitalize subsidiaries or other businesses		(3,727)	(1,936)
Property and equipment purchase		(26)	(85)
Payments derived from forwards, options and swap contracts (swaps)		1,506	1,198
Cash flows from (used in) investing operations		(2,247)	(823)
Cash flows from financing operations			
Amounts from the issue of shares		10,157	10,157
Amounts from loans		65,448	30,515
Loan repayments		(46,133)	(26,100)
Payment of leasing liabilities		(428)	(455)
Dividends paid	11	(79,937)	(75,288)
Interest paid		(29,199)	(18,291)
Cash flows from financing activities		(80,092)	(79,462)
Net increase in cash and cash equivalents		1,236	3,078
Cash and cash equivalents at the beginning of the year		3,145	9,241
Cash and cash equivalents at the beginning of the year		4,381	12,320

The notes that accompany the financial statements are an integral part of the same.

Gonzalo Alberto Pérez Rojas
 Legal Representative

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 (See my report of 15 May 2020)

GRUPO DE INVERSIONES SURAMERICANA S.A.**NOTES FOR THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS**

Period ended March 31, 2020 (with comparative for the year ended at 31 December 2019 for the statement of the financial position and at 31 March, 2019 for the statement results, other comprehensive income, changes in the assets and cash flow)

(Expressed in millions of Colombian pesos, excluding exchange rates values and earnings per share).

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.

Significant events

- On March 27, 2020, Grupo SURA reported 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 company's investment product offering in that country.

Grupo SURA and SURA Asset Management S.A. will have a 100% interest in the new company, directly and indirectly through the subsidiaries SURA Asset Management México, S.A. de C.V. (99%) and SURA Art Corporation, S.A. de C.V. (1%), both domiciled in Mexico.

- 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, incorporated within the company Seguros de Vida Suramericana, must allocate the resources from the occupational hazard 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 elements, frequent medical check-ups of a preventive and diagnostic nature, as well as direct intervention actions related to the containment, mitigation and care of the new COVID-19 Coronavirus, which will be destined to the workers of its affiliated companies, who on the occasion of the tasks they perform, are directly exposed to the contagion of the virus.

Regarding 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 results item 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.

NOTE 2. BASIS OF PREPARATION OF THE SEPERATE FINANCIAL STATEMENTS

2.1. Statement of compliance

The separate 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 by 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), together 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, article 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 NCIF.

2.2. Basis of presentation

2.2.1. 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, with a charge to income or other comprehensive income.
- Investment properties measured at fair value
- Property and equipment measured at fair value
- Employee benefits, which are measured at the present value of the defined benefit obligation.

Presentation of financial statements

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

The separate statement of financial position presents assets and liabilities on the basis of their liquidity, as 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 separate income statement and the other comprehensive income are presented separately. Income statement items are broken down according to the nature of expense method, so as to provide reliable and more relevant information.

The separate cash flow statement is presented using the indirect method, whereby cash flows from operating activities are determined by adjusting the profit for the effects of items that do not affect cash flow, net changes in assets and liabilities related 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. 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 separate financial statements in conformity with the NCIF 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 those estimates.

Relevant estimates and assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

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

Accounting estimates and assumptions

Following is a description of the key assumptions that estimate the future behaviour of the variables at the reporting date and that have a significant risk of causing a material adjustment to the value of assets and liabilities during the next financial statement as a result of the uncertainty surrounding such behaviors.

a) Revaluation of own use assets

Grupo SURA recognises property (land and buildings) at fair value and changes in fair value are recognised in other comprehensive income.

The revaluation increase is recognised directly in other comprehensive income and accumulated in equity as revaluation surplus. Revaluation is calculated every four years.

When the carrying amount of an asset is reduced as a result of a revaluation, the decrease shall be recognised in profit or loss for the period. However, the decrease shall be recognized in other comprehensive income to the extent that a credit balance exists in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the accumulated value in equity called revaluation surplus.

The fair value of land and buildings is based on periodic evaluations performed by both 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 asset is recognized for unused tax losses, to the extent that it is probable that taxable profit will be available to offset those tax losses. Significant management judgment is required in determining the carrying amount of the deferred tax asset, based on the probable timing and level of future taxable income as well as the future tax planning strategies of the Company.

d) 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.

e) Term of lease contracts

The term of the lease is established according to the contract and the expectations of the contracting company, for which it must take into account the following:

- The time established for possible renewals
- Increases in fees in relation to the market
- Development of the strategic plan of the company
- The company's expectation of a return on the investment made
- The costs to be paid in the event of leaving the contract (Penalty)
- The additional costs incurred in the event of cancellation of the contract and starting a new one.

f) Estimation of the incremental interest rate for leases

The Group cannot easily determine the implied interest rate for all its leases, so it uses the corporate bond rate or the average company debt rate as a basis when applying adjustments for term, risk and type of collateral. Such 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 leases are not in the subsidiary's functional currency).

g) The probability of occurrence and value of liabilities of uncertain value or contingent liabilities

Grupo SURA should recognise a provision when the following conditions are met:

- There is a present obligation (legal or constructive) as a result of a past event
- It is likely that Grupo SURA will have to give up resources, incorporating economic benefits, to settle such an obligation
- A reliable estimate of the value of the obligation can be made

h) Employee benefits

The measurement of post-employment benefit and defined benefit obligations includes the determination of key actuarial assumptions that allow for the calculation of the liability value.

Among the key assumptions are the discount and inflation rates and the salary increase, among others.

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

i) Impairment of financial assets

For the calculation of the deterioration of the financial assets, the future cash flows of the respective financial asset of the group of them must be estimated.

Judgments

Information on critical judgments in the application of accounting policies that have the most significant effect on the amount recognized in the financial statements is described below:

- Note 8. Leases
- Note 9. Investments in Subsidiaries, Associates and Joint Ventures: determination of the existence of control in the subsidiaries, including the review of the pension funds managed by Grupo SURA.

NOTE 4. STANDARDS ISSUED WITHOUT EFFECTIVE IMPLEMENTATION

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 condensed separate 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. Furthermore, 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 changes 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 of information is significant 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. Upon its entry into force, 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. In contrast to 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, complemented 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 remediate 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 remainder of the 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 on 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 IFRS 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 current 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:** 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:

- 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.

- 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.

- 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 April contributions, 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:

- Potential reduction in assets under management due to negative market performance effects.
- Potential reduction in assets under management due to increased customer departures due to liquidity needs.
- 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 remote work for 100% of the people who make up its team, which began on March 16, also enabling access to systems and technological resources required to meet this objective. Likewise, all the 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.

Likewise, the liquidity position of the company was evaluated, with the objective of verifying its financial capacity in the face of the scenario projected by the situation and thus ensure compliance with its obligations and the preservation of the operation. As a result of this analysis, it became clear that Grupo SURA has a liquidity and solvency position that allows it to adequately deal with the current situation.

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 7 on taxes.

NOTE 6. FINANCIAL INSTRUMENTS

The following, describes the methodologies and assumptions used to determine the value of financial instruments that are not recorded at fair value in the financial statements (i.e., at amortized cost) and loans and receivables.

ASSETS WHOSE FAIR VALUE APPROXIMATES THE BOOK VALUE

For financial assets with a maturity of less than three months (e.g., 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.

As for short-term instruments receivable, which are measured at amortized cost, their carrying value is a reasonable approximation of their fair value.

FINANCIAL INSTRUMENTS AT AN AGREED RATE

The fair 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. The estimated fair value of time deposits is based on discounted cash flows using current money market interest rates for debt with similar credit risk and maturity.

HIERARCHY OF FAIR VALUE

In order to increase the consistency and comparability of fair value measurements and related disclosures, IFRS 13 establishes a fair value hierarchy that classifies, at three levels, the input data of valuation techniques used to measure it. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in markets for identical assets and liabilities (level 1 input data) and the lowest priority to unobservable input data (input data from Level 3).

Thus, some of the accounting policies and disclosures of Grupo SURA S.A. require the measurement of fair values of both financial, and non-financial, assets and liabilities. The following are the definitions used to determine the fair value of the financial assets of the investment portfolio of Grupo SURA S.A.:

LEVEL 1 - PRICES LISTED IN ACTIVE MARKETS

These are assets, whose prices are quoted (unadjusted) in active markets for assets or liabilities, identical to those that the entity can have access to at the measurement date. A quoted price in an active market provides the most reliable evidence of fair value and will be used without adjustment for the measurement of fair value, whenever it is available. The valuation of securities, at fair value, is performed through the prices delivered by price suppliers or official sources such as central banks, stock exchanges, and valuation committees. Among the assets belonging to hierarchy 1 are bonds of the local fixed income portfolios that report a price.

LEVEL 2 - MODELED WITH OBSERVABLE MARKET ENTRY DATA

These are assets, whose valuations are realized, with data different from the quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly. The valuation of securities, at fair value, is carried out through the prices delivered by the securities custodians of the portfolio and the price suppliers. For the classification in the hierarchy of fair value, market liquidity is used as a frame of reference. Thus, securities traded in less liquid positions other than those in hierarchy 1 are classified as hierarchy 2, among these, are some local and international fixed income securities, that value by margin, structured notes, private equity funds, and some securitizations.

LEVEL 3 - MODELED WITH NON-OBSERVABLE ENTRY DATA

These are assets, whose valuations are based on non-observable data, important for the asset or liability. For level 3, it will be Grupo SURA S.A., who will be responsible for defining the variables and applying the methodology.

FINANCIAL LIABILITIES WHOSE FAIR VALUE IS APPROXIMATED TO THE BOOK VALUE

In the case of those obligations that have a short-term maturity, the book value approximates the fair value.

Accounts, payable in the long-term, usually have maturities of between one and two years. This means that the respective book values are reasonable approximations of their fair value.

For loans with variable interest rates, the book value corresponds to an approximation of its fair value. As for loans with fixed interest rates, the market interest rates for similar loans does not differ significantly, therefore, the book value corresponds to a reasonable approximation of its fair value.

The following is a detail of the balances of the financial assets and liabilities, that Grupo SURA owns at March 31, 2020 and December 31, 2019.

6.1. Financial assets

The balance of the financial assets of Grupo SURA is as follows:

	Notes	March 2020	December 2019
Cash and cash equivalents		4,381	3,145
Investments	6.1.3	19,736	19,716
Commercial accounts and other accounts receivable	6.1.1	98,567	99,581
Accounts receivable, related parties and current associates	6.1.2	1,055,621	108,851
Other financial assets	6.1.4	1,125,569	305,660
		2,303,874	536,953

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

March 2020					
Current	Financial assets at amortized cost	Financial assets at fair value		Cash	Total
		Result	Equity		
Cash and cash equivalents	-	-	-	4,381	4,381
Accounts receivable	98,567	-	-	-	98,567
Accounts receivable related parties	1,055,621	-	-	-	1,055,621
Derivatives	-	16,578	-	-	16,578
Total	1,154,188	16,578	-	4,381	1,175,147

Non- Current	Financial assets at amortized cost	Financial assets at fair value		Cash	Total
		Result	Equity		
Investments	-	-	19,736	-	19,736
Derivatives	-	1,108,991	-	-	1,108,991
Total	-	1,108,991	19,736	-	1,128,727

Financial assets	1,154,188	1,125,569	19,736	4,381	2,303,874
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December 2019					
Current	Financial assets at amortized cost	Financial assets at fair value		Cash	Total
		Result	Equity		
Cash and cash equivalents	-	-	-	3,145	3,145
Accounts receivable	99,581	-	-	-	99,581
Accounts receivable related parties	108,851	-	-	-	108,851
Derivatives	-	9,789	-	-	9,789
Total	208,432	9,789	-	3,145	221,366

Non -current	Financial assets at amortized cost	Financial assets at fair value		Cash	Total
		Result	Equity		
Investments	-	-	19,716	-	19,716
Derivatives	-	295,871	-	-	295,871
Total	-	295,871	19,716	-	315,587

Financial assets	208,432	305,660	19,716	3,145	536,953
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6.1.1. Trade and other accounts receivable

Following is a breakdown of the trade and other accounts receivable:

	March 2020	December 2019
Derivative premiums	98,405	99,461
Debtors	38	78
Advances to contracts and workers	124	42
Total	98,567	99,581

6.1.2. Accounts receivable, related parties

This corresponds to pending dividends, receivable from associated companies and current accounts, between subsidiary companies, which are as follows:

	March 2020	December 2019
Bancolombia S.A.	384,185	64,031
Grupo Argos S.A.	86,215	20,063
Grupo Nutresa S.A.	105,045	24,757
Total dividends, receivable, associates	575,445	108,851
Sura Asset Management S.A.	301,639	-
Suramericana S.A.	178,517	-
Enlace Operativo S.A.	20	-
Total dividends receivable subsidiaries	480,176	-
Total accounts receivable to related parties and current associates	1,055,621	108,851

6.1.3. Investments

A breakdown of financial assets, at fair value, with changes in equity is as follows:

	March 2020			December 2019		
	# Shares	% Part.	Fair Value	# Shares	% Part.	Fair Value
Enka S.A.	1,973,612,701	16.76%	19,736	1,973,612,701	16.76%	19,716

6.1.4. Other Financial Asset

The following is a breakdown of the derivative instruments of Grupo SURA:

	March 2020			December 2019		
	Swaps	Options	Total	Swaps	Options	Total
Asset						
Trading						
Interest rate	5,643	-	5,643	3,252	147,145	150,397
Exchange rate	377,888	328,878	706,766	32,507	-	32,507
	383,531	328,878	712,409	35,759	147,145	182,904
Hedging						
Interest rate	-	-	-	-	-	-
Exchange rate	413,160	-	413,160	122,756	-	122,756
	413,160	-	413,160	122,756	-	122,756

Total derivative assets	796,691	328,878	1,125,569	158,515	147,145	305,660
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The variation compared to December corresponds to the high volatility that has been taking place in the capital markets, which have been heavily affected primarily by two events, the oil price war between Saudi Arabia and Russia and the economic impact of the COVID-19 pandemic. This behavior has led to significant variations in valuation curves and exchange rates. See details in note 14. Financial results.

6.2. Financial liabilities

The following are financial liabilities, including accounts payable, by Grupo SURA:

	Note	March 2020	December 2019
Other financial liabilities	6.2.1	1,184,379	848,773
Trade and other accounts payable	6.2.3	146,804	149,804
Accounts payable to related parties	6.2.2	371,247	155,960
Securities issued	10	5,129,134	4,419,096
Total		6,831,564	5,573,633

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

March 2020

March 2020			
Current	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Accounts payable	146,804	-	146,804
Accounts payable to related parties	371,247	-	371,247
Other financial liabilities	324,705	30,988	355,693
Securities issued	100,984	-	100,984
Total	943,740	30,988	974,728

Non-current	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	-	409,026	409,026
Other financial liabilities	419,660	-	419,660
Securities issued	5,028,150	-	5,028,150
Total	5,447,810	409,026	5,856,836

Total financial liabilities	6,391,550	440,014	6,831,564
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December 2019

December 2019			
Current	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	-	1,070	1,070
Accounts payable	149,804	-	149,804
Accounts payable to related parties	155,960	-	155,960
Other financial liabilities	262,617	1,501	264,118
Total	568,381	2,571	570,952

Non-current	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	-	165,570	165,570
Other financial liabilities	418,015	-	418,015
Securities issued	4,419,096	-	4,419,096
Total	4,837,111	165,570	5,002,681

Total financial liabilities	5,405,492	168,141	5,573,633
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6.2.1. Other financial liabilities

Corresponds to short and long-term financial obligations, options and swaps, which are detailed below for the period ended March 31, 2020 and December 31, 2019:

Entity	Rate	Term (days)	Credit currency	March 2020	December 2019
Bancolombia S.A.	IBR + 2.05%	2,023	COP	271,885	272,054
Bancolombia S.A.	DTF + 0.76%	2,021	COP	147,775	145,963
Banco Nacional de México S.A.	Libor + 0.62%	2,022	USD	324,705	262,615
Subtotal financial obligations				744,365	680,632
Repo operations		2,020	COP	30,988	1,501
Subtotal other financial liabilities				775,353	682,133
Derivatives*				409,026	166,640
Total other financial liabilities				1,184,379	848,773

* The growth presented is mainly due to the creation of 3 new hedging options, which makes the liability for derivatives increase, moreover, this increase is also presented by the high volatility of the markets, which leads to the curves used for the valuation of these to increase the liability.

6.2.2. Accounts payable to related entities

Corresponds to the payment of short-term dividends on shares declared at the March 31, 2020 stockholders meeting and to accounts payable to subsidiaries:

	March 2020	December 2019
Ordinary shares	297,370	66,570
Preference shares	71,604	15,673
Others	1,798	(508)
Subtotal accounts payable related parties (Note 11. Dividends)	370,772	81,735
Accounts payable subsidiaries	475	74,225
Total accounts payable to related parties	371,247	155,960

6.2.3. Trade and other accounts payable

The detail of trade accounts payable, is as follows:

	March 2020	December 2019
Premium accounts payable options	142,483	144,760
Suppliers	2,348	3,897
Withholdings	1,576	1,121
Pension Funds	197	-
Family compensation fund, ICBF and SENA	92	-
Health promoting entities	77	-
Other unions	26	26
Administrators of occupational hazards	4	-
Judicial	1	-
Total	146,804	149,804

NOTE 7. TAXES

The following are the taxes recognized in the statement of financial position:

	Note	March 2020	December 2019
Current tax asset	7.1	4,882	-
Deferred tax asset (net)	7.2	112,478	62,961
Current tax liability	7.1	3,214	2,765

7.1. Current income tax

- a. Current tax recognized in the statement of financial position

	March 2020	December 2019
Current tax assets		
Local taxes	512	-
Withholdings	4,370	-
Total current tax assets	4,882	-
	March 2020	December 2019
Current tax liabilities		
Income and complementary taxes	929	1,105
Local taxes	2,285	1,660
Total current tax liabilities	3,214	2,765

b. Tax recognized in the results of the period

	March 2020	March 2019
Current tax expenses	(62)	(137)
Current tax	(62)	(137)
Deferred tax income/expense	43,227	(13,905)
Constitution/reversal of temporary differences	43,022	(13,905)
Deferred tax adjustment	205	-
Tax expense	43,165	(14,042)

c. Reconciliation of the effective tax rate.

The reconciliation of the effective tax rate of the Group applicable for the years ended March 31, 2020 and 2019, respectively, is as follows:

	March 2020		March 2019	
	Rate	Balance	Rate	Balance
Profit before tax		317,057		679,070
Income tax applying the local tax rate	32%	(101,458)	33%	(224,093)
Tax Effect of:		(33,870)		(27,582)
Non-deductible expenses ¹		(29,569)		(27,032)
Financial liabilities		(3,392)		-
Others		(909)		(550)
Items that reduce the taxable base		178,493		237,633
Untaxed income		35,564		93,950
Untaxed Dividends ²		142,929		143,683
Income tax income (expense)	13.61%	43,165	2.07%	(14,042)

¹ Includes expenses due to law limitations associated with unearned income, donations, among others.

² includes taxed and non-taxed dividend income and the equity method, including that of the Andean Community of Nations (ACN).

The variation in income tax is primarily due to the effect of the exchange rate difference and its effects on financial obligations and hedging operations.

d. Tax losses

The following is a detail of the tax losses and excess presumptive income over ordinary income adjusted for tax purposes:

Creation Year		
Tax Losses	2020	2019
2010	2	2
2011	120,131	120,131
2015	82,832	82,832
Total	202,965	202,965
Tax Excesses	2020	2019
2015	4,274	9,547
2017	323	323
Total	4,597	9,870
Total losses and excesses	207,562	212,835

As of March 31, 2020, there is no deferred tax asset related to tax losses, and it is not believed that there is any expectation of recovery or use for tax purposes in future periods.

e. Movement of the current tax

The following is the movement that generated the income and complementary balance as of March 31, 2020 and 2019:

	2020	2019
Balance of income tax payable at December 31	1,105	(12,686)
Liability Current income tax	62	138
Withholdings and advances	(4,607)	(7)
Balance of income tax payable at March 31	(3,440)	(12,555)

The tax returns for the year 2020 and 2019 will be firm according to the general rule of 3 years; for the transfer pricing returns, the term of their firmness will be 6 years.

For those returns where credit balances are presented, the term of finality will be 3 years, from the date of submission of the request for refund or compensation.

7.2. Deferred tax

Movement and balances of deferred taxes

Net asset/liability for deferred income tax is comprised of the following items:

Deferred tax asset (liability)	March 2020	Recognized results	Other participation in equity	December 2019	Recognized results	Other participation in equity	December 2018
Financial assets	(201,430)	(102,546)	-	-	21,513	(2,402)	(19,111)
Properties and equipment	134	236	-	(102)	4,232	-	(4,334)
Financial liabilities	310,555	145,612	6,291	59,768	(24,743)	-	84,511
Employee benefits	3,244	(74)	-	3,318	(5,297)	(781)	9,396
Rights of use	(24)	(1)	-	(23)	(23)	-	-
	112,479	43,227	6,291	62,961	(4,318)	(3,183)	70,462

7.3. Tax matters in Colombia

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

It should be noted that Law 1943 (Financing Law) was declared unconstitutional in 2019. The declaration of unconstitutionality was proposed to be effective 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; likewise, 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 (*The Organisation for Economic Co-operation and Development*) 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 principal purpose is the holding of securities, investment or holding of shares or interests in national and/or foreign companies, as long as the direct or indirect participation exceeds 10% of the capital of 2 or more companies, for a minimum period of 12 months and they have human and material resources to perform the activity (3 employees and management). Dividends received by the CHC from foreign entities will be exempt from tax.

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

Regulations of COVID – 19

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.

7.4 Deferred Tax Not Recognized Asset

The company does not have a deferred tax asset for tax losses, which is a result of the analysis and the low probability of recovery.

7.5. Uncertainty over income tax treatments.

Income tax is calculated in accordance with current regulations and the best estimate of this tax is available at this time.

NOTE 8. LEASES

Grupo SURA as lessee

The initial term regarding the lease of the building was 15 years. Grupo SURA has no restrictions on subleasing the leased assets.

At 31 March 2020, the carrying value of the leases is:

	Right-of-use asset	Lease liability
Balance of January 1, 2019(*)	21,652	14,216
Increments	683	330
Depreciation and amortization	(1,593)	-
Interest expenses	-	1,054
Lease payments	-	(1,785)
Balance of December 31, 2019	20,742	13,815
Depreciation and amortization	(365)	-
Interest expenses	-	231
Lease payments	-	(428)
At March 31, 2020	20,377	13,618

(*) Corresponds to the reclassification of lease balances, classified under IAS 17 Leases effective at December 2018.

NOTE 9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

9.1 Investments in associates

General information on investments in associates

Herewith a breakdown of associates of Grupo SURA, to date of the reporting period:

Investment	March 2020			December 2019		
	% Participation	% voting rights	# Shares	% Participation	% Voting rights	# Shares
Bancolombia S.A.	24.39%	46.02%	234,545,239	24.39%	46.02%	234,545,239
Grupo Argos S.A.	26.75%	35.53%	229,295,179	26.75%	35.53%	229,295,179
Grupo Nutresa S.A.	35.20%	35.20%	161,948,089	35.17%	35.17%	161,807,155

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 is a detail of investments in associates at 31 March 2020 and 31 December 2019:

Investment	March 2020	December 2019
Bancolombia S.A.	5,594,878	5,594,878
Grupo Argos S.A.	4,510,388	4,510,388
Grupo Nutresa S.A.	4,289,975	4,287,391
Total	14,395,241	14,392,657

Dividends received

Dividend income comes from the following issuers:

	March 2020	December 2019
Bancolombia S.A.	384,185	256,123
Grupo Argos S.A.	86,215	80,253
Grupo Nutresa S.A.	105,045	99,027
	575,445	435,403

Financial information of associates

The assets, liabilities, equity and results of the exercise of each of the associated companies included in the financial statements for the period to March 31, 2020 and December 2019 are the following:

March 2020	Location	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
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)

December 2019	Location	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
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

(*) The associate Grupo Bancolombia, presents the statement of financial position for liquidity purposes, and therefore does not include the detail of current and non-current financial assets and liabilities

The investments in associates of Grupo SURA are listed on the Colombian Stock Exchange and are highly liquid; their fair value at March 31, 2020 and December 2019 in the stock market is as follows:

Associate	March 2020	December 2019
Bancolombia S.A.	5,652,540	10,319,991
Inversiones Argos S.A.	2,824,917	4,081,454
Grupo Nutresa S.A.	3,093,208	4,109,902

Movement of investments in associates:

	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	Total
At December 31, 2018	5,594,878	4,510,388	4,287,391	14,392,657
Additions	-	-	-	-
Derecognition	-	-	-	-
At December 31, 2019	5,594,878	4,510,388	4,287,391	14,392,657
Additions	-	-	2,584	2,584
Derecognition	-	-	-	-
At March 31, 2020	5,594,878	4,510,388	4,289,975	14,395,241

Restrictions

Grupo SURA has no restrictions on its investments in associates, and impairment analyses were performed without identifying issues involving adjustments.

9.2. Investments in subsidiaries

General information on investments in subsidiaries

The following is a breakdown of the entities over which Grupo SURA possesses direct control at March 31, 2020 and December 2019:

Company	Country	Economic Activity	Percentage of property		Date of creation
			March 2020	December 2019	
SURA Asset Management S.A.	Colombia	Investor	83.58%	83.58%	15/09/2011
ARUS Holding S.A.S.	Colombia	Investments	100%	100%	11/07/2012
ARUS S.A.	Colombia	Technology	100%	100%	16/08/1988
Enlace Operativo S.A.	Colombia	Services	100%	100%	31/05/2006
Inversiones y Construcciones Estratégicas S.A.S.	Colombia	Investments	100%	100%	30/08/2007
Suramericana S.A.	Colombia	Investments	81.13%	81.13%	25/05/1999
SURA Ventures S.A.	Panama	Investments	100%	100%	21/02/2018

The following is the detail of the balance of investments in subsidiaries under the equity method as of March 31, 2020 and December 2019

Company	March 2020	December 2019
SURA Asset Management S.A.	9,947,453	9,726,909
Suramericana S.A.	4,152,539	4,069,574
SURA Ventures S.A.	143,144	77,499
Inversiones y Construcciones Estratégicas S.A.S.	108,379	181,441
ARUS Holding S.A.S.	72,969	72,952
ARUS S.A.	3,443	3,460
Enlace Operativo S.A.	1,270	1,267
Total	14,429,197	14,133,102

Assets, liabilities, equity and results of subsidiaries

The assets, liabilities, equity and results for the year of each of the subsidiary companies included in the financial statements for the period from March 31, 2020 to December 2019 are as follows:

March 2020	Asset	Liability	Equity	Income	Other comprehensive income
SURA Asset Management S.A. (*)	22,409,582	13,078,674	9,330,908	(129,747)	754,499
Arus Holding S.A.S.	75,756	9	75,747	18	(318)
ARUS S.A.	131,039	98,602	32,437	(321)	-
Enlace Operativo S.A.	29,659	7,535	22,124	361	-
Inversiones y Construcciones Estratégicas S.A.S	116,349	7,970	108,379	1,528	(86)
Suramericana S.A. (*)	30,200,809	25,073,825	5,126,984	106,727	200,060
Sura Ventures S.A.	110,415	30	110,386	(34,515)	23,618

(*) Figures taken from the consolidated financial statements

December 2019	Asset	Liability	Equity	Income	Other comprehensive income
SURA Asset Management S.A. (*)	20,926,946	11,860,459	9,066,487	723,846	(230,672)
Arus Holding S.A.S.	75,730	2	75,728	1,446	(396)
ARUS S.A.	126,687	93,930	32,758	(2,540)	-
Enlace Operativo S.A.	26,462	4,361	22,101	4,220	-
Inversiones y Construcciones Estratégicas S.A.S	189,276	7,834	181,441	29,200	2,208
Suramericana S.A. (*)	28,414,922	23,391,494	5,023,429	390,571	(31,160)
Sura Ventures S.A.	120,132	21	120,111	(12,840)	1,547

(*) Figures taken from the consolidated financial statements

The equity method of subsidiaries

The following is a breakdown of profit or loss from the equity method, as of March 31st of 2020 and 2019:

Subsidiary	March 2020	March 2019
Suramericana S.A.	86,587	95,820
Inversiones y Construcciones Estratégicas S.A.S.	1,528	1,094
Enlace Operativo S.A.	21	37
Arus Holding S.A.S.	17	(1,364)
ARUS S.A.	(17)	(109)
SURA Ventures S.A.	(1,756)	(1,013)
SURA Asset Management S.A.	(108,439)	190,232
Total	(22,059)	284,697

Movement of investments in subsidiaries

The movement of investments in subsidiaries, is as follows

	Asset	Income Statement	Other comprehensive income
Balance at January 1, 2019	13,991,836	698,957	1,227,779
Additions	12,593	-	-
Dividends	(626,869)	-	-
Equity variation	(180,024)	-	(180,024)
Income/expenses from the equity method	935,566	935,566	-
Balance at December 31, 2019	14,133,102	935,566	1,047,755
Additions (1)	1,144	-	-
Dividends	(554,679)	-	-
Equity variation	871,689	-	871,689
Income/expenses from the equity method	(22,059)	(22,059)	-
Closing balance at March 31, 2020	14,429,197	(22,059)	1,919,444

(1) Capitalisations made to SURA Ventures in the first quarter of 2020.

NOTE 10. SECURITIES ISSUED

The following is an overview of the securities issued:

	March 2020	December 2019
Outstanding bonds (1)	4,668,444	3,958,384
Preference shares (2)	460,690	460,712
Total	5,129,134	4,419,096

The following is a breakdown of bonds issued:

(1) Outstanding bonds:

Date Issued	Maturity Date	Nominal value	Emission rate	Cost amortized		Fair value	
				March 2020	December 2019	March 2020	December 2019
29-apr-16	29-abr-26	USD 550*	+ 5.50%	2,257,882	1,799,460	2,403,586	1,059,566
18-may-11	18-may-21	USD 300*	+ 5.70%	1,239,918	987,839	1,244,737	2,110,775
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
07-may-14	07-may-30	100,000	CPI + 4.15%	100,783	100,797	102,236	131,728
07-may-16	07-may-20	100,000	CPI + 3.55%	100,984	101,005	101,227	120,354
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
				4,668,444	3,958,384	4,869,998	4,449,342

* Values expressed in millions of dollars

(2) Preferential shares

On November 29, 2011, the issuance of 106,334,963 preference shares was realized, in amount of \$32,500 per share (in Colombian pesos). From the date of issuance and for 3 years, a quarterly dividend of 3% EAR on the value of the issue is paid. As of 2015, EAR pays 0.5%, quarterly, on the issue price.

On March 31, 2017, the meeting of shareholders approved the amendments to the issuance and placement of preference shares regulations, issued in 2011, which establishes the payment of a preferential minimum dividends, equivalent to one percent (1%), per annum, over the sum, equivalent to the reference subscription price (as defined below), as long as the value resulting from this calculation exceeds the dividend decreed for ordinary shares. Otherwise, the latter will be recognized.

For these purposes, the reference subscription price shall mean the subscription price of preference shares in any placement of preference shares, by the company in the most recent primary market transaction approved by the general meeting, including, but not limited to, issuances and public offerings, private issues, capitalization of claims, dividend payment in shares, among others. In no case shall it be understood that the reference subscription price will correspond to the trading price of the preference shares in the secondary market. The general meeting of shareholders shall determine the form and dates of payment of the dividend of the preference shares under conditions equal to those of the dividend of the ordinary shares.

The previous dividend will be paid in preference to the dividend that corresponds to the ordinary shares.

Moreover, on March 31, 2017, the board of directors of the company, in thirty-five thousand, nine hundred seventy-three pesos (\$35,973), fixed the subscription price of the preference shares that would be delivered for dividend payment in shares.

Movements of the debt instruments issued, for March 31, 2020 and December 31, 2019, are as follows:

	Bonds	Preference shares	Total
At December 31, 2018 (*)	4,088,985	460,699	4,549,684
Caused Interest	219,406	40,641	260,047
Interest payments	(376,212)	(40,628)	(416,840)
Exchange differences	26,205	-	26,205
At December 31, 2019	3,958,384	460,712	4,419,096
Caused Interest	67,119	10,135	77,254
Interest payments	(22,822)	(10,157)	(32,979)
Exchange differences	665,763	-	665,763
At March 31, 2020	4,668,444	460,690	5,129,134

(*) In 2018, Grupo SURA recognized as liabilities the bonds from Grupo SURA Finance, deriving from the merger with this company on 31 July 2018. Since the Finance bonds are issued in US dollars, Grupo SURA decided to apply hedge accounting from September 2018, the effects of which are taken to other comprehensive income and the income statement. The hedge structure was made up of swaps and options.

NOTE 11. DIVIDENDS

Paid and declared

Dividends, paid and declared, at the cut-off date, are as follows:

Dividends payable at December 31, 2018	76,881
Ordinary declared	257,971
Preferential declared	62,117
Subtotal dividends declared	320,088
Payment ordinary shares	(253,822)
Payment of preference shares	(61,127)
Others	(285)
Dividends payable at December 31, 2019 (Note 6.2.2.)	81,735
Ordinary declared	297,370
Preferential declared	71,604
Subtotal dividends decreed	368,974
Payment ordinary shares	(64,357)
Payment of preference shares	(15,512)
Others	(68)
Dividends payable at March 31, 2020 (Note 6.2.2.)	370,772

The General Meeting 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.

Occasional reserves

Approval of the constitution of occasional reserves with profits generated on December 31, 2019 for \$ 263,217

NOTE 12. ADMINISTRATIVE EXPENSES

Administrative expenses are as follows:

	March 2020	March 2019
Travel and representative expenses	(1,862)	(1,869)
Taxes	(1,001)	(967)
Publicity	(892)	(293)
Insurance	(756)	(12)
Contributions	(606)	(221)
Commissions	(247)	(194)
Others	(170)	(145)
Public services	(156)	(126)
Seasonal services	(123)	(22)
Maintenance and repairs	(85)	(86)
Stationery and supplies	(52)	(7)
Leases	(40)	(63)
Electronic data processing	(19)	-
Legal	(3)	(4)
Total	(6,012)	(4,009)

NOTE 13. HONORARIUM FEES

Honorarium fees are detailed as follows:

	March 2020	March 2019
Consultants and advisory	(1,000)	(2,405)
Board of Directors	(343)	(238)
Auditor	(115)	(53)
Total	(1,458)	(2,696)

NOTE 14. FINANCIAL RESULTS

The financial results are detailed as follows:

	March 2020	March 2019
Fair value gains – Derivatives ⁽¹⁾	318,581	14,360
Exchange differences (net) ⁽²⁾	(436,930)	40,963
Interests ⁽³⁾	(98,903)	(84,015)
Total	(217,252)	(28,692)

⁽¹⁾ Corresponds to the valuation of derivatives, the variation is generated by the increase in transactions classified in this line, the swap derivatives and options, which in March 2019 were 40 and in March 2020 are 65.

⁽²⁾ Here is a detail of the exchange difference:

	March 2020	March 2019
Derivatives	62,149	(5,993)
Dollar credits	(62,215)	6,396
Bonds	(436,907)	40,560
Others	43	-
Total	(436,930)	40,963

⁽³⁾ The following is a detail of the interests:

	March 2020	March 2019
Securities issued	(67,119)	(61,498)
Bank credits	(8,501)	(11,956)
Preference shares	(10,135)	(10,022)
Financial leases	(231)	(295)
Repo operations	(241)	(217)
Hedging	(12,162)	-
Others	(514)	(27)
Total	(98,903)	(84,015)

NOTE 15. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares outstanding during the period.

The calculation of basic earnings per share is as follows:

	March 2020	March 2019
Profit, net	360,222	665,028
Controlling earnings	360,222	665,028
Plus: Preferred shares interest expense (Note 10) ¹	10,135	10,022
Less: retained earnings to preferred stockholders ²	(71,873)	(131,002)
Profit corresponding to ordinary continuous operations	298,484	544,048
Ordinary shares	469,037,260	469,037,260
Earnings per share from continuing operations	636	1,160

¹ Corresponds to the minimum guaranteed dividend of the preference shares caused as an expense during the period.

² Corresponds to the portion of the parent company net income attributable to the preferred stock that has not been declared as a dividend.

NOTE 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Measures taken in response to the State of Economic, Social and Environmental Emergency decreed in Colombia as a result of COVID-19

As part of its Risk Management System, Grupo SURA has a Business Continuity Plan designed to maintain the operation of its critical activities in the face of interruption scenarios, through which the measures to be used to preserve an appropriate level of operation during these events are established, including the functions of investor relations, accounting closure, consolidation and transmission of financial information, publication of relevant Information and regulatory compliance.

This plan has been constructed based on an analysis of the risks derived from the operating model, obligations and services of Grupo SURA, also considering the impacts generated by contingencies that affect the availability of the enabling technology resources, physical infrastructure, key personnel and financial liquidity.

In order to preserve the operation of critical business activities and at the same time protect the health of employees, Grupo SURA established as a general business continuity measure the activation of the remote work scheme for 100% of the people who make up its work team, which began on March 16, also enabling access to the systems and technological resources required to meet this objective, as well as implementing psychological and methodological support measures to adequately manage the challenges that arise from working in this new context. Likewise, all the 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.

Likewise, the liquidity position of the Company was evaluated in order to verify its financial capacity in the face of the projected scenario and thus ensure compliance with its obligations and the preservation of the operation. As a result of this analysis, it became clear that Grupo SURA has a liquidity and solvency position that allows it to adequately address the current situation.

In this way, the continuity model of Grupo SURA, which has been tested in recent weeks, has enabled it to adequately address the impacts generated by events of various kinds that could threaten the continuity of its operations and compliance with its obligations.

Financial Risks

The performance of the financial markets and the economies of the region has an impact on the operation of businesses and, therefore, on their financial results. This leads the Company to have management systems that allow it to monitor exposure to credit, market and liquidity risk, from cash management to investment portfolios.

Risk management of the Company is framed by the Risk Management Framework Policy of Grupo Empresarial SURA and the Internal Risk Manual of Grupo SURA, which establish the responsibilities of the Board of Directors, the Risk Committee and Senior Management with regard to the Risk Management System and define the framework for action of the Company in this area. In addition, these documents provide guidelines both for the risks of the Company itself, associated with its business model and derived from its strategy, and for the risks of its investments. The latter are managed by each business unit, taking into account their level of experience and expertise. The work of Grupo SURA is focused on developing appropriate interaction mechanisms to monitor their profiles and the way they manage their risks.

16.1. Credit risk

The credit risk management seeks to reduce the probability of incurring losses, derived from the breach of financial obligations, contracted by third-parties, with the company.

16.1.1 Description of the objectives, policies, and processes for risk management

To manage this risk, from the management of treasury resources, guidelines have been defined, which facilitate the analysis and monitoring of issuers and counterparties, ensuring that investments are always backed by issuers and/or managers, with adequate strength credit.

16.1.2. Methods used to measure risk

The risk instances, of the Company, analyse the counterparts, issuers, and managers, in order to evaluate their credit support and deliver the investment limits that should be considered by the treasury.

16.1.3. Summary of quantitative data on risk exposure of the entity

At the end of the quarter, the available resources, and treasury investments, of Grupo SURA were mostly concentrated in liquid collective portfolios, managed by high credit quality managers and demand deposits, in savings and current accounts.

16.2. Liquidity risk

Liquidity risk refers to the ability of the Companies to generate the resources to meet the obligations acquired and the operation of their business.

Based on the current situation of COVID-19, and in order to evaluate the liquidity risk of Grupo SURA, a detailed review has been performed of the levels of liquidity and solvency of the Company, as well as of the additional factors that may affect it, and it has been determined that its

equity capacity allows it to adequately address the foreseeable effects of the current situation, based on its flow of liquidity, obligations and financial structure.

16.2.1. Description of the objectives, policies, and processes for risk management

To manage this risk, the Grupo SURA focuses its actions within the framework of a liquidity management strategy for the short and long-term, in accordance with the policies and guidelines, issued by the board of directors and senior management, which contemplate circumstantial and structural issues, in order to ensure compliance with the obligations acquired, under the conditions initially agreed and without incurring surcharges.

16.2.2. Methods used to measure risk

To manage this risk, following the policies and guidelines, issued by the board of directors and senior management, it monitors the cash flow in the short-term to manage the collection and payment activities from the treasury, and cash flow projections. in the medium-term, in order to determine the liquidity position, and anticipate the necessary measures for an adequate management.

In addition, in order to face eventual situations, the Company maintains lines of credit, available with financial entities and has treasury investments, that could be sold as a mechanism for accessing liquidity, in addition to other complementary sources of liquidity.

16.2.3. Description of changes in risk exposure

During the quarter, although there were effects from public health measures to mitigate the impacts of COVID-19 in Colombia, there is no evidence of a material impact on the liquidity of the Company.

16.2.4. Summary of quantitative data on risk exposure of the entity

At the end of the quarter, the Company has an adequate availability of liquid assets to meet its financial obligations.

16.3. Market risks

Market risk refers to how changes in market prices affect the income of the Company, or the value of its investments.

The market risk, in Grupo SURA, is mainly generated by the following factors and activities:

- The liquidity management, in the treasury, through the exposure to collective portfolios and issuers of fixed income instruments. These activities do not generate a significant market risk, due to their nature of low volatility assets.
- Financial liabilities, obtained in foreign currency, and those tied at a variable rate, which result in an exposure to exchange rate risk and interest rate.

Grupo SURA analyses the impact that variables, such as the interest rate and the exchange rate generate on their results, to determine if it is convenient to have hedging strategies to mitigate their volatility.

16.3.1. Exchange rate risk

Exchange rate risk is the probability that the fair value, or future cash flows, of a financial instrument may fluctuate as a result of changes in exchange rates. The Company is exposed to this risk to the extent that it has assets and liabilities denominated in foreign currency.

16.3.1.1. Description of the objectives, policies and processes for risk management

To manage this risk, the company monitors its exposures, in accordance with the policies and guidelines, issued by the board of directors and, if necessary, determines the advisability of having a coverage scheme.

16.3.1.2. Methods used to measure risk

The exchange rate risk management realized, from the treasury of the company, is focused on the analysis of the advisability of hedging to neutralize the impact that variations in the exchange rate that may have on its results and thus reduce exposure to this risk.

16.3.1.3. Description of changes in risk exposure

During the quarter there was no change in the exposure to exchange rate risk, since by the first quarter of the year the company already had the vast majority of its debt in foreign currency hedged in Colombian pesos. It still has 8.6% of its total debt in dollars in that currency which had a controlled impact on results given the devaluation of the Colombian peso in March.

16.3.1.4. Summary of quantitative data on risk exposure of the entity

With respect to financial liabilities, the Company maintains several hedging strategies, for loans acquired in foreign currency, with the objective of reducing the possible impacts of a devaluation of the Colombian peso.

For further details please refer to **Note 6.1.4 "Other financial assets"** and **Note 6.2.1 "Other financial liabilities"**.

16.3.2. Interest rate risk

Interest rate risk, is 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 the holding of fixed income assets and/or liabilities associated with variable interest rates.

16.3.2.1. Description of the objectives, policies and processes for risk management

To manage the exposure to this risk, the company monitors its exposures and, if necessary, determines the convenience of having a coverage scheme, monitored periodically, and aligned with the guidelines, issued by its board of directors.

16.3.2.2. Methods used to measure risk

The interest rate risk management, realized, from the treasury of the company focuses on the analysis of the convenience of making hedges, to neutralize the impacts that the interest rate variations may have on their results and thus reduce exposures to this risk.

16.3.2.3. Description of changes in risk exposure

During the quarter, there were no significant changes in the exposure to this risk.

16.3.2.4. Summary of quantitative data on risk exposure of the entity

The Company maintains hedging strategies for loans acquired at a variable rate, with the objective of reducing the possible impacts due to increases in the local and foreign interest rate.

For further details, please refer to **Note 6.1.4 "Other financial assets"** and **Note 6.2.1 "Other financial liabilities"**.

Equity price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in the price of equity assets.

16.3.3.1. Description of the objectives, policies and processes for risk management

For the management of this risk, from the management of treasury resources, guidelines have been defined to facilitate the analysis and monitoring of how variations in the market prices of the instruments that it holds, could affect the Company.

16.3.3.2. Methods used to measure risk

The internal risk management system considers the evaluation process of how changes in market prices affect the income of the Company or the value of its investments.

16.3.3.3. Description of changes in risk exposure

During the quarter, the risk related to changes in the price of the shares that make up the investment portfolio has increased due to the volatility that has dominated the financial markets. This has generated effects on the operations and results of Grupo SURA and its subsidiaries, resulting from the natural exposure of their businesses to this type of instrument.

Despite this, 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 pose a direct threat to its sustainability.

16.3.3.4. Summary of quantitative data on risk exposure of the entity

Given the nature of the portfolio and the investments, exposures to this risk are not material.

For more details, please refer to **Note 6.1.3 "Investments"**

NOTE 17. INFORMATION DISCLOSED ON RELATED PARTIES

Subsidiaries, key management personnel and entities over which key management personnel may exercise control and post-employment benefit plans for the benefit of employees are considered to be related parties of Grupo SURA.

The following is a breakdown of related parties, at March 31, 2020 and December 31, 2019 of Grupo SURA:

a) Companies under direct or indirect control of Grupo SURA are included in Note 9.2 Investments in subsidiaries.

b) Companies in which Grupo SURA has direct and indirect participation through its subsidiaries:

Company	Entity type	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.S	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	83.58%	83.58%	Chile	Chilean

Company	Entity type	March 2020	December 2019	Country	Functional currency
	processing services and leasing of computer equipment				peso
SURA Servicios Profesionales S.A.	Vehicle dedicated to consulting and business consult	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
Sura Art Corporation S.A. de C.V.	Company dedicated to collecting Mexican works of 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 pension savings funds	83.58%	83.58%	Uruguay	Uruguayan Peso
AFP Capital S.A.	Company dedicated to the administration of pension savings funds	83.33%	83.33%	Chile	Chilean peso
Afore SURA S.A. de C.V.	Company dedicated to the administration of investment specialized in retirement funds	83.58%	83.58%	Mexico	Mexican peso
AFP Integra S.A.	Pension funds administrator	83.58%	83.58%	Peru	Peruvian Sol
SURA Real Estate S.A.S.	Management consulting activities, real estate activities realized with owned or leased property	83.58%	83.58%	Colombia	Colombian peso
Asesores SURA S.A. de C.V.	Sale of products and provision of financial services	83.58%	83.58%	Mexico	Mexican peso
Promotora SURA AM S.A. de C.V.	Provision of marketing services, promotion, and dissemination of products of any kind	83.58%	83.58%	Mexico	Mexican peso
	Performing the function of Trustee in Titling processes	83.58%	0.00%	Mexico	Mexican peso
WM Asesores en inversiones S.A de C.V	Management consulting services	83.58%	83.58%	Mexico	Mexican peso
Seguros de Vida SURA S.A. (Chile)	Company dedicated to realizing insurance activities, related to life	83.58%	83.58%	Chile	Chilean peso
Pensiones SURA S.A. de C.V.	Pension insurance	83.58%	83.58%	Mexico	Mexican peso
SUAM Corredora de Seguros S.A. de C.V.	Company dedicated to all kinds of activities related to insurance and reinsurance	83.58%	83.58%	El Salvador	Dollar
Disgely S.A.	Company dedicated to the marketing of goods, leasing of goods, works and services.	83.58%	83.58%	Uruguay	Uruguayan Peso
Corredores de Bolsa SURA S.A.	Company dedicated to the purchase and sale of securities and securities brokerage operations	83.58%	83.58%	Chile	Chilean peso
Administradora General de Fondos SURA S.A.	Company dedicated to managing mutual and investment funds	83.58%	83.58%	Chile	Chilean peso
SURA Investment Management S.A. de C.V.	Company dedicated to the operation of investment companies	83.58%	83.58%	Mexico	Mexican peso
Fondos SURA SAF S.A.C.	Company dedicated to managing mutual and investment funds	83.58%	83.58%	Peru	Peruvian Sol
Sociedad Agente de Bolsa S.A.	Stockbrokers	83.58%	83.58%	Peru	Peruvian Sol
	Performing the function of Trustee in Titling processes	83.58%	0.00%	Peru	Peruvian Sol
Corredor de Bolsa SURA S.A.	Intermediation services	83.58%	83.58%	Uruguay	Uruguayan Peso
AFISA SURA S.A.	Company dedicated to the administration of investment funds	83.58%	83.58%	Uruguay	Uruguayan Peso
SURA Asset Management	Company dedicated to financial and	83.58%	83.58%	Argentina	Argentine

Company	Entity type	March 2020	December 2019	Country	Functional currency
Argentina S.A.	investment management				Peso
NBM Innova, S.A. de C.V.	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
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)	Investor	81.13%	81.13%	Argentina	Argentine Peso
Atlantis Sociedad Inversora S.A.	Investor	81.13%	81.13%	Argentina	Argentine Peso
Chilean Holding Suramericana SPA	Investor	81.13%	81.13%	Chile	Chilean peso
Inversiones Suramericana Chile Limitada	Investor	81.13%	81.13%	Chile	Chilean peso
Seguros Generales Suramericana S.A. (Colombia)	General securities	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 securities	81.13%	81.13%	El Salvador	Dollar
Sura RE Ltd.	Insurance and/or reinsurance business	81.13%	81.13%	Bermuda Island	Dollar
Sura SAC Ltd.	Insurance and/or reinsurance business	81.13%	81.13%	Bermuda Island	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)	General securities operations	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 securities	81.13%	81.13%	Uruguay	Uruguayan Peso
	Investments	81.13%	0.00%	Uruguay	Uruguayan Peso
Operaciones Generales Suramericana S.A.S.	Investment in real and personal property	81.13%	81.13%	Colombia	Colombian peso
Servicios Generales Suramericana S.A. (Colombia)	Investment in personal property, especially of 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 comprehensive risk management	81.13%	81.13%	Colombia	Colombian peso
Servicios Generales Suramericana S.A. (Panamá)	Service inspection, 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 health aids services	81.13%	81.13%	Colombia	Colombian peso
Seguros de Vida Suramericana S.A.	Personal insurance	81.13%	81.13%	Colombia	Colombian peso

Company	Entity type	March 2020	December 2019	Country	Functional currency
(Colombia) ⁽¹⁾					
Asesuisa Vida, S.A. Seguros de Personas	Personal insurance	81.13%	81.13%	El Salvador	Dollar
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 disposition 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 real and personal 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 real and personal property	100.00%	100.00%	Colombia	Colombian peso
Arus S.A.	Services and commercialization 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

c) Members of the board of directors:

It is the responsibility of the members of the Board of Directors of Grupo SURA, to formulate the guidelines of the business and make the key decisions.

a) Directors:

The following is the total value of the transactions realized by Grupo SURA, with its related parties, during the corresponding period:

Accounts receivable of subsidiaries (Note: 6.1.2.):

	March 2020	December 2019
Suramericana S.A.	178,517	-
Sura Asset Management S.A.	301,639	-
Enlace Operativo S.A.	20	-
	480,176	-

These accounts receivable correspond to dividends from subsidiaries

Accounts payable (Note 6.2.2.):

	March 2020	December 2019
Inversiones y Construcciones Estratégicas S.A.S (1)	-	67,783
Inversiones y Construcciones Estratégicas S.A.S. (1)	475	6,442
	475	74,225

- (1) These accounts payable of principal plus interest, corresponds business checking accounts, within the companies.

The transactions with economic associates were realized at normal prices and under normal market conditions.

This credit was cancelled in March 2020.

Non-operating expenses:

	March 2020	March 2019
Inversiones y Construcciones Estratégicas S.A.S.(1)	766	391
Operaciones Generales Suramericana S.A.S.	5	9
Consultoria y Gestión de Riesgos Suramericana S.A.S.	3	3
Seguros Generales Suramericana S.A.	-	1
	774	404

- (1) Corresponds to interest generated by business checking accounts, between companies. The transactions with economic associates, were realized at normal prices and under normal market conditions.

Employee benefits, senior management:

	March 2020	March 2019
Short-term employee benefits (*)	2,717	1,726
Post-employment benefits	13,354	13,192
Total	16,071	14,918

- (*) It corresponds to the expenses recognized during the period for remuneration.

Other related parties:

	March 2020	March 2019
Honorariums, member Board of Directors	343	238

NOTE 18. EVENTS AFTER THE REPORTING PERIOD

These separate financial statements as at 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 that cut-off date and until its publication, no significant events 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 19. APPROVAL OF FINANCIAL STATEMENTS

The issuance of the financial statements of Grupo SURA, corresponding to the period ended March 31, 2020, were authorized by the Board of Directors, as stated in meeting minutes No. 310 of April 30, 2020, to be presented to the market.

ANALYSIS OF FINANCIAL RESULTS (unaudited)

The following are the analyses of financial results, for the period ended March 31, 2020, with comparative figures, at 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	
	Solidity	6,866,996	5,605,933	The creditors own 21.96% as of March 2020 and 19.23% as of December 2019, with the shareholders owning the complement: 78.04% in March 2020 and 80.77% as of December 2019	Total liability
		= 21.96%	= 19.23%		
		31,269,571	29,150,072		Total asset
	Total	6,866,996	5,605,933	Of each peso that the company has invested in assets, 21.96% as of March 2020 and 19.23% as of December 2019 have been financed by creditors	Total liability
		= 21.96%	= 19.23%		
		31,269,571	29,150,072		Total asset
	Coverage of interest	459,125	749,043	The Company generated a net profit equal to 464.22% as of March 2020 and 891.56% as of December 2019 of interest paid	Net profit + interest
		= 464.22%	= 891.56%		
	Leverage	98,903	84,015		Financial expenses
		6,866,996	5,605,933	Each peso (\$1.00) of the owners of the Company is committed 28.14% as of March 2020 and 23.81% as of December 2019	Total liabilities with third parties
	Total	= 28.14%	= 23.81%		
		24,402,575	23,544,139		Equity
INDEBTEDNESS	Financial Total	6,313,513	5,267,869	For each peso of equity, 25.87% is committed as of March 2020 and 22.37% as of December 2019	Total liabilities with financial entities
		= 25.87%	= 22.37%		
		24,402,575	23,544,139		Equity
PERFORMANCE	Net profit margin	360,222	665,028	Net income corresponds to	Net profit
		= 65.25%	= 92.29%		

	552,025		720,547		65.25% of net income in March 2020 and 92.29% of net income in 2019	Net income
Return on equity	360,222	= 1.50%	665,028	= 2.91%	Net results correspond to 1.5% of assets in March 2020 and 2.91% in December 2019	Net profit
	24,042,353		22,879,111			Equity - profit
Return on total assets	360,222	= 1.15%	665,028	= 2.28%	The net results in relation to total assets, corresponds to 1.15% in March 2020 and 2.28% in December 2019	Net profit
	31,269,571		29,150,072			Total assets