

Interim condensed consolidated financial statements
of Grupo de Inversiones Suramericana S.A.
for the nine-month period between
January 1st and September 30th 2020

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CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

That for the issuance of the consolidated statement of financial position as of September 30, 2020, and the consolidated statement of income for the year and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, which in accordance with the regulations are made available to the shareholders and third parties, the statements contained therein have been previously verified.

These statements, explicit and implicit, are as follows:

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

Integrity: All realized economic events have been recognized.

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

Valuation: All items have been recognized at appropriate amounts.

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

In accordance with Article 46 of Law 964 of 2005, in my capacity as legal representative of Grupo de Inversiones Suramericana S.A., the Financial Statements and other relevant reports for the public, related to the year ended September 30, 2020, September 30 and December 31, 2019 do not contain any defects, inaccuracies or errors that would prevent us from knowing the true financial position or operations of the Company.

Gonzalo Alberto Pérez Rojas
President

Luis Fernando Soto Salazar
Public accountant
Professional Card 16951-T

AUDITORS REPORT

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

At 30 September, 2020 (with comparative figures at December 31, 2019)

(Values expressed in millions of Colombian pesos)

	Note	September 2020	December 2019
Assets			
Cash and cash equivalents	6.1	3,351,031	2,346,157
Investments	6.1.1	24,050,426	23,982,370
Trade and other accounts receivable	6.1.2	6,523,481	6,334,838
Accounts receivable, related parties and current associates	6.1	243,057	109,153
Technical reserves of insurance, reinsurer parties	8.1	4,524,554	4,103,398
Inventories		47,332	11,920
Current tax assets	9.2	238,643	231,720
Non-current assets held for sale	12	13,170	5,212
Other financial assets	6.1	1,395,634	594,249
Other non-financial assets		211,244	124,654
Investment properties		179,194	169,287
Properties and equipment		1,321,745	1,309,173
Right-of-use assets	7	615,304	645,484
Intangible assets other than goodwill	10.2	4,399,499	4,188,717
Goodwill	10.1	5,119,837	4,721,695
Investments accounted for using the equity method	11	20,198,727	19,965,689
Deferred tax assets	9.5	285,180	194,114
Total assets		72,718,058	69,037,830

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

At 30 September, 2020 (with comparative figures at December 31, 2019)

(Values expressed in millions of Colombian pesos)

	Note	September 2020	December 2019
Liabilities			
Other financial liabilities	6.3.1	1,857,099	1,889,749
Financial lease liabilities	7	598,326	666,663
Trade and other accounts payable	6.3.2	3,846,585	3,613,367
Accounts payable to related entities	6.3	209,585	82,011
Technical reserves	8.4	23,033,327	23,215,289
Current tax liabilities	9.2	589,954	464,723
Provisions for employee benefits		607,196	533,657
Other non-financial liabilities		663,041	594,700
Other provisions		217,727	227,155
Securities issued	13	10,045,715	8,203,145
Deferred tax liabilities	9.5	1,460,909	1,456,369
Total liabilities		43,129,464	40,946,828
Equity			
Capital issued		109,121	109,121
Share premium		3,290,767	3,290,767
Net income		297,785	1,525,537
Retained earnings		13,658,563	13,472,589
Other equity interest	15	3,798,346	2,424,607
Reserves		5,805,720	4,814,146
Equity attributable to the holders of the controlling interest		26,960,302	25,636,767
Non-controlling interest	16	2,628,292	2,454,235
Total equity		29,588,594	28,091,002
Total equity and liabilities		72,718,058	69,037,830

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
Legal representative

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

Mariana Milagros Rodríguez
Auditor
P.C. 112752-T

Designated by Ernst & Young Audit S.A.S. TR-530
(See my report 13 November 2020)

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

At 30 September, 2020 (with comparative figures at September 30, 2019)

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

	Note	Accumulated		Quarterly	
		September 2020	September 2019	September 2020	September 2019
Premiums issued	8.2	10,571,397	9,994,472	3,697,133	3,515,827
Premiums		10,297,752	9,717,523	3,600,512	3,416,507
Complementary insurance services		273,645	276,949	96,621	99,320
Premiums ceded	8.2	(2,413,472)	(1,823,182)	(913,191)	(673,188)
Retained premiums (net)		8,157,925	8,171,290	2,783,942	2,842,639
Commission income	18.1	2,075,276	2,019,608	724,420	686,715
Provision of services	19.1	3,514,766	2,943,707	1,225,383	1,038,704
Dividends		14,307	4,792	2,362	1,467
Investment income		783,859	700,122	241,305	295,364
Earnings at fair value - Investments		348,893	775,137	173,366	148,160
Profit by equity method of associates and joint ventures	11	337,621	1,040,025	184,373	367,322
Profit from the sale of investments		3,085	111,620	4,832	61,027
Income from investment properties		9,481	11,216	3,037	3,719
Other income		193,655	190,213	67,085	73,853
Operating income		15,438,868	15,967,730	5,410,105	5,518,970
Total claims	8.3	(5,521,678)	(5,959,961)	(1,940,465)	(1,950,623)
Reimbursement claims	8.3	1,079,435	1,258,414	361,113	341,785
Retained claims		(4,442,243)	(4,701,547)	(1,579,352)	(1,608,838)
Reserves, net of production		69,483	(239,919)	(78,491)	(145,441)
Costs for the provision of services	19.2	(3,374,257)	(2,835,862)	(1,172,314)	(988,899)
Administrative expenses	21	(1,385,101)	(1,278,586)	(453,998)	(425,466)
Employee benefits		(1,614,991)	(1,556,080)	(543,821)	(531,928)
Fees	22	(255,715)	(241,915)	(93,159)	(91,847)
Broker commissions	18.2	(2,005,538)	(1,836,650)	(650,208)	(613,848)
Amortization		(218,676)	(219,657)	(70,295)	(76,228)
Depreciation		(173,678)	(157,226)	(64,081)	(53,061)
Insurance costs and expenses		(576,313)	(551,151)	(220,119)	(199,516)
Other expenses		(32,190)	(45,597)	(13,027)	(10,228)
Impairment		(54,623)	(9,019)	(18,459)	(787)
Operational expenses		(14,063,842)	(13,673,209)	(4,957,324)	(4,746,087)

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

At 30 September, 2020 (with comparative figures at September 30, 2019)

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

	Note	Accumulated		Quarterly	
		September 2020	September 2019	September 2020	September 2019
Operating profit		1,375,026	2,294,521	452,781	772,883
Profit, at fair value					
Derivatives	15	229,135	75,469	61,308	85,051
Exchange differences (Net)	15	(301,024)	(97,364)	(84,213)	(134,916)
Interest	15	(558,867)	(524,614)	(179,428)	(174,102)
Financial results		(630,756)	(546,509)	(202,333)	(223,967)
Pre-tax profit		744,270	1,748,012	250,448	548,916
Income tax	9.3	(334,241)	(325,345)	(98,198)	(70,818)
Profit, net continuing operations		410,029	1,422,667	152,250	478,098
Profit, net discontinued operations	12	(12,451)	70,155	35	64,011
Net profit		397,578	1,492,822	152,285	542,109
Controlling income		297,785	1,323,984	128,336	477,264
Non – controlling income		99,793	168,838	23,949	64,845
Earnings per share					
Net income per share from continuing operations	23	586	2,202	238	724
Net income per share from discontinued operations	23	(22)	125	-	114

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
 Legal representative

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 (See my report of 13 November 2020)

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

At 30 September, 2020 (with comparative figures at September 30, 2019)

(Values expressed in millions of Colombian pesos)

	Note	Accumulated		Quarterly	
		September 2020	September 2019	September 2020	September 2019
Profit for the period		397,578	1,492,822	152,283	542,115
Other comprehensive income					
Items that will not be reclassified to income for the period, net of taxes					
Investments in equity instruments, net of taxes	15	181	12,078	2,154	4,084
Revaluation of properties net of taxes	15	(4,208)	(27,402)	(3,020)	(341)
New measurements of defined benefit plans	15	4,103	(8,138)	-	(8,277)
Total other comprehensive income that will not be reclassified to the results of the period, net of taxes		76	(23,462)	(866)	(4,534)
Items to be reclassified to income for the period, net of taxes					
Profit for translation exchange differences	15	1,150,725	460,499	677,452	399,693
Cash flow hedge	15	25,864	145,569	(8,870)	35,172
Net foreign investment hedge	15	(135,226)	(186,621)	(85,874)	(90,912)
Participation in other comprehensive income of associates and joint ventures accounted for using the equity method	15	504,858	366,617	527,924	303,214
Total other comprehensive income that will be reclassified to the results, net of taxes		1,546,221	786,064	1,110,632	647,167
Total other comprehensive income		1,546,297	762,602	1,109,766	642,633
Total comprehensive result		1,943,875	2,255,424	1,262,049	1,184,748
Comprehensive income attributable to:					
Controlling interest		1,671,524	2,020,936	1,139,263	1,062,926
Non-controlling interest		272,351	234,488	122,786	121,822

The notes are an integral part of the financial statements.

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

At 30 September, 2020 (with comparative figures at September 30, 2019)

(Values expressed in millions of Colombian pesos)

		Issued capital	Share premium	Retained earnings	Other Participation in equity (OCI)	Reserves	Net income	Equity attributable to controlling interest	Non -controlling interest	Total equity
Balance at January 1, 2019	Note	109,121	3,290,767	13,466,180	2,519,074	3,905,725	1,182,880	24,473,747	2,427,165	26,900,912
Other comprehensive income	15	-	-	-	696,701	-	-	696,701	65,901	762,602
Net income		-	-	-	-	-	1,323,984	1,323,984	168,838	1,492,822
Total net comprehensive income for the period		-	-	-	696,701	-	1,323,984	2,020,685	234,739	2,255,424
Transfer to retained earnings		-	-	1,182,880	-	-	(1,182,880)	-	-	-
Distribution of 2018 results According to the minutes of Meeting of Shareholders No 24 of March 29, 2019:										
Dividends recognized as distributions to shareholders (550 per share)	16	-	-	(320,088)	-	-	-	(320,088)	(97,097)	(417,185)
Reserves for protection of investments		-	-	(328,507)	-	328,507	-	-	-	-
Dividend minimum preference shares		-	-	30,471	-	-	-	30,471	-	30,471
Increases (decreases) from other equity changes		-	-	56,679	-	-	-	56,679	11,152	67,831
Balance at 30 September, 2019		109,121	3,290,767	14,087,615	3,215,775	4,234,232	1,323,984	26,261,494	2,575,959	28,837,453

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

Year ending 30 September 2020 (with comparative figures 30 September 2019)

(Values expressed in millions of Colombian pesos)

		Issued capital	Share premium	Retained earnings	Other Participation in equity (OCI)	Reserves	Net income	Equity attributable to controlling interest	Non -controlling interest	Total equity
Balance at January 1, 2020	Note	109,121	3,290,767	13,472,589	2,424,607	4,814,146	1,525,537	25,636,767	2,454,235	28,091,002
Other comprehensive result	15	-	-	-	1,373,739	-	-	1,373,739	172,558	1,546,297
Profit for the year		-	-	-	-	-	297,785	297,785	99,793	397,578
Total Net Income, for the period		-	-	-	1,373,739	-	297,785	1,671,524	272,351	1,943,875
Transfer to accumulated earnings		-	-	1,525,537	-	-	(1,525,537)	-	-	-
Distribution of results 2019 according to the meeting minutes No 25, of the shareholders Assembly of March 27, 2020:										
Ordinary dividend (583 pesos per share) and extraordinary dividend (51 pesos per share) recognized as distributions to owners	16	-	-	(368,974)	-	-	-	(368,974)	(100,783)	(469,757)
Reserves for the protection of investments		-	-	(691,574)	-	691,574	-	-	-	-
Reserves for share repurchase		-	-	(300,000)	-	300,000	-	-	-	-
Dividend minimum preference shares		-	-	30,471	-	-	-	30,471	-	30,471
Withholding effect on dividends of stockholders		-	-	(4,509)	-	-	-	(4,509)	-	(4,509)
Increases (decreases) due to other exchanges, equity		-	-	(4,977)	-	-	-	(4,977)	2,489	(2,488)
Balance at September 30, 2020		109,121	3,290,767	13,658,563	3,798,346	5,805,720	297,785	26,960,302	2,628,292	29,588,594

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

Gonzalo Alberto Pérez Rojas
Legal representative

Luis Fernando Soto Salazar
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(See my report of 13 November 2020)

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONDENSED INTERIM STATEMENT OF CONSOLIDATED CASH FLOWS
Year ending 30 September 2020 (with comparative figures 30 September 2019)
(Values expressed in millions of Colombian pesos)

	Note	September 2020	September 2019
Profit for the period		397,578	1,492,822
Adjustments to reconcile income			
Adjustments for income tax expenses	9	334,241	325,345
Interests	20	550,379	519,131
Adjustments for decreases (increases) in inventories		(35,413)	1,557
Adjustments for decreases (increases) in accounts receivable, insurance activity		(131,144)	329,452
Adjustments for the decrease of accounts receivable from trade sources		(105,452)	68,449
Adjustments for the increases in other accounts receivable from operating activities		28,373	(2,162)
Adjustments for the increase of accounts payable from trade sources		138,498	182,165
Adjustments for the increase (decrease) in accounts payable, insurance activity		94,658	(150,424)
Adjustments for depreciation and amortization expenses		462,916	525,594
Adjustments for impairment of value recognized in the profit and loss for the period		54,623	8,907
Adjustments for provisions		68,432	(2,652)
Adjustments for unrealized losses from foreign currency		(883,236)	(22,137)
Adjustments for fair value profit		(191,423)	(1,007,244)
Adjustments for undistributed earnings by application of the equity method	11	(337,621)	(1,040,025)
Other non-financial assets and liabilities	6.1.1	(198,425)	(4,220)
Adjustments for losses (profit) from the disposal of non-current assets		(7,959)	665,373
Valuation of investments at amortized cost and Profit on sale of investments	6.1.1	(699,808)	(915,711)
Variations of reserves		(603,119)	870,548
Dividends received, associates		479,276	399,690
Income tax paid		(344,367)	(621,564)
Other taxes		84,945	178,370
Other charges from the sale of equity or debt instruments of other entities	6.1.1	14,895,778	5,726,679
Other payments to acquire equity or debt instruments of other entities	6.1.1	(13,145,449)	(5,800,369)
Net cash flows from operating activities		906,281	1,727,574
Cash flows from (used in) investment activities			
Cash flows from loss of control of subsidiaries or other businesses		183	25,067
Cash flows used to obtain control of subsidiaries or other businesses		(28,312)	(1,595)
Imports from the sale of property, plant and equipment		33,088	27,115
Purchase of property and equipment		(97,897)	(106,225)
Amounts from sales of intangible assets		25,183	10,001
Purchase of intangible assets		(144,924)	(274,951)
Resources for sales of other long-term assets		56,976	43,132
Purchases of other long-term assets		(81,572)	(727)
Collections from futures, forward contracts and financial options (swaps)		(76,405)	(194,551)
Interest paid		515	788
Interest received		545,187	519,554
Net cash flows from (used in) investment activities		232,022	47,608

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONDENSED INTERIM STATEMENT OF CONSOLIDATED CASH FLOWS
 Year ending 30 September 2020 (with comparative figures 30 September 2019)
(Values expressed in millions of Colombian pesos)

	Note	September 2020	September 2019
Cash flows from financing activities			
Amounts from the issuance of shares		30,471	30,471
Proceeds from loans		2,826,139	318,434
Loan repayments		(2,258,455)	(807,221)
Payment of financial lease liabilities		(128,689)	(115,365)
Dividends paid	14	(279,132)	(235,044)
Dividends paid for non-controlling	14	(62,989)	(97,199)
Interest paid		(360,867)	(274,273)
Net cash flows from financing activities		(233,522)	(1,180,197)
Net increase in cash and cash equivalents, prior to the effect of exchange rate changes		904,781	594,985
Effects of exchange rate changes on cash and cash equivalents		100,093	46,347
Net increase in cash and cash equivalents		1,004,874	641,332
Cash and cash equivalents at the beginning of the year	6	2,346,157	1,878,040
Cash and cash equivalents at the end of the period	6	3,351,031	2,519,372

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
 Legal representative

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

Mariana Milagros Rodríguez
 Auditor
 P.C. 112752-T
 Designated by Ernst & Young Audit S.A.S. TR-530
 (See my report of 13 November 2020)

GRUPO DE INVERSIONES SURAMERICANA S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended September 30, 2020 (with comparative figures at December 31, 2019, the figures of the statement of financial position and at September 30, 2019 are the figures for the income statement, the comprehensive income statement, the changes in equity statement and cash flows statement).

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

NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A., is a corporation, incorporated and domiciled in Colombia, whose shares are quoted on the stock exchange. It is the result of the spin-off of Compañía Suramericana de Seguros S.A., according to Public Deed No. 2295 dated December 24, 1997 of Notary Public 14 of Medellín, formalized for accounting purposes on January 1, 1998; its main domicile is the city of Medellín, at Cra. 43ª # 5ª - 113 Piso 13-15; but it may have branches, agencies, offices and representations in other places in the country and abroad, when so determined by its Board of Directors. The duration of the Company is until the year 2097. Its corporate purpose is the investment in movable and immovable property. In the case of investment in personal property, in addition to any kind of personal property, investments may be in shares, quotas or shares in companies, entities, organizations, funds or any other legal figure that allows investment of resources. Likewise, it may invest in papers or documents of fixed or variable income, whether or not they are registered in the public stock market. In any case, the issuers and/or receivers of the investment may be public or private, national or foreign. The fiscal year will be adjusted to the calendar year, annually, with effect on the thirty-first (31st) of December.

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

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

Entity	Main activity	September	December	Country	Functional currency
		2020	2019		
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
NBM Innova S.A.S. ⁴	The Company may carry out any lawful commercial or civil activity	83.58%	0.00%	Colombia	Colombian Peso
SURA Asset Management Chile S.A.	Holding Company	83.58%	83.58%	Chile	Chilean peso
Sura Data Chile S.A.	Vehicle dedicated to the provision of data processing services and leasing of computer equipment	83.58%	83.58%	Chile	Chilean peso

Entity	Main activity	September	December	Country	Functional currency
		2020	2019		
SURA Servicios Profesionales S.A.	Vehicle dedicated to business consulting and advice	83.58%	83.58%	Chile	Chilean peso
Sura Asset Management México S.A. de C.V.	Holding Company	83.58%	83.58%	Mexico	Mexican Peso
Sura Art Corporation S.A. de C.V.	Company dedicated to collecting Mexican art	83.58%	83.58%	Mexico	Mexican Peso
SURA Asset Management Perú S.A.	Holding Company	83.58%	83.58%	Peru	Soles
SURA Asset Management Uruguay Sociedad de Inversión S.A.	Holding Company	83.58%	83.58%	Uruguay	Uruguayan Peso
AFAP SURA S.A.	Company dedicated to the administration of social security savings funds	83.58%	83.58%	Uruguay	Uruguayan Peso
AFP Capital S.A.	Company dedicated to the administration of pension funds	83.33%	83.33%	Chile	Chilean peso
Afore SURA S.A. de C.V.	Company dedicated to managing investment companies specialized in retirement funds	83.58%	83.58%	Mexico	Mexican Peso
AFP Integra S.A.	Pension Fund Administrator	83.58%	83.58%	Peru	Soles
SURA IM Gestora de Inversiones S.A.S	Management consulting activities, real estate activities with own or leased assets	83.58%	83.58%	Colombia	Colombian Peso
Asesores SURA S.A. de C.V.	Sale of financial products and services	83.58%	83.58%	Mexico	Mexican Peso
Promotora SURA AM S.A. de C.V.	Provision of marketing services, promotion and dissemination of products of any kind	83.58%	83.58%	Mexico	Mexican Peso
Proyectos empresariales AI SURA S.A. de C.V. ²	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 insurance activities, related to life	83.58%	83.58%	Chile	Chilean peso
Pensiones SURA S.A. de C.V. ⁵	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 commercialization 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	Soles
Sociedad Agente de Bolsa S.A.	Securities brokers	83.58%	83.58%	Peru	Soles
Sociedad Titularizadora SURA S.A. ³	Performing the function of Trustee in Titling processes	83.58%	0.00%	Peru	Soles
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 Argentina S.A.	Company dedicated to financial and investment management	83.58%	83.58%	Argentina	Argentine 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. ¹⁰	Conclusion of contracts of mutual and make investments.	0.00%	81.12%	Colombia	Colombian Peso
Santa Maria del Sol S.A. (Argentina)	Investments	81.13%	81.13%	Argentina	Argentine Peso
Atlantis Sociedad Inversora S.A.	Investments	81.13%	81.13%	Argentina	Argentine Peso

Entity	Main activity	September	December	Country	Functional currency
		2020	2019		
Chilean Holding Suramericana SPA ⁹	Investments	81.13%	81.13%	Chile	Chilean peso
Inversiones Suramericana Chile Limitada	Investments	81.13%	81.13%	Chile	Chilean peso
Seguros Generales Suramericana S.A. (Colombia)	General insurance	81.12%	81.12%	Colombia	Colombian Peso
Seguros Sura S.A. (República Dominicana)	Insurance	81.13%	81.13%	Dominican Republic	Dominican Peso
Seguros Suramericana, S.A. (Panamá)	Insurance	81.13%	81.13%	Panama	Dollar
Aseguradora Suiza Salvadoreña S.A. Asesuisa	General insurance	81.13%	81.13%	El Salvador	Dollar
Sura RE Ltd.	Insurance and/or reinsurance business	81.13%	81.13%	Bermuda Islands	Dollar
Sura SAC Ltd.	Insurance and/or reinsurance business	81.13%	81.13%	Bermuda Islands	Dollar
Seguros Sura S.A. (Brasil)	Operation in personal and damage insurance	81.13%	81.13%	Brazil	Brazilian Real
Inversiones SURA Brasil Participacoes LTDA.	Investments	81.13%	81.13%	Brazil	Brazilian Real
Seguros Sura S.A.(Argentina)	Insurance operations in general	80.67%	80.67%	Argentina	Argentine Peso
Aseguradora de Créditos y Garantías S.A.	Insurance, co-insurance and reinsurance operations in general on all types of risks	81.12%	81.12%	Argentina	Argentine Peso
Seguros Generales Suramericana S.A. (Chile)	General insurance company	81.11%	81.11%	Chile	Chilean peso
Seguros Sura, S.A. de C.V. (México)	Insurance operations in general	81.13%	81.13%	Mexico	Mexican Peso
Seguros Sura S.A. (Uruguay)	General insurance	81.13%	81.13%	Uruguay	Uruguayan Peso
Suramericana Uruguay S.A. (Uruguay) ¹	Investments	81.13%	0.00%	Uruguay	Uruguayan Peso
Operaciones Generales Suramericana S.A.S.	Investment in movable and immovable property	81.13%	81.13%	Colombia	Colombian Peso
Servicios Generales Suramericana S.A.S. (Colombia)	Investment in movable property, especially shares, quotas or parts of companies	81.13%	81.13%	Colombia	Colombian Peso
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Provision of consulting services in integrated risk management	81.13%	81.13%	Colombia	Colombian Peso
Servicios Generales Suramericana S.A. (Panamá)	Inspection service, repair, purchase and sale of vehicles.	81.13%	81.13%	Panama	Dollar
EPS y Medicina Prepagada Suramericana S.A.	Organization, guarantee and provision of health services	81.13%	81.13%	Colombia	Colombian Peso
Servicios de Salud IPS Suramericana S.A.S.	Provision of medical, paramedical and dental services	81.13%	81.13%	Colombia	Colombian Peso
Diagnóstico y Asistencia Médica S.A.S. Dinámica IPS	Provision of diagnostic aid services in health	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Vida Suramericana S.A. (Colombia)	Personal Insurance	81.13%	81.13%	Colombia	Colombian Peso
Asesuisa Vida, S.A. Seguros de Personas	Personal Insurance	81.13%	81.13%	El Salvador	Dollar
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. ⁶	Investment in movable and immovable property	0.00%	95.28%	Panama	Dollar
SURA Ventures S.A.	Investor	100.00%	100.00%	Panama	Dollar
SURA Asset Management S.A.	Investment in movable and immovable property	83.58%	83.58%	Colombia	Colombian Peso
Hábitat Adulto Mayor S.A.	Provision of Health Services for the elderly.	82.66%	82.66%	Colombia	Colombian Peso

Entity	Main activity	September	December	Country	Functional currency
		2020	2019		
Arus Holding S.A.S.	Investment in movable and immovable property	100.00%	100.00%	Colombia	Colombian Peso
Arus S.A.	Services and marketing of products and solutions in telecommunications	100.00%	100.00%	Colombia	Colombian Peso
Enlace Operativo S.A.	Information processing services under the figure of outsourcing.	100.00%	100.00%	Colombia	Colombian Peso
Fiduciaria Sura S.A. ⁷	Celebration of all acts, contracts, services and operations of Trust Companies	83.58%	0.00%	Colombia	Colombian Peso
Vinnyc S.A. ⁸	Provision of assistance services in the automobile solution, but not in the insurance activity	81.13%	0.00%	Uruguay	Uruguayan Peso
Russman S.A. ⁸	Provision of assistance services in the automobile solution, but not in the insurance activity	81.13%	0.00%	Uruguay	Uruguayan Peso

Changes in the perimeter of consolidation

Year 2020

¹On February 21st Suramericana S.A., together with its subsidiary Operaciones Generales S.A.S., constituted the corporation Suramericana Uruguay S.A., domiciled in the Republic of Uruguay.

The statutory capital of the company amounts to \$15,000 Uruguayan pesos, represented by 15,000 registered shares of \$1 Uruguayan peso each. The integrated (subscribed) capital of this new company amounts to \$14,332 Uruguayan pesos, for which its founders contributed \$7,166 Uruguayan pesos each, initially acquiring a 50% equity interest for both parties.

²On March 27, Grupo SURA reports that its subsidiary SURA Asset Management S.A. established a company called Proyectos Empresariales Al Sura, S.A. de C.V., domiciled and governed by the laws of the United Mexican States, with the purpose of carrying out research and development activities to expand the investment products offered by the company 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 subordinate companies SURA Asset Management México, S.A. de C.V. (99%) and SURA Art Corporation, S.A. de C.V. (1%), both domiciled in Mexico. With a capital stock of 100 Mexican pesos divided into 100 registered shares.

³On March 27, Grupo SURA reports that its subsidiary SURA Asset Management S.A. incorporated the company Titulizadora Sura S.A., domiciled and governed by the laws of Peru, for the purpose of performing the function of Trustee in Titling processes, and may also engage in the acquisition of assets for the purpose of constituting trust assets to support the issuance of securities.

The participation of SURA Asset Management S.A. in the new company will be 100%, directly and indirectly through the subordinate SURA Asset Management Sociedad Agente de Bolsa Sura S.A., domiciled in Peru. With a share capital of 1,000 Peruvian soles divided into 1,000 nominative shares.

⁴On April 13, SURA Asset Management S.A. established a company called NBM Innova S.A.S., domiciled in Colombia, with the purpose of offering financial coaching services in that country, through a digital platform called QIIP. The qiip platform operates in Mexico since 2019, using pedagogical tools based on technology, focused on the generation of welfare 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.

⁵On May 7, regulatory authorizations were obtained from the Mexican authorities (National Insurance and Bonding Commission and Federal Economic Competition Commission), 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 \$14,000 million (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 press release complements the relevant information disclosed to the market on November 29, 2019.

⁶On June 5, the Meeting of Shareholders of Planeco Panama S.A. met in an important session with the objective of dissolving the company. The total number of shares represented was 13,798,276, which make up 100% of the subscribed and paid-in capital. The company was unanimously dissolved and liquidated, and this was recorded in minutes number 6.

⁷On July 10, the companies SURA Investment Management Colombia S.A.S., SURA Asset Management S.A., Activos Estratégicos SURA AM Colombia S.A.S., Inversiones y Construcciones Estratégicas S.A.S. and Fundación Suramericana purchased all the shares representing the capital of Fiduciaria Sura S.A. (9,265,000 shares), a trust company incorporated in Cali, Colombia; whose main purpose is to carry out all acts, contracts, services and operations of trust companies.

In the purchase agreement, the original price was agreed upon at COP \$11 billion subject to some adjustments in accordance with compliance with certain clauses agreed upon in the contract.

⁸ During July, Suramericana S.A., through its subsidiary Suramericana Uruguay S.A., acquired 100% of the capital shares of the companies VINNYC S.A. and RUSSMAN S.A., owned by four individuals residing in the Republic of Uruguay. The price of the operation was approximately 1.4 million dollars. These companies are domiciled and governed by the laws of the Republic of Uruguay and are engaged in providing assistance services in the solution of automobiles, but not in the insurance business. Both companies are currently presenting themselves to the market as Centro de Asistencia de Seguros Sura (CASS), and through them, assistance services and operations will be developed and structured for the clients of SURA insurance in that country.

For this acquisition, Suramericana S.A. capitalized Suramericana Uruguay S.A. for \$49,483,981 Uruguayan pesos, resulting in a total of 49,498,313 registered shares of \$1 Uruguayan peso each, of which Suramericana S.A. holds 49,491,147 shares, corresponding to 99.99% of the interest, and Operaciones Generales Suramericana S.A. holds 7,166 shares, corresponding to 0.01% of the interest in the company.

⁹On September 24, Suramericana S.A. capitalized its subsidiary Chilean Holding Suramericana SpA. for a value of CLP 5,800 million, through the issuance of 5,823 ordinary registered shares, leaving a total of 6,964 shares equivalent to 100% of the capital participation. The purpose of the capitalization was to allocate the resources to the partial payment of an obligation that the company had contracted in the past with Seguros Generales Suramericana S.A., a subsidiary in Chile, in order to simplify its corporate and cross-account structure.

¹⁰ On September 30, the decision to dissolve and initiate the process of liquidation of Sociedad Inversiones Suramericana Colombia S.A.S., of which Seguros Generales and Operaciones Generales are direct shareholders, was registered at the Chamber of Commerce. As of that date, the consolidation of this company must be ceased, since it is no longer a going concern, no control is exercised over it and, in addition, different measurement bases must be applied to determine its net balance in liquidation.

NOTE 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The consolidated interim financial statements of Grupo de Inversiones Suramericana S.A., for the six-month period ended September 30, 2020, have been prepared in accordance with the International Accounting Standard - IAS 34 Interim Financial Reporting, which is part of the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, regulated by External Circular 038 of 2015 in the Sole Regulatory Decree 2420 of 2015 modified by Decree 2496 of 2015, 2131 of 2016, 2170 of 2017 and 2483 of 2018 and 2270 of 2019. The NCIF 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, articles 1. 2.1.18.46 and following, and in the case of partial pension commutations in accordance with the provisions of paragraph 5 of article 2.2.8.8.31 of Decree 1833 of 2016, reporting the variables used and the differences with the calculation made in the terms of the technical framework under NFIC.

2.2. Financial statements for interim periods

The condensed consolidated interim financial statements for the nine-month period ended September 30, 2020, have been prepared in accordance with IAS 34 Interim Financial Reporting, included in "Compilatory Technical Annex No. 1, to IFRSs, Group 1" of Decree 2483 of 2018, accordingly, they do not include all the information and disclosures required by the annual financial statements. Therefore, these interim financial statements should be read in

conjunction with the annual consolidated financial statements of Grupo SURA at December 31, 2019.

2.3. Basis of presentation

2.3.1. Basis of measurement and presentation

Measurement bases

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

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

Presentation of financial statements

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

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

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

The consolidated statement of cash flows is presented using the indirect method, whereby cash flows from operating activities are determined by adjusting profit for the effects of items not affecting cash flow, net changes in assets and liabilities relating to operating activities and any other effects of items not classified as investing or financing activities. Interest income and expense are presented as components of operating activities.

2.3.2. Principles of consolidation

Subsidiaries

The consolidated financial statements include the financial statements of Grupo SURA and its subsidiaries as of and for the years ended September 30, 2020, September 30 and December 31, 2019. Grupo SURA consolidates the assets, liabilities and financial results of the entities over which it has control.

The consolidated financial statements of Grupo SURA are presented in Colombian pesos, which is both the functional and presentation currency of Grupo SURA, the controlling

company. Each subsidiary of the Group SURA determines its own functional currency and includes the items in its financial statements using that functional currency.

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

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

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

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

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

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

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

Non-controlling interests

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

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

2.3.3. Reclassifications

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 2019 Presentation	Reclassification	December 2019 Current
Assets			
Cash and cash equivalents	2,346,157	-	2,346,157
Investments	23,982,370	-	23,982,370
Trade and other accounts receivable	6,334,838	-	6,334,838
Accounts receivable, related parties and current associates	109,153	-	109,153
Technical reserves of insurance, reinsurer parties	4,103,398	-	4,103,398
Inventories	11,920	-	11,920
Current tax assets	231,720	-	231,720
Non-current assets held for sale	5,212	-	5,212
Other financial assets	594,249	-	594,249
Other non-financial assets	124,654	-	124,654
Investment properties	169,287	-	169,287
Properties and equipment	1,309,173	-	1,309,173
Right-of-use assets	645,484	-	645,484
Intangible assets other than goodwill	4,188,717	-	4,188,717
Goodwill	4,721,695	-	4,721,695
Investments accounted for using the equity method	19,965,689	-	19,965,689
Deferred tax assets	194,114	-	194,114
Total assets	69,037,830	-	69,037,830
Liabilities			
Other financial liabilities	1,889,749	-	1,889,749
Financial lease liabilities	666,663	-	666,663
Trade and other accounts payable	3,613,429	(62)	3,613,367
Accounts payable to related entities	81,949	62	82,011
Technical reserves	23,215,289	-	23,215,289
Current tax liabilities	464,723	-	464,723
Provisions for employee benefits	533,657	-	533,657
Other non-financial liabilities	594,700	-	594,700
Other provisions	227,155	-	227,155
Securities issued	8,203,145	-	8,203,145
Deferred tax liabilities	1,456,369	-	1,456,369
Total liabilities	40,946,828	-	40,946,828
Equity			
Capital issued	109,121	-	109,121
Share premium	3,290,767	-	3,290,767
Profit for the year	1,525,537	-	1,525,537
Retained earnings	14,080,389	(607,800)	13,472,589
Other equity participations	2,396,714	27,893	2,424,607
Reserves	4,234,232	579,914	4,814,146
Equity attributable to the holders of the controlling interest	25,636,760	7	25,636,767
Non-controlling interest	2,454,242	(7)	2,454,235
Total equity	28,091,002	-	28,091,002
Total equity and liabilities	69,037,830	-	69,037,830

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

CONSOLIDATED STATEMENT OF INCOME

	September 2019 Presentation	Reclassification	September 2019 Current
Premiums issued	9,999,204	(4,732)	9,994,472
Premiums	9,722,255	(4,732)	9,717,523
Complementary insurance services	276,949	-	276,949
Premiums ceded	(1,823,182)	-	(1,823,182)
Retained premiums (net)	8,176,022	(4,732)	8,171,290
Commission income	2,020,976	(1,368)	2,019,608
Provision of services	2,943,707	-	2,943,707
Dividends	4,792	-	4,792
Investment income	804,301	(104,179)	700,122
Earnings at fair value - investments	821,624	(46,487)	775,137
Profit from equity method of associates and joint ventures	1,040,025	-	1,040,025
Profit from the sale of investments	140,465	(28,845)	111,620
Income from investment properties	5,009	6,207	11,216
Other income	239,834	(49,621)	190,213
Operating income	16,196,755	(229,025)	15,967,730
Total claims	(6,258,727)	298,766	(5,959,961)
Reimbursement claims	1,454,906	(196,492)	1,258,414
Retained claims	(4,803,821)	102,274	(4,701,547)
Reserves, net of production	(218,674)	(21,245)	(239,919)
Costs for the provision of services	(2,835,862)	-	(2,835,862)
Administrative expenses	(1,359,052)	80,466	(1,278,586)
Employee benefits	(1,556,080)	-	(1,556,080)
Fees	(366,298)	124,383	(241,915)
Broker commissions	(1,774,348)	(62,302)	(1,836,650)
Amortization	(219,657)	-	(219,657)
Depreciation	(157,226)	-	(157,226)
Insurance costs and expenses	-	(551,151)	(551,151)
Other expenses	(472,066)	426,469	(45,597)
Impairment	(8,907)	(112)	(9,019)
Operational expenses	(13,771,991)	98,782	(13,673,209)
Operating profit	2,424,764	(130,243)	2,294,521
Profit, at fair value – Derivatives	75,469	-	75,469
Exchange differences (Net)	(143,851)	46,487	(97,364)
Interest	(524,614)	-	(524,614)
Financial results	(592,996)	46,487	(546,509)
Pre-tax profit	1,831,768	(83,756)	1,748,012
Income tax	(343,618)	18,273	(325,345)
Profit, net continuing operations	1,488,150	(65,483)	1,422,667
Profit, net discontinued operations	4,680	65,475	70,155
Net profit	1,492,830	(8)	1,492,822
Controlling income	1,323,984	-	1,323,984
Non – controlling income	168,846	(8)	168,838

The changes in presentation were mainly due to the reclassification of the discontinued operation of the life annuities in Mexico (See Note 12. Discontinued operations) and the reclassification of the insurance banking commissions between fees and intermediary commissions.

2.3.4. Currency

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

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

	Average rate		Closing rate	
	September	September	September	December
	2020	2019	2020	2019
Colombian Peso (COP/USD)	3,704.03	3,239.57	3,865.47	3,277.14
Chilean Peso (CLP / USD)	802.10	685.77	786.57	752.78
Dominican Peso (DOP / USD)	55.96	50.82	58.50	52.98
Euro (EUR/USD)	0.89	0.89	0.85	0.89
Mexican Peso (MXN/USD)	21.81	19.25	21.96	18.88
Peruvian Nuevo Sol (PEN/USD)	3.46	3.33	3.60	3.31
Uruguayan Peso (UYU/USD)	41.85	34.49	42.56	37.22
Argentina (ARS/USD)	67.48	44.49	76.24	59.86
Brazil (BRS/USD)	5.06	3.89	5.64	4.03

2.3.5. Hyperinflation

A hyperinflationary economy occurs when:

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

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

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

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

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

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

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

Selection and use of a general price index

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

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

September 2020	December 2019	December 2018	December 2017
36.6%	53.80%	47.60%	24.80%

Source: The Central Bank of the Argentine Republic

2.4. Significant accounting policies

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

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

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

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

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

Accounting estimates and assumptions

Herewith, are the key assumptions that estimate the future behavior of the variables to the reporting date that have a significant risk of causing a material adjustment to the value of the assets and liabilities during the following financial statement, by-product of the uncertainty surrounding described such behavior.

a) Revaluation of property for own use and investment properties

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

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

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

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

b) Fair value of financial instruments

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

c) Taxes

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

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

d) Impairment of goodwill

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

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

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

f) Leases term

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

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

g) Estimation of the incremental interest rate of the leases

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

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

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

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

i) Employee benefits

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

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

j) Technical reserves - Insurance contracts

Technical reserves of insurance contracts, and annuities, are recognized on the basis of the best estimated assumptions. Additionally, as all insurance contracts are subject to an annual test of adequacy of liabilities, which reflects the best estimated future flows of the administration. In the case of insufficiency, the assumptions could have been updated and remain fixed until the next revision or insufficiency, whichever occurs first.

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

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

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

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

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

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

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

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

k) Impairment of financial assets

In order to calculate the impairment of financial assets, the future cash flows of the respective financial asset of the group must be estimated. See note 6.2 Impairment of financial assets

l) Participation in other entities

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

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

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended September 30, 2020 and December 31, 2019 is included in the following notes:

- Note 8. Insurance contracts: description of each of the reservations;
- Note 9. Taxes: current, deferred and applicable regulations;

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

- Note 6. Financial instruments.

Judgements

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

- Note 7. Leases
- Note 8. Insurance contracts
- Note 11. Investments in subsidiaries, associates and joint ventures: determination of the existence of control in the subsidiaries.
- Note 18. Commission income and expenses

NOTE 4. NORMS ISSUED WITHOUT EFFECTIVE APPLICATION

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

Several amendments and interpretations apply for the first time in 2020, these will be adopted on the date they come into force, according to the decrees issued by local authorities.

Amendment IFRS 16: Lease reductions related to Covid - 19

In May 2020, as a result of the Covid-19 pandemic, the IASB issued an amendment to IFRS 16 that allows changes in tenant leases to be recorded as income; this amendment may be used provided the following conditions are met:

- If the new payments are equal to or less than those initially agreed.
- The reduction in payments affects only those due up to June 30, 2021.
- There are no changes in other terms and conditions of the lease.

The accounting of the lessor has no changes in this amendment.

It is important to mention that this amendment was approved in Colombia by the Ministry of Commerce, Industry and Tourism by means of decree 1432 of November 5, 2020, with applicability for general purpose financial statements prepared as of the entry into force of said decree, allowing its voluntary application in a comprehensive and early manner for financial statements covering periods beginning on or after January 1, 2020.

Therefore, the Group is evaluating the potential effect it could have on them.

Amendments to IFRS 3: Definition of a Business

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

Amendments to IAS 1 and IAS 8: Definition of Material

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

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

IFRS 17: Insurance contracts

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

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

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

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

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

The amendments to IAS 19 address accounting when there is a change, reduction or settlement of the plan during the reporting period. The amendments specify that when a plan modification, curtailment or settlement occurs during the annual reporting period, the entity is required to determine current service cost for the remainder of the period following the plan modification, curtailment or settlement, using the actuarial assumptions used to recover the net defined benefit liability (asset) reflecting the benefits provided under the plan and the plan assets after that event. An entity is also required to determine net interest for the remaining period after the plan is amended, curtailed or terminated by using the net defined benefit liability (asset) reflecting the benefits provided under the plan and plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

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

Conceptual framework for financial reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained in it overrides the concepts or requirements detailed in another standard. The purpose of the

Framework is to assist the IASB in developing standards and preparers in determining consistent accounting policies where no specific standard exists and to help all parties understand and interpret standards. The revised conceptual framework includes some new concepts, provides updated definitions, recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the present financial statements of the Group.

NOTE 5. COVID – 19 CRISIS RESPONSE

In December 2019 the World Health Organization (WHO) reported the appearance of cases of Severe Acute Respiratory Infection (SARI) caused by a new coronavirus (COVID - 19) in the Asian continent, specifically in the city of Wuhan in China. Subsequently, due to the spread of the virus to other continents, on March 11th this Organization declared the outbreak as a pandemic. In Latin America, the first case was registered in Brazil last February 26th, from then on, since the expansion of the virus through the countries of the region and the confirmation of the first case in Colombia on March 6th, the different governments have been taking measures in order to preserve the social balance, the economy, the health and the life of the population; among these measures, the restriction of trips and the social isolation (quarantine) stand out, which has the purpose of containing the virus, flattening the contagion curve. In this way, it is expected 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 been gradually extended, bringing with them impacts on the activities of the different sectors of the economy, as well as on the habits and living conditions of the people, impacts to which Grupo SURA and its employees in the region are not indifferent. 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 areas and undertaking the measures and strategies it considers appropriate.

It should be noted that Grupo SURA is characterized by its long-term vision, which has historically guided its strategy and will continue to be a key factor in its growth. Similarly, the experience acquired by the company over the years has allowed it to consolidate its knowledge of issues associated with risk assessment and capital allocation, which are fundamental to ensuring the continuity of its business and the well-being of its employees, customers and suppliers at times of high volatility and uncertainty such as those we are currently experiencing. Grupo SURA materializes the generation of value through human talent committed to the management of trends and risks, which allows it to have the capacity to anticipate and face 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 being supported by a solid financial system and an adequate technological environment.

Human Talent

For Grupo de Inversiones Suramericana, the conservation of jobs and the care of people has been a priority. Nowadays, a high percentage of the collaborators work under the remote work modality, complying with the instruction of preventive social isolation given by the governments, similarly, all the protection measures have been taken with those who carry out sensitive functions for the continuity of the services or the 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 employees and their families, financial health, accompaniment of leaders, measurement of the collective mood and confidence of employees in the company, monitoring the evolution of the pandemic, accompaniment of employees with Covid-19 and their families with medical guidance and recommendations additional to those defined by the social security systems of each country.
- **Accompaniment and special care for employees in face-to-face work:** Training and encouragement for the appropriation of prevention habits, use of protective elements, reduction of transfers between sites, alternate schedules, transport and food facilities.
- **Communication:** Close relationship, sharing of recommendations and permanent quality information, keeping communication as a transversal process that supports the purposes and actions addressed to the employees.
- **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.

- **Return to physical headquarters:** Accompanying the subsidiaries to define the guidelines for return to headquarters, taking into account as a premise the care of employees, their families and external relationship groups. These guidelines include the identification of the positions that require presence to fulfill their role and others that can remain in remote work, measures with the people related to their state of physical and psychosocial vulnerability before the contingency, measures with leaders to accompany them before the new challenges that distance work demands, measures in front of the physical work environment starting with previous prevention measures in home care, the management of social relations, physical distance, transfers to the headquarters and the biosecurity adjustments from the entrance, permanence and exit of the headquarters; and finally, company actions and policies that support the new forms of work, covering only some of them: Definitions regarding schedules, meetings and work places and locations, additionally, regarding the integral health process that includes the attention, report, accompaniment and reincorporation of employees who are affected by COVID-19.

In accordance 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 with Fundación Sura to deliver aid aimed at strengthening the capacities of the health

system and helping families whose income is affected to acquire food and basic necessities, a purpose with which thousands of our employees have also been linked.

Property and Administrative Management

The adoption of the remote work scheme for a large number of collaborators has generated that the physical headquarters that the company had been occupying for the development of its different administrative functions remain unoccupied, except for the Health Care Centers and the Clinical Laboratories of Sample Processing that the subsidiary Sura Colombia has for the provision of services, which have operated permanently given their nature and fundamental role in the face of the contingency generated by the COVID-19, our Centros de Servicio de Autos Sura (*Sura Car Service Centers*) have been gradually opened as the measures were made more flexible by the National and Regional Governments. Notwithstanding the rapid adaptation and the almost zero percentage of occupation of the headquarters, an agile and efficient transformation was required in their administration, seeking to preserve their good condition and the intelligent management of resources to optimize the costs that they demand.

In this sense, the constant monitoring of the evolution of the pandemic, the impact of this on the economic variables of the market, the continuity and good performance of the operation that we have been achieving under a home working scenario, allowed us to approach the transformation and optimization of the offices from different perspectives: return to the offices in the COVID-19 or post COVID-19 period in the short term and return to the new daily life post COVID-19 in the long term.

Under the first scenario, our focus was on transforming office management under a focus on healthy work environments that generate well-being for employees and third parties that occupy them. Thus, guidelines were established regarding the use of mask, mouthpiece or mouthpiece covers inside the offices; always maintaining the physical distance (2 meters) between people; the demarcation of spaces or, alternatively, the installation of separating barriers; the installation of disinfection products in common areas or areas of high transit; the most frequent cleaning and disinfection of the spaces; the implementation of air conditioning systems with constant air renewal and filtration or cleaning of the same; the registration and taking of temperature at the entrances; the non-occupation of the spaces in rates higher than 35%; among other implementations, were indispensable to be executed during this short term period.

On the other hand, in a post COVID-19 long term scenario, the results of the current experience lead us to think about a new everyday life where remote work will have a greater participation and therefore offices will require a transformation towards more collaborative spaces that will bring us closer to the Flexible Organizations strategy and help us to complement what virtuality does not allow or facilitate, such as it is, the relationship from the physical presence, to learn, share, create, talk and enliven the organizational culture and take advantage of the different offices as meeting points and access to our customers facilitating the attention and giving greater visibility to the brand, among others.

Meanwhile, as we build this new model that responds to long-term needs, given the visible results of adaptation to remote work, the monitoring and careful review of the expiration dates of lease agreements in offices where at a strategic level there is another expectation and the constant search for intelligent management of resources has influenced subsidiaries such as Sura Argentina, Colombia, Panama and Uruguay to make decisions in some of their properties, making total or partial deliveries of square meters that represent annual savings of more than

one million dollars in leases, administration, utilities, maintenance, surveillance, among others. Connected with these initiatives, in Sura Panama the decision was taken not to reoccupy one of the towers of the main building whose property is owned by the company.

Nevertheless, we continue to carry out improvement projects in Insurance Branches in subsidiaries such as Sura Argentina, Chile, Dominican Republic and Panama, taking into consideration financial and real estate analyses, evaluating whether the purchase or lease of the property is more optimal, location criteria for proximity and accessibility to customers, brand visibility, and adaptations that involve eco-efficient systems to optimize the use of resources and therefore costs.

On the other hand, understanding the general impact of the pandemic in all sectors and recognizing the importance of suppliers for the fulfillment of the objectives of the company and their role as driving force of the economy and the society in general, Grupo Sura has chosen from the beginning of the contingency to seek an approach so that under mutual agreement, a point of balance could be reached in which the contracted services would not be cancelled altogether, but if the frequency and therefore the costs were reduced, according to the volume of operation. Thus, in services related to cleaning, maintenance, supply of cleaning supplies, cafeteria, office supplies and document management in unoccupied buildings, were substantially reduced without affecting the proper functioning of systems and / or care of assets. On the contrary, services such as real estate taxes, administration and surveillance, continued without representative changes.

It is also worth mentioning that another economic effect presented during this second quarter is the reduction in costs of public services such as electricity and water, due to the non-occupation of the buildings and the non-operation of their systems and equipment.

In relation to the above, it is not a minor detail to mention that the implementation of technology and digitalization in the processes added to facilitate remote work and avoid displacements that put at risk the personnel, not only their own but also those of the suppliers. Among the greatest economic benefits associated with the use of technology and digitalization, we can highlight services such as paper consumption, printing, mail and messenger services, archiving of physical documents, a high reduction in ground travel and the total suspension of employee air travel, the hiring of hotels and other travel expenses, which in the end also reduces the environmental impact of our operations.

With respect to real estate leases and maintenance services that have their payment stipulated in dollars according to the current exchange rate, a special approach was made with the counterpart, highlighting the impact that this implies due to the volatility of the currency. In this way, agreements were reached that result in mutual benefit and gave continuity to the good relationship.

The real estate strategy and its growth projection for the next years is in a new stage of revision that involves all areas and that connects the operative model and attention, the optimization of square meters, costs and other changes that the post COVID-19 era is proposing to us in the long term.

Regulatory Environment

During the year 2020 different measures have been taken and others are expected in the near future that generate risks and opportunities for Grupo Sura and its operations in the region.

Among others, in Colombia, regulations have been issued that require the return of premiums in branches with lower accident rates as a result of obligatory isolation, including SOAT; however, the return will not be to the policyholders but to the national government. The possibility of the same happening in other countries of the region, such as Argentina, where a judicial action was filed in this sense, and Mexico, is not discarded.

Generally speaking, there has been a constant dynamic on the part of the different governments and regulators in search of intervening and generating positive impacts on the economy and society. This is demonstrated by fiscal stimulus measures such as modifications in the tax calendar and the flexibility of tax payment methods for the year 2020. In labor matters, modifications have been made to the rules of teleworking, generating flexibility in this regard, which seems to remain in the long term. In this sense, taking the Colombian regulator as an example, it can be said that it has been broad in the interpretation of the norms in order to promote teleworking, and in countries such as Panama, and Chile, legislative reforms that were underway have been accelerated.

With regard to measures related to capital flow, we note that in countries such as Mexico and Chile, conversations have begun to be generated in the face of the impossibility of distributing dividends in 2020 by the companies to their parent companies, with the purpose of protecting the liquidity of the internal markets. In Mexico, the situation is based on a recommendation from the financial regulator to the insurance sector, while in the case of Chile it is a requirement to be able to access economic benefits or relief. We continue to permanently monitor the regulation, since it is not ruled out that similar measures will be adopted by other regulators in the region by 2021.

In the short term, given the fiscal crisis that is foreseen due to the increase in the expenditure of the countries, it is expected that between 2021 and 2022 structural fiscal reforms will be implemented that may affect the available resources of the citizens, thus limiting their capacity to access insurance services, and the increase of tax rates on assets, which may affect the results of the insurance industry. While this phenomenon is seen as a general measure in Latin America, the presidential promises in Argentina and Uruguay seem to generate little probability of this happening.

In terms of social security in Colombia, regulations have been generated with great impact, especially those that oblige ARLs (*Administrator of occupational risks*) to allocate additional resources for elements of biosecurity and prevention at work for those employees with direct exposure to COVID-19. Similarly, the new regulation defines COVID-19 as a direct occupational disease for frontline occupations. Likewise, rules have been issued to regulate basic coverage baskets for COVID-19 care by the state, alleviating the economic burden of EPSs (*Health Providers*), and advances have been generated that allow more and more faculties for remote patient care under the modality of telemedicine. It is also worth noting the presentation of Bill 010/2020, which has an urgent message from the national government, and which would change the model of the health care system to an insurance model, which would imply a transformation of the EPS business.

Business

For the second quarter of the year, the operating results of the subsidiaries of Grupo Sura have begun to show some impacts due to the effect of COVID-19, due to the evolution of the infection curve and the quarantines implemented in the region, which are having an impact on a slowdown in the economies. However, in this regard, the situation in Uruguay stands out

positively, where a shorter quarantine was introduced, compromising local economic activity to a lesser extent.

At the end of September, the company continues to strengthen initiatives developed to counteract the negative effects, such as measures to accompany and advise clients on renovations, transforming 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 in which the world moves.

Today, more than ever, the role of our service providers in the health sector in Colombia is relevant. They contribute to contain and mitigate the health emergency, in coordination with government authorities. Part of the actions with which we contribute to the solution are the expansion of capacities for assistance and services, increasing the number of health professionals, which today add up to nearly 10 thousand employees, as well as the implementation of technology for virtual attention, with a significant amount of daily care, the collection of samples in own IPS (*Health Provider Institute*), at home and in the modality of drive thru.

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 face the Coronavirus COVID-19, decreed that until the facts that gave rise to the economic, social and health emergency remain, the Administrators of Labor Risks, which in our case would be the company Seguros de Vida Suramericana S.A. with its subsidiary ARL SURA, must allocate the resources from the contributions on labor risks dealt with in Article 11 of Law 1562 of 2012, to activities of promotion and prevention of contagion, through the purchase of personal protection elements, frequent medical check-ups of a preventive and diagnostic nature, as well as to undertake direct intervention actions related to the containment, mitigation and care of the pandemic. These resources are destined to the workers of the affiliated companies, who on occasion of the tasks they perform, are directly exposed to the contagion of the virus.

Income from insurance premiums showed an accumulated growth of 7% as of September, with a lower dynamic in new businesses, with higher impacts on mobility and life solutions and on the affinity channel due to economic closures during the quarantines; on the other hand, renewals continue with similar levels to the same period of the previous year thanks to the initiatives for accompanying the segments of people, and small and medium enterprises. In addition, the dynamics of premiums issued reflect strategies that seek to reward customers for lower risk exposure, whether in the form of premium refunds, discounts or the addition of coverage. During the third quarter, we began to see greater dynamics in our mobility solutions, mainly with a recovery in new sales and a good performance of the affinity and digital channel for the mandatory car solution.

Compulsory insurance in Colombia has presented a contraction in its income associated with the lower economic dynamics and higher unemployment in the country, with impacts mainly on the ARL which presents a decrease in income of 3%.

In line with the above, the production reserves generated a lower constitution, which partially relieves the reduction in premiums. At the end of the third quarter the reserves presented a release of COP \$91,650 million.

Similarly, in line with the reduction in income and lower economic activity, during the second quarter there was a decrease in risk exposure, mainly in mobility, property and asset solutions, which generated a reduction in the frequency of claims for these solutions. Additionally, fewer claims were filed in the health solution due to the postponement of medical procedures.

In countries where there is greater exposure to Health, Occupational Risks and Life solutions, there is already evidence of the impact of claims payments associated with COVID-19 for more than COP 540 billion. Nonetheless, it should be noted that the strategies for customer care and support, with initiatives that include virtual care models, treatment through oxygen therapy, delivery of medicines to the home, expansion of the capacities installed in the provision and support in risk management and prevention in companies, have resulted in less severity and mortality of cases.

Reserves

During the last quarter, the reserves of the company did not show significant changes and it is considered that the levels of insurance reserves calculated and presented in its financial statements for September 30, 2020 are sufficient, and no additional impacts are expected based on the information known at that time, since the estimates of claims made for this cut are consistent with the evaluations that have been made on the possible effects derived from the COVID-19 pandemic.

However, everything will depend on the evolution of the measures taken by the governments, the health conditions of the population and their consequences on the macroeconomic variables of the different countries. Therefore, within the company, the evolution of the main variables, actions and their consequences continue to be permanently evaluated, with the purpose of capturing new information that will allow us to better understand the behavior of the risks and our exposure to them in the short and medium term. This allows the company to maintain an adequate diagnosis on the adequacy of its reserves, even given the atypical nature of the situation.

Investment Portfolio

The third quarter of the year was characterized by a more stable environment compared to the previous two quarters, reflecting a capital market that assimilated the potential impacts of the COVID. The movement of prices of bonds, shares and currencies was moderate between the beginning and the end of the quarter, but showed volatility in the middle with some specific macroeconomic data in some of the countries. What did remain constant is an expansionary monetary policy that continues to generate ample liquidity in the markets and a marked dislocation of financial asset prices with the economic growth data.

Once again, it is worth highlighting the management of portfolios based on our ALM (Asset-Liability Mapping) models, which mitigate the mismatches between assets and liabilities and enable us to significantly decrease the volatility of the results of the company and guarantee compliance with the obligations to our insured parties.

Credit Risk

During the last quarter the general credit risk situation in terms of portfolio issuers remained stable. Nevertheless, there were some specific situations in Argentina and El Salvador, as detailed below:

- **Argentina:** During the third quarter of the year, the Argentine government managed to restructure the foreign debt with the approval of more than 90% of its creditors. This represented an improvement in the credit quality by the three major rating agencies, taking into account that from the point of view of the cash flow of the country, a very important relief was achieved. Nonetheless, macroeconomic conditions and the recovery continue to be challenging in the coming quarters, and the Group is constantly monitoring this situation.
- **El Salvador:** In this portfolio, one issuer presented an additional 6-month grace period plan for payment of capital. This was approved by investors in order to provide liquidity relief. The book value of this investment amounts to USD 234 thousand.

In addition to the above points, there are no further significant impairments in the book value of the investments of the subsidiaries of Suramericana S.A., the above taking into account that the portfolio is diversified in issuers with good credit quality and high operational soundness that has allowed them to remain stable in the midst of the pandemic.

Currently, the countries in which we have financial instruments 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 the issuers. Securities classified at market value permanently incorporate the effects of quotation and fluctuations in interest rates, therefore, they do not imply additional effects associated with prospective impairment analyses. Nevertheless, as a result of the downgrading of the credit rating of issuers, for those securities classified at market value with changes in other comprehensive income the company may reflect negative impacts on the results of the period associated with an estimated impairment.

With respect to accounts receivable from reinsurers and co-insurers, similar to the previous quarter, no major impact is perceived 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 validated within Grupo Sura. Nonetheless, we continue to constantly monitor the reality of the global reinsurance market and its connection with the variables associated with the pandemic and macroeconomic variables in order to be able to anticipate any impact that may affect any of the companies in the Group.

Regarding accounts receivable from our clients, although in some countries longer terms are being granted to pay premiums due to government decisions generating an increase in the days of turnover of accounts receivable, especially in Panama, generally speaking no significant risk has been identified that represents large losses for the company. In relation to the above, it is important to take into account that in Sura Panama there is a significant deterioration for this quarter in the car and individual life portfolios since there has been an increase in the default especially in the accounts from 90 to 120 days. In order to mitigate this, the subsidiary is taking various actions such as arrangements with clients and policy cancellations in order to mitigate the impact that is occurring in the deterioration of the portfolio.

Notwithstanding the above, with respect to not observing significant impacts associated with credit risk during this second quarter, we are aware of the volatility and high uncertainty generated by the current situation, so the company permanently monitors the measures adopted by governments and the implications these may have on the behavior of different sectors, among others, the interruption in supply chains, extensive suspension of productive

activity, increased unemployment, income recession for some sectors, price behavior (inflation), economic slowdown, etc.

Exchange Rate Impacts

This quarter has been more stable regarding the prices of the currencies of the countries where Grupo SURA is present. The Colombian peso devalued by nearly 3% against the US dollar, and in general the other currencies showed a similar result. It is expected that the end of the year will not present significant volatility in these variables that will affect the financial situation and performance of the company; nonetheless, the Group remains cautious and does not lose sight of the conditions and expectations associated with the behavior of currencies and the risks that this entails.

In any case, the exchange effects on operations and those arising from the translation of the results of the period and financial situation of the subsidiaries to the presentation currency of these financial statements (COP) have already been recognized and incorporated as of September 30, 2020.

Recoverability of deferred tax assets

As a preventive measure in the face of the COVID-19 pandemic, as of September 30, 2020, the company evaluated the recoverability of deferred tax assets, concluding that no elements were identified that would generate the non-recoverability of these, however, it will continue to monitor the evolution of the business and the economic impacts derived from the situation in its financial statements, without losing sight of the possible effects on these positions.

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 to a high percentage of the collaborators and the qualification of technological capacities to attend the commercial and business processes, without incurring in material or disproportionate costs for it. In addition to the above, we are aware of the importance of maintaining the financial soundness and liquidity necessary to meet the needs of businesses at the present time. In this regard, we believe that the dynamics that operations bring, as well as the financial strategy that the company has followed over several periods, in relation to the optimization of resources and capital allocation decisions, place us in a suitable position.

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.

The second indicator evaluated reflects the percentage of the recoverable value as of September 2019 of the companies, explained by the dividend flows expected from 2022 onwards, where it was evident for all cases that the impact of these flows is above 90%, which under a scenario of no dividend distribution in 2020 and 2021 given the business plan, would not have caused an impairment, because much of the value of these companies is explained in the materialization of a strategy that today requires investment in the short term and expects returns for the medium and long term.

A third element that is relevant for the company in the context of the modeling performed last year is that the future dividends obtained in this simulation are the result of the definition of minimum indicators of solvency and suitability, which as a company we consider adequate, in other words, they are modeled based on our internal vision. Nonetheless, these indicators, which are independent by subsidiary, represent a conservative vision in relation to the compliance that local regulations must have. Given this context, if as a company we did not include these factors, the level of dividends that we would expect from our subsidiaries would be higher, and therefore this would have repercussions in having greater sufficiency in the valuation of capital gains; an approach that any shareholder that does not manage our standards would have.

Therefore, following the analysis of the previous period, we ratify that the management of Grupo SURA does not identify any deterioration in the value conditions of its subsidiaries. The levels of adequacy and solvency that allow us to define the capacity to distribute dividends in the subsidiaries remain sufficient, which allows us to infer that the value measured through the discount of future flows has not been impacted. Similarly, it is important to emphasize that there is still a high level of uncertainty due to the behavior of the main variables of the insurance business such as premium income, its cash collection and future claims payments, which makes it difficult to project behavior and results beyond this year, in relation to the information known up to now.

We are constantly monitoring the capital needs of all our subsidiaries, whether due to deteriorating conditions or the growth of the different lines of business, as well as the impact this may have on the value of our companies.

Pensions

During the first months of the pandemic, the governments of the countries where SURA Asset Management operates defined quarantines with different degrees of restriction, in order to flatten the infection curves and not exceed the capabilities of the health services.

As this pandemic has evolved, some countries have made the measures more flexible, such as Colombia, where a "pico y cedula" (*Daily alternating system allowing citizens to go out depending on the last digit of their Identification document*) mechanism was established; or Peru, where quarantine was lifted in some cities such as Lima as of early July. In Uruguay, the government has opted for a gradual return to the "new normality", progressively resuming commercial and educational activities in the country. In Mexico, where the quarantine was more voluntary by region than ordered by the central government, activities are also gradually resuming.

On the other hand, Chile was forced to retake the restrictions after observing a vertiginous growth in cases of contagion when the quarantine was lifted in some sectors, these have been established by geographical sectors in a gradual way.

Given the aforementioned, during the third quarter practically all the locations where Grupo Sura operates through its subsidiary Sura Asset Management have gradually resumed commercial activities, as the confinement measures have been made more flexible. Nevertheless, it is likely that in some locations where there is evidence of further increases in the level of contagion and occupation of the Intensive Care Unit, some restrictions will be re-imposed that may again limit commercial activity.

The Company has been continuously making different estimation and projection exercises of its results and the impact on the financial statements given the worldwide health crisis. Throughout the months of the pandemic, impacts were identified in the countries derived mainly from economic and social measures adopted by the governments to face the crisis. The following are the impacts identified and updated at the end of the third quarter of the year:

In the retirement savings business:

- The loss of profitability observed during the first quarter as a result of the reaction of the markets to the crisis has been fully recovered. September was another month of negative results; nonetheless, the accumulated positive results have been maintained. Only in Peru there is an accumulated deficit, which is reflected in the financial statements in the profitability of the reserve fund.
- Impact on the contribution rates of members and the level of wage bases due to unemployment triggered by quarantines and the general economic crisis: worldwide, an immediate and direct effect of the interruption of activities due to quarantines has been the temporary closure of different companies and the loss of jobs. While only a portion of these jobs are expected to be permanently lost given government initiatives, the Company has been monitoring official government projections in terms of unemployment. Starting in May, a decrease in these business variables was observed, which naturally has an impact on commission income. On the other hand, as of August we began to observe recoveries through the wage base levels, with the exception of Chile, where the wage bases still have a decreasing trajectory. At the end of the third quarter it is still premature to predict how much of the job losses observed so far will be structural and/or temporary. Nevertheless, the impacts on observed revenues do not jeopardize the ability of the Company to continue as a going concern.
- Impact of government measures directly affecting the Retirement Savings business: during the months of the pandemic, legislative initiatives and government decrees have been presented to lessen the economic impacts, the most notable being:
 - Peru:
 - **Suspension of contributions** to the pension funds during the month of April: in order to provide more liquidity to formal workers, the government allowed the April contributions, as well as the respective fees for the administration of

contributions, to be suspended. The impact of this measure is valued at 28,685 million pesos¹ of lower income.

▪ **Withdrawal of contributions:**

- Partial withdrawal of up to PEN 2,000 (approximately COP 2,162,573¹) of 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 last 6 months counted up to 31/03. Days later, the decree was expanded to cover individuals:
 - That they have not reported contributions in February or March,
 - Whose employers have taken advantage of the Perfect Work Suspension scheme (temporary suspension of employment and payment)
 - Whose salaries are less than PEN 2,400 (approximately COP 2,595,088¹), regardless of whether they are working or not.

- Partial withdrawal of up to 25% of the CIC of the affiliate, with a minimum of PEN 4,300 (COP 4,607,645¹) and a maximum of PEN 12,900 (COP 13,822,934¹) This measure was enacted in May, allowing withdrawals to be requested up to 60 days after the publication of the regulation. This law provides for the optional withdrawal of all members of the system, without the condition of suspension from work or income limits.
- Considering both provisions, between the months of April and September, around 1.5 million retirement requests were received, for a total equivalent to 9.1 billion COP¹. It is worth mentioning that only a part of the income is charged on the assets managed; it is estimated that this reduction will have an impact of 9,596 million COP¹ less commissions by 2020.

- Chile:
 - In July 2020, a decree was issued allowing members and pensioners of AFPs to withdraw 10% of the funds accumulated in their CICs, up to 150 UFs (Unidades de Fomento) (approx. 19,886,212 of COP¹).
 - By the end of September, approximately 1.5 million withdrawal requests had been received, totaling COP² 11.4 billion. Important: the income driver in Chile is 100% wage base for the Retirement Savings business, so these do not affect the commission income.

- Colombia:
 - Legislative Decree 558 of 2020, published on 04/15/2020, which ordered the suspension of contributions to the General Pension System for the months of April and May 2020, as well as the transfer to Colpensiones of the portfolio of pensioners under the modality of programmed retirement who receive a pension allowance equivalent to a monthly legal minimum wage in force, was declared unconstitutional by the Colombian Constitutional Court on July 23, 2020, leaving the measures without effect.

¹ At the average rate at the end of September

² At September closing rate.

Therefore, in the business of Inversiones Sura and Investment Management:

- Although during the first months of the pandemic there were negative effects on returns, for some months these have shown a significant recovery, generating positive returns of +200 MUSD.
- Potential reduction in managed assets due to increased customer outflow: by the end of the third quarter the voluntary businesses already have positive net commercial flow.
- Potential reduction in average fees, due to the reliance on fixed income products instead of equity or alternative products: In the months of the last quarter, average fees also show a recovery, and almost all of them (except for retail funds) are at similar or higher levels than in 2019.

Generally speaking, as in other industries, the businesses in which SURA Asset Management operates have been affected by reduced mobility and quarantines, and this has made it difficult to close affiliations or attract new clients. Nevertheless, the focus on the client in previous years has allowed us to develop initiatives for digital acquisition and proximity, which were already in place at the beginning of the crisis, and have allowed us to maintain a close relationship with clients, digital consultancy and acquisition in some products where regulation allows for 100% remote processes.

In the months of the last quarter, commercial activity had already gradually resumed in all locations.

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 pandemic continues, this is an exercise that will continue to be developed during the coming weeks and months, in which SURA Asset Management will carry out constant analysis to incorporate any effects, in compliance with IFRS regulations and the accounting policies given by Grupo Sura.

At the end of the third quarter, in addition to the aforementioned impacts, it was identified:

- That there have been no significant changes to the lease agreements recognized under IFRS 16, which could require the amendment of the assets or liabilities in right of use. For cancelled or non-renewed contracts, the related assets and liabilities have been derecognized, as indicated by the standard.
- That there are no indications of impairment requiring revaluation of investment properties held by the Company.
- That there is no evidence that the Company has difficulties in recovering long-term items (DAC, DIL, deferred tax assets).
- That there have been no changes in the flow of committed dividends for the year.

In accordance with accounting policies, the corresponding impairment tests will be carried out at year-end to validate the recoverability of the assets of SURA Asset Management.

Finally, at the end of the third quarter the results continued to show resilience to the crisis. SURA Asset Management is not unaware of the impacts of the crisis; nevertheless, to date these impacts have been identified and controlled, and do not jeopardize the ability of the company to continue operating the business in the future.

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.

Financial instruments at an agreed rate

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

Financial liabilities whose fair value approximates the book value

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

With regard to loans with variable interest rates, the carrying value corresponds to an approximation of their fair value. For fixed-rate loans, the market interest rate for similar loans does not differ significantly; thus, the carrying value corresponds to an approximation of their fair value.

6.1. Financial assets

Below are the financial assets in current, non-current and by type of financial asset:

September 2020						
Current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Results	Equity		
Cash and cash equivalents		-	-	-	3,288,446	3,288,446
Investments	6.1.1	253,452	9,109,630	-	-	9,363,082
Trade and other receivables	6.1.2	6,523,481	-	-	-	6,523,481
Accounts receivable, related parties (1)		243,057	-	-	-	243,057
Derivatives (other financial assets)		-	245,810	-	-	245,810
Total		7,019,990	9,355,440	-	3,288,446	19,663,876

Non - current	Note	Financial assets at amortized cost	Financial assets at fair value	Other financial assets (cash)	Total
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			Results	Equity		
Restricted cash			-	-	62,585	62,585
Investments	6.1.1	10,751,255	3,228,731	707,358	-	14,687,344
Derivatives (other financial assets)		-	1,149,824	-	-	1,149,824
Total		10,751,255	4,378,555	707,358	62,585	15,899,753

Financial assets	17,771,245	13,733,995	707,358	3,351,031	35,563,629
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December 2019						
Current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Results	Equity		
Cash and cash equivalents		-	-	-	2,256,625	2,256,625
Investments	6.1.1	56,743	7,337,006	-	-	7,393,749
Trade and other receivables	6.1.2	6,184,875	-	-	-	6,184,875
Accounts receivable, related parties ⁽¹⁾		109,153	-	-	-	109,153
Derivatives (other financial assets)		-	51,363	-	-	51,363
Total		6,350,771	7,388,369	-	2,256,625	15,995,765

Non - current	Note	Financial assets at amortized cost	Financial assets at fair value		Other financial assets (cash)	Total
			Results	Equity		
Restricted cash		-	-	-	89,532	89,532
Investments	6.1.1	12,788,839	3,200,273	599,509	-	16,588,621
Trade and other receivables	6.1.2	149,963	-	-	-	149,963
Derivatives (other financial assets)		-	542,886	-	-	542,886
Total		12,938,802	3,743,159	599,509	89,532	17,371,002

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

	September 2020	December 2019
Grupo Bancolombia S.A.	137,298	64,031
Grupo Nutresa S.A.	52,753	24,756
Grupo Argos S.A.	43,107	20,063
Protección S.A.	9,133	-
Others	766	303
Total dividends, receivable	243,057	109,153

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

	September 2020	December 2019
Colombia	17,999,791	15,090,900
Chile	10,379,573	9,026,418
Mexico	2,124,034	4,571,546
Argentina	1,068,524	871,227
Peru	966,006	969,120
Panama	907,192	767,649
El Salvador	646,212	544,795
Brazil	597,813	719,709
Uruguay	494,175	445,713
Dominican Republic	293,925	301,299

Bermudas Islands	86,384	58,391
Total	35,563,629	33,366,767

6.1.1. Investments

The breakdown of investments is as follows:

	September 2020	December 2019
National issuers	8,541,565	7,994,850
Treasury securities - TES	3,146,653	5,165,704
Foreign issuers	4,858,213	4,004,431
Legal reserve pension fund - Investments at fair value, with changes in profit and loss	7,169,209	6,489,116
Other Securities issued by the national government	354,871	340,599
Other	21,753	28,775
Impairment of equity investments instruments, through other comprehensive (Note 6.2)	(37,654)	(34,318)
Impairment (Note 6.2)	(4,184)	(6,787)
Total	24,050,426	23,982,370

The movement of the investment account, is as follows:

Balance at January 1, 2019	22,696,482
Additions	7,969,142
Derecognition	(8,090,685)
Interest received	(709,394)
Impairment	(15,385)
Valuation (net) of financial assets	977,225
Valuation of equity investments	12,335
Dividends received	(910)
Amortized cost valuation	1,088,590
Exchange differences	54,970
Balance at December 31, 2019	23,982,370
Additions	13,145,449
Derecognition	(14,892,693)
Interest received	(545,187)
Impairment	(3,458)
Financial instruments with changes OCI	419
Valuation (net) of financial assets	535,862
Valuation of investment at amortized cost	696,722
Dividends received	(515)
Exchange differences	1,131,457
Balance at September 30, 2020	24,050,426

6.1.2. Trade and other accounts receivables

The detail of accounts receivable as at 30 September 2020 is as follows:

	September 2020	December 2019
Insurance activity	4,725,978	4,583,762
Debtors	877,639	772,903
Payments of customers, consumption accounts	428,306	413,808
Various	237,679	235,326
Judicial deposits	205,454	231,485
Commissions	125,273	118,315
Payments on behalf of customers, housing	115,176	96,006
Securities trading company	90,895	99,462
Advances to contracts and suppliers	39,725	36,185
Credits portfolio	38,250	44,816
To employees	22,495	25,626
Interests	8,477	-
Leases	1,699	1,522
Sale of goods and services	130	-
Impairment of other loan portfolio items	(200)	(199)
General Impairment (provision)	(674)	(640)
Impairment (provision) accounts receivable, consumption	(5,435)	(4,494)
Impairment (provision) other accounts receivable	(20,077)	(23,845)
Impairment (provision) accounts receivable, insurance activity	(120,908)	(66,045)
Impairment (provision) trade accounts, receivable	(246,401)	(229,155)
Total	6,523,481	6,334,838

6.2. Impairment of financial assets

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

	September 2020	December 2019
Impairment accounts receivable	(393,695)	(324,378)
Impairment Investments	(41,838)	(41,105)
Total	(435,533)	(365,483)

6.3. Financial liabilities

The following are the financial liabilities of Grupo SURA:

	Note	September 2020	December 2019
Other financial liabilities	6.3.1	1,547,576	1,685,559
Derivatives	6.3.1	309,523	204,190
Trade and other accounts payable	6.3.2	3,846,585	3,613,367
Accounts payable, related parties		209,585	82,011
Securities issued	13	10,045,715	8,203,145
Total		15,958,984	13,788,272

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

September 2020				
Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	6.3.1	-	73,483	73,483
Trade accounts payable and other accounts payable	6.3.2	3,846,585	-	3,846,585
Accounts payable, related parties		209,585	-	209,585
Other financial liabilities	6.3.1	752,971	-	752,971
Securities issued	13	1,182,721	-	1,182,721
Total		5,991,862	73,483	6,065,345

Non-current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	6.3.1	-	236,040	236,040
Other financial liabilities	6.3.1	794,605	-	794,605
Securities issued	13	8,862,994	-	8,862,994
Total		9,657,599	236,040	9,893,639

Financial liabilities		15,649,461	309,523	15,958,984
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December 2019				
Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	6.3.1	-	21,501	21,501
Trade accounts payable and other accounts payable	6.3.2	3,613,367	-	3,613,367
Accounts payable, related parties		82,011	-	82,011
Other financial liabilities	6.3.1	1,260,228	1,501	1,261,729
Securities issued	13	249,145	-	249,145
Total		5,204,751	23,002	5,227,753

Non-current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Derivatives	6.3.1	-	182,689	182,689
Other financial liabilities	6.3.1	423,830	-	423,830
Securities issued	13	7,954,000	-	7,954,000
Total		8,377,830	182,689	8,560,519

Financial liabilities		13,582,581	205,691	13,788,272
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Following is an overview of financial liabilities, by country:

	September 2020	December 2019
Colombia	13,561,579	11,620,705
Chile	1,250,383	1,083,286
Mexico	304,860	267,271
Brazil	203,699	222,144
Argentina	191,067	184,914
Dominican Republic	106,404	136,095
Peru	84,635	67,103
El Salvador	84,306	72,197
Panamá	78,673	59,356
Uruguay	71,271	70,058
Bermuda Island	22,107	5,143
Total	15,958,984	13,788,272

6.3.1. Other financial liabilities

Breakdown of other financial liabilities is as follows:

	September 2020	December 2019
Financial derivatives ⁽¹⁾	309,523	204,190
Financial obligations ⁽²⁾	1,547,576	1,685,559
Total	1,857,099	1,889,749

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

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

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

6.3.2. Accounts payable and other payables

The detail of accounts payable, is as follows:

	September 2020	December 2019
Accounts payable to insurance companies	2,247,643	2,152,984
Suppliers	577,787	599,672
Other accounts payable	1,021,155	860,711
Total	3,846,585	3,613,367

NOTE 7. LEASES

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

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

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

The movements in assets by right of use and lease liabilities for the period ended 30 September 2020 are detailed below:

	Right-of use assets	Lease liabilities
Balance at December 31, 2019	645,484	666,663

Additions and increments	81,572	43,067
Decreases	(56,976)	(118,272)
Depreciation and amortization	(107,728)	(10,417)
Adjustments for inflation	38,360	-
Reclassifications	47,068	-
Interest expenditure	-	30,362
Difference in conversion	(32,476)	(13,077)
At 30 September, 2020	615,304	598,326

NOTE 8. INSURANCE CONTRACTS

8.1. Technical reserves part reinsurers

Reinsurance

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

	September 2020	December 2019
Reinsurance of notified claims	2,550,961	2,578,747
Reinsurance of risk-in-progress	1,622,201	1,261,719
Reinsurance of unnotified claims	350,782	262,390
Reinsurance deposits	610	542
Technical reserves of insurance, reinsurer parties	4,524,554	4,103,398

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

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

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

8.2. Premiums

Net premiums obtained by Grupo SURA, and its subsidiaries, for the years ended September 30th, are as follows:

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Life insurance contracts	4,504,856	4,355,007	1,613,682	1,594,527
Non-life insurance contracts	6,066,541	5,639,465	2,083,451	1,921,300

Premiums issued	10,571,397	9,994,472	3,697,133	3,515,827
Life insurance contracts - reinsurer party	(222,518)	(237,687)	(73,463)	(79,608)
Non-life insurance contracts - reinsurer party	(2,190,954)	(1,585,495)	(839,728)	(593,580)
Ceded premiums	(2,413,472)	(1,823,182)	(913,191)	(673,188)
Total net premiums	8,157,925	8,171,290	2,783,942	2,842,639

Premiums by country, are as follows:

September 2020	Accumulated		Premiums issued	Life insurance contracts - reinsurer party	Non-life insurance contracts - reinsurer party	Ceded premiums	Total net premiums
	Life insurance contracts	Non-life insurance contracts					
Argentina	-	624,549	624,549	-	(81,508)	(81,508)	543,041
Bermuda	-	17,087	17,087	-	(15,138)	(15,138)	1,949
Brazil	-	407,100	407,100	-	(166,723)	(166,723)	240,377
Chile	640,540	1,505,856	2,146,396	(41,056)	(747,441)	(788,497)	1,357,899
Colombia	3,622,389	1,929,238	5,551,627	(127,775)	(784,214)	(911,989)	4,639,638
Mexico	-	612,114	612,114	-	(149,930)	(149,930)	462,184
Panama	-	390,697	390,697	-	(50,617)	(50,617)	340,080
Dominican Republic	-	221,017	221,017	-	(111,907)	(111,907)	109,110
El Salvador	241,927	132,710	374,637	(53,687)	(37,297)	(90,984)	283,653
Uruguay	-	226,173	226,173	-	(46,179)	(46,179)	179,994
Total	4,504,856	6,066,541	10,571,397	(222,518)	(2,190,954)	(2,413,472)	8,157,925

September 2020	Quarter		Premium issued	Life insurance contracts - reinsurer party	Non-life insurance contracts - reinsurer party	Ceded premiums	Total net premiums
	Life insurance contracts	Non-life insurance contracts					
Argentina	-	221,512	221,512	-	(26,140)	(26,140)	195,372
Bermuda	-	1,821	1,821	-	8,781	8,781	10,602
Brazil	-	134,485	134,485	-	(50,530)	(50,530)	83,955
Chile	236,569	481,497	718,066	(12,646)	(315,345)	(327,991)	390,075
Colombia	1,299,755	732,032	2,031,787	(45,365)	(338,413)	(383,778)	1,648,009
Mexico	-	181,187	181,187	-	(41,591)	(41,591)	139,596
Panama	-	137,805	137,805	-	(17,600)	(17,600)	120,205
Dominican Republic	-	64,671	64,671	-	(32,718)	(32,718)	31,953
El Salvador	77,358	44,972	122,330	(15,452)	(9,711)	(25,163)	97,167
Uruguay	-	83,469	83,469	-	(16,461)	(16,461)	67,008
Total	1,613,682	2,083,451	3,697,133	(73,463)	(839,728)	(913,191)	2,783,942

September 2019	Accumulated		Premiums issued	Life insurance contracts	Non-life insurance contracts -	Ceded premiums	Total net premiums
	Life insurance contracts	Non-life insurance contracts					

				- reinsurer party	reinsurer party		
Argentina	-	611,818	611,818	-	(69,636)	(69,636)	542,182
Bermuda	-	793	793	-	(621)	(621)	172
Brazil	-	488,364	488,364	-	(115,892)	(115,892)	372,472
Chile	589,552	1,179,532	1,769,084	(34,921)	(461,898)	(496,819)	1,272,265
Colombia	3,395,601	1,929,059	5,324,660	(118,748)	(620,939)	(739,687)	4,584,973
Mexico	127,696	546,247	673,943	(29,178)	(111,158)	(140,336)	533,607
Panama	-	355,104	355,104	-	(49,140)	(49,140)	305,964
Dominican Republic	-	191,305	191,305	-	(88,285)	(88,285)	103,020
El Salvador	242,158	120,300	362,458	(54,840)	(27,331)	(82,171)	280,287
Uruguay	-	216,943	216,943	-	(40,595)	(40,595)	176,348
Total	4,355,007	5,639,465	9,994,472	(237,687)	(1,585,495)	(1,823,182)	8,171,290

Quarter

September 2019	Life insurance contracts	Non-life insurance contracts	Premiums issued	Life insurance contracts - reinsurer party	Non-life insurance contracts - reinsurer party	Ceded premiums	Total net premiums
Argentina	-	165,485	165,485	-	(15,824)	(15,824)	149,661
Bermuda	-	775	775	-	(621)	(621)	154
Brazil	-	176,194	176,194	-	(41,225)	(41,225)	134,969
Chile	223,856	331,671	555,527	(11,833)	(113,069)	(124,902)	430,625
Colombia	1,263,845	762,722	2,026,567	(44,657)	(298,605)	(343,262)	1,683,305
Mexico	21,710	184,165	205,875	(3,649)	(39,925)	(43,574)	162,301
Panama	-	122,420	122,420	-	(17,772)	(17,772)	104,648
Panama	-	58,769	58,769	-	(24,470)	(24,470)	34,299
El Salvador	85,117	43,165	128,282	(19,468)	(16,034)	(35,502)	92,780
Uruguay	(1)	75,934	75,933	(1)	(26,035)	(26,036)	49,897
Total	1,594,527	1,921,300	3,515,827	(79,608)	(593,580)	(673,188)	2,842,639

8.3. Claims withheld

The claims incurred by Grupo SURA and subsidiaries for the years ended September 30, 2020 and 2019 are the following:

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Total claims	5,521,678	5,959,961	1,940,465	1,950,623
Claim reimbursement	(1,079,435)	(1,258,414)	(361,113)	(341,785)
Claims withheld	4,442,243	4,701,547	1,579,352	1,608,838

Claims per country are detailed as follows:

September 2020	Accumulated						
	Life insurance	Non-life insurance	Total claims	Life insurance	Non-life insurance	Claim reimbursement	Total claims withheld
Argentina	-	337,503	337,503	-	(21,202)	(21,202)	316,301
Bermuda	-	(48)	(48)	-	(65)	(65)	(113)
Brazil	-	222,617	222,617	-	(105,794)	(105,794)	116,823
Chile	519,856	461,628	981,484	(17,548)	(220,091)	(237,639)	743,845

Colombia	2,063,436	1,027,533	3,090,969	(187,318)	(329,884)	(517,202)	2,573,767
Mexico	-	342,802	342,802	-	(65,649)	(65,649)	277,153
Panama	-	132,596	132,596	-	(24,370)	(24,370)	108,226
Dominican Republic	-	68,766	68,766	-	(27,352)	(27,352)	41,414
El Salvador	183,961	50,134	234,095	(50,631)	(4,615)	(55,246)	178,849
Uruguay	-	110,894	110,894	-	(24,916)	(24,916)	85,978
Total	2,767,253	2,754,425	5,521,678	(255,497)	(823,938)	(1,079,435)	4,442,243

Quarter

September 2020	Life insurance	Non-life insurance	Total claims	Life insurance	Non-life insurance	Claim reimbursement	Total claims withheld
Argentina	-	117,512	117,512	-	(3,826)	(3,826)	113,686
Bermuda	-	(156)	(156)	-	(65)	(65)	(221)
Brazil	-	64,268	64,268	-	(24,491)	(24,491)	39,777
Chile	171,060	144,720	315,780	(6,255)	(68,071)	(74,326)	241,454
Colombia	753,111	341,042	1,094,153	(56,686)	(119,536)	(176,222)	917,931
Mexico	-	125,949	125,949	-	(29,186)	(29,186)	96,763
Panama	-	47,714	47,714	-	(7,905)	(7,905)	39,809
Dominican Republic	-	26,040	26,040	-	(7,767)	(7,767)	18,273
El Salvador	91,259	18,575	109,834	(23,141)	(3,474)	(26,615)	83,219
Uruguay	-	39,371	39,371	-	(10,710)	(10,710)	28,661
Total	1,015,430	925,035	1,940,465	(86,082)	(275,031)	(361,113)	1,579,352

Accumulated

September 2019	Life insurance	Non-life insurance	Total claims	Life insurance	Non-life insurance	Claim reimbursement	Total claims withheld
Argentina	-	358,456	358,456	-	(2,693)	(2,693)	355,763
Bermuda	-	(6)	(6)	-	-	-	(6)
Brazil	-	247,031	247,031	-	(106,380)	(106,380)	140,651
Chile	532,149	741,073	1,273,222	(10,581)	(399,074)	(409,655)	863,567
Colombia	1,886,049	1,037,493	2,923,542	(111,278)	(245,427)	(356,705)	2,566,837
Mexico	142,449	416,753	559,202	(52,750)	(170,180)	(222,930)	336,272
Panama	-	162,829	162,829	-	(44,045)	(44,045)	118,784
Dominican Republic	-	90,665	90,665	-	(41,166)	(41,166)	49,499
El Salvador	159,009	64,968	223,977	(45,056)	(958)	(46,014)	177,963
Uruguay	-	121,043	121,043	-	(28,826)	(28,826)	92,217
Total	2,719,656	3,240,305	5,959,961	(219,665)	(1,038,749)	(1,258,414)	4,701,547

Quarter

September 2019	Life insurance	Non-life insurance	Total claims	Life insurance	Non-life insurance	Claim reimbursement	Total claims withheld
Argentina	-	129,006	129,006	-	(9,295)	(9,295)	119,711
Bermuda	-	(6)	(6)	-	-	-	(6)
Brazil	-	74,576	74,576	-	(23,700)	(23,700)	50,876
Chile	166,999	185,325	352,324	(3,331)	(72,212)	(75,543)	276,781

Colombia	628,207	376,865	1,005,072	(27,844)	(83,566)	(111,410)	893,662
Mexico	36,330	153,918	190,248	(14,164)	(65,504)	(79,668)	110,580
Panama	-	52,266	52,266	-	(10,434)	(10,434)	41,832
Dominican Republic	-	23,270	23,270	-	(7,860)	(7,860)	15,410
El Salvador	55,116	28,535	83,651	(16,293)	(689)	(16,982)	66,669
Uruguay	-	40,216	40,216	-	(6,893)	(6,893)	33,323
Total	886,652	1,063,971	1,950,623	(61,632)	(280,153)	(341,785)	1,608,838

8.4. Technical reserves insurance contracts

Technical reserves

The items contained in the technical reserves are divided into:

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

- **Other reserves:** Grupo SURA may recognize as "other", those reserves that are not covered in the descriptions developed above, and that are permitted under the guidelines of their accounting policies.

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

	September 2020	December 2019
Mathematical reserves	5,664,891	7,508,261
Reserve of unearned premiums	8,533,703	7,845,487
Reserve of unnotified claims (IBNR)	1,978,079	1,503,463
Reserve of reported claims	6,275,343	5,818,924
Special reserves	238,824	216,447
Other reserves	342,487	322,707
Total insurance technical reserves	23,033,327	23,215,289

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

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

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

	Liabilities for insurance contracts	Assets from insurance contracts	Net
At December 31, 2018	22,199,074	3,562,157	18,636,917
Changes in reserves	4,806,238	633,101	4,173,137
Adjustments for conversion	(3,790,023)	(91,860)	(3,698,163)
At December 31, 2019	23,215,289	4,103,398	19,111,891
Changes in reserves	(966,695)	248,300	(1,214,995)
Adjustments for conversion	790,419	172,768	617,651
Adjustments for monetary correction	(5,686)	88	(5,774)
At 30 September, 2020	23,033,327	4,524,554	18,508,773

Technical reserves by country, are as follows:

Country	September 2020	December 2019
Argentina	973,248	868,314
Bermuda	43,017	13,023
Brazil	458,436	511,399
Chile	6,793,636	6,111,977
Colombia	12,144,596	10,901,047
Mexico	1,077,715	3,431,086
Panama	549,163	490,343
Dominican Republic	215,332	215,779
El Salvador	520,490	436,267

Uruguay	257,694	236,054
Total insurance technical reserves	23,033,327	23,215,289

NOTE 9. INCOME TAXES

9.1. Applicable norms

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

Country	2020	2019
Colombia	32%	33%
Chile	27%	27%
Argentina	30%	30%
Uruguay	25%	25%
Mexico	30%	30%
Panama	25%	25%
El Salvador	25%	25%
Brazil	40%	40%
Dominican Republic	27%	27%
Peru	30%	30%
Bermuda	0%	0%

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

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

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

As a consequence of the spread of COVID-19, the National Government of Colombia took measures in the midst of the economic and social emergency, such as, extension of the deadline for payment of the second income tax instalment; additionally, the deadlines for filing

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

Chile: The Income Tax Law classifies income from "Capital" and "labor". The former is taxed with the First Category Tax, which mainly affects companies. Since the publication of Law N°. 20,780 in September 2014, and its subsequent amendment by Law N°. 20,899 in February 2016, two tax systems have been in place to determine the taxation of company owners. The attributed regime, whose rate is 25% and the partially integrated regime with a rate of 27%.

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

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

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

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

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

Additionally, the Chilean government published Law 21.256 on September 2, 2020, which establishes measures for the economic reactivation, mainly of the companies under the Pro Pyme General and Pro Pyme Transparente regimes, which will be taxed at a rate of 10% for the income they generate during the fiscal years 2020, 2021 and 2022; similarly, it halves the rate of provisional monthly payments of these companies for these same fiscal years.

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

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

Mexico: The income tax (ISR) is a direct tax on the profit obtained from worldwide income. During fiscal years 2019 and 2020, the applicable income tax rate in Mexico is 30%, additionally, the participation of workers on tax profits is established with a percentage of 10%. Tax losses may be carried forward for a period not to exceed 10 years.

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

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

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

As a result of COVID-19 The Brazilian Government has been implementing tax measures, of which the reduction of the federal import tariff rate to 0% for medical products until the end of 2020, exemption from the federal consumption tax (IPI) for imported products necessary to combat COVID-19, is noteworthy, alternatives to companies for the payment of the debt (reimbursement, renegotiation, payment in installments), Prohibition to banks to increase their interest rates, suspension until May 29, 2020 of administrative procedures, extension of the terms from April and May 2020 until July and September 2020 for companies and public agencies to collect and contribute PIS / COFINS..

As an encouragement to the economic reactivation, the federal government has not issued tax incentives, although some states have established some discounts on the taxes, they are responsible for, such as the Payroll Tax (ISN), with discounts from 30% to 100% of the determined tax.

Argentina: The country taxes income from global sources. Law 27,430 published on December 2017 establishes modifications to the Income Tax Law, among them the

modification of the tax rate for capital companies which will be 30% for fiscal years starting on January 1, 2018 until December 31, 2019 and 25% for the following periods. Until 2018 there was an alternative minimum tax equivalent to 1% on assets held at the end of the tax period, which was repealed for tax years beginning in 2019. Tax losses can be carried forward for a maximum period of 5 years.

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

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

Within the framework of the worrying situation generated by the paralysis of the economic activity to face the Covid 19 pandemic, the Tax Authorities have extended the procedural deadlines of the tax area and have established a tax fair until October 31st, 2020.

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

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

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

Decree No. 356 establishes that taxpayers may determine for the year 2020, the estimated tax to be paid for an amount not less than 70% of the tax caused in their declarations for the 2019 fiscal period, without such estimate being subject to verification by the General Revenue Directorate, this in order to reduce the impact of Covid-19 in the country.

Dominican Republic: The tax code of the Dominican Republic, establishes that the income tax to be paid will be the highest that results from the net taxable income or 1% of the taxable assets. The income tax rate for legal entities is 27% on income obtained in the country. If tax

losses occur, taxpayers may offset them within 5 years after the year in which the loss was generated.

As measures adopted by the state of emergency caused by the COVID-19. An extension is granted for the submission and payment of the 2019 Corporate Income Tax (IR2) affidavit, postponing the deadline from April 29, 2020 to May 29, 2020 and then to July 29 of this year, also for the first Corporate Income Tax installment; taxpayers who submit a value to be paid may settle the income tax by paying four equal and consecutive installments, which will not be subject to surcharges and compensatory interest.

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

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

As a result of the expansion of COVID-19 worldwide, the Government of EI Salvador not only implemented emergency measures to guarantee the well-being of families as the fundamental basis of society, but also established various fiscal and economic measures with the objective of providing temporary relief from the fiscal charges of the Salvadoran economy, These include extending the deadline for paying income tax for fiscal year 2019 to May 31, 2020 and leaving interest, surcharges and fines exempt (only for certain sectors), also extending the deadline for making advance income tax payments of March, April and May 2020; In addition, the government issued legislative decree 734 which grants facilities for voluntary compliance with both current and past due tax obligations.

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

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

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

There are no tax measures relevant to the COVID-19 pandemic.

9.2. Current taxes

The following is the detail of current tax assets and liabilities, at 30 September 2020 and 31 December 2019:

	September 2020	December 2019
Current tax assets		
Income tax and complements	75,255	97,571
Local taxes	23,500	1,006
Withholdings	40,127	12,648
Sales tax	57,192	34,349
Tax in favor	38,706	66,946
Contributions	191	3,997
Others	3,672	15,203
Total assets for current taxes	238,643	231,720
	September 2020	December 2019
Current tax liabilities		
Income tax and complements	139,892	33,622
Local taxes	165,280	108,789
Sales tax, payable	283,262	321,378
Wealth tax	589	16
Others	931	918
Total liability for current taxes	589,954	464,723

Below are the current tax balances by country:

September 2020	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Current tax assets	6,615	2,860	5,299	145,218	47,778	2,865	7,378	59	7,857	12,714	238,643
Current tax liabilities	36,823	7,956	202,953	190,832	79,633	3,584	7,553	21,499	12,317	26,804	589,954
	(30,208)	(5,096)	(197,654)	(45,614)	(31,855)	(719)	(175)	(21,440)	(4,460)	(14,090)	(351,311)

December 2019	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Current tax assets	22,887	3,946	24,456	128,016	24,987	1,359	7,306	-	6,828	11,935	231,720
Current tax liabilities	18,511	11,961	165,891	88,338	109,131	6,433	3,420	23643	11,701	25,694	464,723
Total	4,376	(8,015)	(141,435)	39,678	(84,144)	(5,074)	3,886	(23,643)	(4,873)	(13,759)	(233,003)

9.3. Tax recognized in profit or loss for the period

Current and deferred tax expense:

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Current tax expense	(473,714)	(389,063)	(96,423)	(132,451)
Current tax	(472,571)	(387,541)	(95,983)	(130,672)
Adjustment of previous periods ¹	(1,143)	(1,522)	(440)	(1,779)
Deferred tax expense	139,473	63,718	(1,775)	61,633
Constitutions / reversal of temporary differences	136,832	59,352	(1,640)	57,783
Deferred tax adjustments	2,641	4,122	(111)	3,850
Exchange rates	-	244	(24)	-
Tax expense	(334,241)	(325,345)	(98,198)	(70,818)

⁽¹⁾ It corresponds to the reconciliation between the income provision and the tax presented.

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

9.4.Reconciliation of the effective rate

		September 2020		September 2019	
Profit before tax		744,270		1,748,012	
Income tax by applying the local tax rate*	30.89%	229,908	38.95%	680,767	
Plus, tax impact from:		909,311		696,717	
Provisions and Contingencies	0.00%	-	0.36%	6,334	
Non-deductible expenses ¹	17.87%	132,998	7.42%	129,759	
Investments ²	75.39%	561,125	29.76%	520,254	
Properties and equipment	0.31%	2,333	0.00%	-	
Tax losses	0.13%	986	0.72%	12,636	
Financial liabilities	4.88%	36,287	0.59%	10,241	
Other Alternative Taxation Income	3.12%	23,254	0.20%	3,568	
Others	1.47%	10,919	0.80%	13,925	
Minus the tax effect of:		(804,978)		(1,052,139)	
Untaxed income	32.50%	(241,870)	0.48%	(8,333)	
Financial assets ³	28.91%	(215,167)	49.41%	(863,674)	
Provisions and Contingencies	1.59%	(11,859)	0.00%	-	
Inflation adjustments	0.02%	(122)	0.45%	(7,838)	
Financial liabilities (AP, financial obligations, interest)	0.00%		0.02%	(397)	
Adjustment of previous periods	0.12%	(920)	0.26%	(4,514)	
Tax Deductions/Deductions	13.15%	(97,851)	0.00%	(72)	
Exempt income ⁴	12.50%	(93,032)	8.49%	(148,397)	
Others	0.37%	(2,748)	1.08%	(18,914)	
Income tax revenue	44.91%	334,241	18.61%	325,345	

* The tax rate determined for the reconciliation of the consolidated effective rate corresponds to an average of the nominal rates of each of the companies.

⁽¹⁾ Includes expenses due to legal limitations and associated with management

- (2) Contains the equity method and consolidation adjustments
- (3) Includes valuation, impairment, difference in exchange
- (4) Andean Community of Nations (CAN) dividends and other exempt income

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

The following are the tax balances, by Country:

September 2020

	Consolidated	Colombia	Argentina	Chile	Mexico	Brazil	El Salvador	Panama	Dominican Republic	Bermuda	Peru	Uruguay
Profit before tax	744,270	(184,551)	87,755	281,252	373,477	(6,687)	3,203	46,428	29,274	1,003	83,968	29,148
Tax Rate	30.89%	32.00%	25.00%	27.00%	30.00%	40.00%	25.00%	25.00%	27.00%	0.00%	29.50%	25.00%
Income tax by applying the local tax rate	(200,558)	59,056	(21,939)	(75,938)	(112,043)	2,675	(801)	(11,607)	(7,904)	-	(24,771)	(7,287)
Tax effect, net	(133,683)	(142,216)	(4,754)	12,269	(4,125)	(3,128)	(2,172)	8,274	69	-	(2,348)	4,449
Income Tax	(334,241)	(83,160)	(26,693)	(63,669)	(116,168)	(453)	(2,973)	(3,333)	(7,835)	-	(27,119)	(2,838)
Effective rate	44.91%	45.06%	30.42%	22.64%	31.10%	6.77%	92.82%	7.18%	26.76%	0.00%	32.30%	9.74%
Income tax paid	(344,367)	(85,978)	9,348	(71,878)	(126,986)	(685)	(6,298)	(11,850)	(4,052)	-	(41,809)	(4,179)
Effective Cash Rate	46.27%	46.59%	10.65%	25.56%	34.00%	10.24%	196.63%	25.52%	13.84%	0.00%	49.79%	14.34%

September 2019

	Consolidated	Colombia	Argentina	Chile	Mexico	Brazil	El Salvador	Panama	Dominican Republic	Bermuda	Peru	Uruguay	Spain
Profit before tax	1,748,012	782,061	(152,354)	520,635	309,045	(3,635)	10,809	31,401	18,019	818	188,129	44,163	(1,079)
Tax Rate	38.95%	33.00%	30.00%	27.00%	30.00%	40.00%	30.00%	25.00%	27.00%	0.00%	29.50%	25.00%	25.00%
Income tax by applying the local tax rate	(526,432)	(258,080)	45,706	(140,571)	(92,714)	1,454	(3,243)	(7,850)	(4,865)	-	(55,498)	(11,041)	270
Tax effect, net	851,777	324,537	(99,311)	268,567	189,941	(3,916)	8,196	14,406	11,563	-	114,616	23,448	(270)
Income Tax	325,345	66,457	(53,605)	127,996	97,227	(2,462)	4,953	6,556	6,698	-	59,118	12,407	-
Effective rate	18.61%	8.50%	35.18%	24.58%	31.46%	67.73%	45.82%	20.88%	37.17%	0.00%	31.42%	28.09%	0.00%
Income tax paid	(639,394)	(132,338)	(31,467)	(95,300)	(239,766)	-	(10,465)	1,443	(1,992)	-	(120,266)	(9,243)	-
Effective Cash Rate	36.58%	16.92%	20.65%	18.30%	77.58%	0.00%	96.82%	4.60%	11.05%	0.00%	63.93%	20.93%	0.00%

9.5. Deferred taxes

The balance of deferred tax assets and liabilities at 30 September 2020 and 31 December 2019 comprised:

September 2020	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Deferred tax assets											
Financial assets	-	369	-	(167,459)	3,453	-	-	-	257	-	(163,380)
Employee benefits	4,304	653	-	6,067	1,290	-	-	-	-	-	12,314
Investments	(5,037)	-	(313)	(18,642)	(8,118)	-	-	-	-	-	(32,110)
Intangibles	(19,301)	(1,504)	(2,019)	(1)	(17,738)	-	-	-	(7,056)	-	(47,619)
Other non-financial assets	6,367	1,023	-	735	738	-	-	-	-	-	8,863
Other liabilities	22,950	10,667	(58)	1,899	25,034	-	-	-	1,133	-	61,625
Financial liabilities	(1,432)	-	-	333,263	836	-	-	-	-	-	332,667
Tax losses	3,192	32,066	3,709	3,989	2,944	-	-	-	-	-	45,900
Properties and equipment	(6,588)	-	(120)	(2,407)	(10,880)	-	-	-	32	-	(19,963)
Right-of-use	2,230	(32)	-	13,480	-	-	-	-	408	4	16,089
Technical reserves of insurance	45,729	(1,023)	3,281	(1)	14,395	-	-	-	8,413	-	70,794
Total deferred tax assets	52,414	42,219	4,480	170,923	11,954	-	-	-	3,187	4	285,180
September 2020	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Deferred tax liabilities											
Financial assets	-	-	29,329	(3,103)	(31,422)	(4,924)	(626)	(1,411)	(301)	(1,734)	(14,192)
Employee benefits	-	-	-	(8,761)	(944)	(141)	(4,654)	-	(272)	(1)	(14,773)
Investments	-	-	296,402	95,822	53,325	-	40,073	-	-	-	485,622
Intangibles	-	-	369,821	(1,611)	296,093	4,344	242,440	(182)	3,513	36,272	950,690
Other non-financial assets	-	-	(41)	-	-	-	-	(325)	-	1,715	1,349
Other liabilities	-	-	(19,234)	(5,502)	(42,487)	(2,315)	(6,529)	-	-	(2,234)	(78,301)
Financial liabilities	-	-	(32,708)	6,179	-	-	(4,375)	-	-	68	(30,836)
Tax losses	-	-	(6,953)	(18,843)	-	-	-	-	-	(4,543)	(30,339)
Properties and Equipment	-	-	27,662	53,794	43,487	7,256	-	6,130	-	(580)	137,749
Technical reserves of insurance	-	-	(24,014)	79,016	-	-	-	(2,567)	(1,981)	4,942	55,396
Right-of-use	-	-	(44)	(1,245)	-	-	-	(44)	-	(161)	(1,494)
Participation, Employee profit sharing	-	-	-	2	36	-	-	-	-	-	38
Total, deferred tax liabilities	-	-	640,220	195,748	318,088	4,220	266,329	1,601	959	33,744	1,460,909
Total net deferred tax	52,414	42,219	(635,740)	(24,825)	(306,134)	(4,220)	(266,329)	(1,601)	2,228	(33,740)	(1,175,729)

December 2019	Argentina	Brazil	Chile	Colombia	Mexico	Panama	Peru	Dominican Republic	El Salvador	Uruguay	Total
Deferred tax assets											
Financial assets	-	405	-	969	6,552	-	-	688	(23)	-	8,591
Employee benefits	1,198	1,277	-	6,876	2,929	-	-	304	-	-	12,584
Investments	(6,964)	-	(69)	1	(483)	-	-	40	-	-	(7,475)
Intangibles	(12,930)	(2,104)	(143)	(2)	(23,781)	-	-	3,574	(9,116)	-	(44,502)
Other non-financial assets	13,218	4,963	-	21	623	-	-	-	-	-	18,825
Other liabilities	42,046	15,418	(2)	376	28,776	-	-	1,779	1,287	-	89,680
Financial liabilities	(5,185)	-	-	44,258	446	-	-	-	-	-	39,519
Tax losses	3,056	38,410	3,000	6,062	-	-	-	-	-	-	50,528
Properties and equipment	-	-	(33)	(3,291)	(10,843)	-	-	(5,182)	(379)	-	(19,728)
Right-of-use	(400)	107	-	18,867	-	-	-	(333)	66	-	18,307
Technical reserves of insurance	8,826	(7,881)	3,374	-	14,577	-	-	72	8,817	-	27,785
Total, deferred tax assets	42,865	50,595	6,127	74,137	18,796	-	-	942	652	-	194,114

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

Deferred tax on unused tax losses and tax credits:

The balance of deferred tax loss carryforwards originated in the companies in Argentina, Brazil, Mexico, Colombia and Chile.

In Argentina there is a tax credit of \$3,192 originated mainly by the adjustments for tax inflation and the loss on investment securities in 2019 and 2020. It is expected that by the end of 2020 part of the loss will be calculated against the results of the period.

In the case of Mexico, tax credits were generated mainly between 2011 and have a 10-year term and amount to \$2,944 to date.

In Brazil, the balance of \$32,066 has been carried forward from 2018, these are non-applicable credits that do not expire in accordance with Brazilian tax laws.

The tax credits generated in Chile correspond to the companies Seguros de Vida, Holding Spa and Inversiones Chile Ltda. were generated between the periods 2013 and 2019 and amount to \$3,709 to date. Under Chilean tax regulations, the tax loss carryforwards are not due.

9.6. Deferred tax movements

Deferred tax assets (liabilities)	September 2020	Recognized results	Other equity participations	December 2019	Recognized results	Other equity participations	December 2018
Losses and unused tax credits	(76,239)	(19,513)	-	(56,726)	(165,180)	-	108,454
Financial assets	149,189	185,847	(11)	(36,647)	(44,722)	(792)	8,867
Intangible Assets	825,793	(30,649)	-	856,442	875,868	-	(19,426)
Deferred acquisition cost	172,516	75,392	-	97,124	118,324	-	(21,200)
Properties and equipment	157,712	73,882	(2,479)	86,309	153,975	(44,095)	(23,571)
Financial liabilities	(363,503)	(404,821)	38,984	2,334	(72,110)	9,078	65,366
Employee benefits	(27,087)	413	(177)	(27,323)	(50,686)	2,847	20,516
Technical reserves of insurance	(15,398)	(19,508)	-	4,110	(10,368)	-	14,478
Provisions	(75,285)	(4,982)	-	(70,303)	(119,023)	-	48,720
Other non-financial assets	(64,603)	(388,925)	-	324,322	321,752	-	2,570
Investments	517,732	396,536	-	121,196	122,088	-	(892)
Other non-financial assets	(7,514)	11,311	-	(18,825)	(22,060)	-	3,235
Right-of-use	(17,584)	2,174	-	(19,758)	(19,758)	-	-
	1,175,729	(122,843)	36,317	1,262,255	1,088,100	(32,962)	207,117

9.7. Uncertainty over income tax treatments

IFRIC 23, or IFRIC 23, is an interpretation by the IASB that assumes that there may not be clarity about how tax law applies to a particular transaction or circumstance, so that the acceptability of a particular tax treatment under tax law may not be known until the relevant tax authority or courts make a decision in the future. Accordingly, a dispute or inspection of a particular tax treatment by the taxing authority may affect the accounting by an entity for a current or deferred tax asset or liability.

Accordingly, this interpretation applies only to income taxes, which are all taxes, domestic or foreign, that relate to taxable profit. "Uncertain tax treatment" means all those tax aspects that

generate profits for the entity but that, nevertheless, there is uncertainty as to whether the tax authority will accept the tax treatment under the tax law.

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

As of September 30, 2020, the company assessed those tax issues that could be classified as uncertain and disclosed, according to the tax laws applicable to each jurisdiction, resulting in a total uncertain tax treatment of \$564 million, distributed in \$114 million in the Dominican Republic and \$450 million in Mexico.

NOTE 10. INTANGIBLE ASSETS

The classification of the intangible assets of Grupo SURA, at the close of September 30, is listed below:

	September 2020	December 2019
Goodwill	5,119,837	4,721,695
Intangible assets other than goodwill	4,399,499	4,188,717
Total intangible assets, including goodwill	9,519,336	8,910,412

10.1 Goodwill

A breakdown of goodwill, is as follows:

Company	September 2020	December 2019
AFP Capital S.A. Chile	1,783,210	1,579,673
AFP Integra S.A. Perú	1,442,460	1,327,347
AFORE Sura S.A. de C.V. México	957,813	944,321
Seguros Generales Suramericana S.A. Chile	168,446	149,219
AFAP Sura S.A. Uruguay	131,630	127,609
Seguros Sura S.A. Uruguay	97,308	91,358
Seguros Colombia S.A. e IATM	94,290	94,290
Aseguradora Suiza Salvadoreña S.A. (Asesuisa)	78,236	66,328
Corredores de Bolsa Sura S.A. y Administradora General de Fondos Sura S.A. Chile	80,373	71,199
Fondos Sura SAF S.A.C. Perú	68,054	62,623
Seguros Suramericana S.A. Panamá	64,891	55,015
Seguros Sura S.A. México	49,718	49,018
Seguros Sura S.A. Brasil	33,908	40,231
Arus S.A. Colombia	25,429	25,429
Sura Investment Management S.A. de C.V. México	22,709	22,389
Seguros Sura S.A. República Dominicana	15,339	14,359
El Ciruelo	1,287	1,287
Fiduciaria Sura S.A. Colombia	4,736	-
Total	5,119,837	4,721,695

In addition to business combinations arising in the period, goodwill is adjusted in each cut taking into account paragraph 47 of IAS 21, which indicates that goodwill should be expressed

in the same functional currency of the foreign operation, and translated into the presentation currency at the closing exchange rate.

The following is a breakdown of goodwill, by country:

	September 2020	December 2019
Chile	2,032,030	1,733,748
Peru	1,510,514	1,389,970
Mexico	1,030,238	1,015,726
Uruguay	228,938	218,966
Colombia	125,743	121,006
El Salvador	78,236	66,328
Panama	64,891	55,015
Brazil	33,908	40,231
Dominican Republic	15,339	14,359
Holland	-	66,346
Total	5,119,837	4,721,695

10.2 Intangible assets other than goodwill

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

	Acquired brands	Intangible assets related to clients	Software and computer applications	Rights	Licenses and franchises	Other intangible assets	Total
Cost							
Cost at 1 January, 2019	138,911	3,810,482	450,872	34,268	26,990	2,105,453	6,566,976
Additions	-	11,924	90,438	-	7,134	(12,620)	96,876
Provisions (-)	-	(2,002)	(230)	-	(1,562)	-	(3,794)
Diferencias de tipo de cambio	(4,211)	(49,682)	8,998	230	(883)	154,149	108,601
Cost in books at December 31, 2019	134,700	3,770,722	550,078	34,498	31,679	2,246,982	6,768,659
Accumulated amortization and impairment							
Accumulated amortization and impairment at January 1, 2019	(2,995)	(1,193,226)	(215,873)	(24,563)	(10,543)	(721,953)	(2,169,153)
Amortization of the period	-	(211,430)	(70,320)	(6,116)	(4,470)	(197,560)	(489,896)
Provisions (-)	-	1,204	1,172	-	1,857	-	4,233
Exchange rate differences	(24)	22,066	40,469	(146)	1,441	11,068	74,874
Accumulated amortization and impairment at December 31, 2019	(3,019)	(1,381,386)	(244,552)	(30,825)	(11,715)	(908,445)	(2,579,942)
Intangible assets other than capital gains and DAC at December 31, 2019	131,681	2,389,336	305,526	3,673	19,964	1,338,537	4,188,717

	Acquired brands	Intangible assets related to clients	Software and computer applications	Rights	Licenses and franchises	Other intangible assets	Total
Cost							
Cost at 1 January, 2020	134,700	3,770,722	550,078	34,498	31,679	2,246,982	6,768,659
Additions	1,464	12,052	107,542	-	2,153	1,236,503	1,359,714
Provisions (-)	-	(15,438)	(29,178)	-	(789)	(2,531)	(47,937)
Restatement of assets	-	-	4,561	-	43	-	4,604
Exchange rate differences	13,957	281,318	20,774	4,945	(1)	134,970	455,964
Cost in books at September 30, 2020	150,122	4,048,654	653,777	39,443	33,084	3,615,925	8,541,005

Accumulated amortization and impairment

Accumulated amortization and impairment at January 1, 2020	(3,019)	(1,381,386)	(244,552)	(30,825)	(11,715)	(908,445)	(2,579,942)
Amortization of the period	-	(146,349)	(66,207)	(4,151)	(3,046)	(1,292,048)	(1,511,801)
Restatement of assets	-	(5,279)	5,418	-	(30)	-	108
Provisions (-)	-	4,989	17,272	-	737	(244)	22,754
Exchange rate differences	(542)	(109,888)	(13,446)	(4,467)	263	55,456	(72,625)
Accumulated amortization and impairment at September 30, 2020	(3,561)	(1,637,914)	(301,515)	(39,443)	(13,792)	(2,145,281)	(4,141,506)
Intangible assets other than capital gains and DAC at September 30, 2020	146,561	2,410,740	352,262	-	19,293	1,470,644	4,399,499

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

Company	Relationship with clients	Total useful life (years)	Remaining useful life (years) to 2020	Remaining useful life (years) to 2019
SURA AM	AFP Capital (Chile)	27	19.25	20
	Corredora de Bolsa SURA S.A. y Administradora General de Fondos S.A. (Chile)	10	2.25	3
	Seguros de Vida SURA S.A. (Chile)	14	6.25	7
	AFP Integra (Perú)	30	22.25	23
	AFAP Sura S.A. (Uruguay)	23	15.25	16
	Afore Sura S.A. de C.V. (Mexico)	27	19.25	20
	Seguros Sura S.A. (Peru)	15	7.25	8
	AFP Integra (Perú) AFP Horizonte	17	9.25	10
	Sociedad Agente de Bolsa Sura S.A. (Peru)	4	-	-
SURA	Seguros Suramericana S.A. (Panama)	9	3.95	4.7
	Aseguradora Suiza Salvadoreña S.A. Asesuisa (Salvador)	14	5.25	6
	Arus S.A. (Colombia)	66	8.25	9
	Seguros Sura S.A. (Brasil)	5	0.45	1.2
	Seguros Generales Suramericana S.A. (Chile)	7	2.55	3.3
	Seguros Generales Suramericana S.A.	5	0.55	1.3
	Seguros Sura S.A. (Argentina)	10.6	6.15	6.9
	Seguros Sura S.A. de C.V (Mexico)	4	-	0.4
	Seguros Sura S.A. (Uruguay)	16	11.75	12.5
Hábitat	Lista de clientes El Ciruelo	3	0.25	0.5
Affinity Contracts				
SURA	Seguros Sura S.A. (Brazil)	3	-	-
Non-compete rights				
SURA	Seguros Suramericana S.A. de Panamá	5	0.95	1.7
Brands				
SURA AM	AFP Capital (Chile) (*)	Indefinite	Indefinite	Indefinite
	AFP Integra (Peru) (*)	Indefinite	Indefinite	Indefinite
SURA	Seguros Sura S.A. (Argentina) (*)	Indefinite	Indefinite	Indefinite

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

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

Brands	Country	Valuation currency	Value in local currency	Total
ACG	Argentina	Argentine pesos	71	3,623
Answer	Argentina	Argentine pesos	85	4,293
Seguros Argentina			156	7,916
Hogar Master	Mexico	Mexican Pesos	8	1,408
Top driver	Mexico	Mexican Pesos	2	352
Seguros Mexico			10	1,760
AFP Capital	Chile	Chilean Peso	18	86,864
AFP Integra	Peru	Peruvian Sol	47	50,020

Restrictions

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

NOTE 11. INVESTMENTS ACCOUNTED FOR, USING THE EQUITY METHOD

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

	Note	September 2020	December 2019
Investments in associates	11.1	20,188,995	19,956,740
Joint ventures	11.2	9,732	8,949
Total		20,198,727	19,965,689

	September 2020	September 2019
Income by equity method associated	342,574	1,039,030
Income using the equity method in joint ventures	(4,953)	995
Total	337,621	1,040,025

11.1 Investment in associates

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

September 2020

December 2019

Companies	Main activity	Country	% Participation	% right to vote	# Shares	% Participation.	% right to vote	# Shares
Associates:								
Grupo Bancolombia S.A.	Universal banking	Colombia	24.47%	46.16%	235,291,175	24.44%	46.12%	235,098,823
Grupo Argos S.A.	Cement, energy, real estate and ports	Colombia	26.75%	35.53%	229,295,179	26.75%	35.53%	229,295,179
Grupo Nutresa S.A.	Food and processed	Colombia	35.35%	35.35%	162,656,194	35.17%	35.17%	161,807,155
Administradora de Fondos de Pensiones y Cesantías Protección S.A.	Pension and severance fund	Colombia	49.36%	49.36%	12,541,088	49.36%	49.36%	12,541,088
Promotora de Proyectos	Logistics services	Colombia	48.26%	48.26%	11,076,087	48.26%	48.26%	11,076,087
Inversiones DCV S.A.	Shareholder registration management	Chile	34.82%	34.82%	3,431	34.82%	34.82%	3,431
Fondos de Cesantías Chile I S.A.	Pension and severance fund	Chile	29.40%	29.40%	167,580	29.40%	29.40%	167,580
Servicios de Administración Previsional S.A.	Voluntary funds	Chile	22.64%	22.64%	168,806	22.64%	22.64%	168,806
Acsendo S.A.S.	Investments	Colombia	25.80%	25.80%	63,570	25.80%	25.80%	63,570
Joint Ventures:								
Interejecutiva de Aviación S.A.S.	Air Transport Administration	Colombia	33.00%	33.00%	1,500,000	33.00%	33.00%	1,500,000
Subocol S.A. (1)	Marketing of spare parts for vehicle repair	Colombia	58.70%	58.70%	11,163	50.00%	50.00%	4,070
Viliv S.A.S. (2)	Technology Services	Colombia	50.00%	50.00%	-	50.00%	50.00%	-
Unión Para La Infraestructura S.A.S.	Fund	Colombia	50.00%	50.00%	150,000	50.00%	50.00%	150,000
Unión Para La Infraestructura S.A.S.	Fund	Peru	50.00%	50.00%	1,354,000	50.00%	50.00%	1,354,000
P.A Dinamarca	Mobility solutions	Medellin	33.33%	33.33%	-	33.33%	33.33%	-

(1) On September 11, 2020 Subocol S.A. is reclassified as a joint venture

(2) The Viliv S.A.S. Company is constituted, which receives the rights that were previously held in the Patrimonio Autónomo Proyecto Crece.

Corporate purpose of the associates and nature of the relationship

The following is a detail of the corporate purpose and nature of the associated companies listed on the Colombian Stock Exchange (BVC):

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 percentage with voting rights as of September 2020 and December 2019 of Bancolombia S.A. is 46.16% and 46.12% respectively. The above taking into account the issuance of non-voting preferred shares issued 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 with voting rights at September 2020 and December 2019 of Grupo Argos S.A. is 35.53%, taking into account the issuance of non-voting preferred shares issued 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 35.35% stake in Grupo Nutresa S.A., where Grupo SURA is the largest shareholder.

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

Investment balances

The following are the balances of associates:

Investment in Associates	September 2020	December 2019
Grupo Bancolombia S.A.	8,989,169	8,711,435
Grupo Argos S.A.	5,304,031	5,126,177
Grupo Nutresa S.A.	4,575,393	4,815,632
Administradora de Fondos de Pensiones y Cesantías Protección S.A.	1,273,811	1,269,336
Others	46,591	34,160
Total	20,188,995	19,956,740

Financial information of the associates (Securities issuers)

The assets, liabilities, equity and results of the exercise of each of the associated companies included in the financial statements for the period to September 30, 2020 and 31 December 2019 are the following:

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

		September 2020									
	Location	Asset Current	Asset non-current	Current Liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income	
Associates:											
	Bancolombia S.A.	Colombia	265,645,237	-	236,205,396	-	29,439,841	6,459,396	564,392	1,151,315	1,715,707
	Grupo Argos S.A.	Colombia	7,703,285	46,568,718	7,283,963	19,176,995	27,811,045	10,414,775	166,041	1,901,360	2,067,401
	Grupo Nutresa S.A.	Colombia	4,132,208	11,350,777	2,711,693	4,812,141	7,959,151	8,178,270	473,584	(891,101)	(417,517)
	Fondo de Pensiones y Cesantías Protección S.A.	Colombia	761,231	2,183,731	295,207	790,160	1,859,595	1,502,493	142,329	7,515	149,845

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

The fair value of the investments in associates of Grupo SURA listed on the Colombian Stock Exchange at September 30, 2020 and December 2019 is as follows:

Associate	September 2020	December 2019
Bancolombia S.A.	5,712,870	10,344,348
Grupo Argos S.A.	2,659,824	4,081,454
Grupo Nutresa S.A.	3,685,789	4,109,902
Fondo de Pensiones y Cesantías Protección S.A. (*)	1,546,883	1,458,817

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

Associate movement	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	Administradora de Fondos de Pensiones y Cesantías Protección S.A.	Others	Total
Balance at December 31, 2018	8,214,022	5,057,575	4,696,941	1,121,113	74,295	19,163,946
Derecognition	-	-	-	-	(29,271)	(29,271)
Profit from the equity method	761,972	89,742	178,077	203,516	21,325	1,254,632
Property variation	(7,831)	59,113	39,640	(1,028)	4,170	94,064
(-) Dividends	(256,728)	(80,253)	(99,026)	(54,265)	(31,103)	(521,375)
Adjustment in conversion	-	-	-	-	(5,256)	(5,256)
Balance at December 31, 2019	8,711,435	5,126,177	4,815,632	1,269,336	34,160	19,956,740
Additions ⁽¹⁾	5,005	-	17,155	-	-	22,160
Reclassification to joint venture	-	-	-	-	(1,046)	(1,046)
Profit from the equity method	132,645	(25,542)	165,959	59,061	10,451	342,574
Property Variation	525,176	289,611	(317,893)	4,659	3,253	504,806
(-) Dividends	(385,092)	(86,215)	(105,460)	(59,245)	(4,210)	(640,222)
Adjustment in conversion	-	-	-	-	3,983	3,983
Balance at September 30, 2020	8,989,169	5,304,031	4,575,393	1,273,811	46,591	20,188,995

(1) Corresponds to 192,352 shares of Bancolombia S.A and 849,039 shares of Grupo Nutresa S.A acquired at September 30, 2020.

Restrictions and commitments

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

11.2 Joint ventures

The following is a breakdown of the cost of investments September 30, 2020 and December 31, 2019:

Interejecutiva	Total
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	Viliv S.A.S. (Antes P.A. Crece)	UPI Colombia	UPI Perú	P.A Dinamarca	P. A Serv. Tecnológicos	Subcol S.A.	
Balance at December 31, 2018	4,855	-	1,239	-	-	-	6,094
Addition	-	2,200	-	1,345	506	250	4,301
Decrease	-	(1,191)	-	-	-	-	(1,191)
Profit from the equity method	100	-	1,331	(786)	(3)	(52)	590
Property Variation	354	-	5	-	-	-	359
(-) Dividends	-	-	(1,193)	-	-	-	(1,193)
Adjustment in conversion	-	-	-	(11)	-	-	(11)
Balance at December 31, 2019	5,309	1,009	1,382	548	503	198	8,949
Addition	-	2,614	-	13	2,028	-	6,154
Reclassification of associates	-	-	-	-	-	1,046	1,046
Decrease	-	-	-	-	-	(183)	(183)
Profit from the equity method	(4,536)	(1,144)	905	443	(1,042)	(15)	(4,953)
Property Variation	195	-	-	43	(2)	-	52
(-) Dividends	-	-	(1,333)	-	-	-	(1,333)
Balance at September 30, 2020	968	2,479	954	1,047	1,487	0	9,732

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

11.3 Impairment of investments in subsidiaries and associates

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

As established in the accounting policy of Grupo SURA: The entity will evaluate, at the end of each reporting period, whether there is any indication of impairment in the value of any asset. If such an indication exists, the entity estimates the recoverable amount of the asset.

In conformity with the accounting policy of Grupo SURA, "Impairment of Assets". The subsidiaries and associates of Grupo SURA must consider the following facts and circumstances to establish whether or not there are indications of impairment.

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

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

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

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

NOTE 12. DISCONTINUED OPERATIONS

At the end of April 2020, approval was received from COFECE in Mexico for the transfer of the Sura Pension portfolio. Despite the fact that a small portion remains for recomposition, in June we proceeded to reclassify the transfer amounts quantified to date, as well as to recognize the conventional penalty paid to Banorte in accordance with the transfer agreement.

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

	September 2020
Profitability of the entity	38,266
Penalty	(25,407)
Reserve Adjustment	(31,462)
Investment Adjustment	3,346
Deferred tax adjustment	2,771
Adjustment for difference in change	35
Total discontinued operations	(12,451)

On December 31, 2019, the Chilean Financial Market Commission authorized the spin-off of the life annuity business by Seguros de Vida SURA S.A. (SURA Chile), a subsidiary of SURA AM, so the reclassification of the discontinued operation is made as of November 2018.

Following is a detail of the reclassification of the life annuity operation in Chile as of September 30, 2019:

	September 2019
Sale price	(696,212)
Investment cost	681,278
Movimiento de la operación de abril 2019	13,148
Efecto por conversión reclasificado a resultado abril 2019	6,466
Total discontinued operations annuities Chile	4,680
Profit of the entity Mexico	65,475
Total discontinued operations	70,155

As of May 30, 2020, \$2.3 billion of the available-for-sale liabilities and \$2.3 billion of the available-for-sale assets were retired.

The following are the discontinued operations in the balance sheet:

	September 2020	December 2019
Suramericana S.A. ⁽¹⁾	13,170	5,212
Total asset	13,170	5,212

⁽¹⁾ The balance in Suramericana S.A. corresponds to land, buildings and investments in associates that are planned to be sold in less than one year:

Assets held for sale corresponding to real estate

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

In Seguros Generales Suramericana S.A., during 2019, certain properties were sold that became part of the company with the merger of RSA. Most of these properties are located in Cartagena and Bogotá, and they yielded a profit of \$490. As of December 2019, there are two properties for sale, the Banco Santander Building located in Cucuta, Colombia and the El Dorado Industrial and Commercial Centre, located in the city of Bogotá, Colombia.

In Servicios Generales Suramericana S.A.: As of December 31, 2017, due to the payment agreement entered into by a client from the financial services area in which to cover the debt with the company it delivers a house located in the Nogal neighborhood of Medellín, for which reason it is required to present this property within the group of assets for disposal held for sale the values received according to the independent appraisal of October 30, 2017. The book value of this property is \$653 and was sold in 2019, leaving a profit for sale of \$7.

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

Assets held for sale corresponding to investments in associates

During the year the following investments in associates were sold:

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

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

Restrictions

As of September 30, 2019, Suramericana does not have assets that present legal restrictions, nor are they given as a guarantee.

NOTE 13. SECURITIES ISSUED

The following is a summary of debt instruments issued:

	September 2020	December 2019
Bonds in circulation (1)	9,584,959	7,742,433
Preferred shares (2)	460,756	460,712
Total	10,045,715	8,203,145

(1) **Bonds in circulation:** Below is a breakdown of the bonds issued:

Issue Date	Maturity Date	Nominal value	Emission rate	Amortized cost		Fair value	
				September 2020	December 2019	September 2020	December 2019
29-abr-16	29-abr-26	USD 550*	+ 5.50%	2,153,839	1,799,460	2,411,573	1,059,566
17-Apr-14	17-Apr-24	USD 500*	+ 4.875%	1,967,355	1,646,321	2,103,007	1,764,421
11-Apr-17	14-Apr-27	USD 350*	+ 4.375%	1,362,567	1,140,923	1,500,207	1,229,037
18-may-11	18-may-21	USD 300*	+ 5.70%	1,182,721	987,839	1,221,498	2,110,775
22-jun-16	22-jun-26	305,622	CPI + 4.09%	303,577	304,399	338,100	331,487
22-jun-16	22-jun-31	289,235	CPI + 4.29%	286,930	287,795	323,764	315,735
22-jun-16	22-jun-23	257,145	CPI + 3.90%	255,903	256,471	274,950	273,625
07-may-14	07-may-23	223,361	CPI + 3.80%	225,418	225,364	239,365	238,766
23-feb-17	23-feb-22	193,549	+ 7.21%	194,802	194,720	204,833	202,910
23-feb-17	23-feb-29	190,936	CPI + 3.58%	190,627	191,423	193,850	200,610
23-feb-17	23-feb-24	165,515	CPI + 3.19%	165,431	166,053	169,605	172,942
22-jun-16	22-jun-20	147,998	CPI + 3.39%	-	148,140	-	149,599
07-may-14	07-may-30	100,000	CPI + 4.15%	100,817	100,797	104,313	131,728
07-may-16	07-may-20	100,000	CPI + 3.55%	-	101,005	-	120,354
25-nov-09	25-nov-29	98,000	CPI + 5.90%	96,165	96,488	114,554	109,842
25-nov-09	25-nov-49	97,500	CPI + 6.98%	94,802	95,235	116,349	101,849
11-aug-20	11-aug-23	223,750	IBR + 2.00%	223,686	-	226,372	-
11-aug-20	11-aug-27	296,350	CPI + 3.00%	297,625	-	304,612	-
11-aug-20	11-aug-32	180,320	CPI + 3.80%	181,309	-	187,215	-
11-aug-20	11-aug-40	299,580	CPI + 4.20%	301,385	-	315,428	-
				9,584,959	7,742,433	10,349,595	8,513,246

(*) Amounts in millions of dollars.

(2) Preference shares

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

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

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

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

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

The movements of the debt instruments issued for September 30, 2020 and December 31, 2019, are detailed below:

	Bonds	Preferred shares	Total
At December 31, 2019	7,742,433	460,712	8,203,145
Additions ⁽¹⁾	1,000,787	-	1,000,787
Interest earned	370,128	30,515	400,643
Payments ⁽²⁾	(530,677)	(30,471)	(561,148)
Exchange rate	1,002,288	-	1,002,288
At September 30, 2020	9,584,959	460,756	10,045,715

(1) On August 11, 2020, Grupo SURA made an ordinary bond issue for one billion Colombian pesos, the resources from the placement of the ordinary bonds will be used mainly to replace the financial liabilities of Grupo SURA.

(2) Includes payment of bonds maturing on May 7 and June 22, 2020

NOTE 14. DIVIDENDS PAID AND DECLARED

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

Dividends

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

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

Repurchase of Company Shares

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

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

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

NOTE 15. OTHER COMPREHENSIVE INCOME

The other comprehensive income for the period is presented below:

Concept	December 2019	Movement of the period	September 2020	Non-controlling interest other comprehensive income	Other comprehensive result
Asset revaluation	221,354	(3,413)	217,941	(795)	(4,208)
Actuarial loss (gain) plans (post-employment)	(17,237)	4,006	(13,231)	97	4,103
Financial instruments measured at fair value with changes in the OCI	1,344	(913)	431	1,094	181
Exchange rate difference due to conversion	1,137,693	962,136	2,099,828	188,589	1,150,725
Cash Flow derivatives hedge	33,695	21,409	55,104	4,455	25,864
Hedge with derivatives of net investments abroad	(49,227)	(113,018)	(162,245)	(22,208)	(135,226)
Equity method associates and joint ventures	1,096,985	503,532	1,600,518	1,326	504,858
Total comprehensive income	2,424,607	1,373,739	3,798,346	172,558	1,546,297

Concept	December 2018	Movement of the period	September 2019	Non-controlling interest other comprehensive income	Other comprehensive result
Asset revaluation	166,748	(22,863)	143,885	(4,539)	(27,402)
Actuarial loss (gain) plans (post-employment)	(8,826)	(6,593)	(15,419)	(1,545)	(8,138)
Financial instruments measured at fair value with changes in the OCI	(9,054)	10,481	1,427	1,597	12,078
Exchange rate difference due to conversion	1,437,725	384,923	1,822,648	75,576	460,499
Cash Flow derivatives hedge	(75,909)	120,370	44,461	25,200	145,570
Hedge with derivatives of net investments abroad	3,243	(155,973)	(152,730)	(30,649)	(186,622)

Equity method associates and joint ventures	1,005,147	366,356	1,371,503	261	366,617
Total comprehensive income	2,519,074	696,701	3,215,775	65,901	762,602

NOTE 16. NON-CONTROLLING INTEREST

The following table shows summarized financial information as of September 2020 and 2019, of the main subsidiaries of Grupo SURA that have significant non-controlling interests.

The financial information before eliminations of reciprocal transactions is presented below:

	Suramericana S.A. and Subsidiaries		Sura Asset Management S.A. and Subsidiaries	
	September 2020	September 2019	September 2020	September 2019
Main domicile	Colombia		Colombia	
% Non-controlling interest	18.87%	18.87%	16.42%	16.42%
Ordinary income	12,630,987	11,838,147	2,397,510	3,108,046
Income from continuing operations	302,008	300,009	269,641	611,621
Income from discontinued operations	-	-	(12,451)	70,155
Other comprehensive income	199,277	25,051	805,807	369,849
Comprehensive result	501,285	325,060	1,062,997	1,051,625
Assets	30,578,073	27,584,725	20,561,910	22,328,933
Liabilities	25,259,015	22,595,395	10,796,531	12,492,284
Equity	5,319,058	4,989,330	9,765,379	9,836,649

Below is the contribution of the main companies in the consolidated financial statements of Grupo Sura that have significant non-controlling interests:

	Suramericana S.A. y Subsidiarias		Sura Asset Management S.A. and Subsidiaries		Others		Grupo SURA and Subsidiaries	
	September 2020	September 2019	September 2020	September 2019	September 2020	September 2019	September 2020	September 2019
Non-controlling profit	57,299	56,321	42,681	112,761	(187)	(244)	99,793	168,838
Comprehensive result	96,000	61,490	176,155	173,682	196	(284)	272,351	234,888
Equity	857,381	829,781	1,394,058	1,336,786	4,709	5,666	2,256,148	2,172,233
Total non-controlling interest equity	1,010,680	947,592	1,612,894	1,623,229	4,718	5,138	2,628,292	2,575,959

NOTE 17. OPERATING SEGMENTS

17.1. Segments to be informed about

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

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

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

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

2. Fund management:

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

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

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

4. Services:

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

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

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

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

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

17.2. Information about operating segments

Consolidated income statement at September 30, 2020 by Segment

September 2020	Corporate	Fund Management		Insurance		Services			Eliminations	Total
		Mandatory	Voluntary	lifetime	No lifetime	Health	Outsourcing	Others		
Premiums issued	-	-	416,122	4,099,048	6,145,157	-	-	-	(88,930)	10,571,397
Premiums	-	-	416,122	3,919,529	6,051,031	-	-	-	(88,930)	10,297,752
Complementary insurance services	-	-	-	179,519	94,126	-	-	-	-	273,645
Premiums ceded	-	-	(502)	(222,016)	(2,266,477)	-	-	-	75,523	(2,413,472)
Retained premiums (net)	-	-	415,620	3,877,032	3,878,680	-	-	-	(13,407)	8,157,925
Commission Income	51,341	1,469,540	262,654	20,448	356,160	45	722	4,255	(89,889)	2,075,276
Provision of Services	-	-	-	-	-	4,118,488	164,053	162,581	(930,356)	3,514,766
Dividends	11,689	-	1,799	321	498	-	-	-	-	14,307
Investment income	27,859	4,721	85,478	462,430	151,580	2	422	52,212	(845)	783,859
Gains at fair value- investments	(9,647)	85,275	(32,345)	2,931	279,896	22,514	(39)	86	222	348,893
Gains from equity method of Associates	263,187	58,132	16,317	-	-	-	(15)	-	-	337,621
Profit from sales of investments	(1,488)	(4)	(137)	(705)	3,765	109	-	(89)	1,634	3,085
Income from investment properties	463	-	5,083	3,155	10,253	1,501	-	3,194	(14,168)	9,481
Other income	13,214	17,681	37,205	43,960	124,055	22,427	2,256	8,832	(75,975)	193,655
Operating income	356,618	1,635,345	791,674	4,409,572	4,804,887	4,165,086	167,399	231,071	(1,122,784)	15,438,868
Total claims	-	-	(404,768)	(2,481,505)	(2,761,387)	-	-	-	125,982	(5,521,678)
Reimbursement of claims	-	-	-	255,612	824,997	-	-	-	(1,174)	1,079,435
Retained claims	-	-	(404,768)	(2,225,893)	(1,936,390)	-	-	-	124,808	(4,442,243)
Reserves net of production	-	-	(21,997)	(24,698)	116,178	-	-	-	-	69,483
Costs of provision of services	-	-	-	(1)	-	(3,699,018)	(127,406)	(118,852)	571,020	(3,374,257)
Administrative expenses	(75,045)	(281,090)	(72,709)	(410,868)	(440,009)	(219,598)	(11,688)	(35,095)	161,001	(1,385,101)
Employee benefits	(97,974)	(404,978)	(218,496)	(285,334)	(450,640)	(155,782)	(16,816)	(27,115)	42,144	(1,614,991)
Fees	(23,008)	(41,095)	(48,241)	(65,525)	(71,882)	(16,586)	(568)	(9,603)	20,793	(255,715)
Broker commissions	(1,257)	(8,431)	(50,795)	(852,969)	(1,133,809)	(5,433)	-	-	47,156	(2,005,538)
Amortization	(2,295)	(45,776)	(7,066)	(4,085)	(75,317)	(582)	(543)	(83,012)	-	(218,676)
Depreciation	(7,788)	(43,289)	(10,984)	(14,336)	(49,006)	(34,438)	(9,800)	(4,037)	-	(173,678)
Insurance costs and expenses	-	-	-	(322,044)	(401,747)	-	-	-	147,478	(576,313)
Other expenses	(8)	(12,223)	(4,119)	(98)	(14,138)	(1,554)	(1)	(49)	-	(32,190)
Impairment	(1,565)	(15)	255	(13,267)	(38,004)	469	(434)	(2,062)	-	(54,623)
Operating expenses	(208,940)	(836,897)	(838,920)	(4,219,118)	(4,494,764)	(4,132,522)	(167,256)	(279,825)	1,114,400	(14,063,842)
Operating profit	147,678	798,448	(47,246)	190,454	310,123	32,564	143	(48,754)	(8,384)	1,375,026
Profit at fair value - Derivatives	231,878	-	(793)	(1,116)	(590)	-	(244)	-	-	229,135
Exchange differences (Net)	(324,827)	15,548	6,134	(51)	-	-	-	2,172	-	(301,024)
Interest	(510,153)	(7,014)	(5,387)	(2,380)	(8,120)	(13,828)	(2,000)	(18,782)	8,797	(558,867)
Financial Results	(603,102)	8,534	(46)	(3,547)	(8,710)	(13,828)	(2,244)	(16,610)	8,797	(630,756)

Profit, before tax	(455,424)	806,982	(47,292)	186,907	301,413	18,736	(2,101)	(65,364)	413	744,270
Income tax	(44,815)	(215,741)	(4,772)	553	(78,792)	(3,487)	(560)	13,373	-	(334,241)
Net Profit, continued operations	(500,239)	591,241	(52,064)	187,460	222,621	15,249	(2,661)	(51,991)	413	410,029
Net profit discontinued operations	-	-	-	(12,451)	-	-	-	-	-	(12,451)
Profit, net	(500,239)	591,241	(52,064)	175,009	222,621	15,249	(2,661)	(51,991)	413	397,578
Controlling profit	(500,367)	621,025	(49,789)	175,009	222,621	15,249	(2,661)	(57,048)	(126,254)	297,785
Non-controlling profit	128	(29,784)	(2,275)	-	-	-	-	5,057	126,667	99,793

Consolidated income statement at September 30, 2019 by segment

September 2019	Corporative	Fund Management		Insurance		Services			Eliminations	Total
		Mandatory	Voluntary	Lifetime	No lifetime	Health	Outsourcing	Others		
Premiums issued	-	-	390,653	3,973,209	5,650,446	-	-	-	(19,836)	9,994,472
Premiums	-	-	390,653	3,791,774	5,554,932	-	-	-	(19,836)	9,717,523
Complementary insurance services	-	-	-	181,435	95,514	-	-	-	-	276,949
Premiums ceded	-	-	(581)	(237,106)	(1,593,713)	-	-	-	8,218	(1,823,182)
Retained premiums (net)	-	-	390,072	3,736,103	4,056,733	-	-	-	(11,618)	8,171,290
Commission Income	46,354	1,492,307	225,834	18,568	305,046	74	489	3,676	(72,740)	2,019,608
Provision of Services	-	-	-	-	-	3,340,653	178,359	168,231	(743,536)	2,943,707
Dividends	(1,065)	-	2,776	863	716	-	-	1,502	-	4,792
Investment income	50,904	6,658	66,348	424,160	108,943	8	667	51,115	(8,681)	700,122
Profit at fair value-Investments	16,144	319,949	217,064	119,871	88,137	12,654	(253)	1,374	197	775,137
Profit from equity method of Associates	643,785	378,301	17,939	-	-	-	-	-	-	1,040,025
Profit from sales of investments	38,432	(5)	57,140	(734)	15,211	(6)	-	78	1,504	111,620
Income from investment properties	729	-	6,226	2,885	9,020	1,423	-	3,420	(12,487)	11,216
Other income	9,018	19,458	52,120	54,364	111,166	16,772	584	8,438	(81,707)	190,213
Operating income	804,301	2,216,668	1,035,519	4,356,080	4,694,972	3,371,578	179,846	237,834	(929,068)	15,967,730
Total claims	-	-	(437,308)	(2,390,288)	(3,247,658)	-	-	-	115,293	(5,959,961)
Reimbursement of claims	-	-	-	220,389	1,038,942	-	-	-	(917)	1,258,414
Retained claims	-	-	(437,308)	(2,169,899)	(2,208,716)	-	-	-	114,376	(4,701,547)
Reserves net of production	-	-	(245,341)	(91,467)	96,889	-	-	-	-	(239,919)
Costs of provision of services	-	-	-	-	-	(2,981,707)	(145,777)	(131,496)	423,118	(2,835,862)
Administrative expenses	(121,853)	(242,954)	(45,923)	(328,054)	(426,357)	(178,622)	(7,648)	(35,690)	108,515	(1,278,586)
Employee benefits	(86,110)	(396,663)	(225,270)	(299,908)	(421,109)	(139,147)	(19,057)	(24,746)	55,930	(1,556,080)
Fees	(32,947)	(36,058)	(21,821)	(72,863)	(72,794)	(15,853)	(978)	(10,400)	21,799	(241,915)
Broker commissions	(1,513)	(13,150)	(47,176)	(721,080)	(1,095,939)	(3,311)	-	-	45,519	(1,836,650)
Amortization	(4,235)	(37,325)	(7,280)	(6,510)	(80,566)	(1,173)	(216)	(82,352)	-	(219,657)
Depreciation	(10,869)	(41,103)	(13,636)	(10,429)	(42,269)	(28,750)	(6,583)	(3,587)	-	(157,226)
Insurance costs and expenses	-	-	-	(272,284)	(425,527)	-	-	-	146,660	(551,151)
Other expenses	(45)	(10,863)	(2,973)	(506)	(28,636)	(2,170)	(439)	(47)	82	(45,597)
Impairment	(137)	494	2,319	(1,205)	(11,951)	5,265	(179)	(1,224)	(2,401)	(9,019)
Operating expenses	(257,709)	(777,622)	(1,044,409)	(3,974,205)	(4,716,975)	(3,345,468)	(180,877)	(289,542)	913,598	(13,673,209)

Operating profit	546,592	1,439,046	(8,890)	381,875	(22,003)	26,110	(1,031)	(51,708)	(15,470)	2,294,521
Profit at fair value - Derivatives	75,578	-	(85)	(24)	-	-	-	-	-	75,469
Exchange differences (Net)	(111,870)	12,380	469	1,348	-	-	-	309	-	(97,364)
Interest	(484,438)	(8,712)	(3,997)	(1,997)	(8,891)	(14,001)	(1,941)	(16,006)	15,369	(524,614)
Financial Results	(520,730)	3,668	(3,613)	(673)	(8,891)	(14,001)	(1,941)	(15,697)	15,369	(546,509)
Profit, before tax	25,862	1,442,714	(12,503)	381,202	(30,894)	12,109	(2,972)	(67,405)	(101)	1,748,012
Income Taxes	(56,781)	(303,309)	(396)	7,615	25,579	(10,293)	(418)	12,658	-	(325,345)
Profit, net of continuing operations	(30,919)	1,139,405	(12,899)	388,817	(5,315)	1,816	(3,390)	(54,747)	(101)	1,422,667
Profit, net of discontinued operations	(201,248)	-	-	271,403	-	-	-	-	-	70,155
Profit, net	(232,167)	1,139,405	(12,899)	660,220	(5,315)	1,816	(3,390)	(54,747)	(101)	1,492,822
Controller profit	(242,160)	1,218,684	(10,956)	663,144	(5,315)	1,816	(3,390)	(59,338)	(238,501)	1,323,984
Non-controlling profit	9,993	(79,279)	(1,943)	(2,924)	-	-	-	4,591	238,400	168,838

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

17.3. Geographic information

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

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

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Colombia	9,326,178	9,474,395	3,318,110	3,439,855
Chile	2,160,743	2,586,606	691,145	881,560
Mexico	1,393,801	1,420,309	458,845	472,857
Argentina	842,890	611,712	318,089	98,583
Panama	377,471	344,151	136,465	119,152
El Salvador	317,485	312,839	106,494	103,681
Brazil	306,590	431,587	106,556	160,843
Peru	295,752	381,425	123,845	113,922
Uruguay	268,743	269,015	97,744	81,805
Dominican Republic	144,490	131,909	41,913	45,265
Bermuda	4,725	3,782	10,899	1,447
Total	15,438,868	15,967,730	5,410,105	5,518,970

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

	September 2020	December 2019
Colombia	54,882,054	51,165,553
Chile	9,626,888	7,934,103
Mexico	1,952,357	4,361,058
Peru	1,502,740	1,362,295
Argentina	1,424,585	1,128,691
Panama	831,236	669,981
El Salvador	767,884	635,496
Brazil	737,119	912,443
Uruguay	495,504	422,276
Dominican Republic	418,137	424,787
Bermuda	79,554	21,147
Total	72,718,058	69,037,830

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

	September 2020	September 2019	September 2020	September 2019
Mexico	244,857	277,293	94,099	140,875
Chile	217,583	301,215	41,820	174,853
Argentina	61,062	(98,749)	8,075	(78,776)
Peru	56,849	129,011	37,538	32,543
Panama	43,096	24,844	11,187	9,342
Uruguay	26,310	31,756	11,662	9,490
Dominican Republic	21,439	11,322	1,826	3,486
Bermuda	1,003	818	498	280
El Salvador	230	5,855	(15,605)	(1,898)
Brazil	(7,140)	(1,173)	(7,855)	5,596
Colombia	(267,711)	811,709	(30,960)	246,776
Spain	-	(1,079)	-	(458)
Total	397,578	1,492,822	152,285	542,109

17.4. Income statement by company

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

September 2020

September 2020	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	ARUS and Subsidiaries	Others	Eliminations and adjustments	Total
Premiums issued	-	10,128,515	446,414	-	-	(3,532)	10,571,397
Premiums	-	9,854,870	446,414	-	-	(3,532)	10,297,752
Complimentary insurance services	-	273,645	-	-	-	-	273,645
Premiums ceded	-	(2,407,223)	(6,249)	-	-	-	(2,413,472)
Retained premiums (net)	-	7,721,292	440,165	-	-	(3,532)	8,157,925
Commission Income	-	374,865	1,701,192	722	-	(1,503)	2,075,276
Provision of Services	-	3,372,477	-	164,053	13,561	(35,325)	3,514,766
Dividends	1,130,540	619	13,533	-	1,060	(1,131,445)	14,307
Investment income	4,916	659,111	119,291	424	117	-	783,859
Gains at fair value - investments	1,558	317,582	29,570	(36)	(2)	221	348,893
Gains from the equity method, Associates	-	(605)	74,449	(15)	(1,144)	264,936	337,621
Gains in sales of investments	-	3,011	1,717	-	(1,643)	-	3,085
Income from investment properties	-	2,497	6,556	-	428	-	9,481
Other income	438	180,138	11,037	2,256	66	(280)	193,655
Operating income	1,137,452	12,630,987	2,397,510	167,404	12,443	(906,928)	15,438,868
Total claims	-	(5,108,746)	(414,964)	-	-	2,032	(5,521,678)
Reimbursement of claims	-	1,079,435	-	-	-	-	1,079,435
Retained claims	-	(4,029,311)	(414,964)	-	-	2,032	(4,442,243)
Reserves net of production	-	91,650	(22,167)	-	-	-	69,483
Costs of provision of services	-	(3,237,989)	-	(127,406)	(9,191)	329	(3,374,257)
Administrative expenses	(25,471)	(1,036,100)	(346,719)	(11,700)	(1,919)	36,808	(1,385,101)
Employee benefits	(25,254)	(934,361)	(638,086)	(16,816)	(1,220)	746	(1,614,991)
Fees	(5,726)	(154,361)	(95,297)	(643)	(173)	485	(255,715)
Broker commissions	-	(1,984,644)	(21,091)	-	-	197	(2,005,538)
Amortization	-	(79,238)	(138,896)	(543)	-	1	(218,676)
Depreciation	(1,598)	(96,918)	(64,411)	(9,800)	(950)	(1)	(173,678)
Insurance costs and expenses	-	(576,343)	-	-	-	30	(576,313)
Other expenses	-	(15,802)	(16,387)	(1)	-	-	(32,190)
Impairment	-	(53,181)	921	(434)	(1,928)	(1)	(54,623)
Operating expenses	(58,049)	(12,106,598)	(1,757,097)	(167,343)	(15,381)	40,626	(14,063,842)
Operating profit	1,079,403	524,389	640,413	61	(2,938)	(866,302)	1,375,026
Profit at fair value – derivatives	218,370	(1,475)	12,484	(244)	-	-	229,135
Exchange differences (Net)	(327,674)	-	26,650	-	-	-	(301,024)
Interest	(285,542)	(88,929)	(180,860)	(2,000)	(1,535)	(1)	(558,867)
Financial Results	(394,846)	(90,404)	(141,726)	(2,244)	(1,535)	(1)	(630,756)

Gains, before taxes	684,557	433,985	498,687	(2,183)	(4,473)	(866,303)	744,270
Income tax	27,262	(131,977)	(229,046)	(560)	79	1	(334,241)
Net gains continuous operations	711,819	302,008	269,641	(2,743)	(4,394)	(866,302)	410,029
Net gains from discontinued operations	-	-	(12,451)	-	-	-	(12,451)
Net income	711,819	302,008	257,190	(2,743)	(4,394)	(866,302)	397,578
Controlling gains	711,819	301,626	256,660	(2,612)	(4,207)	(965,501)	297,785
Non-controlling gains	-	382	530	(131)	(187)	99,199	99,793

September 2019

September 2019	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	ARUS and Subsidiaries	Others	Eliminations and adjustments	Total
Premiums issued	-	9,486,211	509,832	-	-	(1,571)	9,994,472
Premiums	-	9,209,262	509,832	-	-	(1,571)	9,717,523
Complimentary insurance services	-	276,949	-	-	-	-	276,949
Premiums ceded	-	(1,795,780)	(27,402)	-	-	-	(1,823,182)
Retained premiums (net)	-	7,690,431	482,430	-	-	(1,571)	8,171,290
Commission Income	-	325,170	1,695,014	489	-	(1,065)	2,019,608
Provision of Services	-	2,786,363	-	178,359	12,931	(33,946)	2,943,707
Dividends	435,403	1,382	2,973	-	3,205	(438,171)	4,792
Investment income	467	574,946	123,861	669	179	-	700,122
Gains at fair value - investments	(21)	230,378	544,838	(257)	3	196	775,137
Gains from the Equity Method, Associates	-	1,923	174,164	-	-	863,938	1,040,025
Gains in sales of investments	-	52,510	59,110	-	-	-	111,620
Income from investment properties	-	2,553	7,978	-	686	(1)	11,216
Other income	373	172,492	17,679	598	70	(999)	190,213
Operating income	436,222	11,838,148	3,108,047	179,858	17,074	388,381	15,967,730
Total claims	-	(5,460,622)	(502,636)	-	-	3,297	(5,959,961)
Reimbursement of claims	-	1,258,414	-	-	-	-	1,258,414
Retained claims	-	(4,202,208)	(502,636)	-	-	3,297	(4,701,547)
Reserves net of production	-	11,570	(251,489)	-	-	-	(239,919)
Costs of provision of services	-	(2,682,350)	-	(145,777)	(7,919)	184	(2,835,862)
Administrative expenses	(23,225)	(934,959)	(342,498)	(7,684)	(2,675)	32,455	(1,278,586)
Employee benefits	(17,543)	(890,378)	(628,645)	(19,057)	(1,208)	751	(1,556,080)
Fees	(7,176)	(159,323)	(76,445)	(1,049)	(135)	2,213	(241,915)
Broker commissions	-	(1,809,633)	(27,018)	-	-	1	(1,836,650)
Amortization	-	(87,809)	(131,631)	(216)	-	(1)	(219,657)
Depreciation	(1,688)	(83,460)	(61,890)	(6,583)	(3,604)	(1)	(157,226)
Insurance costs and expenses	-	(551,191)	-	-	-	40	(551,151)
Other expenses	-	(31,211)	(13,947)	(439)	-	-	(45,597)
Impairment	-	(11,008)	3,821	(179)	2	(1,655)	(9,019)
Operating expenses	(49,632)	(11,431,960)	(2,032,378)	(180,984)	(15,539)	37,284	(13,673,209)

Operating profit	386,590	406,188	1,075,669	(1,126)	1,535	425,665	2,294,521
Profit at fair value – derivatives	79,042	-	(3,573)	-	-	-	75,469
Exchange differences (Net)	(127,965)	-	30,600	-	-	1	(97,364)
Interest	(253,289)	(90,634)	(175,294)	(1,944)	(3,453)	-	(524,614)
Financial Results	(302,212)	(90,634)	(148,267)	(1,944)	(3,453)	1	(546,509)
Gains, before taxes	84,378	315,554	927,402	(3,070)	(1,918)	425,666	1,748,012
Income tax	6,514	(15,542)	(315,780)	(418)	(119)	-	(325,345)
Net gains continuous operations	90,892	300,012	611,622	(3,488)	(2,037)	425,666	1,422,667
Net gains from discontinued operations	-	-	70,155	-	-	-	70,155
Net Profit	90,892	300,012	681,777	(3,488)	(2,037)	425,666	1,492,822
Controlling gains	90,892	300,371	680,829	(3,323)	(2,270)	257,485	1,323,984
Non-controlling gains	-	(359)	948	(165)	233	168,181	168,838

NOTE 18. INCOMES AND EXPENSES FROM COMMISSIONS

18.1. Income from commissions

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

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Administration of mandatory pension funds	1,483,681	1,496,897	513,769	508,469
Income on cession	365,775	320,067	136,961	107,920
Others (*)	131,468	116,547	47,458	40,768
Administration of voluntary pension funds	86,542	82,729	23,846	28,444
Participation in profits of reinsurers	7,793	3,215	2,386	961
Income/Cancellations for reinsurance	17	153	-	153
Total	2,075,276	2,019,608	724,420	686,715

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

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

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Mexico	792,650	714,548	279,893	255,541
Chile	680,512	678,760	232,889	228,239
Peru	287,349	323,550	96,055	101,386
Colombia	153,397	151,091	58,001	53,150
Uruguay	46,971	58,916	15,220	19,013
Brazil	35,833	28,433	12,892	8,627
Argentina	25,267	21,760	10,705	5,630
Dominican Republic	22,988	20,276	7,330	7,035
Panama	18,892	15,120	8,501	6,226
El Salvador	9,871	4,586	3,007	970
Bermuda	1,546	2,568	(73)	898
Total	2,075,276	2,019,608	724,420	686,715

18.2. Expenses for intermediary commissions

A breakdown of the commissions to intermediaries is as follows:

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Deferred acquisition costs (DAC)	(1,291,836)	(1,213,120)	(403,740)	(390,137)
Insurance administration	(429,584)	(346,603)	(143,042)	(129,535)
Personal and damage insurance	(128,044)	(119,161)	(48,506)	(39,605)
Insurance companies	(65,875)	(63,671)	(22,192)	(20,827)
Occupational Risks	(56,422)	(58,892)	(18,532)	(58,892)
Commissions for intermediation	(13,591)	(17,029)	(5,709)	(6,543)
Commission for data processing and collection of contributions	(6,977)	(6,506)	(2,447)	(2,360)
Compulsory insurance	(6,521)	(6,197)	(2,729)	(2,110)
Paid rebates	(4,807)	(4,162)	(1,628)	(1,492)
Acceptance expenses	(938)	(69)	(1,759)	(69)
Co-insurance accepted	(649)	(949)	155	(328)
Social Security insurance	(294)	(291)	(79)	38,050
Total	(2,005,538)	(1,836,650)	(650,208)	(613,848)

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

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Colombia	(999,284)	(861,578)	(321,691)	(307,634)
Chile	(309,604)	(323,727)	(104,638)	(106,162)
Argentina	(156,334)	(155,534)	(54,474)	(38,910)
Mexico	(127,815)	(130,316)	(35,235)	(31,681)
Brazil	(112,632)	(145,717)	(35,128)	(53,286)
El Salvador	(107,095)	(67,316)	(32,775)	(23,503)
Panamá	(96,955)	(71,027)	(34,722)	(24,812)
Uruguay	(47,653)	(46,623)	(16,084)	(15,456)
Dominican Republic	(40,192)	(31,145)	(11,702)	(10,946)
Peru	(6,119)	(2,125)	(3,038)	(903)
Bermuda	(1,855)	(1,542)	(721)	(555)
Total	(2,005,538)	(1,836,650)	(650,208)	(613,848)

NOTE 19. PROVISION OF SERVICES

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

19.1. Income from provision of services

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

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Income from health -promoting entities - EPS	3,236,841	2,607,078	1,129,805	927,507
Laboratory services	93,274	105,074	36,551	35,755
Maintenance and repairs	67,472	82,072	22,477	24,609
Income from health services entities - IPS	48,098	75,957	13,857	27,218
Data processing	28,933	31,007	9,728	8,799
Rental of machinery and equipment	14,440	19,024	4,443	6,952
Sales of office machinery, office equipment, and computer programs	14,077	11,158	4,322	2,664
Activities related to wiring	7,926	7,506	3,444	3,476
Sale of parts, pieces and accessories	1,670	2,431	(262)	766
Telecommunication services	1,210	1,307	398	427
Others	555	69	549	36
Business consulting activities	188	925	51	448
Community, social, and personal service activities	82	99	20	47
Total	3,514,766	2,943,707	1,225,383	1,038,704

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

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Colombia	3,514,487	2,943,403	1,225,218	1,038,603
Panama	172	304	58	101
Uruguay	107	-	107	-
Total	3,514,766	2,943,707	1,225,383	1,038,704

19.2. Costs for the provision of services

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

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Cost of sales of services EPS	(2,545,096)	(2,101,692)	(850,002)	(737,186)
Cost of sales of services IPS	(583,230)	(457,419)	(245,316)	(159,582)
Data processing	(82,954)	(95,918)	(26,983)	(30,066)
Sale of parts, pieces, and accessories	(2,983)	(57,951)	31,263	(20,431)
Business consulting activities	(57,892)	(59,310)	(18,423)	(20,334)
Consulting of computer equipment and software	(31,984)	(33,326)	(9,047)	(10,807)
Maintenance and repairs	(10,198)	(11,402)	(3,250)	(4,278)
Sale of office machinery equipment and computer programs	(8,669)	(10,041)	(3,318)	(3,566)
Contributions to pensions	(4,863)	(5,785)	(1,540)	(1,745)
Depreciation	-	(2,309)	-	(653)
Amortization	(1,291)	(709)	(601)	(251)
Machinery and equipment rental	(34)	-	(34)	-
Others	(45,063)	-	(45,063)	-
Total	(3,374,257)	(2,835,862)	(1,172,314)	(988,899)

The detail of costs per service provision for each country is listed below:

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Colombia	(3,373,945)	(2,835,321)	(1,172,054)	(988,723)
Uruguay	(196)	-	(194)	(1)
Panama	(116)	(541)	(66)	(175)
Total	(3,374,257)	(2,835,862)	(1,172,314)	(988,899)

NOTE 20. FINANCIAL RESULTS

The financial income and expenses of Grupo SURA and its subsidiaries at 30 September 2020 and 2019 are detailed below:

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Earnings at fair value-Derivatives ⁽¹⁾	229,135	75,469	61,308	85,051
Exchange differences (Net) ⁽²⁾	(301,024)	(97,364)	(84,213)	(134,916)
Interest ⁽³⁾	(558,867)	(524,614)	(179,428)	(174,102)
Financial Results	(630,756)	(546,509)	(202,333)	(223,967)

⁽¹⁾ Corresponds to the valuation of trading derivatives.

⁽²⁾ Corresponds to the net difference generated by financial liabilities.

⁽³⁾ Below is a detail of interest at the cut-off date:

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Securities issued ⁽¹⁾	(370,127)	(343,388)	(118,942)	(119,402)
Hedging operations	(62,640)	(39,587)	(19,930)	(10,560)
Bank loans	(56,164)	(70,280)	(16,479)	(19,505)
Preference shares (Note 23)	(30,515)	(30,396)	(10,246)	(10,238)
Financial leases (note 7)	(30,362)	(34,448)	(10,375)	(11,218)
Others	(8,488)	(5,482)	(3,408)	(2,907)
Repo operations	(571)	(1,033)	(48)	(272)
Total	(558,867)	(524,614)	(179,428)	(174,102)

(1) Interest is offset by the return on the invested portfolio from the new \$3,293 million bond issue.

NOTE 21. ADMINISTRATIVE EXPENSES

The administrative expenses of Grupo SURA by company at 30 September 2020 and 2019 are detailed below:

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Others (*)	(238,175)	(219,350)	(92,779)	(67,621)
Taxes	(232,065)	(237,945)	(74,529)	(74,278)
Commissions	(186,035)	(107,883)	(34,340)	(36,306)
Maintenance and repairs	(112,972)	(116,494)	(35,055)	(40,146)
Advertising	(104,289)	(97,311)	(41,200)	(37,431)
Temporary services	(100,196)	(83,896)	(40,160)	(31,059)
Public services	(88,614)	(92,104)	(28,868)	(32,540)
Contributions	(78,419)	(61,911)	(29,663)	(23,644)
Travel and representation expenses	(63,010)	(73,204)	(25,378)	(24,845)
Legal	(56,727)	(54,499)	(16,802)	(20,019)
Electronic data processing	(46,807)	(40,374)	(15,967)	(14,239)
Sales expenses	(27,800)	(38,636)	(6,159)	(7,945)
Leases	(18,263)	(17,848)	(7,297)	(6,162)
Insurance	(17,187)	(14,872)	(2,431)	(3,284)
Supplies and stationery	(14,542)	(22,259)	(3,370)	(5,947)
Total	(1,385,101)	(1,278,586)	(453,998)	(425,466)

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

The administrative expenses of Grupo SURA by country at 30 September 2020 and 2019 are detailed below:

	Accumulated		Quarter	
	September 2020	December 2019	September 2020	December 2019
Colombia	(743,183)	(659,527)	(242,084)	(211,046)
Mexico	(180,474)	(192,160)	(55,485)	(70,170)
Chile	(172,391)	(163,942)	(54,991)	(57,555)
Argentina	(91,356)	(78,452)	(36,014)	(19,415)
Peru	(59,940)	(49,160)	(19,681)	(17,552)
Uruguay	(41,907)	(37,382)	(14,562)	(15,480)
Brazil	(36,219)	(40,478)	(11,454)	(16,164)
Panama	(33,423)	(31,947)	(12,320)	(11,886)
El Salvador	(16,781)	(15,146)	(4,429)	(2,377)
Dominican Republic	(8,526)	(9,355)	(2,674)	(3,456)
Bermuda	(901)	(782)	(304)	(272)
Spain	-	(255)	-	(93)
Total	(1,385,101)	(1,278,586)	(453,998)	(425,466)

NOTE 22. FEES

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

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 019
Others*	(215,932)	(176,057)	(80,151)	(60,496)
Legal Advice	(11,155)	(13,460)	(3,414)	(4,586)
Tax Review	(9,573)	(20,425)	(3,265)	(9,123)
Commissions	(6,036)	(9,265)	(1,995)	(3,610)
Board of Directors	(5,392)	(4,425)	(1,877)	(1,583)
Financial advice	(4,543)	(15,046)	(1,763)	(10,231)
Human talent management services	(2,993)	(2,972)	(840)	(2,130)
Appraisals	(91)	(265)	146	(88)
Total	(255,715)	(241,915)	(93,159)	(91,847)

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

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

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Colombia	(118,064)	(123,280)	(41,181)	(46,400)
Chile	(54,275)	(55,195)	(21,971)	(22,263)
México	(42,713)	(23,726)	(15,073)	(10,141)
Brazil	(8,742)	(10,330)	(2,949)	(3,307)
Panama	(8,062)	(7,230)	(2,512)	(2,553)
Argentina	(8,006)	(4,712)	(3,795)	(1,385)
Uruguay	(6,794)	(8,463)	(2,412)	(2,730)
Perú	(6,724)	(5,801)	(2,568)	(1,772)
El Salvador	(886)	(958)	(258)	(409)
Dominican Republic	(879)	(823)	(252)	(232)
Bermuda	(570)	(573)	(188)	(289)
Spain	-	(824)	-	(366)
Total	(255,715)	(241,915)	(93,159)	(91,847)

NOTE 23. PROFIT PER SHARE

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

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

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Profit, net	397,578	1,492,822	152,285	542,109
Non-controlling gain	99,793	168,838	23,949	64,845
Profit of the controlling company	297,785	1,323,984	128,336	477,264
Profit, net of discontinued operations	(12,451)	70,155	35	64,011
Profit, net non-controlling discontinued operations	(2,045)	11,521	6	10,512
Profit, net of discontinued operations of the controlling company	(10,406)	58,634	29	53,499
Plus: Interest expense on preferred shares ¹	30,515	30,396	10,246	10,238
Less: Undistributed earnings to preferred stockholders ²	(63,711)	(262,835)	(26,894)	(94,606)
Profit from ordinary ongoing operations	274,995	1,032,911	111,659	339,397
Ordinary shares	469,037,260	469,037,260	469,037,260	469,037,260
Earnings per share from continuing operations	586	2,202	238	724
Loss/Profit per share from discontinued operations	(22)	125	-	114

¹ Corresponds to the minimum guaranteed dividend of the preferred shares caused as an expense during the period, (Note 20 Financial results).

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

NOTE 24. OBJECTIVES AND POLICIES OF RISK MANAGEMENT

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

Governance Framework

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

Grupo SURA, as the parent company, is exposed to both its own risks and those arising from its investments. For this reason, it has a risk management framework that allows companies to

generate value through their interaction and to face the new challenges and opportunities of a changing environment.

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

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

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

Measures taken in response to the COVID-19 pandemic

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

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

Nonetheless, Grupo SURA and the corporate office of Suramericana began pilot testing back at the facilities, complying with the biosafety practices and recommendations provided by the ARL and other regulatory entities, which has shown positive results since no infections have been reported at the facilities to date. On the other hand, Suramericana and Sura AM will remain in remote work and some of their headquarters have been adapted in order to be prepared for the moment when flexible work will start.

Furthermore, It is important to mention that the internal management that the companies have been carrying out based on the implemented continuity plan, has allowed them to properly

solve the impacts generated by events of different nature that could attempt against the continuity of the operation and the fulfillment of their obligations. To date, there has been no evidence of the materialization of risks with significant impacts on any of the companies.

Issuance of bonds by Grupo SURA in the Colombian market

Among other relevant matters to be mentioned during the quarter, we highlight the bond issue made by Grupo SURA in the Colombian market for one billion pesos, distributed in four series: COP 223,750,000,000 with a 3-year term and a rate at IBR + 1.49%; COP 296,350,000,000 with a 7-year term and CPI rate + 2.54%; COP 180,320,000,000 with a 12-year term and CPI rate + 3.39% and COP 299,580,000,000 with a 20-year term and CPI rate + 3.78%. The management of the resources obtained from this placement will be explained in detail throughout the report, in each of the risk sections.

Financial Risks

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

1. Credit risk

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

For the quarter in question, there were no material impacts on this risk in the Companies under the COVID-19 scenario. The effects on business will be mentioned later in this chapter. In any case, as government measures are adopted, the evolution of accounts receivable, portfolio turnover, and potential devaluations in other assets will continue to be evaluated to capture the effects of quarantines such as: arrears in accounts receivable from customers, relief measures taken by the company, and updates of impairment percentages that could be reflected in the next quarter.

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

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

1.2. Methods used to measure risk

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

On the other hand, the insurance companies, from the management of their portfolios, conformed by profitable and liquid assets, that support their technical reserves. They manage credit risk based on allocation policies, limits, and controls, as well as methodologies and

procedures that adjust to the different assets of the portfolio and allow quantifying and monitoring the evolution of this risk. These methodologies include detailed analyzes of the strengths and financial conditions, and of different qualitative aspects of the issuers and managers of investment funds.

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

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

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

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

Exposiciones de los recursos administrados en las tesorerías:

Exposure of the resources administered in the treasuries:

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

As of September 30, 2020, the portfolios of the insurance companies of Suramericana and SURA AM are distributed as follows:

Fixed Income Assets by Credit Rating 3Q 20 (International Scale)											
Rating Sovereign*	Suramericana								SURA AM		
	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom. Rep.	Uruguay	Chile	Mexico
	CCC	BB-	A	BBB-	B-	BBB-	BBB	BB-	BBB-	A	BBB
Government	57%	74%	28%	18%	26%	69%	16%	46%	54%	27.50%	0.80%
AAA	0%	0%	0%	6%	3%	0%	0%	0%	0%	0.00%	0.00%
AA+	0%	0%	0%	0%	0%	0%	2%	0%	0%	0.00%	0.00%
AA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.00%	0.00%
AA-	0%	0%	0%	2%	0%	0%	0%	0%	0%	0.00%	0.00%
A+	0%	0%	0%	0%	0%	0%	0%	0%	8%	13.30%	0.00%
A	0%	0%	31%	1%	1%	0%	0%	0%	6%	10.30%	0.00%
A-	0%	0%	2%	1%	1%	0%	0%	0%	0%	19.40%	99.20%
BBB+	0%	0%	15%	0%	1%	0%	1%	0%	7%	21.70%	0.20%
BBB	0%	0%	12%	0%	1%	0%	1%	0%	5%	4.00%	0.00%
BBB-	0%	0%	3%	49%	0%	22%	2%	0%	20%	2.30%	0.00%
BB+	0%	0%	1%	14%	0%	1%	11%	0%	0%	1.50%	0.00%
BB	0%	0%	0%	1%	0%	3%	0%	0%	0%	0.00%	0.00%
BB-	0%	26%	0%	0%	0%	4%	26%	0%	0%	0.00%	0.00%
Others	43%	0%	8%	8%	67%	1%	41%	54%	0%	0.00%	0.00%

Total 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%

Fixed Income Assets by Credit Rating 2T 20 (International Scale)

Rating Sovereign*	Suramericana								SURA AM		
	Argentina Default Restringido	Brazil BB-	Chile A	Colombia BBB-	El Salvador B-	Mexico BBB-	Panama BBB	Dom. Rep. BB-	Uruguay BBB	Chile A	Mexico BBB
Government	52%	98%	22%	18%	27%	71%	17%	45%	59%	28.10%	0.80%
AAA	0%	0%	0%	4%	1%	0%	0%	0%	3%	0.00%	0.00%
AA+	0%	0%	0%	0%	0%	0%	2%	0%	0%	0.00%	0.00%
AA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.00%	0.00%
AA-	0%	0%	0%	2%	0%	0%	0%	0%	0%	0.00%	0.00%
A+	0%	0%	0%	0%	0%	0%	1%	0%	0%	13.60%	0.00%
A	0%	0%	26%	1%	1%	0%	1%	0%	1%	9.80%	0.00%
A-	0%	0%	10%	1%	1%	0%	0%	0%	4%	22.50%	99.20%
BBB+	0%	0%	17%	0%	1%	0%	1%	0%	10%	17.80%	0.20%
BBB	0%	0%	13%	0%	0%	0%	2%	0%	10%	4.20%	0.00%
BBB-	0%	0%	3%	50%	0%	20%	3%	0%	13%	2.40%	0.00%
BB+	0%	0%	1%	15%	0%	1%	11%	0%	0%	1.50%	0.00%
BB	0%	0%	0%	1%	0%	3%	0%	0%	0%	0.00%	0.00%
BB-	0%	2%	0%	0%	0%	4%	19%	0%	0%	0.00%	0.00%
Others	48%	0%	8%	8%	69%	1%	43%	55%	0%	0.00%	0.00%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

In Suramericana, over the last quarter, the general credit risk situation in terms of investment portfolio issuers remained stable and controlled, with no relevant effects in terms of counterparties. Nonetheless, there were some specific situations in Argentina and El Salvador, which are detailed below:

- **Argentina:** During the third quarter of the year, the Argentine government managed to restructure the foreign debt with the approval of more than 90% of its creditors. This meant an improvement in the credit quality by the three main credit rating agencies, taking into account that from the cash flow point of view of the country a very important relief was seen. Nonetheless, macroeconomic conditions and the recovery continue to be difficult in the coming quarters, and the Group is constantly monitoring this situation.
- **El Salvador:** In this portfolio, one issuer submitted an additional 6-month capital payment grace period plan. This was approved by investors in order to provide liquidity relief. The book value of this investment amounts to USD 234 thousand.

Besides the previous points, there are no additional significant impairments in the book value of the investments of the subsidiaries of Suramericana S.A., the above taking into account that the portfolio is diversified in issuers with good credit quality and high operational soundness that has allowed them to remain stable in the midst of the pandemic.

Currently, the countries in which we have financial instruments classified as amortized cost are Colombia, Dominican Republic, El Salvador, Panama and Chile. For these countries, we expect an impact on the investment portfolios and the financial statements in case of significant declines in the credit rating of the issuers. Securities classified at market value permanently incorporate the effects of quotation and fluctuations in interest rates; therefore, they do not imply additional effects associated with prospective impairment analyses. However, as a result of the downgrading of the credit ratings of issuers, for those securities classified at market value with changes in the OCI the company may reflect negative impacts on the results of the period associated with an estimated impairment.

As for Grupo SURA, it is important to note that part of the resources obtained from the bond issue carried out in August will be managed by three recognized stockbrokers, to whom the risk and treasury area of the company gave an investment mandate that they must comply with in order to manage these resources. Such investments will be made mainly in fixed income assets with issuers of the best credit quality in the Colombian market, thus mitigating the exposure to credit risks derived from such investments, guaranteeing the availability of resources for the compliance of the obligation that matures in May 2021.

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 the business.

In order to evaluate the exposure to this risk, a detailed review has been made of the liquidity and solvency levels of the Companies, as well as of those additional factors that could affect them in the current context. Based on these analyses, strategies were developed to strengthen the liquidity position, thus generating the capacity to respond to their short-term obligations and also the foreseeable effects derived from the situation.

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

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

2.2. Methods used to measure risk

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

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

2.3. Description of changes in risk exposure

During the quarter, there were no negative impacts on the exposure to this risk in the business group.

Based on the analyses carried out during the year, Grupo SURA developed strategies to reinforce the liquidity position of the Company, thus generating the capacity to respond to its short- and long-term obligations. Among these strategies, the previously mentioned bond placement stands out, which has improved the cash flow of the company, anticipating the

maturity of the dollar-denominated bond stipulated in May 2021, and making it possible to distribute series and create a maturity profile adjusted to the cash generation of the company.

In the quarter, as a result of the evaluations carried out by the company, there were no negative impacts or deteriorations on the exposure to this risk. On the contrary, the resources obtained from the aforementioned bond issue were destined in part to the total payment of a debt of 50,000 million with Bancolombia and a capital payment was also made to another obligation of 23,900 million with the same entity. Furthermore, in order to reduce the cost of the debt, another part of the resources were transferred to three stockbrokers recognized as follows: 100,000 and 300,000 million to two APTs with Credicorp and Valores Bancolombia respectively, 110,000 million to an active management portfolio with BTG Pactual, 350,000 million in a virtual investment (term deposit) with Bancolombia with maturity in May 2021 and finally the remaining resources were deposited in the bank accounts of the company in order to meet other current obligations.

3. Market risks

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

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

3.1. Risk of Exchange rate

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

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

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

3.1.2. Methods used to measure risk

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

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

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

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

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

At September 2020, the following exposures are held:

Assets by company, by type of currency 3Q 20				
Company	Local currency	USD	Other	Total
Suramericana				
Argentina	64%	36%	0%	100%
Brazil	100%	0%	0%	100%
Chile	100%	0%	0%	100%
Colombia	92%	8%	0%	100%
El Salvador	0%	100%	0%	100%
Mexico	95%	5%	0%	100%
Panamá	0%	100%	0%	100%
Dominican Republic	77%	23%	0%	100%
Uruguay	56%	44%	0%	100%
Bermuda	0%	100%	0%	100%
SURA Asset Management				
Chile	100%	0%	0%	100%
Mexico	100%	0%	0%	100%

Assets by type of company by currency 2Q 20				
Company	Local currency	USD	Other	Total
Suramericana				
Argentina	74%	26%	0%	100%
Brazil	100%	0%	0%	100%
Chile	100%	0%	0%	100%
Colombia	94%	6%	0%	100%
El Salvador	0%	100%	0%	100%
Mexico	91%	9%	0%	100%
Panama	0%	100%	0%	100%

Dominican Republic	78%	22%	0%	100%
Uruguay	55%	45%	0%	100%
Bermuda	0%	100%	0%	100%
SURA Asset Management				
Chile	100%	0%	-	100%
Mexico	100%	0%	-	100%

At SURA Asset Management, the objective is to reduce the gaps in currency exposure, between assets and liabilities, to minimize the possible mismatch. The exhibitions exclude Unit Link. Both real and nominal currency are included in local currency.

At Grupo SURA, the coverage of the USD 300 million bonds maturing in 2021 was extended, thereby increasing a portion of the coverage ceilings, in order to minimize exposure in the event of an increase in the exchange rate.

3.2. Interest rate risk

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

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

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

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

3.2.2. Methods used to measure risk

For the management of this risk, in the portfolios of the insurance companies, methodologies, limits and / or alerts are established, in accordance with the internal policies and rules applicable to each of the countries where they are present. Some measures that are taken into account are: Value at Risk, Information Ratio, and Sensibilities and Simulations.

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

For its part, the methodology in SURA Asset Management consists of a dynamic and continuous ALM (Assets and Liabilities Management) process that starts with the analysis of the liabilities profile and, based on the risk appetite / return, determines a strategic asset allocation. Likewise, it carries out the control of this risk by monitoring mismatch in duration,

and a sensitivity analysis of the balance, at market value, before changes in interest rates and a passive adequacy test that allows quantifying the reinvestment risk of the portfolios.

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

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

Exhibitions of the portfolios of Suramericana and SURA AM insurers:

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

Exposure to Fixed Income and Equity Assets 3Q 20					
Company	Fixed rate	Variable Income	Real Estate Assets	Mortgage Securities	Total
Suramericana					
Argentina	100%	0%	-	-	100%
Brazil	100%	0%	-	-	100%
Chile	95%	5%	-	-	100%
Colombia	89%	11%	-	-	100%
El Salvador	100%	0%	-	-	100%
Mexico	97%	3%	-	-	100%
Panama	96%	4%	-	-	100%
Dominican Republic	99%	1%	-	-	100%
Uruguay	100%	0%	-	-	100%
Bermuda	100%	0%	-	-	100%
Sura Asset Management					
Chile	89.9%	0.3%	9.8%	0%	100%
México	100%	0%	0%	0%	100%

Exposure to Fixed Income and Equity Assets 2Q 20					
Company	Fixed rate	Variable Income	Real Estate Assets	Mortgage Securities	Total
Suramericana					
Argentina	100%	0%	-	-	100%
Brazil	100%	0%	-	-	100%
Chile	91%	9%	-	-	100%
Colombia	90%	10%	-	-	100%
El Salvador	100%	0%	-	-	100%
Mexico	97%	3%	-	-	100%
Panama	95%	5%	-	-	100%
Dominican Republic	99%	1%	-	-	100%

Uruguay	100%	0%	-	-	100%
Bermuda	100%	0%	-	-	100%
Sura Asset Management					
Chile	89.7%	0.3%	10%	0%	100%
Mexico	100%	0%	0%	0%	100%

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

On the other hand, considering the bond issue in the Colombian market by Grupo SURA during the quarter, it is important to mention that the resources obtained and managed by stockbrokers must meet the investment policy delivered by Grupo SURA to guarantee the balance between profitability and risk, with the objective of ensuring the availability of resources for the maturity of international bonds. The issue made in August was made at variable rates (IBR and IPC), increasing the exposure to interest rate risk, for which the company will evaluate possible coverage, in order to mitigate this situation.

3.3. Risk of price variation variable Income

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

The measures adopted by Latin American governments to control the spread of COVID-19 have generated direct impacts on the economy, and in turn, generated political and social instability in the region. This has translated into effects on the operation and results of the Business Group, as a result of the natural exposure of its 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 represent direct threats to its sustainability.

3.3.1. Description of risk management objectives, policies and processes

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

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

3.3.2. Methods used to measure risk

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

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

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

3.3.3. Summary of quantitative data on the risk exposure of the institution

As of September 2020, exposures in portfolio of SURA Asset Management, are not material, only 0.3% of the investment portfolio excluding Unit Link funds, in relation to 0.27% in the same period of 2019.

3.4. Price risk of real estate assets

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

3.4.1. Description of risk management objectives, policies and processes

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

3.4.2. Methods used to measure risk

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

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

Exposure of insurance company portfolios:

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

NOTE 25. INFORMATION DISCLOSED ON RELATED PARTIES

25.1. Related parties

Subsidiaries, associated companies, key management personnel and entities over which key management personnel may exercise control are considered to be related parties of Grupo SURA.

The following is a detail of related parties at September 30, 2020, September 30, 2019 and December 31, 2019 of Grupo SURA:

- a) Companies under direct or indirect control of Grupo SURA are listed in Note 1. Reporting Entity.
- b) Investments in associates and joint ventures

Associates and joint ventures of Grupo SURA are listed in Note 11.1 Investments in Associates and Note 11.2 Joint ventures.

25.2. Related party transactions

Among the transactions recorded between related parties are:

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

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

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

September 2020

Entity	Operations with the parent company				Consolidated operations grupo empresarial			
	Asset accounts	Liability accounts	Income	Expense	Asset accounts	Liability accounts	Income	Expense
Activos Estratégicos Sura A.M. Colombia S.A.S.	-	-	-	-	1	(1)	-	-
Administradora General de Fondos Sura S.A.	-	-	-	-	512	(4,705)	(10,322)	(28,818)
AFAP Sura S.A.	-	-	-	-	-	(366)	-	(2,568)
Afore Sura S.A. de C.V.	-	-	-	-	978	(590)	9,857	(4,261)
AFP Capital S.A.	-	-	-	-	-	(678)	59	(29,970)
AFP Integra S.A.	-	-	-	-	-	(22)	206	(513)
Arus S.A.	-	-	-	-	3,017	(12,874)	23,488	(612)
Aseguradora de Créditos y Garantías S.A.	-	-	-	-	4,222	-	-	(834)
Aseguradora Suiza Salvadoreña S.A. Asesuisa	-	-	-	-	1,002	(941)	6,699	(4,566)
Asesores Sura S.A. de C.V.	-	-	-	-	4,192	-	18,546	(54)
Asesuisa Vida, S.A. Seguros de Personas	-	-	-	-	129	(1,002)	114	(6,352)
Chilean Holding Suramericana SPA	-	-	-	-	-	(32,614)	-	(1,852)
Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	-	-	(8)	2,182	(318)	83,672	(842)
Corredores de Bolsa Sura S.A.	-	-	-	-	2,760	(255)	24,901	(8,999)
Enlace Operativo S.A.	-	-	-	-	12,681	(201)	11,824	(24)
EPS y Medicina Prepagada Suramericana S.A.	-	-	-	-	14,995	(30,501)	2,653	(567,533)
Fondos Sura SAF S.A.C.	-	-	-	-	-	(377)	4	(1,295)
Hábitat Adulto Mayor S.A.	-	-	-	-	-	-	-	(53)
Inversiones Suramericana Chile Limitada	-	-	-	-	-	(1)	-	-
Inversiones y Construcciones Estratégicas S.A.S.	104	-	-	(766)	-	(104)	837	(1)
Operaciones Generales Suramericana S.A.S.	-	-	-	(10)	7,171	(38,175)	71,395	(2,596)
Pensiones Sura S.A. de C.V.	-	-	-	-	-	(395)	-	(4,307)
Promotora Sura AM S.A. de C.V.	-	-	-	-	1,640	-	7,178	(24)
Seguros de Vida Suramericana S.A.	64	(34)	-	-	13,213	(168,262)	11,249	(273,017)
Seguros Generales Suramericana S.A.	-	(4)	-	(81)	30,511	(40,065)	59,407	(80,029)
Seguros Suramericana Panamá S.A.	-	-	-	-	-	(22,643)	723	(35,781)
Servicios Generales Suramericana S.A. (Panama)	-	-	-	-	12	-	2	-
Sociedad Agente de Bolsa S.A.	-	-	-	-	373	-	1,051	(158)
Sura Art Corporation S.A. de C.V.	-	-	-	-	102	(10)	861	(75)
SURA Asset Management Argentina S.A.	-	-	-	-	-	(1)	-	-
Sura Asset Management México S.A. de C.V.	-	-	-	-	-	(8)	-	(76)
Sura Asset Management Perú S.A.	-	-	-	-	-	-	219	-
Sura Asset Management S.A.	191,952	-	-	-	129	(196,536)	127	(8,157)

Sura Asset Management Uruguay Sociedad de Inversión S.A.	-	-	-	-	699	(81)	5,054	(226)
Sura Data Chile S.A.	-	-	-	-	-	(4,998)	7,631	(79)
Sura Investment Management S.A. de C.V.	-	-	-	-	167	(4,420)	2,574	(25,193)
Suramericana S.A.	-	-	306	-	180,348	(369)	-	(2,053)
Seguros Sura S.A. (Uruguay)	-	-	-	-	38	(535)	-	(2,480)
Agente de Valores Sura S.A.	-	-	-	-	301	(199)	1,954	(1,402)
Disgely S.A.	-	-	-	-	-	-	1	-
Seguros de Vida Sura S.A.	-	-	-	-	3,635	(944)	31,842	(19,189)
Sura Chile S.A.	-	-	-	-	7,938	(8)	41,666	(93)
Sura S.A.	-	-	-	-	-	(207)	-	(1,144)
Ahorro Inversión Sura Administradora de Fondos de Inversión S.A.	-	-	-	-	-	(418)	-	(2,816)
Seguros Generales Suramericana S.A. (Chile)	-	-	-	-	35,648	(76)	3,924	(550)
Seguros de Vida Suramericana S.A. (Chile)	-	-	-	-	2	(3,067)	-	(2,159)
Gestión patrimonial SURA asesores en inversiones S.A. de C.V.	-	-	-	-	20	(70)	68	(1,407)
Servicios Generales Suramericana S.A.S.	-	(177)	-	-	40,343	(2,201)	3,249	(614)
Arus Holding S.A.S.	-	-	-	-	201	-	-	-
Seguros Sura S.A. (Dominican Republic)	-	-	-	-	-	-	94	(1,613)
Seguros Sura S.A. (Brazil)	-	-	-	-	234	-	-	-
Seguros Sura S.A. (Argentina)	-	-	-	-	-	(4,222)	(10)	844
Sura RE	-	-	-	-	10,894	(11,750)	34,504	(33,575)
Proyectos Empresariales AI SURA S.A. C.V.	-	-	-	-	-	(634)	-	(1,919)
RUSSMAN S.A.	-	-	-	-	474	(9)	278	-
VINNYC S.A.	-	-	-	-	409	(347)	2,195	(216)
NBM INNOVA S.A.S.	-	-	-	-	1,640	-	-	-
Fiduciaria Sura S.A.	-	-	-	-	3	-	4	-
Seguros Sura, S.A. de C.V. (Mexico)	-	-	-	-	-	(712)	541	(870)
NB innova S.A. de C.V.	-	-	-	-	-	(328)	-	(1,887)
Diagnóstico y Asistencia Médica S.A.S.	-	-	-	-	28,988	(9,641)	239,218	(6,999)
Servicios de Salud IPS Suramericana S.A.S	-	-	-	-	14,296	(20,890)	502,482	(32,453)
Inversiones SURA Brasil Participacoes LTDA.	-	-	-	-	-	(234)	-	-
	192,120	(215)	306	(865)	426,100	(618,005)	1,202,019	(1,201,460)

December 2019

Entity	Operations with the parent company		Consolidated operations grupo empresarial			
	Liability accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Administradora General de Fondos Sura S.A.	-	-	578	(6,659)	-	(53,932)
AFAP Sura S.A.	-	-	-	(3)	222	(24)
AFISA SURA S.A.	-	-	-	(252)	-	(2,058)
Afore Sura S.A. de C.V.	-	-	1,004	(1,975)	10,274	(13,155)
AFP Capital S.A.	-	-	-	(2,536)	415	(36,266)
AFP Integra S.A.	-	-	-	(285)	261	(1,173)
Arus S.A.	-	-	3,938	(10,291)	30,873	(300)
Aseguradora de Créditos y Garantías S.A.	-	-	-	-	-	(466)
Aseguradora Suiza Salvadoreña S.A. Asesuisa	-	-	914	(229)	8,793	(501)
Asesores Sura S.A. de C.V.	-	-	3,067	(509)	31,329	(431)
Asesuisa Vida, S.A. Seguros de Personas	-	-	92	(914)	750	(8,744)
Chilean Holding Suramericana SPA	-	-	-	(52,669)	-	(2,514)
Consultoría en Gestión de Riesgos Suramericana S.A.S.	-	(14)	144	(788)	106,608	(791)
Corredor de Bolsa SURA S.A.	-	-	252	-	2,058	(222)
Corredores de Bolsa Sura S.A.	-	-	2,750	(141)	33,858	(9,421)
Diagnóstico y Asistencia Médica S.A.S.	-	-	14,262	(1,779)	214,336	(8,674)
Enlace Operativo S.A.	-	-	12,799	-	17,194	(50)
EPS y Medicina Prepagada Suramericana S.A.	-	-	11,758	(21,066)	4,840	(546,451)
Fondos Sura SAF S.A.C.	-	-	131	(113)	-	(1,315)
Hábitat Adulto Mayor S.A.	-	-	-	-	-	(119)
Inversiones SURA Brasil Participacoes LTDA.	-	-	-	(271)	-	-
Inversiones Suramericana Chile Limitada	-	-	-	(212)	-	-
Inversiones y Construcciones Estratégicas S.A.S.	(74,225)	(1,574)	74,234	-	1,665	-
NBM Innova, S.A. de C.V.	-	-	-	(93)	-	(1,140)
Operaciones Generales Suramericana S.A.S.	-	(19)	11,136	(38,740)	108,014	(3,506)
Pensiones Sura S.A. de C.V.	-	-	-	(2,386)	-	(7,956)

Entity	Operations with the parent company		Consolidated operations grupo empresarial			
	Liability accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Promotora Sura AM S.A. de C.V.	-	-	5,855	-	22,273	-
Seguros de Vida Sura S.A. (Chile)	-	-	5,859	(996)	43,664	(20,898)
Seguros de Vida Suramericana S.A. (Chile)	-	-	1	(2,154)	-	(2,813)
Seguros de Vida Suramericana S.A.	(22)	-	17,528	(23,790)	12,483	(317,034)
Seguros Generales Suramericana S.A. (Chile)	-	-	54,761	(74)	5,238	(1,750)
Seguros Generales Suramericana S.A.	(111)	(357)	29,304	(15,626)	36,603	(118,229)
Seguros Sura S.A. (Argentina)	-	-	-	-	-	466
Seguros Sura S.A. (Brasil)	-	-	271	-	-	-
Seguros Sura S.A. (República Dominicana)	-	-	-	(335)	10	(2,355)
Seguros Sura, S.A. de C.V. (México)	-	-	-	(498)	-	(2,101)
Seguros Suramericana Panamá S.A.	-	-	-	(34,655)	520	(8,366)
Servicios de Salud IPS Suramericana S.A.S.	-	(3)	15,454	(15,307)	538,944	(62,934)
Servicios Generales Suramericana S.A.	(154)	-	41,445	(20,115)	5,238	(3,334)
Servicios Generales Suramericana S.A. (Panama)	-	-	327	-	502	-
Sociedad Agente de Bolsa S.A.	-	-	101	-	968	(3)
Sura Art Corporation S.A. de C.V.	-	-	126	(13)	1,247	(98)
Sura Asset Management Argentina S.A.	-	-	-	(1)	-	-
SURA Asset Management Chile S.A.	-	-	-	(258)	10,847	(2,294)
Sura Asset Management México S.A. de C.V.	-	-	-	(12)	-	(101)
Sura Asset Management Perú S.A.	-	-	343	-	443	-
Sura Asset Management S.A.	-	-	1,955	(3,587)	5,546	(22,670)
Sura Asset Management Uruguay Sociedad de Inversión S.A.	-	-	-	101	5,552	(6,061)
Sura Data Chile S.A.	-	-	-	-	9,666	-
Sura Investment Management S.A. de C.V.	-	-	244	(6,883)	3,344	(48,619)
SURA Real Estate S.A.S.	-	-	-	-	-	(7)
SURA Servicios Profesionales S.A.	-	-	6,550	(799)	47,736	(675)
Suramericana S.A.	-	-	25,896	(1,318)	1,923	(1,354)
WM Asesores en inversiones S.A. DE C.V.	-	-	-	(185)	-	(1,666)
Seguros Sura S.A. (Uruguay)	-	-	7	(69)	-	(267)
Sura RE	-	-	27	(116)	790	(688)
	(74,512)	(1,967)	343,113	(268,601)	1,325,027	(1,323,060)

September 2019

Entity	Operations with the parent company		Consolidated operations grupo empresarial			
	Liability accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Administradora General de Fondos Sura S.A.	-	-	557	(5,925)	(13,226)	(30,239)
AFAP Sura S.A.	-	-	-	(8)	224	(17)
AFISA SURA S.A.	-	-	-	(225)	-	(1,517)
Afore Sura S.A. de C.V.	-	-	1,729	(2,281)	7,471	(9,424)
AFP Capital S.A.	-	-	-	(2,428)	330	(26,724)
AFP Integra S.A.	-	-	-	(275)	198	(963)
Arus Holding S.A.S.	-	-	127	(10)	-	-
Arus S.A.	-	-	2,687	(9,160)	21,639	(223)
Aseguradora de Créditos y Garantías S.A.	-	-	(3,657)	2,034	-	(342)
Aseguradora Suiza Salvadoreña S.A. Asesuisa	-	-	461	(371)	2,242	(300)
Asesores Sura S.A. de C.V.	-	-	4,516	-	24,438	-
Asesuisa Vida, S.A. Seguros de Personas	-	-	378	(461)	724	(2,194)
Chilean Holding Suramericana SPA	-	-	-	(56,995)	-	(1,903)
Consultoría en Gestión de Riesgos Suramericana S.A.S.	(5)	(11)	673	(633)	80,083	(722)
Corredor de Bolsa SURA S.A.	-	-	225	-	1,517	(224)
Corredores de Bolsa Sura S.A.	-	-	3,029	(707)	24,988	(7,296)
Diagnóstico y Asistencia Médica S.A.S.	-	-	13,298	(1,000)	156,387	(5,184)
Enlace Operativo S.A.	-	-	9,541	-	12,177	(45)
EPS y Medicina Prepagada Suramericana S.A.	-	-	1,752	(20,383)	1,630	(401,200)
Fondos Sura SAF S.A.C.	-	-	-	(243)	-	(930)

Entity	Operations with the parent company		Consolidated operations grupo empresarial			
	Liability accounts	Expense	Asset accounts	Liability accounts	Income	Expense
Hábitat Adulto Mayor S.A.	-	-	-	-	-	(51)
Inversiones SURA Brasil Participacoes LTDA	-	-	-	(276)	-	-
Inversiones Suramericana Chile Limitada	-	-	-	(232)	-	-
Inversiones y Construcciones Estratégicas S.A.S.	(42,054)	(1,170)	42,054	-	1,238	-
NBM Innova, S.A. de C.V.	-	-	-	(51)	-	(795)
Operaciones Generales Suramericana S.A.S.	-	(17)	11,105	(38,233)	78,899	(2,830)
Pensiones Sura S.A. de C.V.	-	-	-	(621)	-	(4,768)
Planeco Panamá S.A.	-	-	-	(2)	-	-
Promotora Sura AM S.A. de C.V.	-	-	3,105	-	13,959	-
Seguros de vida SURA México S.A. de C.V.	-	-	-	(1,991)	-	-
Seguros de Vida Sura S.A. (Chile)	-	-	6,142	(2,143)	34,978	(14,055)
Seguros de Vida Suramericana S.A. (Chile)	-	-	1	(4,383)	-	(2,129)
Seguros de Vida Suramericana S.A.	(14)	-	1,592	(23,961)	8,657	(228,469)
Seguros Generales Suramericana S.A. (Chile)	-	-	61,598	(106)	3,961	(797)
Seguros Generales Suramericana S.A.	(68)	(74)	26,866	(17,273)	23,394	(86,528)
Seguros Sura S.A. (Argentina)	-	-	-	1,622	(9)	351
Seguros Sura S.A. (Brasil)	-	-	276	(32)	-	-
Seguros Sura S.A.	-	-	-	(2,214)	-	(2,036)
Seguros Sura S.A. (Uruguay)	-	-	-	(57)	-	(198)
Seguros Sura, S.A. de C.V. (México)	-	-	-	(564)	-	(2,159)
Seguros Suramericana Panamá S.A.	-	-	-	(101,474)	145	(6,268)
Servicios de Salud IPS Suramericana S.A.	-	(1)	20,959	(5,984)	397,000	(47,233)
Servicios Generales Suramericana S.A.	(135)	-	45,085	124	3,188	(1,306)
Servicios Generales Suramericana S.A. (Panamá)	-	-	231	-	392	-
Sociedad Agente de Bolsa S.A.	-	-	199	(16)	674	(2)
Sura Art Corporation S.A. de C.V.	-	-	128	(9)	905	(70)
Sura Asset Management Argentina S.A.	-	-	-	(1)	-	-
SURA Asset Management Chile S.A.	-	-	540,295	(381)	7,504	(1,309)
Sura Asset Management México S.A. de C.V.	-	-	-	(9)	-	(72)
Sura Asset Management Perú S.A.	-	-	510	-	329	-
Sura Asset Management S.A.	-	-	2,814	(542,653)	3,931	(12,565)
Sura Asset Management Uruguay Sociedad de Inversión S.A.	-	-	6	(78)	-	(363)
Sura Data Chile S.A.	-	-	-	-	7,211	-
Sura Investment Management Colombia S.A.S.	-	-	500	(500)	-	-
Sura Investment Management S.A. de C.V.	-	-	403	(7,644)	2,554	(36,091)
SURA Real Estate S.A.S.	-	-	500	-	-	(7)
SURA Servicios Profesionales S.A.	-	-	6,699	(2,186)	33,030	(369)
Suramericana S.A.	-	-	87,126	(591)	-	(854)
WM Asesores en inversiones S.A. DE C.V.	-	-	-	(244)	-	(1,069)
	(42,276)	(1,273)	893,510	(851,234)	942,762	(941,489)

25.3. Transactions with directors

Members of the Board of Directors:

	Accumulated		Quarter	
	September 2020	September 2019	September 2020	September 2019
Fees for members of the Board of Directors	5,392	4,425	1,877	1,583

Employee Benefits Management

At September 30, 2020, short-term benefits of \$55,400 and post-employment benefits of \$41,049 are recognized.

NOTE 26. EVENTS AFTER THE REPORTING PERIOD

These consolidated financial statements as of September 30, 2020 were prepared for supervisory purposes and authorized for issuance by the Board of Directors of Grupo SURA

on November 13, 2020. After this cut-off date and until its publication, no relevant facts involving adjustments have been presented, and the following additional information was presented:

On October 15, 2020, Grupo SURA informed that Tatyana Maria Orozco De La Cruz resigned from her position as Vice President of Corporate Affairs and Legal Representative, a position she had held since April 2017. Her resignation will be effective as of October 31, 2020.

NOTE 27. APPROVAL OF FINANCIAL STATEMENTS

The issuance of the consolidated interim financial statements of Grupo SURA for the year ended September 30, 2020 was authorized by the Board of Directors for publication, as stated in Minute No. 319 of the Board of Directors dated November 13, 2020, for presentation to the market.

ANALYSIS OF FINANCIAL RESULTS (unaudited)

The following is an analysis of the financial results for the period ended September 30, 2020, with comparative figures as of December 31, 2019. These analyses are performed by management and are not part of the Financial Statements.

INDEX	September 2020	December 2019	INTERPRETATION	
Solidity	43,129,464	40,946,828	The creditors own 59.31% as of September 2020 and 59.31% as of December 2019, with the shareholders owning the complement: 40.69% in September 2020 and 40.69% as of December 2019	Total liability
	= 59.31%	= 59.31%		Total asset
	72,718,058	69,037,830		
Total	43,129,464	40,946,828	Of each peso that the company has invested in assets, 59.31% as of September 2020 and 59.31% as of December 2019 have been financed by creditors	Total liability
	= 59.31%	= 59.31%		Total asset
	72,718,058	69,037,830		
Coverage of interest	956,445	2,017,436	The Company generated a net profit equal to 171.14% at September 2020 and 384.56% at December 2019 of interest paid	Net profit + interest
	= 171.14%	= 384.56%		Financial expenses
Leverage	558,867	524,614		
Total	43,129,464	40,946,828	Each peso \$1.00 of the Company's owners is committed 145.76% as of September 2020 and 145.76% as of December 2019	Total liabilities with third parties
	= 145.76%	= 145.76%		Equity
	29,588,594	28,091,002		
Financial Total	11,902,814	10,092,894	For each peso of equity, 40.23% is financially committed as of September 2020 and 35.93% as of December 2019	Total liabilities with financial entities
	= 40.23%	= 35.93%		Total liabilities with financial entities
	29,588,594	28,091,002		Equity
Net profit margin	397,578	1,492,822	Net profit corresponds to 2.58% of net income in September 2020 and 9.35% of net income in 2019	Net Profit
	= 2.58%	= 9.35%		Net Income
	15,438,868	15,967,730		
Return on equity	397,578	1,492,822	The net results correspond to 1.36% of assets in September 2020 and 5.61% in December 2019	Net Profit
	= 1.36%	= 5.61%		Equity - profits
	29,191,016	26,598,180		
Return on total assets	397,578	1,492,822	The net results with respect to total assets, correspond to 0.55% in September 2020 and 2.16% in December 2019	Net Profit
	= 0.55%	= 2.16%		Total assets
	72,718,058	69,037,830		