

Interim condensed individual financial statements  
of Grupo de Inversiones Suramericana S.A.  
for the three-month period between January 1st and  
March 31st 2021

## TABLE OF CONTENT

RESPONSIBILITIES OF THE DIRECTORS OVER THE ACCOUNTS .....	4
CERTIFICATION OF THE INDIVIDUAL FINANCIAL STATEMENTS .....	5
AUDITORS REPORT .....	6
CONDENSED INTERIM STATEMENT OF INDIVIDUAL FINANCIAL POSITION .....	8
CONDENSED SEPARATE INTERIM STATEMENT OF INCOME .....	9
CONDENSED SEPARATE INTERIM STATEMENT OF COMPREHENSIVE INCOME .....	10
SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY .....	11
CONDENSED SEPARATE INTERIM STATEMENT OF CASH FLOWS .....	13
NOTE 1. REPORTING ENTITY .....	14
NOTE 2. BASIS OF PRESENTATION OF THE SEPARATE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES .....	15
2.1. Statement of compliance .....	15
2.2. Basis of presentation .....	15
2.2.1. Basis of measurement and presentation .....	15
2.3. Significant accounting policies .....	16
NOTE 3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND CAUSES OF UNCERTAINTY IN THE PREPARATION OF THE FINANCIAL STATEMENTS .....	16
NOTE 4. NORMS ISSUED WITHOUT EFFECTIVE APPLICATION .....	19
NOTE 5. COVID – 19 CRISIS RESPONSE .....	22
NOTE 6. FINANCIAL INSTRUMENTS .....	27
6.1. Financial assets .....	27
6.1.1 Investments .....	27
6.1.2. Accounts receivable from related parties .....	28
6.1.3. Other accounts receivable .....	28
6.2. Financial liabilities .....	28
6.2.1. Accounts payable to related parties .....	29
6.2.2. Other accounts payable .....	30
NOTE 7. TAXES .....	30
7.1. Current income tax .....	30
7.2. Deferred tax .....	32
7.3. Tax matters in Colombia .....	32
7.4 Deferred Tax Assets Not Recognized .....	32
7.5. Uncertainty regarding income tax treatments .....	33
NOTE 8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES .....	33
8.1. Investment in associates .....	33

8.2. Investments in subsidiaries.....	35
NOTE 9. LEASES .....	37
NOTE 10. BONDS ISSUED .....	38
NOTE 11. PREFERRED SHARES.....	38
NOTE 12. DIVIDENDS PAID AND DECLARED .....	39
NOTE 13. OTHER COMPREHENSIVE INCOME.....	40
NOTE 14. ADMINISTRATIVE EXPENSES .....	41
NOTE 15. HONORARIUM EXPENSES.....	41
NOTE 16. FINANCIAL RESULTS .....	41
NOTE 17. EARNINGS PER SHARE .....	42
NOTE 18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES.....	43
NOTE 19. RELATED PARTIES DISCLOSURES .....	47
NOTE 20. EVENTS SUBSEQUENT TO THE REPORTING DATE .....	48
NOTE 21. APPROVAL OF FINANCIAL STATEMENTS .....	49
ANALYSIS OF FINANCIAL RESULTS (unaudited) .....	50

## RESPONSIBILITIES OF THE DIRECTORS OVER THE ACCOUNTS

The Directors are required to prepare the financial statements, for each financial period, that reasonably present the financial position of the company, results, and cash flows, at March 31, 2021, with comparative figures at March 31 and December 31, 2020. For the preparation of these financial statements, the Directors are required to:

- Select appropriate accounting policies and apply them consistently.
- Present information, including accounting policies, that are relevant, reliable, comparable, and comprehensive.
- Make judgments, and reasonable, prudent estimates.
- State whether applicable accounting standards have been followed, subject to any significant deviation revealed, and explained, in the accounts.
- Prepare the accounts, based on the ongoing business, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the accounts meet the above requirements.

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

Gonzalo Alberto Pérez Rojas  
President

Juan Guillermo Chica Ramirez  
Public accountant  
Professional Card 64093-T

## CERTIFICATION OF THE INDIVIDUAL FINANCIAL STATEMENTS

The undersigned legal representative and public accountant, under whose responsibility the consolidated financial statements were prepared, certify:

That for the issuance of the statement of financial position, at March 31, 2021, and of the income statement for the year, as well as, the statement of other comprehensive income, changes in equity statement, and the cash flow statement, for the year ended on that date, which are in compliance with the norms, and are made available to shareholders and third parties, and whose information, contained in them, have been previously verified and the figures taken faithfully from the books.

Said affirmations, explicit and implicit, are the following:

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

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

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

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

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

In accordance with Article 46 of Law 964 of 2005, in my capacity as legal representative of Grupo de Inversiones Suramericana S.A., the financial statements, and other reports relevant to the public, related to the fiscal year between March 31, 2021 and March 31 and December 31, 2020, do not contain defects, inaccuracies, or errors, that prevent the knowledge of the true financial situation, and the operations of the Company.

Gonzalo Alberto Pérez Rojas  
President

Juan Guillermo Chica Ramirez  
Public accountant  
Professional card 64093-T

## AUDITORS REPORT



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

At 31 March, 2021 (with comparative figures at December 31, 2020)

(Values expressed as millions of Colombian pesos)

	Note	March 2021	December 2020
<b>Assets</b>			
Cash and cash equivalents		449,107	438,154
Investments	6.1.1	556,432	622,990
Derivative instruments		554,190	343,734
Accounts receivable from related parties	6.1.2	684,139	116,633
Other accounts receivable	6.1.3	83,180	81,907
Current tax assets	7.1	161	1,356
Investments in associates	8.1	14,429,203	14,429,203
Investments in subsidiaries	8.2	14,606,670	14,423,080
Property and equipment		3,556	3,589
Right of use assets	9	18,925	19,288
Deferred tax assets	7.2	86,782	81,410
Other assets		244	246
<b>Total assets</b>		<b>31,472,589</b>	<b>30,561,590</b>
<b>Liabilities</b>			
Financial obligations	6.2	508,872	572,954
Derivative instruments		189,919	172,880
Lease liabilities	9	12,788	13,002
Accounts payable to related parties	6.2.1	353,213	86,832
Other accounts payable	6.2.2	126,600	126,069
Employee benefits		19,029	19,291
Provisions		3,470	3,470
Securities issued	10	5,248,833	4,995,267
Preferred shares	11	460,715	460,847
<b>Total liabilities</b>		<b>6,923,439</b>	<b>6,450,612</b>
<b>Equity</b>			
Capital issued		109,121	109,121
Share premiums		3,290,767	3,290,767
Reserves		7,182,925	6,954,122
Profit for the year		236,619	579,969
Retained earnings		11,857,547	11,834,280
Other comprehensive income	13	1,872,171	1,342,719
<b>Total equity</b>		<b>24,549,150</b>	<b>24,110,978</b>
<b>Total equity and liabilities</b>		<b>31,472,589</b>	<b>30,561,590</b>

The notes are an integral part of these financial statements.

Gonzalo Alberto Pérez Rojas  
 Legal Representative

Juan Guillermo Chica Ramirez  
 Accountant  
 P.C. 64093-T

Mariana Milagros Rodríguez  
 Auditor  
 P.C. 112752-T  
 Designated by Ernst & Young Audit S.A.S. TR-530  
 (See my report of 14, May de 2021)



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

March 31, 2021 (with comparative figures as of March 31, 2020)

(Amounts expressed in millions of Colombian pesos, except earnings per share)

	Notes	March 2021	March 2020
<b>Income</b>			
Dividends	8.1	263,124	575,445
Income from investments		1,292	113
Net gain (loss) on investment at fair value	6.1.1	392	(1,474)
Income (loss) from equity method	8.2	96,016	(22,059)
Other income		7	-
<b>Operational income</b>		<b>360,831</b>	<b>552,025</b>
<b>Operational expenses</b>			
Administrative expenses	14	(5,001)	(6,012)
Employee benefits		(6,201)	(9,720)
Fees	15	(1,528)	(1,458)
Depreciation		(544)	(526)
<b>Operational expenses</b>		<b>(13,274)</b>	<b>(17,716)</b>
<b>Operating profit</b>		<b>347,557</b>	<b>534,309</b>
Gains at fair value - Derivatives		(11,332)	318,581
Difference in change (Net)		(1,129)	(436,930)
Interest		(108,472)	(98,903)
<b>Financial result</b>	<b>16</b>	<b>(120,933)</b>	<b>(217,252)</b>
<b>Profit before tax</b>		<b>226,624</b>	<b>317,057</b>
Income tax	7.1	9,995	43,165
<b>Profit, net of continuing operations</b>		<b>236,619</b>	<b>360,222</b>
<b>Net profit</b>		<b>236,619</b>	<b>360,222</b>
<b>Net earnings per share</b>			
Net earnings per share from continuing operations	17	396	609

The notes are an integral part of these financial statements.

Gonzalo Alberto Pérez Rojas  
 Legal Representative

Juan Guillermo Chica Ramirez  
 Accountant  
 P.C. 64093-T

Mariana Milagros Rodríguez  
 Auditor  
 P.C. 112752-T  
 Designated by Ernst & Young Audit S.A.S. TR-530  
 (See my report of 14, May 2021)

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

March 31, 2021 (with comparative figures as of March 31, 2020)

(Amounts expressed in millions of Colombian pesos)

	Note	March 2021	March 2020
<b>Profit for the period</b>		<b>236,619</b>	<b>360,222</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss for the period, net of taxes</b>			
Gain (loss) from investment in equity instruments	13	7,204	20
<b>Total other comprehensive income not to be reclassified to profit or loss for the period, net of deferred income tax</b>		<b>7,204</b>	<b>20</b>
<b>Items to be reclassified to income for the period, net of tax</b>			
Gain (loss) from cash flow hedges	13	14,114	(14,679)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	13	508,134	871,689
<b>Total other comprehensive income to be reclassified to profit and loss, net of tax</b>		<b>522,248</b>	<b>857,010</b>
<b>Total other comprehensive income</b>		<b>529,452</b>	<b>857,030</b>
<b>Total comprehensive result</b>		<b>766,071</b>	<b>1,217,252</b>

The notes are an integral part of these financial statements.

Gonzalo Alberto Pérez Rojas  
 Legal Representative

Juan Guillermo Chica Ramirez  
 Accountant  
 P.C. 64093-T

Mariana Milagros Rodríguez  
 Auditor  
 P.C. 112752-T  
 Designated by Ernst & Young Audit S.A.S. TR-530  
 (See report of 14, May 2021)

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

March 31, 2021 (with comparative figures as of March 31, 2020)

(Amounts expressed in millions of Colombian pesos)

	Note	Issued capital	Share premium	Legal reserves	Occasional reserves	Total reserves	Retained earnings	Other comprehensive income	Profit for the period	Total equity
<b>Balance at January 1, 2020</b>		<b>109,121</b>	<b>3,290,767</b>	<b>138,795</b>	<b>6,252,110</b>	<b>6,390,905</b>	<b>11,793,652</b>	<b>1,027,504</b>	<b>932,190</b>	<b>23,544,140</b>
<b>Other comprehensive income</b>		-	-	-	-	-	-	857,031	-	<b>857,031</b>
<b>Profit for the period</b>		-	-	-	-	-	-	-	360,222	<b>360,222</b>
<b>Total Net Comprehensive Results for the period</b>		-	-	-	-	-	-	<b>857,031</b>	<b>360,222</b>	<b>1,217,252</b>
Transfer to occasional reserves		-	-	-	932,190	932,190	-	-	(932,190)	-
<b>Distribution of 2019 results According to the minutes of the Shareholders' Meeting No. 25 of March 27, 2020:</b>										
Ordinary dividend (583 pesos per share) and extraordinary dividend (51 pesos per share) recognized as distributions to owners	<b>12</b>	-	-	-	(368,974)	(368,974)	-	-	-	<b>(368,974)</b>
Minimum preferred shares dividend	<b>11</b>	-	-	-	-	-	10,157	-	-	<b>10,157</b>
<b>Balance at March 31, 2020</b>		<b>109,121</b>	<b>3,290,767</b>	<b>138,795</b>	<b>6,815,327</b>	<b>6,954,122</b>	<b>11,803,809</b>	<b>1,884,534</b>	<b>360,222</b>	<b>24,402,575</b>

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

March 31, 2021 (with comparative figures as of March 31, 2020)

(Amounts expressed in millions of Colombian pesos)

	Note	Issued capital	Share premium	Legal reserves	Occasional reserves	Total reserves	Retained earnings	Other equity holdings	Profit for the period	Total equity
<b>Balance at January 1, 2021</b>		<b>109,121</b>	<b>3,290,767</b>	<b>138,795</b>	<b>6,815,327</b>	<b>6,954,122</b>	<b>11,834,280</b>	<b>1,342,719</b>	<b>579,969</b>	<b>24,110,978</b>
Other comprehensive income		-	-	-	-	-	-	529,452	-	529,452
Profit for the period		-	-	-	-	-	-	-	236,619	236,619
<b>Total net comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>529,452</b>	<b>236,619</b>	<b>766,071</b>
Transfer to occasional reservations		-	-	-	579,969	579,969	-	-	(579,969)	-
<b>Distribution of 2020 results According to the minutes of the Shareholders' Meeting No. 26 of March 29, 2021:</b>										
Dividends recognized as distributions for owners (603.40 pesos per share)	12	-	-	-	(351,165)	(351,165)	-	-	-	(351,165)
Withholding effect of the shareholders' dividend		-	-	-	-	-	13,110	-	-	13,110
Minimal dividends, preference shares	11	-	-	-	-	-	10,157	-	-	10,157
<b>Balance at March 31, 2021</b>		<b>109,121</b>	<b>3,290,767</b>	<b>138,795</b>	<b>7,044,130</b>	<b>7,182,925</b>	<b>11,857,547</b>	<b>1,872,171</b>	<b>236,619</b>	<b>24,549,150</b>

The notes are an integral part of these financial statements.

Gonzalo Alberto Pérez Rojas  
 Legal Representative

Juan Guillermo Chica Ramirez  
 Accountant  
 P.C. 64093-T

Mariana Milagros Rodríguez  
 Auditor  
 P.C. 112752-T  
 Designated by Ernst & Young Audit S.A.S. TR-530  
 (See my report of 14, May de 2021)

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

March 31, 2021 (with comparative figures as of March 31, 2020)

(Amounts expressed in millions of Colombian pesos)

	Note	March 2021	March 2020
<b>Cash flows from operating activities</b>			
<b>Net profit for the period</b>		<b>236,619</b>	<b>360,222</b>
<b>Adjustments to reconcile net income for the period</b>			
Income tax expenses	7	(9,995)	(43,165)
Interests	16	108,472	98,903
Decrease in other accounts receivable		(1,273)	502
Increases in accounts receivable from related parties		(263,143)	(500,941)
Decrease (increase) in other accounts payable		527	(2,379)
Depreciation and amortization expense		544	526
Adjustment for employee benefits		(262)	2,880
Losses from unrealized foreign currency		738	432,139
Fair value gains		8,268	(318,582)
Undistributed gains from the application of the equity method	8	(96,016)	22,059
Dividends received from associates and subsidiaries		116,646	108,851
Interest paid		(799)	(515)
Income taxes paid (reimbursed)		(231)	(4,607)
Other cash outflows		13,110	
Other payments to acquire equity or debt instruments of other entities		(318,117)	-
Other receivables from the sale of equity or debt instruments of other entities		394,944	
<b>Cash flows from operating activities</b>		<b>190,032</b>	<b>155,893</b>
<b>Cash flows from (used in) investing activities</b>			
Cash flows used to obtain control of subsidiaries or other businesses		(449)	(3,727)
Amounts from sale of property, plant and equipment		1	-
Purchases of property and equipment		(148)	(26)
<b>Cash flows from (used in) investing activities</b>		<b>(596)</b>	<b>(3,753)</b>
<b>Cash flows from (used in) financing activities</b>			
Payments arising from futures, forwards, options and swaps		-	1,506
Proceeds from the issuance of shares		10,157	10,157
Proceeds from loans		-	65,448
Reimbursement of loans		(62,535)	(119,882)
Payment of financial lease liabilities		(428)	(428)
Dividends paid		(84,760)	(79,937)
Interest paid		(41,313)	(29,199)
<b>Cash flows arising from (used in) financing activities</b>		<b>(178,879)</b>	<b>(152,335)</b>
<b>Increases, net of cash and cash equivalents</b>		<b>10,557</b>	<b>(195)</b>
Impact of variations in the exchange rate on cash and cash equivalents		396	1,431
Cash and cash equivalents at beginning of period		438,154	3,145
<b>Cash and cash equivalents at end of period</b>		<b>449,107</b>	<b>4,381</b>

The notes are an integral part of these financial statements.

Gonzalo Alberto Pérez Rojas  
Legal Representative

Juan Guillermo Chica Ramirez  
Accountant  
P.C. 64093-T

Mariana Milagros Rodríguez  
Auditor  
P.C. 112752-T  
Designated by Ernst & Young Audit S.A.S. TR-530  
(See my report of 14, May 2021)

## GRUPO DE INVERSIONES SURAMERICANA S.A.

### NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the period ended March 31, 2021 (with comparative figures as of December 31, 2020 for the statement of financial position and as of March 31, 2020 for the statement of income, other comprehensive income, changes in equity and cash flows).

*(Values expressed in millions of Colombian Pesos, excluding and earnings per shares and exchange rates values expressed in Colombian pesos ).*

#### NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A., is a public corporation, established and domiciled in Colombia, whose shares are listed 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 of December 24, 1997 of the 14th Notary Office of Medellín, formalized in accounting terms on January 1, 1998; its main domicile is the city of Medellín, at Cra. 43<sup>a</sup> # 5<sup>a</sup> - 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 investment in real estate and personal property. In the case of investment in personal property, in addition to any kind of personal property, investments may be in shares, quotas or parts in companies, entities, organizations, funds or any other legal figure that allows investment of resources. Likewise, it may invest in fixed or variable income papers or documents, 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 shall be adjusted to the calendar year, annually, effective December thirty-first (31).

The Company is subject to the surveillance of the Financial Superintendency of Colombia (SFC), given its role as a Holding Company in the Financial Conglomerate SURA-Bancolombia through Resolution No 156 of February 2019 of the Financial Superintendency of Colombia.

#### *Noteworthy events:*

- On March 26, 2021, Grupo SURA informed that the Board of Directors defined and approved the procedure through which the repurchase operations of the shares of the Company may be executed.

The aforementioned, according to what was approved at the General Meeting of Shareholders held on March 27, 2020, which authorized the repurchase of shares of the Company for an amount of up to three hundred billion pesos (COP \$300,000,000,000) for a period of up to three years, counted as of that date.

Similarly, the 2020 Meeting approved to delegate to the Board of Directors the definition of the form and conditions under which the repurchase operations would be carried out.

## **NOTE 2. BASIS OF PRESENTATION OF THE SEPARATE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES**

### **2.1. Statement of compliance**

The separate financial statements of Grupo de Inversiones Suramericana S.A., for the three-month period ended March 31, 2021, have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), compiled and updated in Decree 2270 of 2019, issued by Decree 2420 of 2015 and amendments. These accounting and financial reporting standards, correspond to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), in the versions accepted by Colombia through the aforementioned Decrees.

The application of such international standards in Colombia is subject to some exceptions established by the regulator and contained in Decree 2420 of 2015 and amendments. These exceptions vary depending on the type of company and are as follows:

- Exceptions applicable to all financial information preparers.

Article 2.1.2 of Decree 2420 of 2015 added by Decree 2496 of 2015 and amended by Decrees 2131 of 2016, 2170 of 2017, 2483 of 2018 and 2270 of 2019 requires the application of Article 35 of Law 222 of 1995, which indicates that interests in subsidiaries should be recognized in the separate financial statements by the equity method, instead of recognition, in accordance with the provisions of IAS 27, at cost, fair value or the equity method.

Article 2.2.1 of Decree 2420 of 2015, added by Decree 2496 of the same year and amended by Decrees 2131 of 2016, 2170 of 2017, 2483 of 2018 and 2270 of 2019, establishes that the determination of post-employment benefits for future retirement or disability pensions shall be made in accordance with 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. 2.1.1.18.46 and following and, in the case of partial pension commutations in accordance with the provisions of numeral 5 of Article 2.2.2.8.8.31 of Decree 1833 of 2016, reporting the variables used and the differences with the calculation made under the terms of the technical framework under NCIF.

### **2.2. Basis of presentation**

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

##### *Measurement bases*

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

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



### *Presentation of financial statements*

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

The separate statement of financial position presents assets and liabilities on the basis of their liquidity, considering 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.

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

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

### **2.3. Significant accounting policies**

The accompanying financial statements do not include all the information and disclosures required for a year-end financial statement and therefore, these condensed financial statements should be read in conjunction with the annual financial statements as of December 31, 2020.

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

The preparation of the separate financial statements in accordance with NCIF requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results could differ from 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 such estimates and assumptions is subject to internal control procedures and approvals, for which internal and external studies, industry statistics, environmental factors and trends, and regulatory and normative requirements are considered.

Information about key judgments and assumptions that estimate the future behavior of variables at the reporting date and that have a significant risk of causing a material adjustment to the value of assets and liabilities during the next financial statement due to the uncertainty surrounding such behaviors.

#### **a) Fair value of financial instruments**



The fair value of financial instruments where there is no active market or where quoted prices are not available are determined using valuation techniques. In these cases, fair values are estimated based on observable inputs for similar financial instruments or using models. Where observable market inputs are not available, they are estimated based on appropriate assumptions.

When valuation techniques (e.g., models) are used to determine fair values, they are validated and reviewed periodically by qualified personnel independent of those who obtained them. All models are certified prior to use and the models are calibrated to ensure that the results reflect actual data and comparative market prices. To the extent possible, the models use only observable data; however, areas such as credit risk (both own and counterparty credit risk), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### *Business model of Grupo SURA*

The structural portfolio has alternative investments which, due to their nature, do not meet the requirements to be classified at amortized cost, therefore, they must be classified at fair value with an impact in the income statement. These include, but are not limited to, fixed-income securities with prepayment options, private equity funds, and structured products, among others. This type of investment may be acquired, with the objective of matching liabilities and maintaining them for a prolonged period, so that they may be part of the structural portfolio of the Company.

In the initial recognition, Grupo SURA can irrevocably designate an equity instrument of other companies, that is not held for trading, such as at fair value with changes in Other Comprehensive Income (OCI). This means that in its subsequent measurements, the changes in the fair value will not impact the income statement, but the assets of the Company.

#### **b) Impairment of financial assets**

To calculate the impairment of financial assets, the future cash flows, of the respective financial asset, of the group, must be estimated.

#### **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 are taxable profits 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 profits, together with future strategies of the tax planning of the Company.

#### **d) The useful life and residual values of property and equipment, rights of use**

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

**e) Terms of leasing contracts**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. The assessment is reviewed if a significant event occurs or a significant change in circumstances that affects this assessment. During 2020 and the period of three months in 2021, the financial effect of lease contracts is noted in Note 9 Leases.

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

Contingent liabilities of the SURA Group include those related to legal proceedings, regulatory proceedings, glosses, arbitration, taxes and other claims arising from the normal activities of the Group. These contingencies are evaluated taking into account the best estimates made by management and the necessary provisions have been established for legal and other claims, validating the probability of occurrence, whether it is probable, possible or remote. Contingencies are provided for and recorded when all available information indicates that their occurrence is feasible, the Group is obliged in the future to make disbursements for events that occurred before the balance sheet date and the amounts can be reasonably estimated. To make an adequate assessment of the probability and estimate of the amounts involved, the Group takes into account the opinions of internal and external experts.

Throughout the existence of a contingency, the Group may obtain additional information that may affect assessments related to the probability of occurrence or estimates of the amounts involved; changes in these assessments may lead to changes in the provisions.

Grupo SURA considers the estimates used to determine the provisions for contingent liabilities as critical estimates because the probability of their occurrence and the amounts that the Group may require to pay them are based on the criteria of the Group and its internal and external experts, which do not necessarily coincide with the future results of the procedures.

**g) 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.

The Projected Unit Credit Method is used to determine the present value of the defined benefit obligation and the associated cost. Future measurements of the obligations may vary significantly from those presented in the financial statements, among others, due to changes in economic and demographic assumptions and significant events.

## NOTE 4. NORMS ISSUED WITHOUT EFFECTIVE APPLICATION

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual separate financial statements as of December 31, 2020, except for the standards and interpretations that have been published but are not applicable at the date of these financial statements and are disclosed below.

The Group will adopt these standards on the date on which they become effective, in accordance with the decrees issued by the local authorities.

### **4.1 New standards incorporated into the accounting framework accepted in Colombia whose application must be evaluated on a mandatory basis in periods subsequent to January 1, 2021**

Decree 1432 of 2020 updated the technical frameworks of the Accounting and Financial Reporting Standards accepted in Colombia incorporating the amendment to IFRS 16, Leases: Rent Reductions Related to Covid-19 which can be applied immediately in 2020. No other standards, interpretations or amendments were added to the standards that had already been compiled by Decree 2270 of 2019 considering the regulations incorporated by Decrees 2420 and 2496 of 2015, 2131 of 2016, 2170 of 2017 and 2483 of 2018.

### **4.2 New standards issued by the International Accounting Standards Board (IASB) that have not yet been incorporated into the accounting framework accepted in Colombia**

#### **Amendment to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current**

The amendments issued in January 2020 clarify the criteria for classifying liabilities as current or non-current, based on the rights that exist at the end of the reporting period. The classification is not affected by the expectations of the entity or events after the reporting date. The changes also clarify what is meant by "settlement" of a liability in terms of the standard. These amendments did not have an impact on these financial statements and are not expected to have an impact on future financial statements of the Group.

#### **Amendment to IAS 16 Property, Plant and Equipment - Amounts Obtained Prior to Intended Use**

The amendment published in May 2020 prohibits the deduction from the cost of an item of property, plant and equipment of any amounts from the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity would recognize the amounts of those sales in profit or loss for the period. The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that they could have on the financial statements.

#### **Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework**

The amendment published in May 2020 addressed 3 amendments to the standard in order to: update the references to the Conceptual Framework; add an exception for the recognition of contingent liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent

Liabilities and Contingent Assets and IFRIC 21 Liens; and confirm that contingent assets should not be recognized at the acquisition date. These amendments do not impact the current financial statements of the Group, but may affect future periods if the Group were to enter into any business combination.

### **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Reform of the Reference Interest Rate**

Following the financial crisis, the reform and replacement of benchmark interest rates such as GBP LIBOR and other interbank offered rates (IBOR) has become a priority for global regulators. There is currently uncertainty about the precise timing and nature of these changes. In order to transition existing contracts and agreements that reference LIBOR, term spread and credit spread adjustments may need to be applied to allow the two reference rates to be economically equivalent in the transition.

The amendments made to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures provide certain alternatives in relation to the reform of the benchmark interest rate. The alternatives relate to hedge accounting and have the effect that the reforms generally should not cause hedge accounting to end. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the widespread nature of hedges involving interbank rate-based contracts (IBORs), the alternatives will affect companies in all industries.

Accounting policies related to hedge accounting should be updated to reflect alternatives. Fair value disclosures may also be affected due to transfers between fair value hierarchy levels as markets become more or less liquid.

The Company does not expect significant impacts from these changes, but is evaluating the impact they may have on the financial statements.

### **Annual Improvements to IFRS Standards 2018-2020 cycle**

The following improvements were completed in May 2020:

- IFRS 9 Financial Instruments: clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases: modifies illustrative example 13 of the standard to eliminate the illustration of lessor payments related to leasehold improvements, to eliminate any confusion on the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards: allows entities that have measured their assets and liabilities at the carrying amounts recorded in their Parent accounts to also measure cumulative translation differences using the amounts reported by the Parent. This amendment will also apply to associates and joint ventures under certain conditions.
- IAS 41 Agriculture: eliminates the requirement for entities to exclude tax cash flows when measuring fair value under IAS 41.

The Company does not expect significant impacts from this amendment, in any case it is evaluating the impact it could have on the financial statements.

## Conceptual Framework

The IASB has issued a revised Conceptual Framework to be used in standard-setting decisions with immediate effect. Key changes include:

- Increasing the importance of management in the objective of financial reporting;
- Restoring prudence as a component of neutrality;
- Defining a reporting entity, which can be a legal entity or a part of an entity;
- Review the definitions of an asset and a liability;
- Remove the probability threshold for recognition and add guidance on derecognition;
- Add guidance on different measurement bases; and
- Indicate that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be reclassified when this improves the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework to determine their accounting policies for transactions, events or conditions that are not otherwise addressed in the accounting standards will be required to apply the revised Framework as of January 1, 2020. These entities will need to consider whether their accounting policies continue to be appropriate under the revised Framework. These amendments had no impact on the current financial statements of the Group.

### **4.3 New standards issued by the International Accounting Standards Board (IASB) that have not yet been incorporated into the accounting framework accepted in Colombia**

#### **IFRS 17 Insurance Contracts**

IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts issued with discretionary participation components. The objective is to ensure that entities provide relevant information in a manner that faithfully represents those contracts to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

IFRS 17 was initially applicable to annual periods beginning on or after January 1, 2021; however, the application date was extended to annual periods beginning on or after January 1, 2023, by amendment issued by the IASB in June 2020. Earlier application is permitted.

IFRS 17 repeals IFRS 4 Insurance Contracts which was an interim standard that allowed entities to use a wide variety of accounting practices for insurance contracts, reflecting national accounting requirements and variations of those requirements. Some previous insurance accounting practices permitted under IFRS 4 did not adequately reflect the true underlying financial situations or financial performance of insurance contracts.

IFRS 17 requires a current measurement model where estimates are remeasured at each reporting period. Contracts are measured using the components of:

- Discounted probability-weighted cash flows;



- An explicit risk adjustment, and
- A contractual service margin (CSM) representing the unearned contract profit which is recognized as revenue during the hedge period.

The standard allows a choice between recognizing changes in discount rates in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers record their financial assets under IFRS 9.

An optional simplified premium allocation approach is allowed for the remaining coverage liability for short-duration contracts, which are often offered by non-life insurers.

There is a modification to the general measurement model called the "variable fee method" for certain life insurance contracts of insurers in which the policyholders share the returns of the underlying items. When applying the variable fee method, the entity's share of changes in the fair value of the underlying items is included in the contractual service margin. Therefore, the results of insurers using this model are likely to be less volatile than under the general model.

The new standards will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

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

## **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 on February 26<sup>th</sup> 2020 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 SURA it has been a priority to preserve employment and care for people, today a high percentage of employees work under the modality of remote work, trying to take care of their health, that of their families and contribute to the containment of the virus in society; all protective measures have also been taken with those who perform sensitive functions for the continuity of services or processes in physical locations.

In this first quarter of 2021, the practices that were defined and made known during 2020 have been continued, nevertheless, it is important to highlight that due to the proliferation of new variants that have originated the threat of new peaks (high levels of increase in contagions), the program to return to the physical headquarters in some countries has been temporarily suspended and the measures to adapt to the remote work scheme were strengthened; To this end, we have conducted surveys to get closer to our employees, find out how this experience continues to be for them, learn about their perception of the home-based work environment, and identify possible risks that could negatively affect them.

## **Technological Environment**

In response to the pandemic generated by COVID-19, the Vice-Presidency of Technology of the Corporate Office and the Technology Managers in the different countries where SURA has presence, have strengthened and implemented technological and digital tools that have allowed and facilitated, among others, the remote work of employees and the constant provision of services to individuals and companies, allowing collaboration and promoting productivity and efficiency, maintaining the necessary levels of availability, capacity and security of information.

## **Real Estate and Administrative Management**

Regarding the physical spaces for the provision of capabilities and for commercial purposes for individuals and companies, they are maintained and in cases such as, for example, the subsidiaries Mexico, Panama and Dominican Republic, we continue working on new openings or relocations to comply with the promise of service and be close to our customers.

In the Colombian subsidiary, attention continues to be focused on benefits related to mandatory and voluntary health insurance, seeking to respond to the demands imposed by the current pandemic. It is important to point out that real estate and administrative management have been equally fundamental for the company to respond sufficiently to the demands of its support to the national vaccination program.

## Regulatory Environment

Although during 2020 we experienced a generalized regulatory avalanche throughout the region, in 2021 regulatory legislation has returned to its usual production levels, still awaiting the political, social, economic and environmental effects of the measures taken during the previous year, and largely awaiting the impact of the peaks presented by the pandemic and the effects of the vaccination plans.

On the other hand, the aid and stimulus packages for reactivation have deteriorated the debt and spending in most Latin American countries, so fiscal reforms are imminent in most of the countries where Suramericana has a presence, especially Colombia, Dominican Republic, Brazil, Panama and Mexico, with no clarity to date on the measures to be taken by each of the governments and parliaments in this regard.

## Business

### Insurance

At the end of the first quarter of 2021, the operating results of the subsidiaries of Suramericana are impacted by the COVID-19 effect, due to the evolution of the contagion curve, which in most of the countries where Suramericana is present presents a new wave, in addition to the economic effects of the quarantines implemented in the region.

Premium income presented an accumulated growth of 7% as of March, leveraged by the health segment due to the increase in EPS (*Health Promoting Entity*) users, which reached 4.2 million; in addition, ARL (*Labor Risk Administrators*) premiums, which are consolidated in the life segment, grew 2%, showing a positive dynamic in the growth of affiliates, with a growth of 160 thousand users so far in 2021, this growth confirms the break in the trend since October 2020 after presenting decreases in the insured mass as a result of the increase in unemployment in Colombia and the high levels of absenteeism in the companies..

Premiums from insurance revenues continue to show a lower dynamic in new business with greater impacts on mobility solutions associated with lower vehicle sales in the region; as for individual life and group life insurance, these grew by 4%, showing recoveries mainly in affinity channels.

It is important to highlight that during the first quarter there was a 13% growth in business solutions due to the issuance of new business and the scope of renewals in the corporate segment; likewise, the health solution grew by 13% in the same period, consolidating the positive dynamics presented during the previous year due to the offer of new plans in companies in Colombia, Mexico, Chile and El Salvador.

Regarding claims, there continues to be a negative effect due to claims associated with COVID-19 that materialize mainly in increased mortality for life solutions, increased assistance benefits, economic benefits and diagnostic costs. These effects for the end of this period reached COP \$455 billion with greater effects in the subsidiaries in Colombia, Mexico, El Salvador and Panama where there is greater exposure to Health, Occupational Risks and Life solutions. The different companies continue to implement strategies for customer care and support, with initiatives that include virtual care models, oxygen therapy treatment, home delivery of medicines, expansion of the capacities installed in the provision and support in risk



management and prevention in the companies; these have resulted in a lower severity and mortality rate of cases.

Lastly, Suramericana and its subsidiaries, in view of the COVID context, continue to make efforts to reduce administrative expenses, especially real estate, travel, logistics and fees, as well as to evaluate the relevance of projects and to focus on alternatives within the operating model to improve process efficiency.

### *Reserves*

For this first quarter of 2021, as for the December 2020 cutoff, the reserves of the company did not present significant changes and it is considered that the levels of insurance reserves calculated and presented in its financial statements for March 31, 2021 are sufficient, and no additional impacts are expected based on the information known at that time, since the loss estimates made for this cutoff are consistent with the assessments that have been made on the possible effects derived from the COVID-19 pandemic.

### *Investment Portfolio*

The movement of fixed income prices was negative, while Latin American currencies depreciated as interest rates moved. However, the monetary policy of the countries remains in the expansionary range, which continues to generate ample liquidity in the markets. The investment classification strategy has allowed us to mitigate the negative effects of the variation in fixed income prices, providing relative stability in financial income. Additionally, the strategy of indexing to inflation and floating rates has been intensified to protect the future results of the portfolios, and the durations of some portfolios have been adjusted to be more defensive. The investment income of the portfolios was below the expected budget, a result that we expect to be reversed in the second half of the year as our investment strategy materializes.

### **Pensions**

The adaptability to remote work, the advance of digital channels and the rapprochement with clients, and in general all the learning achieved during 2020, allowed the impact of the second waves to be much more bearable in all the countries where Sura Asset Management operates.

The Company has been permanently monitoring all social, economic and regulatory impacts that could impact its businesses as a consequence of the pandemic. At the end of the first quarter, the net results of Sura Asset Management reached \$115,653 million, amply surpassing the loss of \$(129,870) million recorded for the first quarter of the previous year.

The good closing levels of assets under management at the end of 2020 drove the growth in fee income for the first quarter of 2021, which in total for all businesses rose by 5.40%.

In the Retirement Savings business:

- In Peru, the withdrawal of 100% of the value of the member's CIC has been allowed, with a cap of \$18,610. This decree also allowed people without contributions in October to make a withdrawal with a limit of \$4,652.

- In Chile, in November 2020, a second withdrawal of 10% was approved, effective for up to one year, with a limit of 150 UF equivalent to \$21,099. It is worth mentioning that AFP Capital receives its commissions on a salary basis, so the withdrawals do not directly affect the income from commissions.

In the Inversiones SURA and Investment Management business:

- For Q1 of 2021, the business had positive net commercial flows, far exceeding those of the same period of the previous year and with compliance above budget.
- The moderate recovery of the financial markets and the digital proximity strategies that allowed us to foster commercial activity despite the confinement, continue to drive growth in these segments, achieving double-digit fee income growth.

The first quarter in all businesses was also characterized by a moderate execution of expenses, which places this item below budget, and at lower levels than in the same period of 2020.

### **Foreign Exchange Impacts**

During this quarter, currencies in the region generally depreciated against the US dollar, which favored the portfolios and cash holdings of some subsidiaries that have foreign currency positions. However, this behavior was offset by the negative performance of some markets. As a company, the Group remains cautious and do not lose sight of the conditions and expectations associated with the behavior of currencies and the risks derived from this.

In any case, the exchange effects materialized in the operations and those resulting from translating the results of the period and financial position of the subsidiaries to the presentation currency of these financial statements (COP), have been recognized and incorporated as of March 31, 2021.

### **Recoverability of deferred tax assets**

As a preventive measure in the face of the COVID-19 pandemic, as of March 31, 2021, 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**

Company management believes that by the end of the first quarter of 2021, no significant difficulties will prevent the company from continuing as a going concern. During the pandemic, our continuity plans have allowed the implementation of remote work to a high percentage of employees and the enabling of technological capabilities to meet commercial and business processes, without incurring material or disproportionate costs for it. Additionally, the Company is aware of the importance of maintaining the financial strength and liquidity necessary to meet the current business needs. Therefore, the Company believes that the dynamics of its operations, as well as the financial strategy followed by the Company over several periods, in

relation to the optimization of resources and capital allocation decisions, place us in an adequate position.

## NOTE 6. FINANCIAL INSTRUMENTS

### 6.1. Financial assets

#### 6.1.1 Investments

The breakdown of investments is presented below:

	March 2021	March 2020
At fair value through profit or loss	526,038	599,800
<b>Debt securities</b>	<b>526,038</b>	<b>599,800</b>
At fair value through OCI	30,394	23,190
<b>Equity instruments</b>	<b>30,394</b>	<b>23,190</b>
<b>Total Investments</b>	<b>556,432</b>	<b>622,990</b>

The following is a detail of net income from investments at fair value:

	March 2021	March 2020
Fair value investments	-	-
Difference on exchange of investments	392	(1,474)
<b>Total</b>	<b>392</b>	<b>(1,474)</b>

The following is the detail of realized and unrealized gains or losses on investments in debt securities and available-for-sale equity instruments as of March 31, 2021 and 2020:

#### March 2021

	Debt securities	Equity Instruments
<b>National issuers</b>		
Cost (*)	526,038	30,394
Profit / unrealized loss SCI	-	-
Profit / unrealized loss OCI	-	7,204

#### March 2020

	Debt securities	Equity Instruments
<b>National issuers</b>		
Cost (*)	-	19,736
Profit / unrealized loss SCI	-	-
Profit / unrealized loss OCI	-	20

(\*) The cost and fair value is the same as of March 31, 2021 and 2020. As of the closing date there are no realized profits.

### 6.1.2. Accounts receivable from related parties

Correspond to dividends receivable from associated companies, which are detailed below:

	March 2021	December 2020
Bancolombia S.A.	61,103	68,624
Grupo Argos S.A.	87,590	21,553
Grupo Nutresa S.A.	114,449	26,456
<b>Total dividends receivable from associates</b>	<b>263,142</b>	<b>116,633</b>
Sura Asset Management S.A.	230,343	-
Suramericana S.A.	190,654	-
<b>Total dividends receivable from subsidiaries</b>	<b>420,997</b>	<b>-</b>
<b>Total current accounts receivable from related parties and associates</b>	<b>684,139</b>	<b>116,633</b>

### 6.1.3. Other accounts receivable

The following is a detail of trade and other receivables:

	March 2021	March 2020
Derivatives premiums	81,851	81,851
Debtors	673	7
Other accounts receivable taxes	566	-
Advances to contract and employees	90	49
<b>Total</b>	<b>83,180</b>	<b>81,907</b>

## 6.2. Financial liabilities

The following is related to the financial liabilities included in accounts payable, of Grupo SURA:

	Note	March 2021	December 2020
Financial liabilities <sup>1</sup>		508,872	572,954
Derivative instruments		189,919	172,880
Accounts payable to related parties	6.2.1	353,213	86,832
Other accounts payable	6.2.2	126,600	126,069
Bonds issued	10	5,248,833	4,995,267
Preferred shares	11	460,715	460,847
<b>Total</b>		<b>6,888,152</b>	<b>6,414,849</b>

<sup>1</sup> Financial obligation correspond to loans acquired with Grupo Bancolombia, at rates ranging between 2.31% and 3.64% as of March 2021 and 2.39% and 3.59% as of December 2020.

The variation is mainly due to the payment to capital of one of the loans for COP \$65 billion.

The breakdown of financial liabilities into current and non-current and by type of financial liability is presented below:

March 2021

Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial liabilities		80,479	-	80,479
Derivative instruments		-	1,108	1,108
Accounts payable to related parties	6.2.1	353,213	-	353,213
Other accounts payable	6.2.2	126,600	-	126,600
Bonds issued	10	1,321,310	-	1,321,310
<b>Total</b>		<b>1,881,602</b>	<b>1,108</b>	<b>1,882,710</b>

Non-current		Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial liabilities		428,393	-	428,393
Derivative instruments		-	188,811	188,811
Bonds issued	10	3,927,523	-	3,927,523
Preferred shares	11	460,715	-	460,715
<b>Total</b>		<b>4,816,631</b>	<b>188,811</b>	<b>5,005,442</b>

<b>Financial liabilities</b>	<b>6,698,233</b>	<b>189,919</b>	<b>6,888,152</b>
------------------------------	------------------	----------------	------------------

December 2020				
Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		144,520	-	144,520
Derivative instruments		-	19,583	19,583
Accounts payable to related parties	6.2.1	86,832	-	86,832
Other accounts payable	6.2.2	126,069	-	126,069
Bonds issued	10	1,036,113	-	1,036,113
<b>Total</b>		<b>1,393,534</b>	<b>19,583</b>	<b>1,413,117</b>

Non-current		Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial liabilities		428,434	-	428,434
Derivative instruments		-	153,297	153,297
Bonds issued	10	3,959,154	-	3,959,154
Preferred shares	11	460,847	-	460,847
<b>Total</b>		<b>4,848,435</b>	<b>153,297</b>	<b>5,001,732</b>

<b>Financial liabilities</b>	<b>6,241,969</b>	<b>172,880</b>	<b>6,414,849</b>
------------------------------	------------------	----------------	------------------

### 6.2.1. Accounts payable to related parties

Corresponds to the dividend payable to the shareholders of the Company declared at the meeting of shareholders held on March 31, 2021 and accounts payable to subsidiaries:

	March 2021	December 2020
Ordinary shares	284,841	70,161
Preferred shares	68,372	16,671
<b>Total accounts payable to related parties</b>	<b>353,213</b>	<b>86,832</b>

## 6.2.2. Other accounts payable

The detail of current trade accounts payable is as follows:

	March 2021	December 2020
Accounts payable premiums options	120,516	120,516
Industry and commerce	2,513	1,803
Withholdings and Payroll Contributions	1,391	1,286
Providers	791	801
Services	678	575
Withholdings	347	1,088
Pension Funds	175	-
Family compensation fund, ICBF and SENA.	97	-
Health promoting entities	87	-
Labor risk management companies	5	-
<b>Total</b>	<b>126,600</b>	<b>126,069</b>

## NOTE 7. TAXES

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

	Note	March 2021	December 2020
Current tax assets (net)	7.1	161	1,356
Deferred tax asset (net)	7.2	86,782	81,410

### 7.1. Current income tax

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

	March 2021	December 2020
<b>Current tax assets</b>		
Income tax and supplementary taxes	(1,195)	-
Income tax payable	1,356	1,356
<b>Total current tax assets</b>	<b>161</b>	<b>1,356</b>

Grupo Sura expects to recover current tax assets and settle current tax liabilities as follows:

Current tax	March 2021	December 2020
Current tax asset recoverable before 12 months	1,356	1,356
Current tax asset recoverable after 12 months	-	-
<b>Total current tax asset</b>	<b>1,356</b>	<b>1,356</b>

Current Tax	March 2021	December 2020
Current tax liability payable before 12 months	-	-
Current tax liability payable after 12 months	(1,195)	-
<b>Total current tax liability</b>	<b>(1,195)</b>	<b>-</b>

Grupo Sura estimates the recovery of deferred tax assets as follows:

Deferred tax assets	March 2021	December 2020
Deferred tax asset recoverable before 12 months	40,261	19,389
Deferred tax asset recoverable after 12 months	46,521	62,021
<b>Total deferred tax asset</b>	<b>86,782</b>	<b>81,410</b>

b. Tax recognized in income for the period:

	March 2021	March 2020
<b>Current tax expense</b>	<b>(1,426)</b>	<b>(62)</b>
Current tax	(1,426)	(62)
<b>Deferred tax expense</b>	<b>11,421</b>	<b>43,227</b>
Origination/reversal of temporary differences	11,421	43,022
Deferred tax adjustment	-	205
<b>Tax expense</b>	<b>9,995</b>	<b>43,165</b>

c. Effective tax rate reconciliation.

The reconciliation of the effective tax rate of the Group applicable for the years ended March 31, 2021 and 2020, respectively, is as follows:

	March 2021		March 2020	
	Rate	Balance	Rate	Balance
<b>Profit before tax</b>		<b>226,624</b>		<b>317,057</b>
Tax on income by applying the local tax rate	31.00%	(70,254)	32.00%	(101,458)
<b>Tax effect of:</b>				
<b>Items that increase the tax base</b>		<b>(28,943)</b>		<b>(33,870)</b>
Non-deductible expenses <sup>1</sup>		(24,118)		(29,569)
Property and equipment		(3)		(5)
Provisions and contingencies		-		(904)
Financial liabilities		(3,396)		(3,392)
Capital gains		(1,426)		-
<b>Items that decrease the tax base</b>		<b>109,191</b>		<b>178,493</b>
Untaxed income <sup>2</sup>		29,765		35,564
Non-taxed dividends		79,100		142,929
Provisions and contingencies		326		-
<b>Income tax</b>	<b>4.41%</b>	<b>9,995</b>	<b>13.61%</b>	<b>43,165</b>

(1) Includes expenses due to legal limitations associated with non-income taxable income and donations, among others.



<sup>(2)</sup> Corresponds to income from equity method of subsidiaries.

The variation in income tax is mainly due to the effect of the exchange rate associated with the valuation of foreign currency debt and hedging transactions.

d. Movement in current tax

The following is the movement that generated the balance of income and supplementary taxes as of March 31, 2021 and 2020:

	March 2021	March 2020
<b>Income tax balance at January 1</b>	<b>(1,356)</b>	<b>1,105</b>
Current income tax liabilities	1,426	62
Withholding and advances	(231)	(4,607)
<b>Balance of income tax payable as of March 31</b>	<b>(161)</b>	<b>(3,440)</b>

Income tax returns for the years 2021 and 2020 will become final according to the general rule of 3 years; for transfer pricing returns, the term of their finality will be 6 years.

Regarding the returns in which credit balances are presented, the term of finality will be of 3 years, from the date of filing the request for refund or compensation.

## 7.2. Deferred tax

Movement and net balance of deferred taxes consists of the following items:

Deferred tax asset (liability)	March 2021	Recognized results	Other participation in equity	December 2020	Recognized results	Other participation in equity	December 2019
Financial Assets	(97,615)	(51,976)	(6,049)	(39,590)	(17,180)	6,400	(28,810)
Properties and equipment	256	31	-	225	327	-	(102)
Financial liabilities	181,692	62,575	-	119,117	30,540	-	88,577
Employee Benefits	1,793	(264)	-	2,057	(1,262)	-	3,319
Rights of use	(42)	(6)	-	(36)	(13)	-	(23)
Investments	698	1,061	-	(363)	(363)	-	-
	<b>86,782</b>	<b>11,421</b>	<b>(6,049)</b>	<b>81,410</b>	<b>12,049</b>	<b>6,400</b>	<b>62,961</b>

## 7.3. Tax matters in Colombia

Taxable income is taxed at a rate of 31% as income tax, except for taxpayers who by express provision have special rates, and at 10% for income from occasional gains. Tax losses may be offset within the 12 taxable periods following the year in which the loss was generated. For the year 2021 the presumptive income rate is 0%.

## 7.4 Deferred Tax Assets Not Recognized

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



## 7.5. Uncertainty regarding income tax treatments

Taking into account the criteria and judgments in the determination and recognition of taxes, as of March 31, 2021, no situations have been identified that generate tax uncertainty and that should be recognized for accounting purposes, in accordance with the framework defined by IFRIC 23.

## NOTE 8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

### 8.1. Investment in associates

#### General information on investments in associates

The detail of the associates of Grupo SURA at the date of the reporting period is as follows:

Investment	March 2021			December 2020		
	% Participation (*)	% Right to vote (**)	# Shares	% Participation (*)	% Right to vote (**)	# Shares
Bancolombia S.A.	24.43%	46.11%	235,012,336	24.43%	46.11%	235,012,336
Grupo Argos S.A.	26.75%	35.53%	229,295,179	26.75%	35.53%	229,295,179
Grupo Nutresa S.A.	35.43%	35.43%	163,005,625	35.43%	35.43%	163,005,625

(\*) Participation in the associated company based on total shares issued.

(\*\*) Equity interest in the associated company based on the total number of common shares with the benefit of voting rights.

#### Reciprocal shareholdings

In the course of their operations, Grupo Argos S.A. and Grupo Nutresa S.A. have equity interests in Grupo SURA. These shareholdings are not prohibited by Colombian regulations since the shareholders are not subordinate companies of Grupo SURA. The participation that Grupo ARGOS and Grupo Nutresa have in Grupo SURA as of March 31, 2021 and December 31, 2020 is as follows:

Associated Company	% Participation	% Right to vote	% Participation	% Right to vote
	March 2021		December 2020	
Grupo Argos S. A.	27,13%	33,67%	27,13%	33,67%
Grupo Nutresa S. A.	13.01%	13.01%	13.01%	13.01%

Grupo SURA and its associate Grupo ARGOS record their investments under the cost model. In the case of Grupo Nutresa, the investment is recognized at fair value with effect in OCI and Grupo SURA recognizes this associate under the cost model.

#### Balance and movement in associates

The following is a detail of investments in associates as of March 31, 2021 and December 31, 2020:

	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	Total
As of December 31, 2019	5,594,878	4,510,388	4,287,392	14,392,658
Additions	11,708	-	24,837	36,545
As of December 31, 2020	5,606,586	4,510,388	4,312,229	14,429,203
Additions	-	-	-	-
As of March 31, 2021	5,606,586	4,510,388	4,312,229	14,429,203

In 2020, 467,097 common shares of Bancolombia and 1,198,470 common shares of Grupo Nutresa S.A. were purchased.

The shares delivered in guarantee of Grupo Argos to guarantee obligations as of March 31, 2021 and December 31, 2020 correspond to a book value of \$879,408.

### Dividends received

Dividend income comes from the following issuers

	March 2021	March 2020
Bancolombia S.A.	61,103	384,185
Grupo Argos S.A.	87,591	86,215
Grupo Nutresa S.A.	114,430	105,045
	263,124	575,445

## Financial information of associates

The assets, liabilities, equity and results for the year of each of the associated companies included in the financial statements for the period as of March 31, 2021 and December 2020 are as follows:

March 2021	Location	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Bancolombia S.A. (*)	Colombia	257,354,697	-	228,148,597	-	29,206,100	2,764,741	565,399	707,990	1,273,389
Grupo Argos S.A.	Colombia	7,251,371	45,578,497	7,423,381	18,609,125	26,797,362	3,733,014	190,588	1,089,472	1,280,060
Grupo Nutresa S.A.	Colombia	4,005,558	11,537,708	2,597,435	4,831,179	8,114,652	2,833,700	233,246	(51,744)	181,502

December 2020	Location	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Bancolombia S.A. (*)	Colombia	255,568,505	-	227,453,292	-	28,115,213	8,303,918	315,359	(131,084)	184,275
Grupo Argos S.A.	Colombia	6,666,051	44,107,516	6,624,149	17,919,567	26,229,851	13,990,523	153,945	508,558	662,503
Grupo Nutresa S.A.	Colombia	3,860,888	11,676,994	2,437,649	4,843,090	8,257,143	11,127,541	583,844	(700,477)	(116,633)

(\*) The associate Bancolombia Group presents the statement of financial position in order of liquidity, therefore the detail of current and non-current financial assets and liabilities is not included

## 8.2. Investments in subsidiaries

General information on investments in subsidiaries

The following are the shareholdings of the subsidiaries in which Grupo SURA has direct control as of March 31, 2021 and December 2020:

Company	Country	Economic activity	Percentage of property		
			March 2021	December 2020	Date of creation
SURA Asset Management S.A.	Colombia	Investor	83.58%	83.58%	15/09/2011
ARUS Holding S.A.S.	Colombia	Investment in real estate and personal property	100%	100%	11/07/2012
ARUS S.A.	Colombia	Services and marketing of telecommunications products and solutions	100%	100%	16/08/1988
Enlace Operativo S.A.	Colombia	Information processing services under the outsourcing model	100%	100%	31/05/2006
Inversiones y Construcciones Estratégicas S.A.S.	Colombia	Investor	100%	100%	30/08/2007
Suramericana S.A.	Colombia	Investor	81.13%	81.13%	25/05/1999
SURA Ventures S.A.	Panama	Investor	100%	100%	21/02/2018

### Balance and movement in investments in subsidiaries

The following is the detail of the balance and movement of investments in subsidiaries accounted for under the equity method as of March 31, 2021 and December 2020:

	SURA Asset Management S.A.	Suramericana S.A.	Inversiones y construcciones estratégicas S.A.S.	SURA Ventures S.A.	Arus Holding S.A.S.	Enlace Operativo S.A.	Arus S.A.	Total
<b>Balance at January 1, 2020</b>	<b>9,726,909</b>	<b>4,069,574</b>	<b>181,441</b>	<b>77,499</b>	<b>72,952</b>	<b>1,268</b>	<b>3,459</b>	<b>14,133,102</b>
Additions <sup>(1)</sup>	-	-	-	3,765	-	-	-	<b>3,765</b>
Equity method	359,907	171,427	(2,289)	(10,413)	(805)	87	(118)	<b>517,796</b>
Dividends	(301,639)	(178,517)	(74,504)	-	-	(20)	-	<b>(554,680)</b>
Equity variation	306,862	47,033	609	(31,407)	-	-	-	<b>323,097</b>
<b>Balance at December 31, 2020</b>	<b>10,092,039</b>	<b>4,109,517</b>	<b>105,257</b>	<b>39,444</b>	<b>72,147</b>	<b>1,335</b>	<b>3,341</b>	<b>14,423,080</b>
Additions <sup>(1)</sup>	-	-	-	449	-	-	-	<b>449</b>
Equity method	96,463	(8,503)	(1,098)	9,292	(125)	36	(49)	<b>96,016</b>
Dividends	(230,343)	(190,654)	-	-	-	(13)	-	<b>(421,010)</b>
Equity variation	392,612	110,989	1,564	3,169	(200)	0	1	<b>508,135</b>
<b>Balance at March 31, 2021</b>	<b>10,350,771</b>	<b>4,021,349</b>	<b>105,723</b>	<b>52,354</b>	<b>71,822</b>	<b>1,358</b>	<b>3,293</b>	<b>14,606,670</b>

<sup>(1)</sup> Capitalizations made to SURA Ventures

## Financial information of subsidiaries

The assets, liabilities, shareholders' equity and results for the year of each of the subsidiary companies included in the financial statements for the period as of March 31, 2021 and December 31, 2020 are as follows:

March 2021	Asset	Liability	Equity	Profit	Other comprehensive result
SURA Asset Management S.A. (*)	20,464,995	10,651,061	9,813,934	115,417	469,691
Arus Holding S.A.S.	77,376	6	77,370	(129)	(207)
ARUS S.A.	100,358	70,809	29,549	(943)	-
Enlace Operativo S.A.	29,269	5,595	23,675	619	-
Inversiones y construcciones Estratégicas S.A.S.	110,049	4,326	105,723	(1,098)	1,564
Suramericana S.A. (*)	30,555,811	25,591,614	4,964,196	(10,481)	109,634
Sura Ventures S.A.	105,621	32	105,589	9,293	6,731

(\*) Figures taken from the Consolidated Financial Statements

December 2020	Asset	Liability	Equity	Profit	Other comprehensive result
SURA Asset Management S.A. (*)	19,431,239	9,914,612	9,516,627	470,651	805,807
Arus Holding S.A.S.	77,713	6	77,707	1,661	-
ARUS S.A.	104,997	74,505	30,492	(2,266)	-
Enlace Operativo S.A.	27,287	4,011	23,275	1,512	-
Inversiones y Construcciones Estratégicas S.A.S	110,195	4,939	105,257	(2,289)	(267)
Suramericana S.A. (*)	30,562,262	25,489,415	5,072,846	211,301	199,277
Sura Ventures S.A.	89,146	30	89,116	(7,165)	21,633

(\*) Figures taken from the Consolidated Financial Statements

## NOTE 9. LEASES

### *Grupo SURA as lessee*

The initial term of the lease agreement for the building was 15 years. Grupo SURA has no restrictions to sublease the leased assets.

As of March 31, 2021, the carrying value of finance leases is:

	Assets by right of use	Lease liability
<b>Balance at January 1, 2020</b>	<b>20,740</b>	<b>13,815</b>
Depreciation and amortization	(1,452)	-
Interest expenditure	-	908
Lease payments	-	(1,721)
<b>Balance at December 31, 2020</b>	<b>19,288</b>	<b>13,002</b>
Depreciation and amortization	(363)	-
Interest expenditure	-	214
Lease payments	-	(428)
<b>Balance at March 31, 2021</b>	<b>18,925</b>	<b>12,788</b>

## NOTE 10. BONDS ISSUED

The following is a breakdown of bonds issued:

Date issued	Maturity Date	Nominal value	Emission rate	Amortized cost		Fair Value	
				March 2021	December 2020	March 2021	December 2020
29-Apr-16	29-Apr-26	USD 550	+ 5.50%	2,051,596	1,887,579	2,303,172	2,171,359
18-May-11	18-May-21	USD 300	+ 5.70%	1,126,526	1,036,113	1,132,837	1,056,963
07-May-14	07-May-23	223,361	CPI + 3.80%	225,285	225,388	237,544	239,773
23-Feb-17	23-Feb-22	193,549	+ 7.21%	194,784	194,830	202,067	204,844
23-Feb-17	23-Feb-29	190,936	CPI + 3.58%	190,457	190,551	198,140	207,324
23-Feb-17	23-Feb-24	165,515	CPI + 3.19%	165,368	165,405	174,954	175,936
07-May-14	07-May-30	100,000	CPI + 4.15%	100,779	100,814	107,304	114,201
25-Nov-09	25-Nov-29	98,000	CPI + 5.90%	96,130	96,158	115,434	123,096
25-Nov-09	25-Nov-49	97,500	CPI + 6.98%	94,676	94,752	136,836	151,443
11-Aug-20	11-Aug-23	223,750(*)	IBR + 2.00%	223,745	223,708	226,231	226,124
11-Aug-20	11-Aug-27	296,350(*)	CPI + 3.00%	297,331	297,496	298,276	307,555
11-Aug-20	11-Aug-32	180,320(*)	CPI + 3.80%	181,112	181,226	177,228	190,512
11-Aug-20	11-Aug-40	299,580(*)	CPI + 4.20%	301,044	301,247	291,809	322,741
				<b>5,248,833</b>	<b>4,995,267</b>	<b>5,601,832</b>	<b>5,491,871</b>

(\*) On August 11, 2020, Grupo SURA issued ordinary bonds for one trillion Colombian pesos, the proceeds from the placement of the ordinary bonds will be used mainly for the replacement of the financial liabilities of Grupo SURA.

## NOTE 11. PREFERRED SHARES

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

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

For these purposes, the Reference Subscription Price shall mean the subscription price of 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 it be understood that the Reference Subscription Price shall correspond to the trading price of the Preferred Shares in the secondary market. The General Shareholders' Meeting shall determine the form and dates of payment of the dividend on the preferred shares under the same conditions as the dividend on the common shares.

The aforementioned dividend will be paid preferentially with respect to the dividend corresponding to the common shares.

Furthermore, on March 31, 2017, the Board of Directors of the Company set at thirty-five thousand nine hundred seventy-three pesos (\$35,973) the subscription price of the preferred shares that would be delivered by way of payment of dividends in shares.

The movement of the preferred shares as of March 31, 2021 and December 31, 2020 are detailed below:

<b>At December 31, 2019</b>	<b>460,712</b>
Interest accrued	40,764
Interest payments	(40,629)
<b>At December 31, 2020</b>	<b>460,847</b>
Interest accrued	10,025
Interest payments	(10,157)
<b>At March 31, 2021</b>	<b>460,715</b>

## NOTE 12. DIVIDENDS PAID AND DECLARED

The General Shareholders Meeting of Grupo SURA held on March 26, 2021, approved the following profit distribution project:

### *Dividends*

An ordinary dividend of six hundred and three pesos (COP\$603.4) per share, on 581,977,548 common and preferred shares.

The dividend declared from the occasional reserves with profits generated up to December 31, 2016 for \$351,165

2021				2020					
Dividends declared	N° of shares	Annual \$ per share ordinary dividend	Ordinary dividend balance	N° of shares	Annual \$ per share ordinary dividend	Ordinary dividend balance	Annual \$ per share extraordinary dividend	Extraordinary dividend balance	Total dividend declared
Ordinary shares	469,037,260	603.4	283,017	469,037,260	583	273,449	51	23,921	297,370
Preference shares	112,940,288	603.4	68,148	112,940,288	583	65,844	51	5,760	71,604
<b>Total</b>	<b>581,977,548</b>		<b>351,165</b>	<b>581,977,548</b>		<b>339,293</b>		<b>29,681</b>	<b>368,974</b>

In Colombia, dividends are distributed on the basis of separate financial statements.

### NOTE 13. OTHER COMPREHENSIVE INCOME

The other comprehensive results of Grupo SURA are presented below:

Concept	December 2020	Adjustment for the period	March 2021	Total other comprehensive income
Actuarial loss (gain) plans (post-employment) <sup>1</sup>	(701)	-	(701)	-
Financial instruments fair value changes OCI	(980)	7,204	6,224	7,204
Foreign exchange differences <sup>2</sup>	(10,827)	-	(10,827)	-
Cash flow derivative hedges <sup>3</sup>	(15,626)	14,114	(1,512)	14,114
Equity method subsidiaries	1,370,853	508,134	1,878,987	508,134
<b>Total comprehensive income</b>	<b>1,342,719</b>	<b>529,452</b>	<b>1,872,171</b>	<b>529,452</b>

<sup>(1)</sup> The component of remeasurements of defined benefit plans represents the accumulated value of actuarial gains or losses, excluding the values included in the net interest on the net defined benefit liability. The net value of remeasurements is transferred to retained earnings and is not reclassified to profit or loss for the period.

<sup>(2)</sup> Corresponds to foreign currency translation resulting from the merger of the companies Grupo SURA Finance and Grupo de Inversiones SURA Panama.

<sup>(3)</sup> The component of other comprehensive income of cash flow hedges represents the cumulative amount of the effective portion of gains or losses arising from changes in the fair value of hedged items in a cash flow hedge. The cumulative gain or loss is reclassified to profit or loss for the period only when the hedged transaction affects profit or loss for the period or the highly probable transaction is not expected to occur, or is included, as part of its carrying amount, in a non-financial hedged item. The balance includes a tax of \$6,049 (See note 7.2. Deferred taxes).



## NOTE 14. ADMINISTRATIVE EXPENSES

The administrative expenses are as follows:

	March 2021	March 2020
Travel and representative expenses	(2,180)	(1,862)
Taxes	(1,273)	(1,001)
Publicity	(426)	(892)
Commissions	(348)	(247)
Contributions	(335)	(606)
Others	(159)	(170)
Utilities	(129)	(156)
Maintenance and repairs	(62)	(85)
Leases	(61)	(40)
Seasonal services	(15)	(123)
Tools and paperwork	(6)	(52)
Electronic data processing	(6)	(19)
Legal	(1)	(3)
Insurance	-	(756)
<b>Total</b>	<b>(5,001)</b>	<b>(6,012)</b>

## NOTE 15. HONORARIUM EXPENSES

Honorarium expenses are as follows:

	March 2021	March 2020
Consultants and advisory	(1,162)	(1,000)
Board of Directors	(272)	(343)
Auditor	(94)	(115)
<b>Total</b>	<b>(1,528)</b>	<b>(1,458)</b>

## NOTE 16. FINANCIAL RESULTS

The financial results are detailed below:

	March 2021	March 2020
Gains at fair value - Derivatives	(11,332)	318,581
Exchange rate difference (Net) <sup>(1)</sup>	(1,129)	(436,930)
Interest <sup>(2)</sup>	(108,472)	(98,903)
<b>Total</b>	<b>(120,933)</b>	<b>(217,252)</b>

(1) Below is a detail of the difference in exchange:

	March 2021	March 2020
Hedging derivatives	209,202	291,049
Dollar loans	-	(62,215)
Bonds	(210,331)	(665,764)
<b>Total</b>	<b>(1,129)</b>	<b>(436,930)</b>

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

	March 2021	March 2020
Securities issued <sup>1</sup>	(68,622)	(67,119)
Hedging operations	(24,614)	(12,162)
Preference shares	(10,025)	(10,135)
Bank loans	(4,198)	(8,501)
Others	(798)	(514)
Financial leasing	(215)	(231)
Repo operations	-	(241)
<b>Total</b>	<b>(108,472)</b>	<b>(98,903)</b>

(1) Interest is partially offset by the return on the invested portfolio resulting from the new bond issuance of (\$2,489) million.

## NOTE 17. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the income for the period attributable to stockholders by the weighted average number of common shares outstanding during the period.

The calculation of basic earnings per share is detailed below:

	March 2021	March 2020
Profit, net	236,619	360,222
<b>Controlling profit</b>	<b>236,619</b>	<b>360,222</b>
Less: preferred dividends declared - Interest on preferred stock <sup>(1)</sup>	(68,148)	(65,844)
Plus: Interest expense on preference shares (Note 11) <sup>(1)</sup>	10,025	10,135
Less: undistributed earnings to preference stockholders <sup>(2)</sup>	7,059	(18,806)
<b>Profit corresponding to ordinary continuing operations</b>	<b>185,554</b>	<b>285,707</b>
Ordinary shares	469,037,260	469,037,260
<b>Earnings per share from continuing operations</b>	<b>396</b>	<b>609</b>

<sup>1</sup> It corresponds to the minimum guaranteed dividend of the preferential shares caused as an expense during the period.

<sup>2</sup> Corresponds to the portion of the earnings of the parent company attributable to the preferred shares, that has not been declared as a dividend.

## **NOTE 18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

As part of its Risk Management System, Grupo SURA has a Business Continuity Plan designed to maintain the operation of its critical activities in the face of interruption scenarios, such as the worldwide contingency generated by COVID-19.

In order to preserve the operation of critical activities for the business and at the same time protect the health of employees, Grupo SURA established as a general business continuity measure the activation of the remote work scheme for the people who make up its work team. At the same time, the Company enabled the voluntary return to the facilities in compliance with the biosafety practices and recommendations provided by the ARL and other regulatory entities, which has shown positive results as no contagions have been reported in the facilities to date.

Therefore, the internal management performed by the Company based on the continuity plan implemented, has allowed it to adequately solve the impacts generated by events of different types that could threaten the continuity of its operations and the fulfillment of its obligations. To date, there has been no evidence of the materialization of risks with significant impacts for the entity.

### **Management of proceeds from the bond issue in 2020**

During the last quarter there were no new developments in the performance of the investment strategy implemented for the management of the resources raised with the issuance of debt in 2020. Upon entering the final phase of this strategy, it is anticipated that in the coming months these investments will begin to be liquidated in order to allocate these resources to the payment of the maturity of the USD 300 million bond in May of this year.

### **Financial Risks**

The performance of the financial markets and the economies of the region have effects on the operation of businesses and, consequently, on their financial results. In order to manage these eventualities and their effect on the sustainability of the Company, the Company has management systems that allow it to monitor the exposure to credit, market and liquidity risk, from the management of the treasury and investment portfolios.

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

#### **18.1. Credit risk**

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

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

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

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

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

### **18.1.3. Summary of quantitative data on risk exposure of the entity**

As of March 31, 2021, the treasury investments of Grupo SURA are mostly concentrated in liquid mutual funds managed by high credit quality managers, savings accounts and checking accounts.

In addition, as stated previously, a portion of the resources obtained in the placement of debt continues to be managed by the following brokerage firms: Comisionista de Bolsa Valores Bancolombia S.A., BTG Pactual Colombia S.A. Comisionista de Bolsa and Credicorp Capital Colombia S.A., complying with the investment mandate based on risk criteria defined by Grupo SURA for the management of these resources. The investments made have been mainly concentrated in fixed income assets with high credit quality issuers in the Colombian market in order to minimize the exposure to the credit risks derived from them, and to guarantee the availability of the resources to comply with the financial obligation maturing in May of this year. The other portion of the proceeds from the issuance are in savings accounts and term deposits.

Furthermore, with respect to the credit risk exposure in the current positions with financial derivative instruments, the Company has local and international banks as counterparties.

## **18.2. Liquidity risk**

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

On the basis of the analyses performed, since last year, strategies were implemented to strengthen the liquidity position of the Company, thereby generating the capacity to respond to its short- and long-term obligations. Among them, the aforementioned bond placement stands out, which allowed the Company to improve its cash flow by making available the necessary resources to pay the maturity of the bond in May of this year.

At the same time, this placement has made possible the distribution of series and the creation of a maturity profile adjusted to the cash generation of Grupo SURA.

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

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

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

In order to manage this risk, following the policies and guidelines issued by the Board of Directors and Senior Management, cash flow is monitored in the short term to manage collection and payment activities from the treasury, and cash flow projections in the medium term, so that the liquidity position can be determined and the necessary measures for an adequate management can be anticipated.

In addition, the Company has credit lines available with financial institutions and treasury investments that could be sold as a mechanism to access liquidity, in addition to other complementary sources of liquidity.

### **18.2.3. Description of changes in risk exposure**

During the last quarter, in order to reduce the cost of debt and as part of the deleveraging strategy, the Company made a principal payment of 65,000 million pesos to the debt contracted with Bancolombia.

### **18.2.4. Summary of quantitative data on risk exposure of the entity**

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

## **18.3. Market risks**

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

Market risk in Grupo SURA is mainly generated by the following factors and activities:

Liquidity management in treasury through exposure to collective portfolios and issuers of Fixed Income instruments; these activities do not generate significant market risk, given their nature of low volatility and short duration assets.

Financial liabilities contracted in foreign currency and those tied to variable rate, which result in an exposure to exchange rate risk and fixed or variable interest rate.

Operations with financial derivative instruments structured as hedging mechanisms for financial liabilities that comprise the obligations of the Company.

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

### **18.3.1. Exchange rate risk**

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

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

To manage this risk, the Company monitors its exposures in accordance with the policies and guidelines issued by the Board of Directors and, if necessary, determines the convenience of having some type of coverage scheme.

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

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

#### **18.3.1.3. Description of changes in risk exposure**

During the quarter there were no significant variations in this risk factor.

#### **18.3.1.4. Summary of quantitative data on risk exposure of the entity**

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

### **18.3.2. Interest rate risk**

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

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

To manage exposure to this risk, the Company monitors its exposures and, if necessary, determines the convenience of having a hedging scheme, monitored periodically and aligned with the guidelines issued by its Board of Directors.

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

The interest rate risk management performed by the treasury of the Company focuses on the analysis of the convenience of hedging in order to neutralize the impact that interest rate variations may have on its results and thereby reduce exposure to this risk.

#### **18.3.2.3. Description of changes in risk exposure**

During the quarter there were no significant variations in this risk factor.

#### **18.3.2.4. Summary of quantitative data on the risk exposure of the entity**

The Company maintains hedging strategies for loans acquired in order to reduce the possible impact of increases in local and foreign interest rates.



### 18.3.3. Share price risk

Equity price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in equity asset prices.

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

For the management of this risk, treasury resource management has defined guidelines to facilitate the analysis and follow-up of how variations in the market prices of the instruments held could affect the Company.

#### 18.3.3.2. Methods used to measure risk

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

#### 18.3.3.3. Description of changes in risk exposure

There were no significant variations in this risk factor during the period.

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

Due to the nature of the portfolio and the investments, the exposures to this risk are not material. For further details please refer to **Note 6.1.1 Investments**.

## NOTE 19. RELATED PARTIES DISCLOSURES

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 the detail of related entities as of March 31, 2021, December 31, 2020 and March 31, 2020 of Grupo SURA:

March 2021		Individuals Key Management Personnel	Entities	
Assets	Note		Associates	Subsidiaries
Investments		-	357,861	-
Accounts receivable from related parties	6.1.2	-	263,143	420,996
<b>Total assets</b>		-	<b>621,004</b>	<b>420,996</b>
<b>Liabilities</b>				
Financial liabilities	6.2	-	508,872	-
Accounts payable to related parties	6.2.1	-	353,213	-
Employee Benefits <sup>1</sup>		35,297	-	-
<b>Total liabilities</b>		<b>35,297</b>	<b>862,085</b>	-

<sup>1</sup> post-employment benefits of uncompensated senior management.



December 2020		Individuals	Entities		
Assets	Note	Key Management Personnel	Associates	Subsidiaries	
Investments			-	443,838	-
Accounts receivable from related parties	6.1.2		-	116,633	-
<b>Total assets</b>			-	<b>560,471</b>	-
Liabilities					
Financial liabilities	6.2		-	572,954	-
Accounts payable to related parties	6.2.1		-	86,832	-
Employee Benefits <sup>1</sup>		35,297		-	-
<b>Total liabilities</b>		<b>35,297</b>		<b>659,786</b>	-

<sup>1</sup>Post-employment benefits of uncompensated senior management.

March 2021		Individuals	Entities	
Income	Note	Key Management Personnel	Associates	Subsidiaries
Dividends	8.1	-	263,124	-
<b>Total income</b>		-	<b>263,124</b>	-
Expenses				
Administrative expenses		-	-	7
Employee Benefits <sup>1</sup>		2,216	-	-
Fees	15	272	-	-
<b>Total expenses</b>		<b>2,488</b>	-	<b>7</b>

<sup>1</sup>Short-term employee benefits to senior management for \$2,216.

March 2020		Individuals	Entities	
Income	Note	Key Management Personnel	Associates	Subsidiaries
Dividends	8.1	-	575,445	-
<b>Total income</b>		-	<b>575,445</b>	-
Expenses				
Employee Benefits <sup>1</sup>		2,717	-	-
Fees	15	343	-	-
<b>Total expenses</b>		<b>3,060</b>	-	-

<sup>1</sup>Short-term employee benefits to senior management for \$2,717.

Subsidiaries under direct control of Grupo SURA are listed in Note 8.2 Investments in subsidiaries.

## NOTE 20. EVENTS SUBSEQUENT TO THE REPORTING DATE

These separate financial statements as of March 31, 2021 were prepared for supervisory purposes and authorized for issuance by the Board of Directors of Grupo SURA on April 29, 2021, after that

date and until their publication, there were no relevant events that imply adjustments, and the following additional information was presented:

- On April 19, 2021, Grupo SURA reported the completion of the procedure before the Colombian Stock Exchange ("BVC") regarding the repurchase of shares of the Company and the consequent commencement of operations, as of April 30, 2021, 269,739 common shares and 55,650 preferred shares had been repurchased.

#### **NOTE 21. APPROVAL OF FINANCIAL STATEMENTS**

The issuance of the financial statements of Grupo SURA for the year ended March 31, 2021 was authorized by the Board of Directors for publication, as stated in Act No. 327 of the Board of Directors dated April 29, 2021, to be presented to the market.

## ANALYSIS OF FINANCIAL RESULTS (unaudited)

Below are the analyses of the financial results for the period ended March 31, 2021, with comparative figures as of December 31, 2020. These analyses are made by management and are not part of the Financial Statements. (Expressed in millions of pesos)

	INDEX	March 2021		December 2020		INTERPRETATION		
	Solvency	6,923,438	= 22.00%	6,450,612	= 21.11%	Creditors own 22% as of March 2021 and 21.11% as of December 2020, leaving shareholders owning the complement: 78% as of March 2021 and 78.89% as of December 2020.	Total liability	
		31,472,589		30,561,590			Total asset	
INDEBTNESS	Total	6,923,438	= 22.00%	6,450,612	= 21.11%	Of every peso the company has invested in assets, 22% as of March 2021 and 21.11% as of December 2020 have been financed by creditors.	Total liability	
		31,472,589		30,561,590			Total asset	
	Coverage of interest	345,094	= 318.14%	459,125	= 464.22%	The Company generated net income equal to 318.14% as of March 2021 and 464.22% as of December 2020 from Interest Paid	Net profit + interest	
		108,472		98,903			Financial expenses	
	Leverage	Total	6,923,438	= 28.20%	6,450,612	= 26.75%	Every peso (\$1.00) of the owners of the Company is committed 28.2% as of March 2021 and 26.75% as of December 2020.	Total liabilities with third parties
			24,549,151		24,110,978			Equity
Financial Total	Financial Total	6,218,420	= 25.33%	6,029,068	= 25.01%	For each peso of equity, 25.33% is committed financially as of March 2021 and 25.01% as of December 2020.	Total liabilities with financial entities	
		24,549,151		24,110,978			Equity	
PERFORMANCE	Net profit margin	236,622	= 65.58%	360,222	= 65.25%	Net income corresponds to 65.58% of net income in March 2021 and 65.25% of net income in 2020.	Net Profit	
		360,834		552,025			Net Income	
	Return on equity	236,622	= 0.97%	360,222	= 1.52%	Net income corresponds to 0.97% of equity at March 2021 and 1.52% at December 2020.	Net Income	
		24,312,529		23,750,756			Equity - profits	
Return on total assets	Return on total assets	236,622	= 0.75%	360,222	= 1.18%	Net income to total assets corresponds to 0.75% at March 2021 and 1.18% at December 2020.	Net Profit	
		31,472,589		30,561,590			Total assets	