

Condensed Interim Consolidated Financial Statements
of Grupo de Inversiones Suramericana S.A.
for the six-month period between January 1st and June
30th 2021

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CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

For the issuance of the consolidated statement of financial position as of June 30, 2021, and the consolidated statement of income for the year and consolidated comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period ended on that date, which in accordance with the regulations are made available to shareholders and third parties, the statements contained therein have been previously verified.

Said affirmations, explicit and implicit, are the following:

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

Integrity: All economic events have been recognized.

Rights and obligations: The assets represent probable future economic benefits, and the 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 relevant reports for the public, related to the fiscal year as of June 30, 2021, June 30 and December 31, 2020 do not contain vices, inaccuracies or errors that prevent the true equity situation or operations of the Company from being known.

Gonzalo Alberto Pérez Rojas
President

Juan Guillermo Chica Ramirez
Accountant
Professional Card 64093-T

AUDITOR REPORT

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

At 30 June, 2021 and December 31, 2020

(Amounts expressed in millions of Colombian pesos)

	Note	June 2021	December 2020
Assets			
Cash and cash equivalents		2,077,029	3,304,391
Investments	6	24,474,784	23,927,463
Derivative instruments	7	976,759	659,174
insurance contract assets	8	4,378,820	4,498,053
Reinsurance contract assets	8	4,944,107	4,792,079
Receivables from related parties		148,808	116,952
Other accounts receivable	6	2,111,496	1,874,765
Current tax assets	9	264,509	114,800
Deferred acquisition cost - DAC	10	1,571,223	1,516,386
Investments in associates and joint ventures	11	20,444,290	19,836,275
Properties and equipment		1,281,853	1,270,778
Right- of- use assets		554,530	559,270
Other intangible assets	12	2,864,152	2,790,345
Deferred tax assets	9	278,162	242,235
Other assets		701,436	570,777
Goodwill	12	5,095,053	4,868,020
Total assets		72,167,011	70,941,763
Liabilities			
Financial liabilities	6	1,091,825	1,502,283
Derivative instruments	7	215,130	176,518
Lease liabilities		515,714	531,354
Insurance contract liabilities	8	25,226,009	24,174,088
Reinsurance contract liabilities	8	1,263,102	1,313,544
Accounts payable to related entities		332,951	87,093
Other accounts payable	6	2,183,054	2,372,336
Current tax liabilities	9	106,944	165,204
Employee benefits		563,522	636,979
Provisions		271,016	227,171
Deferred income		511,249	535,548
Bonds issued	13	8,179,771	8,765,419
Deferred tax liabilities	9	1,479,710	1,451,654
Preferred shares	14	459,981	460,847
Total liabilities		42,399,978	42,400,038
Equity			
Issued capital		109,121	109,121
Share premium		3,290,767	3,290,767
Reserves		5,698,873	5,403,485
Reserves share repurchase	16	274,021	300,000
income		622,255	225,125
Retained earnings		13,410,989	13,770,027
Other comprehensive income	17	3,743,936	2,906,307
Equity attributable to the holders of the controlling interest		27,149,962	26,004,832
Non-controlling interest	18	2,617,071	2,536,893
Total equity		29,767,033	28,541,725
Total equity and liabilities		72,167,011	70,941,763

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
Legal Representative

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

Daniel Andrés Jaramillo Valencia
Auditor
P.C. 140779-T
Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of August 13, 2021)

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

At 30 June, 2021 and June 30, 2020

(Amounts expressed in millions of Colombian pesos)

Income from continuing operations	Note	Accumulated		Quarter	
		June 2021	June 2020	June 2021	June 2020
Income					
Insurance premium		7,204,168	6,874,264	3,776,687	3,539,245
Health services premium		2,794,151	2,198,002	1,460,354	1,087,131
Gross written premium income	8	9,998,319	9,072,266	5,237,041	4,626,376
Insurance premium ceded to reinsurers	8	(1,608,648)	(1,500,281)	(928,586)	(891,417)
Net written premium income	8	8,389,671	7,571,985	4,308,455	3,734,959
Unearned premium	8	70,799	147,975	57,921	(171,248)
Net premium income earned	8	8,460,470	7,719,960	4,366,376	3,563,711
Net return on investments at amortized cost		504,647	618,048	255,843	172,603
Net gain on investments at fair value	6	186,949	111,148	155,685	728,291
Income from commissions	20	1,566,898	1,350,856	807,176	655,982
Sale of services		89,229	91,381	42,650	38,912
Income from equity method	11	648,128	153,248	408,963	58,242
Gain from sale of investments	6	26,352	(1,747)	10,002	6,971
Other income		181,541	133,018	60,668	62,051
Total income		11,664,214	10,175,912	6,107,363	5,286,763
Costs and Expenses					
Insurance claims		(4,139,216)	(3,581,213)	(2,156,988)	(1,511,928)
Health services claims		(2,591,279)	(2,032,638)	(1,335,446)	(1,019,094)
Gross claims expense	8	(6,730,495)	(5,613,851)	(3,492,434)	(2,531,022)
Reimbursed claims		628,968	718,323	324,218	259,311
Net retained claims expense	8	(6,101,527)	(4,895,528)	(3,168,216)	(2,271,711)
Commissions paid to intermediaries	20	(1,263,142)	(1,355,330)	(648,644)	(706,728)
Insurance costs and expenses	8	(437,690)	(356,194)	(226,827)	(194,002)
Costs of services sales		(167,379)	(169,304)	(85,127)	(76,180)
Administrative expenses	21	(909,976)	(931,103)	(467,708)	(494,737)
Employee benefits		(1,137,941)	(1,071,170)	(574,498)	(507,983)
Fees		(179,105)	(162,557)	(102,409)	(82,126)
Depreciation and amortization		(263,967)	(257,979)	(134,763)	(128,625)
Other expenses		(11,756)	(55,330)	(7,391)	(36,047)
Total costs and expenses		(10,472,483)	(9,254,495)	(5,415,583)	(4,498,139)
Operating profit		1,191,731	921,417	691,780	788,624
Net gain from fair value adjustment derivatives	22	(8,883)	167,828	8,833	(159,687)
Foreign exchange (net)	22	77,820	(215,981)	75,250	172,318
Interest expense	22	(364,267)	(379,439)	(177,733)	(188,013)
Net financial income		(295,330)	(427,592)	(93,650)	(175,382)
Profits before tax		896,401	493,825	598,130	613,242
Income tax	9	(228,875)	(236,043)	(137,543)	(250,651)
Net Profit from continuing operations		667,526	257,782	460,587	362,591
Net (loss) income from discontinued operations		4,846	(12,486)	598	(41,339)
Net profit attributable to:		672,372	245,296	461,185	321,252
Controlling shareholders		622,255	169,449	428,025	244,107
Non-controlling interests		50,117	75,847	33,160	77,145
Net earnings per share					
Net earnings per share from continuing operations	23	1,068	321	744	504
Net earnings per share from discontinued operations	23	9	(22)	1	(74)

The notes are an integral part of the financial statements.

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(See my report August 13, 2021)

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

At 30 June, 2021 and 2020

(Amounts expressed in millions of Colombian pesos)

		Accumulated		Quarter	
	Notes	June 2021	June 2020	June 2021	June 2020
Net income for the year		672,372	245,296	461,185	321,252
Other comprehensive income					
Items that will not be reclassified to income for the period, net of taxes					
Gain (loss) from investments in equity instruments at FVOCI	17	(16,283)	(1,973)	(15,754)	8,123
Gain from properties revaluation	17	75	(1,189)	496	(1,779)
Gain from defined benefit plan measurement	17	-	4,103	-	3,593
Total other comprehensive income that will not be reclassified to the results of the period, net of taxes		(16,208)	941	(15,258)	9,937
Items to be reclassified to income for the period, net of taxes					
(Loss) gain foreign exchange differences	17	674,173	473,274	44,510	(559,445)
Gain (loss) on cash flows hedges	17	107,119	34,734	35,452	(93,710)
Gain (loss) on hedges of net investments in foreign entities	17	(73,314)	(49,352)	18,991	122,912
Participation of OCI from associates and joint ventures accounted for using the equity method	17	259,329	(23,066)	(81,185)	(417,635)
Total other comprehensive income to be reclassified to profit or loss, net of taxes		967,307	435,590	17,768	(947,878)
Total other comprehensive income		951,099	436,531	2,510	(937,941)
Total comprehensive income		1,623,471	681,827	463,695	(616,689)
Comprehensive income attributable to:					
Controlling interest		1,459,883	532,262	415,730	(603,396)
Non-controlling interest		163,588	149,565	47,965	(13,293)

The notes are an integral part of the financial statements.

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(See my report August 13, 2021)

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

At 30 June, 2021 and 2020

(Amounts expressed in millions of Colombian pesos)

		Issued capital	Share premium	Reserves	Reserves for share repurchase	Net income for the year	Retained earnings	Other Comprehensive Income (OCI)	Equity attributable to controlling interest	Non-controlling interests	Total equity
Balance at January 1, 2021	Note	109,121	3,290,767	5,403,485	300,000	225,125	13,770,027	2,906,307	26,004,832	2,536,893	28,541,725
Other comprehensive income	17	-	-	-	-	-	-	837,629	837,629	113,470	951,099
Net income for the year		-	-	-	-	622,255	-	-	622,255	50,117	672,372
Total net comprehensive income for the period		-	-	-	-	622,255	-	837,629	1,459,884	163,587	1,623,471
Transfer to retained earnings		-	-	-	-	(225,125)	225,125	-	-	-	-
Distribution of 2020 results											
Ordinary dividend (603.40 pesos per share) recognized as distributions to owners	15	-	-	-	-	-	(351,165)	-	(351,165)	(89,608)	(440,773)
Reserves for protection of investments		-	-	295,388	-	-	(295,388)	-	-	-	-
Share repurchase	16	-	-	-	(25,979)	-	-	-	(25,979)	-	(25,979)
Minimum dividends, preferred shares		-	-	-	-	-	20,314	-	20,314	-	20,314
Shareholder dividend withholding effect		-	-	-	-	-	12,579	-	12,579	-	12,579
Increases (decreases) due to other changes, Equity ¹		-	-	-	-	-	29,497	-	29,497	6,199	35,696
Balance at June 31, 2021		109,121	3,290,767	5,698,873	274,021	622,255	13,410,989	3,743,936	27,149,962	2,617,071	29,767,033

¹ Includes the effect of the inflation adjustment of the equity accounts of the subsidiaries in Argentina.

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

At 30 June, 2021 and 2020

(Amounts expressed in millions of Colombian pesos)

		Issued capital	Share premium	Reserves	Reserves for share repurchase	Net income for the year	Retained earnings	Other comprehensive income (OCI)	Equity attributable to controlling interest	Non- controlling interests	Total equity
Balance at January 1, 2020	Note	109,121	3,290,767	4,814,146	-	1,525,537	13,472,589	2,424,607	25,636,767	2,454,235	28,091,002
Other comprehensive income	17	-	-	-	-	-	-	362,812	362,812	73,719	436,531
Profit for the year		-	-	-	-	169,449	-	-	169,449	75,847	245,296
Total net comprehensive income for the period		-	-	-	-	169,449	-	362,812	532,261	149,566	681,827
Transfer to accumulated earnings		-	-	-	-	(1,525,537)	1,525,537	-	-	-	-
Distribution of 2019 results											
Ordinary dividend (583 pesos per share) and extraordinary dividend (51 pesos per share) recognized as distributions to owners	15	-	-	-	-	-	(368,974)	-	(368,974)	(100,783)	(469,757)
Reserves for investment protection		-	-	702,209	-	-	(702,209)	-	-	-	-
Reserves for share repurchase	16	-	-	-	300,000	-	(300,000)	-	-	-	-
Minimum dividends, preferred shares		-	-	-	-	-	20,314	-	20,314	-	20,314
Shareholder dividend withholding effect		-	-	-	-	-	(4,509)	-	(4,509)	-	(4,509)
Increases (decreases) due to other changes, Equity ¹		-	-	-	-	-	(8,236)	-	(8,236)	1,463	(6,774)
Balance at June 30, 2021		109,121	3,290,767	5,516,355	300,000	169,449	13,634,512	2,787,419	25,807,623	2,504,481	28,312,103

¹Includes the effect of the inflation adjustment of the equity accounts of the subsidiaries in Argentina.
The accompanying notes are an integral part of the consolidated financial statements.

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(See my report August 13, 2021)

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONDENSED INTERIM STATEMENT CONSOLIDATED CASH FLOWS STATEMENT
At 30 June, 2021 and 2020

	Note	June 2021	June 2020
Cash flows from operating activities			
Net profit for the year		672,372	245,296
Adjustments to reconcile net income			
Income tax expense	8	228,875	236,043
Interest	22	364,267	379,439
Decrease (increase) in inventories		(748)	(31,127)
Decrease (increase) in accounts receivable from the insurance activity		109,191	(179,508)
Decrease (increase) in other accounts receivable		(228,402)	(62,244)
Increase (decrease) in accounts receivable from related parties		105,198	(3,444)
Increase in other accounts payable		(190,511)	18,905
Increase (decrease) in accounts payable from insurance activity		1,051,921	(1,165,992)
Deferred acquisition cost (DAC) adjustment		(54,837)	(77,289)
Depreciation and amortization expense		264,461	257,979
Impairment expense		3,431	36,164
Provisions		(29,612)	601
Unrealized losses from foreign currency conversion		(526,299)	(309,103)
Gain on fair value measurements		48,829	69,985
Undistributed earnings from the application of the equity method	11	(648,128)	(153,248)
Other non-financial assets and liabilities		(56,629)	(23,093)
Loss (gain) on disposal of non-current assets		(7,980)	(8,394)
Valuation of investments at amortized cost and gain on sale of investments		(504,647)	(618,048)
Variation in insurance contracts net		(275,062)	(274,410)
Dividends received from associates		168,050	362,877
Income tax paid		(509,808)	(250,214)
Interest received		270,503	-
Other income (cash outflows)		61,636	28,125
Other charges on the sale of equity or debt instruments of other entities	6.1	6,979,845	11,310,479
Other payments to acquire equity or debt instruments of other entities	6.1	(6,467,853)	(8,280,322)
Cash flows from operating activities		828,063	1,509,457
Cash flows from investing activities			
Cash flows from the loss of control of subsidiaries or other businesses		512	-
Cash flows used to obtain control of subsidiaries or other businesses		(5,118)	(13,386)
Sale of property, plant and equipment		21,224	16,354
Purchase of property and equipment		(54,466)	(62,287)
Sales of intangible assets		22,464	9,844
Purchase of intangible assets		(105,866)	(93,077)
Sales of other long-term assets		11,575	47,288
Purchases of other long-term assets		(72,808)	(65,117)
Dividends received financial instruments		395	118
Cash flows from (used in) investment activities		(182,088)	(160,263)
Cash flows from financing activities			
Collections from futures contracts, forward contracts and financial options (swaps)		90,331	(73,743)
Payments for acquiring or redeeming company shares		(25,979)	-
Proceeds from loans		125,259	1,177,732
Loan repayments		(1,632,023)	(1,355,686)
Payment of financial lease liabilities		(61,195)	(108,796)
Dividends paid to controlling shareholders		(172,486)	(164,660)
Dividends paid to noncontrolling interests		(22,422)	(33,012)
Interest paid		(250,722)	(291,672)
Cash flows from financing activities		(1,949,237)	(849,837)
Net increase in cash before the effect of exchange rate changes		(1,303,262)	499,357
Effect of exchange rate changes on cash and cash equivalents		75,900	40,963
Net increase in cash and cash equivalents		(1,227,362)	540,320
Cash and cash equivalents at the beginning of the period		3,304,391	2,338,049
Cash and cash equivalents at the end of the period		2,077,029	2,878,369

(Amounts expressed in millions of Colombian pesos)

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

Gonzalo Alberto Pérez Rojas
Legal Representative

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

Daniel Andrés Jaramillo Valencia
Auditor P.C. 140779-T
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(See my report August 13, 2021)

GRUPO DE INVERSIONES SURAMERICANA S.A.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2021 and December 31, 2020 for the statement of financial position and as of June 30, 2020 for the statement of income, other comprehensive income, changes in equity and cash flows).

(Amounts expressed in millions of Colombian pesos except net income per share and exchange rates expressed in Colombian pesos).

NOTE 1. REPORTING ENTITY

Grupo de Inversiones Suramericana S.A., (hereinafter Grupo SURA), is the parent company of Grupo Empresarial SURA and through its subsidiaries is present in eleven countries in Latin America and participates in strategic sectors of the economy such as insurance, pensions, savings and investment and asset management. It is listed on the Colombian Stock Exchange (BVC for the Spanish original).

Grupo SURA is the result of the spin-off of Compañía Suramericana de Seguros S.A., according to Public Deed No. 2295 of December 24, 1997; the main domicile is the city of Medellín, Colombia at Cra. 43ª # 5ª - 113 Piso 13-15; the duration of the Company is until the year 2097.

The Company is subject to oversight by the Financial Superintendence of Colombia (SFC acronym for the Spanish original), given its role as a holding company in the SURA-Bancolombia Financial Conglomerate through Resolution No. 156 of February 2019 of the Financial Superintendence of Colombia.

In preparing the financial statements, Grupo SURA directly consolidates its main insurance and asset management operations through:

Suramericana (Seguros SURA)

Subsidiary specialized in insurance, and trend and risk management. It is headquartered in Medellín, Colombia, and has subsidiaries in ten Latin American countries. It was created in 1999 by deed No. 689.

Sura Asset Management

Subsidiary specialized in pension fund management, savings and investment, and asset management. It is headquartered in Medellín, Colombia, and has subsidiaries in seven Latin American countries. It was created in 2011 by deed No. 1548.

Company	Type of Entity	June 2021	December 2020	Country	Functional Currency
Grupo de Inversiones Suramericana S.A.	Holding Company			Matrix	
Suramericana y subsidiarias:					
Suramericana S.A.	Holding Company	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Vida Suramericana S.A.	Personal Insurance	81.13%	81.13%	Colombia	Colombian Peso
Seguros Generales Suramericana S.A.	General insurance	81.12%	81.12%	Colombia	Colombian Peso
EPS Suramericana S.A.	Organization, guarantee and provision of health services.	81.13%	81.13%	Colombia	Colombian Peso
Servicios de Salud IPS Suramericana S.A.S.	Provision of medical, paramedical and dental services	81.13%	81.13%	Colombia	Colombian Peso
Ayudas Diagnósticas Sura S.A.S.	Provision of diagnostic aid services in health	81.13%	81.13%	Colombia	Colombian Peso
Operaciones Generales Suramericana S.A.S.	Investment in movable and immovable property	81.13%	81.13%	Colombia	Colombian Peso
Servicios Generales Suramericana S.A.S.	Investment in movable property especially through shares	81.13%	81.13%	Colombia	Colombian Peso
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Consulting services in integrated risk management	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Vida Suramericana S.A.	Life insurance company	81.13%	81.13%	Chile	Chilean peso
Seguros Generales Suramericana S.A.	General insurance	81.11%	81.11%	Chile	Chilean peso
Chilean Holding Suramericana SPA	Investments	81.13%	81.13%	Chile	Chilean peso
Inversiones Suramericana Chile Limitada	Investments	81.13%	81.13%	Chile	Chilean peso
Seguros Sura, S.A. de C.V.	General insurance operations	81.13%	81.13%	Mexico	Mexican Peso
Santa Maria del Sol S.A.	Investments	81.13%	81.13%	Argentina	Argentine Peso
Atlantis Sociedad Inversora S.A.	Investments	81.13%	81.13%	Argentina	Argentine Peso
Aseguradora de Créditos y Garantías S.A.	Insurance, coinsurance and reinsurance operations in general on all kinds of risks.	81.12%	81.12%	Argentina	Argentine Peso
Seguros Sura S.A.	General insurance operations	80.67%	80.67%	Argentina	Argentine Peso
Seguros Suramericana, S.A.	Insurance	81.13%	81.13%	Panama	Dollar
Servicios Generales Suramericana S.A.	Inspection service, repair, purchase and sale of vehicles.	81.13%	81.13%	Panama	Dollar
Seguros Sura S.A. Seguros de Personas	Personal Insurance	81.13%	81.13%	El Salvador	Dollar
Seguros Sura S.A.	General insurance	81.13%	81.13%	El Salvador	Dollar
Seguros Sura S.A.	Operation in personal and damage insurance	81.13%	81.13%	Brazil	Brazilian Real
Inversiones SURA Brasil Participacoes LTDA.	Investments	81.13%	81.13%	Brazil	Brazilian Real
Seguros Sura S.A.	General insurance	81.13%	81.13%	Uruguay	Uruguayan Peso
Suramericana Uruguay S.A.	Investments	81.13%	81.13%	Uruguay	Uruguayan Peso
Vinnyc S.A.	Assistance to vehicles different from insurance business.	81.13%	81.13%	Uruguay	Uruguayan Peso
Russman S.A.	Assistance to vehicles different from insurance business.	81.13%	81.13%	Uruguay	Uruguayan Peso
Seguros Sura S.A.	Insurance	81.13%	81.13%	Dominican Republic	Dominican Peso
Sura RE Ltd.	Insurance and/or reinsurance businesses	81.13%	81.13%	Bermuda Islands	Dollar
Sura SAC Ltd.	Insurance and/or reinsurance businesses	81.13%	81.13%	Bermuda Islands	Dollar
Sura Assets Management and subsidiaries:					

Company	Type of Entity	June 2021	December 2020	Country	Functional Currency
Sura Investment Management Colombia S.A.S.	Holding Company	83.58%	83.58%	Colombia	Colombian Peso
Activos Estratégicos Sura A.M. Colombia S.A.S.	Holding Company	83.58%	83.58%	Colombia	Colombian Peso
SURA IM Gestora de Inversiones S.A.S.	Management consultancy, real estate activities carried out with own or leased property	83.58%	83.58%	Colombia	Colombian Peso
SURA Asset Management S.A.	Investment in movable and immovable property	83.58%	83.58%	Colombia	Colombian Peso
NBM Innova S.A.S.	Diverse commercial activities.	83.58%	83.58%	Colombia	Colombian Peso
Fiduciaria Sura S.A.	Acts, contracts, services and operations of trust companies.	83.58%	83.58%	Colombia	Colombian Peso
SURA Asset Management Chile S.A.	Holding Company	83.58%	83.58%	Chile	Chilean peso
Seguros de Vida SURA S.A.	Life insurance activities.	83.58%	83.58%	Chile	Chilean peso
Administradora General de Fondos SURA S.A.	Management of mutual and investment funds.	83.58%	83.58%	Chile	Chilean peso
Corredores de Bolsa SURA S.A.	Purchase and sale of securities and securities brokerage operations	83.58%	83.58%	Chile	Chilean peso
Sura Data Chile S.A.	Sale of data processing services and leasing of computer equipment	83.58%	83.58%	Chile	Chilean peso
SURA Servicios Profesionales S.A.	Consulting and advice services	83.58%	83.58%	Chile	Chilean peso
AFP Capital S.A.	Pension funds management	83.33%	83.33%	Chile	Chilean peso
Sura Asset Management México S.A. de C.V.	Holding Company	83.58%	83.58%	Mexico	Mexican Peso
Pensiones SURA S.A. de C.V.	Pension insurance	83.58%	83.58%	Mexico	Mexican Peso
SURA Investment Management S.A. de C.V.	Management of investment companies	83.58%	83.58%	Mexico	Mexican Peso
Afore SURA S.A. de C.V.	Management of investment companies specialized in retirement funds.	83.58%	83.58%	Mexico	Mexican Peso
Asesores SURA S.A. de C.V.	Sale of financial products and services	83.58%	83.58%	Mexico	Mexican Peso
WM Asesores en inversiones S.A. de C.V.	Management consulting services	83.58%	83.58%	Mexico	Mexican Peso
Promotora SURA AM S.A. de C.V.	Marketing and promotion services	83.58%	83.58%	Mexico	Mexican Peso
Sura Art Corporation S.A. de C.V.	Company dedicated to collecting Mexican art	83.58%	83.58%	Mexico	Mexican Peso
NBM Innova, S.A. de C.V.	Management, promotion and marketing services.	83.58%	83.58%	Mexico	Mexican Peso
Proyectos empresariales AI SURA S.A. de C.V.	Performs the function of Trustee in Titling processes.	83.58%	83.58%	Mexico	Mexican Peso
SURA Asset Management Argentina S.A.	Financial and investment management	83.58%	83.58%	Argentina	Argentine Peso
SUAM Corredora de Seguros S.A. de C.V.	Insurance and reinsurance	83.58%	83.58%	El Salvador	Dollar
SURA Asset Management Perú S.A.	Holding Company	83.58%	83.58%	Peru	Soles
AFP Integra S.A.	Pension Fund Administrator	83.58%	83.58%	Peru	Soles
SURA Asset Management Uruguay Sociedad de Inversión S.A.	Holding Company	83.58%	83.58%	Uruguay	Uruguayan Peso
AFAP SURA S.A.	Administration of social security savings funds.	83.58%	83.58%	Uruguay	Uruguayan Peso
AFISA SURA S.A.	Administration of investment funds	83.58%	83.58%	Uruguay	Uruguayan Peso
Corredor de Bolsa SURA S.A.	Intermediation services	83.58%	83.58%	Uruguay	Uruguayan Peso
Disgely S.A.	Marketing of goods and leasing and other services.	83.58%	83.58%	Uruguay	Uruguayan Peso
Fondos SURA SAF S.A.C.	Management of mutual and investment funds	83.58%	83.58%	Peru	Soles
Sociedad Agente de Bolsa S.A.	Securities brokers	83.58%	83.58%	Peru	Soles
Sociedad Titulizadora SURA S.A.	Perform the function of Trustee in Titling processes.	83.58%	83.58%	Peru	Soles

Company	Type of Entity	June 2021	December 2020	Country	Functional Currency
Others companies:					
Arus Holding S.A.S.	Investment in movable and immovable property	100.00%	100.00%	Colombia	Colombian Peso
Arus S.A.	Marketing of products and solutions in telecommunications	100.00%	100.00%	Colombia	Colombian Peso
Enlace Operativo S.A.	Outsourcing of information processing services.	100.00%	100.00%	Colombia	Colombian Peso
Inversiones y Construcciones Estratégicas S.A.S.	Investor	100.00%	100.00%	Colombia	Colombian Peso
Hábitat Adulto Mayor S.A.	Provision of health services for the elderly	82.66%	82.66%	Colombia	Colombian Peso
SURA Ventures S.A.	Investor	100.00%	100.00%	Panama	Dollar
Nubloq S.A.S. ⁽¹⁾	Design, development, production, operation, maintenance and marketing of software systems, solutions and products.	100.00%	0.00%	Colombia	Colombian Peso

¹On June 15, 2021 Grupo SURA established the company NUBLOQ through its subsidiary Inversiones y Construcciones Estratégicas, its main activity consists of the development of software products that allow the integration of financial services entities via APIs. The shareholding of the company is one hundred percent 100%.

Legal and regulatory restrictions

The subsidiaries of Grupo SURA do not have any restrictions to transfer dividends to the parent company, except for the legal reserve mentioned in note No. 15, Dividends paid and declared.

Grupo SURA and its subsidiaries have no significant restrictions on their ability to access or use their assets and settle their liabilities other than those resulting from regulatory frameworks, which require minimum regulatory capital.

NOTE 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance

The consolidated financial statements of Grupo de Inversiones Suramericana S.A. 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, as amended. 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 these international standards in Colombia is subject to certain 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 banking establishments, financial corporations, financing companies, financial cooperatives, higher grade cooperative organizations and insurance entities: the exceptions contained in Title 4, Chapter 1 of Decree 2420 of 2015 must be taken into account in the preparation of separate/individual financial statements of these types of companies that have securities registered in the National Registry of Securities and Issuers—

(RNVE for the Spanish original); and in the preparation of consolidated and separate/individual financial statements of these companies that do not have securities registered in the RNVE.

Title 4, Chapter 1 of Decree 2420 of 2015, contains exceptions for financial sector entities proposed by the Financial Superintendence of Colombia (SFC for the Spanish original) for prudential reasons for financial statements.

These exceptions refer to the accounting treatment of the loan portfolio and its impairment, the classification and valuation of investments, which will continue to be applied in accordance with the requirements of the Basic Accounting and Financial Circular of the SFC, instead of the application of IFRS 9; as well as the treatment of catastrophe technical reserves and reserves for loss deviation and the asset deficiency reserve, which will continue to be calculated and accumulated in liabilities and recognized on a deferred basis (in the case of the asset deficiency reserve) in accordance with the provisions of Decree 2973 of 2013, instead of the application of IFRS 4, which prohibits the accumulation of catastrophe reserves and loss deviation reserves for expired periods and requires the immediate constitution of reserves for asset deficiency. On the other hand, the decrees establish that for purposes of the application of IFRS 4, concerning the value of the adjustment that may arise as a result of the test of the adequacy of liabilities referred to in paragraph 15 of said standard, the transition periods established in Decree 2973 of 2013, or the rules that modify or replace it, will continue to be applied, as well as the gradual adjustments of the reserves constituted before October 1, 2010 for the calculation of the pension products of the General Pension System (including the pension commutations celebrated), of the General System of Labor Risks and of the other insurance products that use the annuitant mortality tables in their calculation, established by the Financial Superintendence of Colombia. The above without prejudice that the entities may comply in advance with the terms set forth in the transition regimes referred to above. In any case, insurance companies must include a note on the matter in their financial statements.

- Exceptions applicable to capitalization companies, brokerage firms, private pension and severance fund management companies, trust companies, stock exchanges, agricultural, agro-industrial or other commodities exchanges and their members, securitization companies, clearing houses of agricultural, agro-industrial or other commodities exchanges, centralized securities depository management companies, central counterparty risk chambers, investment management companies, foreign exchange brokerage companies and special financial services (SICA and SFE for the Spanish original), voluntary and mandatory pension funds, severance funds, collective investment funds and the universalities referred to in Law 546 of 1999 and Decree 2555 of 2010 and others that meet this definition.

Title 4, Chapter 2 of Decree 2420 of 2015, contains exceptions for financial sector entities proposed by the Financial Superintendence of Colombia. Said exceptions refer to the classification and valuation of investments, for which the provisions of the Basic Accounting and Financial Circular of the SFC will continue to apply, instead of the application of IFRS 9.

- Exceptions applicable to third party portfolios managed by brokerage firms, trust businesses and any other special purpose entities.

Third party portfolios managed by stock exchange brokerage firms, trust businesses and any other special purpose entities, managed by entities supervised by the Superintendence of Finance of Colombia, that do not contractually establish to apply the technical regulatory framework established in the annex to Decree 2420 of 2015, or the rules that modify or add to it, or are of public interest, shall prepare financial information for supervisory purposes, in the terms established for such purpose by the Financial Superintendence of Colombia, taking into account the regulatory technical frameworks of financial information issued by the National Government in development of Law 1314 of 2009.

- Instructions included in the Single Catalog of financial information for supervisory purposes, applicable to companies supervised by the Financial Superintendence of Colombia that belong to Group 1 or are recipients of Resolution 743 of 2013, issued by the General Accounting Office of the Nation.

The single catalog issued by the Financial Superintendency of Colombia includes instructions related to reclassifications that in some cases are not consistent with those required by the Accounting and Financial Reporting Standards. This catalog must be applied by the companies supervised by the SFC, as well as to the preparers of financial information subject to the competence of the General Accounting Office of the Nation (CGN for the Spanish original), in accordance with the powers granted to the SFC, according to Article 5 of Resolution 743 of 2013.

- 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, nevertheless, 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 Bases of measurement and presentation

Bases of measurement

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

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

Presentation of financial statements

The consolidated financial statements are presented on the following basis:

The individual statement of financial position presents assets and liabilities on the basis of their liquidity, since it is considered that this provides reliable information that is more relevant than that provided by an approach based on the distinction between current and non-current items. The separate income statement and other comprehensive income are presented separately. The items in the income statement are broken down according to the nature of expense method, so as to provide reliable and more relevant information.

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

2.2.2. Principles of consolidation

Subsidiaries

The consolidated financial statements include the financial statements of Grupo SURA and its subsidiaries as of June 30, 2021, June 30 and December 31, 2020 and for the years then ended. Grupo SURA consolidates the assets, liabilities and financial results of the entities over which it exercises control. Grupo SURA exercises control in another entity if, and only if, it has all of the following elements:

- Power over the entity in which it has an interest, which gives it the current ability to direct its relevant activities, that is, activities that significantly affect its performance.
- Exposure, or entitlement, to variable returns from its involvement in the investee.
- Ability to use its power over the investee to influence the amount of the returns to the investor.

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

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

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

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

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

Associates

The share of profit or loss of an associate is presented in the statement of income, net of taxes and non-controlling interests in subsidiaries of the associate or joint venture, the share of

changes recognized directly in equity and in other comprehensive income of the associate are presented in the consolidated statement of changes in equity and in other comprehensive income.

The equity method is a method of accounting whereby the investment is initially recorded at cost and subsequently adjusted periodically for changes in the net assets of the investee in proportion to the interest of the Group. The comprehensive income for the period of Grupo SURA includes its share in the income for the period of the investee and in the other comprehensive income account.

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

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

Non-controlling interests

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

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

2.2.3. Reclassifications

Certain figures and disclosures regarding June 30 and December 31, 2020, presented in the statement of financial position and statement of income for comparison purposes, may present variations compared to the information published at this cut-off. The Management of Grupo SURA considers that these adjustments do not affect the reasonableness of the information previously published and presents better information to users aligned with practices of the industries where Grupo SURA operates.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 2020 Presentation	Reclassification	December 2020 Actual
Assets			
Cash and cash equivalents	3,311,225	(6,834)	3,304,391
Investments	23,927,463	-	23,927,463
Derivative instruments	659,174	-	659,174
Insurance contract assets	4,498,053	-	4,498,053
Reinsurance contract Assets	4,792,079	-	4,792,079
Receivables from related parties	116,952	-	116,952
Other accounts receivable	1,874,765	-	1,874,765
Current tax assets	114,800	-	114,800
Non-current assets held for sale	106,141	(106,141)	-
Deferred acquisition cost - DAC	1,516,386	-	1,516,386
Investments in associates and joint ventures	19,836,275	-	19,836,275
Properties and equipment	1,270,778	-	1,270,778
Right of use assets	559,271	-	559,271
Other intangible assets	2,790,345	-	2,790,345
Deferred tax assets	242,235	-	242,235
Other assets	457,801	112,975	570,776
Goodwill	4,868,020	-	4,868,020
Total assets	70,941,763	-	70,941,763

Liabilities			
Financial liabilities	1,502,283	-	1,502,283
Derivative instruments	176,518	-	176,518
Lease liabilities	531,354	-	531,354
Insurance contract liabilities	24,207,380	(33,292)	24,174,088
Reinsurance contract liabilities	1,313,544	-	1,313,544
Accounts payable to related entities	87,093	-	87,093
Other accounts payable	2,338,687	33,649	2,372,336
Current tax liabilities	165,204	-	165,204
Employee benefits	636,979	-	636,979
Non-current liabilities associated with assets held for sale	357	(357)	-
Provisions	227,171	-	227,171
Deferred income	535,548	-	535,548
Bonds issued	8,765,419	-	8,765,419
Deferred tax liabilities	1,451,654	-	1,451,654
Preferred shares	460,847	-	460,847
Total liabilities	42,400,038	-	42,400,038
Equity			
Issued capital	109,121	-	109,121
Share premium	3,290,767	-	3,290,767
Reserves	5,703,485	(300,000)	5,403,485
Share repurchase reserve	-	300,000	300,000
Net income	225,125	-	225,125
Retained earnings	13,770,027	-	13,770,027
Other comprehensive income	2,906,307	-	2,906,307
Equity attributable to the holders of the controlling interest	26,004,832	-	26,004,832
Non-controlling interest	2,536,893	-	2,536,893
Total equity	28,541,725	-	28,541,725
Total equity and liabilities	70,941,763	-	70,941,763

- The changes in the presentation of asset accounts correspond to the reclassification between cash and cash equivalents and non-current assets available for sale to other assets.
- The changes in the presentation of the liability accounts are the result of the reclassification between liabilities for insurance contracts to other accounts payable and non-current liabilities in assets available for sale after identifying that they did not correspond to the insurance business.
- The changes in the presentation of the equity accounts were due to the opening of the share repurchase reserve line, which was included within reserves.

CONSOLIDATED INCOME STATEMENT

Income from continuing operations	June 2020 Presentation	Reclassification	June 2020 Actual
Income			
Insurance premiums	6,874,264	-	6,874,264
Health services premium	-	2,198,002	2,198,002
Premiums written	6,874,264	2,198,002	9,072,266
Premiums ceded to reinsurers	(1,500,281)	-	(1,500,281)
Net written premium income	5,373,983	2,198,002	7,571,985
Unearned premium	147,975	-	147,975
Net premium income earned	5,521,958	2,198,002	7,719,960

Net return on investments at amortized cost	554,499	63,549	618,048
Net gain on investments at fair value	175,527	(64,379)	111,148
Income from commissions	1,351,676	(820)	1,350,856
Sale of services	2,289,383	(2,198,002)	91,381
Income from equity method	153,248	-	153,248
Gain from sale of investments	(1,747)	-	(1,747)
Other income	136,159	(3,141)	133,018
Total income	10,180,703	(4,791)	10,175,912

Costs and Expenses			
Insurance claims	(3,581,213)	-	(3,581,213)
Health services claims	-	(2,032,638)	(2,032,638)
Gross claims expense	(3,581,213)	(2,032,638)	(5,613,851)
Reimbursed claims	718,323	-	718,323
Net retained claims expense	(2,862,890)	(2,032,638)	(4,895,528)

Income from continuing operations	June 2020 Presentation	Reclassification	June 2020 Actual
Commissions paid to intermediaries	(1,313,360)	(41,970)	(1,355,330)
Insurance costs and expenses	-	(356,194)	(356,194)
Costs of services sales	(2,201,942)	2,032,638	(169,304)
Administrative expenses	(981,196)	50,093	(931,103)
Employee benefits	(1,071,170)	-	(1,071,170)
Fees	(247,573)	85,016	(162,557)
Depreciation and amortization	(257,978)	-	(257,978)
Other expenses	(322,347)	267,016	(55,331)
Total costs and expenses	(9,258,456)	3,961	(9,254,495)

Operating profit	922,247	(830)	921,417
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Net gain from fair value adjustments to derivatives	167,828	-	167,828
Foreign exchange (net)	(216,811)	830	(215,981)
Interest expense	(379,439)	-	(379,439)
Financial income	(428,422)	830	(427,592)

Profits before tax	493,825	-	493,825
Income tax	(236,043)	-	(236,043)
Net Profit from continuing operations	257,782	-	257,782
Net income from discontinued operations	(12,486)	-	(12,486)
Net profit attributable to:	245,296	-	245,296
Controlling shareholders	169,449	-	169,449
Non-controlling interests	75,847	-	75,847
Net earnings per share			
Net earnings per share from continuing operations	348	(27)	321
Net income per share from discontinued operations	(22)	-	(22)

The changes in presentation were mainly due to:

- Reclassification of health service income to the insurance premiums line, as well as the costs for the provision of health services to claims and health services.
- Opening of the insurance costs and expenses line in order to improve the readability of the insurance business.
- Reclassification of the discontinued operation for the sale of annuities in Mexico.

2.2.4 Currency

2.2.4.1 Functional and presentation

The items included in the financial statements of each of the Grupo SURA companies are measured using the currency of the main economic environment in which the entity operates (functional currency). The functional and presentation currency of the consolidated financial statements of Grupo SURA is the Colombian peso, which is the currency of the primary economic environment in which it operates, and is also the currency that influences the structure of costs and revenues.

Foreign subsidiaries have functional currencies other than the Colombian peso, which are translated into Colombian pesos for presentation purposes.

The financial statements are presented in millions of Colombian pesos, and have been rounded to the nearest whole unit.

2.2.4.2 Foreign Currency

Transactions in foreign currencies are initially recorded at the exchange rate of the functional currency prevailing at the date of the transaction. Subsequently, monetary assets and liabilities in foreign currencies are translated at the exchange rate of the functional currency prevailing at the closing date of the period; non-monetary items that are measured at fair value are translated using the exchange rates at the date when fair value and non-monetary items that are measured at amortized cost are translated using the exchange rates prevailing determined to date of the original transaction.

All exchange differences are recognized in the statement of comprehensive Income except for exchange differences arising from the translation of foreign operations recognized in other comprehensive income; until the disposal of the foreign operation to be recognized in profit or loss.

For the presentation of the consolidated financial statements of Grupo SURA, the assets and liabilities of foreign operations, including goodwill and any adjustment to the fair value of the assets and liabilities arising from the acquisition, are translated into Colombian Pesos at the rate exchange rate at the closing date of the reporting period. Income, costs and expenses and cash flows are translated at average exchange rates for the period and equity is converted to the historical rate.

The rates used for currency translation in the consolidated financial statements expressed in Colombian pesos and U.S. dollars are as follows:

	Average rate		Closing rate	
	June 2021	June 2020	June 2021	June 2020
Colombian Peso (COP/USD)	3,622.28	3,690.82	3,748.50	3,756.28
Chilean peso (CLP/USD)	720.31	813.32	738.03	815.65
Dominican Peso (DOP/USD)	57.55	54.64	57.15	58.25
Euro (EUR/USD)	1.21	1.10	1.19	1.12
Mexican Peso (MXN/USD)	20.18	21.67	20.02	22.78
Peruvian Nuevo Sol (PEN/USD)	3.73	3.41	3.86	3.54
Uruguayan Peso (UYU/USD)	43.52	41.39	43.61	42.05
Argentina (ARS/USD)	91.29	64.57	95.77	70.52
Brazil (BRS/USD)	5.38	4.91	5.00	5.48

2.3. Significant accounting policies

The accompanying financial statements do not include all the information and disclosures required for year-end financial statements, 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 SOURCES OF UNCERTAINTY IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The preparation of the consolidated financial statements in accordance with Financial Reporting Standards accepted in Colombia (NCIF for the Spanish original) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results could differ from these estimates.

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

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

As of the cut-off date of this report, there have been no changes in significant accounting estimates and judgments used in the preparation of the consolidated financial statements as of December 31, 2020.

NOTE 4. NORMS ISSUED NOT EFFECTIVE YET

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated 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 which 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: Covid-19 Related Rent Concessions, 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.

Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Cost of Fulfillment of a Contract

The purpose of this amendment, which was also published in May 2020, is to specify the costs that an entity includes in determining the "cost of performing" a contract for the purpose of assessing whether a contract is onerous; it clarifies that the direct costs of performing a contract include both the incremental costs of performing a contract and an allocation of other costs that relate directly to the performance of the contract. Before recognizing a separate provision for an onerous contract, the entity must recognize impairment losses on the assets used to fulfill the contract. The Company does not expect significant impacts from this modification, in any case it is evaluating the impact that these could have on the financial statements.

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 share of changes of the entity 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 Syndrome (SARS) caused by a new coronavirus (COVID - 19) in the Asian continent, specifically in the city of Wuhan in China. Subsequently, due to the spread of the virus to other continents, on March 11th this Organization declared the outbreak as a pandemic. In Latin America, the first case was registered in Brazil last February 26th, from then on, since the expansion of the virus through the countries of the region and the confirmation of the first case in Colombia on March 6th, the different governments have been taking measures in order to preserve the social balance, the economy, the health and the life of the population; among these measures, the restriction of trips and the social isolation (quarantine) stand out, which has the purpose of containing the virus, flattening the contagion curve. In this way, it is expected to avoid the collapse of health systems and guarantee specialized medical attention when required, preserving the lives of people who can be cured by being adequately assisted.

The vaccination processes began approximately in October in the locations where Grupo Sura operates, with Chile being the country with the fastest pace. This was followed by Mexico, Peru, Colombia, Uruguay and El Salvador, although more progressively.

In some Latin American countries such as Brazil, Colombia and Mexico, the doors have been opened to the acquisition and application of vaccines by private legal entities, which is expected

to accelerate the immunization process, achieve herd immunity and the possibility of total and definitive opening of the economy. Particularly in Colombia, Resolution 507 of April 19, 2021 defined the special rules to authorize the importation, acquisition and application of vaccines against Covid-19 by private individuals, thus allowing Grupo Sura and other companies in the country to start vaccinating their employees during the month of June.

Business

Insurance

In the year 2021, Grupo Sura, through its health care companies in Colombia, has participated in vaccination programs nationwide with the application of 183,601 vaccines, thus contributing to achieving a 12.9% vaccinated population in Colombia at the end of June.

Revenues from insurance premiums issued in the first half of the year showed a growth of 11%, leveraged by the health segment due to the increase in Health Promoting Entity users (*EPS acronym for the Spanish original*), which reached 4.39 million, in addition to the growth in health services by Ayudas Diagnosticas and IPS Sura, companies that actively participate in the testing and vaccination services provided against COVID.

The Labor Risk Administrators (*ARL acronym for the Spanish original*) premiums, which are consolidated in the life segment, increased 14%, demonstrating a positive dynamic in the growth of affiliates, with a growth of 273 thousand users so far in 2021, this growth confirms the break in the trend since October 2020 after presenting decreases in the insured mass due to the increase in unemployment in Colombia and the high levels of absenteeism in the companies.

Premiums from insurance revenues have shown a higher growth dynamic, leveraged by an improvement in the trend of new business underwriting, which is mainly reflected in a 3% growth in the mobility solution.

Over this period, Life solutions also showed a better growth ratio, reaching 8%, due to the recovery of the dynamics in the intermediary and affinity channel. The launch of the protection product for COVID in Chile in June is another milestone to be noted. This product is mandatory for workers performing on-site functions and provides coverage for medical expenses and death.

Similarly, the health solution increased by 16% in the first half of the year, consolidating the positive dynamics of the previous year as a result of the offer of new plans in the companies of Colombia, Mexico, Chile and El Salvador.

Regarding claims, there continues to be a negative effect from claims associated with COVID-19, which are mainly materialized in increased mortality for life solutions, increased assistance benefits, economic benefits and diagnostic costs. These effects for the end of this period reached COP \$1,106 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 implementing strategies for customer care and

support, with strategies that include virtual care models, treatment through oxygen therapy, home delivery of medicines, expansion of the capacities installed in the provision and support in the management and prevention of risk in the companies; these have resulted in a lower severity and mortality of the cases.

It is worth highlighting the decrease in the infection rates of the ARL in Colombia, a high percentage of whose policyholders in the health sector are vaccinated. Consequently, for the upcoming periods, a flattening of the infection curve is expected, as well as a decrease in the severity and mortality of the disease, associated to the evolution of the vaccination processes in all the countries where Grupo Sura is present.

Pensions

This has been a period in which savings and investment products have acquired particular relevance for customers, as a mechanism to mitigate the economic effects of the crisis. Similarly, we understand that the exceptional measures taken to make available some of the savings' instruments improve the liquidity of individuals and their ability to cope with the current situation.

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. 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 the second quarter of 2021 the business had positive net trade flows despite the outflows and withdrawals in some of the locations caused by the turbulence and political uncertainty. Managed balances reached a growth of over 30%.
- 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 of 2021 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

The currencies of the region kept depreciating against the US dollar and accumulated an average movement of 3.6% so far this year, which caused positive effects from exchange rate

fluctuations in the investment portfolios of the subsidiaries that have foreign currency positions. The Colombian peso depreciated 9.2% in the first half of 2021, generating positive translation effects in the consolidation of operations. The foreign exchange management of Grupo Sura is part of a strategy of matching and monitoring assets and liabilities in foreign currency, a strategy that limits exposure to exchange rate movements in each subsidiary.

Recoverability of deferred tax assets

As a preventive measure in the face of the COVID-19 pandemic, as of June 30, 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

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

Effects on consolidated financial statements

The following is a summary of the impacts occurred in the different accounts of our financial statements as of June 30, 2020:

- *Retained premiums:* Growth of 10.80% compared to June 2020, with a variation of 817 billion pesos, due to the increase in issuance in countries such as Colombia and Argentina. Premiums are leveraged by the good performance of the health sector, which in the month of June recorded \$88 billion of COVID baskets, as well as benefits from the extension of emergency assets, which reached 325 thousand users at the end of June.
- *Reserves:* There was a variation of 77 billion, primarily attributable to the incorporation of \$57 billion in Suramericana.
- *Investments:* They show a decrease of 15 billion pesos, mainly attributable to the behavior of the market affected by situations such as the fall in the price of bonds in dollars, the increase in the region's risk, the increase in interest rates, among others.

It also includes the recognition at market value of shares received as a dividend payment from Grupo Argos. As of June 2021, the valuation at market prices had a negative effect of \$717 million.

- *Retained claims:* They show an increase of 1,205 billion pesos impacted in the Life and Health solutions due to the COVID loss ratio, which have had higher contagion curves than initially estimated.
- *Administrative expenses:* They show a decrease of 21 billion pesos due to the efforts that the company has been making in the context of COVID, to reduce these expenses, especially in real estate, travel, logistics and fees; as well as the evaluation of the relevance of projects and the focus on alternatives within the operating model that favor greater efficiency in the processes.

NOTE 6. FINANCIAL INSTRUMENTS

6.1. Financial assets

6.1.1. Investments

The breakdown of investments is as follows:

	June 2021	December 2020
At fair value through profit or loss	5,861,136	6,401,686
At amortized cost	11,608,284	11,089,242
At fair value through OCI	860,176	145,259
Debt securities	18,329,596	17,636,187
At fair value through profit or loss	6,114,718	5,594,748
At fair value through OCI	79,318	742,180
Equity instruments	6,194,036	6,336,928
Sub total investments	24,523,632	23,973,115
Impairment in investments at fair value through OCI	(44,072)	(41,295)
Impairment on investments at amortized cost	(4,776)	(4,357)
Subtotal impairment	(48,848)	(45,652)
Total Investments	24,474,784	23,927,463
Short-term investments	9,171,644	9,084,531
Long-term investments	15,303,140	14,842,932
Total Investments (*)	24,474,784	23,927,463

(*) The variation compared to December 2020 is due to the fact that with the bond issue made in August 2020 for one billion pesos in Grupo SURA, fixed income investments were made, which were used for the payment of the maturity of bonds in May 2021 for USD 300 million dollars. See note 13 Bonds issued.

The variation is shown below:

Balance as of December 31, 2020	23,927,463
Additions	6,467,853
Withdrawals	(6,979,845)
Interest received	(270,503)
Impairment	(572)
Investment Valuation	254,048
Fair value OCI	(22,097)

Dividends received	(395)
Yields Amortized Cost	504,647
Difference on exchange	594,185
Balance as of June 30, 2021	24,474,784

As of June 30, 2021, and 31 December 2020, the following is the detail of investments pledged as collateral:

	June 2021	December 2020
Foreign issuers	906	813
Total	889	813

The following is a detail of equity investments held as of June 30, 2021 and December 31, 2020 with adjustment to results:

	June 2021	December 2020
Mutual funds	4,331,268	3,971,571
National issuers	1,371,808	1,367,310
Foreign issuers	411,642	255,867
Total	6,114,718	5,594,748

The following is a detail of net earnings on investments at fair value:

	June 2021	June 2020
Legal reserve ^(a)	40,115	23,093
Fair value investments ^(b)	218,009	182,447
Trading derivatives	(58,266)	(93,588)
Difference on exchange of investments	(12,909)	(804)
Total	186,949	111,148

(a) Corresponds to the yield stabilization reserve of each portfolio; it is constituted with own resources and represents a percentage (depending on each country) of the value of each managed fund. In the event of noncompliance with the minimum yield for the portfolios that it requires it, the necessary resources to cover it will be obtained from said reserve.

(b) The fair value is detailed below:

	Profit / unrealized loss		Profit / unrealized loss	
	June 2021	June 2020	June 2021	June 2020
Debt securities	101,426	130,756	41,673	2,048
Equity instruments	116,583	51,691	(15,321)	(3,795)
Total	218,009	182,447	26,352	(1,747)

The following is the detail of realized and unrealized profits or losses on investments in available-for-sale debt securities as of June 30, 2021 and 2020:

June 2021

Debt securities	Book value (*)	Profit / realized loss	Profit / unrealized loss
National issuers	10,287,526	40,224	100,365
Foreign issuers	4,435,617	920	-
Mutual funds	2,862,485	217	(74)
Investment funds	743,968	312	1,135
Total	18,329,596	41,673	101,426

June 2020

Debt securities	Book value (*)	Profit / realized loss	Profit / unrealized loss
National issuers	9,513,505	3,116	219,320
Foreign issuers	3,850,493	(1,077)	-
Mutual funds	2,758,217	211	(89,482)
Investment funds	529,784	(202)	918
Total	16,651,999	2,048	130,756

(*) The book value and fair value are the same as of June 30, 2021 and 2020.

Investments at fair value through in Other Comprehensive Income

The following is the detail of realized and unrealized gains or losses on investments in equity instruments with adjustment to Other Comprehensive Income as of June 30, 2021 and 2020:

June 2021	Book value (*)	Profit / realized loss	Profit / unrealized loss
Bolsa de Comercio de Santiago (Chile)	13,588	-	(764)
Enka de Colombia S.A.	35,080	-	6,848
Total	48,668	-	6,084

June 2020	Book value (*)	Profit / realized loss	Profit / unrealized loss
Bolsa de Comercio de Santiago (Chile)	10,281	-	(2,941)
Enka de Colombia S.A.	18,260	-	(5,742)
Total	28,541	-	(8,683)

(*) The book value and fair value are the same as of June 30, 2021 and 2020.

6.1.2. Other accounts receivable

The detail of accounts receivable as of June 30, 2021 and December 31, 2020 is presented below:

	June 2021	December 2020
Trade receivable	1,225,909	1,129,137
Other accounts receivable ⁽¹⁾	606,189	534,035
Receivable AFP-Commissions	130,085	123,011
Tax receivable	123,894	72,821
Employee receivables	25,419	15,761
Subtotal other accounts receivable	2,111,496	1,874,765

⁽¹⁾ Corresponds to premiums receivable from derivatives, advances on contracts, securities brokerage firms, judicial deposits.

Current and non-current presentation:

	June 2021	December 2020
Other current accounts receivable	2,029,502	1,792,865
Other non-current accounts receivable	81,994	81,900
Total	2,111,496	1,874,765

6.2. Impairment of financial assets

The detail of the impairment of financial assets is as follows:

	June 2021	December 2020
Impairment accounts receivable	(171,308)	(240,177)
Investment impairment	(48,848)	(45,652)
Total	(220,156)	(285,829)

6.3. Financial liabilities

The financial liabilities of Grupo SURA are listed below:

	Note	June 2021	December 2020
Financial obligations ⁽¹⁾		1,091,825	1,502,283
Derivative instruments	7	215,130	176,518
Accounts payable to related parties		332,951	87,093
Other accounts payable	6.3.1	2,183,054	2,372,336
Bonds issued	13	8,179,771	8,765,419
Preferred shares	14	459,981	460,847
Total		12,462,712	13,364,496

⁽¹⁾ The financial obligations generate interest between 1.30% and 4.89% for the year 2021 and for the year 2020 between 1.33% and 7.70%.

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

June 2021				
Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		681,339	35,452	716,791
Accounts payable to related parties		332,951	-	332,951
Other accounts payable	6.3.1	2,028,355	-	2,028,355
Bonds issued	13	194,885	-	194,885
Total		3,273,530	35,452	3,272,982

Non-Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		375,034	-	375,034
Derivative instruments	7	-	215,130	215,130
Other accounts payable	6.3.1	154,699	-	154,699

Bonds issued	13	7,984,886	-	7,984,886
Preferred shares	14	459,981	-	459,981
Total		8,974,600	215,130	9,189,730
Financial liabilities		12,212,130	250,582	12,462,712

December 2020				
Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		977,637	-	977,637
Derivative instruments		-	19,583	19,583
Accounts payable to related parties		87,093	-	87,093
Other accounts payable	6.3.1	2,213,142	-	2,213,142
Bonds issued	13	1,036,113	-	1,036,113
Total		4,313,985	19,583	4,333,568

Non-Current		Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		524,646	-	524,646
Derivative instruments		-	156,935	156,935
Other accounts payable	6.3.1	159,194	-	159,194
Bonds issued	13	7,729,306	-	7,729,306
Preferred shares	14	460,847	-	460,847
Total		8,873,993	156,935	9,030,928
Financial liabilities		13,187,978	176,518	13,364,496

Grupo SURA has had no capital, interest or other defaults in respect of liabilities during 2021 and 2020.

6.3.1. Other accounts payable

The detail of other accounts payable is as follows:

	June 2021	December 2020
Suppliers	890,550	1,262,237
Other accounts payable ⁽¹⁾	833,487	695,983
Accounts payable taxes	328,014	308,650
Others	129,424	105,110
Assets available-for-sale liabilities	1,579	356
Total other accounts payable	2,183,054	2,372,336

⁽¹⁾ Corresponds to derivative premiums payable, withholdings, pension funds, advertising and publicity, commissions, transfers.

Current and non-current:

	June 2021	December 2020
Other current accounts payable	2,028,355	2,213,142
Other non-current accounts payable	154,699	159,194
Total other accounts payable	2,183,054	2,372,336

NOTE 7. DERIVATIVE INSTRUMENTS

The following is the detail of derivative financial instruments assets and liabilities outstanding as of June 30, 2021 and December 31, 2020:

		June 2021		December 2020	
	Note	Asset	Liabilities	Asset	Liabilities
Hedge Derivatives	7.1	933,277	201,280	403,412	1,221
Trading derivatives	7.2	43,482	13,850	255,762	175,297
		976,759	215,130	659,174	176,518

Current and non-current:

		June 2021		December 2020	
		Asset	Liabilities	Asset	Liabilities
Current derivatives		-	-	155,836	19,583
Non-current derivatives		976,759	215,130	503,338	156,935
Total derivatives		976,759	215,130	659,174	176,518

7.1. Hedge derivatives

In accordance with its financial risk management policies, Grupo SURA uses hedge accounting to manage exchange rate risks due to variations in the cash flows of certain financial obligations in foreign currency.

Grupo SURA accesses international markets to obtain effective sources of funds. As part of this process, the Group assumes significant exposure to foreign currencies, mainly with the U.S. dollar. The foreign currency risk component is managed and mitigated using cross-currency swaps and options, which exchange foreign currency payments for principal payments in the functional currency of the Group and its subsidiaries in Mexico, Peru and Chile.

These instruments are applied to match the maturity profile of the estimated payments of the debt instruments of the Group. The foreign currency risk component is determined as the change in cash flows of foreign currency debt resulting solely from changes in the exchange rate for the related foreign currency swaps and options. Such changes constitute a significant portion of the overall changes in the cash flows of the instrument.

The effectiveness of these strategies is assessed by comparing changes in the fair value of the cross-currency swaps and options with changes in the fair value of the hedged debt attributable to the foreign currency risk of the hedged foreign currency obligations using the symmetry method of the critical elements of the hedging instruments and the hedged instruments.

The Group establishes the hedge ratio by crossing the notional value of the derivative with the principal amount of the point-in-time debt instrument being hedged. The possible sources of ineffectiveness are as follows:

- i. Differences in the timing of cash flows between debt instruments and cross-currency swaps;
- ii. Differences in the discount between the hedged item and the hedging instrument, given that cross-currency swaps are supported by cash collateral.
- iii. The hedging of derivatives with a fair value different from zero at the initial date of designation as hedging instruments; and
- iv. Counterparty credit risk, which impacts the fair value of the uncollateralized cross-currency swaps but does not affect the hedged items.

Accordingly, the following is a summary of cash flow hedging transactions in effect as of June 30, 2021 and December 31, 2020:

1. On May 18, 2011 Grupo SURA contracted a foreign currency obligation in the amount of US\$ 300 million, with a single principal maturity on May 18, 2021 and a fixed interest rate of 5.70% payable semi-annually.

On September 30, 2018, the Group decided to implement a cash flow hedge accounting strategy for this obligation using the following hedging instruments for this purpose:

- 21 principal - only cross currency swap in which Grupo SURA will receive on May 18, 2021 a total value of US\$ 270 million without interest and will pay on the same date \$787,161 million plus interest of 3.2420% per annum.
- A structure combining principal only cross currency in which Grupo SURA will receive in swaps US\$ 30 million on May 18, 2021 and will deliver on that same date \$80.630 million plus interest of 2.0612% per annum and the issuance of swaps together with a call out of the money option issue with an exercise price on that same date of \$4,000 per US\$ 1.
- The issuance of additional US\$ 50 million call out of the money options with an exercise price of US\$ 4,000 per US\$ 1 with an exercise date of May 18, 2021.
- Principal and interest on financial indebtedness with Banamex in the amount of US\$ 80 million hedged with cross currency swap. The debt was cancelled in December 2020 together with the hedging operation.

On May 30, 2021, the bond obligation (see note 13 Issued Bonds) and the derivatives hedging this transaction, were cancelled.

2. On April 29, 2016 Grupo SURA contracted a foreign currency bond in the amount of USD 550 million, with a single principal maturity on April 29, 2026 and a fixed interest rate of 5.50% payable semiannually ((see note 13 Bonds Issued).

On January 31, 2021, the Group decided to implement a cash flow hedge accounting strategy for this obligation using the following hedging instruments:

- 22 Principal-Only Cross Currency Swap (Principal-Only CCS).
- 4 Call spread structures (call option bought + call option sold).

- 6 Out-of-the-money Call options sold as part of the structure and included in the CCS contracts.

In this structure the company acquires the right to receive USD \$550,000,000 at maturity and semiannual flows in USD at a fixed rate of 0% NASV; and in return it is obliged to pay an agreed amount and a specific fixed rate in COP in each of the derivatives that make up the structure.

3. On April 11, 2017, the subsidiary Sura Asset Management S. A. carried out a placement of US dollar bonds in the US market under Regulation S and Rule 144 A for the amount of US 350 million at a price of 99.07%, with a single principal maturity on April 11, 2027 and at a fixed interest rate of 4.375% per annum payable semiannually.

On August 2, 2018, the subsidiary decided to implement a cash flow hedge accounting strategy to protect the bonds issued against foreign exchange risks for US\$ 290 million corresponding to 82.86% of the principal obligation with the following cross currency swaps "CCS" maturing on the same date as the principal in 2027:

- Swap in which the Subsidiary receives US\$ 90 million and pays \$258.174 million plus a fixed interest rate of 2.54%.
 - Swap in which the Subsidiary receives US\$ 80 million and pays Mexican Pesos in the amount of Ps.1,59.168 million plus a fixed interest rate of 2.54%.
 - Swap in which the Subsidiary receives US\$ 120 million and pays Chilean pesos in the amount of Ch\$78.738 million plus a fixed interest rate of 2.54%.
4. On April 17, 2017, the same above subsidiary carried out a placement of bonds in dollars in the Luxembourg market under Regulation S and Rule 144 A for US\$ 500 million at a price of 99.57%, with a single principal maturity on April 17, 2024 and at a fixed interest rate of 4.875% per annum payable semiannually.

Also, on August 2, 2018, the subsidiary decided to implement a cash flow hedge accounting strategy to protect the bonds issued against foreign exchange risks for US\$ 500 million corresponding to 100% of the principal obligation with the following cross currency swaps "CCS" maturing on the same date as the principal in 2024:

- 3 swaps in which the Subsidiary receives a total of US\$ 155 million and pays Colombian Pesos in the amount of \$ 277,375 million plus a fixed interest rate between 2.79 and 2.80% per annum.
- 3 swaps in which the Subsidiary receives a total of US\$ 85 million and pays Peruvian Soles in the amount of \$1,59,168 million plus a fixed interest rate between 1.70% and 1.71% per annum.
- 3 swaps in which the Subsidiary receives a total of US\$ 260 million and pays Chilean pesos in the amount of \$167,260.6 million plus a fixed interest rate between 0.75% and 0.76% per annum.

The above two cash flow hedging strategies were carried out by the Subsidiary to effect a non-accounting economic hedge of the foreign exchange risk exposure of the net investments in the subsidiaries owned by Grupo Sura in Mexico, Peru and Chile, with which it expects to

achieve a non-accounting economic hedge of the exposure in the currencies of those countries against the US dollar, as follows as of June 30, 2021 and December 2020.

Country	Subsidiary	Currency	June 2021		December 2020	
			Investment value	Covered value	Investment value	Covered value
Chile	Sura Asset Management Chile S.A.	CLP	4,019,927	1,424,430	4,018,668	1,285,974
Mexico	Sura Asset Management México S.A. de C.V.	MXN	2,250,747	299,880	2,272,943	272,753
Peru	Sura Asset Management Perú S.A.	PEN	817,222	318,623	797,617	295,118

In accordance with the above hedging strategies, Grupo SURA has decided to record the time value of the options and swaps in Other Comprehensive Income and amortize it systematically to income over the life of the hedges.

	June 2021		December 2020	
	Nominal value	Fair Value	Nominal value	Fair Value
Assets				
Swap				
Cross Currency Swap	3,951,555	724,315	3,588,421	403,412
Subtotal	3,951,555	724,315	3,588,421	403,412
Options				
Currency Call Option	579,450	208,962	-	-
Subtotal	579,450	208,962	-	-
Total Assets	4,531,005	933,277	3,588,421	403,412
Liabilities				
Swap				
Cross Currency Swap	39,185	25,722	-	-
Subtotal	39,185	25,722	-	-
Options				
Currency Call Option	1,191,220	175,558	443,000	1,221
Subtotal	1,191,220	175,558	443,000	1,221
Total Liabilities	1,230,405	201,280	443,000	1,221

The following is a summary of the movements in the Other Comprehensive Income account for the effect of the effective cash flow hedges indicated above and for the effect of the time value of the options and swaps used as hedging instruments, as well as the amounts taken to income for the ineffectiveness of the hedges, during the years ended June 30, 2021 and 31 December, 2020:

	OCI		Results	
	Effective part	Time value	Ineffective part	Effective part
Balance at December 31, 2019	25,915			
Variation in the fair value of hedges during the year.	23,270		-	349,987
Amortization of temporary securities.	(82,102)	(3,253)	85,355	
Balance at December 31, 2020	(32,917)			
Variation in the fair value of hedges During the year.	170,158		-	295,155
Amortization of temporary securities.	(65,302)	(7,338)	72,640	
Balance at June 30, 2021	71,939			

7.2. Trading derivatives

Grupo SURA and some of its subsidiaries trade derivative financial instruments for trading purposes, especially forward contracts, swaps and options on exchange rates and interest rates.

The following is a summary detail of derivative financial instruments assets and liabilities outstanding as of June 30, 2021 and 31 December, 2020 used for trading purposes:

	June 2021		December 2020	
	Nominal value	Fair Value	Nominal value	Fair Value
Assets				
Forward				
Currency forward	723,240	3,186	723,240	55,222
Subtotal	723,240	3,186	723,240	55,222
Swap				
Cross Currency	1,115,395	40,296	1,115,395	37,795
Interest rate	-	-	178,100	3,350
Subtotal	1,115,395	40,296	1,293,495	41,145
Options				
Currency option	-	-	1,040,786	159,395
Subtotal	-	-	1,040,786	159,395
Total Assets	1,838,635	43,482	3,057,521	255,762
Liabilities				
Forward				
Currency forward	93,024	9,903	93,024	3,638
Subtotal	93,024	9,903	93,024	3,638
Swap				
Cross currency	769,262	3,947	2,495,915	51,441
Subtotal	769,262	3,947	2,495,915	51,441
Options				
Currency option	-	-	1,809,914	120,218
Subtotal	-	-	1,809,914	120,218
Total liabilities	862,286	13,850	4,398,853	175,297

NOTE 8. INSURANCE CONTRACTS

8.1. Insurance contract assets

Assets from insurance contracts represent mainly accounts receivable from insurance contracts for the years ended June 30, 2021 and December 2020 as follows, net of impairment:

	June 2021	December 2020
Direct insurance	3,936,603	4,040,167
Coinurance accepted	91,485	87,557
Other	350,732	370,329
Assets under insurance contracts	4,378,820	4,498,053

All insurance contract assets are current.

8.2. Reinsurance contract assets

Reinsurance contract assets represent the benefits derived from reinsurance contracts as of June 30, 2021 and December 2020 as follows:

	June 2021	December 2020
Current accounts with reinsurers	532,869	502,702
Share of insurance liabilities (claims reported and not cancelled)	2,403,293	2,239,139
Unearned ceded premium	1,597,660	1,645,612
Unnotified claims	385,052	351,034
Reinsurance deposits	379	427
Other assets	24,854	53,165
Assets under reinsurance contracts	4,944,107	4,792,079
Current reinsurance contract assets	536,515	506,103
Non-current reinsurance contract assets	4,407,592	4,285,976
Total reinsurance contract assets	4,944,107	4,792,079

Current accounts with reinsurers are short term; reinsurance assets from participation in insurance liabilities have the same maturity as those liabilities to the extent of their realization. Assets for unearned ceded premiums are recognized against income in the following year.

As of June 30, 2021 and December 2020, after performing the corresponding impairment evaluations, it was not considered necessary to record any provision in this regard.

8.3. Liabilities for insurance contracts

Liabilities for insurance contracts represent the estimated liabilities for insurance contracts of the Insurance Companies and other accounts, for the years ended June 30, 2021 and December 2020 are as follows:

	June 2021	December 2020
Accounts payable insurance activity (note 8.3.1)	891,750	853,498
Estimated liabilities under insurance contracts (note 8.3.2)	24,285,388	23,275,002
Surplus	48,871	45,588
Liabilities under insurance contracts	25,226,009	24,174,088
Current insurance contract liabilities	9,902,389	9,755,145

Non-current insurance contract liabilities	15,323,620	14,418,943
Total insurance contracts liabilities	25,226,009	24,174,088

8.3.1. Accounts payable insurance activity

Insurance payables with insurance companies for the years ended June 30, 2021 and December 2020 are as follows:

	June 2021	December 2020
To insurance companies	130,819	147,763
Policies	92,985	47,492
Claims payable	124,116	115,428
Commissions	439,622	456,868
Others	104,208	85,947
Insurance portfolios	891,750	853,498

8.3.2. Estimated insurance contract liabilities

The estimated insurance contract liabilities of Grupo SURA and its subsidiaries are as follows:

	June 2021	December 2020
Actuarial liabilities	5,880,555	5,710,641
Estimated unearned premium liabilities	9,010,640	8,901,647
Estimated incurred but not reported claims (IBNR)	2,147,733	1,988,793
Estimated liabilities for claims reported	6,654,384	6,081,828
Special estimated liabilities	264,032	246,928
Other estimated insurance contract liabilities	328,044	345,165
Estimated insurance contract liabilities	24,285,388	23,275,002

Grupo SURA considers that the adequacy of premiums is a particularly important element and its determination is supported by specific computer applications.

The treatment of benefits, as well as the adequacy of provisions, are basic principles of insurance management. Technical provisions are estimated by the actuarial teams in the various countries.

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

	Liabilities for insurance contracts	Assets from insurance contracts	Net
At December 31, 2019	23,215,290	4,103,398	19,111,892
Changes in estimated liabilities for insurance contracts	(337,024)	624,661	(961,685)
Adjustments for conversion	402,481	63,932	338,549
Adjustments for monetary correction	(5,745)	88	(5,833)
At December 31, 2020	23,275,002	4,792,079	18,482,923
Changes in estimated liabilities for insurance contracts	573,768	(27,736)	601,504
Adjustments for conversion	436,618	179,764	256,854

At June 30, 2021	24,285,388	4,944,107	19,341,281
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8.4. Reinsurance contracts liabilities

Liabilities under reinsurance contracts represent obligations arising from reinsurance contracts at the date of the statement of financial position.

	June 2021	December 2020
Ceded premiums payable	11,350	12,308
External reinsurers current account	1,251,752	1,301,236
Liabilities under reinsurance contracts	1,263,102	1,313,544

All reinsurance contract liabilities are current.

8.5. Premiums

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

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Life insurance contracts	5,972,118	5,089,175	3,086,034	2,504,342
Non-life insurance contracts	4,026,201	3,983,091	2,151,007	2,122,034
Premiums issued	9,998,319	9,072,266	5,237,041	4,626,376
Life insurance contracts - reinsurer party	(139,022)	(149,055)	(80,837)	(78,788)
Non-life insurance contracts - reinsurer party	(1,469,626)	(1,351,226)	(847,749)	(812,629)
Reinsurance ceded premiums	(1,608,648)	(1,500,281)	(928,586)	(891,417)
Total net premiums retained	8,389,671	7,571,985	4,308,455	3,734,959
Life insurance contracts	(70,274)	86,196	(28,951)	(150,537)
Non-life insurance contracts	141,073	61,779	86,872	(20,711)
Net production reserves	70,799	147,975	57,921	(171,248)
Retained earned premiums	8,460,470	7,719,960	4,366,376	3,563,711

8.6. Claims withheld

Claims incurred by Grupo SURA and subsidiaries for the years ended June 30, 2021 and 2020 are as follows:

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Total claims	(6,730,495)	(5,613,851)	(3,492,434)	(2,531,022)
Claim reimbursement	628,968	718,323	324,218	259,311
Retained claims	(6,101,527)	(4,895,528)	(3,168,216)	(2,271,711)

8.7 Insurance costs and expenses

Insurance costs and expenses for the years ended June 30, 2021 and 2020 are as follows:

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Net reinsurance cost	(229,704)	(197,654)	(116,409)	(101,471)
Services for the promotion and prevention of occupational hazards	(126,886)	(75,938)	(68,698)	(52,095)
Contributions Insurance companies	(44,990)	(41,269)	(22,269)	(19,514)
Fees	(36,110)	(41,333)	(19,451)	(20,922)
Total insurance costs and expenses	(437,690)	(356,194)	(226,827)	(194,002)

The insurance costs and expenses that contribute to the consolidation basically correspond to the investment made by the insurance companies in the insured other than the payment of the claim.

NOTE 9. INCOME TAXES

This note presents the balances of income tax assets and liabilities, the analysis of income tax expense, amounts recognized directly in equity and income tax expense affected by non-taxable and non-deductible items. It also includes information related to the tax position of the Group.

9.1. Applicable regulations

The current and applicable tax provisions establish that the nominal income tax rates for June 30, 2021 and December 2020 applicable to Grupo SURA and its subsidiaries located in Colombia, Chile, Peru, Argentina, Brazil, Uruguay, Mexico, Panama, Dominican Republic, El Salvador and Bermuda, are as follows:

Country	2021	2020
Colombia	31%	32%
Chile	27%	27%
Peru	29.5%	29.5%
Argentina	35%	30%
Brazil	40%	40%
Uruguay	25%	25%
Mexico	30%	30%
Panama	25%	25%
Dominican Republic	27%	27%
El Salvador	25%	25%
Bermuda	0%	0%

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%.

Chile: Law 21,210 issued in February 2020 called Income Tax Law classifies income into income from "capital" and income from "labor" and establishes an income tax rate of 27%.

Peru: The income tax rate is 29.5% on taxable income after calculating employee profit sharing, which is calculated by applying a rate of 5% on net taxable income. Losses may be offset within a period of 4 years from the fiscal year following the generation of the loss.

Mexico: Income tax (ISR for the Spanish original) is calculated at an applicable rate of 30%; additionally, employees' statutory profit sharing is established at 10%. Tax losses may be offset over a period not to exceed 10 years.

Brazil: In Brazil there is a category of taxes on gross income and on net income. The net income tax rate is 15% for income tax purposes, plus 10% on the portion of the taxable income in excess of R\$ 240,000 reais per fiscal year. There is no minimum alternative tax base and tax losses can be taken in future periods indefinitely as long as they do not exceed 30% of net income.

Argentina: The local tax regulation in force is Law 27,541 of social solidarity and productive reactivation published in December 2019, modified the income tax rate for fiscal years after 2019 established a rate of 30%. The withholding on dividends distributed to shareholders is maintained at a rate of 7%.

Panama: The income tax rate for corporations in Panama is 25% for the years 2021 and 2020 on income obtained from national sources. Law No.8 of March 15, 2010, eliminates the Alternative Income Tax Calculation (CAIR for the Spanish original) and substitutes it with another modality of presumptive income taxation, obliging any legal entity that earns income in excess of B/.1,500,000 to determine as taxable income for such tax, the amount that is greater between: (a) the net taxable income calculated by the ordinary method established in the Tax Code and (b) the net taxable income resulting from applying to the total taxable income, 4.67%.

Dominican Republic: The tax code of the Dominican Republic establishes that the income tax payable will be the higher of the net taxable income or 1% of the taxable assets. The income tax rate for legal entities is 27% on income obtained in the country. In the event of tax losses, taxpayers may offset them within 5 years following the year of generation of the loss.

El Salvador: Legal entities, whether domiciled or not, will calculate their tax by applying a rate of 30% to taxable income, except for companies that have obtained taxable income less than or equal to US \$150,000.00, which will apply a rate of 25%, excluding from such calculation those incomes that have been subject to definitive withholding of income tax in the legal percentages established in the Law.

El Salvador does not have a minimum alternative tax and tax losses generated in any period may not be carried forward to subsequent periods.

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

Bermuda: In Bermuda, there are no taxes on profits, income, dividends or capital gains, nor withholding taxes on such items. Profits may be accumulated and dividends are not required to be paid. In the event that direct taxes are applicable, there is the possibility of accessing legal stability contracts until 2035. Although there are no taxes on corporate income, investment income derived from foreign sources may be subject to withholding tax. Interest earned on foreign currency deposits is tax exempt

9.2 Current taxes

The following is the detail of current tax assets and liabilities as of June 30, 2021 and December 31, 2020:

	June 2021	December 2020
Current tax assets		
Income tax and supplemental taxes	105,395	57,854
Withholdings	8,721	14,533
Tax in favor	150,377	42,403
Others	16	10
Total assets for current taxes	264,509	114,800

	June 2021	December 2020
Current tax liabilities		
Income tax and supplemental taxes	106,944	165,204
Total current tax liabilities	106,944	165,204

9.3 Tax recognized in the income statement for the period

The income tax expense for the period is detailed below:

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Current tax expense	(301,838)	(377,292)	(129,061)	(238,464)
Current tax	(312,034)	(376,588)	(136,480)	(239,199)
Adjustment of previous periods ⁽¹⁾	10,196	(704)	7,419	735
Deferred tax expense	72,963	141,249	(8,482)	(12,187)
Constitutions / reversal of temporary differences	64,867	138,473	(17,952)	(12,505)
Deferred tax adjustments	(3,585)	2,752	(2,211)	318
Exchange rates	11,681	24	11,681	-
Tax expense	(228,875)	(236,043)	(137,543)	(250,651)

⁽¹⁾ In 2021, the difference between the income provision and the tax declared to the Colombia tax authority (DIAN for the Spanish original) in the companies, Seguros Generales Suramericana and Seguros Generales Chile was adjusted.

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

9.4 Effective rate reconciliation

The reconciliation of the effective rate is presented below:

	June 2021	June 2020
Profit before tax	896,401	493,825
Income tax by applying the local tax rate (*)	29.26% 262,253	31.20% 154,073
Plus, tax impact from:	371,853	597,846
Provisions and Contingencies	11	-
Non-deductible expenses (1)	76,239	98,989
Investments (2)	202,283	428,985
Tax losses	15,331	6,525
Financial assets	62,365	-
Property and equipment	1,446	151
Other alternative taxable income	3,513	20,781
Financial liabilities	-	31,051
Others	10,665	11,364
Minus the tax effect of:	(405,231)	(515,876)
Non-taxed income (3)	(93,156)	(10,800)
Financial assets (4)	(3,513)	(128,513)
Amortization of intangibles	(83)	-
Unrecorded Dividends	(55,695)	(160,187)
Financial liabilities	(63,385)	-
Adjustment of previous periods	(18,071)	(2,225)
Discounts / tax deductions	(101,329)	(70,865)
Provisions and Contingencies	-	(4,291)
Exempt income (5)	(47,191)	(125,316)
Others	(22,808)	(13,679)
Income tax	25.53% 228,875	47.80% 236,043

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

(1) Includes expenses due to legal limitations such as assumed taxes, expenses associated with untaxed income, among others.

(2) Corresponds to the equity method of associates.

(3) Corresponds to the equity method of subsidiaries.

(4) Includes valuation, impairment and exchange difference.

(5) Dividends from the Andean Community of Nations (CAN) and other exempt income.

The variation in income tax corresponds to the impact of the exchange rate associated with the valuation of hedging operations and measurement of investments. It should also be noted that the company increased its income before taxes with respect to the previous year in this same period, causing a variation in the effective tax rate.

9.5 Deferred taxes

The following is the balance of deferred tax assets and liabilities as of June 30, 2021 and December 2020:

June 2021	Asset deferred tax	Deferred tax liability	Net	Recognized results	Other comprehensive income	December 2020
Unused tax losses and tax credits	50,556	(31,132)	81,688	(23,921)	-	105,609
Financial Assets	(158,613)	(22,930)	(135,683)	(68,324)	4,717	(62,642)
Intangible assets	(10,664)	773,663	(784,327)	(39,435)	-	(744,893)
Deferred acquisition cost DAC	(43,657)	137,438	(181,095)	(368)	-	(180,727)
Properties and Equipment	(30,791)	145,444	(176,235)	(11,449)	1,008	(163,778)
Financial Liabilities	272,887	(42,216)	315,103	60,134	(13,074)	241,895
Employee Benefits	16,021	(19,022)	35,043	(3,927)	-	38,970
Technical insurance reserves	98,145	26,207	71,938	(13,038)	-	84,976
Provisions	73,793	7,748	66,045	23,260	-	42,785
Other non-financial liabilities	6,941	(27,901)	34,842	(9,138)	-	43,980
Investments	(33,774)	538,779	(572,553)	65,671	-	(638,224)
Other non-financial assets	23,444	2,119	21,325	14,540	-	6,785
Right of use	13,874	(8,487)	22,361	6,517	-	15,844
Foreign currency conversion	-	-	-	72,441	-	-
	278,162	1,479,710	(1,201,548)	72,963	(7,349)	(1,209,420)

December 2020	Asset deferred tax	Deferred tax liability	Net	Recognized results	Other comprehensive income	December 2019
Unused tax losses and tax credits	41,044	(64,565)	105,609	48,883	-	56,726
Financial Assets	(74,234)	(11,592)	(62,642)	(100,183)	(894)	36,647
Intangible assets	(9,114)	735,779	(744,893)	111,549	-	(856,442)
Deferred acquisition cost DAC	(41,724)	139,003	(180,727)	(83,603)	-	(97,124)
Properties and Equipment	(24,722)	139,056	(163,778)	(80,463)	(2,994)	(86,309)
Financial Liabilities	207,927	(33,968)	241,895	275,923	31,694	(2,334)
Employee Benefits	19,522	(19,448)	38,970	12,209	562	27,323
Technical insurance reserves	77,765	(7,211)	84,976	89,086	-	(4,110)
Provisions	69,024	26,239	42,785	(27,518)	-	70,303
Other non-financial liabilities	4,542	(39,438)	43,980	368,299	-	(324,319)
Investments	(50,720)	587,504	(638,224)	(517,028)	-	(121,196)
Other non-financial assets	8,644	1,859	6,785	(12,040)	-	18,825
Right of use	14,281	(1,563)	15,844	(3,913)	-	19,757
Foreign currency conversion	-	-	-	1,878	-	-
	242,235	1,451,655	(1,209,420)	83,079	28,368	(1,262,253)

9.6 . Uncertainty in income tax treatments.

As of June 30, 2021, the Company analyzed those tax aspects susceptible to be qualified as uncertain and disclosed, according to the tax legislation applicable to each jurisdiction, resulting in a total uncertain tax treatment of \$371 million, distributed in \$56 million in the Dominican Republic and \$315 million in Mexico.

NOTE 10. DEFERRED ACQUISITION COST - DAC

The detail of the deferred acquisition costs -DAC- movements of the of Grupo SURA is as follows:

Cost at January 1, 2020	3,655,114
Additions	1,664,399
Exchange rate differences	72,397
Cost in books at December 31, 2020	5,391,910
Accumulated amortization and impairment	
Accumulated amortization and impairment at January 1	(2,323,403)
Amortization for the period	(1,651,957)
Exchange rate differences	99,836
Accumulated amortization and impairment at December 31, 2020	(3,875,524)
Deferred acquisition cost at December 31, 2020	1,516,386
Cost at January 1, 2020	5,391,910
Additions	766,593
Exchange rate differences	(69,606)
Cost in books at June 30, 2021	6,088,897
Accumulated amortization and impairment	
Accumulated amortization and impairment at January 1	(3,875,524)
Amortization for the period (Note 20.2)	(787,094)
Exchange rate differences	144,944
Accumulated amortization and impairment at June 30, 2021	(4,517,674)
Deferred acquisition cost at June 30, 2021	1,571,223

NOTE 11. INVESTMENTS IN ASSOCIATE COMPANIES AND JOINT VENTURES

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

	Note	June 2021	December 2020
Investments in associates	11.1	20,435,743	19,827,560
Joint ventures	11.2	8,547	8,715
Total investments accounted for using the equity method		20,444,290	19,836,275
	Note	June 2021	June 2020
Income from equity method associates	11.1	650,253	158,888
Loss from equity method Joint ventures	11.2	(2,125)	(5,640)
Total equity method income from investments in associates and joint ventures		648,128	153,248

11.1 Investment in associates

The detail of the associated companies of Grupo SURA as of the date of the reporting period is as follows:

			June 2021			December 2020		
Companies	Main activity	Country	% Participation (¹)	% Right to vote (²)	# Shares	% Participation (¹)	% right to vote (²)	# Shares
Associates:								
Grupo Bancolombia S.A.	Universal banking	Colombia	24.49%	46.22%	235,565,920	24.49%	46.22%	235,565,920
Grupo Argos S.A. ⁽¹⁾	Concrete, energy, real estate and ports	Colombia	26.37%	34.87%	229,295,179	26.75%	35.53%	229,295,179
Grupo Nutresa S.A.	Food and processed	Colombia	35.52%	35.52%	163,005,625	35.43%	35.43%	163,005,625
Administradora de Fondos de Pensiones y Cesantías Protección S.A.	Pension and severance fund	Colombia	49.36%	49.36%	25,407,446	49.36%	49.36%	25,407,446
Promotora de Proyectos	Logistics services	Colombia	48.26%	48.26%	11,076,087	48.26%	48.26%	11,076,087
Inversiones DCV S.A.	Shareholder registration management	Chile	34.82%	34.82%	9,854	34.82%	34.82%	9,854
Fondos de Cesantías Chile I S.A.	Pension and severance fund	Chile	29.40%	29.40%	570,000	29.40%	29.40%	570,000
Servicios de Administración Previsional S.A.	Voluntary funds	Chile	22.64%	22.64%	745,614	22.64%	22.64%	745,614
Acendo S.A.S.	Investments	Colombia	25.80%	25.80%	63,570	25.80%	25.80%	63,570
Negocio Conjunto:								
Interejecutiva de Aviación S.A.S.	Air Transport Administration	Colombia	25.00%	25.00%	1,125,000	33.00%	33.00%	1,500,000
Subocol S.A.	Marketing of spare parts for vehicle repair	Colombia	58.70%	58.70%	11,163	58.70%	58.70%	11,163
Viliv S.A.S.	Technology services	Colombia	50.00%	50.00%	3,716,317	50.00%	50.00%	2,621,886
Unión Para La Infraestructura S.A.S.	Fund	Colombia	50.00%	50.00%	300,000	50.00%	50.00%	300,000
Unión Para La Infraestructura S.A.S.	Fund	Perú	50.00%	50.00%	2,708,000	50.00%	50.00%	2,708,000
P.A Dinamarca	Mobility solutions	Colombia	33.33%	33.33%	-	33.33%	33.33%	-
Vaccigen S.A.S. ⁽²⁾	Biological research and development	Colombia	40.00%	40,00%	17,000	-	-	-

(*) Equity interest in the associated company based on total issued shares.

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

⁽¹⁾ The percentage of participation and percentage of voting rights in Grupo Argos S.A. does not include 7,170,753 shares received as payment of dividends from this issuer. These shares were classified as non-current assets available for sale because the company decided to sell them in the short term. Including them in the total holding, the shares owned would be 236,465,932, the participation would be 27.20% and 35.96% with voting rights.

⁽²⁾ On June 28, 2021, Suramericana through Ayudas Diagnósticas SURA S.A.S., made an investment in the company Vaccigen S.A.S., (Vaxthera). With a participation of 40% and is classified as a joint business by the shareholders agreement signed between the parties, in which it is stipulated that relevant decisions will be taken unanimously.

Cross-shareholdings

In the course of their operations, both associates 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 June 30, 2021 and December 31, 2020 is as follows:

Associates	% Participation	% Right to vote	% Participation	% Right to vote
	June 2021		December 2020	
Grupo Argos S. A.	27,19%	33,75%	27,13%	33,67%
Grupo Nutresa S. A.	13.04%	13.04%	13.01%	13.01%

Grupo SURA and its associate Grupo ARGOS record their participations under the equity model.

When calculating this method, both associate and Grupo SURA do so simultaneously and without considering the effect of the cross-shareholding, i.e., without affecting the results between them.

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 equity method.

Financial information of associates (Issuers of securities)

The assets, liabilities, equity and results for the year of each of the associate companies included in the consolidated financial statements of the group as of June 30, 2021 and December 31, 2020 are as follows:

June 2021										
	Location	Asset Current	Asset non-current	Current Liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Partners:										
Grupo Bancolombia S.A. (*)	Colombia	265,484,002	-	234,888,990	-	30,595,012	6,372,089	1,752,757	945,362	2,698,119
Grupo Argos S.A. (*)	Colombia	7,170,066	45,381,669	7,963,089	17,103,237	27,485,409	7,759,638	583,006	1,180,336	1,763,342
Grupo Nutresa S.A. (*)	Colombia	4,166,905	11,254,957	2,542,177	5,003,494	7,876,191	5,775,714	373,861	(405,383)	(31,522)
Fondo de Pensiones y Cesantías Protección S.A. (*)	Colombia	735,458	2,553,189	247,846	945,599	2,095,203	847,474	139,781	4,081	143,862

(*) *Figures taken from the associates' consolidated financial statements*

The associate Grupo Bancolombia S.A. presents the statement of financial position by order of liquidity; therefore, the detail of current and non-current financial assets and liabilities is not included, the figures shown in the table represent total assets and total liabilities.

December 2020										
	Location	Asset Current	Asset non-current	Current Liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Partners:										
Grupo 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)
Fondo de Pensiones y Cesantías Protección S.A. (*)	Colombia	767,659	2,382,620	303,366	846,401	2,000,512	1,974,439	291,391	1,088	292,479

(*) *Figures taken from the associates' consolidated financial statements*

The associate Grupo Bancolombia S.A. presents the statement of financial position by order of liquidity; therefore, the detail of current and non-current financial assets and liabilities is not included, the figures shown in the table represent total assets and total liabilities.

Balance and movement in associates

The following is the detail of investments in associates as of June 30, 2021 and December 31, 2020:

Associate movements	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	Administradora de Fondos de Pensiones y Cesantías Protección S.A.	Others	Total
Balance at December 31, 2019	8,711,435	5,126,177	4,815,632	1,269,336	34,160	19,956,740
Additions ⁽¹⁾	11,707	-	24,838	-	-	36,545
Change in commission	-	-	-	-	(1,046)	(1,046)
Gain from the equity method	67,595	(46,019)	203,859	128,785	12,587	366,807
Change in equity	236,084	125,655	(252,791)	639	3,151	112,738
(-) Dividends	(385,280)	(86,215)	(105,604)	(59,245)	(11,252)	(647,596)
Adjustment in conversion	-	-	-	-	3,372	3,372
Balance at December 31, 2020	8,641,541	5,119,598	4,685,934	1,339,515	40,972	19,827,560
Additions	-	-	-	-	-	-
Change in commission	-	-	-	-	-	-
Gain from the equity method	416,216	35,995	130,247	61,473	6,320	650,251
Change in equity	247,436	157,952	(147,148)	2,523	(22)	260,741
(-) Dividends	(61,247)	(87,591)	(114,430)	(24,782)	(15,817)	(303,867)
Adjustment in conversion	-	-	-	-	1,058	1,058
Balance at June 30, 2021	9,243,946	5,225,954	4,554,603	1,378,729	32,511	20,435,743

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

Restrictions and commitments

At June 30, 2021, 43,373,238 shares of Grupo Argos were delivered in guarantee to back financial obligations for a book value of \$853,180 and at December 31, 2020, 44,706,571 shares were held for a book value equivalent to \$879,408.

11.2 Joint ventures

The following is the detail of the cost of investments as of June 30, 2021 and December 31, 2020:

	Interejecutiva	Viliv S.A.S.	UPI Colombia	UPI Perú	P.A Dinamarca	Vaccigen S.A.S.	P. A Serv. Tecnológicos	Subocol S.A.	Total
Balance at December 31, 2019	5,309	1,009	1,382	548	503	-	198	-	8,949
Additions ⁽¹⁾	-	2,613	-	13	2,027	-	-	1,500	6,153
Reclassification ⁽²⁾	-	-	-	-	-	-	-	1,046	1,046
Decrease	-	-	-	-	-	-	(183)	-	(183)
Gain from the equity method	(2,827)	(1,905)	1,238	331	(813)	-	(15)	(321)	(4,312)
Change in equity	(1,355)	-	-	(63)	(2)	-	-	(185)	(1,605)
(-) Dividends	-	-	(1,333)	-	-	-	-	-	(1,333)
Balance at December 31, 2020	1,127	1,717	1,287	829	1,715	-	-	2,040	8,715
Additions ⁽³⁾	-	2,000	-	-	1,136	787	-	1,195	5,118
Reclassification	-	-	-	-	-	-	-	-	-
Decrease	(512)	-	-	-	-	-	-	-	(512)
Gain (loss) from the equity method	(297)	(1,184)	546	(128)	(1,138)	(34)	-	111	(2,125)
Change in equity	(1,254)	-	-	20	10	-	-	(186)	(1,411)
(-) Dividends	-	-	(1,238)	-	-	-	-	-	(1,238)
Balance at June 30, 2021	(936)	2,533	595	721	1,723	753	-	3,160	8,547

⁽¹⁾ Viliv S.A.S. is incorporated, which receives the rights previously held in Patrimonio Autónomo Proyecto Crece.

⁽²⁾ On September 11, 2020, Subocol S.A. is reclassified as a joint venture.

⁽³⁾ On June 28, 2021, through Ayudas Diagnósticas SURA S.A.S., Suramericana made an investment in Vaccigen S.A.S., now known and promoted as Vaxthera.

NOTE 12. INTANGIBLE ASSETS

The classification of intangible assets of Grupo SURA at the end of June 30 is listed below:

	Note	June 2021	December 2020
Goodwill	12.1	5,095,053	4,868,020
Intangible assets other than goodwill	12.2	2,864,152	2,790,345
Other total intangible assets including goodwill		7,959,205	7,658,365

12.1 Goodwill

The cash generating units of goodwill are as follows:

Company	June 2021	December 2020
AFP Capital S.A. Chile	1,843,175	1,773,060
AFP Integra S.A. Peru	1,304,348	1,273,280
AFORE Sura S.A. de C.V. Mexico	1,018,511	940,246
Seguros Generales Suramericana S.A. Chile	174,093	167,487
AFAP Sura S.A. Uruguay	124,559	117,106
Seguros Sura S.A. Uruguay	92,081	86,573
Seguros Colombia S.A. e IATM	94,290	94,290
Seguros Sura S.A. El Salvador	75,868	69,473
Corredores de Bolsa Sura S.A. y Administradora General de Fondos Sura S.A. Chile	83,068	79,916
Fondos Sura SAF S.A.C. Peru	61,358	60,072
Seguros Suramericana S.A. Panama	62,928	57,622
Seguros Sura S.A. Mexico	52,869	48,807
Seguros Sura S.A. Brazil	37,079	32,683
Arus S.A. Colombia	25,429	25,429
Sura Investment Management S.A. de C.V. Mexico	24,148	22,292
Seguros Sura S.A. Dominican Republic	15,226	13,661
Gestión Fiduciaria S.A. Colombia	4,736	4,736
Hábitat (El Ciruelo) Colombia	1,287	1,287
Total	5,095,053	4,868,020

Impairment of goodwill

The value in use of the cash generating units of the Group was estimated by using different valuation techniques, including the income approach and, discounted cash flows, among others. The projections were based on the detailed budget prepared by the management of each country for 2021. Indicators such as growth in premiums, claims, commissions, administrative expenses, financial income, taxes, among others, are also projected.

- *Projection horizon:* Given the current macroeconomic conditions and the characteristics and maturity of the businesses of the different CGUs under analysis, together with the information available, a projection horizon of between 5 and 10 years has been considered depending on each CGU.

- *Residual value:* Since the cash generating units under analysis are expected to continue operating and generating positive cash flows beyond the projection period, a perpetuity has been estimated. This value is known as residual or terminal value.
- *Year-end:* The year-end date considered in the financial projections of the cash-generating units at the date of analysis is December 31 of each year, which coincides with the closing date of the financial statements of the legal entities related to such CGUs.
- *Monetary Unit:* Grupo SURA and its Subsidiaries have estimated their cash flows in the functional currency of their businesses in each market. For the currencies of each country see note 2.2.4 Currencies.
- *Discount rate:* The projected cash flows in current values are discounted at nominal discount rates in the local currency of each CGU, considering inflation variables and risk premiums specific to each CGU according to its country.

The discount rates applied in the projections consider the cost of equity (Ke) for each CGU, including the 10-year U.S. treasury return, the equity risk premium, country risk, sector beta, and the difference between long-term local inflation and that expected for the U.S. economy. Considering the above, depending on the country and sector of the company, the discount rates range from 8.8% to 14.2%.

- *Income Tax Rates:* Projected cash flows were estimated on an after-tax basis. For these purposes, the income tax rates in effect in each country as of December 31, 2020 were applied. For further details of the tax rates in each country see Note 8 Income Taxes.
- *Macroeconomic assumptions:* the financial projections of the CGUs under analysis have been prepared in light of the macroeconomic variables projected by external information sources. Among the variables used are:

Subsidiary	Macroeconomic assumptions	
	GDP	Inflation
Brazil	1.70%	3.20%
Chile	((2.7%)-2.50%)	3.00%
Mexico	((5.9%)-1.30%)	3.50%
Uruguay	((3.2%)-2.20%)	7.10%-9.7%
Colombia	1.60%	2.90%
Panama	3.60%	1.30%
Peru	(10.0%)	1.8%
Dominican Republic	3.80%	3.70%
El Salvador	1.80%	0.90%

- *Growth rate:* The growth rate used to extrapolate the projections reflect factors such as the historical growth of each subsidiary, the historical growth of the industry in each country, as well as the estimated nominal economic growth projected for each of the countries. During this period, compound annual revenue growth rates are a few points above economic growth. The growth rates used range from 3.6% to 9.20%.

After performing the projections and calculations for the determination of the impairment test of the goodwill of the group, Grupo SURA concluded that there is no impairment, since the recoverable value of the CGUs is higher than their book value.

12.2 Intangible Assets other than goodwill

The detail of the movements of intangible assets of Grupo SURA is as follows:

	Acquired brands	Customer-related intangible assets	Software and computer applications	Rights	Licenses and franchises	Other intangible assets	Total
Cost							
Cost at January 1, 2019	134,700	3,770,722	550,078	34,498	31,679	6,826	4,528,503
Additions	-	6,835	171,383	-	2,870	23,764	204,852
Disposals	-	(14,820)	(48,292)	-	(807)	(5,567)	(69,486)
Business combination	-	-	155	-	-	-	155
Restatement of assets	1,831	10,690	7,626	-	54	-	20,201
Exchange rate differences	5,870	76,180	(6,154)	1,306	(481)	1,613	78,334
Cost in books at December 31, 2020	142,401	3,849,607	674,796	35,804	33,315	26,636	4,762,559
Accumulated depreciation and impairment							
Accumulated amortization and impairment at January 1, 2019	(3,019)	(1,381,386)	(244,552)	(30,825)	(11,715)	-	(1,671,497)
Amortization of the period	-	(199,484)	(88,511)	(4,139)	(3,993)	(286)	(296,413)
Business combination	-	-	(115)	-	-	-	(115)
Restatement of assets	-	(7,001)	-	-	(24)	-	(7,025)
Provisions	-	6,028	25,755	-	258	(250)	31,791
Exchange rate differences	(143)	(24,956)	(3,735)	(840)	433	286	(28,955)
Accumulated amortization and impairment at December 31, 2020	(3,162)	(1,606,799)	(311,158)	(35,804)	(15,041)	(250)	(1,972,214)
Intangible assets other than goodwill at December 31, 2020	139,239	2,242,808	363,638	-	18,274	26,386	2,790,345

	Acquired brands	Customer-related intangible assets	Software and computer applications	Rights	Licenses and franchises	Other intangible assets	Total
Cost							
Book cost as of January 01, 2021	142,401	3,849,607	674,796	35,804	33,315	26,636	4,762,559
Additions	-	120	87,864	-	3,934	15,476	107,394
Disposals (-)	-	(4,460)	(26,398)	-	(191)	(5,520)	(36,569)
Business combination	-	-	-	-	-	-	-
Restatement of assets	1,730	7,311	-	-	-	-	9,041
Exchange rate differences	4,680	191,218	31,224	2,656	2,017	1,170	232,965
Book cost as of June 30, 2021	148,811	4,043,796	767,486	38,460	39,075	37,762	5,075,390
Accumulated depreciation and impairment							
Accumulated amortization and impairment at January 1, 2021	(3,162)	(1,606,799)	(311,158)	(35,804)	(15,041)	(250)	(1,972,214)
Amortization of the period	-	(96,476)	(47,910)	-	(1,145)	(154)	(145,685)
Restatement of assets	-	(6,216)	-	-	-	-	(6,216)
Disposals (-)	-	4,531	11,388	-	(1,775)	(39)	14,105
Exchange rate differences	(291)	(80,913)	(16,625)	(2,656)	(843)	100	(101,228)
Accumulated amortization and impairment at June 30, 2021	(3,453)	(1,785,873)	(364,305)	(38,460)	(18,804)	(343)	(2,211,238)
Intangible assets other than goodwill at June 30, 2021	145,358	2,257,923	403,181	-	20,271	37,419	2,864,152

The carrying value of trademarks with indefinite useful lives is presented below:

Brands	Country	Valuation currency	Value in local currency	Total
ACG	Argentina	Argentine pesos	79	3,882
Answer	Argentina	Argentine pesos	94	4,598
Seguros Argentina			173	8,480
Hogar Master	Mexico	Mexican pesos	8	1,498
Top driver	Mexico	Mexican pesos	2	374
Seguros México			10	1,872
AFP Capital	Chile	Chilean peso	18	89,766
AFP Integra	Peru	Peruvian Sol	47	45,231

The following assumptions were used for the impairment test of the trademarks:

- *Projection Horizon:* for the estimation of the value in use of the brands, an indefinite useful life was considered, in accordance with the trajectory and positioning of the brands and the market participant approach assumed. For this reason, an explicit 5-year projection was made for the AFP Capital and AFP Integra brands, respectively; and then the present value

of a perpetual net royalty flow was calculated, considering a growth of 4.0% for AFP Capital and 3.4% for AFP Integra nominal in local currency in the long term over the stabilized flow.

- *Income Projection:* In order to estimate the value in use of the AFP Capital and AFP Integra brands, the operational income generated by the AFP Capital and AFP Integra business, respectively, was considered. These are the income from commissions and the return on the reserve requirement, both corresponding to the mandatory and voluntary pension business.
- *Market Royalties and Attributes of Brands:* For the purposes of applying the Royalties Saving methodology ("Relief from Royalty"), a market royalty rate was estimated. Additionally, in order to define the royalty applicable to brands, from the estimated market royalty range, the positioning and relative strength of the brand, was taken into account, based on the following attributes:
 - The current status and potential for future development of the brands was considered.
 - Recognition: According to market studies, the degree of spontaneous knowledge or awareness that the public has about brands was evaluated.
 - Loyalty: According to market studies, the degree of customer loyalty to brands was evaluated.
 - Market share: According to market studies, the market share of the brands, in the Chilean and Peruvian markets, was analyzed.
 - Longevity: According to studies, that the Company has, the age of the brands, in the Chilean and Peruvian markets was evaluated.

Based on the above procedures, an applicable royalty of 1.05% was estimated, for AFP Capital and AFP Integra.

NOTE 13. BONDS ISSUED

El detalle de los bonos emitidos se presenta a continuación:

Date of issue	Maturity date	Nominal value	Emission rate	Amortized cost		Fair value	
				June 2021	December 2020	June 2021	December 2020
29-Apr-16	29- Apr -26	USD 550 ¹	5.50%	2,062,631	1,887,579	2,251,569	2,171,359
17-Apr-14	17-Apr-24	USD 500 ¹	4.88%	1,886,213	1,649,371	2,023,960	1,890,796
11-Apr-17	14-Apr-27	USD 350 ¹	4.38%	1,308,554	1,274,264	1,421,897	1,359,451
18-May-11	18-May-21	USD 300 ³	+ 5.70%	-	1,036,113	-	1,056,963
22-Jun-16	22- Jun -26	305,622	CPI + 4.09%	304,331	303,611	327,651	341,107
07-May-14	07-May-23	223,361	CPI + 3.80%	225,515	225,388	236,671	239,773
23-Feb-17	23-Feb-22	193,549	7.21%	194,885	194,830	200,265	204,844
23-Feb-17	23-Feb-29	190,936	CPI + 3.58%	190,842	190,551	193,204	207,324
23-Feb-17	23-Feb-24	165,515	CPI + 3.19%	165,733	165,405	173,294	175,936
07-May-14	07-May-30	100,000	CPI + 4.15%	100,887	100,814	104,396	114,201
25-Nov-09	25-Nov-29	98,000	CPI + 5.90%	96,372	96,158	113,169	123,096
25-Nov-09	25-Nov-49	97,500	CPI + 6.98%	94,880	94,752	125,626	151,443
11-Aug-20	11- Aug -23	223,750 ²	IBR + 2.00%	223,769	223,708	224,817	226,124
11-Aug-20	11- Aug -27	296,350 ²	CPI + 3.00%	297,877	297,496	292,880	307,555
22-Jun-16	22- Jun -31	289,235	CPI + 4.29%	287,523	286,920	302,115	328,389
22-Jun-16	22- Jun -23	257,145	CPI + 3.90%	256,701	255,986	271,134	275,647
11-Aug-20	11- Aug -32	180,320 ²	CPI + 3.80%	181,449	181,226	175,148	190,512
11-Aug-20	11- Aug -40	299,580 ²	CPI + 4.20%	301,609	301,247	283,570	322,741
Total bonds issued				8,179,771	8,765,419	8,721,366	9,687,261

¹ Values expressed in millions of dollars.

² 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.

³ On May 18, 2021, the operation of USD 300 million matured, which were paid on that date with resources previously funded with the issuance of bonds and for which investments were made until the payment date (See note 22 Financial Result).

Bonds issued current and non-current are presented below:

	Amortized cost		Fair value	
	June 2021	December 2020	June 2021	December 2020
Current bonds issued	194,885	1,036,113	200,265	1,056,963
Non-current bonds issued	7,984,886	7,729,306	8,521,101	8,630,298
Total bonds issued	8,179,771	8,765,419	8,721,366	9,687,261

NOTE 14. PREFERRED SHARES

The movement of the preferred shares as of June 30, 2021 and December 2020 are detailed below:

At December 31, 2019	460,712
Interest accrued	40,764
Interest payments	(40,629)
At December 31, 2020	460,847
Interest accrued (Note 22)	19,447
Interest payments	(20,313)
At June 30, 2021	459,981

NOTE 15. 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 occasional reserves with profits generated up to December 31, 2016 for COP\$351,165 per share.

2021				2020					
Dividends declared	N° of shares	Annual ordinary dividend per share in COP\$.	Ordinary dividend balance	N° of shares	Annual ordinary dividend per share in COP\$.	Ordinary dividend balance	Annual ordinary dividend per share in COP\$.	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
Preferred shares	112,940,288	603.4	68,148	112,940,288	583	65,844	51	5,760	71,604
Total	581,977,548		351,165	581,977,548		339,293		29,681	368,974

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

The companies comprising the SURA Group in Colombia are subject to the following restrictions regarding the transfer of profits or development of operations, in accordance with Colombian law:

- In compliance with the provisions of the Code of Commerce, corporations must constitute a mandatory legal reserve amounting to at least fifty percent of the subscribed capital, formed with ten percent of the net profits of each fiscal year.

The subsidiaries of Grupo SURA abroad are not restricted from transferring dividends to the parent company, except for the legal reserve mentioned before.

Grupo SURA and its subsidiaries have no significant restrictions on their ability to access or use their assets and settle their liabilities other than those resulting from regulatory frameworks.

NOTE 16. RESERVES FOR SHARE REPURCHASE

On March 27, 2020, the General Shareholders' Meeting authorized the repurchase of shares of the Company for up to three hundred billion Colombian pesos COP \$300,000 for a term of up to three years, counted from that date.

On April 19, 2021 Grupo SURA started the share repurchase program within the framework of the authorization granted by the Shareholders' Meeting of March 27, 2020 and regulated by the Company's Board of Directors on March 26, 2021.

As of June 30, 2021, 1,127,585 common shares and 194,094 preferred shares have been repurchased at a weighted average price of \$19.994 and \$17.691 respectively and for a total amount to date of COP \$25,979 as follows:

	June 2021	December 2020
As of January 01	300,000	
Establishment of reserve	-	300,000
Common stock repurchases	(22,545)	0
Repurchase of preferred stock	(3,434)	0
Closing Balance	274,021	300,000

NOTE 17. OTHER COMPREHENSIVE INCOME

The other comprehensive income by concept as of June 30, 2021 and 2020 is presented below:

June 2021

Concept	December 2020	Movement for the period	June 2021	Non-controlling interest other comprehensive income	Total Other comprehensive income
Gain on revaluation of assets ¹	216,590	60	216,650	15	75
New defined benefit plan measures	(15,691)	-	(15,691)	-	-
Gain (loss) from investments in equity instruments	13,955	(11,920)	2,035	(4,363)	(16,283)
(Loss) gain Exchange difference on conversion ²	1,572,829	560,036	2,132,865	114,137	674,173
Gain (loss) on cash flow hedges	6,557	91,781	98,338	15,338	107,119
Gain (loss) on derivative hedges of net investments in foreign operations	(95,420)	(61,274)	(156,694)	(12,040)	(73,314)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method ³	1,207,487	258,946	1,466,433	383	259,329
Total comprehensive income	2,906,307	837,629	3,743,936	113,470	951,099

June 2020

Concept	December 2019	Movement for the period	June 2020	Non-controlling interest other comprehensive income	Total Other comprehensive income
Gain on revaluation of assets ¹	221,354	(963)	220,391	(226)	(1,189)
New defined benefit plan measures	(17,237)	4,006	(13,231)	97	4,103
Gain (loss) from investments in equity instruments	1,344	(2,575)	(1,231)	602	(1,973)

(Loss) gain Exchange difference on conversion ²	1,137,693	398,674	1,536,367	74,600	473,274
Gain (loss) on cash flow hedges	33,695	29,120	62,815	5,614	34,734
Gain (loss) on derivative hedges of net investments in foreign operations	(49,227)	(41,247)	(90,474)	(8,105)	(49,352)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method ³	1,096,985	(24,203)	1,072,782	1,137	(23,066)
Total resultado integral	2,424,607	362,812	2,787,419	73,719	436,531

¹ The component of other comprehensive income from revaluation of assets corresponds to gains from the valuation at fair value of real estate properties measured under the revaluation model.

² The conversion differences component represents the cumulative amount of exchange differences arising from the translation to the presentation currency of Grupo SURA of the results and net assets of foreign operations. The cumulative translation differences are reclassified to profit or loss for the period, partially or in full, when the foreign operation is disposed of.

³ The component accounts for the changes in equity in investments in associated companies and joint ventures in the application of the equity method (see detail in Note 11. Investments accounted for using the equity method).

NOTE 18. NON-CONTROLLING INTEREST

The following table shows summarized financial information as of June 2021 and December 2020, of the main subsidiaries of Grupo SURA that have significant non-controlling interests.

Financial information before eliminations of related party transactions is presented below:

	Suramericana S.A. and subsidiaries		Sura Asset Management S.A. and subsidiaries	
	June 2021	December 2020	June 2021	December 2020
Main domicile		Colombia		Colombia
% Non-controlling interest	18.87%	18.87%	16.42%	16.42%
Ordinary income	9,258,592	16,985,096	1,718,426	3,441,162
Income from continuing operations	(750)	211,431	300,267	438,050
Income from discontinued operations	-	-	4,846	(6,669)
Other comprehensive income	150,919	51,515	512,690	370,468
Comprehensive income	150,169	262,946	817,803	801,849
Assets	31,254,882	30,541,226	20,643,554	19,881,315
Liabilities	26,230,595	25,468,379	10,595,913	10,377,655
Equity	5,024,287	5,072,847	10,047,641	9,503,660
Dividends paid to non-controlling interests	-	41,517	22,631	54,032

The contribution of the main companies to the consolidated financial statements of Grupo SURA that have significant non-controlling interests is presented below:

	Suramericana S.A. and subsidiaries		Sura Asset Management S.A. and subsidiaries		Other		Grupo SURA and subsidiaries	
	June 2021	December 2020	June 2021	December 2020	June 2021	December 2020	June 2021	December 2020
Non-controlling income	11	40,002	50,445	71,474	(338)	(363)	50,118	111,113
Total comprehensive income	28,951	49,982	134,979	133,352	(342)	16	163,588	183,350
Equity	925,337	873,312	1,473,133	1,364,229	4,895	4,889	2,403,365	2,242,430
Total non-controlling interests equity	954,299	963,296	1,658,557	1,569,055	4,215	4,542	2,617,071	2,536,893

NOTE 19. OPERATING SEGMENTS

19.1. Reportable segments

The operating segments of the Group have been defined as: two companies and their subsidiaries; the holding company; and others, which manage the operations of the group according to the following distinct economic activities:

Grupo SURA:

This segment includes holding companies whose main objective is the acquisition of investment vehicles.

Suramericana (Insurance SURA):

It includes companies engaged in the coverage of risks, in charge of guaranteeing or indemnifying all or part of the loss caused by the occurrence of certain accidental situations.

- 1.1. Life Insurance: Companies in charge of covering risks against the individual are classified in this segment.
- 1.2. Non-life insurance: Insurance companies covering risks other than personal injury are classified in this segment.
- 1.3. Health Insurance: Includes companies engaged in the provision of mandatory and complementary health services.

Sura Asset Management:

Includes companies engaged in the administration of funds, responsible for the administration of contributions made by employees in individual mandatory savings accounts and their voluntary contributions.

- 1.1. Mandatory fund management: Its main activity refers to the collection and management of contributions made by employees in individual mandatory savings accounts and, in turn, the management and payment of benefits established by the pension system.
- 1.2. Voluntary fund management: its main activity is focused on voluntary pension savings, life annuities, among others.

Others:

Includes companies engaged in the sale of services, marketing of products, solutions in telecommunications, information processing services, and other services not directly related to the business strategy but which are complementary to the portfolio service offering.

The highest authority in operating decision making in the segments in Grupo SURA are the financial vice presidents of the subsidiaries and Grupo SURA, who is responsible for monitoring the operating results of the operating segments separately in order to make decisions on the allocation of resources and evaluate the segments performance.

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

19.2. Information about operating segments

Consolidated Income Statement at June 30, 2021 by Segment

June 2021	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Continuing operations						
Income						
Insurance premiums	-	6,945,330	260,542	-	(1,704)	7,204,168
Premiums for health services	-	2,786,158	-	8,504	(511)	2,794,151
Premiums issued	-	9,731,488	260,542	8,504	(2,215)	9,998,319
Premiums ceded in reinsurance	-	(1,605,711)	(2,938)	-	1	(1,608,648)
Retained premiums (net)	-	8,125,777	257,604	8,504	(2,214)	8,389,671
Net production reserves	-	164,701	(93,902)	-	-	70,799
Retained earned premiums	-	8,290,478	163,702	8,504	(2,214)	8,460,470
Return on investments	686,234	423,872	77,556	1,264	(684,279)	504,647
Net gain on investments at fair value	(14,410)	114,725	59,594	26,895	145	186,949
Commission Income	-	282,386	1,285,396	250	(1,134)	1,566,898
Provision of Services	-	6,450	7	82,983	(211)	89,229
Gains from equity method	-	(1,061)	68,004	(976)	582,161	648,128
Gains from sales of investments	-	(14,703)	40,420	636	(1)	26,352
Other income	4	156,444	23,747	1,276	70	181,541
Total income	671,828	9,258,591	1,718,426	120,832	(105,463)	11,664,214
Costs and expenses						
Insurance claims	-	(3,885,527)	(255,691)	-	2,002	(4,139,216)
Health service claims	-	(2,584,315)	-	(6,986)	22	(2,591,279)
Total claims	-	(6,469,842)	(255,691)	(6,986)	2,024	(6,730,495)
Reimbursement of claims	-	628,968	-	-	-	628,968
Retained claims	-	(5,840,874)	(255,691)	(6,986)	2,024	(6,101,527)
Expenses for commissions to intermediaries	-	(1,264,750)	1,496	-	112	(1,263,142)
Insurance costs and expenses	-	(437,705)	-	(1)	16	(437,690)
Costs of provision of services	-	(85,299)	-	(82,080)	-	(167,379)
Administrative expenses	(21,403)	(663,677)	(240,206)	(9,441)	24,751	(909,976)
Employee benefits	(13,261)	(637,342)	(474,643)	(13,410)	715	(1,137,941)
Fees	(5,325)	(121,212)	(52,234)	(535)	201	(179,105)
Depreciation and amortization	(1,090)	(110,265)	(145,009)	(7,604)	1	(263,967)
Other expenses	-	888	(12,184)	(461)	1	(11,756)
Total costs and expenses	(41,079)	(9,160,236)	(1,178,471)	(120,518)	27,821	(10,472,483)
Operating profit	630,749	98,355	539,955	314	(77,642)	1,191,731

Financial Results	(170,237)	(49,837)	(73,978)	(1,278)	-	(295,330)
Income from continuing operations before income tax	460,512	48,518	465,977	(964)	(77,642)	896,401
Provision for income tax	(13,550)	(49,269)	(165,708)	(348)	-	(228,875)
Net gains, continued operations	446,962	(751)	300,269	(1,312)	(77,642)	667,526
Net gains, discontinued operations	-	-	4,846	-	-	4,846
Net income	446,962	(751)	305,115	(1,312)	(77,642)	672,372
Net income attributable to controlling shareholders	446,962	(939)	304,712	(925)	(127,555)	622,255
Net income attributable to non-controlling interest	-	188	403	(387)	49,913	50,117

Consolidated Income Statement at June 30, 2020 by Segment

June 2020	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Continuing operations						
Income						
Insurance premiums	-	6,596,034	279,457	-	(1,227)	6,874,264
Premiums for health services	-	2,188,915	-	9,105	(18)	2,198,002
Premiums issued	-	8,784,949	279,457	9,105	(1,245)	9,072,266
Premiums ceded in reinsurance	-	(1,495,336)	(4,945)	-	-	(1,500,281)
Retained premiums (net)	-	7,289,613	274,512	9,105	(1,245)	7,571,985
Net production reserves	-	107,344	40,630	-	1	147,975
Retained earned premiums	-	7,396,957	315,142	9,105	(1,244)	7,719,960
Return on investments	1,132,627	479,713	135,671	1,422	(1,131,385)	618,048
Net gain on investments at fair value	596	186,698	(76,212)	(79)	145	111,148
Commission Income	-	235,347	1,115,966	589	(1,046)	1,350,856
Sale of Services	-	5,224	-	86,175	(18)	91,381
Gains from equity method	-	(97)	1,255	(2,071)	154,161	153,248
Gains from sales of investments	-	8,363	(8,467)	(1,643)	-	(1,747)
Other income	356	117,518	12,865	2,320	(41)	133,018
Total income	1,133,579	8,429,723	1,496,220	95,818	(979,428)	10,175,912
Costs and expenses						
Insurance claims	-	(3,302,065)	(280,757)	-	1,609	(3,581,213)
Health service claims	-	(2,027,166)	-	(5,605)	133	(2,032,638)
Total claims	-	(5,329,231)	(280,757)	(5,605)	1,742	(5,613,851)
Reimbursement of claims	-	718,323	-	-	-	718,323
Retained claims	-	(4,610,908)	(280,757)	(5,605)	1,742	(4,895,528)
Expenses for commissions to intermediaries	-	(1,338,602)	(16,848)	-	120	(1,355,330)
Insurance costs and expenses	-	(356,211)	-	-	17	(356,194)
Costs of provision of services	-	(82,347)	-	(86,957)	-	(169,304)
Administrative expenses	(18,666)	(689,515)	(237,344)	(8,505)	22,927	(931,103)
Employee benefits	(18,698)	(617,178)	(423,906)	(11,931)	543	(1,071,170)
Fees	(3,625)	(101,628)	(57,090)	(563)	349	(162,557)
Depreciation and amortization	(1,057)	(114,709)	(134,584)	(7,629)	-	(257,979)

Other expenses	-	(48,888)	(6,041)	(398)	(3)	(55,330)
Total costs and expenses	(42,046)	(7,959,986)	(1,156,570)	(121,588)	25,695	(9,254,495)
Operating profit	1,091,533	469,737	339,650	(25,770)	(953,733)	921,417
Financial Results	(304,335)	(63,062)	(57,554)	(2,641)	-	(427,592)
Income from continuing operations before income tax	787,198	406,675	282,096	(28,411)	(953,733)	493,825
Provision for income tax	27,834	(114,155)	(149,479)	(243)	-	(236,043)
Net gains continuous operations	815,032	292,520	132,617	(28,654)	(953,733)	257,782
Net gains from discontinued operations	-	-	(12,486)	-	-	(12,486)
Net income	815,032	292,520	120,131	(28,654)	(953,733)	245,296
Net income attributable to controlling shareholders	815,032	291,741	119,755	(28,495)	(1,028,584)	169,449
Net income attributable to non-controlling interest	-	779	376	(159)	74,851	75,847

Consolidated Statement of Financial Position as of June 30, 2021 by Segment

June 2021	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Assets						
Investments	10,230,799	15,146,459	9,171,727	(169,131)	(9,905,070)	24,474,784
Assets under insurance contracts	-	4,378,911	-	-	(91)	4,378,820
Assets under reinsurance contracts	-	4,940,462	3,645	-	-	4,944,107
Investments in associated companies and joint ventures	14,429,203	5,636	1,412,837	19,133	4,577,481	20,444,290
Goodwill	-	604,434	4,463,902	24,950	1,767	5,095,053
Other assets	2,974,768	6,178,980	5,591,442	245,136	(2,160,369)	12,829,957
Total assets	27,634,770	31,254,882	20,643,553	120,088	(7,486,282)	72,167,011
Liabilities						
Financial liabilities	556,547	321,760	194,298	19,220	-	1,091,825
Liabilities under insurance contracts	-	20,427,159	4,799,115	-	(265)	25,226,009
Other accounts payable and accounts payable to related parties	381,477	1,655,466	753,609	32,879	(309,005)	2,514,426
Issued bonds and preferred shares	4,596,430	848,555	3,194,767	-	-	8,639,752
Other liabilities	237,920	2,977,656	1,654,123	58,268	(1)	4,927,966
Total liabilities	5,772,374	26,230,596	10,595,912	110,367	(309,271)	42,399,978
Total equity	21,862,396	5,024,286	10,047,641	9,721	(7,177,011)	29,767,033
Total equity and liabilities	27,634,770	31,254,882	20,643,553	120,088	(7,486,282)	72,167,011

Consolidated Statement of Financial Position as of December 31, 2020 by Segment

December 2020	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Assets						
Investments	10,518,584	14,407,093	8,805,585	(199,133)	(9,604,666)	23,927,463
Assets under insurance contracts	-	4,498,134	-	-	(81)	4,498,053
Assets under reinsurance contracts	-	4,788,680	3,400	-	(1)	4,792,079

Investments in associated companies and joint ventures	14,429,203	3,755	1,382,885	18,828	4,001,604	19,836,275
Goodwill	-	570,595	4,270,708	24,950	1,767	4,868,020
Other assets	3,244,756	6,272,969	5,418,736	242,612	(2,159,200)	13,019,873
Total assets	28,192,543	30,541,226	19,881,314	87,257	(7,760,577)	70,941,763
Liabilities						
Financial liabilities	572,954	395,185	515,395	18,748	1	1,502,283
Liabilities under insurance contracts	-	19,600,134	4,574,176	-	(222)	24,174,088
Other accounts payable and accounts payable to related parties	212,758	1,529,559	696,072	28,228	(7,545)	2,459,072
Issued bonds and preferred shares	5,456,115	846,517	2,923,635	-	(1)	9,226,266
Other liabilities	208,643	3,096,985	1,668,377	64,328	(4)	5,038,329
Total liabilities	6,450,470	25,468,380	10,377,655	111,304	(7,771)	42,400,038
Total equity	21,742,073	5,072,846	9,503,659	(24,047)	(7,752,806)	28,541,725
Total equity and liabilities	28,192,543	30,541,226	19,881,314	87,257	(7,760,577)	70,941,763

Intersegment revenues are eliminated in consolidation and are reflected in the "eliminations" column.

19.3. Geographical information

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

The following table shows the distribution of income by geographic area:

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Colombia	7,492,449	6,138,936	3,917,029	3,016,176
Chile	1,545,998	1,410,737	784,869	838,487
Mexico	989,489	939,868	530,665	522,885
Argentina	466,450	504,106	261,129	274,398
Panama	261,612	261,485	138,701	140,157
El Salvador	220,915	245,418	117,268	119,408
Peru	213,854	171,907	111,841	134,175
Brazil	193,857	222,021	100,866	102,981
Uruguay	178,319	179,592	90,971	91,377
Dominican Republic	95,150	108,487	50,575	54,742
Bermuda	6,121	(6,645)	3,449	(8,023)
Total	11,664,214	10,175,912	6,107,363	5,286,763

As of June 2021, and 2020, the Group has no customers representing 10% or more of consolidated revenues.

The following table shows the distribution of assets by geographic area:

	June 2021	December 2020
Colombia	55,214,192	53,505,883
Chile	9,492,862	9,867,233
México	2,318,764	1,986,916
Argentina	1,468,092	1,330,677
Brazil	884,164	763,393
Panamá	804,317	728,963
El Salvador	695,113	677,938
Uruguay	443,593	397,079
Dominican Republic	441,648	472,793
Perú	343,833	1,160,111
Bermuda	60,433	50,777
Total	72,167,011	70,941,763

The following table shows net income (loss) by geographic area:

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Colombia	232,566	(236,751)	204,603	(149,336)
Mexico	171,251	150,759	100,602	91,633
Chile	166,417	175,764	78,108	163,952
Peru	56,546	19,312	30,882	43,281
Panama	32,077	31,908	20,749	55,873
Uruguay	14,404	14,648	9,207	10,657
El Salvador	4,770	15,836	5,546	13,391
Dominican Republic	4,161	19,613	3,927	11,670
Argentina	2,097	52,987	13,629	75,276
Bermuda	696	505	544	220
Brazil	(12,613)	715	(6,612)	4,635
Total	672,372	245,296	461,185	321,252

NOTE 20. COMMISSION INCOME AND EXPENSES

20.1. Commission income

Commission income for Grupo SURA is detailed below:

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Management of mandatory pension funds	1,089,076	969,911	561,611	465,264
Gains on disposals	273,179	228,813	139,911	115,661
Others ⁽¹⁾	110,116	84,012	58,399	42,637
Management of voluntary pension funds	85,997	62,696	44,238	30,342
Participation in gains of reinsurers	6,515	5,407	1,017	2,061
Reinsurance income/cancellations	2,015	17	2,000	17
Total	1,566,898	1,350,856	807,176	655,982

⁽¹⁾ Includes mainly income from the administration of client portfolios received.

20.2. Expenses for commissions paid to intermediaries

The detail of commissions paid to intermediaries is presented below:

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Acceptance fees	-	821	-	821
Deferred acquisition cost (DAC)	(787,094)	(888,096)	(405,801)	(474,264)
Insurance administration	(302,251)	(329,405)	(153,682)	(169,939)
Property and casualty insurance	(104,869)	(79,538)	(54,150)	(35,840)
Occupational risk insurance	(43,211)	(37,891)	(22,295)	(17,533)
Intermediation commissions	(10,930)	(7,882)	(5,611)	(3,820)
Commission for data processing and collection of contributions	(5,255)	(4,530)	(2,670)	(2,174)
Mandatory insurance	(4,169)	(3,793)	(1,637)	(1,865)
Rebates paid	(3,481)	(3,176)	(1,863)	(1,555)
Accepted coinsurance	(1,649)	(1,625)	(836)	(478)
Social security insurance	(233)	(215)	(99)	(81)
Total	(1,263,142)	(1,355,330)	(648,644)	(706,728)

NOTE 21. ADMINISTRATIVE EXPENSES

The administrative expenses of Grupo SURA as of June 30, 2021 and 2020 are detailed below:

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Taxes	(158,723)	(157,535)	(81,815)	(73,846)
Others (*)	(138,103)	(145,398)	(75,372)	(89,534)
Maintenance and repairs	(108,453)	(86,176)	(56,869)	(43,228)
Temporary services	(92,273)	(60,036)	(51,440)	(28,555)
Commissions	(82,163)	(151,695)	(28,997)	(114,200)
Advertising	(67,425)	(63,089)	(34,490)	(31,304)
Utilities	(62,463)	(59,745)	(32,606)	(24,644)
Contributions	(51,777)	(40,497)	(28,703)	(15,997)
Travel and representation expenses	(29,767)	(37,632)	(14,408)	(16,419)
Legal	(29,314)	(39,925)	(15,496)	(20,390)
Electronic data processing	(26,443)	(30,840)	(12,515)	(14,965)
Legal	(23,933)	(14,757)	(15,643)	(4,768)
Cost of sales	(17,339)	(21,640)	(8,930)	(9,727)
Leases	(12,178)	(10,966)	(5,951)	(3,648)
Supplies and stationery	(9,622)	(11,172)	(4,473)	(3,512)
Total	(909,976)	(931,103)	(467,708)	(494,737)

(*) Correspond mainly to expenses for cleaning and security services, transportation services and subscriptions, public relations expenses and donations.

NOTE 22. FINANCIAL RESULT

The financial income and expenses of Grupo SURA and its subsidiaries as of June 30, 2021 and 2020 are detailed below:

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Earnings at fair value – Derivatives ⁽¹⁾	(8,883)	167,828	8,833	(159,687)
Exchange difference (net) ⁽²⁾	77,820	(215,981)	75,250	172,318
Interests ⁽³⁾	(364,267)	(379,439)	(177,733)	(188,013)
Total	(295,330)	(427,592)	(93,650)	(175,382)

⁽¹⁾ Corresponds to the valuation of trading derivatives.

⁽²⁾ Corresponds to difference in net exchange for financial liabilities. Includes the application of hedge accounting. (See Note 7 Derivative instruments).

⁽³⁾ Below is a detail of interest as of the reporting date:

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Bond issued ⁽⁴⁾	(235,309)	(251,185)	(117,779)	(127,526)
Hedging operations	(65,302)	(42,709)	(29,362)	(19,414)
Preferred shares (Note 14)	(19,447)	(20,269)	(9,422)	(10,134)

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Bank loans	(17,836)	(39,685)	(7,741)	(19,022)
Financial leasing	(17,700)	(19,987)	(8,841)	(9,552)
Others	(8,613)	(5,081)	(4,528)	(2,083)
Repo operations	(60)	(523)	(60)	(282)
Total	(364,267)	(379,439)	(177,733)	(188,013)

⁽⁴⁾ The interest expense is offset by \$3,771 million from the yield of the invested portfolio resulting from the bond issue made in the previous year, the balance of which was used to pay the maturity of the US dollar bonds in May 2021 (See Note 13 Bonds Issued).

NOTE 23. EARNINGS PER SHARE

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

The calculation of basic earnings per share is detailed below:

	Accumulated		Quarter	
	June 2021	June 2020	June 2021	June 2020
Profit, net	672,371	245,296	461,184	321,252
Non-controlling profit	50,116	75,847	33,159	77,145
Profit of controlling shareholder	622,255	169,449	428,025	244,107
Profit, net of discontinued operations	4,846	(12,486)	598	(41,339)
Profit, net of non-controlling discontinued operations	796	(2,051)	98	(6,789)
Profit, net from discontinued operations of controlling shareholder	4,050	(10,435)	500	(34,550)
Less: Preferred dividends declared - Preferred shares interest	(68,031)	(65,844)	(17,008)	(16,461)
Plus: Preferred stock interest expense (Note 22) ¹	19,447	20,269	9,422	10,134
Less: Undistributed earnings to preferred stockholders ²	(69,778)	16,249	(71,234)	(36,072)
Profit corresponding to ordinary continuing operations	499,843	150,558	348,706	236,258
Ordinary shares ³	467,909,675	469,037,260	467,909,675	469,037,260
Earnings per share from continuing operations	1,068	321	745	504
Profit from ordinary discontinued operations	4,050	(10,435)	500	(34,550)
Earnings per share discontinued operations	9	(22)	1	(74)

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

² Corresponds to the portion of the parent company's income attributable to preferred shares that has not been declared as a dividend. There is a variation due to the repurchase of preferred shares of 194,094. See note 16 reserves for share repurchase.

³ The number of common shares is reduced by the repurchase during the period of 1,127,585 shares. See note 16 reserves for share repurchase.

NOTE 24. RISK MANAGEMENT OBJECTIVES AND POLICIES

The following information describes the main characteristics of the Risk Management System Governance Framework in the Companies of the Business Group and some definitions in relation to the Conglomerates Law. Likewise, the most relevant risks to which the Companies are exposed are analyzed, taking into account their characteristics, complexity, business dimension, and the particularities that arise in the geographies where they develop their economic activities.

Governance Framework

For Grupo Empresarial SURA, risk management is a dynamic and interactive process, framed within the internal control system, aimed at supporting the achievement of the strategic objectives and sustainability of the Companies. The Risk Management System allows making strategic, administrative and operational decisions, aimed at creating value, not only maximizing revenues under tolerable risk levels, but also understanding global trends and the internal context of the Companies, creating the relevant control mechanisms and ensuring the sustainability and continuity of the business in the long term.

Grupo SURA, as a parent company, is exposed to its own risks as well as those derived from its investments. It is for this reason that it has framework guidelines for risk management that allow articulating the Companies to generate value through their interaction and face the new challenges and opportunities of a changing environment.

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

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

In addition to the existing risk management system, the Conglomerates Law issued on September 21, 2017, imparts new obligations for Grupo SURA as Financial Holding Company of the Conglomerate in terms of risk management. The scope of this system covers not only the Business Group but also all the Companies that make up the Financial Conglomerate. This regulation seeks to develop a Risk Management Framework for the SURA-Bancolombia Financial Conglomerate (FC), emphasizing the development of guidelines to define the risk appetite, adequate level of capital and the management of strategic, contagion, concentration and reputational risks.

Actions taken in response to the COVID-19 pandemic

It is important to highlight that each Company of the Business Group has a Business Continuity Plan designed with the purpose of maintaining the operation of its critical activities in the event of interruption scenarios. These systems allow establishing measures to preserve an adequate level of operation during these events with all its stakeholders, including customer service, investor relations

functions, accounting closing, consolidation and transmission of financial information, publication of relevant information and regulatory compliance, among others.

With the objectives of preserving the operation of critical business activities and protecting the health of employees, the activation of the remote work scheme for employees was established as a general measure, except for those who, due to the nature of their functions, must attend the respective facilities to provide services to customers. Similarly, all the necessary work has been carried out to ensure the protection of the health of employees and, in turn, of the information, maintaining the controls and security schemes defined to mitigate the cybersecurity risks to which the Companies may be exposed.

As an alternative measure to remote work, some companies have developed voluntary pilot tests for the return to the offices, complying with the biosafety measures and recommendations provided by the ARL and other regulatory entities, which have shown positive results as no contagions have been reported to date.

Additionally, it is important to mention that the implementation of the business continuity plan in the Companies has allowed them to adequately solve the impacts derived from events of different nature that could threaten the continuity of the operation and the fulfillment of their obligations. To date, there has been no evidence of materialization of risks with significant impacts in any of the companies.

Payment of the maturity of international bonds for USD 300 million

In May, Grupo SURA successfully paid the international bonds for USD 300 million, thus capitalizing the investment strategy developed in the last year with the resources raised in 2020 and reducing the cost of debt for the aforementioned period.

Country risk in El Salvador

Grupo SURA and the companies of the Financial Conglomerate that develop their businesses in El Salvador have a process of monitoring the evolution of country risk, which has been given a special focus considering the high uncertainty that is generated in the future of the territory given the new disruptive public policies and the effects they may generate in the economy in the long term. Although at present it is not appropriate to present a single position on the outcome of the process the country is undergoing, it is clear that the dynamics of change that is taking place in this territory requires permanent monitoring of its evolution, so that it is possible to have more and more concrete scenarios of resolution.

Financial Risk

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

1. Credit risk

Credit risk management seeks to reduce the probability of incurring losses derived from the non-compliance of financial obligations contracted by third parties with the Companies.

As of June 2021, there were no material impacts on this risk in the Companies under COVID-19. The effects that did occur in the businesses will be mentioned later in this chapter. In any case, and as measures are adopted by the governments, the evolution of accounts receivable, portfolio turnover and potential devaluations in other assets will continue to be evaluated to capture the effects derived from quarantines such as: arrears in accounts receivable from customers, relief measures taken by the company and updates of impairment percentages.

1.1. Risk management objectives and policies

Credit risk management seeks to reduce the probability of incurring losses derived from non-compliance with financial obligations contracted by third parties with the Companies. To this end, policies and procedures have been defined to facilitate the analysis and follow-up of issuers and counterparties, from the resources managed in the treasury, the insurance companies' portfolios and third parties' funds, in order to mitigate the Companies' exposure.

1.2. Methods used to measure risk

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

For their part, the insurance companies, from the management of their portfolios made up of profitable and liquid assets, which back their technical reserves, manage credit risk based on policies for the allocation of quotas, limits and controls, as well as methodologies and procedures that are adjusted to the different assets in the portfolio and allow the quantification and monitoring of the evolution of this risk. These methodologies contemplate detailed analyses of the financial strengths and conditions, and of different qualitative aspects of the issuers and investment fund managers.

Similarly, in the third-party resources management activity, and in compliance with its fiduciary duty, the management of the funds includes a due diligence process to the issuers, counterparties and fund managers in which their resources are invested.

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

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

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

Exposures of resources administered in the treasury:

At the end of the quarter, the Companies' cash investments are mostly concentrated in liquid collective portfolios managed by high credit quality managers, savings accounts and checking accounts.

As of June 2021, the portfolios of Suramericana's and SURA AM's insurance companies are distributed as follows:

Assets Fixed Income by Credit Rating 2Q 21 (International Scale)												
Suramericana										SURA AM		
	Argentina	Brazil	Chile	Colombia	El Salvador	México	Panama	Dom. Rep	Uruguay	Bermuda	Chile	Mexico
Sovereign Rating*	CCC	BB-	A	BB+	B-	BBB-	BBB-	BB-	BBB-	A	A+	BBB
Government	64%	67%	20%	21%	19%	71%	6%	51%	53%	0%	30.6%	0%
AAA	0%	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	0%
AA+	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	0%
AA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
AA-	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%
A+	0%	0%	0%	1%	0%	0%	1%	0%	7%	0%	12.3%	0%
A	0%	0%	34%	1%	1%	0%	0%	0%	0%	0%	7.7%	0%
A-	0%	0%	6%	1%	0%	0%	0%	0%	1%	0%	19.1%	0%
BBB+	0%	0%	16%	0%	0%	0%	2%	0%	11%	0%	20.3%	0%
BBB	0%	0%	9%	0%	0%	0%	0%	0%	14%	0%	5.5%	0%
BBB-	0%	0%	4%	3%	0%	20%	10%	0%	14%	0%	2.9%	0%
BB+	0%	0%	1%	48%	0%	2%	0%	0%	0%	100%	1.6%	0%
BB	0%	0%	0%	13%	0%	2%	12%	0%	0%	0%	0%	0%
BB-	0%	33%	5%	1%	0%	4%	4%	0%	0%	0%	0%	0%
Others	36%	0%	5%	9%	78%	1%	63%	49%	0%	0%	0.02%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%

Assets Fixed Income by Credit Rating 1Q 21 (International Scale)												
Suramericana										SURA AM		
	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom. Rep	Uruguay	Bermuda	Chile	Mexico
Sovereign Rating	CCC+	BB-	A+	BBB-	B-	BBB	BBB	BB-	BBB	A	A+	BBB
Government	59%	77%	24%	19%	12%	69%	9%	48%	47%	0%	30.3%	0%
AAA	0%	0%	0%	0%	4%	0%	0%	0%	1%	0%	0%	0%
AA+	0%	0%	0%	0%	0%	0%	4%	0%	0%	0%	0%	0%
AA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
AA-	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%
A+	0%	0%	0%	1%	0%	0%	0%	0%	4%	0%	13%	0%
A	0%	0%	32%	1%	1%	0%	0%	0%	0%	0%	7.7%	0%
A-	0%	0%	3%	1%	0%	0%	0%	0%	2%	0%	19.1%	0%
BBB+	0%	0%	16%	0%	1%	0%	1%	0%	24%	0%	20.2%	0%
BBB	0%	0%	9%	0%	1%	0%	0%	0%	8%	0%	5.5%	0%
BBB-	0%	0%	5%	53%	0%	22%	4%	0%	14%	100%	2.6%	0%
BB+	0%	0%	1%	14%	0%	2%	0%	0%	0%	0%	1.6%	0%
BB	0%	0%	0%	1%	0%	3%	10%	0%	0%	0%	0%	0%
BB-	0%	23%	0%	0%	0%	4%	3%	0%	0%	0%	0%	0%
Others	41%	0%	10%	8%	81%	0%	69%	52%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%

1.5. Description of changes in risk exposure

During the second quarter of 2021, the general credit risk situation in terms of investment portfolio issuers did not present significant changes with respect to what was evidenced during the first quarter of 2021. The above considering that the portfolio is diversified in issuers with a good credit quality and high operational soundness that has allowed them to remain stable in the midst of the pandemic. However, the loss of Colombia's investment grade rating by Standard and Poor's, which did not have a major impact on the company, given that the market was already discounting the effect on market prices, stands out.

Furthermore, it is important to mention that since 2020, the Business Group has been evaluating the general evolution of its businesses in El Salvador and the possible effects derived from the measures adopted by the Government to counteract the effects generated by the pandemic. It is emphasized that to date, although there are special warning signs in this country, no substantial impacts have been identified in the value of the financial assets of the Companies or in the operation of their businesses. Detailed monitoring of public expenditure management and debt levels in the country will continue to be carried out in order to anticipate possible effects in this territory.

Currently the countries in which we have financial instruments classified as amortized cost are: Colombia, Dominican Republic, El Salvador, Panama and Chile, in which we permanently monitor to determine in a timely manner any impact on investment portfolios and financial statements associated with downgrades in the credit rating of issuers, this through structured impairment models. Securities classified at market value permanently incorporate the effects of quotation and fluctuations in interest rates, therefore, they do not imply additional effects associated with the prospective impairment analysis. However, as a consequence of the downgrade in the credit rating of the issuers, for those securities classified at market value with changes in the OCI, the company may reflect negative impacts in the results of the period associated with an estimated impairment.

From the point of view of credit risk management, and in order to achieve an even more structured and continuous follow-up, during the remainder of 2021 adjustments will continue to be made to the management processes and credit risk assessment models, in order to achieve greater speed and anticipation.

On the other hand, with respect to SURA Asset Management's discontinued operation in Mexico, it is important to mention that the necessary resources have been made available to allow the Company to meet its contractual commitments while it completes the closing of its operation for the remainder of the year.

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

On the other hand, with respect to the credit risk exposure in the current positions with financial derivative instruments, the Company has as counterparties local and international banks with adequate credit ratings.

2. Liquidity Risk

Liquidity risk refers to the ability of companies to generate the resources that allow them to meet their obligations to stakeholders and the proper functioning of their businesses.

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

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

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

2.2. Methods used to measure risk

The Companies monitor their cash flows in the short term to manage cash collections and payments, and make cash flow projections in the medium term to determine the liquidity position of the Companies and anticipate the necessary measures for an adequate management.

In addition, the Companies maintain available lines of credit with domestic and international financial institutions and have treasury investments that could be sold as a mechanism to access immediate liquidity, in addition to other complementary sources of liquidity.

2.3. Description of changes in risk exposure

Based on the analyses performed, since last year, strategies were implemented to strengthen the liquidity position of Grupo SURA, thus generating the capacity to respond to its short and long term obligations. Among them, the bond placement mentioned in previous notes 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.

3. Market risk

The management of this risk focuses on how variations in market prices affect the value of the portfolios under management and the income of the Companies. For this purpose, there are Market Risk Management Systems in the insurance companies' portfolios and in the portfolio and third party resources management processes, through which exposures are identified, measured and monitored.

These systems are composed of a set of policies, procedures and internal monitoring and control mechanisms.

3.1. Foreign exchange rate risk

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

3.2. Description of risk management objectives, policies and processes

To manage exposure to this risk, the Companies monitor their exposures and, if necessary, determine the convenience of having a hedging scheme, constantly monitored by the areas in charge and aligned with the guidelines issued by their Boards of Directors.

3.3. Methods used for measuring risk

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

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

SURA Asset Management's methodology consists of a dynamic and continuous ALM (Asset and Liability Management) process that starts with the analysis of the liabilities profile and, based on the risk/return appetite, determines a strategic asset allocation.

Within the ALM process, sensitivity analyses of the impact on the Balance Sheet to changes in the market value of exchange rates and inflation are performed.

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

As of June 2021, we have the following exposures:

Assets by company by type of currency 2Q 21					
Country	Local currency *	Real local currency **	USD	Other	Total
Suramericana					
Argentina	60%	0%	40%	-	100%
Bermuda	100%	0%	0%	-	100%
Brazil	10%	90%	0%	-	100%
Chile	71%	23%	6%	-	100%
Colombia	0%	0%	100%	-	100%
El Salvador	85%	5%	10%	-	100%
Mexico	0%	0%	100%	-	100%
Panama	78%	0%	22%	-	100%
Dom. Rep	30%	27%	43%	-	100%
Uruguay	0%	0%	100%	-	100%
SURA Asset Management					
Chile Seguros	0%	100%	0%	0%	100%
Mexico (Discontinued. Op)	0%	0%	0%	0%	0%

Assets by company by type of currency 1Q 21					
Country	Local currency *	Real local currency **	USD	Other	Total
Suramericana					

Argentina	62%	0%	38%	-	100%
Bermuda	100%	0%	0%	-	100%
Brazil	14%	86%	0%	-	100%
Chile	73%	21%	6%	-	100%
Colombia	0%	0%	100%	-	100%
El Salvador	89%	5%	6%	-	100%
Mexico	0%	0%	100%	-	100%
Panama	76%	0%	24%	-	100%
Dom. Rep	27%	31%	42%	-	100%
Uruguay	0%	0%	100%	-	100%
SURA Asset Management					
Chile Seguros	0%	100%	0%	0%	100%
Mexico (Discontinued. Op)	0%	0%	0%	0%	0%

**Local currency: Colombia – COP, Panama – PAB, Dominican. Rep – DOP, El Salvador – SVC, Chile – CLP, Mexico – MXN, Peru – PEN, Uruguay – UYU, Brazil – BRL.*

*** Actual local currency: Colombia – UVR, Chile – UF, México – UDI, Peru – Soles VAC, Uruguay – UI.*

Exposures exclude Unit Link. Local currency includes both real and nominal currency.

3.1.3. Changes in exposure to risk description

During the quarter, Grupo SURA increased the hedging ceilings of a portion of the principal of the bond maturing in 2026, which has a CAPS structure, in order to have a higher level of protection against volatility or depreciation of the Colombian peso. For more information refer to note 7 derivative instruments.

3.2. Interest rate risk

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

3.2.1. Risk management objectives, policies and processes

To manage exposure to this risk, the Companies monitor their exposures and, if necessary, determine the convenience of having a hedging scheme, constantly monitored by the areas in charge and aligned with the guidelines issued by their Boards of Directors.

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

3.2.2. Methods used for measuring risk

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

Within its methodology, Suramericana uses both regulatory and internal Value at Risk (VaR) measurement tools. The internal methodology is based on a MonteCarlo VaR. Additionally, in order to make connections with the characteristics of the liabilities, it constantly monitors the match in terms of durations, tranches and flows, between the liabilities and the assets of the insurance companies.

SURA Asset Management's methodology consists of a dynamic and continuous ALM (Asset and Liability Management) process that starts with the analysis of the liability profile and, based on the risk/return appetite, determines a strategic asset allocation. It also controls this risk by monitoring the duration mismatch and a sensitivity analysis of the balance sheet at market value, in the face of interest rate variations and a liability adequacy test that allows quantifying the reinvestment risk of the portfolios.

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

From the resources managed in the treasury, the exposure of the Companies to this risk arises from loans tied to variable interest rates.

Exposures of the portfolios of the Suramericana and SURA AM insurance companies:

In the portfolios of Suramericana's insurers, exposures to real estate assets are consolidated in the Equity exposures.

Exposures to fixed income and equity assets 2Q 21					
Company	Fixed income	Variable income	Real estate assets	Mortgage-backed securities	Total
Suramericana					
Argentina	100%	0%	-	-	100%
Brazil	100%	0%	-	-	100%
Chile	96%	4%	-	-	100%
Colombia	88%	12%	-	-	100%
El Salvador	100%	0%	-	-	100%
Mexico	97%	3%	-	-	100%
Panama	100%	0%	-	-	100%
Dominican. Rep	99%	1%	-	-	100%
Uruguay	100%	0%	-	-	100%
Bermuda	100%	0%	-	-	100%
Sura Asset Management					
Chile	78.1%	1.8%	20.1%	0%	100%
Mexico (Discontinued. Op)	0%	0%	0%	0%	0%

Exposures to fixed income and equity assets 1Q 21					
Company	Fixed income	Variable income	Real estate assets	Mortgage-backed securities	Total
Suramericana					
Argentina	100%	0%	-	-	100%
Brazil	100%	0%	-	-	100%
Chile	96%	4%	-	-	100%
Colombia	88%	12%	-	-	100%
El Salvador	100%	0%	-	-	100%
Mexico	97%	3%	-	-	100%
Panama	100%	0%	-	-	100%
Dominican. Rep	99%	1%	-	-	100%
Uruguay	100%	0%	-	-	100%
Bermuda	100%	0%	-	-	100%
Sura Asset Management					
Chile	79.5%	0.3%	20.2%	0%	100%
Mexico (Discontinued. Op)	0%	0%	0%	0%	0%

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

3.3. Price variation risk Variable income

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

The measures adopted by Latin American governments to control the spread of COVID-19 have had a direct impact on the economy, generating political and social instability in the region. This has translated into effects on the operation and results of the Business Group, as a result of the natural exposure of its businesses to this type of instruments.

In spite of this, the mitigation mechanisms and policies adopted by each of the Companies as part of their risk management systems, have allowed the Group to solve the effects that have been generated, without evidencing significant impacts that could represent direct threats to its sustainability.

3.3.1. Description of risk management objectives, policies and processes

The Companies carry out continuous analysis and monitoring of the exposure to this risk, through the different tools that each one has.

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

3.3.2. Methods used for measuring risk

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

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

SURA Asset Management's methodology consists of a dynamic and continuous ALM (Asset and Liability Management) process that starts with the analysis of the liabilities profile and, based on the risk/return appetite, determines a strategic asset allocation.

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

As of June 2021, exposures in the portfolio of SURA Asset Management, are not material, only 1.8% of the investment portfolio excluding Unit Link funds, compared to 0.3% in the same period of 2020.

3.4. Real Estate Asset price risk

Real estate asset price risk refers to the risk that the market value of a real estate asset will decline.

3.4.1. Description of risk management objectives, policies and processes

Those companies to which it is applicable, have limits on exposure to real estate and, if applicable, also have internal limits on exposure to Real Estate Assets.

3.4.2. Methods used for measuring risk

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

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

Exposures of the insurance companies' portfolios:

The exposure to this type of assets in SURA Asset Management's portfolio can be found in the table in Table 3.2.3.

NOTE 25. INFORMATION DISCLOSED ON RELATED PARTIES

25.1. Related parties

Related parties to Grupo SURA are considered to be subsidiaries, associated companies, key management personnel, as well as entities over which key management personnel (including family members) may exercise control.

The following is the detail of related parties as of June 30, 2021, June 30, 2020 and December 31, 2020 of Grupo SURA:

a) Companies under direct or indirect control of Grupo SURA are listed in Note 1. Reporting entity.

b) Investments in associates and joint ventures

Associated companies and joint ventures of Grupo SURA are listed in Note 10.1 Investments in associates and Note 10.2 Joint ventures.

25.2. Transactions with related parties

Among the operations registered between related parties are:

Subsidiaries:

- Loans between related companies, with contractually agreed terms and conditions and at interest rates established in accordance with market rates. All are repaid in the short term.
- Provision of financial services, administration services, IT services, payroll services.
- Leases and subleases of offices and commercial premises, as well as the re-invoicing of related utilities.
- Cash reimbursements

These transactions are eliminated in the Financial Statement consolidation process.

Associates:

- Sale of insurance policy from insurance companies.
- Bank loans to Bancolombia Group entities.
- Brokerage commission from the Bancaseguros channel.
- Collection and payment of investment dividends.
- Purchase of financial instruments

It is important to mention that all operations are deemed to be short-term and are considered market transactions.

NOTE 26. EVENTS SUBSEQUENT TO THE REPORTING DATE

These consolidated financial statements as of June 30, 2021 were prepared for supervisory purposes and authorized for issuance by the Board of Directors of Grupo SURA on August 13, 2021, after that cut-off date and until their publication, there were no relevant events that may significantly affect the Company's financial position.

NOTE 27. APPROVAL OF FINANCIAL STATEMENTS

The issuance of the financial statements of Grupo SURA for the year ended June 30, 2021 was authorized by the Board of Directors, as stated in Act No. 332 of the Board of Directors dated August 13, 2021, to be presented to the market.

ANALYSIS OF FINANCIAL RESULTS (unaudited)

The following is an analysis of the financial results for the period ended June 30, 2021, with comparative figures as of December 31, 2020. These analyses are performed by management and are not part of the Financial Statements.

	INDEX	June 2021		December 2020		INTERPRETATION	
	Solvency	42,399,978	= 58.75%	42,400,038	= 59.77%	Creditors own 58.75% as of June 2021 and 59.77% as of December 2020, leaving shareholders owning the complement: 41.25% in June 2021 and 40.23% as of December 2020.	Total liability
		72,167,011		70,941,763			Total asset
INDEBTNESS	Total	42,399,978	= 58.75%	42,400,038	= 59.77%	Of every peso the company has invested in assets, 58.75% as of June 2021 and 59.77% as of December 2020 have been financed by creditors.	Total liability
		72,167,011		70,941,763			Total asset
	Coverage of interest	1,036,639		1,067,637		The Company generated a net profit equal to 284.58% as of June 2021 and 145.97% in December 2020 from Interest Paid	Net profit + interest
			= 284.58%		= 145.97%		Financial expenses
	Leverage	364,267		731,400		Every peso (\$1.00) of the Company's owners is 142.44% committed as of June 2021 and 148.55% committed as of December 2020.	Total liabilities with third parties
		42,399,978		42,400,038			Equity
	Total	29,767,033	= 142.44%	28,541,725	= 148.55%	For each peso of equity, 32.69% is committed financially as of June 2021 and 37.59% as of December 2020.	Total liabilities with financial entities
		9,731,577		10,728,549			Equity
	Financial Total	29,767,033	= 32.69%	28,541,725	= 37.59%		
PERFORMANCE	Net profit margin	672,372	= 5.76%	245,294	= 2.41%	Net profit corresponds to 5.76% of net income in June 2021 and 2.41% of net income in 2020.	Net Profit
		11,664,214		10,175,910			Net Income
	Return on equity	672,372		245,296		Net income corresponds to 2.31% of equity at June 2021 and 0.87% at December 2020.	Net Profit
		29,094,662	= 2.31%	28,296,431	= 0.87%		Equity - profits
	Return on total assets	672,372		245,296		Net income in relation to total assets corresponds to 0.93% as of June 2021 and 0.35% in December 2020.	Net Profit
		72,167,011	= 0.93%	70,941,763	= 0.35%		Total assets