Consolidated Financial Statements
at December 31, 2021 and 2020

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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:

That for the issuance of the consolidated statement of financial position as of December 31, 2021, and of 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 year then ended, 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 December 31, 2021 and December 31, 2020 do not contain vices, inaccuracies or errors that prevent the true equity situation or the 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.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December, 2021 and 2020

(Amounts expressed in millions of Colombian pesos)

	Note	December 2021	December 2020
Assets			
Cash and cash equivalents	6	2,282,924	3,148,873
Investments	7.1.1	25,098,605	23,927,463
Derivative instruments	7.2.2	1,528,864	659,174
insurance contract assets	8.1	5,002,560	4,498,053
Reinsurance contract assets	8.2	5,349,329	4,792,079
Receivables from related parties	27	44,082	116,952
Other accounts receivable	7.1.2	2,033,598	1,793,136
Current tax assets	9.2	246,267	114,800
Deferred acquisition cost - DAC	10	1,681,436	1,516,386
Investments in associates and joint ventures	11	22,007,566	19,836,275
Properties and equipment		1,356,912	1,270,778
Right- of- use assets		523,121	559,268
Other intangible assets		2,801,546	2,790,345
Deferred tax assets	9.5	272,933	242,235
Other assets	12	660,356	726,297
Goodwill	13	5,011,585	4,868,020
Total assets		**75,901,684**	**70,860,134**
Liabilities			
Financial liabilities	7.2	1,063,510	1,502,283
Derivative instruments	7.2.1	321,959	176,518
Lease liabilities		501,746	531,354
Insurance contract liabilities	8.4	26,625,933	24,381,812
Reinsurance contract liabilities	8.5	1,592,429	1,313,544
Accounts payable to related entities	27	90,500	87,093
Other accounts payable		2,303,767	2,291,578
Current tax liabilities	9.2	126,665	165,204
Employee benefits		680,964	636,979
Provisions		468,652	227,171
Deferred income		403,040	326,952
Bonds issued	7.2.2	8,523,718	8,765,419
Deferred tax liabilities	9.5	1,473,520	1,451,655
Preferred shares		460,067	460,847
Total liabilities		**44,636,470**	**42,318,409**
Equity			
Issued capital	14.1	109,121	109,121
Share premium	14.2	3,290,767	3,290,767
Reserves	14.3	5,712,047	5,403,485
Reserves share repurchase	14.4	244,848	300,000
income		1,408,560	225,125
Retained earnings		13,472,670	13,770,027
Other comprehensive income	16	4,358,527	2,906,307
Equity attributable to the holders of the controlling interest		**28,596,540**	**26,004,832**
Non-controlling interest	17	2,668,674	2,536,893
Total equity		**31,265,214**	**28,541,725**
Total equity and liabilities		**75,901,684**	**70,860,134**

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas Legal Representative	Juan Guillermo Chica Ramírez 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 February 25, 2022)

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED INCOME STATEMENT

At 31 December, 2021 and 2020

(Amounts expressed in millions of Colombian pesos except for net income per share)

Income from continuing operations	Note	December 2021	December 2020
Income			
Insurance premium		16,493,881	14,741,620
Health services premium		5,992,952	4,595,513
Gross written premium income	**8.3**	**22,486,833**	**19,337,133**
Insurance premium ceded to reinsurers	8.3	(3,932,846)	(3,348,662)
Net written premium income		**18,553,987**	**15,988,471**
Unearned premium	8.3	(917,562)	(447,151)
Net premium income earned		**17,636,425**	**15,541,320**
Net return on investments at amortized cost	7.1	1,243,892	709,276
Net gain on investments at fair value	7.1	664,311	827,872
Income from commissions	19.1	3,252,871	2,847,146
Sale of services		242,599	245,849
Income from equity method	11	1,394,548	362,805
Gain from sale of investments	7.1	17,238	22,607
Other income	20.1	396,062	316,694
Total income		**24,847,946**	**20,873,569**
Costs and Expenses			
Insurance claims		(9,228,398)	(7,632,808)
Health services claims		(5,647,943)	(4,283,860)
Gross claims expense	**8.6**	**(14,876,341)**	**(11,916,668)**
Reimbursed claims		1,932,104	1,524,003
Net retained claims expense	**8.6**	**(12,944,237)**	**(10,392,665)**
Commissions paid to intermediaries	19.2	(2,903,918)	(2,828,810)
Insurance costs and expenses	8.7	(1,677,807)	(1,493,818)
Costs of services sales		(348,777)	(330,425)
Administrative expenses		(1,749,838)	(1,653,810)
Employee benefits		(1,782,675)	(1,696,434)
Fees	21	(306,300)	(308,183)
Depreciation and amortization		(543,424)	(524,165)
Other expenses	20.2	(26,693)	(35,015)
Total costs and expenses		**(22,283,669)**	**(19,263,325)**
Operating profit		**2,564,277**	**1,610,244**
Net gain from fair value adjustments to derivatives		(1,723)	8,943
Foreign exchange (losses) gains, net		151,677	(91,335)
Interest expense		(734,430)	(731,409)
Net financial income (loss)	**22**	**(584,476)**	**(813,801)**
Profits before tax		**1,979,801**	**796,443**
Income tax	9.3	(462,583)	(453,537)
Net Profit from continuing operations		**1,517,218**	**342,906**
Net (loss) income from discontinued operations		7,374	(6,669)
Net profit attributable to:		**1,524,592**	**336,237**
Controlling shareholders		1,408,560	225,125
Non-controlling interests		116,032	111,112
Net earnings per share			
Net earnings per share from continuing operations	23	2,453	442
(Net loss) income per share from discontinued operations	23	13	(12)

The notes are an integral part of the financial statements.

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GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the years ended December 31, 2021 and 2020
(Amounts expressed in millions of Colombian pesos)

	Notes	December 2021	December 2020
Net income for the year		**1,524,592**	**336,237**
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	16	(15,715)	14,361
(Loss) gain from properties revaluation	16	58,660	(5,933)
Gain from defined benefit plan measurements	16	6,591	1,064
Total other comprehensive income that will not be reclassified to the results of the period, net of taxes		**49,536**	**9,492**
Items to be reclassified to income for the period, net of taxes			
Gain from foreign currency translation differences	16	358,388	518,119
Gain (Loss) on cash flows hedges	16	63,311	(29,537)
Gain (Loss) on hedges of net investments in foreign entities	16	58,466	(55,270)
Participation of OCI from associates and joint ventures accounted for using the equity method	16	1,009,627	111,133
Total other comprehensive income to be reclassified to profit or loss, net of taxes		**1,489,792**	**544,445**
Total other comprehensive income		**1,539,328**	**553,937**
Total comprehensive income		**3,063,920**	**890,174**
Comprehensive income attributable to:			
Controlling interest		2,860,780	706,824
Non-controlling interest		203,140	183,350

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
Legal Representative

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

For the years ended December 31, 2021 and 2020

(Values expressed in millions of Colombian pesos)

	Note	Issued capital	Share premium	Reserves	Reserves for share repurchase	Profit Net Income for the year	Retained earnings	Other equity Participation Comprehensive Income (OCI)	Equity attributable to controlling interest	Non- controlling interests	Total equity
Balance at January 1, 2020		**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	16	-	-	-	-	-	-	481,700	**481,700**	72,237	**553,937**
Net income for the year		-	-	-	-	225,125	-	-	**225,125**	111,112	**336,237**
Total net comprehensive income for the period		**-**	**-**	**-**	**-**	**225,125**	**-**	**481,700**	**706,825**	**183,349**	**890,174**
Transfer to retained 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 protection of investments	14.3	-	-	589,339	-	-	(589,339)	-	**-**	-	**-**
Reserves for share repurchase reserve	14.4	-	-	-	300,000	-	(300,000)	-		-	
Minimum dividends, preferred shares		-	-	-	-	-	40,628	-	**40,628**	-	**40,628**
Shareholder dividend withholding effect		-	-	-	-	-	(4,635)	-	**(4,635)**	-	**(4,635)**
Increases (decreases) due to other changes, Equity [1]		-	-	-	-	-	(5,779)	-	**(5,779)**	92	**(5,687)**
Balance at December 31, 2020		**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	16	-	-	-	-	-	-	1,452,220	**1,452,220**	87,108	**1,539,328**
Profit for the year		-	-	-	-	1,408,560	-		**1,408,560**	116,032	**1,524,592**
Total net comprehensive income for the period		**-**	**-**	**-**	**-**	**1,408,560**	**-**	**1,452,220**	**2,860,780**	**203,140**	**3,063,920**
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	14.3	-	-	308,562	-	-	(308,562)	-	**-**	-	**-**
Reserves for share repurchase reserve	14.4	-	-	-	(55,152)	-		-	**(55,152)**	-	**(55,152)**
Minimum dividends, preferred shares		-	-	-	-	-	40,581	-	**40,581**	-	**40,581**
Shareholder dividend withholding effect		-	-	-	-	-	11,554	-	**11,554**	-	**11,554**
Increases (decreases) due to other changes, Equity [1]		-	-	-	-	-	85,110	-	**85,110**	18,249	**103,359**
Balance at December 31, 2021		**109,121**	**3,290,767**	**5,712,047**	**244,848**	**1,408,560**	**13,472,670**	**4,358,527**	**28,596,540**	**2,668,674**	**31,265,214**

(1) Includes the effect of the inflation adjustment of the equity accounts of the Argentine subsidiaries for December 2021 and 2020 of $86,082 and $5,354, respectively.

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
Legal Representative

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(See my report of February 25, 2022)

GRUPO sura

GRUPO DE INVERSIONES SURAMERICANA S.A.
CONSOLIDATED CASH FLOWS STATEMENT

For the years ended December 31, 2021 and 2020

(Values expressed in millions of Colombian pesos)

	Note	December 2021	December 2020
Cash flows from operating activities			
Net profit for the year		1,524,592	336,237
Adjustments to reconcile net income			
Income tax expense	10	462,583	453,537
Interest		716,636	721,239
inventories		6,540	(29,200)
Accounts receivable from the insurance activity		(543,028)	(487,519)
other accounts receivable		(240,463)	78,539
Accounts receivable from related parties		137,728	18,453
Increase in other accounts payable		11,639	339,535
Accounts payable from insurance activity		73,548	11,588
Deferred acquisition cost (DAC) adjustment		(98,557)	(811,583)
Depreciation and amortization expense		543,424	524,165
Impairment expense		56,791	69,626
Provisions		292,416	103,704
Variation foreign currency translation		(187,087)	391,817
Gain on fair value measurements		(672,425)	(875,099)
Undistributed earnings from the application of the equity method	12	(1,394,548)	(362,805)
Other non-financial assets and liabilities		35,893	(355,197)
Disposal of non-current assets		85,339	(105,488)
Valuation of investments at amortized cost and gain on sale of investments		(942,247)	(756,556)
Variation in insurance contracts net		1,892,208	(36,770)
Dividends received from associates		248,283	622,676
Income tax paid		(711,030)	(387,931)
Interest received		691,144	347,724
Other cash inflows		20,842	52,506
Other charges on the sale of equity or debt instruments of other entities		14,745,778	15,796,067
Other payments to acquire equity or debt instruments of other entities		(14,604,797)	(13,844,094)
Cash flows from operating activities		**2,151,202**	**1,815,171**
Cash flows from investing activities			
Cash flows from the loss of control of subsidiaries or other businesses		512	1,229
Cash flows used to obtain control of subsidiaries or other businesses		(82,944)	(43,743)
Sale of property, plant and equipment		55,954	108,585
Purchase of property and equipment		(141,086)	(132,373)
Sales of intangible assets		34,885	37,693
Purchase of intangible assets		(234,317)	(212,598)
Sales of other long-term assets		60,224	86,393
Dividends received financial instruments		914	(23)
Purchases of other long-term assets		(154,549)	(231,936)
Cash flows from (used in) investment activities		**(460,407)**	**(386,773)**
Cash flows from financing activities			
Collections from futures contracts, forward contracts and financial options (swaps)		15,995	(87,911)
Proceeds from loans		540,459	3,512,962
Payments for acquiring or redeeming the shares of the company	14.4	(55,152)	-
Loan repayments		(1,989,746)	(2,792,938)
Payment of financial lease liabilities		(159,239)	(148,513)
Dividends paid to controlling shareholders		(347,898)	(363,901)
Dividends paid to non-controlling interests		(89,461)	(100,719)
Interest paid		(535,947)	(602,223)
Cash flows from financing activities		**(2,620,989)**	**(583,243)**
Net increase in cash before the effect of exchange rate changes		**(930,194)**	**845,155**
Effect of exchange rate changes on cash and cash equivalents		64,245	(34,331)
Net increase in cash and cash equivalents		**(865,949)**	**810,824**
Cash and cash equivalents at the beginning of the period	6	3,148,873	2,338,049
Cash and cash equivalents at the end of the period	**6**	**2,282,924**	**3,148,873**

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

Gonzalo Alberto Pérez Rojas
Legal Representative

Juan Guillermo Chica Ramirez
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P.C. 140779-T
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(See my report of February 25, 2022).

GRUPO DE INVERSIONES SURAMERICANA S.A.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the period ended December 31, 2021 (with comparative figures as of December 31, 2020)
(Amounts expressed in millions of Colombian pesos except for net profit 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 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 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.

The direct and indirect participation in the companies included in the Consolidated Financial Statements of Grupo SURA is as follows:

Company	Type of Entity	December 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, especially 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

Company	Type of Entity	December 2021	December 2020	Country	Functional Currency
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%	Islas Bermudas	Dollar
Sura SAC Ltd.	Insurance and/or reinsurance businesses	81.13%	81.13%	Islas Bermudas	Dollar
Sura Assets Management y Subsidiarias:					
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 activities, 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 IM Gestora México S.A de C.V.[2]	Administer, advise, manage and operate private and/or public capital investment vehicles created through trusts.	83.58%	0.00%	Mexico	Mexican Peso

Company	Type of Entity	December 2021	December 2020	Country	Functional Currency
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
Other 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 commercialization of software systems, solutions and products.	100.00%	0.00%	Colombia	Colombian Peso

Changes in equity investments in controlled entities

(1) On June 15, 2021 Grupo SURA incorporated the company NUBLOQ through its subsidiary Inversiones y Construcciones Estratégicas, whose 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%.

(2) In 2021 Grupo SURA incorporated the company SURA IM Gestora México, S.A. de C.V. through its subsidiary Sura Asset Management S.A., whose main activity consists of investment management in Mexico and whose main function will be to make investment decisions for the various alternative asset funds that are created in that jurisdiction. The initial capital of SURA IM Gestora México, S.A. de C.V. will be 5 thousand USD.

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. 14.3 Reserves.

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.

Unconsolidated structured entities

The term "unconsolidated structured entities" refers to all structured entities in which Grupo Sura participates but which are not controlled by the group. Grupo SURA enters into transactions with unconsolidated structured entities in the normal course of business to facilitate client transactions and for specific investment opportunities.

The following table shows the total assets in unconsolidated structured entities in which Grupo SURA had an interest as of the reporting date and its maximum exposure to loss in relation to such interests.

Nature of and risks associated with the interests of Grupo SURA in unconsolidated structured entities.

	Managed Funds	
	December 2021	December 2020
Grupo SURA's interest-assets		
Investments at fair value through profit or loss	2,867,928	2,876,421
Total assets in relation to the Grupo SURA's interests in the unconsolidated structured entities	**2,867,928**	**2,876,421**
Grupo SURA's maximum exposure (*)	**2,867,928**	**2,876,421**

(*) Participation of Grupo SURA's total managed funds in each country: Chile: 1.00%, México: 0.63%, Perú: 1.00% and Uruguay: Minim 0.50% - Maximum 2%

In the normal course of operations, some Grupo SURA´s subsidiaries are asset management companies that manage collective investment funds and assets of third parties from which the asset management companies receive commissions, according to the conditions of each fund or asset managed.

The obligations of these entities in the administration of these assets are of means and do not guarantee the results. The maximum exposure risk of loss is determined by possible failures in the administration of the funds in the amount of the returns and results of clients´ assets and funds managed.

In the normal course of business, certain subsidiaries of Grupo SURA are asset managers that manage collective investment funds and third-party assets from which the asset managers receive fees, in accordance with the terms and conditions of each fund or asset under management.

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., for the twelve-month period ended December 31, 2021, have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), compiled and updated in Decree 2270 of 2019, issued by Decree 2420 of 2015, 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 such international standards in Colombia is subject to certain exceptions established by the regulator and contained in Decree 2420 of 2015 and amendments thereto. These exceptions vary depending on the type of company and are as follows:

- Exceptions applicable to all preparers of financial information.

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

Article 2.2.1 of Decree 2420 of 2015, added by Decree 2496 of the same year and amended by Decrees 2131 of 2016, 2170 of 2017, 2483 of 2018 and 2270 of 2019, establishes that the determination of post-employment benefits for future retirement or disability pensions shall be made in accordance with the requirements of IAS 19, however, it requires the disclosure of the calculation of pension liabilities in accordance with the parameters established in Decree 1625 of 2016, Articles 1. 2.1.1.18.46 and following and, in the case of partial pension commutations in accordance with the provisions of numeral 5 of Article 2.2.2.8.8.31 of Decree 1833 of 2016, reporting the variables used and the differences with the calculation made under the terms of the technical framework under NCIF.

2.2. Basis of presentation

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

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

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

2.2.2. Principles of consolidation

Subsidiaries

The consolidated financial statements include the financial statements of Grupo SURA and its subsidiaries as of December 31, 2021 and 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 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.

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

Some of the figures and disclosures in relation to 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 present 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	(81,629)	1,793,136
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	(3)	559,268
Other intangible assets	2,790,345	-	2,790,345
Deferred tax assets	242,235	-	242,235
Other assets	457,801	112,978	570,779
Goodwill	4,868,020	-	4,868,020
Total assets	**70,941,763**	**(81,629)**	**70,860,134**
Liabilities			
Financial liabilities	1,502,283	-	1,502,283
Derivative instruments	176,518	-	176,518
Lease liabilities	531,354	-	531,354
Lease liabilities	24,207,380	174,432	24,381,812
Reinsurance contract liabilities	1,313,544	-	1,313,544

	December 2020 Presentation	Reclassification	December 2020 Actual
Accounts payable to related entities	87,093	-	87,093
Other accounts payable	2,338,687	(47,109)	2,291,578
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	(208,596)	326,952
Bonds issued	8,765,419	-	8,765,419
Deferred tax liabilities	1,451,654	1	1,451,655
Preferred shares	460,847	-	460,847
Total liabilities	**42,400,038**	**(81,629)**	**42,318,409**
Equity			
Issued capital	109,121	-	109,121
Share premium	3,290,767	-	3,290,767
Reserves	5,703,485	(300,000)	5,403,485
Reserves for share repurchase	-	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**	**(81,629)**	**70,860,134**

- 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. It also includes compensation of premiums receivable and payable for derivatives.

- The changes in the presentation of the liability accounts are due to 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. It also includes compensation of premiums receivable and payable for derivatives.

- The changes in the presentation of the equity accounts were due to the opening of the share repurchase reserve line, which was included in reserves.

CONSOLIDATED INCOME STATEMENT

Income from continuing operations	December 2020 Presentation	Validation	December 2020 Actual
Income			
Insurance premium	14,741,620	-	14,741,620
Health services premium	4,588,377	7,136	4,595,513
Gross written premium income	**19,329,997**	**7,136**	**19,337,133**
Insurance premium ceded to reinsurers	(3,348,641)	(21)	(3,348,662)
Net written premium income	**15,981,356**	**7,115**	**15,988,471**
Unearned premium	(447,626)	475	(447,151)
Net premium income earned	**15,533,730**	**7,590**	**15,541,320**
Net return on investments at amortized cost	801,239	(91,963)	709,276
Net gain on investments at fair value	813,656	14,216	827,872
Income from commissions	2,845,836	1,310	2,847,146
Sale of services	178,580	67,269	245,849
Income from equity method	362,495	310	362,805
Gain from sale of investments	22,684	(77)	22,607

Income from continuing operations	December 2020 Presentation	Validation	December 2020 Actual
Other income	279,691	37,003	316,694
Total income	**20,837,911**	**35,658**	**20,873,569**
Costs and Expenses			
Insurance claims	(7,639,130)	6,322	(7,632,808)
Health services claims	(4,201,587)	(82,273)	(4,283,860)
Gross claims expense	**(11,840,717)**	**(75,951)**	**(11,916,668)**
Reimbursed claims	1,521,849	2,154	1,524,003
Net retained claims expense	**(10,318,868)**	**(73,797)**	**(10,392,665)**
Commissions paid to intermediaries	(2,613,914)	(214,896)	(2,828,810)
Insurance costs and expenses	(785,722)	(708,096)	(1,493,818)
Costs of services sales	(330,425)	-	(330,425)
Administrative expenses	(1,939,536)	285,726	(1,653,810)
Employee benefits	(2,226,265)	529,831	(1,696,434)
Fees	(366,953)	58,770	(308,183)
Depreciation and amortization	(525,631)	1,466	(524,165)
Other expenses	(122,774)	87,759	(35,015)
Total costs and expenses	**(19,230,088)**	**(33,237)**	**(19,263,325)**
Operating profit	**1,607,823**	**2,421**	**1,610,244**
Net gain from fair value adjustments to derivatives	8,943	-	8,943
Foreign exchange, net	(88,923)	(2,412)	(91,335)
Interest expense	(731,400)	(9)	(731,409)
Net financial income	**(811,380)**	**(2,421)**	**(813,801)**
Profits before tax	**796,443**	**-**	**796,443**
Income tax	(453,537)	-	(453,537)
Net Profit from continuing operations	**342,906**	**-**	**342,906**
Net income (loss) from discontinued operations	(6,669)	-	(6,669)
Net profit attributable to:	**336,237**	**-**	**336,237**
Controlling shareholders	225,125	-	225,125
Non-controlling interests	111,112	-	111,112
Net earnings per share			
Net earnings per share from continuing operations	442	(0)	442
Net income (loss) per share from discontinued operations	(12)	0	(12)

The changes in presentation were mainly due to:

- Reclassification of health service income to the insurance premium line, as well as the costs for health services rendered to claims and health services.

- Opening of the insurance costs and expenses line in order to improve the reading of the insurance business.

- Reclassification of the discontinued operation for the sale of annuities in Mexico.

- It includes a change between lines due to a financial analysis project carried out in the statement of income of the insurance company, the purpose of which is to bring the presentation of the consolidated financial statement closer to the management and to improve comparability with other companies in the insurance industry, in order to allow a better analysis and understanding of the business. The main changes resulting from the project include the following:
    - Reclassification of administrative employee benefit accounts to Intermediary commissions expense and Business costs and expenses
    - The groupings of Net return on investments at amortized cost and Net gain on investments at fair value include the accounts for impairment of investments and dividends, the latter were eliminated from the presentation

- Reclassification of the yields at amortized cost of the accounts receivable from the item Net return on investments at amortized cost to the grouping of services sales.
- Fees and administrative expenses, affinity commissions and profit sharing, collection commissions and intermediary bonds are reclassified to commissions.

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 income statement.

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	
	December 2021	December 2020	December 2021	December 2020
Colombian Peso (COP/USD)	3,743.09	3,693.36	3,981.16	3,432.50
Chilean peso (CLP/USD)	760.04	791.59	853.50	702.47
Dominican Peso (DOP/USD)	57.25	56.57	57.41	58.32

Euro (EUR/USD)	1.18	1.14	1.13	1.23
Mexican Peso (MXN/USD)	20.29	21.49	20.61	19.86
Peruvian Nuevo Sol (PEN/USD)	3.88	3.49	3.99	3.62
Uruguayan Peso (UYU/USD)	43.57	42.05	44.70	42.48
Argentina (ARS/USD)	95.10	70.63	103.05	84.71
Brazil (BRS/USD)	5.39	5.15	5.58	5.20

2.2.5 Hyperinflationary economies

In 2018 Argentina became a hyperinflationary economy. For the restatement of its accounting financial statements, the Company uses the index series defined by resolution JG No. 539/18 issued by the Argentine Federation of Professional Councils of Economic Sciences *(FACPCE acronym for the Spanish original)*, based on the National Consumer Price Index (CPI) published from the National Institute of Statistics and Census *(INDEC acronym for the Spanish original)* of the Argentine Republic and the Internal Wholesale Price Index published by the FACPCE. The annual index for 2021 is 50.9% and 36.1% in 2020.

2.3. Significant accounting policies

The following are the most significant accounting policies used by Grupo SURA for the preparation of consolidated financial statements, in accordance with International Financial Reporting Standards IFRS, issued by the IASB, which have been consistently applied during the years ended December 31, 2021 and 2020, unless otherwise indicated:

2.3.1 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and in the statement of cash flows include cash on hand and at banks, highly liquid investments and money market transactions readily convertible into a specified amount of cash and subject to an insignificant risk of changes in value, with a maturity of three months or less, from the date of acquisition.

2.3.2. Financial instruments

A financial instrument is any contract that gives rise simultaneously to a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial assets

a) Definition

A financial asset is any asset that is:

1. Cash;
2. an equity instrument of another entity;
3. a contractual right:
    (i) to receive cash or another financial asset from another entity; or
    (ii) to exchange financial assets or financial liabilities with another entity on terms that are potentially favorable to the entity; or
4. a contract that will or may be settled using the equity instruments of the entity.

Accordingly, Grupo SURA has classified its financial assets as: cash and cash equivalents, investments, derivative instruments, insurance receivables included in insurance assets, receivables from related parties, current accounts with reinsurers included in reinsurance contract assets and other receivables.

b) Classification of financial instruments included in investments

In accordance with IFRS 9 "Financial Instruments", Grupo SURA classifies its financial assets for investment in debt securities, taking into account its business model for managing them and the characteristics of the contractual flows of the financial asset in three groups:

i) At fair value through profit or loss
ii) At fair value through other comprehensive income.
iii) At amortized cost

In accordance with its liquidity and risk appetite strategy, Grupo SURA has classified most of its investments in debt securities in financial assets at fair value through profit or loss, and another portion in debt securities at amortized cost. To see how Grupo SURA determines its investment business model, see note 3 of "Significant accounting judgments and estimates".

For investments in equity instruments, an irrevocable election can be made to present in "other comprehensive income - OCI" in equity subsequent changes in the fair value of an investment that is not held for trading. Grupo SURA has decided to take up this option and consequently, elected to measure some of its equity investments where it does not have control or significant influence at fair value through to OCI". (See note 7.1.1. Investments).

c) Initial recognition

Regular purchases and sales of financial assets are recognized on the date on which Grupo SURA and its subsidiaries commit to purchase or sell securities. Financial assets at fair value through profit or loss are initially recognized at fair value and transaction costs are recognized as an expense when incurred. Financial assets classified as at amortized cost are recorded at acquisition or grant at their transaction value in the case of investments, or at their nominal value which, unless there is evidence to the contrary, coincides with their fair value, plus transaction costs directly attributable to their acquisition or grant.

d) Subsequent measurement

After initial recognition, investments are measured as follows:

i. Investments classified and measured at fair value through profit or loss: the profits and losses resulting from changes in fair value are presented net in the statement of income in the account "Net gain in investments at fair value”.
ii. Investments in debt securities measured at fair value through OCI: changes in their fair value are recorded in the equity account "Other Comprehensive Income - OCI". The value accumulated in this account is transferred to the income statement when the investments are sold.
iii. Investments in equity instruments that are not classified as held for trading: changes in their fair value are recorded in the OCI account indicated in item ii) above. The value accumulated in this account is transferred directly to retained earnings, without going through the statement of income, when they are sold.
iv. Investments in debt securities classified as at amortized cost: subsequent to their initial recording, they are adjusted with a credit to income based on the effective interest rate method, deducting payments or credits received from the issuers.

The effective interest rate is the rate that exactly equals the estimated future cash payments or collections over the expected life of the financial instrument; or, when appropriate, for a shorter period, with the net book value of the asset at the initial time. To calculate the effective interest rate, Grupo SURA estimates cash flows considering the contractual terms of the financial instrument, except for future credit losses, and considering in the initial balance, transaction costs and premiums granted, less commissions and discounts received that are an integral part of the effective rate.

f) Impairment

At each reporting date, Grupo SURA measures and records through profit or loss the allowance for losses of a financial instrument at an amount equal to the expected credit loss over the life of the asset, if the credit risk of that financial instrument has increased significantly since its initial recognition. If the credit risk has not increased significantly since initial recognition, an entity should measure the allowance for losses for that financial instrument at an amount equal to the expected credit losses over the next 12 months.

g) Offsetting of financial instruments in the statement of financial position

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when legally there is a right to offset the recognized amounts and there is a management intention to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Operations with derivative financial instruments and hedge accounting

In accordance with IFRS 9 "Financial Instruments", a derivative is a financial instrument whose value changes over time in response to changes in an underlying variable (a specified interest rate, the price of a financial instrument, the price of a quoted commodity, a foreign currency exchange rate, etc.), requires no net initial investment or requires a lower investment than would be required for other types of contracts in relation to the underlying asset and is settled at a future date.

In the development of its operations, Grupo SURA and its subordinated entities trade in the financial markets with forward contracts, futures contracts, swaps and options that meet the definition of a derivative.

Derivative transactions are initially recorded at fair value. Subsequent changes in fair value are adjusted with a charge or credit to income, as appropriate, unless the derivative instrument is designated as a hedge and, if so, it will depend on the nature of the hedged item, in accordance with the following:

(a) Fair value hedges of recognized assets or liabilities or firm commitments, in which case changes in the fair value of the derivative are recorded in the statement of income, as well as any change in the fair value of the asset, liability or firm commitment attributable to the hedged risk

(b) Cash flow hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, in which case the effective portion of the changes in the fair value of the derivatives is recognized in "other comprehensive income" in equity.

(c) The profit or loss on the derivative related to the portion that is not effective to the hedge or that does not correspond to the hedged risk is recognized immediately in the statement of income. The amounts accumulated in the other comprehensive income account are transferred to profit or loss in the same period in which the hedged item is taken to profit or loss.

(d) Hedges of a net investment in a foreign currency, which are recorded in a manner similar to cash flow hedges: the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income and the ineffective portion is recognized in profit or loss. The gain or loss on the hedging instrument accumulated in equity is recorded in the statement of income when the net investment in a foreign subsidiary is fully sold or proportionally when it is partially sold.

Grupo SURA documents at the beginning of the transaction the relationship between the hedging instrument and the hedged item as well as the risk objective and the strategy for undertaking the hedging relationship.

Financial liabilities

A financial liability is any contractual obligation of Grupo SURA to deliver cash or another financial asset to another entity or person, or to exchange financial assets or financial liabilities under conditions that are potentially unfavorable to Grupo SURA, or a contract that will or may be settled using the equity instruments of the entity.

Financial liabilities are initially recorded at their transaction value, which, unless otherwise determined, is similar to their fair value less the transaction costs that are directly attributable to their issuance. Subsequently, such financial liabilities are measured at amortized cost in accordance with the effective interest rate method determined at the initial time and charged to income as financial expenses. Financial liabilities are only derecognized from the consolidated statement of financial position when the obligations they generate have been extinguished or when they are acquired, either with the intention to cancel them or with the intention to reposition them again.

Non-voting preferred shares

In accordance with IAS 32 "Financial Instruments: Presentation", the issuer of a non-derivative financial instrument must evaluate the terms of the instrument to determine whether it contains liability and equity components. These components are classified separately as financial liabilities or equity instruments for the issuer. In accordance with the above, Grupo SURA has evaluated this requirement in relation to the non-voting preferred shares it has issued and has proceeded at the initial moment to separate the liability component that is recorded at amortized cost and the equity component that is recorded in equity for the difference between the value received for the shares issued and the value determined as a liability.

The direct costs incurred at the time of placement of the preferred shares were allocated and recorded proportionally in liabilities and in the equity component of the shares.

2.3.3. Insurance contracts

Under IFRS 4, the insurer may continue to use non-uniform accounting policies for insurance contracts (as well as for deferred acquisition costs and related intangible assets) of subsidiaries. Although IFRS 4 does not exempt the Group from complying with certain implications of the criteria set out in paragraphs 10 to 12 of IAS 8.

In particular, the Company:

- Does not recognize as a liability provision for future claims when they arise from insurance contracts that do not exist at the end of the reporting period (such as catastrophe or equalization provisions).

- Perform the liability adequacy test.

- Eliminate an insurance contract liability (or a portion of it) from its statement of financial position when, and only when, it is extinguished, i.e., when the obligation specified in the contract is settled or cancelled, or has expired.
- It shall not offset (i) reinsurance contract assets against related insurance liabilities, or (ii) expenses or income from reinsurance contracts against income or expenses, respectively, from related insurance contracts.

- Consider whether its reinsurance assets have been impaired.

According to the characteristics of our products, the portfolio is classified under the concept of insurance contract. It is important to note that once a contract is classified as an insurance contract, its classification is maintained during its term, even if the insurance risk is significantly reduced during its term.

Permitted practices and policies include mandatory liability adequacy testing and reinsurance asset impairment testing. Prohibited practices and policies include the establishment of catastrophe reserves, maintaining or establishing compensation or contingent reserves and offsetting reinsurance assets and liabilities.

Written premium income

Premiums written comprise the total premiums receivable for the entire period of coverage. Income from premiums written is recognized at the time the respective policies are issued, distributed over the period through the technical reserve; income from these premiums is reduced by cancellations and/or annulments; in the case of cancellations, it corresponds to the amount of the premium accrued up to the time of cancellation due to the expiration of the payment term.

Unearned premiums are calculated separately for each individual policy to cover the remaining portion of premiums written.

Classification of products in accordance with IFRS 4 of Insurance Contracts

Grupo SURA considers for the classification of its insurance portfolios, the following criteria established by IFRS 4:

Insurance Contracts: contracts where the company (the insurer) has accepted a significant insurance risk from the counterparty (insured) by agreeing to compensate it in the event that an adverse event not certain and future should affect the insured. Significant insurance risk is considered to exist when the benefits paid in the case of the occurrence of the event differ materially from those in the case of non-occurrence. Insurance contracts include those in which financial risks are transferred as long as the insurance risk component is more significant.

Investment contracts: contracts where the insured transfers significant financial risk, but not insurance risk. The definition of financial risk includes the risk of a future change in any or any combination of the following variables: interest rate, price of financial instruments, price of commodities, exchange rates, price or rate indexes, credit risk or credit risk index or other non-financial variable, provided that the variable is not specific to one of the parties to the contract.

Revenues from health care providers

The health care companies of Suramericana, as delegates of the Administrator of Resources of the General Social Security Health System *(Administradora de Recursos del Sistema General de Seguridad Social en Salud, for the Spanish original) (ADRES acronym for the Spanish original)* for the collection of contributions of the Mandatory Health Plan, receive a per capita value for the provision of services to each member, which is called the capitation payment unit *(unidad de pago por capitación – UPC acronym for the Spanish original)*, which is modified annually by the National Social Security Council (*Consejo Nacional de Seguridad Social en Salud, for the Spanish original)* and recognizes the income for this concept. The Company recognizes income for UPC and promotion and prevention to the extent that the rights arise from the values of the contributions that are expected to be received considering an expected UPC for the population of compensable affiliates.

The compensable population is defined as the users on which the contribution amounts are expected to be collected and therefore are entitled to receive health care coverage.

Revenues from contracts for additional health plans, i.e., prepaid medicine and complementary plans, are accrued as their term elapses.

Income of the labor risk management company

The labor risk management company estimates the value of the mandatory contributions taking into account the workers who were affiliated during all or part of the period (new entries and withdrawals), the contribution base salary and the risk class, reported in the last self-assessment or in the affiliation. When the employer does not report new developments, the estimated value of the contribution cannot be less than the amount contributed in the last self-assessment form.

Reinsurance and coinsurance operations

Reinsurance

Grupo SURA considers reinsurance as a contractual relationship between an insurance company and a reinsurance company, in which the former totally or partially cedes to the reinsurer the risk or risks assumed with its policyholders.

Premiums corresponding to ceded reinsurance are recorded in accordance with the terms of the reinsurance contracts and under the same criteria as for direct insurance contracts.

Ceded reinsurance contracts do not release Grupo SURA from its obligations with policyholders.
Grupo SURA does not offset reinsurance assets with liabilities generated by insurance contracts and they are presented separately in the statement of financial position.

Coinsurance
Grupo SURA considers coinsurance as the agreed concurrence of two or more insurance entities in the coverage of the same risk; for coinsurance contracts the liability of each insurer to the insured is limited to its percentage of participation in the contract.

Grupo SURA recognizes in the statement of financial position the balance derived from coinsurance operations based on the percentage of participation agreed in the insurance contract.

Impairment of reinsurance and coinsurance

Grupo SURA considers that a reinsurance and coinsurance asset is impaired and will reduce its carrying value, and will recognize the effects in income, if, and only if:

- There is objective evidence, as a result of an event occurring after the initial recognition of the reinsurance asset, that the ceding company may not receive all amounts due to it, based on the terms of the contract; and
- that event has a reliably measurable effect on the amounts to be received by the ceding company from the reinsurer.

Reinsurance contract assets are evaluated for impairment at least once a year to detect any events that may cause impairment. Triggering factors may include legal disputes with third parties, changes in capital and surplus levels, modifications to counterparty credit ratings and historical experience with respect to the collection of the respective reinsurance companies. In the case of the insurance companies of Grupo SURA, there is no impairment of assets from reinsurance contracts.

Estimated insurance contract liabilities

Estimated liabilities for insurance contracts represent for Grupo SURA the best estimate of future payments to be made for the risks assumed in the insurance obligations, which are measured and recognized as a liability: The liabilities for Grupo SURA are as follows:

a. <u>Estimated liabilities of insurance contracts for claims:</u> these are provisions constituted to reflect the estimated cost of claims that have occurred and have not been paid. This category includes:

    1. <u>Estimated liabilities of insurance contracts for unsettled notified claims:</u> correspond to liabilities and direct settlement expenses for notified claims. The liability is

recognized on the date on which the insured and/or beneficiary notifies the occurrence of the covered loss and is subject to a monthly recalculation.

2. Estimated liabilities for claims not reported (IBNR): this liability is constituted to reflect those claims that have occurred, but which at the date of the reporting period have not been reported by the insured and/or beneficiary.

3. Estimated liabilities for future commitments: these are provisions created to reflect expected future commitments with policyholders.

4. Estimated liability for risks in progress: this is the liability for compliance with future obligations arising from the commitments assumed in the policies in force at the calculation date. The estimated current risk liability is comprised of the unearned premium liability and the premium deficiency liability.

   The estimated unearned premium liability represents the portion of premiums written on policies in force and premiums written on policies with future inception.
   The estimated liability for insufficient premiums will supplement the unearned premium liability to the extent that the premium is not sufficient to cover the current risk and unearned expenses.

b. Actuarial liability: this liability is constituted to meet the payment of obligations assumed in individual life insurance and in insurance policies whose premium has been calculated on a level basis or insurance policies whose benefit is paid in the form of an annuity.

c. Actuarial liability for insurance (excluding annuities): estimated insurance liabilities are calculated based on the actuarial method, taking into account the current conditions of the insurance contracts. The liability is determined as the sum of the present value of expected future benefits, claims handling and policy administration expenses, options and guarantees and the investment income of assets backing such liabilities, which are directly related to the contract, less the discounted value of premiums expected to be required to meet future payments based on the valuation assumptions used.

d. Actuarial liability for annuities: it is calculated on the basis of the present value of the future benefits committed under the contract and the direct operating expenses that the company will incur for the payment of the contract commitments.

e. Estimated liabilities for unearned premiums: these are constituted for short-term insurance (both group and individual) in which the periodicity of premium payment differs from the term of the coverage and consequently, a premium has been received for the future risk, which must be provisioned. The provision is determined as the premium received net of expenses and is amortized over the term of coverage.

f. Estimated liabilities for deposit (savings) components in life insurance or fund value reserve: For unit-linked and flexible products, the savings component is added to the reserve. According to the periodicity of premium payment, the value of the expense for the savings delivered by the insured is increased.

g. Estimated Asset Deficit Liabilities: is that which is constituted to compensate the insufficiency that may arise when covering the flows of expected liabilities that make up the actuarial liability with the flows of assets of the insurance company;

h. Estimated liabilities for pending claims: are those which are constituted to meet the payment of claims that have occurred once they have been reported or to guarantee the coverage of those not reported, as of the calculation date. The estimated liability for outstanding claims is composed of the liability for claims reported and the liability for claims not reported.

   The estimated liability for claims reported corresponds to the amount of resources that the insurance company must allocate to meet the payments of claims that have occurred once they have been reported, as well as the expenses associated with them, at the date of calculation of this estimated liability.

   The estimated liability for claims incurred but not reported represents an estimate of the amount of resources that the insurance company must allocate to meet future payments for claims that have already occurred, at the date of calculation of this liability, but which have not yet been reported to the insurance company or for which sufficient information is not available;

i. Embedded derivatives: Embedded derivatives in insurance contracts are separated if they are not considered to be closely related to the main insurance contract and do not meet the definition of an insurance contract.

   These embedded derivatives are presented separately in the financial instruments category and are measured at fair value through profit or loss.

j. Liability adequacy test: The technical provisions recorded are subject to a reasonableness test at least once a year, in order to determine their adequacy based on projections of all future cash flows of the contracts in force. If, as a result of this test, it becomes apparent that they are insufficient, they are adjusted with a charge to income for the year.

   For the adequacy test of estimated insurance contract liabilities, future contractual cash flows measured based on the best estimates available are used. The cash flows consider both assets and liabilities over time and are discounted considering the rate of return associated with the investment portfolio that supports the provisions and the reinvestment assumptions of the Company.

The methodology for testing the adequacy of estimated insurance contract liabilities and assumptions includes the following instances:

- Projection of contractual cash flows using assumptions based on the best estimates available at the time of the projection. The assumptions are reviewed periodically and approved by the Models and Assumptions Committee and by the risk area of the Company.

- Generation of rate of return scenarios (considering the investment-divestment dynamics of each of the subsidiaries of the company).

- Discounting of commitment flows (in order to obtain the present value of the commitments).

- Calculation of the 50th percentile of present values and comparison with booked reserves. In the case of Mexico and Peru, where the contracts do not have optionalities (they are symmetrical), the projection of flows is symmetrical. However, in the case of Chile, where there are non-symmetric contracts (e.g., flexible with guaranteed rates), stochastic projections are made and then the 50th percentile is determined.

Assumptions used for the adequacy test of estimated insurance contract liabilities include:

Operative Assumptions:

- Leakage, Partial Surrenders, Collection Factor (not applicable to Life Annuities): periodically, experience analyses are performed in order to incorporate the most recent behavior to the assumption. The analyses are performed by family of homogeneous products.

    - Operating Expenses: annually, the assumptions of operating expenses are reviewed to consider the best estimated expenditure levels (based on portfolio volume and level of expenses). An important tool for defining the assumption is the annual strategic planning of the Company.

    - Mortality tables: the mortality tables developed by the Company, are used for the life annuity portfolio, while for the rest of the life insurance portfolio, given that there is not enough experience for the construction of a proprietary table, the assumption is derived, based on mortality tables, provided by the reinsurance Company.

- Financial Assumptions: the reinvestment model generates the return rate scenarios, based on the updated assumptions of both the market and the investment, at the closing date of the report. The assumptions of the reinvestment model are:
    - Scenarios of Zero Rate Government Coupon: together with the Spreads index, it is used to value the assets available for investment/reinvestment.
    - Projected spread rate: applies to zero coupon rates
    - Multiplicative factors of spread
    - Depreciation factor: is applied to real estate and shares
    - Projected flows of liabilities and assets

k. Expected favorable returns (EEF): Grupo SURA recognizes the future payments to be realized for the favorable experience in terms of claims and continuity that are agreed at the start of the insurance contracts through the recognition of a provision.

Deferred acquisition costs - DAC

Corresponds to the deferral of the acquisition cost, of new clients, for insurance and pension contracts. For international standards, an amortizable intangible asset can be recognized, which represents the right of the Company to obtain benefits from the management of the investments of its affiliates, and is amortized, to the extent that the Company recognizes the income derived during the period in which a customer maintains their investment in the Company.

Deferred acquisition costs are directly related to the issuance of an insurance contract and give the contractual right to obtain economic benefits, during the provision of services.

2.3.4. Taxes

The tax structure of each country where Grupo SURA companies are located, the regulatory frameworks and the plurality of operations carried out by the companies, make each company liable for national and territorial taxes, rates and contributions.

Income tax

Current
The assets and liabilities for current income tax for the period are measured for the amounts expected to be recovered or paid to the tax authority. The expense for current income tax is recognized in accordance to the tax reconciliation between taxable income and accounting profit or loss calculated at the rate of income tax for the current year and in accordance with the provisions of the tax rules in every country. Tax laws used to compute these values are those that are approved at the end of the reporting period is reported.

Deffered
The deferred income tax is recognized using the liability method calculated on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and for future compensation of tax credits and unused tax losses to the extent that it is probable that future taxable gains against which they can be imputed will be available. Deferred taxes are not discounted.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and in the case of deferred tax liabilities when they arise from the initial recognition of goodwill.

Deferred tax liabilities, related to investments in subsidiaries, associates, and interests in joint ventures, are not recognized when the timing of the reversal of temporary differences can be controlled, and it is probable that these differences will not reverse in the near future; deferred taxes assets related to investments in subsidiaries, associates, and interests in joint ventures, are recognized only to the extent that it is probable that temporary differences will be reversed in the near future and the availability of future taxable profits to offset deductible differences is likely.

The book value of deferred tax assets is reviewed at each reporting date and it is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to offset the deferred tax asset in whole or in part. Unrecognized deferred tax assets are reassessed, at each reporting date, and are recognized to the extent that it is probable that future taxable income will be available.

Deferred tax assets and liabilities, are measured at the tax rates that are expected to be applicable in the period when the asset is realized, or the liability is settled, based on tax rates and tax rules that were approved at the date of filing or which approval is nearing completion by that date.

Deferred tax is recognized in profit or loss, except when relating to items recognized outside profit or loss, in which case will be presented in other comprehensive income or directly in equity.

Current income tax assets and liabilities are offset if they relate to the same taxation authority and there is an intention settle them for the net value or to realize the asset and settle the liability simultaneously.

Grupo SURA will offset deferred tax assets, with deferred tax liabilities if, and only if:

a) there is a legal recognition of the right to compensate, before the tax authorities, the amounts recognized in those items; and

b) deferred tax assets and liabilities are derived from the income tax, corresponding to the same tax authority, which are:

1. the same entity or fiscal subject; or

2. different entities or subjects for tax purposes that expect either to settle the current fiscal assets and liabilities for their net amount, or to realize the assets and to pay the liabilities simultaneously, in each of the future periods in which it is expected to settle or recover significant amounts of assets or liabilities for deferred taxes.

2.3.5. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance, which is expected to generate economic benefits for more than one accounting period. Intangible assets, acquired separately, are initially measured at cost. The cost of intangible assets acquired in business combinations is their fair value at the acquisition date. After initial recognition, intangible assets are accounted for at cost minus any accumulated amortization and any accumulated impairment loss.

The useful lives of intangible assets are finite or indefinite. Intangible assets with finite useful lives are amortized over their useful lives on a straight-line basis, with useful lives ranging from 3 years to 66 years depending on the asset and are evaluated for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each period. Changes in the expected useful life or in the expected pattern of consumption of the future economic benefits of the asset are accounted for when changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization expense for intangible assets with finite useful lives is recognized in the income statement.

Intangible assets with indefinite useful lives are not amortized, but are tested annually for impairment, either individually or at the cash-generating unit level. The indefinite life assessment is reviewed annually to determine whether the indefinite life is still valid. If not, the change of the useful life from indefinite to finite is made prospectively.

The profits or losses, that arise when an intangible asset is derecognized, are measured as the difference between the value obtained in the sale and the book value of the asset, and are recognized in profit or loss for the period.

The goodwill arising from business combinations in the period are presented in the same functional currency of the foreign operation and are translated into the presentation currency at the closing rate of exchange.

Impairment
Grupo SURA periodically analyses the existence of indicators of impairment and, if necessary, recognizes impairment losses in goodwill. Impairment losses are recognized in profit or loss for the period and are calculated as the difference between the recoverable amount of the goodwill, which is the higher between the value in use and fair value less costs to sell, and its book value.

2.3.6. Investments in associates

An associate is an entity over which Grupo SURA has significant influence over the decisions of financial and operating policies without achieving control or joint control. It should be presumed that Grupo SURA exerts significant influence when:

- has, directly or indirectly, 20% or more of the voting power in the Company, unless it can be shown that such influence does not exist through the management bodies; or
- although it holds, directly or indirectly, less than 20% of the voting power in the company, it can clearly demonstrate that significant influence exists through the management bodies.

Grupo SURA demonstrates significant influence through one or more of the following aspects:

Representation in the management body of the company or associate;

- Participation in the determination of policies and decisions on dividends and other distributions;
- Transactions of relative importance with the associate;
- Management exchange; or
- Provision of essential technical information.

Investments in associates are recognized under the equity method; under this method, they are initially recorded at cost and subsequently adjusted for the share of Grupo SURA in the results and other comprehensive income of the associate, with a charge or credit to the results and other comprehensive income of the group, respectively. Dividends received from associated companies are recognized as a reduction of the carrying value of the investment.

When significant influence over the associate or joint control over the joint venture is lost, Grupo SURA measures and recognizes any residual investment in the associate at its fair value. The difference between the carrying amount of the associate or joint venture (taking into account the corresponding items of other comprehensive income) and the fair value of the residual investment retained, with the value arising from its sale, is recognized in profit or loss.

Impairment

Grupo SURA periodically analyses the existence of indicators of impairment and, if necessary, recognizes impairment losses on the investment in the associate or joint venture. Impairment losses are recognized in profit or loss for the period and are calculated as the difference between the recoverable amount of the associate or joint venture, which is the higher of its value in use and its fair value less costs to sell, and its carrying amount.

Methodology for impairment of investments in subsidiaries and associated companies

Identifying signs of impairment is a key step in the evaluation process, as it will determine whether or not an impairment test should be performed.

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

In accordance with IAS 36, "Impairment of the Value of Assets". The subsidiaries and associates of Grupo SURA must consider the following facts and circumstances to establish whether or not there are indications of impairment.

1. Operating loss or negative cash flows in the current period, as compared to what was budgeted.
2. Increases during the period in interest rates associated with investments and debt. For example, information on investments in securities with indexed rates, agreed rates of debt acquired with banks.
3. Significant changes in the technological environment, defined as the risk associated with losses arising from technology (hardware or software) or the use thereof. For example, information on significant decrease in production associated with the technology or high exposure to hacker risk.
4. Significant changes in the legal environment, established as losses from penalties or lawsuits due to non-compliance with regulations or contractual obligations.
5. Significant changes in the regulatory environment. Referring to the negative implications on a company derived from changes in the regulatory framework in which it operates.
6. Changes in the competitive environment. For example, how much market share is lost (measure growth and loss ratio), new competitors or aggressiveness of current competitors and sales compliance on the commercial side.
7. Significant changes in the manner or extent to which the cash generating unit (CGU) is used or expected to be used.
8. Significant reduction in the use of installed capacity.
9. Generation of new debt
10. Cessation or significant reduction, other than a mere fluctuation, in the demand or need for the services provided with the asset.

11. For investments in associates listed on the Colombian Stock Exchange, internal valuation models are used.

At the end of every reporting period, Grupo SURA and its subsidiaries will perform impairment tests to operations, CGUs or other recorded goodwill and intangible assets where it will estimate the recoverable amount of the assets, and if applicable, adjust the book value to reflect an eventual impairment in the financial statements.

Joint Ventures

A joint venture is recognized when the contractual agreement is structured through a separate vehicle and gives it Grupo SURA rights over the net assets of the agreement, and no rights over the assets and obligations related to the agreement.

When a joint venture is entered into, the group must recognize, in the consolidated financial statements, its participation in a joint venture, as an investment, and it must be accounted for using the equity method, in accordance with the accounting policy of Investments in Associates and Joint Ventures.

2.3.7. Operating segments

An operating segment is a component of Grupo SURA that carries out business activities, from which:

- It can obtain income, and incur in costs and expenses,
- over which separate financial information is available and,
- whose operating results are reviewed regularly by the highest authority in the decision-making process of Grupo SURA, to decide on the allocation of resources to the segments and evaluate their performance.

Management regularly evaluates the performance of each of the segments; the group discloses separate information for each of the segments identified and such information is prepared under the same accounting policies used in the preparation of Grupo SURA´s consolidated financial statements.

2.3.8. Income

Revenue from customers:

Grupo SURA has established a five-step model for accounting for revenue from customer contracts. Revenue is recognized for an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The five steps identified for the determination of revenue recognition are:

1. Identification of the contract with the customer
2. Identification of performance obligations
3. Determination of the transaction price
4. Allocation of the transaction price to each of the performance obligations
5. Recognition of revenue from ordinary activities when performance obligations are met.

Incremental costs (capitalizable costs) will be accounted for as assets if Grupo SURA expects to recover them under the same contract; costs of obtaining a contract that are incurred regardless of whether the contract is won will be carried at cost in the period in which they are incurred.

Below is the detail of the main non-insurance revenue streams of Grupo SURA:

Complementary services to the insurance activity

Complementary services to the insurance activity are services provided which do not relate to insurance risks, these services include: transportation for injury or illness, travel and accommodation of a family member, travel related to the death of a family member, transportation in the event of death, transfer costs for interruption of travel, legal assistance by telephone, among others.

Income received for services complementary to the insurance activity is recognized when the transfer of the services committed to its customers is made, and is recognized for the amounts that reflect the consideration that the Company expects to receive in exchange for such services.

"Policies issued by insurance companies must identify as a separate performance obligation, those that are associated with the rendering of services that do not require the occurrence of an insured loss.".

General Insurance
The automobile, home and fire insurance solution include components of services that do not correspond to insurance risks such as: transportation due to injury or illness, travel and lodging of a family member, travel due to the death of a family member, transportation in the event of death, professional driver, transmission of urgent messages, towing, lodging and transportation due to car damage, lodging and transportation due to car theft, mobile workshop and locksmith's shop, location and shipment of spare parts, designated driver, accompaniment in traffic cases, telephone guidance for traffic procedures, plumbing, electricity, locksmithing, replacement of damaged glass, security services, travel interruption expenses, legal assistance by telephone, among other. These components constitute additional performance obligations under the requirements of IFRS15, provided that they do not require the occurrence of an insured loss. For this reason, the group must assign a portion for complementary services from the amount of the premium received for insurance activity, whenever it applies.

Grupo SURA decided to use the practical expedient of IFRS 15, and will not adjust the value it has committed as consideration to account for the effects of a significant financing component, when it is expected at the beginning of the contract, that the period between the time when the Company will transfer the service committed to the customer and the time when the customer pays for that good or service will be one year or less. Therefore, for short-term advances, the amount of such advances will not be adjusted even if the effect of the financing component is significant.

Life Insurance
The main corporate purpose of the Company is to carry out individual insurance and reinsurance operations on life insurance policies, under the modalities and lines of business expressly authorized by law.

Income from labor risk management
The labor risk management companies estimate the amount of compulsory contributions to be made by employers in Colombia which constitute their revenue, taking into account the workers

affiliated during all or part of the period (new entries and withdrawals), the base contribution salary and the type of risks which are reported in a self-assessment form or during the worker´s affiliation. When the employer does not report any changes, the estimated value of the contribution may not be less than the amount contributed in the last self-settlement form.

Dividend Income

Grupo SURA recognizes dividend when:

a) the entity's right to receive the dividend payment is established, which is generally when the shareholders declare the dividend.
b) it is probable that the entity will receive the economic benefits associated with the dividend; and
c) the amount of the dividend can be measured reliably.

The above is not applicable when the dividend represents a recovery of the cost of the investment.

Commission income

When Grupo SURA involves a third party in providing goods or services to a customer, it is determined whether the nature of its commitment is a performance obligation to provide the specified goods or services itself (i.e., the entity acts as a principal) or to arrange for the third party to provide those goods or services (i.e., the entity acts as an agent).

Grupo SURA will be a principal if it controls the good or service before the entity transfers it to a customer. However, Grupo SURA is not necessarily acting as a principal if it obtains the legal right to a product only momentarily before the right is transferred to the customer.

When Grupo SURA is defined as a principal, i.e., it satisfies a performance obligation, it recognizes income from ordinary activities for the gross value of the consideration to which it expects to be entitled in exchange for the goods or services transferred.

Grupo SURA acts as an agent if the performance obligation is to arrange the supply of goods or services for another entity. When Grupo SURA acts as an agent, revenue from ordinary activities is recognized for the value of any payment or commission to which it expects to be entitled in exchange for arranging the supply of its goods or services for the other party. The payment or commission may be the net value of the consideration that the entity retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

Commission income is recognized with the provision of the service. Those arising from trading, or participating in the trading of a third-party transaction such as the disposal of the acquisition of shares or other securities, or the purchase or sale of businesses, are recognized on completion of the underlying transaction.

Portfolio and management consulting fees and other services are recognized based on the services applicable to the contract when the service is provided.

Asset management fees related to investment funds and contract investment fees are recognized during the period of service. The same principle applies to wealth management, financial planning and custodial services that are performed continuously over an extended period of time. Fees charged and paid between banks for payment of services are classified as commission income and commission expense.

Deferred income liability (DIL)

A Deferred Income Liability (DIL) provision is generated in the Mandatory Pension Savings segment in the countries of Chile, Peru and Uruguay, as a result of administration costs, in order to defer the income of contributing members in the periods in which these members become non-contributing members or pensioners who cannot be charged for the administration of their funds and/or payment of pensions.
The foundation of this arises because, under the condition of non-contributor, said affiliates do not generate any income that allows them to face the costs. For this purpose, a provision is created, whose constitution takes place as long as the Company makes the corresponding collection, and its release is given as the aforementioned cost is incurred.

DIL calculation methodology
The provision is calculated periodically, at least quarterly. The currency of calculation is the currency in which the collections and commitments of the company are fixed. For those subsidiaries in which the provision is calculated in a unit indexed by inflation, the provision is restated in legal tender, at the equivalent exchange rate, between said currency and the indexed unit for inflation of the closing period, of the balance or closing month.

The provision is calculated, based on the estimated cost of the non-contributors and the cost of the pensioners, who are not charged for the administration of their funds and/or the pension payment, discounted at the rate of a Corporate AAA Bond, without prepayment options.

2.3.9. Earnings per share

Basic earnings per share are calculated by dividing the results of the period, attributable to holders of outstanding shares, by the weighted average number of ordinary shares outstanding, during the period.

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

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

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

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

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

a) Liabilities under insurance contracts

Liabilities under insurance contracts and annuities are recognized on the basis of the best estimated assumptions. Additionally, all insurance contracts are subject to an annual liability adequacy test, which reflects Management best estimate of future contractual cash flows. In the event of a deficiency, the assumptions can be updated or remain fixed until the next revision or deficiency identified, whichever occurs first.

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

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

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

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

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

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

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

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

b) Fair value of financial instruments

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

When valuation techniques (e.g., models) are used to determine fair values, they are validated and reviewed periodically by qualified personnel independent of those who obtained them. All models are certified prior to use and the models are calibrated to ensure that the results reflect actual data and comparative market prices. To the extent possible, the models use only observable data; however, areas such as credit risk (both own and counterparty credit risk), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 24 on fair value.

Business model of Grupo SURA

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

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

Calculation of credit risk in derivatives

IFRS 13 introduced the requirement to incorporate to the fair value calculations, the credit default risk: Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA).

In options there is only one risk, and in Cross Currency Swaps (CCS) both risks, since the former can only be settled in favor or against depending on whether the right or the obligation is held, while in CCS it can occur in both directions depending on market movements.

The Group has defined the following assumptions for the calculation of this credit risk, taking into account that IFRS 13 does not establish a single methodology:

- The calculation of CVA and DVA is performed per transaction and corresponds to an additional component within the valuation of transactions.

- To calculate the counterparty risk, the Expected Loss methodology is used, which has 3 components, Potential Future Exposure (PFE), Probability of Default (PD), Recovery Rate (RR). Where the Potential Future Exposure, which is defined as the maximum credit exposure expected during a specific period of time calculated with some level of confidence, by calculating the CVA (positive) as the DVA (negative), multiplied by the Probability of Default, which is a measure of credit rating given to a contract in order to estimate its probability of default one year ahead and by one minus the Recovery Rate, which is the percentage of the exposure at risk that is not expected to be recovered in case of default.

Determining effectiveness in derivatives

The hedging relationship will be considered effective as long as the hedging instrument mitigates the risk of the hedged item, i.e., its effectiveness will be accepted as long as the hedging relationship has a lower exposure to the USD/COP exchange rate than the item being hedged regardless of the designated hedging instrument.

In the case of Grupo Sura as long as, during the term of the hedging relationship, the USD/COP exchange rate is below USD/COP 4.317, the hedging ratio between the hedged item and the hedging instrument will be one to one, fully effectively offsetting the exchange rate risk generated by the principal of the debt issue denominated in foreign currency (USD) for the company.

For Sura Asset Management the effectiveness is the variation of the hedging instrument over the variation of the hedged item, that is, for the debt the difference in exchange rate is taken against the valuation of the exchange component of the derivative USD/COP leg; and for the net investments, it will be the variation of the asset versus the variation of the COP derivative to the other currencies (PEN, CLP, MXN).

c) Impairment of financial assets

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

d) Taxes

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

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

e) Impairment of goodwill

The determination of impairment of goodwill requires an estimation of the value in use of cash-generating units to which goodwill has been allocated it said. The calculation of value in use requires management to estimate the future cash flows of the CGU and appropriate discount rate to calculate the present value. When the actual future cash flows are lower than expected, there may be a loss for impairment. (Note 13 Goodwill).

f) The useful life and residual values of property and equipment, right-of-use and intangible assets.

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

g) Term of leasing contracts

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. The assessment is reviewed if a significant event occurs or a significant change in circumstances that affects this assessment.

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

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

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

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

i) Employee benefits

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

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

NOTE 4. NORMS ISSUED NOT EFFECTIVE YET

The accounting policies adopted in the preparation of the consolidated financial statements are consistent, 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

Amendments to IFRS 16: Rent Reductions related to Covid-19 beyond June 30, 2021.

In March 2021, the IASB issued amendments to IFRS 16 to extend from June 30, 2021 to June 30, 2022, the practical expedient for lessees caused by rent reductions occurring as a direct consequence of the Covid-19 pandemic.

The cumulative effect of applying the amendment will be recognized as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied by the lessee.

The amendments have not been introduced in 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.

4.2 New standards issued by the International Accounting Standards Board (IASB) that have not yet been incorporated in these financial statements.

Amendments to IFRS 1: First-time Adoption of International Financial Reporting Standards

The amendment allows subsidiaries that elect to apply paragraph D16 (a) of IFRS 1 to measure cumulative exchange differences using the amounts reported by the controlling entity, based on the date of transition to IFRS of such controlling entity. This amendment also applies to associates or joint ventures that elect to apply paragraph D16 (a) of IFRS 1.

The amendments were incorporated by Decree 938 of 2021, which will be effective from January 1, 2023. These amendments had no impact on these financial statements and are not expected to have an impact on future financial statements of the Group.

Amendments to IAS 1: Disclosures on Accounting Policies

The amendments clarify the following points:

- The word "significant" is amended to "material or materially relevant".
- The accounting policies to be disclosed in the notes to the financial statements are clarified: "An entity shall disclose information about its significant accounting policies that are material.
- Clarifies when an accounting policy is considered material.
- Incorporates the following paragraph: "Information about accounting policies that focuses on how an entity has applied the requirements of IFRSs to its own circumstances provides entity-specific information that is more useful to users of the financial statements than

standardized information or information that only duplicates or summarizes the requirements of IFRSs".

The amendments have not been introduced in the Colombian accounting framework by means of any decree to date. 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 - Proceeds Before Intended Use

In May 2020, the IASB issued Property, plant and equipment - Revenue before intended use, which prohibits entities from deducting the cost of an item of property, plant and equipment, i.e., any revenue from the sale of the 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, the entity should recognize in profit or loss the proceeds from the sale of such items and the costs incurred in their production.

The amendments were incorporated by means of Decree 938 of 2021, which will be effective as from January 1, 2023. The Company does not expect significant impacts from this amendment; however, it is evaluating the impact they could have on the financial statements.

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

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace the reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with the reference to the Conceptual Framework for Financial Reporting, issued in March 2018, without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising from liabilities and contingent liabilities, which would fall within the scope of IAS 37 or IFRIC 21 Liens, if incurred separately.

At the same time, the Board decided to clarify the existing IFRS 3 guidelines with respect to contingent assets that would not be affected by the replacement of the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments were incorporated by means of Decree 938 of 2021, which will be effective as from January 1, 2023. These amendments do not impact the Group's current financial statements, but may affect future periods if the Group were to enter into any business combination.

Amendment to IFRS 9: Fees in the '10 percent' test to determine derecognition of financial liabilities

The amendment clarifies that the fees that entities include when assessing whether the terms of any new or amended financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on behalf of the other. Entities must apply the amendment to financial liabilities that are modified or exchanged as of the beginning of the annual period in which they first apply this amendment.

The amendments were incorporated by Decree 938 of 2021, which will be effective from January 1, 2023. The Company does not expect significant impacts from this amendment, in any case it is evaluating the impact they could have on the financial statements.

Annual Improvements to IFRS Standards 2018-2020 cycle

Amendments to IFRS 9, IAS 39 and IFRS 7: Reform of benchmark interest rates. The amendments provide a number of exemptions that apply to all hedging relationships that are directly affected by the benchmark interest rate reform. A hedging relationship is affected if the reform results in uncertainty about the timing and or amount of the benchmark-based cash flows of the hedged item or hedging instrument.

The amendments were incorporated by Decree 938 of 2021, which will be effective from January 1, 2023. The Group is evaluating the potential effect of this standard on its financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify the following points:

- The meaning of the right to defer the settlement of a liability.
- That the right to defer settlement of the liability should be granted at year-end.
- That the classification is not affected by the probability that the entity will exercise its right to defer settlement of the liability.
- That only if any embedded derivative in a convertible liability itself represents an equity instrument, the terms of the liability would not affect its classification.

The amendments were incorporated by decree 938 of 2021, which will be in effect as of January 1, 2023.

These changes had no impact on the Group's financial statements.

Improvements 2021

Amendments to IAS 8: Definition of Accounting Estimates
The amendment was published by the IASB in February 2021 and clearly defines an accounting estimate: "Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty".

Clarify the use of an accounting estimate, and differentiate it from an accounting policy. In particular, it is mentioned "an accounting policy may require that elements of the financial statements be measured in a manner that involves measurement uncertainty-that is, the accounting policy may require that these elements be measured at monetary amounts that cannot be directly observed and must be estimated. In this case, an entity develops an accounting estimate to achieve the stated objective of the accounting policy."

The amendments have not been introduced in the Colombian accounting framework by means of any decree to date.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17, a new comprehensive accounting standard for insurance contracts covering measurement and recognition, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4, issued in 2005. IFRS 17 applies to all types of insurance contracts, regardless of the type of entities issuing them, as well as certain guarantees and financial instruments with discretionary participation features. This standard includes few exceptions.
The overall objective of the standard is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Contrary to the requirements of IFRS 4, which mainly seeks to protect previous local accounting policies, IFRS 17 provides a comprehensive model for these contracts, including all relevant issues. The essence of this standard is a general model, supplemented by:

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

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.

Amendments to IAS 12: Deferred Taxes related to Assets and Liabilities arising from a Single Transaction.

The amendment allows the recognition of a deferred tax liability or asset that has arisen in a transaction that is not a business combination, in the initial recognition of an asset or liability that at the time of the transaction, does not give rise to taxable and deductible temporary differences of the same amount.
The cumulative effect of the change in accounting policy is recognized from the beginning of the earliest comparative period presented as an adjustment to the opening balance of retained earnings at that date.
The amendments have not been introduced in 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.

Grupo Empresarial SURA is defined by a long-term vision that has historically guided the Group and will continue to be key in its growth path, based on the knowledge accumulated in areas such as risk assessment and capital allocation. The companies of the Group play a fundamental role in being at the side of each of its clients in times of volatility and uncertainty. This value-generating presence is materialized in a financial system that supports the population in circumstances such as those we are experiencing today; in the management of trends and risks, with the capacity to anticipate that the world and its changing dynamics demand; and in the professional management of assets and investments, as well as in the development of savings instruments and sustainable social protection systems focused on caring for people.

Grupo SURA is committed to the management that the companies are carrying out today to respond to this new and challenging moment for all, contributing to the solution, activating their continuity plans and maintaining a clear strategy.

Business

Insurance

Revenues from insurance premiums issued in these three semesters showed a growth of 16.5%, leveraged by the health segment due to the increase in Health Promoting Entity users *(EPS acronym for the Spanish original)*, which reached 4.67 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, grew by 16%, evidencing a positive dynamic in the growth of members, reaching an exposed mass of 4.57 million workers, which is a sign of the recovery of employment and the decrease in the levels of employee absenteeism.

Premiums from insurance revenues have shown a greater growth dynamic, leveraged by an improvement in the trend of new business underwriting, which is mainly reflected in a 9% growth in the auto solution. Life solutions also presented a positive evolution in the growth trend, reaching 12%, due to the recovery of the dynamics in the intermediary and affinity channel. Another important point is the launch of the COVID protection product in Chile in June; this is a mandatory product for workers who perform on-site functions and has coverage for medical and death expenses. Likewise, the health solution grew 19%, consolidating the positive dynamics presented during the previous year, due to the offer of new plans in the companies of Colombia, Mexico, Chile and El Salvador.

In terms of claims, there continues to be a negative effect from claims associated with COVID-19 that materialize mainly in increased mortality for life solutions, increased assistance benefits, economic benefits and diagnostic costs. These effects for the end of this period reached COP $1.7 billion with greater effects in the subsidiaries of Colombia, Mexico, El Salvador and Panama, where there is greater exposure to Health, Labor Risks and Life solutions.

Reserves

The insurance reserve levels calculated and presented in its financial statements for December 31, 2021 are sufficient, and no additional impacts are anticipated based on information known at that time, as the loss estimates made for this cut-off are consistent with the assessments that have been made on the potential effects arising from the COVID-19 pandemic.

Nevertheless, the correct development of the technical reserves will depend on the evolution of the measures taken by the governments, the health conditions of the population and their consequences on the macroeconomic variables of the different countries, for which reason the company continues to permanently evaluate the evolution of the main variables, actions and their consequences, in order to capture new information that will allow us to better understand the behavior of the risks and our exposure to them in the short and medium term.

Credit risk

Regarding accounts receivable from our customers, no risk has been identified that represents losses for the company. In the particular case of Sura Panama, deterioration continues at levels similar to those of the third quarter of 2021 in the auto and individual life portfolios, in this sense, various actions continue to be taken by the subsidiary such as arrangements with customers and cancellations in the policies in order to mitigate the impact generated by the deterioration of the portfolio; at a general level, it is considered that the effects on the portfolio related to the pandemic are already mostly collected.

Pensions
The Company has been permanently monitoring all social, economic and regulatory impacts that could impact its businesses as a consequence of the pandemic.

The good closing levels of assets under management at the end of 2020 drove fee income growth in the fourth quarter of 2021, which in total for all businesses rose by 9.45%.

Businesses were characterized by a growth of 9.2% due to the staggered reactivation of operations. The Company maintains the permanent monitoring of impacts, as it will allow incorporating in a timely manner any effect that may arise in the coming months, given the continuity of the evolution of the pandemic and the vaccination processes in the countries where it operates.

Exchange Rate Impacts

The depreciation of Latin American currencies against the US dollar continued, but at a slower pace during the fourth quarter of 2021, accumulating an average variation of 3.4% compared to the close of the previous quarter, this movement generated positive effects due to exchange fluctuation in the investment portfolios of the subsidiaries that have a foreign currency position. The Colombian peso recorded a depreciation of 4.4% in the quarter, accumulating a total variation of 16% in 2021, generating positive translation effects in the consolidation of operations.

The effects of changes in operations and translation to the results of operations and financial position of subsidiaries in the presentation currency of these financial statements (Colombian peso -COP-), have already been recognized and incorporated as of December 31, 2021.

Recoverability of deferred tax assets

As a preventive measure in the face of the COVID-19 pandemic, as of December 31, 2021, the company evaluated the recoverability of deferred tax assets, concluding that no elements were identified that would generate the non-recoverability of these, however, it will continue to monitor the evolution of the business and the economic impacts derived from the situation in its financial statements, without losing sight of the possible effects on these positions.

Business continuity

Management believes that at the end of the fourth quarter of 2021, none of the Company's operations will present difficulties that would prevent it from continuing as a going concern.

Effects on the consolidated financial statements of Grupo Sura

The following is a summary of the impacts on the different income statement accounts as of December 31, 2021 compared to December 2020:

- *Retained premiums:* present a growth of 16.05%, with a variation of 2,565 billion pesos, explained by increases in issuance in countries such as Colombia and Argentina. Premiums are leveraged by the good performance of the health sector, which during the year has registered effects due to the COVID baskets.

- *Earnings by equity method:* presented an increase of 1,041 billion pesos, explained by better results of associated companies due to the reactivation of the post-pandemic economy.

- *Total claims:* the variation in this item is 25%, corresponding to 2,959 billion pesos, impacted in the Life and Health solutions by the COVID claims ratio, on which there have been higher contagion curves than estimated.

NOTE 6. CASH AND EQUIVALENTS

The cash and cash equivalents of Grupo SURA and its subsidiaries correspond to:

	December 2021	December 2020
Cash and petty cash	3,330	1,284
National banks	1,435,465	1,655,357
Foreign Banks	506,099	466,644
Cash equivalents (*)	338,030	1,025,588
Cash and cash equivalents	**2,282,924**	**3,148,873**

(*) Includes checks, special investment funds, fiduciary rights, and other cash equivalents.

Balances with banks bear interest at variable rates based on daily bank deposit rates. Short-term placements are made for varying periods of between one day and three months, depending on the immediate cash needs of Grupo SURA and its subsidiaries, and bear interest at the applicable short-term placement rates.

The decrease between both years is due to the cancellation of trust orders for the payment of the USD 300 million bond in 2021. (See note 7.2.2. Bonds issued).

NOTE 7. FINANCIAL INSTRUMENTS

7.1. Financial assets

7.1.1. Investments

The breakdown of investments is as follows:

	December 2021	December 2020
At fair value through profit or loss	5,888,913	6,391,797
At amortized cost	11,823,312	11,089,242
At fair value through OCI	926,126	145,260
Debt securities	**18,638,351**	**17,626,299**
At fair value through profit or loss	6,444,659	5,604,636
At fair value through OCI	86,732	742,180
Equity instruments	**6,531,391**	**6,346,816**
Subtotal investments	**25,169,742**	**23,973,115**
Impairment in investments at fair value through OCI	(65,275)	(41,295)
Impairment on investments at amortized cost	(5,862)	(4,357)
Subtotal impairment	**(71,137)**	**(45,652)**
Total Investments	**25,098,605**	**23,927,463**
Short-term investments	9,544,846	9,084,531
Long-term investments	15,553,759	14,842,932
Total investments	**25,098,605**	**23,927,463**

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

	December 2021	December 2020
Legal reserve [a]	157,310	248,459
Fair value investments [b]	617,412	578,445
Trading derivatives	(94,139)	(7,624)
Dividends Financial Instruments	13,455	15,376
Difference on exchange of investments	(29,727)	(6,784)
Total	**664,311**	**827,872**

[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, the necessary resources to cover it will be obtained from said reserve.

[b] The fair value is detailed below:

	Profit / realized loss		Profit / unrealized loss	
	December 2021	December 2020	December 2021	December 2020
Debt securities	32,736	24,302	308,747	394,669
Equity instruments	(15,498)	(1,695)	308,665	183,776
Total	**17,238**	**22,607**	**617,412**	**578,445**

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

December 2021

Debt securities	Carrying value (*)	Profit / realized loss	Profit / unrealized loss
National issuers	10,435,662	30,506	306,962
Foreign issuers	4,527,879	2,328	-
Mutual funds	2,867,928	(460)	(370)
Investment funds	806,882	362	2,155
Total	**18,638,351**	**32,736**	**308,747**

December 2020

Debt securities	Carrying value (*)	Profit / realized loss	Profit / unrealized loss
National issuers	10,293,570	23,610	396,475
Foreign issuers	3,632,357	551	-
Mutual funds	2,876,421	314	(726)
Investment funds	823,951	(173)	(1,080)
Total	**17,626,299**	**24,302**	**394,669**

(*) Carrying value and fair value are the same as of December 31, 2021 and 2020.

Below is a detail of the net return on investments at amortized cost:

	December 2021	December 2020
Investments at amortized cost	942,248	756,556
Investments in cash equivalents	305,822	(36,217)
Income from other assets	4,883	4,151
Subtotal return at amortized cost	**1,252,953**	**724,490**
Impairment of investments (*)	(9,061)	(15,214)
Total net return at amortized cost	**1,243,892**	**709,276**

(*) See Note 7.1.3 Impairment of financial assets

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

	December 2021	December 2020
Mutual funds	4,288,614	3,971,571
National issuers	1,687,701	1,367,310
Foreign issuers	468,344	265,755
Total	**6,444,659**	**5,604,636**

Investments at fair value through Other Comprehensive Income

The following is a detail of the principal realized and unrealized gains or losses on investments in equity instruments with adjustment to other comprehensive income as of December 31, 2021 and 2020:

December 2021	Cost	Profit / realized loss	Profit / unrealized loss
Bolsa de Comercio de Santiago (Chile)	12,377	-	(257)
Enka de Colombia S.A.	49,063	-	20,832
Total	**61,440**	**-**	**20,575**

December 2020	Cost	Profit / realized loss	Profit / unrealized loss
Bolsa de Comercio de Santiago (Chile)	13,209	-	(764)
Enka de Colombia S.A.	28,232	-	4,229
Total	**41,441**	**-**	**3,465**

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

	December 2021	December 2020
Foreign issuers	958	813

7.1.2. Other accounts receivable

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

	December 2021	December 2020
Trade receivables	1,272,924	1,129,137
Others [1]	474,940	452,406
Receivables AFP-Commissions	139,376	123,011
Tax receivable	112,918	72,821
Accounts receivable from employees	33,440	15,761
Total otras cuentas por cobrar	**2,033,598**	**1,793,136**

[1] Corresponds to advances on contracts, Sociedad Comisionistas de Valores, judicial deposits.

Current and non-current:

	December 2021	December 2020
Other current accounts receivable	2,033,243	1,792,865
Other non-current accounts receivable	355	271
Total other accounts receivable	**2,033,598**	**1,793,136**

7.1.3. Impairment of financial assets

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

	December 2021	December 2020
Impairment of accounts receivable	(210,995)	(240,177)
Impairment of investments	(71,137)	(45,652)
Total	**(282,132)**	**(285,829)**

The following is the reconciliation of the impairment of financial assets:

	Accounts receivable	Investments	Total
Balance at December 31, 2019	**(258,333)**	**(41,105)**	**(299,438)**
Additions Impairment of the period (*)	(49,672)	(15,214)	(64,886)
Valuation	-	(9,094)	(9,094)
Recoveries	23,657	(180)	23,477
Other adjustments	39,303	17,130	56,433
Exchange differences	4,868	2,811	7,679
Balance at December 31, 2020	**(240,177)**	**(45,652)**	**(285,829)**
Additions Impairment of the period (*)	(38,522)	(9,061)	(47,583)
Recoveries	47,130	2,312	49,442
Other adjustments	14,225	(23,155)	(8,930)
Exchange differences	6,349	4,419	10,768

	Accounts receivable	Investments	Total
Balance at December 31, 2021	**(210,995)**	**(71,137)**	**(282,132)**

(*) See notes 9.7. Insurance costs and expenses and 7.1.1. Net return on investments at amortized cost.

7.2. Financial liabilities

The following are the financial liabilities of Grupo SURA:

	Note	December 2021	December 2020
Financial obligations [1]		1,063,510	1,502,283
Bonds issued	7.2.2	8,523,718	8,765,419
Preferred shares		460,067	460,847
Subtotal financial liabilities for capital management	**26**	**10,047,295**	**10,728,549**
Derivative instruments	7.2.1	321,959	176,518
Accounts payable to related parties		90,500	87,093
Other accounts payable		2,303,767	2,291,578
Subtotal other financial liabilities		**2,716,226**	**2,555,189**
Total		**12,763,521**	**13,283,738**

(1) Financial liabilities bear interest between 3.54% and 9.91% 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:

December 2021				
Current	**Note**	**Financial liabilities at amortized cost**	**Financial liabilities at fair value**	**Total**
Financial obligations		536,226	3,021	539,247
Accounts payable to related parties		90,500	-	90,500
Other accounts payable		2,253,099	-	2,253,099
Bonds issued	7.2.2	194,942	-	194,942
Total		**3,074,767**	**3,021**	**3,077,788**

Non-Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		524,263	-	524,263
Derivative instruments	7.2.1	-	321,959	321,959
Other accounts payable		50,668	-	50,668
Bonds issued	7.2.2	8,328,776	-	8,328,776

December 2021			
Preferred shares	460,067	-	460,067
Total	**9,363,774**	**321,959**	**9,685,733**
Financial liabilities	**12,438,541**	**324,980**	**12,763,521**

December 2020				
Current	**Note**	**Financial liabilities at amortized cost**	**Financial liabilities at fair value**	**Total**
Financial obligations		977,637	-	977,637
Derivative instruments	7.2.1	-	19,583	19,583
Accounts payable to related parties		87,093	-	87,093
Other accounts payable		2,131,513	-	2,131,513
Bonds issued	7.2.2	1,036,113	-	1,036,113
Preferred shares		-	-	-
Total		**4,232,356**	**19,583**	**4,251,939**
Non-Current	**Note**	**Financial liabilities at amortized cost**	**Financial liabilities at fair value**	**Total**
Financial obligations		524,646	-	524,646
Derivative instruments	7.2.1	-	156,935	156,935
Accounts payable to related parties		-	-	-
Other accounts payable		160,065	-	160,065
Bonds issued	7.2.2	7,729,306	-	7,729,306
Preferred shares		460,847	-	460,847
Total		**8,874,864**	**156,935**	**9,031,799**
Financial liabilities		**13,107,220**	**176,518**	**13,283,738**

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

7.2.1 Derivative instruments

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

		December 2021		December 2020	
	Note	**Asset**	**Liabilities**	**Asset**	**Liabilities**
Hedge Derivatives	7.2.1.1	1,457,947	261,116	403,412	1,221
Trading derivatives	7.2.1.2	70,917	60,843	255,762	175,297
		1,528,864	**321,959**	**659,174**	**176,518**

Current and non-current:

	December 2021		December 2020	
	Asset	**Liabilities**	**Asset**	**Liabilities**
Current derivatives	-	-	155,836	19,583
Non-current derivatives	1,528,864	321,959	503,338	156,935

Total derivatives	**1,528,864**	**321,959**	**659,174**	**176,518**

7.2.1.1. 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 December 31, 2021 and 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 call out of the money options in the amount of US$ 50 million with an exercise price of $4,000 per US$ 1 with a compliance 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 together with the hedging operation.

On May 30, 2021, the bond obligation (see note 7.2.2 Bonds Issued) 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 7.2.2 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 C all options sold as part of the structure and included in the CCS contracts.
   - A seagull structure was created with 6 options whose objective is:
     Sell put options at the same value as old options to create a synthetic swap because the latter is cheaper. Increase the hedge ceilings from 4,293 and 4,300 to 4,750 both.

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 Managment 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 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 US$ 500 million 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 net foreign investment strategy was implemented to hedge the foreign exchange risk exposure of investments in the subsidiaries of Sura Asset Management in Mexico, Peru and Chile, and it is expected to achieve lower exposure in the currencies of those countries. Accordingly, the following information is presented:

			December 2021		December 2020	
Country	Subsidiary	Currency	Investment value	Covered value	Investment value	Covered value
Chile	Sura Asset Management Chile S.A.	CLP	4,018,668	1,527,094	4,018,668	1,285,974
Mexico	Sura Asset Management México S.A. de C.V.	MXN	2,276,943	318,772	2,272,943	272,753
Peru	Sura Asset Management Perú S.A.	PEN	797,617	334,999	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.

	December 2021		December 2020	
	Nominal value	Fair Value	Nominal value	Fair Value
Assets				
Swap				
Cross Currency Swap	3,951,555	1,145,878	3,588,421	403,412
Subtotal	**3,951,555**	**1,145,878**	**3,588,421**	**403,412**
Options				
Currency Call Option	579,450	312,069	-	-
Subtotal	**579,450**	**312,069**	**-**	**-**
Total Assets	**4,531,005**	**1,457,947**	**3,588,421**	**403,412**
Liabilities				
Swap				
Cross Currency Swap	39,185	3,178	-	-
Subtotal	**39,185**	**3,178**	**-**	**-**
Options				
Currency Call Option	1,191,220	254,218	443,000	1,221
Currency Put Option	50,000	3,720	-	-
Subtotal	**1,241,220**	**257,938**	**443,000**	**1,221**
Total Liabilities	**1,280,405**	**261,116**	**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 December 31, 2021 and 2020:

	Other Comprehensive Income		Income statement	
	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		-	209,142
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.	215,132		-	861,721
Amortization of temporary securities.	(118,326)	(16,261)	134,587	
Balance at December 31, 2021	**63,889**			

7.2.1.2. 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 December 31, 2021 and 2020 used for trading purposes:

	December 2021		December 2020	
	Nominal value	Fair Value	Nominal value	Fair Value
Assets				
Forward				
Foreign currency to buy	723,240	3,061	723,240	55,222
Subtotal	**723,240**	**3,061**	**723,240**	**55,222**
Swap				
Cross currency	1,115,395	67,856	1,115,395	37,795
Interest rate	-	-	178,100	3,350
Subtotal	**1,115,395**	**67,856**	**1,293,495**	**41,145**
Options				
Currency option	-	-	1,040,786	159,395
Subtotal	**-**	**-**	**1,040,786**	**159,395**
Total Assets	**1,838,635**	**70,917**	**3,057,521**	**255,762**
Liabilities				
Forward				
Foreign currency to buy	93,024	16,732	93,024	3,637
Subtotal	**93,024**	**16,732**	**93,024**	**3,637**
Swap				
Cross currency	769,262	42,898	2,495,915	51,441
Interest rate	100,000	1,213	-	-
Subtotal	**869,262**	**44,111**	**2,495,915**	**51,441**
Options				
Currency option	-	-	1,809,914	120,219
Subtotal	**-**	**-**	**1,809,914**	**120,219**
Total liabilities	**962,286**	**60,843**	**4,398,853**	**175,297**

7.2.2 Bonds issued

Details of the bonds issued are presented below:

				Amortized cost		Fair value	
Date of issue	Maturity date	Nominal value	Emission rate	December 2021	December 2020	December 2021	December 2020
29-Apr-16	29-Apr-26	USD 550	5.50%	2,192,744	1,887,579	2,358,458	2,171,359
17-Apr-14	17-Apr-24	USD 500	4.88%	2,004,528	1,649,371	2,107,506	1,890,796
11-Apr-17	14-Apr-27	USD 350	4.38%	1,391,138	1,274,264	1,497,928	1,359,451
18-May-11	18-May-21	USD300*	+5.70%	-	1,036,113	-	1,056,963
22-Jun-16	22-Jun-26	305,622	CPI +4.09%	305,299	303,611	313,058	341,107
07-May-14	07-May-23	223,361	CPI +3.80%	225,814	225,388	232,001	239,773
23-Feb-17	23-Feb-22	193,549	7.21%	194,942	194,830	195,966	204,844
23-Feb-17	23-Feb-29	190,936	CPI +3.58%	192,209	190,551	188,219	207,324
23-Feb-17	23-Feb-24	165,515	CPI +3.19%	166,903	165,405	168,676	175,936
07-May-14	07-May-30	100,000	CPI +4.15%	100,978	100,814	101,668	114,201
25-Nov-09	25-Nov-29	98,000	CPI +5.90%	97,141	96,158	108,774	123,096
25-Nov-09	25-Nov-49	97,500	CPI +6.98%	95,576	94,752	121,664	151,443
11-Aug-20	11-Aug-23	223,750	IBR+2.00%	224,179	223,708	220,322	226,124
11-Aug-20	11-Aug-27	296,350	CPI +3.00%	299,932	297,496	284,120	307,555
22-Jun-16	22-Jun-31	289,235	CPI +4.29%	288,387	286,920	293,597	328,389
22-Jun-16	22-Jun-23	257,145	CPI +3.90%	257,523	255,986	264,682	275,647
11-Aug-20	11-Aug-32	180,320	CPI +3.80%	182,712	181,226	171,578	190,512
11-Aug-20	11-Aug-40	299,580	CPI +4.20%	303,713	301,247	285,841	322,741
Total bonds issued				**8,523,718**	**8,765,419**	**8,914,058**	**9,687,261**

(*) (*) Corresponds to the payment of the USD 300 million bond in May 2021.

NOTE 8. INSURANCE CONTRACTS

8.1. Insurance contract Assets

Assets from insurance contracts represent mainly accounts receivable from insurance contracts for the years ended December 31 as follows, net of impairment:

	December 2021	December 2020
Direct insurance	4,562,084	4,040,167
Coinsurance accepted	90,743	87,557
Other	349,733	370,329
Assets under insurance contracts	**5,002,560**	**4,498,053**

All insurance contract assets are short-term.

8.2. Reinsurance contract assets

Reinsurance contract assets represent the benefits derived from reinsurance contracts as of December 31 as follows:

	December 2021	December 2020
Current accounts with reinsurers	631,924	502,702
Share of insurance liabilities (claims reported and not cancelled)	2,107,570	2,218,251
Unearned ceded premium	2,104,436	1,645,612
Unnotified claims	423,934	371,921
Reinsurance deposits	594	427
Other assets	80,871	53,166
Assets under reinsurance contracts	**5,349,329**	**4,792,079**
Current reinsurance contract assets	635,608	506,103
Non-current reinsurance contract assets	4,713,721	4,285,976
Total reinsurance contract assets	**5,349,329**	**4,792,079**

The company has diversified its insurance risk by operating in different lines of business and having a broad presence in international markets. In addition, it applies a system of procedures and limits that allow it to control the level of insurance risk concentration. It is common practice to use reinsurance contracts to mitigate the insurance risk arising from concentrations or accumulations of guarantees in excess of the maximum acceptance levels.

The group's insurance companies have ceded part of the risk of their insurance contracts to reinsurance companies, in order to share possible claims.

8.3. Premiums

The net premiums obtained by Grupo SURA and its subsidiaries for the years ended December 31 are as follows:

	December 2021	December 2020
Life insurance contracts	12,989,381	10,783,940
Non-life insurance contracts	9,497,452	8,553,193
Premiums issued	**22,486,833**	**19,337,133**

	December 2021	December 2020
Life insurance contracts - reinsurer party	(315,858)	(308,633)
Non-life insurance contracts - reinsurer party	(3,616,988)	(3,040,029)
Premiums ceded in reinsurance	**(3,932,846)**	**(3,348,662)**
Total net retained premiums	**18,553,987**	**15,988,471**
Life insurance contracts	(765,306)	(179,650)
Non-life insurance contracts	(152,256)	(267,501)
Net production reserves	**(917,562)**	**(447,151)**
Retained earned premiums	**17,636,425**	**15,541,320**

8.4. Liabilities for insurance contracts

Liabilities for insurance contracts represent the estimated liabilities for insurance contracts of the Insurance Companies and other accounts, which for the years ended December 31 are as follows:

	December 2021	December 2020
Accounts payable insurance activity (note 8.4.1)	1,139,758	1,066,210
Estimated liabilities under insurance contracts (note 8.4.2)	25,437,115	23,270,014
Surplus	49,060	45,588
Liabilities under insurance contracts	**26,625,933**	**24,381,812**
Current insurance contract liabilities	11,069,863	9,967,857
Non-current insurance contract liabilities	15,556,070	14,413,955
Total insurance contract liabilities	**26,625,933**	**24,381,812**

8.4.1. Accounts payable insurance activity

Insurance payables with insurance companies for the years ended December 31 are as follows:

	December 2021	December 2020
To coinsurance companies	173,519	147,763
Policies	43,752	47,492
Claims payable	130,011	115,428
Commissions	518,453	456,868
Others	274,023	298,659
Insurance portfolios	**1,139,758**	**1,066,210**

8.4.2. Estimated insurance contract liabilities

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

	December 2021	December 2020
Actuarial liabilities	6,179,624	5,705,653
Estimated unearned premium liabilities	9,930,105	8,901,647
Estimated incurred but not reported claims (IBNR)	2,197,953	1,988,793
Estimated liabilities for claims reported	6,479,632	6,081,828
Special estimated liabilities	282,641	246,928
Other estimated insurance contract liabilities	367,160	345,165
Estimated insurance contract liabilities	**25,437,115**	**23,270,014**

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	391,748	64,020	327,728
At December 31, 2020	**23,270,014**	**4,792,079**	**18,477,935**
Changes in estimated liabilities for insurance contracts	1,873,720	348,925	1,524,795
Adjustments for conversion	293,381	208,325	85,056
At December 31, 2021	**25,437,115**	**5,349,329**	**20,087,786**

8.5. Liabilities under reinsurance contracts

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

	December 2021	December 2020
Ceded premiums payable	13,618	12,308
External reinsurers current account	1,578,811	1,301,236
Liabilities under reinsurance contracts	**1,592,429**	**1,313,544**

8.6. Claims withheld

Claims incurred by Grupo SURA and subsidiaries for the years ended December 31, 2021 and 2020 are as follows:

	December 2021	December 2020
Total claims	(14,876,341)	(11,916,668)
Claim reimbursement	1,932,104	1,524,003
Retained claims	**(12,944,237)**	**(10,392,665)**

8.7. Insurance costs and expenses

Insurance costs and expenses for the years ended December 31 are as follows:

	December 2021	December 2020
Net reinsurance cost	(501,215)	(414,598)
Services for the promotion and prevention of occupational hazards	(274,300)	(193,020)
Contributions Insurance companies	(102,090)	(98,168)
Fees	(190,781)	(162,172)
Other insurance expenses	(4,622)	(127,325)
Technical employee benefits	(566,277)	(448,863)
Technical impairment (*)	(38,522)	(49,672)
Total insurance costs and expenses	**(1,677,807)**	**(1,493,818)**

(*) See note 7.1.3 additions to impairment for the period.

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

9.1. Applicable regulations

The current and applicable tax provisions establish that the nominal income tax rates for December 31, 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	31.00%	32.00%
Chile	27.00%	27.00%
Peru	29.50%	29.50%
Argentina	35.00%	30.00%
Brazil	40.00%	40.00%
Uruguay	25.00%	25.00%
Mexico	30.00%	30.00%
Panama	25.00%	25.00%
Dominican Republic	27.00%	27.00%
El Salvador	30.00%	30.00%
Bermuda	0.00%	0.00%

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%.

On September 14, 2021, the national government issued the Social Investment Law (Law 2155 of 2021). The following is a summary of the most important modifications to the Colombian income tax regime for the years 2022 and subsequent years:

As of the year 2022 the general income rate is increased from 30% to 35%. In the case of financial institutions, they will have a surtax of 3 percentage points during the years 2022 to 2025.

The industry and commerce discount (income tax) will continue at 50% and not at 100% as it was contemplated as of the year 2022.

An audit benefit is created for the years 2022 and 2023 to reduce the time of finality of the income tax return by 6 or 12 months, provided that the net income tax is increased by 35% or 25% respectively.

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 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: 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 country taxes worldwide source income. Law 27,630 published on June 16, 2021 establishes modifications to the Income Tax Law, among them the modification of the tax rate for capital companies which will be gradual depending on the net taxable income as follows: up to $5,000,000 Argentine pesos (ARS) the rate is 25%; between $5,000,000 ARS and $50,000,000 ARS the rate is 30% and from $50,000,000 onwards the rate is 35%, for fiscal years beginning on or after January 1, 2021.

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, acronym 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 greater 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 December 31, 2021 and 2020:

	December 2021	December 2020
Current tax assets		
Income tax and supplemental taxes	102,170	57,854
Withholdings	4,133	14,533
Tax in favor	139,939	42,403
Others	25	10
Total assets for current taxes	**246,267**	**114,800**

	December 2021	December 2020
Current tax liabilities		
Income tax and supplemental taxes	126,665	165,204
Total current tax liabilities	**126,665**	**165,204**

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

Current tax	December 2021	December 2020
Current tax asset recoverable before 12 months	222,171	93,754
Current tax asset recoverable after 12 months	24,096	21,046
Total Current tax asset	**246,267**	**114,800**

Current tax liability recoverable before 12 months	112,606	164,221
Current tax liability recoverable after 12 months	14,059	983
Total current tax liability	**126,665**	**165,204**

9.3. Tax recognized in the income statement for the period

The income tax expense for the period is detailed below:

	December 2021	December 2020
Current tax expense	**(541,025)**	**(536,617)**
Current tax	(560,851)	(535,561)
Adjustment of previous periods [1]	19,826	(1,056)
Deferred tax expense	**78,442**	**83,080**
Constitutions / reversal of temporary differences	72,950	80,562
Deferred tax adjustments	(2,529)	2,518
Exchange rates [2]	8,021	-
Tax expense	**(462,583)**	**(453,537)**

(1) In 2021 the difference between the income provision and the tax declared to the National Tax and Customs Directorate *(DIAN, acronym in Spanish original),* in the companies Seguros Generales Suramericana and Seguros Generales Chile was adjusted.

(2) The deferred tax adjustment corresponds to the change in the rate due to the Social Investment Law (Law 2155 of 2021) which changes the income tax rate from 31% to 35% as of January 1, 2022.

9.4. Effective rate reconciliation

The reconciliation of the effective rate is presented below:

	December 2021		December 2020	
Profit before tax		**1,979,801**		**796,443**
Income tax by applying the local tax rate [*]	29.99%	(593,653)	29.06%	(231,447)
Impact		**(699,313)**		**(840,857)**
Amortization of intangible assets		(45)		-
Non-deductible expenses [1]		(202,217)		(192,245)
Investments [2]		(314,188)		(588,282)
Tax losses		(20,411)		(8,751)
Financial assets		(137,443)		-
Properties and equipment		(374)		-
Other alternative taxable income		(13,945)		(21,006)
Financial liabilities		-		(23,398)
Others		(10,690)		(7,175)
Minus the tax effect of:		**830,383**		**618,767**
Non-taxed income [3]		202,303		202,219
Financial assets [4]		-		17,917
Unrecorded Dividends		32,098		163,944
Financial liabilities		147,301		-
Properties and equipment		-		454
Adjustment of previous periods		8,334		1,430
Adjustments in change of rate		8,021		-
Discounts / tax deductions		173,792		100,247

Provisions and Contingencies		48,448		14,091
Exempt income (5)		115,457		114,591
Others		94,629		3,874
Income tax (**)	**23.37%**	**(462,583)**	**56.95%**	**(453,537)**

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

(**) The effective rate decreased by 33 percentage points due to the increase in pre-tax earnings.

(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.

9.5.Deferred taxes

The balance of deferred tax assets and liabilities as of December 31, 2021 and 2020 is:

Deferred tax asset	December 2021	December 2020	Recognized in other equity investments 2021	Recognized results 2021
Financial Assets	6,144	-	-	6,144
Right of use	23,687	15,843	-	7,844
Employee Benefits	49,867	38,970	(285)	10,612
Other non-financial assets	19,473	8,644	-	10,829
Other non-financial liabilities	-	44,014	-	(44,014)
Financial Liabilities	408,405	241,896	(44,489)	122,020
Unused tax losses and tax credits	93,352	105,609	-	(12,257)
Provisions	155,752	69,024	-	86,728
Technical insurance reserves	244,857	84,977	-	159,880
Total	**1,001,537**	**608,977**	**(44,774)**	**347,786**

Deferred tax asset	December 2021	December 2020	Recognized in other equity investments 2021	Recognized results 2021
Financial Assets	285,631	62,643	7,592	230,580
Intangible assets	761,086	744,893	-	16,193
Deferred acquisition cost DAC	125,293	180,727	-	(55,434)
Investments	622,213	638,223	-	(16,010)
Other non-financial assets	1,649	1,859	-	(210)
Other non-financial liabilities	51,186	-	-	51,186
Liabilities due to temporary differences in equity investments	39	34	-	5
Properties and Equipment	233,034	163,779	(5,113)	64,142
Provisions		26,239	-	(26,239)
Technical insurance reserves	121,993	-	-	121,993
	2,202,124	**1,818,397**	**2,479**	**386,206**

Deferred tax asset	December 2021	December 2020	Recognized in other equity investments 2021	Recognized results 2021
Conversion effect				(40,022)
Total deferred income tax, net	**(1,200,587)**	**(1,209,420)**	**(47,253)**	**(78,442)**

Grupo Sura and its subsidiaries expect to recover their deferred tax assets and settle their deferred tax liabilities as follows:

Deferred tax	December 2021	December 2020
Deferred tax asset recoverable before 12 months	121,968	112,030
Deferred tax asset recoverable after 12 months	150,965	130,205
Total deferred tax asset	**272,933**	**242,235**
Deferred tax liability recoverable before 12 months	180,497	131,734
Deferred tax liability recoverable after 12 months	1,293,023	1,319,921
Total deferred tax liabilities	**1,473,520**	**1,451,655**

Deferred tax on unused tax losses and unused tax credits:
The balance of deferred tax for losses originated mainly in Suramericana S.A. in 2020, In Chile the tax credits with deferred tax correspond to the companies Seguros de Vida, Holding Spa and Inversiones Chile Ltda., these were generated between the periods 2013 and 2018 and are credits that, as established in the Chilean tax regulation, have no expiration and are still recoverable. In Argentina, Brazil and Uruguay the losses were originated by the insurance companies, which will be reversed in future periods.

9.6. Uncertainty in income tax treatments.

As of December 31, 2021 and 2020, 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 pesos 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:

Deferred acquisition cost	
Cost as of December 31, 2019	**3,655,114**
Additions	865,259
Exchange rate differences	72,397
Cost in books as of December 31, 2020	**4,592,770**
Accumulated amortization and impairment	
Accumulated depreciation and impairment as of December 31, 2019	**(2,323,403)**
Amortization for the period (Note 19.2)	(852,817)
Exchange rate differences	99,836
Accumulated amortization and impairment as of December 31, 2020	**(3,076,384)**
Deferred acquisition cost as of December 31, 2020	**1,516,386**

Book cost as of December 31, 2020	**4,592,770**
Additions	878,981
Exchange rate differences	111,069
Cost in books as of December 31, 2021	**5,582,820**
Accumulated amortization and impairment	
Accumulated amortization and impairment as of December 31, 2020	**(3,076,384)**
Amortization for the period (Note 19.2)	(780,423)
Exchange rate differences	(44,577)
Accumulated amortization and impairment as of December 31, 2021	**(3,901,384)**
Deferred acquisition cost as of December 31, 2021	**1,681,436**

NOTE 11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

	Note	December 2021	December 2020
Investments in associates	11.1	21,985,064	19,827,560
Joint ventures	11.2	22,502	8,715
Total investments accounted for using the equity method		**22,007,566**	**19,836,275**

	Note	December 2021	December 2020
Income from equity method associates	11.1	1,400,814	342,574
Income from equity method joint ventures	11.2	(6,676)	(4,953)
Others		410	25,184
Total equity method income from investments in associates and joint ventures		**1,394,548**	**362,805**

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:

Companies	Main activity	Country	December 2021			December 2020		
			% Participation (*)	% Right to vote (**)	# Shares	% Participation (*)	% Right to vote (**)	# 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.	Concrete, energy, real estate and ports	Colombia	26.95%	35.63%	234,285,682	26.75%	35.53%	229,295,179
Grupo Nutresa S.A.	Food and processed	Colombia	35.61%	35.61%	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
Acsendo S.A.S.	Investments	Colombia	25.80%	25.80%	63,570	25.80%	25.80%	63,570
Joint Venture:								
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 vehicule repair	Colombia	50.00%	50.00%	16,815	58.70%	58.70%	11,163
Viliv S.A.S.	Technology services	Colombia	50.00%	50.00%	6,671,886	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	33.00%	33.00%	-	33.33%	33.33%	-
Vaccigen S.A.S. (Vaxthera) (1)	Biological research and development	Colombia	69.11%	69,11%	55,944	-	-	-

(*) 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) On June 28, 2021, Suramericana, through Ayudas Diagnósticas SURA S.A.S., made an investment in the company Vaccigen S.A.S., (Vaxthera). As of December 31, 2021, it has a 69.11% participation and is classified as a joint business by virtue of the agreement signed between the parties, in which it is stipulated that the 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 December 31 is as follows:

Investment in associates	% Participation	% Right to vote	% Participation	% Right to vote
	2021		2020	
Grupo Argos S. A.	27,45%	34,77%	27,13%	33,67%
Grupo Nutresa S. A.	13,07%	13,07%	13,01%	13,01%

Grupo SURA records its cross-holdings by the equity method, as described in note to the financial statements 2.3.6 Investments in associates.

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 December 31, 2021 and December 31, 2020 are as follows:

	December 2021									
	Location	Asset Current	Asset non-current	Current Liabilities	Non-current liabilities	Equity	Income	Profit/ loss	Other comprehensive income	Comprehensive income
Partners:										
Grupo Bancolombia S.A. (*)	Colombia	289,926,538	-	256,001,080	-	33,925,458	15,147,265	4,207,787	1,685,375	1,685,375
Grupo Argos S.A. (*)	Colombia	7,989,257	44,600,087	7,764,963	16,017,823	28,806,558	16,309,119	1,206,033	2,283,690	3,489,723
Grupo Nutresa S.A. (*)	Colombia	4,594,765	12,361,718	2,628,037	5,286,333	9,042,113	12,738,271	693,254	523,581	1,216,835
Fondo de Pensiones y Cesantías Protección S.A. (*)	Colombia	674,680	3,023,849	225,562	1,235,553	2,237,414	1,771,511	276,519	16,858	293,377
Inversiones DCV S.A.	Chile	1,724	29,319	1,333	-	29,710	5,874	5,920	-	5,920
Servicios de Administración Previsional S.A.	Chile	81,066	39,332	74,138	378	45,882	145,400	63,171	-	63,171
Fondos de Cesantías Chile II	Chile	64,205	22,865	35,958	20,361	30,751	161,646	10,719	(1,704)	9,015
Joint Venture:										
Interejecutiva de aviación S.A.S.	Colombia	165,487	-	164,939	-	548	48,856	(4,628)	412	(4,215)
Subocol S.A.	Colombia	8,914	-	2,832	-	6,082	-	(14)	-	(14)
Unión para la infraestructura S.A.S.	Colombia	5,905	812	3,450	687	2,580	10	2	-	2
Unión para la infraestructura S.A.S.	Peru	2,895	371	1,549	-	1,717	-	510	-	510
P.A Dinamarca	Colombia	9,432	-	4,285	-	5,147	-	(2,440)	-	(2,440)
Viliv S.A.S.	Colombia	7,417	-	724	-	6,693	97	(4,840)	-	(4,840)
Vaccigen S.A.S. (Vaxthera)	Colombia	17,516	-	635	-	16,881	-	(4,324)	-	(4,324)

(*) Figures taken from the 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.

December 2020										
	Location	Asset Current	Asset non-current	Current Liabilities	Non-current liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Associates:										
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
Inversiones DCV S.A.	Chile	3,081	26,688	2,911	-	26,858	4,946	4,911	-	3,950
Servicios de Administración Previsional S.A.	Chile	76,855	39,688	69,307	612	46,624	128,212	52,875	-	38,639
Fondos de Cesantías Chile II	Chile	79,654	58,858	45,882	25,635	66,995	171,667	11,955	693	11,262
Joint Venture::										
Interejecutiva de aviación S.A.S.	Colombia	176,453	-	173,190	-	3,263	34,700	(8,481)	2,233	(6,248)
Subocol S.A.	Colombia	6,595	-	3,121	-	3,474	-	(547)	-	(547)
Unión para la infraestructura S.A.S.	Colombia	5,905	812	3,450	687	2,580	10	2	-	2
Unión para la infraestructura S.A.S.	Peru	2,895	371	1,549	-	1,717	-	510	-	510
P.A Dinamarca	Colombia	9,432	-	4,285	-	5,147	-	(2,440)	-	(2,440)
Viliv S.A.S.	Colombia	3,932	-	499	-	3,433	21	(1,811)	-	(1,811)

[(*)] *Figures taken from the 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.

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

Associate movement	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	Administradora de fondos de Pensiones y cesantías Protección S.A.	Others	Total
Balance at December 31, 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
Decrease - commission	-	-	-	-	(1,046)	(1,046)
Gain from 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 [(2)]	-	60,959	-	-	-	60,959
Decrease - commission	-	-	-	-	-	-
Gain from equity method	1,000,918	42,932	220,434	121,444	15,086	1,400,814
Change in equity [(3)]	453,680	368,474	182,308	5,225	(238)	1,009,449
(-) Dividends	(61,248)	(87,591)	(114,430)	(24,781)	(23,854)	(311,904)
Adjustment in conversion	-	-	-	-	(1,814)	(1,814)
Balance at December 31, 2021	**10,034,891**	**5,504,372**	**4,974,246**	**1,441,403**	**30,152**	**21,985,064**

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

(2) In 2021, 4,990,503 common shares of Grupo Argos S.A. were received as a stock dividend payment.

(3) In the profit of Grupo Nutresa S.A. and Grupo Argos S.A. a reclassification adjustment is made in accordance with Decree 1311 of 2021; which provides the possibility for companies in Colombia to recognize in the equity account of retained earnings of previous years, the impact of the change in the income tax rate, introduced by Article 7 of Law 2155 of 2021". However, Grupo SURA S.A. chose not to make use of this option and proceeded to recognize the tariff adjustment in the statement of comprehensive income as established by the standard.

Restrictions and commitments

At December 31, 2021, 43,373,238 shares of Grupo Argos were pledged to secure financial obligations for a book value of $846,292 and at December 31, 2020, 44,706,571 shares were pledged for a book value equivalent to $879,408.

11.2 Joint ventures

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

	Interejecutiva	Viliv S.A.S.	UPI Colombia	UPI Perú	P.A Dinamarca	Vaccigen S.A.S. (Vaxthera 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	-	2,613	-	13	2,027	-	-	1,500	6,153
Reclassification	-	-	-	-	-	-	-	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	-	4,050	-	-	2,135	14,655	-	1,195	22,035
Reclassification	-	-	-	-	-	-	-	-	-
Decrease	(512)	-	-	-	-	-	-	-	(512)
Gain from the equity method	(781)	(2,421)	1,121	(196)	(1,403)	(2,989)	-	(7)	(6,676)
Change in equity	303	-	-	133	(72)	-	-	(186)	178
(-) Dividends	-	-	(1,238)	-	-	-	-	-	(1,238)
Balance at December 31, 2021	**137**	**3,346**	**1,170**	**766**	**2,375**	**11,666**	**-**	**3,042**	**22,502**

(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.
(*) P.A.: Patrimonio autónomo
(**) UPI: Unión para la infraestructura S.A.S.

11.3 Impairment of investments in associates

Fair Value Associates

		2021		2020	
Main Associates of Grupo SURA	**Recoverable value > Book value**	**Book value**	**Stock market value (1)**	**Book value**	**Stock market value (1)**
Grupo Nutresa S.A	Yes	4,312,229	4,668,481	4,312,229	3,912,135
Grupo Argos S.A	Yes	4,571,347	3,174,571	4,510,388	3,187,203
Bancolombia S.A	Yes	5,606,586	8,154,928	5,606,586	8,220,732

(1) Calculated with the market price of the share at the respective cut-off date.

In the case of Grupo Nutresa, a valuation of its food business was made based on a discounted free cash flow model, following projections that incorporate the competitive positions, capacities and future prospects of the businesses. For both cases, the recoverable value of its portfolio investments is incorporated in its value, which includes the recoverable value of Grupo SURA. For Grupo Argos, a sum of parts of the recoverable value of its portfolio of companies was made, also incorporating its expenses, taxes and indebtedness at the corporate level. For Bancolombia, a valuation was made based on a discounted dividend model, based on recent results and expectations of future growth and profitability.

These exercises resulted in a recoverable value of the associated investments higher than their book value, which confirms that there is no impairment in any of them. In future periods the recoverable value of the investments may vary depending on the evolution of the business plans, risk perceptions and sustainability of the businesses that are the basis for the assumptions used in the valuations of each business component.

Main assumptions

- **Grupo Nutresa S.A.**
  - ✓ A discounted cash flow exercise was performed for a 10-year projection horizon, corresponding to a period between 2021 and 2030.
  - ✓ In the projections, the operating income of the company is projected to grow on average between 6.5%-7.5% annually, in line with the strategic goal of the company to double its sales level in the next 10 years.
  - ✓ EBITDA margin adjusted for operating leases (IFRS 16) is projected to be between 11.5% and 13%.
  - ✓ CAPEX investment in line with the projects of the company is projected to be between 3% and 3.5% of sales.
  - ✓ Working capital is estimated to average 12.5%-11.5% of sales.
  - ✓ A nominal growth rate of 3.5%-5% was used to calculate the terminal value.
  - ✓ In order to estimate the recoverable value of the company, the cash flows have been discounted using a discount rate based on its risk profile. This rate was calculated in Colombian pesos and in nominal terms, applying the CAPM methodology. This exercise yielded a weighted average cost of capital range of between 8.2% and 9.2%.
  - ✓ As for the other investments, a fundamental valuation of their investments is made, which includes the recoverable value of Grupo SURA.

- **Grupo Argos S.A.**
  - ✓ To calculate the recoverable amount of Grupo Argos, the sum of parts of its investment portfolio was calculated, also incorporating its expenses, taxes and indebtedness at the corporate level.
  - ✓ In the case of Cementos Argos, a discounted free cash flow model is made, with a projection for a 10-year horizon, this exercise was performed by region (USA, Colombia and Central America-Caribbean).
  - ✓ Revenue projections were estimated according to the expectations and trends of the main regions. In the case of the U.S., a positive growth dynamic is expected thanks to the infrastructure super cycle that is taking place in that country, as a result of the recently approved infrastructure budgets, in addition to the fact that the installed capacities in that country are at their highest levels. This trend would also benefit demand in countries such as Colombia and Central America that can export to the U.S. In the case of Colombia, a growth rate in demand and price growth in line with the PPI was estimated after several years of contraction, since the figures for the last 12 months already show a stabilization of the dynamics of volumes and prices in Colombia. A similar situation is expected in Central America. In consolidated terms, volume growth is estimated in a range between 2-5% and price growth between 2-5%, driven in the short term by the good dynamics in the US region and then normalizing in the low range mentioned above.
  - ✓ In relation to EBITDA Margin, an improvement in margins was also estimated, as there is evidence of a significant recovery in the results of the last 12 months of the company. EBITDA margin improvements of between 200-300 bps were estimated for the projection period, explained by better dynamics in the different regions, plus the implementation of the efficiency plans that the company has been executing in recent years, these estimates show a consolidated EBITDA margin range adjusted for operating leases (IFRS 16) of between 20%-22% for the projection period.
  - ✓ In order to estimate the recoverable value of the company, the cash flows have been discounted using a discount rate based on its risk profile, where the risk of its countries in Central America and Colombia was weighted with that of the U.S. This rate was calculated in Colombian pesos and in nominal terms, applying the CAPM methodology. The WACC at which the flows were discounted was between 8.2%-9.5%.
  - ✓ In the case of Celsia, the sum of parts of its investment portfolio was performed, also incorporating its expenses, taxes and indebtedness at the corporate level. The sum of parts exercise takes into account the valuations of Celsia Colombia (formerly EPSA) and the assets in Central America with discounted free cash flow models, with a projection for a 10-year horizon, and the inclusion of other strategic assets such as the Tesorito Project, Meriléctrica and the Caoba and C2Energia investment platforms at their book values.
  - ✓ Each asset was valued taking into account its particularities, such as energy generation, distribution and transmission capacity, taking into account their respective margin levels.
  - ✓ The business of Celsia Colombia was estimated based on CREG and UPME energy demand projections, assuming price growth tied to the PPI and maintaining a stable EBITDA margin in the projection period. Similarly, assets in Central America were projected according to the information available in the countries where the company is present, maintaining stable operating margins.

- ✓ In order to estimate the recoverable value of the companies, cash flows have been discounted using a discount rate based on their risk profile and geography. This rate was calculated in pesos and dollars in nominal terms, applying the CAPM methodology. The WACC at which the cash flows were discounted ranged between 7.2%-8.2% depending on the region.
- ✓ For the calculation of the terminal value, a nominal growth rate of 2%-3% was used, depending on the region.
- ✓ The other companies of the Grupo Argos portfolio are taken at book value and in the case of Odinsa, the value recorded in the separate books of the company is taken as a reference.
- ✓ As for the other investments, a fundamental valuation of their investments is made, which includes the recoverable value of Grupo SURA.
- ✓ In all valuation exercises, the respective shareholdings and controlling interests were taken into account.

- **Bancolombia S.A.**
  - ✓ A discounted dividend valuation exercise was carried out, for which Bancolombia's main financial figures and value levers were projected for 10 years
  - ✓ Portfolio: growth in consolidated COP$ between 6.5%-8.5% for the period (2021-2031)
  - ✓ Net interest margin (NIM): range between 5.2%-5.9% for the period (2021-2031). The margin is projected to improve between 2021-2023 due to the effect of interest rate increases, mainly in Colombia.
  - ✓ Provisioning Expense - Cost of Credit: Credit cost (provisioning expense/average portfolio) is estimated to be between 1.7% and 2% for the period (2021-2031), reflecting a normalization of current and expected credit cost after the effects of the pandemic have been absorbed at higher levels in previous years.
  - ✓ Expenses and Efficiency: Assumes growth below revenue growth over the next 3 years, which would lead the Bank to improve its expense/revenue ratio (Efficiency) to levels below 50%. A range for this indicator is estimated between 45%-50% for the projection period.
  - ✓ Solvency, TIER I: A conservative estimate was assumed, seeking to maintain a wide solvency margin in the modeling, especially the basic solvency or TIER I. The ability to deliver dividends is modeled based on maintaining a target basic solvency higher than the historical TIER I range of 11%-11.5%.
  - ✓ Net income and ROE: with the assumptions used, the net income and implied profitability of the business would be between 13.5%-15.5%.
  - ✓ Perpetuity | Discount rate: cash flows were discounted at a discount rate (cost of capital of 11.6%) and perpetuity was estimated using the Gordon Growth methodology that estimates the fair value of equity, taking into account a terminal ROE of 13.5% (Cost of capital +200 bps) and a terminal nominal growth rate of 6%.

NOTE 12. OTHER ASSETS

	Note	December 2021	December 2020
Investment properties	12.1	332,018	328,967
Other non-financial assets	12.2	296,221	291,189
Non-current assets available for sale	12.3	32,117	106,141
Total		**660,356**	**726,297**

12.1 Investment properties

Investment properties in Grupo SURA are recorded at fair value, and are listed below:

	December 2021	December 2020
Land	60,257	70,127
Buildings	271,761	258,840
Total	**332,018**	**328,967**

The changes in investment properties are as follows:

	Land	Buildings	Total
Investment properties at December 31, 2019	**53,529**	**115,758**	**169,287**
Purchases	11,712	125,281	136,993
Impairment losses	(39)	55	16
Reclassification of non-current assets held for sale	(204)	(4,611)	(4,815)
Fair value adjustments	596	8,861	9,457
Transfers of property, plant and equipment	2,044	(1,299)	745
Conversion effect	2,489	14,795	17,284
Investment properties at December 31, 2020	**70,127**	**258,840**	**328,967**
Purchases	6,289	13,126	19,415
Write-offs	-	(13,465)	(13,465)
Impairment losses	(643)	18	(625)
Reclassifications of non-current assets held for sale	(13,355)	(396)	(13,751)
Gains on fair value adjustments	(1,669)	24,906	23,237
Transfer to property, plant and equipment	-	(133)	(133)
Conversion effect	(492)	(11,135)	(11,627)
Investment properties at December 31, 2021	**60,257**	**271,761**	**332,018**

The fair value of investment properties of Grupo SURA for the years ended December 31, 2021 and 2020, has been determined in accordance with the valuation performed by external consultants. These companies are independent and have the capacity and experience in performing valuations in the sites and types of assets that were valued. The appraisers are accredited before the Colombian Real Estate Market or in the case of foreign appraisers, a second signature of a Colombian appraiser accredited before the Colombian Real Estate Market is required.

Income from investment properties

Rental income from investment properties as of December 31, 2021 and 2020 is as follows:

	December 2021	December 2020
Lease income	18,745	11,309
Gain or loss on sale of investment properties	733	561
Valuation income	21,557	8,133
Income from investment properties	**41,035**	**20,003**

Restrictions

Grupo SURA has no restrictions on potential disposals or sales of its investment properties, nor contractual obligations to purchase, construct or develop investment properties, or to carry out repairs, maintenance and/or expansions.

12.2 Other non-financial assets

The other non-financial assets are as follows:

	December 2021	December 2020
Restricted cash	164,698	162,352
Other non-financial assets	96,941	87,714
Inventories	34,582	41,123
Total	**296,221**	**291,189**

Restricted cash presented at the cut-off date is as follows:

Breakdown of the restriction	Country	Restricted cash value 2021
Securities undergoing legal proceedings	Salvador	49
Legal processes over bank accounts	Colombia	158,075
Funds destined for taxes payment managed by the tax authority (SUNAT)	Perú	4,539
Hedge fund commissions - Foreign broker	Perú	370
Employee benefit obligations	Panamá	1,665
Total		**164,698**
Breakdown of the restriction	**Country**	**Restricted cash value 2020**
Securities undergoing legal proceedings	Salvador	42
Legal processes over bank accounts	Colombia	157,920
Funds destined for taxes payment managed by the tax authority (SUNAT)	Perú	410
Hedge fund commissions - Foreign broker	Perú	2,659
Employee benefit obligations	Panamá	1,321
Total		**162,352**

Other non-financial assets are as follows:

	December 2021	December 2020
Expenses paid in advance [1]	31,152	31,236
Artwork	44,250	39,869
Other assets	21,539	16,609
Total	**96,941**	**87,714**

(1) The balance corresponds mainly to insurance contracts acquired in the companies.

The detail of the inventory is presented below:

	December 2021	December 2020
Goods not manufactured by the Company	94	139
Materials, spare parts, and accessories	33,581	40,826
Other inventories	907	158
Total	**34,582**	**41,123**

The Company uses the weighted average method to determine the cost of the inventory.

12.3 Non-current assets held for sale

Assets available for sale correspond to Pensiones Sura S.A. de C.V. of Mexico, and the variation from one period to another is due to the liquidation of financial instruments of JP Morgan in 2021, the distribution of dividends and the reduction of capital.

Restriction
The Company has no inventories pledged as collateral for liabilities, and there are no restrictions that could prevent their sale or negotiation.

NOTE 13. Goodwill

The breakdown of goodwill is as follows:

Company	December 2021	December 2020
AFP Capital S.A. Chile	1,692,558	1,773,060
AFP Integra S.A. Perú	1,340,478	1,273,280
AFORE Sura S.A. de C.V. México	1,050,663	940,246
Seguros Generales Suramericana S.A. Chile	159,883	167,487
AFAP Sura S.A. Uruguay	129,064	117,106
Seguros Sura S.A. Uruguay	95,411	86,573
Seguros Colombia S.A. e IATM	94,290	94,290
Seguros Sura S.A. El Salvador	80,577	69,473
Corredores de Bolsa Sura S.A. y Administradora General de Fondos Sura S.A. Chile	76,288	79,916
Fondos Sura SAF S.A.C. Perú	63,243	60,072
Seguros Suramericana S.A. Panamá	66,834	57,622
Seguros Sura S.A. México	54,538	48,807
Seguros Sura S.A. Brasil	35,299	32,683
Arus S.A. Colombia	25,429	25,429
Sura Investment Management S.A. de C.V. México	24,910	22,292
Seguros Sura S.A. República Dominicana	16,097	13,661
Gestión Fiduciaria S.A. Colombia	4,736	4,736
Hábitat (El Ciruelo) Colombia	1,287	1,287
Total	**5,011,585**	**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 9.1% to 16.32%.

- *Income Tax Rates:* Projected cash flows were estimated on an after-tax basis. For such purposes, the income tax rates in effect in each country as of December 31, 2021 were applied. For further details of the tax rates in each country see Note 9 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	2.50%	4.00%
Chile	3.80%	3.30%
Mexico	2.60%	5.70%
Uruguay	1.60%	5.30%
Colombia	4.20%	3.20%
Panama	5.50%	1.80%
Dominican Republic	5.00%	4.20%
El Salvador	3.10%	1.50%

- *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.

NOTE 14 EQUITY

14.1. Issued capital

The authorized capital of the Company consists of 600,000,000 shares with a par value of $187.50 pesos each. The subscribed and paid-in capital as of December 31, 2021 and 2020 was 579,228,875 and 581,977,548 shares, respectively.

	December 2021	December 2020
Authorized shares	600,000,000	600,000,000
Subscribed and paid shares:		
Ordinary, with nominal value	466,720,702	469,037,260
With a preferred dividend, without voting rights	112,508,173	112,940,288
Total shares	**579,228,875**	**581,977,548**
Subscribed and paid capital (nominal value)	109,121	109,121

On January 20, 2022, there was an important change in the company's shareholder structure, following the closing of the public offering by JGDB Holding SAS. Below are the details:

Shareholder	Common Stock	Common Stock Percentage
JGDB Holding S.A.S.	118,168,821	25.3%

This change in the shareholder structure was recorded on January 19, 2022, in the Company's shareholder ledger.

14.2. Share premium

The balance of the account at December 31, 2021 and 2020 is 3,290,767. It includes the highest paid on nominal value of the shares that are charged when disposing of them.

14.3. Reserves

The reserves consist of the following concepts:

	December 2021	December 2020
Legal [(1)]	317,839	286,683
Occasional [(2)]	5,394,208	5,116,802
Total reserves	**5,712,047**	**5,403,485**

[1] Legal:

In compliance with Article 452 of the Commercial Code of the Republic of Colombia, which establishes that corporations shall constitute a 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 constitution of this reserve is mandatory until it reaches 50% of the subscribed capital. The legal reserve has two special purposes: to increase and maintain the capital of the company and to absorb operating losses. Therefore, its value cannot be distributed as dividends to shareholders.

[2] Occasional:

- In 2021 and 2020 a value of $7,546,570 and $7,269,163 respectively, correspond to appropriations made by the Shareholders' Meeting and are available for a specific purpose when deemed necessary.

- Other reserves in the amount of ($2,152,362) in 2021 and 2020 correspond to the excess paid in the acquisition of the non-controlling interest in the pension administrator business.

14.4. 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 December 31, 2021, 2,316,558 common shares and 432,115 preferred shares have been repurchased at a weighted average price of $20,438.56 and $18,060.99, respectively, for a total amount as of December 31, 2021 of COP $55,152, as detailed below:

	December 2021	December 2020
Initial Balance	**300,000**	**-**
Establishment of reserve	-	300,000
Common stock repurchases	(47,347)	-
Repurchase of preferred stock	(7,805)	-
Subtotal repurchase	**(55,152)**	**-**
Closing Balance	**244,848**	**300,000**

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 was declared from occasional reserves with profits generated up to December 31, 2016 for $351,165.

	2021			2020					
Dividends declared	N° of shares	Annual pesos per share ordinary dividend COP$	Ordinary dividend balance	N° of shares	Annual pesos per share ordinary dividend COP$	Ordinary dividend balance	Annual pesos per share ordinary dividend 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 above.

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. OTHER COMPREHENSIVE INCOME

The other comprehensive income by concept as of December 2021 and 2020 is presented below:

Year 2021:

Concept	December 2020	Movement for the period	December 2021	Non-controlling interest other comprehensive income	Total Other comprehensive income
Revaluation of assets (1)	216,590	47,700	264,290	10,960	58,660
Re-measurement of defined benefit plans	(15,691)	5,923	(9,768)	668	6,591
Gain (loss) on investment in equity instruments	13,954	(8,823)	5,131	(6,892)	(15,715)
(Loss) gain on foreign exchange translation differences (2)	1,572,829	297,401	1,870,230	60,987	358,388
Gain (loss) from cash flow hedges	6,557	52,317	58,874	10,994	63,311
Gain (loss) from derivative hedges of net investments in foreign operations	(95,420)	48,871	(46,549)	9,595	58,466
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (3)	1,207,488	1,008,831	2,216,319	796	1,009,627

Concept	December 2020	Movement for the period	December 2021	Non-controlling interest other comprehensive income	Total Other comprehensive income
Total comprehensive income net of taxes	**2,906,307**	**1,452,220**	**4,358,527**	**87,108**	**1,539,328**

Year 2020:

Concept	December 2019	Movement for the period	December 2020	Non-controlling interest other comprehensive income	Total Other comprehensive income
Revaluation of assets (1)	221,354	(4,764)	216,590	(1,169)	(5,933)
Re-measurement of defined benefit plans	(17,237)	1,547	(15,691)	(483)	1,064
Gain (loss) on investment in equity instruments	1,344	12,610	13,954	1,751	14,361
(Loss) gain on foreign exchange translation differences (2)	1,137,693	435,136	1,572,829	82,983	518,119
Gain (loss) from cash flow hedges	33,695	(27,138)	6,557	(2,399)	(29,537)
Gain (loss) from derivative hedges of net investments in foreign operations	(49,227)	(46,193)	(95,420)	(9,077)	(55,270)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (3)	1,096,985	110,502	1,207,488	631	111,133
Total resultado integral neto impuestos	**2,424,607**	**481,700**	**2,906,307**	**72,237**	**553,937**

(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 accumulated value 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 records 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 in associated companies and joint ventures).

NOTE 17. NON-CONTROLLING INTEREST

The following table shows summarized financial information as of December 2021 and 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**	
	December 2021	**December 2020**	**December 2021**	**December 2020**
Main domicile		Colombia		Colombia
% Non-controlling interest	18.87%	18.87%	16.42%	16.42%

	Suramericana S.A. and subsidiaries		Sura Asset Management S.A. and subsidiaries	
	December 2021	December 2020	December 2021	December 2020
Ordinary income	19,666,596	17,030,231	3,701,887	3,440,589
Income from continuing operations	66,349	211,431	619,464	438,050
Income from discontinued operations	-	-	7,374	(6,669)
Other comprehensive income	169,089	51,515	329,416	370,468
Comprehensive income	235,438	262,946	956,254	801,849
Assets	33,291,826	30,541,226	20,752,265	19,881,315
Liabilities	28,109,843	25,468,379	10,570,949	10,377,655
Equity	5,181,983	5,072,847	10,181,316	9,503,660
Dividends paid to non-controlling interests	44,344	41,517	41,188	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	
	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020
Non-controlling income	12,824	40,002	103,706	71,474	(498)	(363)	116,032	111,113
Total comprehensive income	45,489	49,982	157,353	133,352	298	16	203,140	183,350
Equity	925,989	873,312	1,418,452	1,364,229	5,061	4,889	2,349,502	2,242,430
participación	984,302	963,296	1,679,511	1,569,055	4,861	4,542	2,668,674	2,536,893

NOTE 18. OPERATING SEGMENTS

18.1. Reportable segments

The operating segments of the Group have been defined as the companies, consolidation groups and the holding company that manage the operations of the following activities:

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

Suramericana (Seguros 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 provision of services and marketing of telecommunications products and solutions and information processing services. Additionally, other services that are not directly related to the business strategy but complement the service offering are reported.

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

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

18.2. Information about operating segments

Consolidated Income Statement at December 31, 2021 by Segment

December 2021	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Continuing operations						
Income						
Insurance premiums	-	15,813,378	686,485	-	(5,982)	16,493,881
Premiums for health services	-	5,975,786	-	17,815	(649)	5,992,952
Premiums issued	**-**	**21,789,164**	**686,485**	**17,815**	**(6,631)**	**22,486,833**
Premiums ceded in reinsurance	-	(3,926,616)	(6,230)	-	-	(3,932,846)
Retained premiums (net)	**-**	**17,862,548**	**680,255**	**17,815**	**(6,631)**	**18,553,987**
Net production reserves	-	(340,520)	(577,042)	-	-	(917,562)
Retained earned premiums	**-**	**17,522,028**	**103,213**	**17,815**	**(6,631)**	**17,636,425**
Return on investments	4,405	814,940	424,810	(262)	(1)	1,243,892
Net gain on investments at fair value	3,297	344,442	279,953	36,310	309	664,311
Commission Income	-	598,212	2,656,514	410	(2,265)	3,252,871
Provision of Services	-	76,835	32	165,833	(101)	242,599
Gains from equity method	684,133	(4,311)	137,247	(1,743)	579,222	1,394,548
Gains from sales of investments	1,442	(11,164)	41,053	(14,094)	1	17,238
Other income	3,563	325,615	59,065	8,229	(410)	396,062
Total income	**696,840**	**19,666,597**	**3,701,887**	**212,498**	**570,124**	**24,847,946**
Costs and expenses						
Insurance claims	-	(8,699,455)	(532,413)	-	3,470	(9,228,398)
Health service claims	-	(5,634,709)	-	(13,256)	22	(5,647,943)
Total claims	**-**	**(14,334,164)**	**(532,413)**	**(13,256)**	**3,492**	**(14,876,341)**
Reimbursement of claims	-	1,932,104	-	-	-	1,932,104
Retained claims	**-**	**(12,402,060)**	**(532,413)**	**(13,256)**	**3,492**	**(12,944,237)**
Expenses for commissions to intermediaries	-	(2,908,387)	4,352	-	117	(2,903,918)
Insurance costs and expenses	-	(1,120,727)	(556,801)	130	(409)	(1,677,807)
Costs of provision of services	-	(180,040)	-	(168,350)	(387)	(348,777)
Administrative expenses	(34,798)	(1,185,019)	(556,220)	(20,576)	46,775	(1,749,838)
Employee benefits	(37,389)	(1,201,425)	(518,470)	(25,988)	597	(1,782,675)
Fees	(13,848)	(194,554)	(112,010)	(1,186)	15,298	(306,300)
Depreciation and amortization	(2,192)	(222,876)	(302,610)	(15,733)	(13)	(543,424)
Other expenses	-	(4,002)	(22,275)	(416)	-	(26,693)
Total costs and expenses	**(88,227)**	**(19,419,090)**	**(2,596,447)**	**(245,375)**	**65,470**	**(22,283,669)**
Operating profit	**608,613**	**247,507**	**1,105,440**	**(32,877)**	**635,594**	**2,564,277**
Financial Results	**(360,029)**	**(111,119)**	**(110,687)**	**(2,640)**	**(1)**	**(584,476)**

December 2021	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Income from continuing operations before income tax	**248,584**	**136,388**	**994,753**	**(35,517)**	**635,593**	**1,979,801**
Provision for income tax	(15,137)	(70,039)	(375,290)	(2,121)	4	(462,583)
Net gains, continued operations	**233,447**	**66,349**	**619,463**	**(37,638)**	**635,597**	**1,517,218**
Net gains, discontinued operations	-	-	7,374	-	-	7,374
Net income	**233,447**	**66,349**	**626,837**	**(37,638)**	**635,597**	**1,524,592**
Net income attributable to controlling shareholders	233,447	65,974	625,925	(37,176)	520,390	1,408,560
Net income attributable to non-controlling interest	-	375	912	(462)	115,207	116,032

Consolidated Income Statement at December 31, 2020 by Segment

December 2020	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Continuing operations						
Income						
Insurance premiums	-	14,129,045	617,976	-	(5,401)	14,741,620
Premiums for health services	-	4,578,073	-	18,017	(577)	4,595,513
Premiums issued	**-**	**18,707,118**	**617,976**	**18,017**	**(5,978)**	**19,337,133**
Premiums ceded in reinsurance	-	(3,340,725)	(7,937)	-	-	(3,348,662)
Retained premiums (net)	**-**	**15,366,393**	**610,039**	**18,017**	**(5,978)**	**15,988,471**
Net production reserves	-	(333,402)	(113,750)	-	1	(447,151)
Retained earned premiums	**-**	**15,032,991**	**496,289**	**18,017**	**(5,977)**	**15,541,320**
Return on investments	10,253	671,369	36,324	(8,669)	(1)	709,276
Net gain on investments at fair value	191	449,781	377,801	(202)	301	827,872
Commission Income	-	510,469	2,337,972	756	(2,051)	2,847,146
Provision of Services	-	78,275	-	167,612	(38)	245,849
Gains from equity method	1,130,873	(979)	146,531	(860)	(912,760)	362,805
Gains from sales of investments	-	8,188	16,062	(1,643)	-	22,607
Other income	437	280,137	29,610	7,572	(1,062)	316,694
Total income	**1,141,754**	**17,030,231**	**3,440,589**	**182,583**	**(921,588)**	**20,873,569**
Costs and expenses						
Insurance claims	-	(7,054,884)	(580,768)	-	2,844	(7,632,808)
Health service claims	-	(4,272,043)	-	(12,138)	321	(4,283,860)
Total claims	**-**	**(11,326,927)**	**(580,768)**	**(12,138)**	**3,165**	**(11,916,668)**
Reimbursement of claims	-	1,524,003	-	-	-	1,524,003
Retained claims	**-**	**(9,802,924)**	**(580,768)**	**(12,138)**	**3,165**	**(10,392,665)**
Expenses for commissions to intermediaries	-	(2,815,968)	(13,100)	-	258	(2,828,810)
Insurance costs and expenses	-	(1,053,286)	(439,504)	(587)	(441)	(1,493,818)
Costs of provision of services	-	(161,252)	-	(169,173)	-	(330,425)
Administrative expenses	(33,867)	(1,151,058)	(496,870)	(18,145)	46,130	(1,653,810)
Employee benefits	(47,988)	(1,177,563)	(447,808)	(24,345)	1,270	(1,696,434)
Fees	(8,741)	(174,091)	(134,857)	(1,066)	10,572	(308,183)

December 2020	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Depreciation and amortization	(2,141)	(232,203)	(274,766)	(15,054)	(1)	(524,165)
Other expenses	-	(12,993)	(21,951)	(69)	(2)	(35,015)
Total costs and expenses	**(92,737)**	**(16,581,338)**	**(2,409,624)**	**(240,577)**	**60,951**	**(19,263,325)**
Operating profit	**1,049,017**	**448,893**	**1,030,965**	**(57,994)**	**(860,637)**	**1,610,244**
Financial Results	**(444,619)**	**(108,363)**	**(256,109)**	**(4,709)**	**-**	**(813,801)**
Income from continuing operations before income tax	**604,398**	**340,530**	**774,856**	**(62,703)**	**(860,637)**	**796,443**
Provision for income tax	13,534	(129,100)	(336,807)	(1,164)	-	(453,537)
Net gains continuous operations	**617,932**	**211,430**	**438,049**	**(63,867)**	**(860,637)**	**342,906**
Net gains from discontinued operations	-	-	(6,669)	-	-	(6,669)
Net income	**617,932**	**211,430**	**431,380**	**(63,867)**	**(860,637)**	**336,237**
Net income attributable to controlling shareholders	617,932	211,300	430,627	(63,474)	(971,260)	225,125
Net income attributable to non-controlling interest	-	130	753	(393)	110,623	111,112

Consolidated Statement of Financial Position as of December 31, 2021 by Segment

December 2021	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Assets						
Investments	9,913,337	15,499,563	9,450,569	(161,406)	(9,603,458)	25,098,605
Assets under insurance contracts	-	5,002,711	-	-	(151)	5,002,560
Assets under reinsurance contracts	-	5,345,645	3,684	-	-	5,349,329
Investments in associated companies and joint ventures	14,490,162	17,084	1,473,771	19,946	6,006,603	22,007,566
Goodwill	-	602,929	4,381,939	24,950	1,767	5,011,585
Other assets	3,068,369	6,823,894	5,442,303	254,925	(2,157,452)	13,432,039
Total assets	**27,471,868**	**33,291,826**	**20,752,266**	**138,415**	**(5,752,691)**	**75,901,684**
Liabilities						
Financial liabilities	610,628	436,509	1,987	14,362	24	1,063,510
Liabilities under insurance contracts	-	21,764,334	4,861,759	-	(160)	26,625,933
Other accounts payable and accounts payable to related parties	150,775	1,599,161	606,950	39,054	(1,672)	2,394,268
Issued bonds and preferred shares	4,736,909	851,209	3,395,666	-	-	8,983,784
Other liabilities	337,976	3,458,630	1,704,589	68,577	(797)	5,568,975
Total liabilities	**5,836,288**	**28,109,843**	**10,570,951**	**121,993**	**(2,605)**	**44,636,470**
Total equity	**21,635,580**	**5,181,983**	**10,181,315**	**16,422**	**(5,750,086)**	**31,265,214**
Total equity and liabilities	**27,471,868**	**33,291,826**	**20,752,266**	**138,415**	**(5,752,691)**	**75,901,684**

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	3,163,127	6,272,969	5,418,736	242,612	(2,159,200)	12,938,244
Total assets	**28,110,914**	**30,541,226**	**19,881,314**	**87,257**	**(7,760,577)**	**70,860,134**
Liabilities						
Financial liabilities	572,954	395,185	515,395	18,748	1	1,502,283
Liabilities under insurance contracts	-	19,807,858	4,574,176	-	(222)	24,381,812
Other accounts payable and accounts payable to related parties	131,130	1,530,016	696,845	28,228	(7,548)	2,378,671
Issued bonds and preferred shares	5,456,115	846,517	2,923,635	-	(1)	9,226,266
Other liabilities	208,643	2,888,804	1,667,604	64,328	(2)	4,829,377
Total liabilities	**6,368,842**	**25,468,380**	**10,377,655**	**111,304**	**(7,772)**	**42,318,409**
Total equity	**21,742,072**	**5,072,846**	**9,503,659**	**(24,047)**	**(7,752,805)**	**28,541,725**
Total equity and liabilities	**28,110,914**	**30,541,226**	**19,881,314**	**87,257**	**(7,760,577)**	**70,860,134**

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

18.3. Geographical information

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

The following table shows the distribution of income, by geographical area:

	December 2021	December 2020
Colombia	15,789,001	12,635,090
Chile	3,278,242	2,928,601
Mexico	2,148,194	1,967,524
Argentina	1,119,817	886,516
Panama	562,940	532,327
El Salvador	459,520	469,839
Brazil	451,566	420,093
Peru	429,635	453,778
Uruguay	386,584	365,269
Dominican Republic	207,525	205,892
Bermuda	14,922	8,640
Total	**24,847,946**	**20,873,569**

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

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

	December 2021	December 2020
Colombia	58,004,847	53,424,254
Chile	9,339,516	9,867,233
Mexico	2,571,403	1,986,916
Argentina	1,766,127	1,330,677
Panama	862,471	728,963
Brazil	827,178	763,393
El Salvador	746,004	677,938
Dominican Republic	610,778	472,793
Uruguay	543,380	397,079
Peru	491,382	1,160,111
Bermuda	138,598	50,777
Total	**75,901,684**	**70,860,134**

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

	December 2021	December 2020
Colombia	581,894	(469,342)
Chile	436,539	248,672
Mexico	312,515	351,257
Peru	104,425	113,601
Panama	42,512	50,244
Uruguay	20,682	31,044
Dominican Republic	15,872	24,498
Argentina	10,795	(298)

	December 2021	December 2020
El Salvador	10,421	2,522
Bermuda	(137)	1,873
Brazil	(10,926)	(17,834)
Total	**1,524,592**	**336,237**

NOTE 19. COMMISSION INCOME AND EXPENSES

19.1. Commission income

Commission income for Grupo SURA is detailed below:

	December 2021	December 2020
Management of mandatory pension funds	2,247,271	2,032,321
Gains on disposals	621,062	508,432
Others (1)	281,946	170,566
Management of voluntary pension funds	82,575	120,518
Participation in gains of reinsurers	14,421	12,821
Reinsurance income/cancellations	2,902	17
Insurance commission income	2,694	2,471
Total	**3,252,871**	**2,847,146**

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

19.2. Expenses for commissions paid to intermediaries

The detail of commissions paid to intermediaries is presented below:

	December 2021	December 2020
Property and casualty insurance	(959,274)	(806,170)
Deferred acquisition cost (DAC) (Note 10)	(780,423)	(852,817)
Insurance administration	(478,256)	(397,793)
Profit Sharing Affinity	(201,449)	(286,629)
Affinity Commissions	(160,508)	(180,442)
Occupational risk insurance	(90,382)	(77,144)
Employee benefits	(73,644)	(65,692)
Collection commissions	(66,680)	(62,722)
Brokerage commissions	(22,828)	(18,884)
Social security insurance	(16,635)	(14,605)
Profit sharing Advisors	(11,670)	-
Sales and service commissions	(11,587)	(10,434)
Commission for data processing and collection of contributions	(10,039)	(9,857)
Mandatory insurance	(8,307)	(9,429)
Rebates paid	(6,876)	(6,439)
Accepted coinsurance	(2,830)	(2,433)
Advisor bonuses	(1,768)	(26,748)
Acceptance fees	(762)	(572)
Total	**(2,903,918)**	**(2,828,810)**

NOTE 20. OTHER INCOME AND EXPENSES

20.1 Other income

The following is a breakdown of other income:

	December 2021	December 2020
Conditional commercial discounts	103,101	70,344
Others *	78,441	73,159
On policies	76,368	60,744
Recoveries	47,871	34,881
Investment properties	41,035	20,003
Late payments for collection of contributions	25,282	41,275
Leases	8,632	-
Buildings	5,805	10,706
Office equipment, furniture and fixtures	5,084	(1,181)
Demand deposits	1,226	399
Related party services	1,107	134
Land	1,084	3,400
Reimbursements for occupational illness	469	706
Vehicles	380	335
Recoveries other than operating risk insurance	131	1,243
For claims	90	450
Computer equipment	(44)	21
Non-current assets held for sale	-	75
Total	**396,062**	**316,694**

(*) Corresponds to recovery of provisions, leases and services.

20.2 Other Expenses

The following is a breakdown of the other expenses:

	December 2021	December 2020
Impairment other assets	(24,079)	(23,410)
Inflation adjustments in hyperinflationary economies	4,998	(6,826)
Losses from claims	(2,470)	(4,773)
Real estate	(122)	(6)
Impairment of land and buildings	585	-
Impairment of intangible assets	(5,605)	-
Total	**(26,693)**	**(35,015)**

NOTE 21. FEES

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

	December 2021	December 2020
Inspection and evaluation expenses policy income	(113,686)	(247,398)
Technology	(79,914)	(12,327)
Consulting and advisory services	(53,000)	-
Legal Advice	(21,954)	(15,322)
Statutory Auditor	(13,783)	(13,417)

	December 2021	December 2020
Financial advice	(8,729)	(6,700)
Board of Directors	(7,910)	(7,400)
Human talent management services	(4,315)	(4,734)
Commissions	(2,270)	(702)
Appraisals	(739)	(183)
Total	**(306,300)**	**(308,183)**

NOTE 22. FINANCIAL RESULT

The financial income and expenses of Grupo SURA and its subsidiaries as of December 31, 2021 and 2020 are detailed below:

	December 2021	December 2020
Earnings at fair value – Derivatives (1)	(1,723)	8,943
Exchange difference (net) (2)	151,677	(91,335)
Interests (3)	(734,430)	(731,409)
Total	**(584,476)**	**(813,801)**

(1) Corresponds to the valuation of trading derivatives.
(2) Corresponds to difference in net exchange rate for financial liabilities. Includes the application of hedge accounting.
(3) Below is a detail of interest as of the reporting date date:

	December 2021	December 2020
Bond issued (1)	(489,892)	(488,546)
Hedging operations	(118,326)	(82,102)
Preferred shares	(39,800)	(40,763)
Bank loans	(34,122)	(69,620)
Financial leasing	(33,950)	(39,564)
Others	(17,849)	(10,239)
Repo operations	(491)	(575)
Total	**(734,430)**	**(731,409)**

(1) The interest expense is offset by $3,771 million for the yield of the invested portfolio resulting from the bond issue made the previous year, the balance of which was used to pay the maturity of the US dollar bonds in May 2021 (See note 7.2.2 Bonds issued).

NOTE 23. EARNINGS PER SHARE

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

The calculation of basic earnings per share is detailed below:

	December 2021	December 2020
Profit, net	1,524,592	336,237
Non-controlling profit	116,032	111,112
Profit of controlling shareholder	**1,408,560**	**225,125**
Profit, net of discontinued operations	7,374	(6,669)
Profit, net of non-controlling discontinued operations	1,211	(1,095)
Profit, net from discontinued operations of controlling shareholder	**6,163**	**(5,574)**

	December 2021	December 2020
Less: Preferred dividends declared - Preferred shares interest	(68,028)	(65,844)
Plus: Preferred shares interest expense [1]	39,800	40,763
Less: Undistributed earnings to preferred stockholders [2]	(226,384)	1,467
Profit from continuing operations	**1,147,785**	**207,085**
Ordinary shares [3]	467,936,219	469,037,260
Earnings per share from continuing operations	**2,453**	**442**
Profit from ordinary discontinued operations	**6,163**	**(5,574)**
Earnings per share discontinued operations	**13**	**(12)**

[1] Corresponds to the guaranteed minimum dividend on preferred shares accrued as an expense during the period.

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

[3] Corresponds to the weighted average number of shares for the year, which includes the repurchase of shares purchased (See Note 14.4 Reserve for share repurchase).

NOTE 24. FAIR VALUE

Fair value is the price that would be received to sell an asset for or paid for transferring a liability in an orderly transaction between market participants at the measurement date.

- The fair value of financial assets and liabilities traded in active markets (such as financial assets in debt securities, equity instruments and derivatives that are actively traded on stock exchanges or interbank markets) is based on prices provided by a price vendor, calculated based on the average prices taken on the last trading day at the cut-off date of the financial statements.

- The fair value of financial assets that are not quoted in an active market is determined using valuation techniques. Grupo SURA uses a variety of methods and assumptions based on market conditions existing at each reporting date. The valuation techniques used include the use of recent comparable and arms' length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants, making maximum use of market data.

Valuation techniques used for non-standardized financial instruments, such as options, currency swaps and OTC derivatives, include the use of interest rate or currency valuation curves constructed by vendors and extrapolated to instrument-specific conditions for valuation, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants that are based primarily on market data rather than entity-specific data.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and the valuation techniques used may not fully reflect all factors relevant to the positions of the Group. Therefore, valuations are adjusted, if necessary, to take into account additional factors, including country risk, liquidity risks and counterparty risks.

Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of financial instruments that are recognized and measured at fair value in the financial statements. To indicate the reliability of the inputs used in determining fair value, the Group classified its financial assets and liabilities into the three levels indicated by accounting standards. An explanation of each level is provided below.

- Level 1: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

- Level 2: Level 2 inputs are different from the quoted prices included in Level 1 as they are observable for the assets or liabilities, directly or indirectly in markets that are not active.

- Level 3: Level 3 inputs are unobservable inputs for the asset or liability.

The level of the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined based on the lowest level input that is most significant to its overall fair value measurement. For this purpose, the significance of an input is assessed in relation to the overall fair value measurement. Financial instruments that are quoted in markets that are not considered active, but are valued according to quoted market prices, quotations from price vendors or alternative pricing sources supported by observable inputs, are classified in Level 2.

If a fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs, that measurement is classified as Level 3. Assessing the significance of a particular input to the fair value measurement as a whole requires judgment, taking into account factors specific to the asset or liability.

Determining what is considered 'observable' requires significant judgment by the Group. The Group considers as observable inputs market data that are already available, distributed or updated by price vendors, and are reliable and verifiable, non-proprietary, and provided by independent entities actively participating in the relevant market.

24.1 Fair value measurement on a non-recurring basis

The fair value of non-recurring assets classified as Level 3 is determined using pricing models, discounted cash flow methodologies, a current replacement cost or similar techniques, using internal models or external experts with sufficient experience and knowledge of the real estate market or the assets being evaluated. In general, these evaluations are carried out by reference to market data or on a replacement cost basis, when sufficient market data is not available.

Grupo SURA presents within assets at fair value on a recurring basis the investment properties, which are in the Level 3 category and their value as of December 31, 2021 and 2020 is found in Note 24.5 The fair value of investment properties of Grupo SURA is determined in accordance with the valuation performed by external consultants. These companies are independent and have the capacity and experience in performing valuations in the sites and types of assets that were valued. The appraisers are accredited before the Colombian Real Estate Market or in the case of foreign appraisers, a second signature of a Colombian appraiser accredited before the Real Estate Market is required.

24.2. Determination of fair value

a. Debt securities

Grupo SURA assigns the price to its debt investments, making use of the prices provided by its official price vendor (Precia) and assigns the corresponding level in accordance with the procedure described above. For unlisted securities such as certain bonds issued by other financial institutions, Grupo SURA generally determines fair value using standard internal valuation techniques. These techniques include the determination of future cash flows, which are discounted using curves of the applicable currencies or interest rates such as the Consumer Price Index (CPI), adjusted with a premium for credit and liquidity risk. The interest rate is usually determined using observable market data and benchmark yield curves obtained from interest rates quoted in appropriate time bands, which match the timing of the cash flows and maturities of the instruments.

b. Equity instruments

Grupo SURA performs the valuation at market prices of its equity investments by applying the prices provided by its official price vendor (Precia) and performs the classification of such investments following the procedure described above. In addition, the fair value of unlisted equity instruments is based on the individual valuation of the investments using methodologies that include publicly traded comparables, obtained by multiplying a key performance metric (e.g., earnings before interest, taxes, depreciation and amortization) of the company, by the relevant valuation multiple observed for comparable companies, acquisition comparables and, if deemed necessary, subject to discounts for lack of liquidity and or marketability.

The participations in investment funds, trusts and collective portfolios are valued taking into account the value of the unit calculated by the management company; in the case of trusts that own investment properties, the value of the unit reflects the value of these, which is measured as indicated in item "d. Investment properties".

c. Derivative instruments

Grupo SURA has positions in standardized derivatives, such as futures on local shares and on the representative market rate (TRM), which are valued with the information provided by the official price provider of Grupo SURA (Precia), which in turn corresponds to the information provided by the central counterparty risk chambers that clear and settle such instruments.

Additionally, Grupo SURA records positions in OTC derivatives, which, in the absence of prices, are valued using the inputs and methodologies supplied by the price provider, which have the no objection of the Financial Superintendence of Colombia. The key inputs depend on the type of derivative and the nature of the underlying instrument and include yield rate curves, foreign exchange rates, the spot price (market price at a given time) of the underlying volatility and credit curves.

d. Investment properties

The investment properties of Grupo SURA are valued by external experts, who use valuation techniques based on comparable prices, direct capitalization, discounted cash flows and replacement cost.

24.3. Fair value measurement on a recurring basis

Fair value measurements on a recurring basis are those required or permitted in the statement of financial position at the end of each accounting period.
The following table presents an analysis, within the fair value hierarchy, of assets and liabilities of the Group (by class), measured at fair value at December 31, 2021 and 2020` on a recurring basis.

December de 2021	Level 1	Level 2	Level 3	Total
Assets				
At fair value through profit or loss				
Debt securities				
National issuances	9,207	3,929,837	-	3,939,044
Foreign issuances	1,579,704	369,196	969	1,949,869
	1,588,911	**4,299,033**	**969**	**5,888,913**
Equity Instruments				
National issuances	176,085	5,800,244	-	5,976,329
Foreign issuances	141,137	327,193	-	468,330
	317,222	**6,127,437**	**-**	**6,444,659**
Total investments at fair value through profit or loss	**1,906,133**	**10,426,470**	**969**	**12,333,572**
At fair value through other comprehensive income				
Debt securities				
National issuances	-	108,363	-	108,363
Foreign issuances	281,184	431,387	9,435	722,006
	281,184	**539,750**	**9,435**	**830,369**
Equity Instruments				
National issuances	49,571	-	14,347	63,918
Foreign issuances	936	-	52,360	53,296
	50,507	**-**	**66,707**	**117,214**
Total investments at fair value with changes in equity	**331,691**	**539,750**	**76,142**	**947,583**
Total investments at fair value	**2,237,824**	**10,966,220**	**77,111**	**13,281,155**

December de 2020	Level 1	Level 2	Level 3	Total
Assets				
At fair value through profit or loss				
Debt securities				
National issuances	222,551	4,337,692	-	4,560,243
Foreign issuances	1,394,612	436,171	771	1,831,554
	1,617,163	**4,773,863**	**771**	**6,391,797**
Equity Instruments				
National issuances	775,435	4,563,466	-	5,338,901
Foreign issuances	91,726	174,009	-	265,735
	867,161	**4,737,475**	**-**	**5,604,636**
Total investments at fair value through profit or loss	**2,484,324**	**9,511,338**	**771**	**11,996,433**
At fair value through other comprehensive income				
Debt securities				
National issuances	33,249	54,887	-	88,136

December de 2020	Level 1	Level 2	Level 3	Total
Foreign issuances	57,095	-	15,041	72,136
	90,344	**54,887**	**15,041**	**160,272**
Equity Instruments				
National issuances	28,871	-	101,114	129,985
Foreign issuances	213,763	340,869	1,256	555,888
	242,634	**340,869**	**102,370**	**685,873**
Total investments at fair value with changes in equity	**332,978**	**395,756**	**117,411**	**846,145**
Total investments at fair value	**2,817,302**	**9,907,094**	**118,182**	**12,842,578**

The following are derivatives that are classified at fair value level 2 and are presented on a net basis:

December 2021	Level 1	Level 2	Level 3	Total
Derivatives				
Trading				
Interest rate swaps		(1,213)		(1,213)
Exchange rate swaps		24,958		24,958
Currency forwards		(13,671)		(13,671)
Total trading derivatives	**-**	**10,074**	**-**	**10,074**
Hedging				
Interest rate swap		1,142,700		1,142,700
Exchange rate swap		57,851		57,851
Options		(3,720)		(3,720)
Total hedging derivatives	**-**	**1,196,831**	**-**	**1,196,831**
Total derivatives	**-**	**1,206,905**	**-**	**1,206,905**

December 2020	Level 1	Level 2	Level 3	Total
Derivatives				
Trading				
Interest rate swap		3,350		3,350
Exchange rate swap		(13,646)		(13,646)
Currency forwards		51,585		51,585
Options		39,176		39,176
Total trading derivatives	**-**	**80,465**	**-**	**80,465**
Hedging				
Interest rate swap		403,412		403,412
Exchange rate swap		(1,221)		(1,221)
Options				-
Total hedging derivatives	**-**	**402,191**	**-**	**402,191**
Total derivatives	**-**	**482,656**	**-**	**482,656**

24.4 Transfer between hierarchy level 1 and fair value hierarchy level 2

The following table summarizes the transfer between fair value Levels 1 and 2 during 2021 and 2020. In general, transfers between Level 1 and Level 2 in the investment portfolios are primarily due to changes in the liquidity levels of investments in the markets.

	December 2021		December 2020	
	Transfer between:		Transfer between:	
	Level 2 to 1	Level 1 to 2	Level 2 to 1	Level 1 to 2
In local currency				
Government-issued or government-guaranteed securities	207,766	-	33,145	49,873
Securities issued or guaranteed by other financial institutions	75,031	32,271	60,137	60,464
Total securities in local currency	**282,797**	**32,271**	**93,282**	**110,337**
Total	**282,797**	**32,271**	**93,282**	**110,337**

24.5 Reconciliation of fair value hierarchy level 3

	Financial assets in debt securities	Equity instruments	Investment properties
December 31, 2019	**-**	**101,335**	**169,287**
Additions	22,502	8,083	136,993
Sales /alienation	(971)	(136)	(4,815)
Impairment losses	-	-	16
Valuation adjustment affecting net income	49	-	9,457
Valuation adjustment with effect on equity	(2,929)	(8,343)	-
Conversion effect	(2,839)	1,431	17,284
Transfer of property and equipment	-	-	745
December 31 de 2020	**15,812**	**102,370**	**328,967**
Additions	234	-	19,415
Sales /alienation	(2,174)	(361)	(13,465)
Valuation adjustment affecting net income	1,485	-	23,237
Valuation adjustment with effect on equity	-	64	-
Impairment	(5,888)	(23,911)	(625)
Reclassification of non-current assets held for sale	-	-	(13,751)
Conversion effect	935	(11,455)	(11,627)
Transfer of property and equipment	-	-	(133)
December 31 de 2021	**10,404**	**66,707**	**332,018**

24.6 Fair value of financial assets and liabilities recognized at amortized cost or other valuation method

The following table shows a summary of assets and liabilities with a value other than fair value as of December 31, 2021 and 2020 for disclosure purposes only.

	December 2021		December 2020	
	Book Value	Fair Value	Book Value	Fair Value
Assets				
Debt securities at amortized cost (1)	11,817,450	11,837,926	11,084,885	12,139,260
Insurance contracts assets (2)	5,002,560	5,002,560	4,498,053	4,498,053
Reinsurance contracts assets (2)	5,349,329	5,349,329	4,792,079	4,792,079

	December 2021		December 2020	
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
Accounts receivable from related parties (2)	44,082	44,082	116,952	116,952
Other accounts receivable (2)	2,033,598	2,033,598	1,793,136	1,793,136
Investments in associated companies and joint ventures (4)	22,007,566	18,870,169	19,836,275	16,719,921
Total Assets	**46,254,585**	**43,137,664**	**42,121,380**	**40,059,401**

Liabilities				
Financial obligations (1)	1,063,510	1,063,510	1,502,283	1,502,283
Finance lease liabilities (1)	501,746	501,746	531,354	531,354
Liabilities under insurance contracts (2)	26,625,933	26,625,933	24,381,812	24,381,812
Liabilities under reinsurance contracts (2)	1,592,429	1,592,429	1,313,544	1,313,544
Other accounts payable (2)	2,303,767	2,303,767	2,291,578	2,291,578
Accounts payable to related parties (2)	90,500	90,500	87,093	87,093
Bonuses (3)	8,523,718	8,914,058	8,765,419	9,687,261
Preferred shares (5)	460,067	615,955	460,847	780,564
Total Liabilities	**41,161,670**	**41,707,898**	**39,333,930**	**40,575,489**

(1) Debt securities at amortized cost and other financial assets and liabilities

Debt securities
The fair value of fixed income investments at amortized cost was determined using the price calculated by the pricing vendor, investments in an active market and with a market price for the day of valuation are classified as level 1, investments without active market and / or with an estimated price (present value of the flows of a security, discounted with the reference rate and the corresponding margin) given by the vendor are classified as level 2.

Financial obligations and lease liabilities
The fair value of these liabilities is determined using discounted cash flow models. The projections of principal and interest cash flows were made in accordance with the contractual terms, considering the amortization of principal and accrued interest. Subsequently, cash flows were discounted using reference curves.

(2) Accounts receivable and accounts payable

For these accounts, the carrying value was considered similar to their fair value, due to their short-term nature.

(3) Bonds issued

The fair value of securities issued is determined according to quoted or estimated prices provided by the price vendor. This is considered to be a level 2 valuation.

(4) Investments in associated companies and joint ventures

Fair value was determined using prices based on those provided by a price vendor when traded in the stock market. For other equity investments that are not traded on the stock market, the value was measured in the same way as the carrying value was measured because it is difficult to make a special valuation for them.

(5) Preferred shares

In valuing the liability component of the preferred shares related to the minimum dividend, Grupo Sura uses the Gordon model to value the obligation taking into account its own credit risk, which is measured using the market spread on observable inputs such as quoted sovereign bond prices. The Gordon model is commonly used to determine the intrinsic value of the shares based on estimated future dividends and a constant growth rate considering the company's own pay-out perspective.

NOTE 25. 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, considering their characteristics, complexity, business dimension, and the particularities that arise in the geographies where they develop their economic activities.

General information on economic, social and political context

Economic activity in Latin America in 2021 showed strong signs of recovery with respect to the economic decline experienced in the previous year. The reactivation took place in the midst of a world context that has presented the emergence of COVID-19 mutations (such as Delta and Omicron) and a structural crisis in the reestablishment of supply chains to pre-pandemic functional levels, situations that generated material effects on the world economic reactivation. Despite the emergence of these variants and their impact on the economies of the region, their adverse effects were mitigated to some extent by the vaccination campaigns against COVID-19, mainly in the case of Delta; and the low severity of symptoms evidenced by the Omicron variant. These two situations mitigated the severity of the public health impact in most of the territories of the region and prevented the establishment of restrictive mobility measures and additional confinements during the year. Based on this, and as long as no additional threatening variants emerge, it is expected that the allocation of public resources to address the pandemic will progressively decrease as vaccination plans are effectively developed, allowing states to cut subsidies granted to the most vulnerable population due to the interruption of economic activities, and to clean up their public finances as a result. On the other hand, the existing problems in supply chains, which are expected to normalize by mid-2024, are mainly due to geopolitical tensions, labor shortages in ports, low availability of containers for transporting goods, significant increases in transportation and energy costs, and delays in the production of raw materials and other consumer goods. These factors have generated scarcity of resources throughout the region and added to the generalized devaluation of the exchange rate in Latin American countries, have contributed significantly to exert upward pressures on the prices of goods and services, a situation that is expected to moderate economic growth in 2022 due to the implementation of restrictive monetary policies in central banks, whose purpose will be mainly to mitigate current inflationary levels.

Continuing the analysis of the economic environment in the region, Latin American stock markets have shown signs of recovery in the value of their assets, but still without reaching the levels of 2019 despite the economic growth evidenced this year. It is important to highlight that the recovery paths of the financial markets of emerging economies differ significantly from those of developed economies, a phenomenon that is mainly explained by the greater fiscal capacity of the latter to inject resources to stimulate domestic consumption, recover consumer confidence and encourage local and international investment in their territories. It is also important to highlight that asset prices in Latin America are depressed due to structural problems in the securities markets, among the most significant of which is the low liquidity of these markets, which has been exacerbated by the migration of international investor flows to developed economies in what is known as "flight-to-quality", a phenomenon that is expected to continue during the year 2022.

On the other hand, addressing the social context in the region, it is important to highlight that the social unrest that was evident in the last two years was not alien to 2021. During the year there were protests in different countries of the region, some of them motivated by feelings of inequality and distrust in the system, high levels of poverty, corruption in the State, dissatisfaction with the management of their leaders, and in other cases, as a mechanism of resistance and rejection of the tax reforms proposed by their rulers, as in the case of Colombia. Although the region has made progress in income inequality indexes and other relevant social dimensions in the last two decades, the effects generated by the isolation measures to combat COVID-19 had as a counterpart the interruption of diverse economic activities, and as a result, the increase of the unemployed population, negatively impacting indicators of monetary poverty, schooling levels, access to the social security system, among others. The solution to these tensions will depend to a large extent on the capacity of each country to design and implement structural reforms that will allow it to effectively address these problems, and it is therefore expected that these tensions will have political ramifications and become a determining factor for the region's economic growth projections in the short and medium term.

Finally, the repercussions derived from the economic and social context previously described generate an environment of instability in the region's political framework. The presidential elections in Chile and Peru, both concluding with leaders representing ideologies based on the active role of the State as provider of the necessary resources to alleviate the needs of the population and temporarily address the triggers of social unrest among citizens, are relevant events. The proposals put forward in the government plan of these leaders will be monitored as they could represent risks for the continuity of the operations of some of the businesses present there and for the development of the private sector in general. The evolution of the reforms implemented by the Government of El Salvador, the derivations in its economy and the impact on the portfolio companies will also be closely monitored. On the other hand, elections are anticipated this year in Colombia, a situation that is framed under a context of high uncertainty given the political pulse that is developing in the territory. It is clear and evident that the results of these elections will be decisive in defining the political course of the region, as well as the pace of its economic recovery and the confidence of local and international investors.

Annuities business in Mexico - SURA Asset Management

As a result of a strategic review of SURA Asset Management's business units, the Company decided as of 2020 to exit the annuities business in Mexico, transferring the portfolio of liabilities and assets backing these obligations to its buyer. Based on this, the Company is left with few assets necessary for its future liquidation.

1. Governance Framework of the Risk Management System

For Grupo SURA, risk management is a dynamic and interactive process, which is a fundamental component of the strategy that supports decision-making processes. Understanding risks as opportunities, preparing for uncertainty, configuring new businesses, exploring geographies, strengthening talent, among other aspects, are an essential part of this management.

Risk management is framed in the Risk Management Framework Policy of Grupo Empresarial SURA and the Internal Risk Management Manual. These documents establish the responsibilities of the Board of Directors, the Risk Committee and Senior Management with respect to the Risk Management System and define the framework for action of Grupo SURA in this area.

In addition to the existing risk management system, the Conglomerates Law issued on September 21, 2017, imparts new obligations for Grupo SURA as a 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 SURA-Bancolombia Financial Conglomerate (FC), seeking to develop a Risk Management Framework, which comprehensively addresses the risk appetite, adequate level of capital and the management of strategic, contagion, concentration and reputational risks of the FC.

In this regard, it is important to highlight that in June 2021 the Board of Directors of Grupo SURA approved the Risk Management Framework and the Risk Appetite Framework, complying with the regulatory requirements of the Conglomerates Law and the regulations derived from it. The approval of the risk appetite framework was accompanied by the definition and approval of the first appetite limit to manage the credit concentration risks of the Financial Conglomerate. Significant progress was also made in the governance and data aggregation and reporting model, enabling Grupo SURA to have the necessary information to manage the risks it is responsible for in said risk management system. Finally, to operationalize the MGR, working groups were established with the risk teams of the companies that make up the Financial Conglomerate, which meet periodically to carry out joint analyses on risk management and the analyses prioritized by the Management and Board of Directors of Grupo SURA.

On the other hand, within the framework of the requirements set forth in Decree 1486 of 2018 regarding exposure limits and risk concentration of the FC, and Decree 2555 of 2010 regarding the adequate level of capital, the reports required by the regulation were made on a quarterly basis to the Board of Directors, for its knowledge and evaluation on the exposure to this type of risks in the FC, both measurements being within the appetite of the financial holding company and the regulatory limits.

This management model is consistent with our risk vision as an investment manager, reaffirms our comprehensive management of the portfolio's aggregate risks and enables us to perform prospective risk analysis considering the correlation between them.

1. Risk Categories

Below are the main risks around which the Companies prioritize and focus their management, grouped into three categories: Financial Risks, Business Risks and Operational Risks.

1.1 Financial Risk Management

Financial Risks are those risks whose impact on the financial results of the Companies is caused by changes in market conditions or non-compliance with obligations that third parties have with the Companies. The performance of the financial markets and the economies of the region have effects on the operation of the businesses and, therefore, on their financial results.

Additionally, for Grupo Empresarial SURA it is essential to have optimal capital structures and adequate levels of capital, in order to enable compliance with the obligations acquired with its stakeholders, as well as the consolidation and expansion strategies of the Companies. For this reason, management systems are required to monitor and manage exposure to the different financial risks (credit, market and liquidity risks) arising from treasury operations, investment portfolios and the management of third-party portfolios.

Below, the main financial risks will be characterized and the exposures to them in the different activities developed by the Companies that make up the Business Group will be detailed. In this analysis, credit risk, market risks (currency, interest rate, inflation and asset price) and liquidity risk will be taken into account.

2.1.1 Credit Risk Management

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. For this purpose, policies and procedures have been defined to facilitate the analysis and follow-up of issuers and counterparties in order to mitigate the exposure to this risk in the resources managed in the treasury, the portfolios of insurance companies and third-party funds.

Note 7.1.1 Investments

Note 7.1.2 Other accounts receivable

Note 7.1.3 Impairment of financial assets

2.1.1.1 Risk Management in treasuries:

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

To date, treasury investments of Grupo SURA are mostly concentrated in liquid collective investment funds managed by high credit quality managers, savings accounts and checking accounts.

Regarding the credit risk in derivative instruments positions, the Companies have as counterparty local and international banks with adequate credit ratings. In turn, it is important to highlight that the valuation of financial derivative contracts incorporates the counterparty risk adjustment through the CVA and DVA factor calculated. Below is a list of the counterparties and their credit rating (in international and local scale*):

Grupo SURA

Bank	Qualification
MERRILL LYNCH INTERNATIONAL	A+
CITIBANK N.A	A+
JP MORGAN CHASE BANK, N.A.	A+
MORGAN STANLEY & CO INTERNATIONAL PLC	A+
GOLDMAN SACHS INTERNATIONAL	A+
BBVA S.A.	AAA*
BANCOLOMBIA S.A.	AAA*

**Local scale rating - Colombia*

SURA Asset Management

Bank	Qualification
BBVA COLOMBIA S.A.	BBB-
JP MORGAN CHASE BANK	AA-
CITIBANK	A
MORGAN STANLEY	A
BANK OF AMERICA	AA
BANCO DE BOGOTÁ S.A.	BB+
BANCOLOMBIA S.A.	BB+

Suramericana

Bank	Qualification
JP MORGAN CORPORATION FINANCIERA S.A.	BB+
BANCO DAVIVIENDA S.A.	BB+
CITIBANK COLOMBIA	BB+
BANCO DE BOGOTÁ S. A.	BB+
JP MORGAN CHASE & CO	BB+
BANCO DE COMERCIO EXTERIOR DE COLOMBIA	AA-

2.1.1.2 Credit Risk Management in the portfolios of insurers:

The Insurance Companies, when managing the investment portfolios that support the technical reserves, manage the exposure to credit risk by means of quota allocation policies, limits and controls, which in turn are accompanied by methodologies and procedures that allow characterizing, quantifying and monitoring the evolution of this risk in the different assets of the portfolio. These methodologies contemplate quantitative and qualitative analyses that allow obtaining a comprehensive understanding of the strength and financial conditions of issuers, counterparties and investment managers.

The majority of the portfolios of the insurers are invested in fixed income instruments, with significant exposure to sovereign instruments.

In order to provide a uniform scale that allows for comprehensive comparisons and analysis of the exposure to this risk, the ratings are restated on an international scale, based on the sovereign ratings issued by S&P, Fitch and Moody's. The rating selection methodology consists of taking the best rating from the three sources, provided that such rating has been issued within the last three months. Otherwise, the most recent rating available from any of the three rating agencies is taken.

The following table presents a detail of the distribution of the Companies' fixed-income financial assets by credit rating (International Scale):

Assets Fixed Income by Credit Rating 2021 (International Scale)												
	Suramericana										SURA AM	
	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dominican Republic	Uruguay	Bermuda	Chile	Mexico
Sovereign Rating	CCC	BB-	A-	BB+	B-	BBB-	BBB	BB-	BBB-	A	A+	BBB
Government	62%	50%	23%	23%	14%	73%	6%	43%	60%	0%	28%	0%
AAA	0%	0%	0%	2%	0%	0%	0%	0%	4%	0%	0%	0%
AA+	0%	0%	0%	0%	0%	0%	3%	0%	0%	0%	0%	0%
AA	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%
AA-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
A+	0%	0%	0%	1%	0%	0%	1%	0%	6%	0%	0%	0%
A	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	13%	0%
A-	0%	0%	43%	0%	1%	0%	2%	0%	1%	0%	0%	0%
BBB+	0%	0%	3%	1%	0%	0%	0%	0%	8%	0%	0%	0%
BBB	0%	0%	22%	1%	0%	0%	2%	0%	13%	0%	50%	0%
BBB-	0%	0%	7%	0%	4%	17%	11%	0%	8%	100%	0%	0%
BB+	0%	0%	1%	45%	0%	2%	17%	0%	0%	0%	0%	0%
BB	0%	0%	0%	13%	0%	3%	12%	0%	0%	0%	9%	0%

Assets Fixed Income by Credit Rating 2021 (International Scale)												
BB-	0%	50%	0%	1%	1%	5%	2%	1%	0%	0%	0%	0%
Others	38%	0%	1%	10%	80%	0%	44%	56%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**0%**

Assets Fixed Income by Credit Rating 2020 (International Scale)												
	Suramericana										**SURA AM**	
	Argentina	**Brazil**	**Chile**	**Colombia**	**El Salvador**	**Mexico**	**Panama**	**Dominican Republic**	**Uruguay**	**Bermuda**	**Chile**	**Mexico**
Sovereign Rating	**CCC+**	**BB-**	**A+**	**BBB-**	**B-**	**BBB**	**BBB**	**BB-**	**BBB**	**A**	**A+**	**BBB**
Government	60%	72%	21%	18%	14%	69%	15%	47%	49%	0%	30%	59%
AAA	0%	0%	0%	1%	4%	0%	0%	0%	0%	0%	0%	0%
AA+	0%	0%	0%	0%	0%	0%	2%	0%	6%	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%	14%	0%
A	0%	0%	37%	1%	1%	0%	0%	0%	2%	0%	8%	0%
A-	0%	0%	4%	1%	0%	0%	0%	0%	0%	0%	19%	41%
BBB+	0%	0%	15%	0%	1%	0%	1%	0%	24%	0%	20%	0%
BBB	0%	0%	9%	0%	2%	0%	0%	0%	4%	0%	5%	0%
BBB-	0%	0%	3%	54%	0%	22%	3%	0%	11%	100%	3%	0%
BB+	0%	0%	1%	14%	0%	2%	11%	0%	0%	0%	2%	0%
BB	0%	0%	0%	1%	0%	3%	0%	0%	0%	0%	0%	0%
BB-	0%	28%	0%	0%	0%	4%	27%	0%	0%	0%	0%	0%
Others	40%	0%	10%	7%	78%	0%	41%	53%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

In the case of the "Other" category, there are Securities with an investment-grade local rating, which, when re-expressed on an international scale, are rated lower than BB- due to the sovereign rating of these countries.

During year-end 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 last year. 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 since the market was already discounting the effect on market prices, and the situation that is being experienced in the Mexican oil sector, which led to review the financial positions held in relation to this issue, and although some management actions were taken, it was determined that in general they do not represent a significant risk for Suramericana and its subsidiaries.

Additionally, to the previous points, there are no other significant impairments in the book value of the investments of the subsidiaries of Suramericana S.A., taking into account 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.

On the other hand, another exposure to credit risk generated in the insurance portfolios is presented in derivative transactions with local and international counterparties.

Financial derivative contracts entered into with local and international counterparties also represent a credit risk in the insurers' portfolios.

Below is the active and passive exposure in derivatives that Suramericana S.A. companies had as of December 31, 2021 (and December 31, 2020). This exposure is presented together with the credit rating (on an international scale) of the counterparties with which there are current derivative transactions. It is important to highlight that, at present, the only companies that carry out operations with financial derivatives are those based in Colombia (figures in thousands).

Portfolio of Derivativas – Suramericana Seguros Colombia 2021				
Banco	**International Credit Rating**	**Asset exposure**	**Liability exposure**	**Net position**
JP Morgan Corporacion Financiera S.A.	BB+	376,296	(379,723)	(3,427)
Banco Davivienda S.A.	BB+	78,860	(80,414)	(1,554)
Citibank Colombia	BB+	115,280	(119,820)	(4,540)
Banco De Bogotá S. A.	BB+	144,799	(147,469)	(2,670)
JP Morgan Chase & Co	BB+	72,267	(73,745)	(1,478)
Banco De Comercio Exterior De Colombia	AA-	32,829	(36,007)	(3,178)
Total		**820,331**	**(837,178)**	**(16,847)**

Portfolio of Derivatives– Suramericana Seguros Colombia 2020				
Banco	**International Credit Rating**	**Asset exposure**	**Liability exposure**	**Net position**
JP Morgan Corporacion Financiera S.A.	BBB-	298,905	(277,803)	21,102
Banco Davivienda S.A.	BBB-	129,507	(122,810)	6,697
Citibank Colombia	BBB-	236,720	(224,561)	12,159
Banco De Bogotá S. A.	BBB-	156,392	(148,766)	7,626
JP Morgan Chase & Co	AA-	35,730	(32,865)	2,865
Banco De Comercio Exterior De Colombia	BBB-	136,521	(132,501)	4,020
Total		**993,775**	**(939,306)**	**54,469**

Finally, Note 7.2 on financial liabilities of these disclosures presents the balance and the impairment methodology of the investments in this chapter. It is important to note that, at the end of each reporting period, the Companies assess whether there is any probability that a financial asset or group of financial assets measured at amortized cost or available-for-sale may be impaired.

To recognize the impairment loss, the Companies reduce the carrying amount of the associated asset and recognize the loss in profit or loss. If in subsequent periods, the value of the impairment loss decreases and the decrease could be objectively related to an event subsequent to the recognition of the impairment, the previously recognized impairment loss must be reversed.

2.1.1.3 Credit Risk Management in Third Party Resource Management

In its activity of Third-Party Resource Management and in compliance with its fiduciary duty, the management of the funds includes a due diligence process for the issuers, counterparts, and fund managers, in which they are invested.

For this, it has independent risk teams, both functionally and organizationally, from the investment areas. These teams are responsible for monitoring the investment portfolios, monitoring levels of market risk, credit, liquidity, and other circumstances that may have a negative impact on the return of the portfolios. It is the responsibility of the risk team to warn about the possible breach of the defined limits, both internal and regulatory, and raise said alerts to the Risk Committee to order the necessary corrections.

2.1.1.4 Impairment of assets and accounts receivable

The Companies periodically analyze the existence of impairment indicators and, if necessary, recognize impairment losses in the associated account.

As defined in IFRS 9, impairment is recognized as the expected or prospective loss of financial assets, considering a 12-month or whole-life approach to the instrument. In the Companies, both approaches will be applied, based on the type of instrument and the credit conditions of the counterparty.

Specifically, for accounts receivable of associates with the client portfolio, the Companies use the general or 12-month approach considering the nature of the policies and the cancellations associated to them. Based on available historical information, an impairment percentage is calculated for each default level. A percentage that is applied prospectively from the initial moment of the portfolio and is updated over time.

For accounts receivable derived from reinsurance contracts, generally for the entire region, the individual financial strength of each reinsurer is reviewed and the percentage of impairments, associated with each, is estimated. Each subsidiary, according to its market characteristics can consider the payment agreements already established. The percentages are updated in a general manner for all subsidiaries annually.

On the other hand, given that the volume of negotiation of the Company, through coinsurance contracts, is not a relevant item, and that additionally, the accounts receivable associated with this, are not representative of the total accounts receivable. Each subsidiary uses the criteria obtained in the accounts receivable model of the client portfolio.

Finally, for portfolio investments, the financial strength of each counterparty is analyzed through the Credit Risk Process of each subsidiary and "default" probabilities published by international risk rating agencies, are used, in order to maintain a prospective approach, in the calculation.

It is important to highlight that, regarding the operations of third-party funds administration, securities brokerage, and insurance, considering the accounting policy for the recognition of income and the valuation of financial instruments, the entry into force of IFRS 9 did not impact the financial statements or on the equity position of the Companies.

Detailed information on the methods and tests for impairment of financial assets, non-financial assets, accounts receivable, reinsurance and coinsurance can be found in Note 7.1.3 Impairment of financial assets.

2.1.2 Market Risk Management

Market risk management seeks to mitigate the impact of variations in market prices, on the value of the portfolios that are managed and the revenues of the Companies.

For this, both the portfolios of insurers and the processes of portfolio management, and third-party resources, Market Risk Management Systems have, through which the exposures are identified, measured, and monitored. These systems are composed of a set of policies, procedures, and internal monitoring and control mechanisms that allow for the integral management of this risk.

In turn, the Companies periodically estimate the impact that fluctuations in variables such as interest rates, exchange rates and asset prices may have on the results of the year in question. In addition, in order to mitigate the exposure to these risks and the volatility that characterizes them, the Company determines the convenience of developing hedging schemes with financial derivatives.

2.1.2.1 Market Risk Management in Treasuries

In the treasuries of Grupo SURA, Suramericana and SURA Asset Management, market risk management focuses on exposures to currency risk and interest rate risk derived from financial debt.

For further details on financial debt and derivatives, refer to Note 7.1 Financial Assets and Note 7.2 Financial Liabilities.

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

- Liquidity management in the treasury through exposure to collective portfolios and issuers of fixed income instruments; these activities do not generate significant market risk, due to their low volatility and short duration.
- Financial liabilities contracted in foreign currency and those tied to variable rates, which result in exposure to exchange rate risk and fixed or variable interest rate.
- Operations with financial derivative instruments structured as hedging mechanisms for the financial liabilities that comprise the obligations of the Company.

During 2021, in order to increase the hedging range of the existing debt in dollars for the bond maturing in 2026, Grupo SURA increased the hedging ceilings by purchasing call options at those levels where it had a cap. In this way, the company is left with a complete hedge of the bond's principal, which manages volatility in the financial statements and mitigates the risk of payment in dollars at maturity.

At the same time, the Company acquired a new variable rate financial obligation, more specifically, tied to IBR. This obligation modifies the Company's exposure to interest rate risk; however, given the composition of the consolidated debt and its diversification between fixed and variable rates, it was concluded that it was advisable to do so.

Finally, during the year, all bank loans in Colombian pesos were refinanced, lengthening their maturities and reducing their interest rates, thus achieving a better maturity profile and a lower cost of debt.

In the case of **Suramericana S.A**, there are the following exposures to market risk:

- Suramericana has, within its accounts, liquidity positions that it handles in accordance with the obligations presented with the different interest groups. In this way, and in accordance with the dividend and capitalization schedules, as well as the commitment acquired in the capital market, resources are managed in Colombian pesos and in US dollars, seeking to optimize exchange risk and take advantage of short-term returns. In this way and taking into account that all the subsidiaries of Suramericana S.A. operate in different countries, with different functional currencies, a foreign exchange risk is generated when exchanging flows between the subsidiaries and Suramericana SA, either due to concepts of capitalization, undercapitalization, and dividend distribution.
- On the other hand, and as a result of the issuance made in 2016 in the Colombian public securities market of ordinary bonds for $ 1 billion pesos, the Company is exposed to inflation risk in Colombian pesos. This risk is mitigated to a great extent with the revenues from the Insurance operation in Colombia, which are denominated in Colombian pesos.

For their part, **SURA Asset Management**, from the treasuries, has the following exposure to market risk:

- The different business units have unrestricted capital constituted with retained earnings. The investment of such capital is mainly invested in fixed income assets, mutual funds, cash and banks; aligned with the uses that will be given to them, among them: dividend payments or reinvestments in the business units in accordance with their strategic plans.

Currency risk: it has been decided to maintain unrestricted capital invested in local currencies in accordance with their planned uses.

- On the other hand, within the Capital Structure of SURA Asset Management, there is a debt component composed of a bond issued in the international market and bank debt. Since most of the debt is denominated in USD, this generates an exchange rate matching risk, since the financial results of the subsidiaries of SURA Asset Management are in local currencies and there is an exchange rate risk for their transfer to SURA Asset Management.

2.1.2.2 Market Risk Management in the portfolios of insurers

In Suramericana, for the management of market risk, in the portfolios of the Insurers, methodologies, limits, and/or alerts are established, in accordance with the internal policies and the rules applicable to each of the countries, where the Companies are present. In addition, the companies carry out the construction and joint formulation of methodologies that ensure joint management of assets and liabilities (Asset Liability Management - ALM), allowing for the identification and management of market risks, with a comprehensive view, of the balance. Other measures that are taken into account for the management of this risk are: Value at Risk, Sensibilities, and Simulations.

For its part, SURA Asset Management performs market risk management, framed in a process of joint Asset and Liability Management (ALM), dynamic, and continuous. This process starts with the analysis of the liabilities profile of SURA Asset Management, and is based on, the appetite for risk and return. A strategic allocation of assets is determined, which takes into account its feasibility of implementation, based on market conditions (liquidity and depth) and the distribution of the current investment portfolio (especially in relation to the maturity term and accrual rates).

2.1.2.2.1 Exposure to currency in the portfolios of insurers

The currency exposures of the portfolios of the insurers are presented below.

Assets, in each Country, by type of currency - 2021					
Country	**Local currency ***	**Real local currency ****	**USD**	**Other**	**Total**
		Suramericana			
Argentina	53%	-	47%	-	100%
Bermuda	-	-	100%	-	100%
Brazil	100%	-	-	-	100%
Chile	5%	94%	1%	-	100%
Colombia	69%	25%	6%	-	100%
El Salvador	-	-	100%	-	100%
Mexico	88%	5%	7%	-	100%
Panama	-	-	100%	-	100%
Dom.Rep	72%	-	28%	-	100%
Uruguay	45%	18%	37%	-	100%
		SURA Asset Management			
Chile Seguros	0%	100%	0%	0%	**100%**
Mexico (Discontinued Op.)	0%	0%	0%	0%	**0%**

Assets, in each Country, by type of currency - 2020

Country	Local currency *	Real local currency **	USD	Other	Total
		Suramericana			
Argentina	60%	-	40%	-	100%
Bermuda	-	-	100%	-	100%
Brazil	100%	-	-	-	100%
Chile	11%	89%	-	-	100%
Colombia	72%	20%	8%	-	100%
El Salvador	-	-	100%	-	100%
Mexico	93%	3%	4%	-	100%
Panama	-	-	100%	-	100%
Dom.Rep	76%	-	24%	-	100%
Uruguay	29%	30%	41%	-	100%
		SURA Asset Management			
Chile Seguros	0%	100%	0%	0%	**100%**
Mexico (Discontinued Op.)	0%	81%	19%	0%	**100%**

This table includes the Unit Linked funds (product of insurance and savings component offered by insurers of SURA Asset Management), because they are included in the financial statements of the Companies, even though the risk of the performance of the investment is assumed by the insured.
**Local currency: Colombia - COP, Panama - PAB, Dominican Republic - DOP, El Salvador - SVC, Chile - CLP, Mexico - MXN, Peru - PEN, Uruguay - UYU, Brazil - BRL.*

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

Analysis of sensitivity to exchange rate risk in the portfolios of the insurers

The following is a sensitivity analysis that measures the impact that a movement in the exchange rate would have on the Companies' pre-tax profits.

The methodology used to perform the exchange rate sensitivity analysis was to take the foreign currency exposure of the company on both the asset and liability sides of the balance sheet of the Company, evaluating a -10% variation in the exchange rate and taking the impact as the difference in pre-tax earnings.

The net income obtained, is as follows

Sensitivity to the exchange rate		
(-10%) in Exchange rate	**Impact on profit, before taxes 2021**	**Impact on profit, before taxes 2020**
	Suramericana	
Argentina	(36,739)	(11,371)
Brazil	(6,114)	(1,536)
Chile	(461)	(6,269)
Colombia	(10,171)	(13,474)
Mexico	(244)	(282)
Dominican Republic	(2,233)	(5,009)
Uruguay	(809)	(-1)
Total	**(56,771)**	**(37,941)**

For the management of exchange rate risk, the Companies realized their hedging operations, in accordance with the guidelines, issued by their Board of Directors and/or their business strategies.

The company Seguros SURA Colombia has investments that support the technical reserves resulting from the insurance activity; a percentage of these investments show changes in their fair value attributed to the exposure to foreign currency and/or interest rate risk.

The Company hedged the following instruments for the following amounts:

- Ecopetrol bond maturing in September 2023 with semiannual coupon payment of 5.875%.
- The amount of the hedge is USD 1,5000,000,000 and corresponds to the nominal value and coupon payment of the hedged item.
- SACI Falabella bond maturing in April 2023 with semi-annual coupon payment of 3.750%.
- The amount of the hedge is USD 4,000,000 and corresponds to the nominal value and coupon payment of the hedged item.

2.1.2.2.2 Exposure to interest rate in the portfolios of insurers

Below is the distribution of the exposures to the Fixed tax and Variable tax, of the insurers' portfolios.

Exposure on Fixed tax and Variable tax 2021								
	Fixed tax			Variable tax				
Country	Fixed rate	Variable rate	Subtotal	National	Foreign	Subtotal	Others	Total
			Suramericana					
Argentina	50%	50%	100%	0%	0%	0%	**0%**	**100%**
Bermuda	100%	0%	100%	0%	0%	0%	**0%**	**100%**
Brazil	0%	100%	100%	0%	0%	0%	**0%**	**100%**
Chile	0%	96%	96%	0%	4%	4%	**0%**	**100%**
Colombia	47%	41%	88%	8%	4%	12%	**0%**	**100%**
El Salvador	100%	0%	100%	0%	0%	0%	**0%**	**100%**
Mexico	93%	7%	100%	0%	0%	0%	**0%**	**100%**
Panama	100%	0%	100%	0%	0%	0%	**0%**	**100%**
Dominican Republic	99%	0%	99%	0%	1%	1%	**0%**	**100%**
Uruguay	100%	0%	100%	0%	0%	0%	**0%**	**100%**
			SURA Asset Management					
Chile	78%	4%	**82%**	0%	0%	**0%**	**18%**	**100%**
Mexico (Discontinued Op.)	100%	0%	**100%**	0%	0%	**0%**	**0%**	**100%**

Exposure on Fixed tax and Variable tax 2020								
	Fixed tax			Variable tax				
Country	Fixed rate	Tasa Variable	Subtotal	National	Foreign	Subtotal	Others	Total
			Suramericana					
Argentina	41%	59%	**100%**	0%	0%	0%	0%	**100%**
Bermuda	100%	0%	**100%**	0%	0%	0%	0%	**100%**
Brazil	1%	99%	**100%**	0%	0%	0%	0%	**100%**
Chile	96%	0%	**96%**	0%	4%	4%	0%	**100%**
Colombia	46%	43%	**89%**	8%	3%	11%	0%	**100%**
El Salvador	100%	0%	**100%**	0%	0%	0%	0%	**100%**
Mexico	93%	7%	**100%**	0%	0%	0%	0%	**100%**
Panama	100%	0%	**100%**	0%	0%	0%	0%	**100%**

Exposure on Fixed tax and Variable tax 2021								
Dominican Republic	99%	0%	**99%**	0%	1%	1%	0%	**100%**
Uruguay	100%	0%	**100%**	0%	0%	0%	0%	**100%**
			SURA Asset Management					
Chile	80%	0%	**80%**	0%	0%	**0%**	**20%**	**100%**
Mexico (Discontinued Op.)	100%	0%	**100%**	0%	0%	**0%**	**0%**	**100%**

In the case of SURA Asset Management, the Unit Linked funds are included, since they are part of the financial accounts of the insurers, although the risk of the performance, of the investment, is that of the insured.

Sensitivity analysis of interest rate risk in the portfolios of insurers

The following is a sensitivity analysis that measures the impact on the companies' profits, before taxes that would have an unfavorable movement in interest rates. The tool used in each Company considers the systems and tools that each one has implemented.

Suramericana: To carry out the sensitivity analysis of the interest rate, only the investments, classified to market (fair value), and the position invested in each one, were taken, given that the liabilities, and the rest of the investments are classified at maturity. For each asset, the modified duration was calculated and weighted, by its market value. This measurement shows the impact on the price given the variation of the implicit rate. For this, a variation of 10 basis points was evaluated, and this result was applied in the Company's position. The net result obtained for each year, respectively, is:

Interest rate sensitivities - Modified duration method		
(+10pbs) in Interest Rates	**Impact on profit, before taxes 2021**	**Impact on profit, before taxes 2020**
	Suramericana	
Argentina	(2,251)	(1,026)
Bermuda	(64)	(54)
Brazil	(685)	(433)
Chile	(932)	(384)
Colombia	(1,908)	(1,189)
El Salvador	(20)	(18)
Mexico	(1,543)	(1,169)
Panama	(411)	(325)
Dominican Republic	(26)	-
Uruguay	(214)	(223)
Total	**(8,054)**	**(4,821)**

SURA Asset Management: Interest rate risk is analyzed from the following perspectives:

a. Accounting: with the adoption of IFRS 9, fixed-income assets are now classified from available for sale to amortized cost; the accounting asymmetry in equity in the face of interest rate movements has been eliminated. As a consequence of this, there is no sensitivity of results or equity to changes in interest rates.
b. Reinvestment or adequacy of Assets/Liabilities: to estimate the sustainability of this investment margin (accrual of assets over recognition of interest on liabilities), the Liabilities Adequacy Test is performed. This test verifies that the asset flows (including the projected reinvestment) together with the premiums to be collected for the existing commitments are sufficient to cover the commitment established in the reserve. In case of insufficiency, the

reserve must be strengthened and consequently the volume of assets must be increased. The following table shows the adequacy levels of the test.

Interest rate sensitivities - Interest Rate Reinvestment Perspective		
Business Unit	**Liabilities reserves 2021**	**Sufficiency of reserves 2021**
Chile	4,646,413	5.1%
Mexico (Discontinued Op.)	N/A	N/A

Interest rate sensitivities - Interest Rate Reinvestment Perspective		
Business Unit	**Liabilities reserves 2020**	**Sufficiency of reserves 2020**
Chile	4,509,619	4.4%
Mexico (Discontinued Op.)	N/A	N/A

Considering the sale of the annuities business in Mexico, it is important to note that all sensitivities related to liabilities for 2021 would not apply and therefore this company is reported as discontinued.

2.1.2.2.3 Risk Price variation: Real Estate and Variable Income

The portfolios of the insurance companies are exposed to risks derived from the variation in the prices of equities and real estate assets.

The following table shows the impact on pre-tax earnings of a 10% drop in the prices of equities and/or real estate assets in the insurers' portfolios.

Suramericana

Sensitivities, at the price of shares and real estate assets				
	Impact on profit before taxes 2021		**Impact on profit before taxes 2020**	
Business Unit	**(-10%) in Shares Price**	**(-10%) in Real Estate**	**(-10%) in Shares Price**	**(-10%) in Real Estate**
Argentina	-	-	(104)	-
Chile	(537)	(2,554)	-	(2,724)
Colombia	(35,191)	(62,176)	(17,802)	(64,479)
Mexico	(70)	-	-	-
Panama	(122)	-	(178)	-
Dom. R	(49)	-	-	-
Total	**(35,969)**	**(64,730)**	**(18,084)**	**(67,202)**

It should be kept in mind, that the sensitivity analyzes performed, previously do not consider the interdependence of the risks evaluated, so that the impact of these could be considerably less.

SURA Asset Management

Sensitivities, at the price of shares and real estate assets

Business Unit	Impact on profit before taxes 2021 (-10%) in Shares Price	Impact on profit before taxes 2021 (-10%) in Real Estate	Impact on profit before taxes 2020 (-10%) in Shares Price	Impact on profit before taxes 2020 (-10%) in Real Estate
Chile	(5,605)	(28,267)	(418)	(27,238)
Total	**(5,605)**	**(28,267)**	**(418)**	**(27,238)**

It should be kept in mind that the sensitivity analyzes, performed previously, do not consider the interdependence of the risks evaluated, so that the impact of these could be considerably less.

2.1.2.2.4 Risk of Volatility in the Pension Businesses

The regulation, associated with the pension business, requires that each Company must maintain a position of its own capital, invested in a reserve that acts as a reserve in case of breach of the obligations of each Company.

The following table contains the Funds Managed by SURA Asset Management's Affiliate Portfolio in the Pension Business. The figures shown do not include the assets under management of AFP Crecer, AFP Protección, nor the assets held by the insurance companies of SURA AM.

Pension Companies - Assets under Management (COP) 2021		
Country	**Mandatory**	**Voluntary**
Chile	126,110,198	6,603,255
Mexico	146,912,776	5,426,695
Peru	47,572,684	993,352
Uruguay	12,486,434	-
Total	**333,082,092**	**13,023,302**

Pension Companies - Assets under Management (COP) 2020		
Country	**Mandatory**	**Voluntary**
Chile	138,658,400	6,127,456
Mexico	116,578,761	3,678,552
Peru	56,576,298	827,821
Uruguay	9,958,701	-
Total	**321,772,160**	**10,633,829**

The regulation, associated with the pension business, requires that each Company must maintain a position of its own capital, invested in a reserve that acts as a reserve, in case of breach of the obligations of each Company.

It is important to note that the underlying assets, invested, must maintain the same proportion as the underlying assets in the Managed Funds (that is, the Company must purchase investment units from the managed funds). The following table shows the different reserve percentages, in each business unit, as a percentage of managed funds:

Percentage of reserve of managed fund	
Business Unit	**% Reserve**
Chile	1.00%
Mexico	0.61%
Peru	1.00%
Uruguay	0.50%

Faced with these investments, the Companies are exposed to market risks, which may affect the valuation of such reserves, and their Companies, we analyze the impacts that the market variables could have on the profit, before taxes, in the horizon of one year.

In the case of Mexico and Peru, where the remuneration obtained depends on the amounts administered, this exercise also includes the impact derived from the reduction in the values of the managed funds, product of the market variations.

Volatility Risk of the Pension Businesses		
Deviation	**Impact of profit, before taxes 2021**	**Impact of profit, before taxes 2020**
-10% in Variable Appraisal		
Chile	(56,628)	(50,147)
Mexico	(74,034)	(49,869)
Peru	(30,865)	(28,120)
Uruguay	(1,626)	(1,091)
Total	**(163,153)**	**(129,227)**
+100bps in Interest Rates		
Chile	(58,052)	(79,496)
Mexico	(65,001)	(36,847)
Peru	(12,547)	(18,127)
Uruguay	(1,640)	(1,405)
Total	**(137,240)**	**(135,875)**
-10% Depreciation of FC		
Chile	(71,212)	(61,609)
Mexico	(36,663)	(18,221)
Peru	(34,666)	(36,242)
Uruguay	(1,099)	(930)
Total	**(143,640)**	**(117,002)**

The analyzes realized, do not consider the interdependence of the evaluated risks, so that the impact of the risks could be considerably lower.

2.1.2.2.5 Risk Exposure of Seed Capital SURA Asset Management

During 2021 SURA Asset Management has participated in nine new projects by investing its Seed Capital. Likewise, seed capital invested in the Los Cedros and Rincón del Chicó trusts, whose assets were sold to FIC Inmobiliario SURA AM Rentas Inmobiliarias, was returned. By the end of 2021, the company has twenty-three projects in its investment portfolio.

The following is a brief summary of these projects, the participation of SURA ASSET Management and the capital committed to them.

Traditional Assets

Latin America Corporate Debt USD Fund

On December 14, 2020, the SURA Latin America Corporate Debt USD fund was launched, which is domiciled in Luxembourg and managed in Mexico. The objective of the fund is to achieve income and capital appreciation over the medium to long term through a diversified strategy based on investments in corporate debt instruments in Latin America. The fund seeks to invest primarily in debt instruments issued in U.S. dollars by corporate issuers whose assets and/or revenues are mostly from countries such as Mexico, Colombia, Peru, Chile, Argentina and Brazil. In addition, the fund seeks to invest in a diversified portfolio with a medium to long term investment horizon, associated with moderate risk.

The professional fund manager is SURA Investment Management México S.A. de C.V., S.O.F.I. SURA. SURA Asset Management has invested the seed capital directly in a sub-fund of the AM SURA SICAV.

SURA Deuda Latinoamericana Investment Fund (Feeder Fund)

On August 21, 2020, the SURA Deuda Corporativa Latinoamericana Investment Fund was launched, which is domiciled and managed in Chile. The objective of the fund is to offer an investment alternative for individuals and/or legal entities interested in carrying out financial operations in a diversified portfolio with a medium- and long-term horizon associated with a medium risk, providing adequate liquidity, through a portfolio composed mainly of debt instruments issued by institutions participating in the Latin American market. The fund seeks to invest in a diversified portfolio with a medium to long term investment horizon, associated with moderate risk.

On December 4, 2020, changes to the regulations of the fund came into effect, with the new objective of investing in quotas of the fund domiciled in Luxembourg called AM SURA - Latin America Corporate Debt USD ("Master Fund"). According to its Prospectus and Annexes (Internal Regulations of the Master Fund), the objective of the Master Fund is to carry out financial operations in a diversified portfolio with a medium- and long-term horizon, through a portfolio composed mainly of debt instruments issued by institutions participating in the Latin American market.

The professional manager of the fund is Administradora General de Fondos SURA S.A.; SURA Asset Management has invested the seed capital in the fund through SURA Asset Management Chile Sociedad de Inversión S.A.

FIC SURA Multiactivo

FIC SURA Multiactivo Conservador

The fund, which began operations in July 2021, is aimed at providing its investors with an on-demand investment alternative with a MODERATE risk profile, through fixed income investments with an emphasis on the local market, and to a lesser extent, in local and international equities.
As of December 31, 2021, the total commitment of COP 1,907 million (USD 0.5 million) was fully disbursed. The book value of the participation is COP 1,921 million (USD 0.5 million).

FIC SURA Multiactivo Moderado

The fund, which began operations in July 2021, is aimed at providing its investors with an on-demand investment alternative with a moderate risk profile, through active management with emphasis on fixed income and variable income in local and international markets.
As of December 31, 2021, the total commitment of COP 1,907 million (USD 0.5 million) was fully disbursed. The book value of the participation is COP 1,337 million (USD 0.5 million).

FIC SURA Multiactivo Crecimiento

The fund, which began operations in July 2021, is aimed at providing its investors with an investment alternative with a high-risk profile, through active management mainly in equities with emphasis on international markets, and to a lesser extent, in local and international fixed income. As of December 31, 2021, the total commitment of COP 1,907 million (USD 0.5 million) was fully disbursed. The book value of the participation is COP 1,875 million (USD 0.5 million).

FIC SURA Renta Fija Colombia

Renta Fija Colombia is a collective investment fund of an open-end nature with a covenant of permanence. Its objective is to provide investors with an investment instrument focused on fixed

income assets issued mainly in Colombia, with an expected return higher than that of a demand portfolio, with a moderate risk profile. The fund began operations on November 2, 2021.
As of December 31, 2021, the total commitment of COP 18,728 million (USD 4.7 million) was fully disbursed. The book value of the participation is COP 18,687 million (USD 4.7 million).

Alternative Assets

Infrastructure Fund

Credicorp Capital-SURA Asset Management 4G Infrastructure Fund

At the end of 2015, SURA Asset Management and Credicorp Capital entered into a strategic alliance to develop a debt fund to finance infrastructure projects in the region. As a result of this effort, the Credicorp Capital-SURA Asset Management 4G infrastructure fund was born, raising commitments from institutional investors in the amount of COP 1.4 billion (USD 352 million).

After six years of operation, the fund has invested 98.5% of the committed capital in the financing of four road concession projects (Pacifico 3, Neiva-Girardot, Bogotá-Villavicencio and Ruta del Cacao).

Due to the nature of the investments, this capital will be exposed to the risk of financial volatility due to possible deviations in the valuation of the projects.

The capital committed by SURA Asset Management through its subsidiary SURA Asset Management Chile, in this fund amounts to COP 75,000 million (USD 18.8 million), of which COP 57,951 million (USD 14.6 million) have been called as of December 31, 2021. The book value of the participation amounts to COP 65,158 million (USD 16.4 million).

Infrastructure Liquidity Line Fund

During 2021, the professional manager (UPI) continued working on raising resources for the second sub-fund of the 4G fund, whose objective is to grant a liquidity line to the credit structures of the 4G infrastructure projects. As a result of these efforts, the sub-fund has five investors and a total committed capital of COP 70,000 million (USD 20.4 million).

The capital committed by SURA Asset Management (through its subsidiary SURA Investment Management S.A.S.) in this sub-fund amounts to COP 10,000 million (USD 2.5 million), of which COP 21.7 million (USD 0.01 million) have been called. The book value of the participation as of December 31, 2021 is COP 89.2 million (USD 0.02 million).

Infrastructure Investment Fund -AM SURA - Credicorp Capital

Continuing with the growth and development of the infrastructure platform, the strategic alliance of SURA Asset Management and Credicorp Capital successfully completed the final closing of the AM Sura - Credicorp Capital Infrastructure PIF in 2021, with commitments totaling USD 95.5 million. The Fund's mandate is to invest in the capital of infrastructure projects located in countries that make up the Pacific Alliance. Of the current commitments Sura Asset Management through Fondos Sura SAF committed USD 2.8 million. As of December 31, 2021, calls for USD 0.6 million have been met and the book value of the participation is USD 1.0 million.

In the course of two years, the Professional Manager has managed to materialize two investments for a combined value of more than USD 40.0 million, the first investment was made in 2020 and corresponds to the controlling acquisition of a road platform located in Mexico, which was subsequently listed on the Mexican Stock Exchange through a Real Estate Investment Trust, *(FIBRA, acronym Spanish original)*. The second materialized in 2021 and corresponds to a greenfield port project of strategic relevance located in the department of Antioquia in Colombia.

Road Investment Fund Perú AM SURA - Credicorp Capital

This investment alternative enabled the acquisition of 16.2% of the class B shares of the road concessionaire Norvial. The fund received commitments for a total value of USD 10.9 million, of which SURA Asset Management through Fondos Sura SAF committed USD 240,000. As of December 31, 2021, 100% of the commitment had been called, additionally, SURA Asset Management received a distribution equivalent to USD 9,083. In this sense, the net value disbursed by SURA Asset Management in this vehicle is USD 230,917. The book value of the interest as of December 31, 2021 is USD 186,350.

Compartment A of FCP Deuda Infraestructura II Sura - Credicorp Capital

In November 2021, the first closing of the second Debt Fund for Infrastructure in Colombia was achieved, a vehicle that will allow the financing of Fourth and Fifth Generation Road and airport projects in Colombia. The Fund received commitments for COP 1.37 billion (USD 344.1 million), of which Sura Asset Management through its subsidiary SURA Asset Management Chile committed COP 28 billion (USD 7.0 million). As of December 31, 2021, COP 5.1 million (USD 1,283) have been called and their book value is COP 5.1 million (USD 1,283).

Real Estate

Private Equity Fund FCP SURA Asset Management Real Estate Development

The main objective of this fund is to obtain long-term capital gains and/or other operating income by investing in real estate projects located in Colombia, Chile and/or Peru, participating directly or through strategic developers, in the design, construction, development, operation and/or management of such assets, for commercial, office, hotel or industrial uses.

The fund received total commitments of COP 294,338 million (USD 73.9 million), of which SURA Asset Management through its subsidiary SURA Asset Management Chile S.A. committed COP 5,886 million (USD 1.5 million). As of December 31, 2021, 97% equivalent to COP 5,683 million (USD 1.4 million) has been called. The book value of the investment at December 31, 2021 is COP 5,366 million (USD 1.3 million).

Given the nature of the fund, the invested capital is exposed to the risk of financial volatility due to changes in the valuation of the real estate projects derived from the fund and to deviations in the behavior of currencies because the projects may be located in different countries.

SURA private real estate investment fund

The private real estate investment fund is managed by Fondos SURA SAF (Peru) and invests in a single asset located in the city of Lima, with the objective of managing its occupancy, stabilizing it and subsequently selling it to a real estate rental fund.

The initial seed capital investment in this fund amounted to USD 24.7 million. During 2019, 2 capital returns were made, the first for USD 7.4 million on July 5. The second for USD 3.3 million on November 21. During 2020 a capital repayment of USD 6.0 million was made on December 17. The balance as of December 31, 2021 amounts to USD 8.0. The book value of the invested balance at December 31, 2021 is USD 8.1 million.

Sura Renta Inmobiliaria III Mutual Fund

The SURA Renta Inmobiliaria III Investment Fund aims to invest in stabilized assets in Chile, in the office, industrial and retail segments. The fund began operations in January 2019 obtaining investment commitments of 1,091,745 unidades de fomento. On August 31, 2019, it held its second closing reaching commitments of 2,051,585 unidades de fomento.

As of December 31, 2021, Sura Asset Management Chile has made net seed capital disbursements of CLP 7,642 million (USD 9.0 million). The book value of the participation as of November 2021 is CLP 9,610 million (USD 11.3 million). [1]

Investment Fund SURA Rentas Mexico

In September 2021, the Company acquired 80% of the trust rights of a trust whose only asset is a class A industrial building located in Ciudad Juarez, Mexico. The industrial building has 27,759 m2 of GLA and a medium-term, dollarized, triple net lease with no possibility of early exit. The value of the asset is USD 20.8 million, which is the anchor asset of Fondo Mexico Rentas, an investment vehicle in the process of incorporation and commercialization.

The main objective of this fund is capital preservation, cash flow generation and capital appreciation through a portfolio of real estate located in Mexico, with income in USD and MXN. The portfolio focuses on industrial, office and retail assets.

As of December 31, 2021, Sura Asset Management Chile has made seed capital disbursements of USD 14.8 million, which have a book value of investment of USD 14.8 million at year-end.

Private Debt

Colombia Corporate Debt Fund

The Colombia Corporate Debt Investment Fund, launched on October 1, 2020, aims to invest in senior credit instruments granted to small and medium-sized Colombian companies.

As of December 31, 2021, Sura Asset Management Chile has investment commitments of COP 37,505 million (USD 9.4 million). Of this amount, as of December 31, 2021 the net disbursement has been COP 27,958 million (USD 7.0 million). The book value of the participation as of December 31, 2021 is COP 29,970 million (USD 7.5 million).

[1] The quota value of the fund as of December 2021 was not available at the time of preparation of the report.

SURA Deuda Privada Investment Fund

The SURA Deuda Privada investment fund launched in the fourth quarter of 2020, managed by Administradora General de Fondos SURA S.A. (Chile), aims to provide financing to small and medium-sized companies through mechanisms that incorporate collateral and credit risk mitigation mechanisms granted by insurers and reciprocal guarantee companies.

As of December 31, 2021, the manager, through Sura Asset Management Chile, has investment commitments of CLP 4,320 million (USD 5.1 million), of which net calls of CLP 2,336 million (USD 2.7 million) have been made. Its book value is CLP 2,499 million (USD 2.9 million).

SURA Libranzas Closed-end Mutual Fund

The fund launched on December 1, 2020, aims to acquire loans granted to individuals in Colombia originated and managed by specialized credit intermediaries.

As of December 31, 2020, the manager, through Sura Asset Management Chile, had disbursed the total investment commitments of COP 18,144 million (USD 4.6 million). During the year 2021, COP 17,606 million (USD 4.4 million) was returned to the investor, with COP 538 million (USD 0.1 million) remaining to be returned. The book value of the investment at the end of December 31, 2021 is COP 751 million (USD 188,666).

SURA Peru Factor Fund

As of December 31, 2021, the manager, through Sura Asset Management Chile, has disbursed PEN 16 million (USD 4.0 million). The book value of the investment is PEN 16 million (USD 4.0 million).

FIC SURA Crédito Privado Colombia

The fund, which belongs to the Alternative Debt segment and began operations in 3Q-21, combines in its investment strategy the return of the Libranzas and the liquidity offered by financial mechanisms such as Factoring, in order to provide investors with a differential value strategy.

As of December 31, 2021 the manager, through Sura Asset Management Chile, has disbursed COP 2,659 million (USD 0.7 million). The book value of the investment is COP 2,759 million (USD 0.7 million).

Private Investment Fund Capital Estrategia SUAM

The Fund, which began operations in 2020, invests in collateralized private corporate debt strategies, that is, backed by collateral. Additionally, it may have better credit hedges through insurance and/or flow trusts to maintain a controlled level of credit risk.

As of December 31, 2021, the manager, through Sura Asset Management Chile, has disbursed USD 130,000. The book value of the investment corresponds to the same value disbursed

Other related investments

The portfolio includes two investments related to real estate assets in Colombia - land -:

In April 2020, a lot was acquired in Medellín for COP 16,500 million (USD 4.1 million), which has an area of approximately 2,600 m2 and where a real estate project is to be developed. The marketing strategy for the asset is currently being defined. The lot is located in the Fideicomiso 1 Sur in Alianza Fiduciaria, where SURA Asset Management Chile S.A. has a 100% participation.

As of December 31, 2021, the total disbursements of this initiative are COP 18,067 million (USD 4.5 million) and the equity value of the investment is COP 16,622 million (USD 4.1 millionn).

In June 2021, in alliance with Arquitectura & Concreto and FCP Sura Asset Management Desarrollo Inmobiliario, a lot was acquired in Bogota for COP 21,000 million (USD 5.3 million), which has an approximate area of 1,500 m2 and where an office building is to be developed. The company is currently awaiting the approval of the license and is working on the budget and final designs. The lot is located within the Edificio 7.84 Trust, in which SURA Asset Management Chile S.A., through PA SUAM Chile, has a 25% interest.

As of December 31, 2021, the total disbursements of this initiative are COP 15,825 million (USD 4.0 million) and the equity value of the investment is COP 14,407 million (USD 3.6 million).

2.1.3 Liquidity Risk Management

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 manage this risk, the Companies orient their actions within the framework of a short- and long-term liquidity management strategy, tending to comply with the obligations acquired, under the conditions initially agreed and avoiding incurring in cost overruns.

At the same time, the Companies carry out a proactive follow-up accompanied by projections of their cash flows in the short and medium term, so as to allow them to manage their cash collection and payment activities, as well as to anticipate future liquidity surpluses or deficits that allow for optimum management of resources.

In addition, in order to face potential situations, the Companies maintain available credit lines with national and international financial entities, as well as liquid investments in the treasuries that enable access to immediate liquidity.

2.1.3.1 Liquidity Risk Management in the Insurance Portfolios

The maturities of financial assets as of December 31, 2021 and 2020 are presented below.

Assets by months to maturity 2021										
					Suramericana					
Term (months)	Argentina	Bermuda	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom.Rep	Uruguay
0 - 1	252,716	34,970	173,310	306,578	3,934,929	71,080	272,513	61,897	88,623	69,266
1 - 3	406,185	16,409	122,054	411,789	1,003,742	79,006	186,105	113,665	178,667	120,111
3 - 12	92,790	12,520	70,027	1,004,333	1,630,997	189,264	157,276	630,305	336,359	105,810
0 - 12	751,690	63,899	365,391	1,722,700	6,569,668	339,349	615,894	805,867	603,649	295,187

Assets by months to maturity 2020										
					Suramericana					
Term (months)	Argentina	Bermuda	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom.Rep	Uruguay
0 - 1	197,122	-	233,883	411,152	3,349,830	136,418	320,438	116,981	214,546	83,444
1 - 3	235,023	3,603	51,779	597,940	1,126,123	46,497	170,484	135,780	107,297	43,053
3 - 12	150,664	51,140	44,664	694,408	1,642,977	108,192	191,649	461,909	30,590	126,615
0 - 12	582,809	54,742	330,326	1,703,500	6,118,930	291,107	682,570	714,671	352,433	253,112

Assets by months to maturity, SURA Asset Management				
	2021		2020	
Term (months)	Chile	Mexico	Chile	Mexico
0 a 1	50,390	-	47,381	31,288
1 a 3	13,933	-	44,444	-
3 a 12	121,055	-	140,007	1,277
0 to 12	185,378	-	231,831	32,566

The following are the maturities of the Companies' insurance liabilities. These values correspond to obligations derived from claims reported, claims incurred but not reported and claims estimated in the flow profile of the mathematical reserves when applicable.

Liabilities by months to maturity 2021									
				Suramericana					
Term (months)	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom.Rep	Uruguay
0 – 1	183,981	71,739	197,023	1,061,159	36,668	335,772	7,537	44,802	37,689
03-Jan	275,971	91,261	213,964	1,384,730	114,123	154,704	35,035	75,596	62,463
12-Mar	211,925	171,047	341,948	2,125,903	135,257	361,778	92,715	199,731	122,039
0 – 12	671,876	334,047	752,936	4,571,792	286,048	852,255	135,287	320,129	222,191

Liabilities by months to maturity 2020									
				Suramericana					
Term (months)	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom.Rep	Uruguay
0 - 1	129,994	11,108	454,897	940,920	28,434	315,157	5,935	16,825	33,070
03-Jan	194,991	31,773	199,938	1,302,135	88,664	147,515	21,708	33,651	55,614
12-Mar	171,242	169,589	348,962	1,971,549	102,295	341,518	85,761	139,742	77,715
0 - 12	496,227	212,470	1,003,798	4,214,604	219,394	804,190	113,404	190,218	166,399

Liabilities by months to maturity, SURA Asset Management				
	2021		2020	
Term (months)	Chile	Mexico	Chile	Mexico
0 to 1	54,747	63	53,397	63
1 to 3	28,899	126	23,478	126
3 to 12	118,466	608	110,098	608
0 to 12	202,111	797	186,973	797

2.2 Business risk management

This refers to those risks that derive from the business model and the operation of the Companies. For Suramericana and SURA Asset Management, these risks arise especially from the insurance activities, the pension businesses, and the management of third-party funds.

The following is a breakdown of the business risks, to which the Companies are exposed:

2.2.1 Management of Technical Risks of Insurers

The main technical risks that may affect the Companies are related to changes in the trend of mortality, longevity and morbidity of the population. as well as adverse deviations from accidents, sufficiency of technical reserves and the operational efficiency of the Companies.

2.2.1.1 Risk of Mortality, Longevity and Morbidity

Sensitivity analyses are then performed for sociodemographic trends that could affect a population; this is the case for mortality, which represents the percentage of deaths in a given population, morbidity, which describes the number of sick people, and longevity, which refers to the life span of individuals.

Suramericana

Life Insurance: The exposure of the Company to changes in longevity, mortality and morbidity variables is evaluated. The methodology used consists of making changes to each of the variables to obtain the magnitude of the impact on the results of the Company.

It should be noted that the sensitivity analysis presented, analyzes the effects on the annual financial statement as a result of structural changes of 10% in the behavior of mortality, morbidity and longevity of the portfolios; which has implications on the expectations of future years (not only the first year as the Risk of Volatility), affecting the value of the Long-Term Reserves of the policies.

In turn, in relation to occupational risk insurance, analyses are carried out concerning behavior and trends in occupational accidents and morbidity, as well as the trend in longevity over pension obligations. The analysis is made taking into account a 10% increase in trend behavior:

The impacts on pre-tax income for each type of risk are presented below:

Country	Risk	2021	2020
Colombia*	Longevity	(82,142)	(74,834)
	Mortality	(88,063)	(54,594)
	Morbidity	(196,248)	(148,345)

** Includes ARL*

Country	Risk	2021	2020

Panama	Mortality	(43,759)	(38,424)

Country	Risk	2021	2020
Mexico	Mortality	(2,748)	(1,885)

** Units in millions of pesos*

It should be noted that the sensitivity analysis presented considers the effects on the annual financial statements as a result of the change of some of the most important parameters in the valuation of long-term commitments with the insured. That is, it quantifies the impact of structural changes on the mortality, morbidity and longevity behavior of the portfolios. which has implications for the expectations of future years (not only the first year as the Volatility Risk), affecting the value of the long-term reserves of the policies.

SURA Asset Management

In SURA Asset Management, morbidity risk is mainly related to exposure in the Group Health Insurance business in Chile.

The exposure in Chile has decreased, due to the migration to life products with savings, which have a low exposure to mortality risk.

The following is an analysis from the perspective of structural changes of 10% in the mortality and longevity behavior of the portfolios, which reflect the effects on long-term commitments with clients.

Sensibilities *		
	SURA Asset Management	
Business Unit	Impact on Income before taxes 2021	Impact on Income before taxes 2020
	+10% in mortality	+10% in mortality
Chile	(13,452)	(7,121)
Mexico (Op. Discontinued)	N/A	N/A
Total	**(13,452)**	**(7,121)**
	+10% in mortality	+10% in mortality
Chile	(3,804)	(4,375)
Mexico (Op. Discontinued)	N/A	N/A
Total	**(3,804)**	**(4,375)**
	+10% in longevity	+10% in longevity
Chile	N/A	N/A
Mexico (Op. Discontinued)	N/A	N/A
Total	**-**	**-**

Considering the sale of the Mexican annuity business, it is important to note that all sensitivities related to 2021 liabilities do not apply.

Risk of underwriting, pricing and insufficient reserves

The risk of insufficient reserves refers to the probability of loss as a result of underestimation or overestimation in the calculation of technical reserves and other contractual obligations (share of profits, payment of guaranteed benefits, among others).

The reserve risk is manifested mainly by related changes in mortality, longevity and morbidity of the exposed population. as well as for the adverse deviations of claims and sufficiency of reserves generated by increases in the frequency of claims or severity represented in a higher value of these.

The Companies have designed and implemented actuarial methodologies and processes of sufficient development, both technical and practical, using complete and robust information that allows reasonable estimates of the obligations with the insured. There are also tools for periodic monitoring of the adequacy of reserves against their obligations, which allows them to take actions to maintain adequate levels of liabilities.

Underwriting risk, on the other hand, refers to the possibility of incurring losses as a result of inadequate policies and practices in the design of products or services or in their placement, as well as the probability of loss as a result of errors in the calculation of rates, whose premiums are insufficient to cover business costs.

These analyzes are intended to identify whether the retained premium accrued is sufficient to cover the items of the insurance Company, taking into account the loss ratio, technical and administrative expenses, financial income and the minimum return expected by the shareholder given the risk assumed.

In SURA Asset Management, for its part, the underwriting strategy is designed to avoid the risk of anti-selection and to ensure that the rates consider the actual risk status. For this, health statements and medical check-ups are available, as well as a periodic review of the claims experience and the pricing of the products. In addition, there are subscription limits to ensure the appropriate selection criteria.

Sensitivity analysis for General Insurance Companies

In the Compañía de Seguros Generales de Suramericana, sensitivity analyzes are realized to the risks of premiums and insufficient reserves.

The sensitivity analysis shows how the result of the period could have been affected due to deviations of the relevant risk variable, whose occurrence was reasonably possible at the end of the reporting period. The risks analyzed and the methods and hypotheses used in preparing the sensitivity analysis are described below.

The Company performs a sensitivity analysis of premium and reserve risks that is defined in the "QIS 5 Technical Specifications" of Solvency II. This analysis identifies the variation that these risks can have by means of adjustments of probability distributions to historical operating performance data of the different lines of business. In this sensitivity, the distributions built for the Company's risks are used and an event with a higher probability of occurrence is chosen.

The selection of this model allows the organization to understand the assumed risks and their possible deviations in a connected manner, taking into account their correlations and internal processes. Given this approach, the sensitivities are not realized by solution, but the impact of these is measured throughout the Company, as it would be in the case of materializing a deviation as the one proposed.

The corresponding sensitivity analysis, assuming an impact on pre-tax income, is presented below:

Risk - General Insurance

Country	Premiums		Claims		Total	
	2021	2020	2021	2020	2021	2020
Argentina	(26,014)	(3,804)	(27,470)	(3,394)	**(53,484)**	**(7,199)**
Brazil	(15,310)	(26,390)	(4,365)	(9,682)	**(19,675)**	**(36,072)**
Chile	(35,478)	(31,203)	(5,392)	(5,476)	**(40,869)**	**(36,679)**
Colombia	(75,783)	(68,866)	(31,062)	(21,836)	**(106,846)**	**(90,702)**
El Salvador	(11,897)	(4,148)	(2,573)	(470)	**(14,471)**	**(4,618)**
Mexico	(2,961)	(13,089)	(1,200)	(4,426)	**(4,161)**	**(17,515)**
Panama	(8,008)	(4,874)	(1,159)	(598)	**(9,167)**	**(5,472)**
Dom. Rep	(2,580)	(2,768)	(599)	(797)	**(3,179)**	**(3,565)**
Uruguay	(3,298)	(5,549)	(801)	(1,465)	**(4,098)**	**(7,014)**
Total	**(181,329)**	**(160,691)**	**(74,621)**	**(48,144)**	**(255,950)**	**(208,836)**

Real Claims vs. previous estimates for insurance companies.

The following tables set out the evolution of the latest claims - payments, reserves of foreclosures and reserves of incidents that occurred and not reported (IBNR) - for each of the subsidiaries of Suramericana for the years from 2015 to 2021.

Final claims represent the final amount that a company is expected to pay for claims in each occurrence period. Since it is not possible to know exactly the final amount to be paid by the company after the end of the policy period, actuarial estimates, IBNR Reserve, are made in order to associate such losses to the accounting year in which premium income is recorded.

By comparing the initial estimates of past claims with current estimates it is possible to observe the evolution of these estimates and how adjusted they were. The deviations as follows are mainly explained by claims in legal proceedings (civil liability, cars and transport among others), for the time that elapses between the accident and the knowledge of this by the Company (pension insurance, occupational risks) and for hedges whose development is greater than one year naturally (bonds mainly).

It is important to note that this analysis includes all the solutions of each subsidiary except EPS Colombia because, as it is a Healthcare Company, its operations are different from the rest of the subsidiaries and the fact of not registering the notified reserves would distort the analysis.

On the other hand, in order to homogenize the information, the incremental balances of payments and reserves included in the tables shown in this section of the document are transformed into Colombian Pesos (COP) taking into account the exchange rate of each year in which the information is cut off.

Below, the tables for each Country with the aforementioned information:

Table 1. Argentina, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims							
Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	376,755	367,474	365,580	370,805	375,396	380,119	376,659
2016	339,164	340,158	338,599	344,238	343,488	343,046	
2017	393,497	394,201	402,032	405,224	408,476		
2018	295,072	308,240	314,554	311,227			

2019	310,338	322,543	319,476
2020	237,101	232,133	
2021	356,315		

Payment of accumulated claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	172,958	245,965	254,622	254,903	249,409	250,904	245,520
2016	157,062	228,683	228,228	222,332	219,498	217,653	
2017	184,243	227,931	218,796	222,987	222,371		
2018	120,960	169,517	166,544	159,941			
2019	115,078	159,362	152,239				
2020	76,941	129,128					
2021	148,740						

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	376,659	245,520	131,139	96	1.6%
2016	343,046	217,653	125,393	(3,881)	0.2%
2017	408,476	222,371	186,106	(14,979)	-0.2%
2018	311,227	159,941	151,286	(16,155)	-4.3%
2019	319,476	152,239	167,237	(9,138)	-3.8%
2020	232,133	129,128	103,005	4,968	2.1%

Table 2. Brazil, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	215,535	209,882	211,737	210,573	210,986	212,201	210,779
2016	263,585	252,395	247,657	247,058	245,693	248,495	
2017	272,744	264,533	259,063	259,978	258,615		
2018	255,276	281,237	272,293	261,067			
2019	286,312	287,441	282,158				
2020	291,683	276,271					
2021	341,006						

Payment of accumulated claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	111,570	181,266	187,870	189,728	189,183	189,564	191,275
2016	148,169	205,856	210,972	212,350	213,887	215,032	
2017	147,532	209,910	218,897	220,310	219,958		

2018	149,328	212,570	226,233	227,922
2019	174,741	230,176	235,079	
2020	165,132	251,233		
2021	214,119			

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	210,779	191,275	19,504	4,756	2.4%
2016	248,495	215,032	33,463	15,090	6.4%
2017	258,615	219,958	38,657	14,129	3.1%
2018	261,067	227,922	33,145	(5,791)	-9.2%
2019	282,158	235,079	47,080	4,154	-0.4%
2020	276,271	251,233	25,038	15,412	5.6%

Table 3. Chile, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	824,557	761,248	735,925	735,491	740,682	738,748	739,564
2016	983,043	910,643	907,522	908,080	908,800	904,811	
2017	1,496,172	1,421,934	1,407,472	1,391,227	1,386,882		
2018	674,978	745,314	731,353	731,779			
2019	1,313,590	1,326,563	1,230,485				
2020	850,727	871,423					
2021	871,393						

Payment of accumulated claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	301,238	682,592	738,432	745,933	748,600	751,485	753,075
2016	493,728	874,482	914,885	928,746	935,522	939,200	
2017	590,094	1,144,965	1,303,265	1,313,207	1,322,820		
2018	390,483	621,647	661,535	694,384			
2019	441,790	1,008,636	1,097,075				
2020	476,065	652,846					
2021	481,398						

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation

2015	739,564	753,075	(13,511)	84,993	12.1%
2016	904,811	939,200	(34,389)	78,232	8.3%
2017	1,386,882	1,322,820	64,062	109,290	5.2%
2018	731,779	694,384	37,394	(56,800)	-9.4%
2019	1,230,485	1,097,075	133,410	83,105	-1.0%
2020	871,423	652,846	218,577	(20,696)	-2.4%

Table 4. Colombia General, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	784,687	857,084	881,541	896,299	889,649	894,095	897,425
2016	991,349	1,061,532	1,097,242	1,094,485	1,098,545	1,104,032	
2017	1,072,548	1,107,989	1,100,450	1,103,567	1,110,846		
2018	1,105,182	1,145,438	1,154,753	1,602,331			
2019	1,305,601	1,298,142	1,297,992				
2020	1,078,131	1,056,805					
2021	1,420,365						

Payment of accumulated claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	526,468	748,685	814,537	841,741	859,302	867,618	872,759
2016	679,637	958,457	1,021,704	1,053,402	1,067,472	1,077,004	
2017	692,334	969,551	1,024,539	1,053,277	1,067,706		
2018	723,197	1,003,354	1,053,174	1,484,398			
2019	838,704	1,147,082	1,201,396				
2020	642,780	917,525					
2021	793,550						

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	897,425	872,759	24,666	(112,738)	-12.5%
2016	1,104,032	1,077,004	27,027	(112,683)	-9.7%
2017	1,110,846	1,067,706	43,140	(38,298)	-3.2%
2018	1,602,331	1,484,398	117,933	(497,149)	-31.0%
2019	1,297,992	1,201,396	96,596	7,609	0.6%
2020	1,056,805	917,525	139,280	21,326	2.0%

Table 5. Colombia Life, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims							
Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	1,548,020	1,631,158	1,706,466	1,705,841	1,726,750	1,770,590	1,774,751
2016	1,883,116	1,978,997	2,005,893	2,038,455	2,088,203	2,085,450	
2017	2,161,311	2,297,093	2,305,543	2,343,480	2,336,854		
2018	1,833,951	1,818,937	1,850,981	1,874,000			
2019	2,170,022	2,194,369	2,222,752				
2020	2,610,355	2,558,087					
2021	3,423,400						

Payment of accumulated claims							
Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	858,111	1,302,620	1,480,798	1,566,528	1,608,921	1,637,819	1,652,997
2016	1,004,682	1,554,497	1,798,113	1,881,106	1,917,563	1,952,442	
2017	1,183,810	1,817,713	2,034,689	2,103,797	2,079,957		
2018	1,260,101	1,604,968	1,661,330	1,718,792			
2019	1,492,383	1,897,625	1,992,036				
2020	1,505,761	2,085,958					
2021	2,350,252						

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	1,774,751	1,652,997	121,753	(226,731)	-9.3%
2016	2,085,450	1,952,442	133,008	(202,334)	-6.1%
2017	2,336,854	2,079,957	256,896	(175,543)	-5.9%
2018	1,874,000	1,718,792	155,208	(40,049)	0.8%
2019	2,222,752	1,992,036	230,716	(52,730)	-1.1%
2020	2,558,087	2,085,958	472,129	52,268	2.0%

Table 6. Mexico, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims							
Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	131,737	133,713	133,196	134,635	135,429	132,002	132,002
2016	113,148	114,894	119,073	119,701	115,780	117,149	
2017	122,253	137,913	146,686	141,858	121,870		
2018	177,307	184,605	180,115	156,689			
2019	198,056	181,406	158,403				

2020	201,223	159,762
2021	195,015	

Payment of accumulated claims							
Year	**During the same year**	**One year later**	**Two years later**	**Three years later**	**Four years later**	**Five years Later**	**Six years Later**
2015	98,456	125,968	142,965	144,818	125,489	112,629	112,629
2016	88,089	129,493	136,569	119,023	104,005	105,534	
2017	96,885	151,005	147,302	130,957	111,773		
2018	128,001	177,257	166,117	145,531			
2019	114,443	154,474	146,864				
2020	102,523	143,794					
2021	109,739						

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	132,002	112,629	19,373	266	-2.2%
2016	117,149	105,534	11,615	(4,001)	-5.0%
2017	121,870	111,773	10,097	382	-11.4%
2018	156,689	145,531	11,159	20,618	-4.0%
2019	158,403	146,864	11,540	39,653	9.2%
2020	159,762	143,794	15,968	41,461	26.0%

Table 7. Panama, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims							
Year	**During the same year**	**One year later**	**Two years later**	**Three years later**	**Four years later**	**Five years Later**	**Six years Later**
2015	138,173	133,480	131,987	131,432	119,377	119,798	115,934
2016	162,952	151,870	146,537	132,398	132,614	117,056	
2017	163,783	156,106	125,653	125,883	122,646		
2018	140,866	129,760	129,661	124,112			
2019	138,651	148,086	149,508				
2020	110,531	131,721					
2021	185,406						

Payment of accumulated claims							
Year	**During the same year**	**One year later**	**Two years later**	**Three years later**	**Four years later**	**Five years Later**	**Six years Later**
2015	94,870	122,684	126,549	128,504	117,518	117,869	114,164
2016	75,939	135,860	143,925	132,752	132,833	117,719	
2017	82,226	145,333	130,626	130,785	127,965		
2018	87,978	128,610	131,102	126,645			

2019	97,613	145,969	151,725
2020	64,816	134,529	
2021	130,005		

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	115,934	114,164	1,769	22,240	5.1%
2016	117,056	117,719	(663)	45,896	11.2%
2017	122,646	127,965	(5,319)	41,137	4.9%
2018	124,112	126,645	(2,533)	16,754	8.6%
2019	149,508	151,725	(2,217)	(10,858)	-6.4%
2020	131,721	134,529	(2,807)	(21,191)	-16.1%

Table 8. Dominican Republic, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims							
Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	42,028	41,112	40,258	41,119	44,096	43,626	43,626
2016	51,452	47,379	48,120	51,413	51,297	51,297	
2017	63,152	42,985	43,284	43,399	42,794		
2018	72,055	83,213	77,971	54,050			
2019	62,414	58,082	54,629				
2020	47,302	44,334					
2021	70,109						

Payment of accumulated claims							
Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	23,724	33,534	35,652	36,758	39,497	39,542	39,542
2016	30,195	41,535	43,497	46,596	46,716	46,716	
2017	29,688	41,650	41,456	41,675	44,076		
2018	40,388	51,146	65,210	51,975			
2019	37,608	49,638	52,725				
2020	19,847	46,270					
2021	48,286						

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	43,626	39,542	4,083	(1,598)	2.2%
2016	51,297	46,716	4,581	155	6.9%
2017	42,794	44,076	(1,282)	20,358	46.9%
2018	54,050	51,975	2,075	18,005	-13.4%

2019	54,629	52,725	1,903	7,785	7.5%
2020	44,334	46,270	(1,936)	2,968	6.7%

Table 9. El Salvador, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	236,407	267,657	263,180	252,538	237,562	237,562	237,562
2016	152,656	144,485	145,655	134,270	84,791	128,818	
2017	166,909	155,698	143,698	134,185	134,484		
2018	219,949	177,846	168,945	166,036			
2019	312,535	274,036	260,081				
2020	251,339	253,003					
2021	288,902						

Payment of accumulated claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	133,472	212,891	218,690	227,857	229,228	229,228	229,228
2016	105,473	132,109	134,036	134,764	123,416	123,477	
2017	116,528	141,990	143,969	136,551	137,631		
2018	140,029	173,918	137,148	174,654			
2019	186,165	172,501	246,081				
2020	113,266	255,437					
2021	223,632						

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	237,562	229,228	8,333	(1,155)	-6.4%
2016	128,818	123,477	5,341	23,837	4.8%
2017	134,484	137,631	(3,147)	32,424	7.2%
2018	166,036	174,654	(8,618)	53,913	23.7%
2019	260,081	246,081	14,000	52,454	14.0%
2020	253,003	255,437	(2,434)	(1,664)	-0.7%

Table 10. Uruguay, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	80,182	79,751	74,567	73,930	79,612	79,675	71,844
2016	96,658	99,959	97,922	106,467	106,614	106,614	
2017	111,054	108,950	116,841	116,803	104,298		
2018	154,977	154,443	154,945	145,949			

2019	138,611	152,155	136,720
2020	99,931	111,904	
2021	133,870		

Payment of accumulated claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	52,219	69,265	70,175	70,947	78,119	78,330	70,763
2016	69,042	94,908	97,523	104,654	105,733	105,733	
2017	75,193	107,168	116,171	117,012	106,346		
2018	99,444	148,483	151,562	147,261			
2019	100,284	136,513	136,867				
2020	73,162	110,332					
2021	88,877						

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	71,844	70,763	1,081	8,339	8.5%
2016	106,614	105,733	881	(9,957)	-1.3%
2017	104,298	106,346	(2,048)	6,756	1.9%
2018	145,949	147,261	(1,313)	9,028	0.3%
2019	136,720	136,867	(147)	1,891	-8.9%
2020	111,904	110,332	1,572	(11,973)	-10.7%

Table 11. Total Suramericana, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	4,625,710	4,749,005	4,851,482	4,857,002	4,559,539	4,608,416	4,600,144
2016	5,382,286	5,463,617	5,518,115	5,176,567	5,175,825	5,206,769	
2017	6,448,421	6,506,127	6,050,723	6,065,606	6,027,766		
2018	5,428,404	5,029,034	5,035,571	5,427,239			
2019	6,236,130	6,242,823	6,112,204				
2020	5,778,321	5,695,442					
2021	7,285,781						

Payment of accumulated claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later
2015	3,062,995	4,054,008	4,295,959	4,347,029	4,363,095	4,407,760	4,403,707
2016	3,730,450	4,780,381	4,937,233	4,993,075	5,037,287	5,033,521	
2017	4,176,034	5,436,597	5,650,567	5,710,240	5,697,500		
2018	3,713,759	4,505,440	4,609,605	5,086,711			

2019	4,276,448	5,398,719	5,642,803
2020	4,344,887	5,199,180	
2021	5,661,747		

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	4,600,144	4,403,707	196,438	(231,292)	-4.8%
2016	5,206,769	5,033,521	173,248	(135,829)	-2.5%
2017	6,027,766	5,697,500	330,266	(57,706)	-0.9%
2018	5,427,239	5,086,711	340,528	399,369	7.9%
2019	6,112,204	5,642,803	469,401	(6,693)	-0.1%
2020	5,695,442	5,199,180	496,262	82,879	1.5%

Proof of Liability Adequacy

In the insurance companies of Suramericana, the registered technical reserves are analyzed periodically, to determine if they are adequate. If, as a result of these analyzes, it becomes clear that they are not sufficient, an adjustment is realized, in accordance with the established methodologies and according to the plans established, by the organization.

In the Insurance Companies of SURA Asset Management, the Liability Adjustment Test is realized. This test seeks to verify that the bookings are sufficient, in all their dimensions (technical assumptions, expenses and discount rates). For this, it is verified that the flow of the assets (including the reinvestment projected in a manner consistent with the Company's reinvestment strategy), together with the premiums to be collected for the existing commitments, are sufficient to cover the established commitment.

Reinsurance Risk

This consists of the possibility of incurring losses, derived from inadequate reinsurance management. This situation includes the design of the reinsurance program, the placement of the reinsurance, and differences between the conditions, originally accepted by the policyholders and those accepted, in turn, by the reinsurers of the entity.

To manage this risk, part of the obligations with the insured, are transferred through proportional, non-proportional reinsurance schemes, and facultative contracts for special risks, with previously approved reinsurers. Proportional contracts allow to reduce the value exposed to risk and non-proportional contracts, limit the accident rates, and the exposure retained to catastrophes.

Despite having a defined reinsurance scheme, the organization is directly responsible for obligations to its clients, so there is credit risk with respect to the assignment, mitigated through the diversification of counterparties and by quantifying the respective credit risk.

With respect to reinsurance contracts, the Companies analyze the capacity and financial soundness of the reinsurers to meet their obligations. In order to manage this risk, their financial strength is analyzed through quantitative and qualitative variables (financial strength, market positioning, among others), in order to support decision making and comply with internal control procedures.

The participation of the most representative reinsurers with which the Company cedes risks is shown below in general terms and through an indicator of ceded premiums:

Suramericana	SURA Asset Management
Munich Re	American Bankers Life
Lloyd's	Generali

Mapfre Re	GEN Re
HDI	Hannover Re
Swiss Re	Scor Global Life
	Scotia Insurance (Barbados) Ltd
	SwissRe

Additionally, in accordance with asset impairment practices, Accounts Receivable from Reinsurers and Coinsurers are impaired under the principles and methodologies defined by the Companies. Due to their business models, this reinsurance risk is relevant for Suramericana's insurance operations, but not for the insurance operations of SURA Asset Management, whose strategy is focused on life solutions.

Risk Management in Pension Fund Administrators

Risks of the Business Variables

The Business Risks in the Pension Companies are related to the deviation in variables, that could affect the financial results of the Companies. From the perspective of this volatility risk, the financial effects are analyzed in the horizon of one year, taking into account the following variables:

Commission income behavior: the effects of a 10% decrease in commission income are analyzed.

Customer behavior: the effects of a 10% increase in the number of transfers from affiliates are analyzed.

The following table contains the effects of the Pension Business Volatility Risk, in SURA Asset Management.

Sensitivities			
SURA Asset Management			
Business Unit	**Deviation**	**Impact on profit, before taxes 2021**	**Impact on profit, before taxes 2020**
Chile	-10% in commission	(75,655)	(71,464)
Mexico	-10% in commission	(117,733)	(100,092)
Peru	-10% in commission	(35,087)	(30,789)
Uruguay	-10% in commission	(4,825)	(3,846)
Total		**(233,300)**	**(206,191)**
Chile	+10% in transfers	(5,616)	(4,487)
Mexico	+10% in transfers	(3,961)	(3,086)
Peru	+10% in transfers	(2,082)	(362)
Uruguay	+10% in transfers	(1)	(13)
Total		**(11,660)**	**(7,948)**

The presented results do not consider the interdependence of the evaluated risks.
The greatest effects stem from the risks that impact the behavior of commission income. This income can be affected for the following reasons:

(1) a reduction in commission rates (low market competitiveness, etc.);

(2) a drop in the number of contributors (unemployment, informality, etc.);

(3) a fall in the wage base due to causes not included in the previous point (fall in real wages, deflation, etc.) or,

(4) a regulatory change. In the case of Mexico (collection on assets), cause (3) is related to the fall in members' funds.

The commission sensitivity, presented here, explains any combination of the above risks that has the effect of reducing the commission collected by 10%.

With respect to the transfer risk, its magnitude has been decreasing due to the lower commercial activity in the markets where SURA Asset Management operates, mainly in Chile, Peru and Uruguay, influenced by the global pandemic.

Guaranteed Minimum Return Risks

The regulation, associated with the Pension business (with the exception of Mexico), requires that each Company maintain performance, against the other funds, in the industry. In this sense, the Companies monitor the gap between the profitability of the funds, managed by the business units of SURA Asset Management, and the return of funds from the industry.

In the event that the profitability gap is greater than that allowed, the Pension Funds Administrator must refund the sums of money, so that the yield limit is respected.

The effects of a 1pbs deviation on the minimum yield gap, if activated, are shown below.

It is important to note that, given that average return measurements are made over a period of 36 months, and the great similarity between the strategic asset allocation of the industry's funds, it is very unlikely that there will be significant deviations in the short and medium term.

Sensitivities

SURA Asset Management

Business Unit	Deviation	Impact on profit, before taxes 2021	Impact on profit, before taxes 2020
Chile			
Fund A	Deviation 1pbs against minimum profitability	(2,537)	(1,750)
Fund B	Deviation 1pbs against minimum profitability	(2,576)	(1,843)
Fund C	Deviation 1pbs against minimum profitability	(4,735)	(4,456)
Fund D	Deviation 1pbs against minimum profitability	(2,244)	(2,840)
Fund E	Deviation 1pbs against minimum profitability	(1,397)	(3,512)
Peru			
Fund 1	Deviation 1pbs against minimum profitability	(725)	(850)
Fund 2	Deviation 1pbs against minimum profitability	(3,382)	(4,143)
Fund 3	Deviation 1pbs against minimum profitability	(544)	(575)
Uruguay			
Accumulation	Deviation 1pbs against minimum profitability	(3,127)	(2,519)
Retirement	Deviation 1pbs against minimum profitability	(638)	(484)

Volatility Risk in the valuation of the deferred income provision

Those Pension Fund Administrators who charge their administration fee on a salary basis constitute a deferred income provision, in order to cover resource administration expenses, in those periods of inactivity in which the affiliate does not make contributions to the funds, but maintains its savings under the custody and administration of the Companies, without the latter receiving income from such management.

This provision is determined as the present value of the estimated costs, which are calculated on historical variables of customer behavior. This present value is determined, using the discount rate of a local AAA corporate bonds, without a prepayment option, which has a similar term to the projection horizon (20 years). For this reason, given the volatility of the discount rate, there will be variations in the valuation of the provision, which could impact the results of the SURA Asset Management Companies.

The following table contains the effects of volatility risk, in the valuation of the deferred income provision, of SURA Asset Management, as a result of variations, in the discount rates.

Sensitivities			
SURA Asset Management			
Business Unit	Deviation	Impact on profit, before taxes 2021	Impact on profit, before taxes 2020
Chile	-100pbs in Interest Rates	(2,450)	(2,663)
Peru	-100pbs in Interest Rates	(1,310)	(1,680)
Uruguay	-100pbs in Interest Rates	(221)	(212)
Total		**(3,981)**	**(4,555)**

The results presented do not consider the interdependence of the evaluated risks.

Risk Management in Funds Management Companies and Securities Brokers

Business Risks in Fund Management Companies and Brokerage Firms are related to the deviation in variables that could affect the financial results of the Company, as is the case of the performance in income from commissions.
The effects of a 10% decrease in commission income over a 1-year horizon are shown below.

Sensitivities					
SURA Asset Management					
		Impact on profit, before taxes 2021		Impact on profit, before taxes 2020	
Business Unit	Deviation	Retail	Institutional	Retail	Institutional
Chile	-10% in Administration Commission	(15,717)	(1,153)	(15,026)	(1,355)
Mexico	-10% in Administration Commission	(5,110)	(4,543)	(4,355)	(4,361)
Peru	-10% in Administration Commission	(5,813)	(1,040)	(4,500)	(1,082)
Uruguay	-10% in Administration Commission	(944)	(37)	(1,178)	(31)
Argentina	-10% in Administration Commission	-	(2)	-	(2)
Colombia	-10% in Administration Commission	-	(668)	-	(152)
Total		**(27,584)**	**(7,443)**	**(25,059)**	**(6,983)**

It is important to note that the results presented do not consider the interdependence of the risks evaluated.

2.3 Risk Management as a Business Group

In order to continue strengthening the capacity to anticipate events that may become risks, in 2021 progress was made in the Strategic Risk Management System of the Business Group, in which the Conglomerate risk has been prioritized; for which the following dimensions are highlighted and managed:

Risks associated with other portfolio investments:

Grupo SURA, has significant stakes in Grupo Bancolombia, Grupo Nutresa, and Grupo Argos, which imply an indirect exposure to the risks, derived from the business sectors, and the performance of said companies.

The risks to which Grupo Bancolombia is exposed are associated with the banking business: i) portfolio deterioration, ii) liquidity risk and iii) market risk due to adverse fluctuations in interest rates, exchange rates and asset prices. There are also other relevant risks such as changes in banking regulation, higher capital requirements, cybersecurity, fraud and others that could affect the Company.

With respect to Grupo Argos, the main risks are related to the production and distribution of products, in the cement sector, and exposure to risks, in the energy and infrastructure sector. Additionally, for its participation in these industries, there is exposure to environmental, social, and regulatory restrictions.

In the food industry, in which Grupo Nutresa participates, the main risks are derived from the volatility in the prices of raw materials, the norms on nutrition and health, in the countries where it has a presence, and the impact of business, due to the highly competitive environments in which they find themselves.

Risks associated with other companies of the Business Group:

ARUS, and Hábitat Adulto Mayor, are part of the investments in growth, that make up the SURA Grupo Empresarial.

In the case of Hábitat, an entity specializing in the care of the elderly, the Company is exposed to behavioral risks and socio-demographic changes, that could impact its current and potential clients, and therefore, the performance of the Company. Likewise, the conditions that impair services, and operations, of the business, and the issuance of norms, that regulate the sector, could affect this entity.

ARUS, a company of integrated information, technology, and knowledge solutions, is exposed mainly to the risks associated with its technological platform (operation, availability, capacity and obsolescence of the companies in this sector), risk of non-formal competitors that generate pressure in the margins of some of its business lines, and possible regulatory changes in social security payments, that could affect the Integrated Payroll Settlement (PILA) business.

2.4 Management of Operational Risks and other risks

Functional risks, or operational risks, refer to events that impede the normal development of the Company's operation, and that are associated with people, technology, and processes. When controls fail, these risks can cause reputational, legal damage, or have regulatory implications, that could result in financial and customer losses.

En la administración de estos riesgos se destacan:

- **Risk of Business Continuity:** In order to ensure adequate strategies and procedures in the event of events affecting people, processes, infrastructure and technology, the companies have Business Continuity Plans, which include procedures, strategies and response teams trained to deal with such adverse events.

  The Companies also have a response plan and processes for financial and reputational crisis management, which are essential to ensure the continuity of the operations of the Company. During 2021, as a consequence of the situation associated with COVID-19, the Company continued to assess the exposures to business continuity risks. Likewise, hybrid work schemes were implemented in anticipation of a possible scenario of strict confinement. It is considered that the risk has been adequately mitigated for the company's operations.

- **Reputational risk:** In Grupo Empresarial SURA, the perception that the different stakeholders with whom it relates have of the Companies, is a fundamental asset for the fulfillment of the strategic objectives.

A situation of discredit, bad image, negative publicity, among others, whether true or not, with respect to the Companies and their business practices could affect the different relationships with stakeholders.

The Companies have action guidelines for the management of events that may cause reputational risk and escalate into a crisis. As part of the strategy to strengthen capacities in all subsidiaries, new training programs were developed for internal teams involved in the management of these risks, as well as for the proper management of social networks by employees.

In the course of 2021, the practice of social listening through digital tools was incorporated into the reputational analysis, which seeks to support the monitoring of exposures, both in social networks and in the media.

- **Risk of fraud, corruption, bribery and LAFT (Policy for the Prevention of Money Laundry and Terrorism Financing):** Companies have provisions and guidelines to manage events that may generate this type of risk and minimize the probability of occurrence, materialization and impact of these events. In turn, they have an Integral System for the Prevention and Control of Money Laundering and Financing of Terrorism - SIPLA, which establishes procedures to avoid that these be used, without their consent and knowledge, for the administration or investment of money coming from illicit activities. The procedures established include due diligence in the involvement of suppliers, investors, among other interest groups, and periodic monitoring, follow-up and checking activities on international restrictive lists.
- **Legal Risk - Compliance:** Companies in highly regulated sectors, may be exposed to administrative processes and sanctions, in cases of non-compliance, with the guidelines issued, by the control entities, in each of the countries where they have a presence.

  In order to manage compliance with legal requirements, the Companies have legal and compliance departments, that monitor compliance with the commitments acquired, internally and externally. Additionally, with the consolidation of the compliance departments, in Grupo SURA, the articulated management of this risk, in the Corporate Group, will be strengthened through the definition of corporate guidelines.

  As of 2021, the Ethics Hotline service system of the Business Group is operated by an independent third party specialized in the management of complaints and consultations. The outsourcing of the channel offers whistleblowers the possibility of accessing new communication channels, both for the submission of complaints and for the follow-up of their case and with 24/7 attention, in addition to strengthening the prevention of possible conflicts of interest in the reception and classification of complaints. Since the outsourcing, the company has the following reporting channels: telephone line, WhatsApp, APP, email and form through the website, all attended by specialists in receiving cases. However, the investigation and definition of complaints remains in the hands of the internal teams of each company.
- **Process Risks:** given the relevance of some processes of the financial reports, and on the Companies' results, we have worked on the identification and management of the risks in these processes, as well as the development of strategies that allow us to strengthen the internal control, in these processes.
- **Technology and information risk:** understanding the role that technology plays in the Companies, a comprehensive assessment is developed to determine the status of this risk and the effect that it may have, on the achievement of strategic objectives, the operation and the development of projects. Last year, training on cybersecurity was realized for different departments of the Companies.

Likewise, in the face of information, the Companies permanently develop initiatives and/or information security programs, seeking to maintain confidentiality, integrity, and availability of the same. In this way, corporate guidelines are given to all subsidiaries, to develop tactical plans to protect the Companies against information security threats, and mitigate the associated risks, according to local needs.

Ongoing management of operational risks in conjunction with strategic risk management, increases the level of maturity in the understanding of risks and supports better decision making, helping the Organization in its competitiveness and sustainability.

2.5 Emerging risk management

This type of risks refers to those that have no precedence or those that have become a new phenomenon, that have their origin in trends and are difficult for the company to understand. These may have operational or strategic impacts, depending on their nature.

Taking into account the importance of the phenomena and trends in the company's strategy, Grupo SURA has been working on the management of different emerging risks, from their identification to their evaluation and analysis.

Within the 2021 developments, climate change risk management stands out. Grupo SURA, as an investment manager, must pay special attention to these climate-related risks and opportunities, mainly through its sustainable finance strategies, since the way it interacts with all sectors of the economy, through its investment portfolio, exposes it to a great diversity of risks associated with different industries.

In this regard, during 2021, Grupo SURA structured its own methodology for climate risk management, which consists of the following stages: identification of climate risks, selection of scenarios, risk prioritization, quantification and management. Thirteen risks were identified and prioritized for subsequent quantification during the year 2022. The scenarios under which the projected variables will be modeled to quantify the impact of the risk were also selected. Additionally, Grupo SURA defined its action framework that will serve to declare a clear position on this issue and exercise its role as an investment manager and active owner through continuous dialogue with the companies in its portfolio and the exchange of knowledge regarding exposure to climate risks.

2.6 Financial reporting risk management

Financial reporting risks refer to events that prevent the Company's economic reality from being adequately reflected in the external financial statements disclosed to its different stakeholders. During 2021 Grupo Sura worked on the management of such risks as part of the SOX project, initiated in 2018 and aimed at the preparation and readiness of all the necessary requirements for the fulfillment of its strategic objective of accessing international capital markets and also continuing to improve the assurance of the financial figures prepared and reported.

Thus, this year Grupo Sura continued with the management of risks associated with financial reporting and the consequent implementation and updating of 63 controls aimed at mitigating them, consisting of ensuring the completeness, accuracy, valuation, identification of rights and obligations, and presentation and disclosure of figures. During the last quarter, the testing process began with an external consultant to evaluate the quality of the controls implemented, a process that will culminate in the first half of 2022.

Likewise, from the point of view of the technology components that support the business processes, 26 general technology controls that cover the financial statement consolidation application and 12 controls that mitigate risks on 3 technological tools of the SOX scope were programmed for testing.

In the development of the design and implementation tests, 60 entity-level controls were also included, covering the components, principles and focus points of the COSO model, the internal control framework on which the Company is guided.

Based on the controls currently established in the internal control system for financial reporting, no materialization of relevant risks affecting the figures in the financial statements disclosed to stakeholders have been identified. During 2022 we will continue to perform periodic validation of controls and the necessary adjustments derived from the result of the tests, with the purpose of contributing to the improvement of the processes related to the preparation, presentation and disclosure of the Company's financial information.

NOTE 26. CAPITAL MANAGEMENT

The policy, of the Grupo SURA, is to maintain a base of solid capital, in order to preserve the confidence of investors, creditors, and the market, and sustain the future development of the business. The Company monitors the return on capital and the level of dividends paid to shareholders.

The main objective of the Capital Management of Grupo de Inversiones Suramericana is to ensure a financial structure that optimizes the company's cost of capital, maximizes the return to its shareholders and allows access to the financial markets at a competitive cost to cover its financing needs.

Grupo SURA monitors capital using a ratio of adjusted net debt to equity. For this purpose, adjusted net debt is defined as total financial liabilities, which include interest-bearing borrowings, less cash and cash equivalents.

To comply with the financial indebtedness indicators established by the rating agencies to measure the investment grade of the companies. The adjusted debt-equity ratio of Grupo SURA as of December 31 is as follows:

	December 2021	December 2020
Financial liabilities (Note 7.2) [(1)]	10,047,295	10,728,549
Cash and cash equivalents (Note 6)	(2,282,924)	(3,152,873)
Net debt	**7,764,371**	**7,575,676**
Equity (Note 14)	31,265,214	28,541,725
Adjusted debt index - equity (2)	24.83%	26.54%

(1) Includes financial obligations, bonds issued and preferred shares
(2) Net Debt/Equity

NOTE 27. RELATED PARTY DISCLOSURES

27.1. Related parties

Subsidiaries, associated companies, key management personnel, as well as entities over which key management personnel (including family members) may exercise control are considered related parties of Grupo SURA.

The following is the detail of related parties as of December 31, 2021 and 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 11.1 Investments in associates and Note 11.2 Joint ventures.

27.2. 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.

Statement of financial position:

Year ended in:	December 2021		December 2020	
	Individuals	Entities	Individuals	Entities
Assets	Key management personnel	Associates And joint ventures	Key management personnel	Associates And joint ventures
Investments	-	-	-	441,471
Insurance contract assets	-	224,280	-	1,460,370
Accounts receivable from related parties	587	43,495	5,092	111,860
Other accounts receivable	-	604	-	481,210
Investments in associated companies and joint ventures	-	-	-	11,312
Property and equipment	-	-	-	-
Other assets		-		
Total assets	**587**	**268,379**	**5,092**	**2,506,223**
Liabilities				
Financial obligations	-	145,614	-	1,235,400
Liabilities under insurance contracts	-	3,990	-	32,498
Accounts payable to related parties	-	90,500	1,216	85,877

Year ended in:	December 2021		December 2020	
Employee benefits	85,962	-	88,422	-
Other accounts payable	-	107,873	-	2,602,576
Total liabilities	**85,962**	**347,977**	**89,638**	**3,956,351**

Income statement:

Year ended in:	December 2021		December 2020	
	Individuals	Entities	Individuals	Entities
	Key management personnel (*)	Associates And joint ventures	Key management personnel (*)	Associates And joint ventures
Income				
Insurance premiums	-	70,977	-	648,432
Net return on investments at amortized cost	-	-	-	489,230
Net gain on investments at fair value	-	32	-	-
Other income	-	-	-	3,452
Total income	**-**	**71,009**	**-**	**1,141,114**

Expenses				
Insurance claims	-	21,361	-	79,063
Employee benefits	99,669	-	77,632	-
Intermediary commission expenses	-	25,214	-	295,412
Administrative expenses	-	-	-	-
Fees	7,910	-	7,310	-
Other expenses	-	-	-	21,870
Total expenses	**107,579**	**46,575**	**84,942**	**396,345**

Outstanding amounts are not guaranteed and will be settled in cash. No guarantees have been given or received. No expense has been recognized during the current or prior periods in respect of uncollectible or doubtful accounts related to amounts due from related parties.

NOTE 28. EVENTS SUBSEQUENT TO THE REPORTING DATE

These consolidated financial statements as of December 31, 2021 were prepared for supervisory purposes and authorized for issue by the Board of Directors of Grupo SURA on February 25, 2022, after that date and until their publication, there were no relevant events that could significantly affect the financial position of the Company.

NOTE 29. APPROVAL OF FINANCIAL STATEMENTS

The issuance of the financial statements of Grupo SURA for the year ended December 31, 2021 was authorized by the Board of Directors, as stated in Act No. 354 of the Board of Directors dated February 25, 2022, to be presented to the market.

ANALYSIS OF FINANCIAL RESULTS (unaudited)

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

	INDEX	December 2021			December 2020			INTERPRETATION	
INDEBTNESS	Solidity	44,636,470 / 75,901,684	=	58.81%	42,318,409 / 70,860,134	=	59.72%	Creditors own 58.81% as of December 2021 and 59.72% as of December 2020, leaving shareholders owning the complement: 41.19% in December 2021 and 40.28% as of December 2020.	Total liability / Total asset
	Total	44,636,470 / 75,901,684	=	58.81%	42,318,409 / 70,860,134	=	59.72%	Of every peso the company has invested in assets, 58.81% as of December 2021 and 59.72% as of December 2020 have been financed by creditors.	Total liability / Total asset
	Coverage of interest	2,259,022 / 734,430	=	307.59%	1,067,646 / 731,409	=	145.97%	The Company generated net income equal to 307.59% as of December 2021 and 145.97% as of December 2020 of Interest Paid	Net profit + interest / Financial expenses
	Leverage								
	Total	44,636,470 / 31,265,214	=	142.77%	42,318,409 / 28,541,725	=	148.27%	Every peso ($1.00) of the owners of the Company is committed 142.77% as of December 2021 and 148.27% as of December 2020.	Total liabilities with third parties / Equity
	Financial Total	10,047,295 / 31,265,214	=	32.14%	10,728,549 / 28,541,725	=	37.59%	For each peso of equity, 32.14% is committed financially as of December 2021 and 37.59% as of December 2020.	Total liabilities with financial entities / Equity
PERFORMANCE	Net profit margin	1,524,592 / 24,847,946	=	6.14%	336,237 / 20,873,569	=	1.61%	The net profit corresponds to 6.14% of net income in December 2021 and 1.61% of net income in 2020.	Net Profit / Net Income
	Return on equity	1,524,592 / 29,740,622	=	5.13%	336,237 / 28,205,488	=	1.19%	Net income corresponds to 5.13% of equity at December 2021 and 1.19% at December 2020.	Net Profit / Equity - profits
	Return on total assets	1,524,592 / 75,901,684	=	2.01%	336,237 / 70,860,134	=	0.47%	Net profit in relation to total assets corresponds to 2.01% as of December 2021 and 0.47% in December 2020	Net Profit / Total assets