

Condensed Interim Separate Financial Statements
of Grupo de Inversiones Suramericana S.A.
for the nine-month period between January 1st and
September 30th 2022

TABLE OF CONTENT

RESPONSIBILITIES OF THE DIRECTORS OVER THE ACCOUNTS	4
CERTIFICATION OF THE CONDENSED SEPARATE FINANCIAL STATEMENTS	5
AUDITORS REPORT.....	6
CONDENSED INTERIM SEPARATE FINANCIAL POSITION STATEMENT	8
CONDENSED INTERIM SEPARATE INCOME STATEMENT	9
CONDENSED INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME.....	10
CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY.....	11
CONDENSED INTERIM SEPARATE STATEMENT OF CASH FLOWS	12
NOTE 1. REPORTING ENTITY	13
NOTE 2. BASIS OF PRESENTATION OF SEPARATE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES	13
2.1. Statement of compliance	13
2.2. Basis of presentation	14
2.3. Significant accounting policies.....	15
NOTE 3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND CAUSES OF UNCERTAINTY IN THE PREPARATION OF THE FINANCIAL STATEMENTS.....	15
NOTE 4. NORMS ISSUED NOT EFFECTIVE YET	15
NOTE 5. FINANCIAL INSTRUMENTS	19
5.1. Financial assets.....	19
5.2. Financial liabilities	20
NOTE 6. TAXES	27
6.1. Current income tax	27
6.2. Deferred tax	29
6.3. Tax matters in Colombia.....	29
6.4 Deferred Tax Assets Not Recognized.....	29
6.5. Uncertainty regarding income tax treatments	30
NOTE 7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES.....	30
7.1. Investment in associates	30
7.2. Investments in subsidiaries.....	32
NOTE 8. DIVIDENDS PAID AND DECLARED	34
NOTE 9. OTHER COMPREHENSIVE INCOME.....	34
9.1 New defined benefit plan measures.....	35
9.2 Gain (loss) from investment in equity instruments	35
9.3 Cash flow derivative hedges.....	35

9.4 Equity in other comprehensive income of subsidiaries accounted for using the equity method	35
NOTE 10. INCOME	36
NOTE 11. ADMINISTRATIVE EXPENSES	36
NOTE 12. FEES.....	37
NOTE 13. FINANCIAL RESULTS	37
13.1 Foreign exchange difference (Net)	37
13.2 Interests	38
NOTE 14. EARNINGS PER SHARE	38
NOTE 15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES.....	39
NOTE 16. RELATED PARTY DISCLOSURES.....	42
NOTE 17. OTHER MATTERS.....	43
NOTE 18. EVENTS SUBSEQUENT TO THE REPORTING DATE	44
NOTE 19. APPROVAL OF FINANCIAL STATEMENTS	44
ANALYSIS OF FINANCIAL RESULTS (unaudited)	45

RESPONSIBILITIES OF THE DIRECTORS OVER THE ACCOUNTS

The Directors are required to prepare the financial statements, for each financial period, that reasonably present the financial position of the Company, results, and cash flows, at September 30, 2022, with comparative figures at September 30 and December 31, 2021. For the preparation of these financial statements, the Directors are required to:

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

The Directors confirm that the accounts meet the above requirements.

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

Gonzalo Alberto Pérez Rojas
President

Juan Guillermo Chica Ramirez
Public accountant
Professional Card 64093-T

CERTIFICATION OF THE CONDENSED SEPARATE FINANCIAL STATEMENTS

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

That for the issuance of the statement of financial position, at September 30, 2022, and of the separate income statement for the year, as well as, the statement of other comprehensive income, changes in equity statement, and the cash flow statement, for the year ended on that date, which are in compliance with the norms, and are made available to shareholders and third parties, and whose information, contained in them, have been previously verified and the figures taken faithfully from the books.

Said affirmations, explicit and implicit, are the following:

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

Integrity: All economic events have been recognized.

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

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

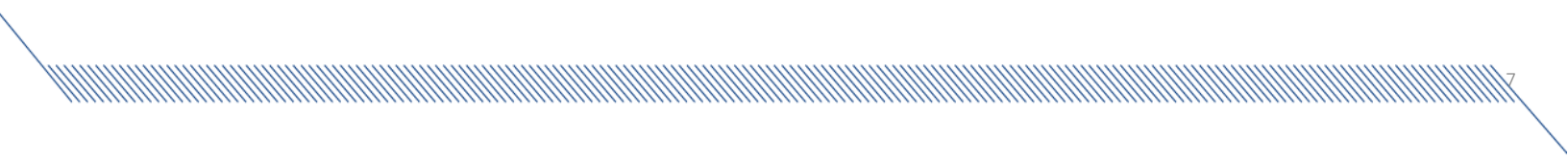
Presentation and disclosure: Economic events have been correctly classified, described, and disclosed.

In accordance with Article 46 of Law 964 of 2005, in my capacity as legal representative of Grupo de Inversiones Suramericana S.A., the financial statements, and other reports relevant to the public, related to the fiscal year between September 30, 2022 and September 30 and December 31, 2021, do not contain defects, inaccuracies, or errors, that prevent the knowledge of the true financial situation, and the operations of the Company.

Gonzalo Alberto Pérez Rojas
President

Juan Guillermo Chica Ramirez
Public accountant
Professional card 64093-T

AUDITORS REPORT



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

At 30 September, 2022 and December 31, 2021

(Amounts expressed in millions of Colombian pesos)

	Note	September 2022	December 2021
Assets			
Cash and cash equivalents		1,416	96,327
Investments	5	81,412	40,301
Derivative instruments	5	949,886	651,326
Receivables from related parties	16	576,782	43,883
Other accounts receivables	5	4,208	156
Current tax assets	6	190	14,759
Investments in associates	7	14,490,162	14,490,162
Investments in subsidiaries	7	16,283,352	15,142,963
Properties and equipment		2,645	3,064
Right-of-use assets		17,626	18,336
Deferred tax assets	6	117,051	81,834
Other assets		244	244
Total assets		32,524,974	30,583,355
Liabilities			
Financial liabilities	5	878,407	610,628
Derivative instruments	5	431,032	302,049
Lease liabilities		12,505	12,589
Accounts payable to related entities	16	284,284	90,074
Other accounts payable	5	42,297	60,805
Employee benefits		3,051	23,336
Bonds issued	5	4,279,313	4,276,843
Preferred shares		459,900	460,067
Total liabilities		6,390,789	5,836,391
Equity			
Issued capital		109,121	109,121
Share premium		3,290,767	3,290,767
Reserves		6,837,602	6,883,389
Share repurchase reserve		244,848	244,848
Earnings for the year, net		810,642	408,328
Retained earnings		11,914,885	11,884,043
Other comprehensive income	9	2,926,320	1,926,468
Total equity		26,134,185	24,746,964
Total equity and liabilities		32,524,974	30,583,355

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 November 11, 2022)

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

September 30, 2022 and September 30, 2021

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

	Notes	Accumulated		Quarter	
		September 2022	September 2021	September 2022	September 2021
Income					
Dividends	10	931,885	263,124	-	-
Income from investments	10	817	3,218	299	1,117
Net gain on investments at fair value	10	1,587	(1,966)	(227)	12,444
Income from equity method	7	311,566	487,928	40,220	210,216
Gains on sale of investments		-	102	-	102
Other income	10	37,606	2	16,132	(2)
Operational income		1,283,461	752,408	56,424	223,877
Operational expenses					
Administrative expenses	11	(38,440)	(27,260)	(10,170)	(5,848)
Employee benefits		(19,739)	(19,824)	(5,829)	(6,460)
Fees	12	(32,595)	(9,695)	(4,630)	(4,179)
Depreciations		(1,931)	(1,636)	(650)	(546)
Other expenses		(2)	-	-	-
Operational expenses		(92,707)	(58,415)	(21,279)	(17,033)
Operating profit		1,190,754	693,993	35,145	206,844
Net gain from fair value adjustments to derivatives		37,758	1,933	30,603	4,410
Foreign exchange net		(26,735)	39,324	(25,723)	(21)
Interest expense		(382,929)	(300,323)	(135,783)	(93,219)
Net financial income	13	(371,906)	(259,066)	(130,903)	(88,830)
Profits before tax		818,848	434,927	(95,758)	118,014
Income tax	6	(8,206)	(10,180)	(6,884)	3,370
Net income from continuing operations		810,642	424,747	(102,642)	121,384
Net profit		810,642	424,747	(102,642)	121,384
Net earnings per share					
Net earnings per share from continuing operations	14	1,415	753	(169)	219

The notes are an integral part of the financial statements.

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

September 30, 2022 and September 30, 2021

(Amounts expressed in millions of Colombian pesos)

	Note	Accumulated		Quarter	
		September 2022	September 2021	September 2022	September 2021
Net income for the period		810,642	424,747	(102,642)	121,384
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	9	10,025	23,289	10,658	17,664
Total other comprehensive income that will not be reclassified to the results of the period, net of deferred taxes		10,025	23,289	10,658	17,664
Items to be reclassified to income for the period, net of taxes					
Gain (Loss) on cash flows hedges	9	(80,318)	17,744	(75,540)	4,023
Participation of other comprehensive income OCI from associates and joint ventures accounted for using the equity method	9	1,070,145	312,376	837,807	(329,290)
Total other comprehensive income to be reclassified to profit or loss, net of taxes		989,827	330,120	762,267	(325,267)
Total other comprehensive income		999,852	353,409	772,925	(307,603)
Total comprehensive income		1,810,494	778,156	670,283	(186,219)

The notes are an integral part of these financial statements.

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

September 30, 2022 and 2021

(Amounts expressed in millions of Colombian pesos)

	Note	Issued capital	Share premium	Reserves	Reserves for share repurchase	Net income for the period	Retained earnings	Other Comprehensive Income (OCI)	Total equity
Balance at December 31, 2020		109,121	3,290,767	6,654,121	300,000	579,969	11,834,280	1,342,719	24,110,977
Other comprehensive income	9	-	-	-	-	-	-	353,409	353,409
Net income for the year		-	-	-	-	424,747	-	-	424,747
Total net comprehensive income for the period		-	-	-	-	424,747	-	353,409	778,156
Transfer to retained earnings		-	-	579,969	-	(579,969)	-	-	-
Distribution of 2020 results									
Ordinary dividend (603.40 pesos per share) recognized as distributions to owners	8	-	-	(351,165)	-	-	-	-	(351,165)
Share repurchase		-	-	-	(41,330)	-	-	-	(41,330)
Minimum dividends, preferred shares		-	-	-	-	-	30,453	-	30,453
Shareholder dividend withholding effect		-	-	-	-	-	11,039	-	11,039
Increases due to other changes, equity		-	-	-	-	-	195	-	195
At September 30, 2021		109,121	3,290,767	6,882,925	258,670	424,747	11,875,967	1,696,128	24,538,325

	Note	Issued capital	Share premium	Reserves	Reserves for share repurchase	Net income for the period	Retained earnings	Other Comprehensive Income (OCI)	Total equity
Balance at December 31, 2021		109,121	3,290,767	6,883,389	244,848	408,328	11,884,043	1,926,468	24,746,964
Other comprehensive income	9	-	-	-	-	-	-	999,852	999,852
Net income for the year		-	-	-	-	810,642	-	-	810,642
Total net comprehensive income for the period		-	-	-	-	810,642	-	999,852	1,810,494
Transfer to retained earnings		-	-	408,328	-	(408,328)	-	-	-
Distribution of 2021 results									
Ordinary dividend (784 pesos per share) recognized as distributions to owners	9	-	-	(454,115)	-	-	-	-	(454,115)
Minimum dividends, preferred shares		-	-	-	-	-	30,356	-	30,356
Shareholder dividend withholding effect		-	-	-	-	-	486	-	486
At September 30, 2022		109,121	3,290,767	6,837,602	244,848	810,642	11,914,885	2,926,320	26,134,185

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

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 (See my report 11 November, 2022)

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

September 30, 2022 and 2021

(Amounts expressed in millions of Colombian pesos)

	Note	September 2022	September 2021
Cash flows from operating activities			
Net profit for the year		818,848	434,927
Adjustments to reconcile net income			
Interest	13	382,929	300,323
Depreciation and amortization expense		1,931	1,636
Unrealized losses from foreign currency conversion		23,874	84,637
Fair value - Derivatives	13	(37,758)	(1,933)
Undistributed earnings from the application of the equity method	7	(311,566)	(487,928)
Withholding tax on dividends received		486	11,039
Amortization of usufruct	16	(37,540)	-
Changes in operating assets and liabilities			
Decrease (increase) in other accounts payable		(20,895)	17,958
Increase in other accounts receivable		(4,052)	(2,318)
Increases in accounts receivable from related parties		(931,885)	(175,533)
Adjustment for employee benefits and other provisions		(20,285)	(1,999)
Increase in restricted cash		-	(751)
Increase in non-current assets available for sale		-	(78,040)
Other investment or financing cash adjustments		-	4,599
Dividends received from associates		726,114	414,910
Income taxes paid (refunded)		14,394	(9,841)
Interest paid		(86)	(2,584)
Interest received		-	8,563
Cash flows from operating activities		604,509	517,665
Cash flows from (used in) investment activities			
Other payments to acquire equity or debt instruments of other entities	5	(31,085)	(492,021)
Other charges on the sale of equity or debt instruments of other entities		-	1,078,659
Cash flows from loss of control of subsidiaries or other businesses		-	23,044
Cash flows used to obtain control of subsidiaries or other businesses		-	(449)
Sale of property and equipment		21	-
Purchase of property and equipment		(823)	(219)
Cash flows from (used in) investment activities		(31,887)	608,500
Cash flows from (used in) financing activities			
Collections from futures contracts, forward contracts and financial options (swaps)		(2,334)	71,869
Payments for acquiring the company's own stock		-	(41,330)
Proceeds from loans		999,713	154,843
Loan repayments		(1,112,527)	(1,305,239)
Payment of financial lease liabilities		(1,396)	(683)
Dividends paid		(314,107)	(260,210)
Interest paid		(242,128)	(185,227)
Cash flows from (used in) financing activities		(672,779)	(1,565,977)
Net increase in cash and cash equivalents		(100,157)	(439,812)
Effect of exchange rate changes on cash and cash equivalents		5,246	6,711
Cash and cash equivalents at the beginning of the period		96,327	437,523
Cash and cash equivalents at the end of the period		1,416	4,422

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
 Legal Representative

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 (See my report of November 11, 2022)

GRUPO DE INVERSIONES SURAMERICANA S.A.

NOTES TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

For the period ended September 30, 2022 (with comparative figures as of December 31, 2021 for the statement of financial position and as of September 30, 2021 for the statement of income, other comprehensive results, changes in equity and cash flows).

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

NOTE 1. REPORTING ENTITY

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

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

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

2.1. Statement of compliance

The separate financial statements of Grupo de Inversiones Suramericana S.A., for the six-month period ended September 30, 2022, have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF acronym for the Spanish original), compiled and updated in Decree 2270 of 2019, issued by Decree 2420 of 2015 and amendments. These accounting and financial reporting standards, correspond to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), in the versions accepted by Colombia through the aforementioned Decrees.

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

- Exceptions applicable to all financial information preparers.

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

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

2.2. Basis of presentation

2.2.1. 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 measured at fair value.
- Employee benefits, which are measured at the present value of the defined benefit obligation.

Presentation of financial statements

The condensed separate interim financial statements are prepared on the following basis:

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

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

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

2.3. Significant accounting policies

The accompanying financial statements do not include all the information and disclosures required for a year-end financial statement and therefore, these condensed financial statements should be read in conjunction with the annual financial statements as of December 31, 2021.

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

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

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

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

The calculation of the estimate of the liability for commitments with non-controlling interests described in note 5.2.4, is made by determining the fair value on a non-recurring basis and is classified as level 3. These fair values contain significant judgments and estimates due to the fact that there is no active market where prices are available.

At the cut-off date of this report, there have been no changes in significant accounting estimates and judgements used in the preparation of the separate financial statements as at 31 December 2021.

NOTE 4. NORMS ISSUED NOT EFFECTIVE YET

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements as of December 31, 2021, 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 30 June 2021.

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

The cumulative effect of applying such an amendment shall 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 into the Colombian accounting framework by 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 into these financial statements

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

The amendment permits 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 IFRSs of that controlling entity. This amendment also applies to associates or joint ventures that elect to apply paragraph D16(a) of IFRS 1.

The amendments were implemented by Executive Order 938 of 2021, which will be effective from 1 January 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 about 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 were incorporated by Decree 1611 of 2022, which will be effective from January 1, 2024. 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 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: Benchmark interest rate reform

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.

Amendments to IFRS 3: 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 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.

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 were incorporated by Decree 1611 of 2022, which will be effective as of January 1, 2024. 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 were incorporated by Decree 1611 of 2022, which will be effective as of January 1, 2024. The Group is evaluating the potential effect of this standard on its financial statements.

NOTE 5. FINANCIAL INSTRUMENTS

5.1. Financial assets

5.1.1 Investments

The breakdown of investments is as follows:

	September 2022	December 2021
At fair value through OCI	50,327	40,301
At fair value through profit or loss (*)	31,085	-
Total Investments	81,412	40,301
Long-term investments	81,412	40,301
Total Investments	81,412	40,301

(*) The variation in relation to December 2021 is due to the opening of a segregated account in Bermuda in July 2022, after signing a shareholding agreement with SURA SAC LTD, the company that manages the segregated account.

SURA SAC LTD is a segregated accounts company that facilitates the retention of risks through captives managed by it. According to the operation of the cell, the resources invested in the cell of SURA SAC LTD, do not meet the condition of obtaining contractual cash flows with specific dates of payment of principal and interest, therefore, they should be classified as investments at fair value through the results of the year.

This investment is made in order to enable the Company to retain risks associated with possible claims made by third parties. In the event of a claim, any obligation will be supported with the resources existing in the cell, in which case the change in the fair value of the financial asset resulting from the claim will be recognized against the results for the year. In the event that the value of the claim exceeds the amount of the resources invested in the cell, Grupo SURA will have the obligation to deposit the deficit within the same period.

The following is a detail of net gains from investments at fair value: (See note 10):

	September 2022	September 2021
Fair value investments	(1,272)	(7,664)
Trading derivatives	-	(456)
Difference on exchange of investments	2,859	6,154
Total	1,587	(1,966)

The following is the detail of realized and unrealized gains or losses on investments in available-for-sale equity instruments of domestic issuers as of September 30, 2022 and 2021:

	September 2022	September 2021
	Equity Instruments	Equity Instruments
Carrying value (*)	50,327	46,479
Profit / unrealized loss OCI	10,025	23,289

(*) The carrying value and fair value is the same.

5.1.2. Accounts receivable

The following is a detail of other accounts receivable:

	September 2022	December 2021
Accounts receivable taxes	3,817	-
Trade accounts receivable	269	50
Other accounts receivable	122	106
Total	4,208	156
Other current accounts receivable	4,208	106
Other non-current accounts receivable	-	50
Total	4,208	156

5.2. Financial liabilities

The following is a list of financial liabilities, including accounts payable of Grupo SURA:

	Note	September 2022	December 2021
Financial obligations (*)		878,407	610,628
Bonds issued	5.2.3	4,279,313	4,276,843
Preferred shares		459,900	460,067
Subtotal financial liabilities for capital management		5,617,620	5,347,538
Derivative instruments	5.2.1	431,032	302,049
Accounts payable to related parties	16	284,284	90,074
Other accounts payable	5.2.2	42,297	60,805
Subtotal other financial liabilities		757,613	452,928
Total financial liabilities		6,375,233	5,800,466

The breakdown of financial liabilities between current and non-current and according to their valuation methodology is presented below:

September 2022				
Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations (*)		80,670	61,704	142,374
Accounts payable to related parties	16	284,284	-	284,284
Other accounts payable	5.2.2	23,109	-	23,109
Bonds issued	5.2.3	351,519	-	351,519
Total		739,582	61,704	801,286
Non-Current		Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations (*)		736,033	-	736,033
Derivative instruments	5.2.1	-	431,032	431,032
Other accounts payable	5.2.2	19,188	-	19,188
Bonds issued	5.2.3	3,927,794	-	3,927,794
Preferred shares		459,900	-	459,900
Total		5,142,915	431,032	5,573,947
Financial liabilities		5,882,497	492,736	6,375,233

December 2021				
Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations (*)		80,653	-	80,653
Accounts payable to related parties	16	90,074	-	90,074
Other accounts payable	5.2.2	12,143	-	12,143
Bonds issued	5.2.3	194,942	-	194,942
Total		377,812	-	377,812

Non-Current		Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations (*)		529,975	-	529,975
Derivative instruments	5.2.1	-	302,049	302,049
Other accounts payable	5.2.2	48,662	-	48,662
Bonds issued	5.2.3	4,081,901	-	4,081,901
Preferred shares		460,067	-	460,067
Total		5,120,605	302,049	5,422,654

Financial liabilities	5,498,417	302,049	5,800,466
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(*) The financial obligations correspond to loans acquired with Grupo Bancolombia, BBVA and Davivienda, at rates ranging between 4.36% and 14.07% as of September 2022 and between 3.79% and 5.32% as of December 2021.

5.2.1. Derivative instruments

The following is the detail of derivative financial instruments assets and liabilities outstanding as of September 30, 2022 and December 2021:

	Note	September 2022		December 2021	
		Asset	Liabilities	Asset	Liabilities
Hedge Derivatives	5.2.1.1	707,334	240,795	583,470	257,937
Trading Derivatives	5.2.1.2	242,552	190,237	67,856	44,112
Total derivatives		949,886	431,032	651,326	302,049
Current Derivatives		5,877	-	-	-
Non-current Derivatives		944,009	431,032	651,326	302,049

5.2.1.1. Hedge derivatives

Grupo SURA accesses international markets to obtain effective sources of funds. As part of this process, it assumes exposure to foreign currencies, mainly with the U.S. dollar (USD). In accordance with the financial risk policy, Grupo SURA uses hedge accounting to hedge the exchange rate risk due to variations in cash flows of foreign currency obligations.

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 Group's functional

currency. These instruments are applied to match the maturity profile of the estimated payments of the Group's debt instruments.

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.

The following is a summary of cash flow hedging transactions outstanding as of September 30, 2022:

On April 29, 2016 Grupo SURA contracted a foreign currency bond in the amount of US\$ 550 million, with a single principal maturity on April 29, 2026 and with a fixed interest rate of 5.50% payable semi-annually (See note 5.2.3 Bonds Issued), as of September 30, 2022 such obligation is US\$530 million due to repurchase made.

On January 31, 2021 the Group decided to implement a cash flow hedge accounting strategy for this obligation, at September 30, 2022 it uses the following hedging instruments for this purpose:

- 22 swaps (Principal-Only Cross Currency Swap -Principal-Only CCS).
- 6 out-of-the-money call options sold that are part of the structure and are included in the CCS contracts.
- 3 call spread structures (call option bought + call option sold).

In this structure the Company acquires the right to receive USD \$530 million at maturity and semi-annual flows in USD at a fixed rate of 0% NASV (Nominal Annual Weekly Notional Amount Due); and in consideration it is obligated to pay an agreed amount and a specific fixed rate in pesos in each of the derivatives that comprise the structure.

According to the aforementioned 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 term of the hedges.

Below is a detail of the nominal and fair value by type of hedging derivative as of September 30, 2022 and December 31, 2021:

	September 2022		December 2021	
	Nominal value	Fair Value	Nominal value	Fair Value
Assets				
Swap				
Cross Currency Swap	1,380,965	490,040	1,239,880	271,402
Subtotal	1,380,965	490,040	1,239,880	271,402
Options				
Currency Call Option	413,600	217,294	579,450	312,068
Subtotal	413,600	217,294	579,450	312,068
Total Assets	1,794,565	707,334	1,819,330	583,470
Liabilities				
Options				
Currency Call Option	1,185,860	240,795	1,191,220	254,218
Currency Put Option	-	-	50,000	3,719
Subtotal	1,185,860	240,795	1,241,220	257,937
Total Liabilities	1,185,860	240,795	1,241,220	257,937

The following is a summary of the movements in the other comprehensive income account for the effect of hedges and for the time value of options and swaps used as hedging instruments, as well as the amounts taken to income for the ineffectiveness of hedges, during the period ended September 30, 2022 and December 31, 2021:

	OCI			Results		
	Note	Effective part	Time value	Ineffective part	Note	Effective part
Balance at December 31, 2021	9.3	(29,626)	-			
Variation in the fair value of hedges during the year		(69,082)	-	-	13.1	307,535
Amortization of temporary securities.	13.2	(54,484)	(25,786)	80,270		-
Balance at September 30, 2022	9.3	(153,192)	(25,786)	80,270		307,535

	OCI			Results		
	Note	Effective part	Time value	Ineffective part	Note	Effective part
Balance at December 31, 2020	9.3	(22,323)	-			
Variation in the fair value of hedges during the year.		78,591	-	-	13.1	338,609
Amortization of temporary securities.	13.2	(53,009)	(18,055)	71,064		-
Balance at September 30, 2021		3,259	(18,055)	71,064		338,609

The number of hedging instruments is 34 at September 30, 2022 and 42 at December 31, 2021.

5.2.1.2 Trading derivatives

Grupo SURA presents derivative financial instruments for trading purposes, especially Cross Currency Swap contracts, Interest Rate Swap, Forward and options on exchange rates and interest

rates. Although they are trading derivatives, their purpose is to hedge foreign currency obligations, they have not been designated as hedge accounting.

The following is a detail of the nominal and fair value by type of trading derivative as of September 30, 2022 and December 31, 2021:

	September 2022		December 2021	
	Nominal value	Fair Value	Nominal value	Fair Value
Assets				
Forward				
Currency option	28,967	5,877	-	-
Subtotal	28,967	5,877	-	-
Swap				
Cross currency	1,562,983	122,926	1,115,395	67,856
Subtotal	1,562,983	122,926	1,115,395	67,856
Options				
Currency option	429,650	113,749	-	-
Subtotal	429,650	113,749	-	-
Total assets	2,021,600	242,552	1,115,395	67,856
Liabilities				
Swap				
Cross currency	769,262	68,069	769,262	42,899
Interest rate	100,000	7,491	100,000	1,213
Subtotal	869,262	75,560	869,262	44,112
Options				
Currency option	759,300	114,677	-	-
Subtotal	759,300	114,677	-	-
Total Liabilities	1,628,562	190,237	869,262	44,112

The results of trading derivatives are presented below:

	Accumulated		Quarter	
	September 2022	September 2021	September 2022	September 2021
Trading income	277,624	84,464	144,589	8,633
Trading expenses	(239,866)	(82,531)	(113,986)	(4,223)
Total	37,758	1,933	30,603	4,410

As of September 30, 2022 and December 31, 2021, there were 25 and 18 trading derivatives, respectively.

5.2.2. Other accounts payable

The detail of other accounts payable is as follows:

	September 2022	December 2021
Premiums payable ⁽¹⁾	33,409	48,662
Accounts payable taxes	4,239	1,058
Suppliers	2,412	3,341
Others	2,237	7,744
Total	42,297	60,805
Other current accounts payable	23,109	12,143
Other non-current accounts payable	19,188	48,662

⁽¹⁾ Correspond to premiums financed from derivative transactions.

5.2.3. Bonds issued

Details of the bonds issued are presented below:

Date of issue	Maturity date	Nominal value	Emission rate	Amortized cost		Fair value	
				September 2022	December 2021	September 2022	December 2021
29- Apr -16	29- Apr -26	USD 550(***)	5.50%	2,472,613	2,192,744	2,308,077	2,358,458
07- May -14	07- May -23	223,361	CPI + 3.80%	226,672	225,814	227,605	232,001
23- Feb -17	23- Feb -22	193,549(*)	7.21%	-	194,942	-	195,966
23- Feb -17	23- Feb -29	190,936	CPI + 3.58%	194,544	192,209	168,320	188,219
23- Feb -17	23- Feb -24	165,515	CPI + 3.19%	168,656	166,903	162,228	168,676
07- May -14	07- May -30	100,000	CPI + 4.15%	100,952	100,978	89,938	101,668
25- Nov -09	25- Nov -29	98,000	CPI + 5.90%	98,434	97,141	94,754	108,774
25- Nov -09	25- Nov -49	97,500	CPI + 6.98%	96,795	95,576	97,890	121,664
11- Aug -20	11- Aug -23	123,750(**)	IBR + 2.00%	124,847	224,179	121,077	220,322
11- Aug -20	11- Aug -27	296,350	CPI + 3.00%	303,443	299,932	260,850	284,120
11- Aug -20	11- Aug -32	180,320	CPI + 3.80%	184,923	182,712	151,961	171,578
11- Aug -20	11- Aug -40	299,580	CPI + 4.20%	307,434	303,713	249,284	285,841
Total bonds issued				4,279,313	4,276,843	3,931,984	4,437,287
Current bonds issued				351,519	194,942	348,682	195,966
Non-current bonds issued				3,927,794	4,081,901	3,583,302	4,241,321

(*) In February 2022 a bond payment was made in pesos upon maturity with a nominal value of \$193,549.

(**) In June 2022, an early repurchase of \$ 100 thousand million of the bond issued in August 2020 was made, which had a nominal value as of December 2021 of \$ 223,750. This repurchase was paid with credit acquired with Bancolombia.

(***) As of September 30, the nominal value is USD 530, due to repurchases.

Grupo Sura had no defaults in the payment of principal or interest or other defaults regarding its obligations during the period ended September 30, 2022 and December 31, 2021. Grupo Sura is in compliance with all covenants.

5.2.4. Commitments with non-controlling shareholders

Grupo Sura, as an investor of Suramericana S.A. and Sura Asset Management S.A., has entered into shareholder agreements ("Agreements") through which rules have been formalized for the participation of strategic partners in the capital stock of the companies that are part of Grupo Empresarial SURA, with which long-term relationships have been established, based on the mutual interest of sharing knowledge and business strategies in each of these subsidiaries. All of them have been developed with the support of expert advisors in financial, legal, accounting and tax matters, among others, in line with the strategic objectives defined by Grupo SURA.

These agreements include corporate governance provisions, minimum shareholder tenure periods, declarations, exit mechanisms and, in general, the usual clauses for this type of contract in companies not listed on a stock market, and may eventually generate future commitments for Grupo SURA.

To date, Grupo SURA has not been notified of the interest of its current partners to exercise the exit rights provided for in the Agreements.

In general terms, these agreements include:

Agreement with Munich RE ("MRE") as a partner in Suramericana S.A., holder of an 18.87% equity interest:

It has been signed since 2001 and establishes, among other matters, mechanisms by which an eventual divestment of MRE would be implemented. The agreement establishes an option whereby MRE may sell to Grupo SURA its 18.87% interest in Suramericana S.A., the price of such interest would be determined by an independent third party using commonly accepted valuation methodologies and determining a fair market value of a minority investment. The option may be exercised only between March 1 and 31 of each year.

Agreement with Caisse De Dépôt Et Placement Du Québec ("CDPQ") as a partner in Sura Asset Management S.A., holder of a 6.68% equity interest:

- ✓ It was entered into in 2019, amended in 2022 and establishes that Grupo SURA, during the period between February and May 2024, may sell to CDPQ up to 3.3% of Sura AM shares (not to exceed a total CDPQ stake of 9.9%) at fair market value, which will be determined by independent third parties.
- ✓ Additionally, this Agreement establishes the mechanisms by which an eventual divestment of CDPQ would be implemented, as of April 2029, once the agreed permanence period is over. Among others, it is agreed that, after April 2029 and as long as Sura AM has not been listed in a recognized Stock Exchange or Stock Market, and CDPQ has not executed a sale to a third party, CDPQ may sell its shares of Sura AM to Grupo SURA at fair market value, which will be determined by independent third parties and paid by Grupo Sura in cash or with its own equity instruments, applying in any case the corporate procedures required by Colombian law.

Agreement with Grupo Bolivar and affiliates ("GB") as a partner in Sura Asset Management S.A., holder of a 9.74% equity interest:

- ✓ This Agreement was entered into in 2011, amended in 2013 and establishes the following mechanisms through which an eventual divestment of GB would be implemented: i) direct sale to third parties, ii) acquisition funded with dividends declared by Sura AM, and iii) exchange for Grupo SURA's own equity instruments, consisting of preferred shares, applying in all cases the corporate procedures required by Colombian law.
- ✓ A formula is established to determine the yield that Grupo Sura must guarantee to GB, in the event that GB decides to divest its participation in Sura AM. Said yield is calculated in Colombian pesos and is established based on: (i) Colombian inflation plus 4 percentage points for the first 5 years on GB's investment and; (ii) Sura AM's equity variations thereafter. Depending on the divestment mechanism, Grupo Sura would be responsible for paying the amount of the minimum guaranteed return or completing the differential between the value of the divestment made by GB and the result obtained from the application of the formula.

Accounting policy for agreements with non-controlling shareholders

It is important to consider that these agreements are complex and require a level of judgment to determine the respective accounting treatment. This determination is based on the interpretation of

different accounting standards that must be analyzed in conjunction with the specific characteristics of this type of agreements.

Exit option with non-controlling shareholders

In the separate financial statements these instruments are classified as derivatives at fair value through profit or loss. The fair value for the commitments with CDPQ and Munich Re is zero, considering that the exercise price and the underlying asset (shares subject to the contract) are at fair value. In the case of the derivative with Grupo Bolivar, the fair value is zero, considering that the exercise price is lower than the fair value of the underlying asset (shares subject of the contract).

Valuations are prepared and reviewed periodically by qualified internal personnel and are compared with other accepted methodologies under international standards such as multiples of comparable companies and precedent transactions.

In summary, the value of commitments with non-controlling interests was calculated as follows:

Co Investors	Valuation methodology	Significant variables of the methodology
Múnich Re	Discounted Cash Flow: DDM (Dividend Discount Model)	<ul style="list-style-type: none"> ✓ Sum of shares of the main business units of the subsidiaries Sura Asset Management and Suramericana. ✓ Dividends discounted over a 10-year horizon. ✓ Projections based on the companies' business plans. ✓ Discount rate based on CAPM methodology. ✓ Macroeconomic assumptions according to the average expectation of market analysts.
CDPQ		
Grupo Bolívar	Formula established in the contract (minimum guaranteed return)	According to the terms of the agreement

NOTE 6. TAXES

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

	Note	September 2022	December 2021
Current tax assets (net)	6.1	190	14,759
Deferred tax asset (net)	6.2	117,051	81,834

6.1. Current income tax

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

	September 2022	December 2021
Current tax assets		
Income tax payable	190	14,759
Total current tax assets	190	14,759

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

Current Tax	September 2022	December 2021
Current tax asset recoverable before 12 months	190	14,759

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

Deferred tax	September 2022	December 2021
Deferred tax asset recoverable after 12 months	117,051	81,834

b. Tax recognized in income for the period:

	Accumulated		Results for the period	
	September 2022	September 2021	September 2022	September 2021
Current tax expense	(175)	(10,430)	473	(8,975)
Current tax	-	(10,401)	473	(8,975)
Prior period adjustments	(175)	(29)	-	-
Deferred tax expense	(8,031)	250	(7,357)	12,345
Constitutions / reversal of temporary differences	(8,031)	(10,459)	(7,357)	1,636
Rate change	-	10,709	-	10,709
Tax expense	(8,206)	(10,180)	(6,884)	3,370

c. Effective tax rate reconciliation.

The reconciliation of the effective tax rate of the Group applicable for the years ended September 30, 2022 and 2021, respectively, is as follows:

	September 2022		September 2021	
	Tasa	Balance	Tasa	Balance
Profit before tax		818,848		434,927
Income tax by applying the local tax rate	35.00%	(286,597)	31.00%	(134,827)
Plus, tax impact from:				
Items that increase taxable income		(118,580)		(82,488)
Non-deductible expenses ⁽¹⁾		(118,404)		(71,091)
Property and equipment		(1)		(16)
Capital gains		-		(11,353)
Others		(175)		(28)
Items that decrease taxable income		396,971		207,135
Non-taxed income ⁽²⁾		109,048		151,258
Untaxed dividends		274,784		41,976
Provisions and contingencies		13,139		-
Exempt income		-		1,844
Rate change adjustment		-		10,709
Tax discounts		-		1,348
Income tax	-1.00%	(8,206)	-2.34%	(10,180)

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

⁽²⁾ Corresponds to the equity method income of subsidiaries.

The variation in income tax is mainly due to the increase in pre-tax income associated with dividends received as non-taxed.

d. Movement in current tax

The following is the movement that generated the balance of income and supplementary income as of September 30, 2022 and 2021:

	September 2022	September 2021
Balance of income tax payable as of January 1	(14,759)	(1,356)
Current income tax liability	175	10,430
Withholding and advances	14,394	(9,841)
Balance of income tax payable as of September 30	(190)	(767)

The income tax return for the year 2020 will be final according to the general rule of 3 years; for transfer pricing returns, the term of its finality will be 6 years. For the year 2021, the audit benefit was applied and its finality is of 6 months.

6.2. Deferred tax

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

Deferred tax assets (liabilities)	September 2022	Recognized results	Other comprehensive income	December 2021	Recognized results	Other comprehensive income	December 2020
Financial Assets	(169,905)	(107,938)	43,248	(105,215)	(69,297)	3,672	(39,590)
Properties and Equipment	326	(91)	-	417	192	-	225
Financial Liabilities	285,773	102,454	-	183,319	64,202	-	119,117
Employee Benefits	515	(2,715)	-	3,230	1,173	-	2,057
Right of use	342	259	-	83	119	-	(36)
Investments	-	-	-	-	363	-	(363)
Total	117,051	(8,031)	43,248	81,834	(3,248)	3,672	81,410

6.3. Tax matters in Colombia

In the year 2022 the general income tax rate is 35% and 10% for income from occasional gains. In the case of financial institutions, a surtax of 3 percentage points applies during the years 2022 to 2025.

The industry and commerce discount (income tax) will continue at 50%.

The audit benefit is extended 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.

6.4 Deferred Tax Assets Not Recognized

In accordance with current tax legislation, losses generated in income tax and complementary taxes may be offset with the net income obtained in the following 12 periods, taking into account the

formula established in paragraph 5 of Article 290 of the Tax Statute. The tax losses determined shall not be fiscally readjusted.

The deferred tax asset related to these tax losses has not been recognized, as the Company has assessed and concluded that it is not probable that the deferred tax asset related to these losses will be recoverable.

Tax losses accumulated up to the year 2016 may be offset against future ordinary income tax liquid income, at any time, without any percentage limitation. The tax losses of the years 2017, 2018, 2019, 2020 and 2021 may be offset at most with the liquid income of the following twelve years to the year of their occurrence.

6.5. Uncertainty regarding income tax treatments

Taking into account the criteria and judgments in the determination and recognition of taxes, as of September 30, 2022, no situations have been identified that generate tax uncertainty and that should be recognized for accounting purposes, in accordance with the framework defined by IFRIC 23.

NOTE 7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

7.1. Investment in associates

General information on investments in associates

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

Investment	September 2022			December 2021		
	% Participation (*)	% Right to vote (**)	# Shares	% Participation (*)	% Right to vote (**)	# Shares
Bancolombia S.A.	24.43%	46.11%	235,012,336	24.43%	46.11%	235,012,336
Grupo Argos S.A.	26.95%	35.63%	234,285,682	26.95%	35.63%	234,285,682
Grupo Nutresa S.A.	35.61%	35.61%	163,005,625	35.61%	35.61%	163,005,625

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

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

Cross shareholdings

The 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 equity interest that Grupo Argos S.A. and Grupo Nutresa S.A. have in Grupo SURA as of September 30, 2022 and December 31, 2021 is as follows:

Associates	% Participation	% Right to vote	% Participation	% Right to vote
	September 2022		December 2021	
Grupo Argos S. A.	27,51%	34,14%	27,45%	34,77%
Grupo Nutresa S. A.	10,71%	13,29%	10,53%	13,07%

Grupo SURA records its participations at the cost model.

Balance and movement in associates

The following is a detail of investments in associates as of September 30, 2022 and December 31, 2021:

	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	Total
As of December 31, 2020	5,606,586	4,510,388	4,312,229	14,429,203
Additions ⁽¹⁾	-	60,959	-	60,959
As of December 31, 2021 and September 30, 2022	5,606,586	4,571,347	4,312,229	14,490,162

⁽¹⁾ In 2021, 4,990,503 common shares of Grupo Argos S.A. were received corresponding to dividends paid in shares.

The shares pledged by Grupo Argos to guarantee obligations correspond to a book value of \$846,292 as of September 30, 2022 and December 31, 2021.

Dividends received

Dividend income is derived from the following issuers:

	Note	September 2022	September 2021
Bancolombia S.A.		733,238	61,103
Grupo Argos S.A.		117,143	87,591
Grupo Nutresa S.A.		80,813	114,430
Total dividends received from associates	10	931,194	263,124

Financial information of associates

The assets, liabilities, equity and results for the year of each of the associated companies included in the financial statements for the period as of September 30, 2022 and December 31, 2021 are as follows:

September 2022	Location	Asset	Liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
Bancolombia S.A.	Colombia	335,654,576	298,255,793	37,398,783	15,434,542	5,330,070	1,945,734	7,275,804
Grupo Argos S.A.	Colombia	53,859,279	23,316,365	30,542,914	15,599,901	1,052,176	2,312,835	3,365,011

Grupo Nutresa S.A.	Colombia	19,074,495	9,187,026	9,887,469	12,156,790	740,582	538,545	1,279,127
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December 2021	Location	Asset	Liabilities	Equity	Income	Profit	Other comprehensive income	Comprehensive income
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	52,589,344	23,782,786	28,806,558	16,309,119	1,206,033	2,283,690	3,489,723
Grupo Nutresa S.A.	Colombia	16,956,483	7,914,370	9,042,113	12,738,271	693,254	523,581	1,216,835

7.2. Investments in subsidiaries

General information on investments in subsidiaries

The following are the shareholdings of the subsidiaries in which Grupo SURA has direct control as of September 30, 2022 and December 2021:

Company	Country	Economic activity	Percentage of property		
			September 2022	December 2021	Date of creation
SURA Asset Management S.A.	Colombia	Investments	83.58%	83.58%	15/09/2011
ARUS Holding S.A.S.	Colombia	Investment in real estate and personal property	100%	100%	11/07/2012
ARUS S.A.	Colombia	Marketing of products and telecommunication solutions	100%	100%	16/08/1988
Enlace Operativo S.A.	Colombia	Outsourcing of Information processing services	100%	100%	31/05/2006
Inversiones y Construcciones Estratégicas S.A.S.	Colombia	Investments	100%	100%	30/08/2007
Suramericana S.A.	Colombia	Investments	81.13%	81.13%	25/05/1999
SURA Ventures S.A.	Panama	Investments	100%	100%	21/02/2018

Balance and movement in investments in subsidiaries

The following is the detail of the balance and movement of investments in subsidiaries accounted for under the equity method as of September 30, 2022 and December 2021:

	SURA Asset Management S.A.	Suramericana S.A.	Inversiones y construcciones estratégicas S.A.S.	SURA Ventures S.A.	Arus Holding S.A.S.	Enlace Operativo S.A.	Arus S.A.	Total
Balance at January 01, 2021	10,092,039	4,109,517	105,257	39,444	72,147	1,335	3,341	14,423,080
Additions ⁽¹⁾	-	-	-	449	-	-	-	449
Withdrawals ⁽²⁾	-	-	-	(23,044)	-	-	-	(23,044)
Equity method	523,132	53,524	(6,701)	25,914	456	143	(106)	596,362
Dividends	(230,343)	(190,654)	-	-	-	(13)	-	(421,010)
Change in equity	274,002	225,273	7,558	60,493	(200)	-	-	567,126

	SURA Asset Management S.A.	Suramericana S.A.	Inversiones y construcciones estratégicas S.A.S.	SURA Ventures S.A.	Arus Holding S.A.S.	Enlace Operativo S.A.	Arus S.A.	Total
Balance as of December 31, 2021	10,658,830	4,197,660	106,114	103,256	72,403	1,465	3,235	15,142,963
Additions ⁽³⁾	-	-	85,805	-	-	-	-	85,805
Equity method	121,699	194,520	34,740	(38,113)	(1,228)	123	(175)	311,566
Dividends	(278,449)	(48,678)	-	-	-	-	-	(327,127)
Change in equity	797,420	259,728	2,074	10,923	-	-	-	1,070,145
Balance as of September 30, 2022	11,299,500	4,603,230	228,733	76,066	71,175	1,588	3,060	16,283,352

(1) Capitalization made to SURA Ventures in January 2021, corresponding to 41,737 shares

(2) Corresponds to the capital decrease of Sura Ventures in August 2021 equivalent to 2,358,333 shares.

(3) The increase of \$ 85,806 million corresponds to capitalization in the subsidiary Inversiones y Construcciones Estratégicas S.A.S., with which 274,304 shares of this company are received. The capitalization is made through the delivery of a usufruct right for 16 months on 73,240,000 shares of Grupo Nutresa S.A.

Financial information of subsidiaries

The assets, liabilities, equity and results for the year of each of the subsidiary companies included in the financial statements for the period as of September 30, 2022 and December 31, 2021 are as follows:

September 2022	Asset	Liability	Equity	Profit	Other comprehensive income
SURA Asset Management S.A. (*)	22,011,508	11,062,962	10,948,546	145,612	954,903
Arus Holding S.A.S. (*)	154,269	77,501	76,768	(1,275)	-
ARUS S.A.	110,054	85,025	25,029	(3,385)	-
Enlace Operativo S.A.	33,593	5,906	27,687	2,133	-
Inversiones y construcciones Estratégicas S.A.S.	237,522	8,788	228,734	34,740	2,196
Suramericana S.A. (*)	37,676,782	31,993,158	5,683,624	239,766	256,760
Sura Ventures S.A.	76,237	171	76,066	(38,113)	10,923

(*) Figures taken from the Consolidated Financial Statements

December 2021	Asset	Liability	Equity	Profit	Other comprehensive income
SURA Asset Management S.A. (*)	20,752,264	10,570,949	10,181,315	625,926	329,416
Arus Holding S.A.S. (*)	152,933	74,837	78,096	473	1,690
ARUS S.A.	112,160	83,746	28,414	(2,078)	-
Enlace Operativo S.A.	30,171	4,617	25,554	2,498	-
Inversiones y construcciones Estratégicas S.A.	117,549	11,435	106,115	(6,701)	7,602
Suramericana S.A. (*)	33,291,826	28,109,843	5,181,983	65,974	169,089
Sura Ventures S.A.	103,297	42	103,255	25,914	57,307

(*) Figures taken from the Consolidated Financial Statements

NOTE 8. DIVIDENDS PAID AND DECLARED

The General Meeting of Shareholders of Grupo SURA held on March 25, 2022, approved the following profit distribution project:

Dividends

An ordinary dividend of seven hundred eighty-four pesos (COP\$784) per share on 579,228,875 common and preferred shares.

The dividend was declared from the untaxed occasional reserve with profits generated through December 31, 2016 for \$322,051 and from the untaxed occasional reserve with profits generated as of January 1, 2017 for \$132,064 for a total of \$454,115.

Dividends declared	2022			2021		
	N° of shares	Annual ordinary dividend per share in COP\$.	Total dividend declared	N° of shares	Annual ordinary dividend per share in COP\$.	Total dividend declared
Ordinary shares	466,720,702	784	365,909	469,037,260	603.4	283,017
Preferred shares	112,508,173	784	88,206	112,940,288	603.4	68,148
Total	579,228,875		454,115	581,977,548		351,165

The dividend will be payable and paid in cash quarterly in April 2022, July 2022, October 2022 and January 2023. It will be 100% non-taxable to the shareholder.

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

NOTE 9. OTHER COMPREHENSIVE INCOME

The other comprehensive income of Grupo SURA is presented below:

2022:

Concept	Note	December 2021	Movement for the period	September 2022
New defined benefit plan measurements	9.1	2,441	-	2,441
Gain on investments in equity instruments	9.2	16,132	10,025	26,157
Loss on conversion exchange differences		(10,827)	-	(10,827)
Cash flow Hedges	9.3	(19,257)	(80,318)	(99,575)
Share of other comprehensive income of subsidiaries accounted for using the equity method	9.4	1,937,979	1,070,145	3,008,124
Total comprehensive income		1,926,468	999,852	2,926,320

2021:

Concept	Note	December 2020	Movement for the period	September 2021
New defined benefit plan measurements	9.1	(701)	-	(701)
Gain on investments in equity instruments	9.2	(980)	23,289	22,309
Loss on conversion exchange differences		(10,827)	-	(10,827)
Cash flow Hedges	9.3	(15,626)	17,744	2,118
Share of other comprehensive income of subsidiaries accounted for using the equity method	9.4	1,370,853	312,376	1,683,229
Total comprehensive income		1,342,719	353,409	1,696,128

9.1 New defined benefit plan measures

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

9.2 Gain (loss) from investment in equity instruments

Corresponds to the variation of Enka de Colombia S.A., which is classified at fair value with changes in equity.

9.3 Cash flow derivative hedges

Below is a detail of the movement of the cash flow derivative hedge:

2022:

	Note	December 2021	Movement period	September 2022
Cash flow hedges	5.2.1.1	(29,626)	(123,566)	(153,192)
Taxes	6.2	10,369	43,248	53,617
Total		(19,257)	(80,318)	(99,575)

2021

	Nota	December 2020	Movement period	September 2021
Cash flow hedges	5.2.1.1	(22,323)	25,581	3,258
Taxes		6,697	(7,837)	(1,140)
Total		(15,626)	17,744	2,118

9.4 Equity in other comprehensive income of subsidiaries accounted for using the equity method

This component records the changes in equity in investments in subsidiaries by applying the equity method (see details in Note 7.2 Investments in subsidiaries).

NOTE 10. INCOME

The following is a detail of income:

	Accumulated		Quarter	
	September 2022	September 2021	September 2022	September 2021
Income from the Equity Method (note 7.2)	311,566	487,928	40,220	210,216
Dividends ⁽¹⁾	931,885	263,124	-	-
Other income ⁽²⁾	37,606	2	16,132	(2)
Investment income, net ⁽³⁾	817	3,218	299	1,117
Fair value investment income (note 5.1.1)	1,587	(1,966)	(227)	12,444
Gains on sale of investments	-	102	-	102
Total	1,283,461	752,408	56,424	223,877

⁽¹⁾ Below is a detail of dividend income

	Note	Accumulated		Quarter	
		September 2022	September 2021	September 2022	September 2021
Dividend income from associates	7	931,194	263,124	-	-
Dividend income Enka instruments		691	-	-	-
Total		931,885	263,124	-	-

⁽¹⁾ Details of other income are presented below:

	Accumulated		Quarter	
	September 2022	September 2021	September 2022	September 2021
Usufruct ^(*)	37,540	-	16,089	-
Others	59	-	43	(11)
Medical leave payment	7	2	-	9
Total	37,606	2	16,132	(2)

^(*) Amortization of usufruct (See note 16 Related party disclosures).

⁽³⁾ The balance corresponds to yields on cash equivalents.

NOTE 11. ADMINISTRATIVE EXPENSES

The administrative expenses are as follows:

	Accumulated		Quarter	
	September 2022	September 2021	September 2022	September 2021
Taxes	(13,567)	(4,715)	(5,635)	(1,608)
Donations	(6,731)	(6,276)	(53)	-
Travel	(4,865)	(5,444)	(1,632)	(1,517)
Insurance	(3,535)	(3,820)	(624)	(105)
Publicity	(2,962)	(2,477)	(705)	(581)
Commissions	(2,074)	(973)	(367)	(255)

Contributions	(1,329)	(783)	(183)	(286)
Others	(890)	(417)	(144)	(130)
Representative expenses	(584)	(457)	(239)	(180)
Leases	(558)	(277)	(207)	(153)
Utilities	(425)	(415)	(163)	(126)
Electronic data processing	(366)	(802)	(126)	(780)
Maintenance and repairs	(352)	(316)	(33)	(92)
Seasonal services	(147)	(39)	(45)	(13)
Supplies and stationery	(28)	(28)	(8)	(5)
Legal	(27)	(21)	(6)	(17)
Total	(38,440)	(27,260)	(10,170)	(5,848)

NOTE 12. FEES

Fee expenses are detailed as follows:

	Accumulated		Quarter	
	September 2022	September 2021	September 2022	September 2021
Advisory ⁽¹⁾	(25,395)	-	(2,570)	-
Consultancy	(4,253)	-	(923)	-
Board of Directors	(1,572)	(853)	(625)	(287)
Other	(812)	(8,593)	(401)	(3,776)
Auditor	(357)	(247)	(111)	(115)
IT	(206)	-	-	-
Appraisals	-	(2)	-	(1)
Total	(32,595)	(9,695)	(4,630)	(4,179)

⁽¹⁾ The variation corresponds mainly to extraordinary expenses in fees for financial and legal advice related to the tender offers.

NOTE 13. FINANCIAL RESULTS

The financial results are detailed below:

	Note	Accumulated		Quarter	
		September 2022	September 2021	September 2022	September 2021
Gains at fair value - Derivatives	5.2.1.2	37,758	1,933	30,603	4,410
Exchange rate difference (Net)	13.1	(26,735)	39,324	(25,723)	(21)
Interest	13.2	(382,929)	(300,323)	(135,783)	(93,219)
Total		(371,906)	(259,066)	(130,903)	(88,830)

13.1 Foreign exchange difference (Net)

A detail of the difference in exchange rate is presented below:

	Note	Accumulated		Quarter	
		September 2022	September 2021	September 2022	September 2021
Hedging transactions	5.2.1.1	307,535	338,609	214,008	35,348
Bonds issued		(334,270)	(299,285)	(239,731)	(35,369)
Total		(26,735)	39,324	(25,723)	(21)

13.2 Interests

A detail of the interest is presented below:

	Note	Accumulated		Quarter	
		September 2022	September 2021	September 2022	September 2021
Bonds issued		(253,799)	(201,994)	(92,339)	(67,240)
Hedging transactions	5.2.1.1	(54,484)	(53,009)	(13,367)	(10,716)
Bank loans		(40,369)	(12,210)	(19,213)	(3,984)
Preferred shares		(30,190)	(29,623)	(10,173)	(10,176)
Repo transactions		(3,370)	(252)	(1,558)	(191)
Financial leases		(631)	(650)	(214)	(222)
Other		(86)	(2,585)	1,081	(690)
Total		(382,929)	(300,323)	(135,783)	(93,219)

NOTE 14. EARNINGS PER SHARE

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

Diluted earnings per share is calculated by adjusting the average number of common and preferred shares outstanding to simulate the conversion of all dilutable potential common shares. Put option contracts with non-controlling interests that can be paid with Grupo Sura shares (see Note 5.2.4) could represent dilutive effects.

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

	September 2022	September 2021	September 2022	September 2021
Profit, net	810,642	424,747	(102,642)	121,384
Controlling profit	810,642	424,747	(102,642)	121,384
Less: preferred dividends declared - Interest on preferred stocks ⁽¹⁾	(88,206)	(68,148)	(22,052)	(17,037)
Plus: Interest expense on preferred shares (Note 13.2) ⁽²⁾	30,190	29,623	10,173	10,176
Less: undistributed earnings to preference stockholders ⁽²⁾	(92,248)	(33,253)	35,729	(11,800)
Profit from continuing operations	660,378	352,969	(78,791)	102,723
Ordinary shares ⁽³⁾	466,720,702	469,037,260	466,720,702	469,037,260
Earnings per share from continuing operations	1,415	753	(169)	219

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

⁽²⁾ Corresponds to the portion of the earnings of the parent company attributable to the preferred shares, that has not been declared as a dividend.

⁽³⁾ Corresponds to the weighted average of the shares for the year.

NOTE 15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The performance of the financial markets and the economies of the region have an impact on the operation of the businesses and, therefore, on their financial results. In order to manage these eventualities and their effect on the sustainability of the Company, there are management systems in place to monitor exposure to credit, market and liquidity risk, from treasury management and investment portfolios.

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

15.1. Credit risk

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

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

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

15.1.2. Methods used to measure risk

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

15.1.3. Summary of the risk exposure of the entity

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

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

15.2. Liquidity Risk Management

Liquidity risk refers to the ability of the Company to generate the necessary resources to comply with the obligations acquired and the operation of its business.

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

For the management of this risk, Grupo SURA orients its actions within the framework of a liquidity management strategy for the short and long term in accordance with the policies and guidelines issued by the Board of Directors and Senior Management, which contemplate short-term and structural aspects, in order to ensure compliance with the obligations acquired, under the conditions initially agreed and without incurring in cost overruns.

15.2.2. Methods used to measure risk

To manage this risk, following the policies and guidelines issued by the Board of Directors and Senior Management, the Company monitors cash flow in the short term to manage collection and payment activities from the treasury, and cash flow projections in the medium term, in order to determine the liquidity position and anticipate the necessary measures for an adequate management.

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

Furthermore, the Company performs an analysis of the possible extraordinary liquidity requirements that may arise from contractual relationships with third parties in connection with the financial activities carried out (see note 5.2.4 Commitments with non-controlling interests).

15.2.3. Description of changes in risk exposure

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

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

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

Through the execution of financial transactions, the Company is exposed to possible extraordinary liquidity requirements, as a result of the activation of early termination options present in some financial contracts such as those related to derivative transactions, bank loans and bond issues, according to the clauses applicable to each case and the balance valued for each transaction. Based on said conditions, the accelerated payment of those liabilities that contain this type of covenants could be activated, generating eventual impacts on the liquidity required by the company to cover them.

To date, no early termination clauses have been identified in the company's current liabilities that could be triggered under the current circumstances (See note 5.2. Financial liabilities).

15.3. Market risks

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

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

- Liquidity management in 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 rate, which result in an exposure to exchange rate risk and fixed or variable interest rate. Currently all foreign currency debt principals are covered.
- Operations with financial derivative instruments structured as hedging mechanisms for financial liabilities that comprise the obligations of the Company.

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

15.3.1. Exchange rate risk

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

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

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

15.3.1.2. Methods used to measure risk

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

15.3.1.3. Description of changes in risk exposure

During the quarter, the Company repurchased US\$20 million of the bonds issued by Grupo SURA maturing in 2026, which reduces the net foreign exchange exposure.

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

Regarding financial liabilities, the Company currently has no bank loans in foreign currency and for international bonds it maintains several hedging strategies in order to reduce the possible impacts of a devaluation of the Colombian peso.

15.3.2. Interest rate risk

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

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

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

15.3.2.2. Methods used to measure risk

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

15.3.2.3. Description of changes in risk exposure

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

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

To date, the Company does not have any interest rate hedges, as a result of the healthy mix between variable and fixed rate liabilities.

15.3.3. Share price risk

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

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

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

15.3.3.2. Methods used to measure risk

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

15.3.3.3. Description of changes in risk exposure

It is important to highlight that during the course of the quarter, Grupo Nutresa has presented several takeover bids, and as a result of these, it is anticipated that the liquidity of these shares will be affected in the future as a result of the new shareholder composition of the entity.

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

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

For further details please refer to Note 5.1.1 Investments.

NOTE 16. RELATED PARTY DISCLOSURES

Subsidiaries, associated companies, key management personnel, as well as entities over which key management personnel can exercise control are considered related parties of Grupo SURA.

The following is the detail of related parties as of September 30, 2022 and June 30 and December 31, 2021 of Grupo SURA:

Assets	September 2022			December 2021		
	Individuals	Entities		Individuals	Entities	
	Key Management Personnel	Associates	Subsidiaries	Key Management Personnel	Associates	Subsidiaries
Dividends receivable						
Bancolombia S.A.	-	366,619	-	-	15,276	-
Grupo Argos S.A.	-	58,571	-	-	-	-
Grupo Nutresa S.A.	-	42,549	-	-	28,607	-
Sura Asset Management S.A.	-	-	92,817	-	-	-
Suramericana S.A.	-	-	16,226	-	-	-
Total assets	-	467,739	109,043	-	43,883	-
Liabilities						
Accounts payable to related parties						
JDGB Holding S.A.S.	-	69,196	-	-	-	-
Grupo Argos S.A.	-	50,725	-	-	18,935	-
Grupo Nutresa S.A.	-	24,202	-	-	8,959	-
Other ⁽¹⁾	-	85,960	-	-	62,180	-
Usufructuary contract ⁽²⁾	-	-	48,266	-	-	-
Inversiones y Construcciones Estratégicas S.A.S.	-	-	5,935	-	-	-
Total accounts payable to related parties	-	230,083	54,201	-	90,074	-
Employee benefits ⁽³⁾	34,556	-	-	34,555	-	-

Financial obligations ⁽⁴⁾	-	635,271	-	-	-	-
Total liabilities	34,556	865,354	54,201	34,555	90,074	-

(1) Corresponds to the dividend payable to other shareholders.

(2) Corresponds to deferred income generated by the usufruct contract explained in note 7.2, with a duration of 16 months as of March 2022.

(3) Corresponds to employee benefits of key management personnel, accrued to date.

(4) Corresponds to three outstanding loans with Bancolombia S.A.

Income	Accumulated						Quarter			
	September 2022			September 2021			September 2022		September 2021	
	Individuals	Entities		Individuals	Entities		Entities		Entities	
	Key Management Personnel	Associates	Subsidiaries	Key Management Personnel	Associates	Subsidiaries	Associates	Subsidiaries	Associates	Subsidiaries
Dividends										
Bancolombia S.A.	-	733,238	-	-	61,103	-	-	-	-	-
Grupo Argos S.A.	-	117,143	-	-	87,591	-	-	-	-	-
Grupo Nutresa S.A.	-	80,813	-	-	114,430	-	-	-	-	-
Others	-	-	691	-	-	-	-	-	-	-
Total dividends	-	931,194	691	-	263,124	-	-	-	-	-
Amortization of usufruct ⁽¹⁾	-	-	37,540	-	-	-	-	16,090	-	-
Total income	-	931,194	38,231	-	263,124	-	-	16,090	-	-

Expenses	Accumulated						Quarter			
	September 2022			September 2021			September 2022		September 2021	
	Individuals	Entities		Individuals	Entities		Individuals	Entities	Individuals	Entities
	Key Management Personnel	Associates	Subsidiaries	Key Management Personnel	Associates	Subsidiaries	Key Management Personnel	Subsidiaries	Key Management Personnel	Subsidiaries
Administrative expenses	-	-	3,532	-	-	323	-	583	-	20
Employee benefits	10,908	-	-	6,893	-	-	3,104	-	1,843	-
Fees	1,572	-	-	853	-	-	625	-	287	-
Total expenses	12,480	-	3,532	7,746	-	323	3,729	583	2,130	20

(1) Corresponds to the value of the amortization between March and June 2022 of the usufruct contract signed with Inversiones y Construcciones Estratégicas S.A.S. for a term of 16 months.

Subsidiaries under direct control of Grupo SURA are listed in Note 7.2 Investments in subsidiaries.

NOTE 17. OTHER MATTERS

A former member of the Board of Directors of Grupo Sura, during the month of August 2022 sent a communication to the Statutory Auditor, Board of Directors and Management of Grupo Sura expressing suspicions of alleged accounting fraud related to the accounting treatment and disclosure of agreements with co-investors.

In compliance with the protocols established for this type of situations, the Company contracted a forensic audit Kroll, a firm of recognized international trajectory in this type of situations. This firm is carrying out the investigation process according to methodologies and procedures of high rigor defined by the firm itself. The Audit and Finance Committee is awaiting the final results, which will be submitted to the Board of Directors, which will act accordingly.

NOTE 18. EVENTS SUBSEQUENT TO THE REPORTING DATE

These separate financial statements as of September 30, 2022 were prepared for supervisory purposes and authorized for issuance by the Board of Directors of Grupo SURA on November 10, 2022, after that date and until their publication, the following relevant events have occurred:

- On November 3, 2022, the State Council issued an unfavorable ruling on an appeal filed by Seguros de Vida Suramericana S.A. Colombia, related to a tax process regarding a review of the income tax for equity (CREE, acronym in Spanish), for the taxable period 2013. The estimated payment value amounts to \$39,636 million, which includes both the liquidation and penalty phase of the process. The above resulted in the recognition of a provision for the subsidiary Seguros de Vida Colombia as of September 30, 2022.
- On November 4, 2022, Grupo SURA was notified by the Corporate Jurisdiction Office of the Superintendence of Companies about the precautionary measures decreed by that entity within the framework of a verbal process promoted by Nugil S.A.S. and JGDB S.A.S. against Grupo SURA and other legal and natural persons.

As part of the precautionary measures decreed by the Superintendence of Corporations, Directors Luis Javier Zuluaga Palacio and Sebastián Orejuela Martínez were ordered to abstain from participating in deliberations and decisions of the Board of Directors of Grupo SURA, given the participation of said company in the takeover bid formulated by IHC Capital Holding LLC for shares of Grupo Nutresa S. A., until the termination of the process, unless due authorization is obtained from the highest corporate body, according to numeral 7 of Article 23 of Law 222 of 1995.

NOTE 19. APPROVAL OF FINANCIAL STATEMENTS

The issuance of the financial statements of Grupo SURA for the year ended September 30, 2022 was authorized by the Board of Directors for publication, as stated in Act No. 385 of the Board of Directors dated November 10, 2022, to be presented to the market.

ANALYSIS OF FINANCIAL RESULTS (unaudited)

Below are the analyses of the financial results for the period ended September 30, 2022, with comparative figures as of December 31, 2021. These analyses are made by management and are not part of the Financial Statements. (Expressed in millions of pesos)

	INDEX	September 2022	December 2021	INTERPRETATION	
	Solidity	6,390,789	5,836,391	The creditors own 19.65% as of September 2022 and 19.08% as of December 2021, leaving the shareholders owners of the complement: 80.35% in September 2022 and 80.92% as of December 2021.	Total liability
		= 19.65%	= 19.08%		Total asset
		32,524,974	30,583,355		
INDEBTNESS	Total	6,390,789	5,836,391	Of every peso the company has invested in assets, 19.65% at September 2022 and 19.08% at December 2021 have been financed by creditors.	Total liability
		= 19.65%	= 19.08%		Total asset
		32,524,974	30,583,355		
	Coverage of interest	1,193,571	816,125	The Company generated a net gain equal to 311.70% as of September 2022 and 200.13% in December 2021 from Interest Paid	Net profit + interest
		= 311.70%	= 200.13%		Financial expenses
	Leverage	382,929	407,797	Every \$1.00 peso of the Company's owners is committed 24.45% as of September 2022 and 23.58% as of December 2021.	Total liabilities with third parties
Total		6,390,789	5,836,391		Equity
		26,134,185	24,746,964		
Financial Total	5,617,620	5,347,538	For each peso of equity, 21.50% at September 2022 and 21.61% at December 2021 are financially committed.	Total liabilities with financial entities	
	= 21.50%	= 21.61%		Equity	
		26,134,185	24,746,964		
PERFORMANCE	Net profit margin	810,642	408,328	Net income corresponds to 63.16% of net income as of September 2022 and 46.78% as of December 2021.	Net Profit
		= 63.16%	= 46.78%		Net Income
		1,283,461	872,778		
	Return on equity	810,642	408,328	Net income corresponds to 3.20% of equity in September 2022 and 1.68% in December 2021.	Net Profit
		= 3.20%	= 1.68%		Equity - profits
			25,323,543	24,338,636	
Return on total assets	810,642	408,328	Net income as a percentage of total assets corresponds to 2.49% in September 2022 and 1.34% in December 2021.	Net Profit	
	= 2.49%	= 1.34%		Total assets	
		32,524,974	30,583,355		