GRUPO sura

CONSOLIDATED FINANCIAL STATEMENTS

4th Quarter 2022

GRUPO DE INVERSIONES SURAMERICANA S.A.
Cra. 43A #5A – 113
Medellín, Colombia

TABLE OF CONTENT

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

That for the issuance of the consolidated statement of financial position as of December 31, 2022, and of the consolidated statement of income for the year and consolidated comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, which in accordance with the regulations are made available to shareholders and third parties, the statements contained therein have been previously verified.

Said affirmations, explicit and implicit, are the following:

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

Integrity: All economic events have been recognized.

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

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

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

In accordance with Article 46 of Law 964 of 2005, in my capacity as legal representative of Grupo de Inversiones Suramericana S.A. The Financial Statements and other relevant reports for the public, related to the fiscal year as of December 31, 2022 and December 31, 2021 do not contain vices, inaccuracies or errors that prevent the true equity situation or the operations of the Company from being known.

Gonzalo Alberto Pérez Rojas
President

Juan Guillermo Chica Ramírez
Accountant
Professional Card 64093-T

AUDITOR REPORT

I

CHAPTER

CONSOLIDATED FINANCIAL STATEMENTS

GRUPO DE INVERSIONES SURAMERICANA S.A.
Consolidated Statement of Financial Position
At 31 December, 2022 and 2021
(Amounts expressed in millions of Colombian pesos)

	Note	December 2022	December 2021 Restated	January 1, 2021 Restated
Assets				
Cash and cash equivalents	5	3,569,969	2,282,924	3,304,391
Investments	5	35,973,060	25,098,605	23,927,463
Derivative instruments	5	1,955,887	1,528,864	659,174
insurance contract assets	6	6,853,292	5,002,560	4,498,053
Reinsurance contract assets	6	8,026,555	5,349,329	4,792,079
Receivables from related parties	34	252,071	44,082	116,952
Other accounts receivable	5	2,139,913	2,033,598	1,793,136
Current tax assets	7	377,056	246,267	114,800
Deferred acquisition costs (DAC)	8	2,132,816	1,681,436	1,516,386
Investments in associates and joint ventures	9	23,224,779	22,007,566	19,836,275
Properties and equipment	10	1,448,786	1,356,912	1,270,778
Right- of- use assets	11	542,537	523,121	559,268
Other intangible assets	12	4,039,898	2,801,546	2,790,345
Deferred tax assets	7	836,232	272,933	242,235
Other assets	13	627,467	660,356	570,779
Goodwill	12	6,393,147	5,011,585	4,868,020
Total assets		**98,393,465**	**75,901,684**	**70,860,134**
Liabilities				
Financial liabilities	5	1,115,538	1,063,510	1,502,283
Derivative instruments	5	491,544	321,959	176,518
Lease liabilities	11	513,419	501,746	531,354
Insurance contract liabilities	6	38,721,291	26,625,933	24,381,812
Reinsurance contract liabilities	6	2,051,354	1,592,429	1,313,544
Accounts payable to related entities	34	117,298	90,500	87,093
Other accounts payable	5	2,609,496	2,303,767	2,291,578
Current tax liabilities	7	122,593	126,665	165,204
Employee benefits	14	835,112	680,964	636,979
Provisions	15	1,084,582	468,652	227,171
Deferred income liabilities (DIL)	16	495,664	403,040	326,952
Bonds issued	5	9,337,919	8,523,718	8,765,419
Commitments with non-controlling interests	5	2,810,956	2,653,394	2,645,867
Deferred tax liabilities	7	1,844,922	1,473,520	1,451,655
Preferred shares	17	459,955	460,067	460,847
Total liabilities		**62,611,643**	**47,289,864**	**44,964,276**
Equity				
Issued capital	18	109,121	109,121	109,121
Issuance premium	18	3,290,767	3,290,767	3,290,767
Reserves	18	5,575,402	5,025,831	4,638,241
Reserves share repurchase	18	244,848	244,848	300,000
Income		2,074,996	1,408,560	225,125
Retained earnings		14,232,257	13,472,670	13,770,027
Other comprehensive income	20	8,200,324	4,358,527	2,906,307
Equity attributable to the holders of the controlling interest		**33,727,715**	**27,910,324**	**25,239,588**
Non-controlling interest	21	2,054,107	701,496	656,270
Total equity		**35,781,822**	**28,611,820**	**25,895,858**
Total equity and liabilities		**98,393,465**	**75,901,684**	**70,860,134**

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
Legal Representative

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

Daniel Andrés Jaramillo Valencia
Auditor
P.C. 140779-T

Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 28, 2023)

GRUPO DE INVERSIONES SURAMERICANA S.A.
Consolidated Income Statement
For the years ended December 31, 2022 and 2021
(Amounts expressed in millions of Colombian pesos except for net income per share)

	Note	December 2022	December 2021
Income			
Insurance premium		24,140,435	16,444,999
Health services premium		7,591,453	5,992,954
Gross written premium income	**6**	**31,731,888**	**22,437,953**
Insurance premium ceded to reinsurers		(4,270,787)	(3,908,412)
Net written premium income	**6**	**27,461,101**	**18,529,541**
Unearned premium		(5,158,018)	(913,898)
Net premium income earned	**6**	**22,303,083**	**17,615,643**
Net premium income earned	5	1,782,340	1,248,030
Net gain on investments at fair value	5	317,406	544,327
Income from commissions	23	3,528,029	3,239,525
Sale of services	24	283,002	242,599
Income from equity method	9	2,038,764	1,394,548
Gain from sale of investments	5	101,605	123,058
Other income	25	996,200	395,317
Total income		**31,350,429**	**24,803,047**
Costs and Expenses			
Insurance claims		(12,656,000)	(9,192,334)
Health services claims		(7,453,118)	(5,647,943)
Gross claims expense	**6**	**(20,109,118)**	**(14,840,277)**
Reimbursed claims		3,806,979	1,929,598
Net retained claims expense	**6**	**(16,302,139)**	**(12,910,679)**
Commissions paid to intermediaries	23	(3,676,922)	(2,891,597)
Insurance costs and expenses	6	(1,901,133)	(1,654,720)
Costs of services sales	24	(389,172)	(348,777)
Administrative expenses	26	(2,217,615)	(1,744,447)
Employee benefits	14	(2,175,454)	(1,793,967)
Fees	27	(413,193)	(305,973)
Depreciation and amortization	10	(576,310)	(543,424)
Other expenses	25	(17,056)	(26,816)
Total costs and expenses		**(27,668,994)**	**(22,220,400)**
Operating profit		**3,681,435**	**2,582,647**
Net gain from fair value adjustments to derivatives	5	37,171	(1,723)
Foreign exchange, net	28	(35,753)	151,677
Interest expense	28	(994,259)	(742,628)
Net financial income	**28**	**(992,841)**	**(592,674)**
Profits before tax		**2,688,594**	**1,989,973**
Income tax	7	(363,235)	(470,049)
Net Profit from continuing operations		**2,325,359**	**1,519,924**
Net income from discontinued operations	29	19,982	4,668
Net profit attributable to:		**2,345,341**	**1,524,592**
Controlling shareholders		2,074,996	1,408,560
Non-controlling interests		270,345	116,032
Net earnings per share			
Net earnings per share from continuing operations	30	3,580	2,453
Net earnings per share from discontinued operations	30	35	7
Net earnings per share from diluted continuing operations	30	3,481	2,392
Net earnings per share from diluted discontinued operations	30	34	7

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
Legal Representative

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

Daniel Andrés Jaramillo Valencia
Auditor
P.C. 140779-T
Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 28, 2023)

GRUPO DE INVERSIONES SURAMERICANA S.A.

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Amounts expressed in millions of Colombian pesos)

	Note	December 2022	December 2021
Net income for the year		**2,345,341**	**1,524,592**
Other comprehensive income			
Items that will not be reclassified to income for the period, net of taxes			
(Loss) from investments in equity instruments at FVOCI	20	(20,595)	(15,715)
(Loss) gain from properties revaluation	20	(46,029)	58,660
Gain from defined benefit plan measurements	20	6,747	6,591
Total other comprehensive income that will not be reclassified to the results of the period, net of taxes		**(59,877)**	**49,536**
Items to be reclassified to income for the period, net of taxes			
Gain from foreign currency translation differences	20	3,206,935	358,388
(Loss) gain on cash flows hedges	20	(108,109)	63,311
(Loss) gain on hedges of net investments in foreign entities	20	(381,571)	58,466
Participation of OCI from associates and joint ventures accounted for using the equity method	20	1,688,749	1,009,627
Total other comprehensive income to be reclassified to profit or loss, net of taxes		**4,406,004**	**1,489,792**
Total other comprehensive income		**4,346,127**	**1,539,328**
Total comprehensive income		**6,691,468**	**3,063,920**
Comprehensive income attributable to:			
Controlling interest		6,032,825	2,860,780
Non-controlling interest		658,643	203,140

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
Legal Representative

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

Daniel Andrés Jaramillo Valencia
Auditor
P.C. 140779-T
Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 28, 2023)

GRUPO DE INVERSIONES SURAMERICANA S.A.
Consolidated Statement of Changes in Equity
At December 31, 2022 and 2021
(Values expressed in millions of Colombian pesos)

	Note	Issued capital	Share premium	Reserves	Reserves for share repurchase	Profit Net Income for the year	Retained earnings	Other Comprehensive Income (OCI)	Equity attributable to controlling interest	Non-controlling interests	Total equity
Balance at December 31, 2020		**109,121**	**3,290,767**	**5,403,485**	**300,000**	**225,125**	**13,770,027**	**2,906,307**	**26,004,832**	**2,536,893**	**28,541,725**
Restatement adjustment for commitments with non-controlling interests	5.2.4	-	-	(765,244)	-	-	-	-	**(765,244)**	(1,880,623)	**(2,645,867)**
Balance as of December 31, 2020 (restated)		**109,121**	**3,290,767**	**4,638,241**	**300,000**	**225,125**	**13,770,027**	**2,906,307**	**25,239,588**	**656,270**	**25,895,858**
Other comprehensive income	20	-	-	-	-	-	-	1,452,220	**1,452,220**	87,108	**1,539,328**
Net income for the year		-	-	-	-	1,408,560	-		**1,408,560**	116,032	**1,524,592**
Total net comprehensive income for the period		**-**	**-**	**-**	**-**	**1,408,560**	**-**	**1,452,220**	**2,860,780**	**203,140**	**3,063,920**
Transfer to retained earnings		-	-	-	-	(225,125)	225,125	-	**-**	-	**-**
Distribution of 2020 results											
Ordinary dividend (603.40 pesos per share) recognized as distributions to owners	19	-	-	-	-	-	(351,165)	-	**(351,165)**	(89,608)	**(440,773)**
Reserves for protection of investments	18	-	-	308,562	-	-	(308,562)	-	**-**	-	**-**
Reserves for share repurchase	18	-	-	-	(55,152)	-	-	-	**(55,152)**	-	**(55,152)**
Minimum dividends, preferred shares		-	-	-	-	-	40,581	-	**40,581**	-	**40,581**
Commitments with non-controlling interests	5.2.4	-	-	79,028	-	-	-	-	**79,028**	(86,555)	**(7,527)**
Shareholder dividend withholding effect		-	-	-	-	-	11,554	-	**11,554**	-	**11,554**
Increases (decreases) due to other changes, equity		-	-	-	-	-	85,110	-	**85,110**	18,249	**103,359**
Balance as of December 31, 2021 (restated)		**109,121**	**3,290,767**	**5,025,831**	**244,848**	**1,408,560**	**13,472,670**	**4,358,527**	**27,910,324**	**701,496**	**28,611,820**
Other comprehensive income	20	-	-	-	-	-	-	3,841,797	**3,841,797**	504,330	**4,346,127**
Profit for the year		-	-	-	-	2,074,996	-	-	**2,074,996**	270,345	**2,345,341**
Total net comprehensive income for the period		**-**	**-**	**-**	**-**	**2,074,996**	**-**	**3,841,797**	**5,916,793**	**774,675**	**6,691,468**
Transfer to retained earnings		-	-	-	-	(1,408,560)	1,408,560	-	**-**	-	**-**
Distribution of 2021 results	19										
Ordinary dividend (784 pesos per share) recognized as distributions to owners		-	-	-	-	-	(454,115)	-	**(454,115)**	(66,037)	**(520,152)**
Reserves for protection of investments	18	-	-	273,001	-	-	(273,001)	-	**-**	-	**-**
Minimum dividends, preferred shares	18	-	-	-	-	-	40,475	-	**40,475**	-	**40,475**
Commitments with non-controlling interests	5.2.4	-	-	276,570	-	-	-	-	**276,570**	(434,133)	**(157,563)**
Shareholder dividend withholding effect		-	-	-	-	-	2,422	-	**2,422**	-	**2,422**
Business merger Protección S.A.	12	-	-	-	-	-	2,798	-	**2,798**	1,042,910	**1,045,709**
Increases (decreases) due to other changes, equity		-	-	-	-	-	32,448	-	**32,448**	35,195	**67,643**
Balance at December 31, 2022		**109,121**	**3,290,767**	**5,575,402**	**244,848**	**2,074,996**	**14,232,257**	**8,200,324**	**33,727,715**	**2,054,107**	**35,781,822**

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
Legal Representative

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

Daniel Andrés Jaramillo Valencia
Auditor
P.C. 140779-T
Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 28, 2023)

GRUPO DE INVERSIONES SURAMERICANA S.A.
Consolidated Cash Flows Statement
At December 31, 2022 and 2021
(Values expressed in millions of Colombian pesos)

	Note	December 2022	December 2021
Cash flows from operating activities			
Net profit for the year		**2,668,612**	**1,985,305**
Discontinued operations	30	19,982	4,668
Income before taxes		**2,688,594**	**1,989,973**
Adjustments to reconcile net income			
Interest	28	980,079	724,890
Depreciation and amortization expense	10 - 11- 12	576,310	543,424
Impairment expense		35,901	48,479
Variation foreign currency translation		(1,829,507)	(252,960)
Gain on fair value measurements		(356,029)	(560,833)
Valuation of investments at amortized cost and gain on sale of investments	5	(1,722,962)	(940,849)
Undistributed earnings from the application of the equity method	9	(2,038,764)	(1,394,548)
Other cash inflows		149,573	28,068
Changes in operating assets and liabilities			
inventories		1,021	6,540
Accounts receivable from the insurance activity		(1,859,942)	(540,251)
Other accounts receivable		(106,189)	(240,463)
Accounts receivable from related parties		97,664	137,728
Other accounts payable		306,626	11,639
Accounts payable insurance activity		487,063	73,548
Deferred acquisition cost (DAC) adjustment		(24,618)	(98,557)
Provisions		778,158	292,416
Other non-financial assets and liabilities		192,195	(119,624)
Disposal of non-current assets		(118,117)	71,606
Variation in insurance contracts net		9,389,993	1,892,208
Dividends received from associates		**741,208**	**248,283**
Income tax paid		**(506,485)**	**(711,956)**
Interest received		**774,559**	**691,144**
Cash flows from operating activities		**8,636,331**	**1,899,905**
Cash flows from investing activities			
Other charges on the sale of equity or debt instruments of other entities		17,250,816	14,745,778
Other payments to acquire equity or debt instruments of other entities		(22,172,219)	(14,604,797)
Cash flows from the loss of control of subsidiaries or other businesses		-	512
Cash flows used to obtain control of subsidiaries or other businesses		(73,860)	(82,944)
Sale of property, plant and equipment	10	185,494	46,858
Purchase of property and equipment	10	(149,000)	(141,086)
Sales of intangible assets	12	77,634	34,885
Purchase of intangible assets	12	(353,849)	(234,317)
Cash flows from obtaining control of subsidiary		(314,338)	-
Sales of other long-term assets		2,704	60,224
Dividends received financial instruments		29,200	914
Purchases of other long-term assets		(164,174)	(140,816)
Cash flows from investment activities		**(5,681,592)**	**(314,789)**
Cash flows from financing activities			
Collections from futures contracts, forward contracts and financial options (swaps)		(147,227)	15,995
Proceeds from loans		1,736,041	461,245
Payments for acquiring or redeeming the shares of the company		-	(55,152)
Loan repayments		(2,163,430)	(1,989,746)
Payment of financial lease liabilities		(14,955)	(80,024)
Dividends paid to controlling shareholders		(427,683)	(347,898)
Dividends paid to non-controlling interests		(65,795)	(89,461)
Interest paid		(605,122)	(535,947)
Cash flows from financing activities		**(1,688,171)**	**(2,620,988)**
Net increase (decrease) in cash before the effect of exchange rate changes		**1,266,568**	**(1,035,872)**
Effect of exchange rate changes on cash and cash equivalents		20,477	14,405
Net increase (decrease) in cash and cash equivalents		**1,287,045**	**(1,021,467)**
Cash and cash equivalents at the beginning of the period		2,282,924	3,304,391
Cash and cash equivalents at the end of the period	**5**	**3,569,969**	**2,282,924**

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
Legal Representative

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

Daniel Andrés Jaramillo Valencia
Auditor
P.C. 140779-T
Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of February 28, 2023)

II

CHAPTER

NOTES TO THE FINANCIAL STATEMENTS

GRUPO DE INVERSIONES SURAMERICANA S.A.

NOTES TO THE FINANCIAL STATEMENTS

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

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

NOTE 1. REPORTING ENTITY

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

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

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

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

Suramericana (Seguros SURA)

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

Sura Asset Management

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

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

Company	Type of Entity	December 2022	December 2021	Country	Functional Currency
Grupo de Inversiones Suramericana S.A.	Holding Company			Matrix	
Suramericana and subsidiaries:					
Suramericana S.A.	Holding Company	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Vida Suramericana S.A.	Personal Insurance	81.13%	81.13%	Colombia	Colombian Peso
Seguros Generales Suramericana S.A.	General insurance	81.12%	81.12%	Colombia	Colombian Peso
EPS Suramericana S.A.	Organization, guarantee and provision of health services.	81.13%	81.13%	Colombia	Colombian Peso
Servicios de Salud IPS Suramericana S.A.S.	Provision of medical, paramedical and dental services	81.13%	81.13%	Colombia	Colombian Peso
Ayudas Diagnósticas Sura S.A.S.	Provision of diagnostic aid services in health	81.13%	81.13%	Colombia	Colombian Peso
Operaciones Generales Suramericana S.A.S.	Investment in movable and immovable property	81.13%	81.13%	Colombia	Colombian Peso
Servicios Generales Suramericana S.A.S.	Investment in movable property especially through, especially shares.	81.13%	81.13%	Colombia	Colombian Peso
Consultoría en Gestión de Riesgos Suramericana S.A.S.	Consulting services in integrated risk management	81.13%	81.13%	Colombia	Colombian Peso
Suramericana Tech S.A.S. (1)	Development of digital channels	81.13%	0.00%	Colombia	Colombian Peso
Seguros de Vida Suramericana S.A.	Life insurance company	81.13%	81.13%	Chile	Chilean peso
Seguros Generales Suramericana S.A.	General insurance company	81.11%	81.11%	Chile	Chilean peso
Chilean Holding Suramericana SPA	Investments	81.13%	81.13%	Chile	Chilean peso
Inversiones Suramericana Chile Limitada	Investments	81.13%	81.13%	Chile	Chilean peso
Inversiones Sura Chile S.A. (2)	Investments	81.13%	0.00%	Chile	Chilean peso
Seguros Sura, S.A. de C.V.	General insurance operations	81.13%	81.13%	Mexico	Mexican Peso
Santa Maria del Sol S.A.	Investments	81.13%	81.13%	Argentina	Argentine Peso
Atlantis Sociedad Inversora S.A (3)	Investments	0.00%	81.13%	Argentina	Argentine Peso
Aseguradora de Créditos y Garantías S.A (3)	Insurance, coinsurance and reinsurance operations in general on all types of risks.	0.00%	81.12%	Argentina	Argentine Peso
Seguros Sura S.A.	General insurance operations	80.67%	80.67%	Argentina	Argentine Peso
Seguros Suramericana, S.A.	Insurance	81.13%	81.13%	Panama	Dollar
Servicios Generales Suramericana S.A.	Inspection service, repair, purchase and sale of vehicles.	81.13%	81.13%	Panama	Dollar
Seguros Sura S.A. Seguros de Personas	Personal Insurance	81.13%	81.13%	El Salvador	Dollar
Seguros Sura S.A.	General insurance	81.13%	81.13%	El Salvador	Dollar
Seguros Sura S.A.	Operation in personal and damage insurance	81.13%	81.13%	Brazil	Brazilian Real
Inversiones SURA Brasil Participacoes LTDA.	Investments	81.13%	81.13%	Brazil	Brazilian Real
Serviços Sura Ltda (4)	Risk management services	81.13%	0.00%	Brazil	Brazilian Real
Seguros Sura S.A.	General insurance	81.13%	81.13%	Uruguay	Uruguayan Peso
Suramericana Uruguay S.A.	Investments	81.13%	81.13%	Uruguay	Uruguayan Peso
Vinnyc S.A.	Assistance to vehicles, different from insurance business.	81.13%	81.13%	Uruguay	Uruguayan Peso
Russman S.A.	Assistance to vehicles, different from insurance business.	81.13%	81.13%	Uruguay	Uruguayan Peso
Seguros Sura S.A.	Insurance	81.13%	81.13%	Dominican Republic	Dominican Peso
Sura RE Ltd.	Insurance and/or reinsurance businesses	81.13%	81.13%	Bermuda Islands	Dollar

Company	Type of Entity	December 2022	December 2021	Country	Functional Currency
Sura SAC Ltd.	Insurance and/or reinsurance businesses	81.13%	81.13%	Bermuda Islands	Dollar
Suramericana and subsidiaries:					
Sura Investment Management Colombia S.A.S.	Holding Company	83.58%	83.58%	Colombia	Colombian Peso
Activos Estratégicos Sura A.M. Colombia S.A.S.	Holding Company	83.58%	83.58%	Colombia	Colombian Peso
SURA IM Gestora de Inversiones S.A.S.	Management consultancy activities, real estate activities carried out with own or leased property	83.58%	83.58%	Colombia	Colombian Peso
SURA Asset Management S.A.	Holding Company	83.58%	83.58%	Colombia	Colombian Peso
NBM Innova S.A.S.	Diverse commercial activities.	83.58%	83.58%	Colombia	Colombian Peso
Fiduciaria Sura S.A.	Acts, contracts, services and operations of trust companies.	83.58%	83.58%	Colombia	Colombian Peso
SURA Asset Management Chile S.A.	Holding Company	83.58%	83.58%	Chile	Chilean peso
Seguros de Vida SURA S.A.	Life insurance activities.	83.58%	83.58%	Chile	Chilean peso
Administradora General de Fondos SURA S.A.	Management of mutual and investment funds.	83.58%	83.58%	Chile	Chilean peso
Corredores de Bolsa SURA S.A.	Purchase and sale of securities and securities brokerage operations	83.58%	83.58%	Chile	Chilean peso
Sura Data Chile S.A.	Sale of data processing services and leasing of computer equipment	83.58%	83.58%	Chile	Chilean peso
SURA Servicios Profesionales S.A.	Consulting and advice services	83.58%	83.58%	Chile	Chilean peso
AFP Capital S.A.	Pension funds management	83.33%	83.33%	Chile	Chilean peso
Sura Asset Management México S.A. de C.V.	Holding Company	83.58%	83.58%	Mexico	Mexican Peso
Pensiones SURA S.A. de C.V.	Pension insurance	0.00%	83.58%	Mexico	Mexican Peso
SURA Investment Management S.A. de C.V.	Management of investment companies	83.58%	83.58%	Mexico	Mexican Peso
Afore SURA S.A. de C.V.	Management of investment companies specialized in retirement funds.	83.58%	83.58%	Mexico	Mexican Peso
Asesores SURA S.A. de C.V.	Sale of financial products and services	83.58%	83.58%	Mexico	Mexican Peso
Gestión Patrimonial Sura asesores en inversiones S.A. de C.V.	Administration of intellectual property, franchises, concessions and authorizations.	83.58%	83.58%	Mexico	Mexican Peso
Promotora SURA AM S.A. de C.V.	Marketing and promotion services	83.58%	83.58%	Mexico	Mexican Peso
Sura Art Corporation S.A. de C.V.	Company dedicated to collecting Mexican art	83.58%	83.58%	Mexico	Mexican Peso
NBM Innova S.A. de C.V.	Management, promotion and marketing services.	83.58%	83.58%	Mexico	Mexican Peso
Proyectos empresariales AI SURA S.A. de C.V.	Performs the function of Trustee in Titling processes.	83.58%	83.58%	Mexico	Mexican Peso
Sura IM Gestora México S.A. de C.V.[(8)]	Administer, advise, manage and operate private and/or public capital investment vehicles created through trusts.	83.58%	83.58%	Mexico	Mexican Peso
SURA Asset Management Argentina S.A.	Financial and investment management	83.58%	83.58%	Argentina	Argentine Peso
SUAM Corredora de Seguros S.A. de C.V.	Insurance and reinsurance	83.58%	83.58%	El Salvador	Dollar
SURA Asset Management Perú S.A.	Holding Company	83.58%	83.58%	Peru	Soles
AFP Integra S.A.	Pension Fund Administrator	83.58%	83.58%	Peru	Soles
Fondos SURA SAF S.A.C.	Management of mutual and investment funds	83.58%	83.58%	Peru	Soles
Sociedad Agente de Bolsa S.A.	Securities brokers	83.58%	83.58%	Peru	Soles
Sociedad Titulizadora SURA S.A.	Perform the function of Trustee in Titling processes.	83.58%	83.58%	Peru	Soles
SURA Asset Management Uruguay Sociedad de Inversión S.A.	Holding Company	83.58%	83.58%	Uruguay	Uruguayan Peso

Company	Type of Entity	December 2022	December 2021	Country	Functional Currency
AFAP SURA S.A.	Administration of social security savings funds.	83.58%	83.58%	Uruguay	Uruguayan Peso
AFISA SURA S.A.	Administration of investment funds	83.58%	83.58%	Uruguay	Uruguayan Peso
Corredor de Bolsa SURA S.A.	Intermediation services	83.58%	83.58%	Uruguay	Uruguayan Peso
Disgely S.A.	Marketing of goods and leasing and other services.	83.58%	83.58%	Uruguay	Uruguayan Peso
Inversiones SURA Corp.[5]	Inversiones	83.58%	0.00%	United States	Dollar
AFP Crecer S.A.[6]	Pension Fund Administrator	83.58%	0.00%	El Salvador	Dollar
Administradora de Fondos de Pensiones y Cesantías Protección S.A.[6]	Pension and Severance Funds Administrator	44.22%	41.24%	Colombia	Colombian Peso
Asulado Seguros de Vida S.A.[7]	Pension insurance and annuities for the individual savings pension model	61.42%	0.00%	Colombia	Colombian Peso
Other companies:					
Arus Holding S.A.S.	Investment in movable and immovable property	100.00%	100.00%	Colombia	Colombian Peso
Arus S.A.	Marketing of products and solutions in telecommunications	100.00%	100.00%	Colombia	Colombian Peso
Inversiones y Construcciones Estratégicas S.A.S.	Investor	100.00%	100.00%	Colombia	Colombian Peso
Enlace Operativo S.A.	Outsourcing of information processing services.	100.00%	100.00%	Colombia	Colombian Peso
Hábitat Adulto Mayor S.A.	Provision of health services for the elderly	82.66%	82.66%	Colombia	Colombian Peso
Nubloq S.A.S[9]	Design, development, production, operation, maintenance and commercialization of software systems, solutions and products.	100.00%	100.00%	Colombia	Colombian Peso
SURA Ventures S.A.	Investor	100.00%	100.00%	Panama	Dollar

Changes in investments in controlled entities 2022

(1) On September 28, 2022, Suramericana incorporated the subsidiary Suramericana Tech S.A.S., to develop the digital channels of its subsidiaries in Latin America, transform the relationship with its customers and reach new segments.

(2) On September 26, 2022, Suramericana incorporated the company Inversiones Sura Chile S.A., in order to facilitate the development and governance of Suramericana's businesses in that country and to provide greater clarity on the ownership structures of its subsidiaries.

(3) (3) During March 2022, Suramericana entered into a purchase and sale agreement for 100% of the shares it directly and indirectly held in the Argentinean companies Aseguradora de Créditos y Garantías S.A. and Atlantis Sociedad Inversora S.A., a transaction that was finally closed last June 10 after receiving the authorization from the competent authorities.

(4) On August 9, 2022, Suramericana incorporated the company Servicios Sura Ltda., whose main activity will be risk management, especially in the mobility industry, in order to support the operation of its insurance subsidiary in Brazil.

(5) In January 2022, Sura Asset Management S.A. incorporated Inversiones SURA Corp. whose main activity is to provide financial advice to its clients in Latin America and manage investment portfolios in the United States.

(6) In November 2022, Sura AM took control of the companies Protección S.A. Colombia and AFP Crecer of El Salvador, going from having a 49.36% to 52.91% interest in Protección S.A., which in turn has a 99.9% interest in AFP Crecer.

(7) In December 2022, the company Asulado Seguros de Vida S.A. was incorporated through the spin-off of the assets of Protección S.A., whose main activity is to offer pension insurance and life annuities for the affiliates of Protección S.A. Sura Am has a 73.49% share and Grupo SURA indirectly 61.42%.

2021

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

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

Legal and regulatory restrictions

The subsidiaries of Grupo SURA do not have any restrictions to transfer dividends to the parent company, except for the legal reserve of the Company and its subsidiaries.

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

Unconsolidated structured entities

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

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

	Managed Funds (*)	
	December 2022	**December 2021**
Grupo SURA Asset Exposure		
Investments at fair value through profit or loss	4,905,414	2,867,928
Total assets in relation to the interests of Grupo SURA in non-consolidated structured entities	**4,905,414**	**2,867,928**
Maximum exposure Grupo SURA	**4,905,414**	**2,867,928**

(*) Represents Grupo SURA's participation in the managed pension funds that must be mandatorily held in each of the countries: Colombia: 1.00%, Chile: 1.00%, Mexico: 0.53%, Peru: 1.00% and Uruguay: Minimum 0.50% - Maximum 2%.

In the normal course of its operations, some subsidiaries of Grupo SURA are asset managers that manage pension funds, which by regulation must maintain a participation in each of the funds under management, called "Encaje". As a result of this administration, commissions are received, according to the conditions of each fund or asset under management.

The obligations of these entities in the management of these assets are average and do not guarantee results. The maximum exposure to the risk of loss is the amount of the investment held in these funds, which may be affected by inefficiencies in management and in the variation of the funds' results, which are mainly impacted by the valuation of the assets under management.

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

2.1. Statement of compliance

The consolidated financial statements of Grupo de Inversiones Suramericana S.A., for the twelve-month period ended December 31, 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, as amended. These accounting and financial reporting standards correspond to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), in the versions accepted by Colombia through the aforementioned Decrees.

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

- Exceptions applicable to 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 IFRS.

2.2. Basis of presentation

2.2.1. Bases of measurement and presentation

Bases of measurement

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

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

Presentation of financial statements

The consolidated financial statements are presented on the following basis:

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

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

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

2.2.2. Principles of consolidation

Subsidiaries

The consolidated financial statements include the financial statements of Grupo SURA and its subsidiaries as of December 31, 2022 and 2021, and for the years then ended. Grupo SURA consolidates the assets, liabilities and financial results of the entities over which it exercises control. Grupo SURA exercises control in another entity if, and only if, it has all of the following elements:

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

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

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

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

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

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

Non-controlling interests

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

Purchases or sales of investments in subsidiaries to non-controlling interests that do not result in a loss of control are recognized directly in equity. ***(See note 29 Discontinued operations).***

2.2.3. Currency

2.2.3.1. Functional and presentation

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

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

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

2.2.3.2. Foreign Currency

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

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

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

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

	Average rate		Closing rate	
	December 2022	**December 2021**	**December 2022**	**December 2021**
Colombian Peso (COP/USD)	4,255.44	3,743.09	4,810.20	3,981.16
Chilean peso (CLP/USD)	872.33	760.04	855.86	853.50
Dominican Peso (DOP/USD)	55.14	57.25	56.42	57.41
Euro (EUR/USD)	1.53	1.18	1.06	1.13
Mexican Peso (MXN/USD)	20.11	20.29	19.48	20.61
Peruvian Nuevo Sol (PEN/USD)	3.84	3.88	3.82	3.99
Uruguayan Peso (UYU/USD)	41.13	43.57	40.07	44.70
Argentina (ARS/USD)	130.71	95.10	177.06	103.05
Brazil (BRS/USD)	5.17	5.39	5.22	5.58

2.3. Significant accounting policies

The following are the most significant accounting policies used by Grupo SURA for the preparation of consolidated financial statements, which have been consistently applied during the years ended December 31, 2022 and 2021, unless otherwise indicated:

2.3.1. Cash and cash equivalents

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

2.3.2. Financial instruments

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

Financial assets

a) Definition

A financial asset is any asset that is:

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

Accordingly, Grupo SURA has classified its financial assets as: cash and cash equivalents, investments, derivative instruments, accounts receivable and accounts receivable from related parties.

b) Classification of financial instruments included in investments

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

I. At fair value through profit or loss.
II. At fair value through other comprehensive income.
III. At amortized cost.

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

For investments in equity instruments, an irrevocable election can be made to present in "other comprehensive income - OCI" in equity subsequent changes in the fair value of an investment that is not held for trading. Grupo SURA has decided to take up this option and consequently, elected to measure some of its equity investments where it does not have control or significant influence at fair value through to OCI". ***(See note 5.1.2. Investments).***

c) Initial recognition

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

d) Subsequent measurement

After initial recognition, investments are measured as follows:

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

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

e) Impairment

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

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

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

Operations with derivative financial instruments and hedge accounting

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

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

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

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

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

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

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

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

Financial liabilities

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

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

Non-voting preferred shares

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

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

Put and call options with non-controlling interests

The accounting treatment of exit options with non-controlling interests depends on the way in which the option is settled, as follows:

- For exit options in which there is the possibility of settling the contract with **equity instruments** by Grupo Sura or one of its subsidiaries, the derivative methodology measured at fair value will be used.
- For **cash-settled** exit options, it will be a financial liability measured at the present value of the exercise price and its counterpart of the initial and subsequent recognition will depend on the determination of whether or not there is a present ownership interest in the underlying shares, taking into consideration the following.

Factors considered in determining whether the put option could provide a present ownership interest to the acquirer include:

- Pricing
- Voting and decision-making rights
- Dividend rights
- Issuance of call options

Where there is a present ownership interest in the underlying shares, the measurement effects are as follows:

- The shares subject to the call option are accounted for as acquired and a financial liability measured at the present value of the exercise price is recognized.
- Subsequent changes in the liability will be recognized in the income statement.

In the event that there is no present ownership interest in the underlying shares, the Group has determined that IFRS 10 takes precedence over IAS 32 and the measurement effects are as follows:

- Reclassify to financial liabilities (Commitments with non-controlling interests) the non-controlling interest recorded in equity at the initial time and at the end of each period.
- The difference between the liability at fair value and the reclassified non-controlling interest is recorded in the parent's equity (other reserves).
- This method of recognition has no effect on the presentation of the non-controlling interest recognized in the statement of comprehensive income, other comprehensive income or cash flows of the company.
- The above accounting treatment is applied until the date of exercise or expiration of the option.

2.3.3. Insurance contracts

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

In particular, the Company:

- Does not recognize as a liability provision for future claims when they arise from insurance contracts that do not exist at the end of the reporting period (such as catastrophe or equalization provisions).
- Perform the liability adequacy test.
- Eliminate an insurance contract liability (or a portion of it) from its statement of financial position when, and only when, it is extinguished, i.e., when the obligation specified in the contract is settled or cancelled, or has expired.
- It shall not offset **(i)** reinsurance contract assets against related insurance liabilities, or **(ii)** expenses or income from reinsurance contracts against income or expenses, respectively, from related insurance contracts.
- Consider whether its reinsurance assets have been impaired.

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

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

Written premium income

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

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

Classification of products in accordance with IFRS 4 of Insurance Contracts

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

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

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

Revenues from health care providers

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

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

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

Income of the labor risk management company

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

Reinsurance and coinsurance operations

Reinsurance

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

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

Ceded reinsurance contracts do not release Grupo SURA from its obligations with policyholders.

Grupo SURA does not offset reinsurance assets with liabilities generated by insurance contracts and they are presented separately in the statement of financial position.

Coinsurance

Grupo SURA considers coinsurance as the agreed concurrence of two or more insurance entities in the coverage of the same risk; for coinsurance contracts the liability of each insurer to the insured is limited to its percentage of participation in the contract.
Grupo SURA recognizes in the statement of financial position the balance derived from coinsurance operations based on the percentage of participation agreed in the insurance contract.

Impairment of reinsurance and coinsurance

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

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

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

Estimated insurance contract liabilities

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

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

1. **Estimated liabilities of insurance contracts for unsettled notified claims:** correspond to liabilities and direct settlement expenses for notified claims. The liability is recognized on the date on which the insured and/or beneficiary notifies the occurrence of the covered loss and is subject to a monthly recalculation.
2. **Estimated liabilities for claims not reported (IBNR):** this liability is constituted to reflect those claims that have occurred, but which at the date of the reporting period have not been reported by the insured and/or beneficiary.
3. **Estimated liabilities for future commitments:** these are provisions created to reflect expected future commitments with policyholders.
4. **Estimated liability for risks in progress:** this is the liability for compliance with future obligations arising from the commitments assumed in the policies in force at the calculation date. The estimated current risk liability is comprised of the unearned premium liability and the premium deficiency liability.

The estimated unearned premium liability represents the portion of premiums written on policies in force and premiums written on policies with future inception.

The estimated liability for insufficient premiums will supplement the unearned premium liability to the extent that the premium is not sufficient to cover the current risk and unearned expenses.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Projection of contractual cash flows using assumptions based on the best estimates available at the time of the projection. The assumptions are reviewed periodically and approved by the Models and Assumptions Committee and by the risk area of the Company.
- Generation of rate of return scenarios (considering the investment-divestment dynamics of each of the subsidiaries of the company).
- Discounting of commitment flows (in order to obtain the present value of the commitments).
- Calculation of the 50th percentile of present values and comparison with booked reserves. In the case of Mexico and Peru, where the contracts do not have optionalities (they are symmetrical), the projection of flows is symmetrical. However, in the case of Chile, where there are non-symmetric contracts (e.g., flexible with guaranteed rates), stochastic projections are made and then the 50th percentile is determined.

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

- **Operative Assumptions:** Leakage, Partial Surrenders, Collection Factor (not applicable to Life Annuities): periodically, experience analyses are performed in order to incorporate the most recent behavior to the assumption. The analyses are performed by family of homogeneous products.
    - **Operating Expenses:** annually, the assumptions of operating expenses are reviewed to consider the best estimated expenditure levels (based on portfolio volume and level of expenses). An important tool for defining the assumption is the annual strategic planning of the Company.

    - **Mortality tables:** the mortality tables developed by the Company, are used for the life annuity portfolio, while for the rest of the life insurance portfolio, given that there is not enough experience for the construction of a proprietary table, the assumption is derived, based on mortality tables, provided by the reinsurance Company.
- **Financial Assumptions:** the reinvestment model generates the return rate scenarios, based on the updated assumptions of both the market and the investment, at the closing date of the report. The assumptions of the reinvestment model are:
    - Scenarios of Zero Rate Government Coupon: together with the Spreads index, it is used to value the assets available for investment/reinvestment.
    - Projected spread rate: applies to zero coupon rates
    - Multiplicative factors of spread
    - Depreciation factor: is applied to real estate and shares
    - Projected flows of liabilities and assets
- **Expected favorable returns:** Grupo SURA recognizes the future payments to be realized for the favorable experience in terms of claims and continuity that are agreed at the start of the insurance contracts through the recognition of a provision.

k) Deferred acquisition costs - DAC

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

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

2.3.4. Taxes

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

Income tax

Current

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

Deferred

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

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

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

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

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

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

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

a) there is a legal recognition of the right to compensate, before the tax authorities, the amounts recognized in those items; and
b) deferred tax assets and liabilities are derived from the income tax, corresponding to the same tax authority, which are:
    - **I.** the same entity or fiscal subject; or
    - **II.** different entities or subjects for tax purposes that expect either to settle the current fiscal assets and liabilities for their net amount, or to realize the assets and to pay the liabilities simultaneously, in each of the future periods in which it is expected to settle or recover significant amounts of assets or liabilities for deferred taxes.

2.3.5. Property and equipment

Grupo SURA defines as property and equipment (P&E), those tangible assets that will be used in more than one accounting period and which book value is expected to be recovered through their use and not through their sale.

The initial cost of property and equipment is determined as the costs incurred in the acquisition or construction of these assets, up until they are ready to be used.

Subsequent to their recognition, Grupo SURA measures real estate assets (land and buildings) under a revaluation model. Revaluation gains are credited to other comprehensive income and accumulated as a separate component of equity called "revaluation surplus".

In case of revaluation losses, decreases to the assets will be offset with the balance of revaluation surplus in other comprehensive income, up to the amount previously accumulated if there is any, if not, directly to profit and loss.

For the other classes of property and equipment the cost model is used for subsequent measurement, that is, their purchase value is depreciated over their useful lives.

Depreciation

Grupo SURA will depreciate its property and equipment using the straight-line method, for all asset classes, except for land. Land and buildings are separate classes of assets and will be accounted for separately, even if they have been acquired jointly.

Depreciation will begin when the assets are in the location and conditions necessary for them to operate, and it will cease on the date on which the asset is classified as held for sale, or as investment property measured at fair value, in accordance with the applicable accounting policies.

Grupo SURA will derecognize property and equipment if sold, or when it is not expected to obtain future economic benefits from their use or disposal. The loss or profit arising from the derecognition of an item of property and equipment will be included in the results of the period.

Useful lives

Grupo SURA defined the following periods of useful lives for property and equipment:

Buildings	20 to 100 years
Technology equipment	3 to 10 years
Medical equipment	6 to 17 years
Furniture and fixtures	6 to 10 year
Vehicles	4 to 10 years

For leasehold improvements, the useful life will be the term of the contract or the estimated economic life of the improvement, whichever is shorter.

Grupo SURA must review the useful lives of all the assets, at least at the end of each accounting period.

2.3.6. Leases

A lease contract is one in which the right to control the use of an asset is granted, for a period of time, in exchange for a compensation.

Initial Recognition

At the beginning of the lease contract, a right-of-use asset and a lease liability are recognized.

Right-of-use asset: It is measured at cost, which includes the initial measurement value of the liability, plus advances, less incentives, plus initial direct costs and estimated decommissioning costs.

Lease liability: It is measured as the present value of the minimum lease payments, that have not been made at the commencement date.

For the determination of the lease liability, the implicit interest rate should be used, as long as it is determinable. If not, the incremental interest rate must be used.

Subsequent measurement

After the start date, a lessee will measure the right-of-use asset applying the cost model. In respect of the asset amortization period, the term of the contract and the expectations over the time of use of the asset must be taken into account.

2.3.7 Intangible assets

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

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

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

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

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

Impairment

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

2.3.8. Investments in associates

An associate is an entity over which Grupo SURA has significant influence over the decisions of financial and operating policies without achieving control or joint control.

It should be presumed that Grupo SURA exerts significant influence when:

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

Grupo SURA exercises significant influence through its participation in the Board of Directors or equivalent body, when in the development of elections of the Board of Directors carried out by the Meetings of Shareholders of each of the Associates, they exercise the political rights in proportion to their shareholding. To date, this situation is fulfilled with regard to the associates Grupo Bancolombia S.A., Grupo Nutresa S.A. and Grupo Argos S.A.

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

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

Impairment

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

Methodology for impairment of investments in subsidiaries and associated companies

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

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

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

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

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

Joint Ventures

A joint venture is recognized when the contractual arrangement is structured through a separate vehicle and gives it rights to the net assets of the arrangement, rather than rights to the assets and obligations related to the arrangement.

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

2.3.9 Employee benefits

The benefits to employees include all the benefits that Grupo SURA provides to the workers, in exchange for the services provided. Employee benefits are classified as: short-term, post- employment, other long-term benefits and termination benefits.

Short-term benefits

Short-term benefits are benefits expected to be paid to employees within twelve months after the date of preparation of the financial statements. Short-term benefits are recognized as the employees render the service, at the value expected to be paid. The effects of the change in the valuation of short-term benefits are charged to income for the period.

Among the short-term benefits of Grupo de Inversiones Suramericana are the following:

a) Social security and mandatory benefits: accrued monthly in accordance with the legal regulations of each country. Payments are made as required by law.
b) Short-term incentive compensation plan (ICP): accrued monthly based on an estimated percentage of compliance, it is paid in March of each year and, among other considerations, entitled to all employees who have met previously set objectives and provided that corporate objectives communicated in a timely manner are met.
c) Other benefits: benefits such as vacation bonus, extra-legal service bonus and Christmas bonus, which are charged to expenses as the service or benefit is rendered.

Post-employment benefits

Post-employment benefits those remunerations granted to the employee after retirement or termination of the contract other than severance payments.

In Grupo SURA there are the following post-employment benefits:

Retirement pensions directly assumed by the subsidiaries, severance payable to employees who continue in labor regime prior to Law 50 of 1990 (applicable to Colombia), and certain extra-legal benefits or those agreed in collective bargaining agreements.

The liability for post-employment benefits is determined based on the present value of the estimated future payments, calculated based on actuarial studies prepared by the projected unit credit method, using actuarial assumptions of mortality rates, salary increases and employee turnover, and interest rates determined by reference to current market yields of bonds at the end of the period of National Government issuances or high-quality corporate bonds. Under the projected unit credit method, future benefits to be paid to employees are allocated to each accounting period in which the employee renders service. Therefore, the corresponding expense for these benefits recorded in the consolidated statement of income of Grupo SURA includes the present service cost allocated in the actuarial calculation plus the financial cost of the calculated liability. Changes in the liability due to changes in actuarial assumptions are recorded in equity in the OCI account.

Variations in the actuarial liability for changes in employee benefits granted retroactively are recorded as an expense at the earliest of the following dates:

- when there is a modification of the employment benefits granted.
- when provisions are recognized for restructuring costs by a subsidiary or business of the Company.

Long-term benefits

These are all additional benefits to employees other than short-term benefits that are paid prior to retirement or termination of service by the employee. In accordance with the collective bargaining agreements and regulations of each of Grupo SURA´s companies, such benefits correspond mainly to seniority premiums and severance indemnities paid to certain employees hired before Law 50 of 1990 (applicable in Colombia).

Liabilities for long-term employee benefits are determined in the same way as post-employment benefits, with the only difference that changes in the actuarial liability due to changes in actuarial assumptions are also recorded in income.

Termination benefits

Termination benefits are payments for early retirement or severance payments, and therefore will only arise at the time of the termination of the employment relationship. Grupo SURA must recognize termination benefits as a liability and an expense, when the offer of benefits can no longer be withdrawn, due to contractual issues, or when it recognizes the costs of a restructuring.

2.3.10. Operating segments

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

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

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

2.3.11. Income

Revenue from customers

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

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

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

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

Complementary services to the insurance activity

Complementary services to the insurance activity are services provided which do not relate to insurance risks, these services include: transportation for injury or illness, travel and accommodation of a family member, travel related to the death of a family member, transportation in the event of death, transfer costs for interruption of travel, legal assistance by telephone, among others.
Income received for services complementary to the insurance activity is recognized when the transfer of the services committed to its customers is made, and is recognized for the amounts that reflect the consideration that the Company expects to receive in exchange for such services.

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

General Insurance

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

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

Life Insurance

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

Income from labor risk management

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

Dividend Income

Grupo SURA recognizes dividend income when:

a) the entity's right to receive the dividend payment is established
b) It is probable that the entity will receive the economic benefits associated with the dividend
c) the amount of the dividend can be measured reliably.

This does not apply when the dividend represents a recovery of the cost of the investment.

Commission income

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

Grupo SURA will be a principal if it controls the good or service before the entity transfers it to a customer. However, Grupo SURA is not necessarily acting as a principal if it obtains the legal right to a product only momentarily before the right is transferred to the customer.
When Grupo SURA is defined as a principal, i.e., it satisfies a performance obligation, it recognizes income from ordinary activities for the gross value of the consideration to which it expects to be entitled in exchange for the goods or services transferred.

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

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

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

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

Deferred income liability (DIL)

A Deferred Income Liability (DIL) provision is generated in the Mandatory Pension Savings segment in the countries of Chile, Peru and Uruguay, as a result of administration costs, in order to defer the income of contributing members in the periods in which these members become non-contributing members or pensioners who cannot be charged for the administration of their funds and/or payment of pensions.

The foundation of this arises because, under the condition of non-contributor, said affiliates do not generate any income that allows them to face the costs. For this purpose, a provision is created, whose constitution takes place as long as the Company makes the corresponding collection, and its release is given as the aforementioned cost is incurred.

DIL calculation methodology

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

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

2.3.12. Earnings per share

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

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

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

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

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

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 in level 3. These fair values contain significant judgments and estimates due to the fact that there is no active market where prices are available.

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

a) Liabilities under insurance contracts

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

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

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

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

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

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

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

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

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

b) Fair value of financial instruments

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

When valuation techniques (e.g., models) are used to determine fair values, they are validated and reviewed periodically by qualified personnel independent of those who obtained them. All models are certified prior to use and the models are calibrated to ensure that the results reflect actual data and comparative market prices. To the extent possible, the models use only observable data; however, areas such as credit risk (both own and counterparty credit risk), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 31 on fair value.

Business model of Grupo SURA

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

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

Calculation of credit risk in derivatives

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

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

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

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

Determining efficacy in derivatives

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

The Group has defined the following judgments to qualitatively assess hedge effectiveness, taking into account IFRS 9. (Paragraph 6.4.1.(c)).

- **Economic relationship:** The value of the defined hedged item (USD foreign currency denominated debt issue) and the value of the designated hedging instrument (spot item) in this hedging relationship will change systematically and oppositely in response to movements in the USD/COP exchange rate, which is the hedged risk.
- **Non-dominance of credit risk:** The Company will monitor on a quarterly basis that there are no significant decreases in the credit rating of its counterparty, in order to maintain the high probability of future compliance with the flows of the derivative designated as a hedge.
- **Proportional hedging relationship:** Proportional hedging relationship: Provided that, during the life of the hedging relationship, the USD/COP exchange rate is below USD/COP 4,330 (highly probable scenario); the hedging ratio between the hedged item and the hedging instrument will be one to one, fully effectively offsetting the exchange rate risk generated by the principal of the foreign currency (USD) denominated debt issue for the company.

In a different scenario, when the exchange rate during the life of the hedging relationship is above USD/COP 4,330 (low probability scenario); the hedge ratio between the hedged item and the hedging instrument will be in a very extreme scenario of 0.63 to 1, partially offsetting the exchange rate risk generated by the principal of the debt issue denominated in foreign currency (USD) for the company.

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

c) Impairment of financial assets

To calculate the impairment of financial assets, the future cash flows, of the respective financial asset of the group must be estimated. **See note 5.1.4 of financial instruments, impairment section.**

d) Taxes

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

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

e) Impairement of goodwill

The determination of impairment of goodwill requires an estimation of the value in use of cash- generating units to which goodwill has been allocated it said. The calculation of value in use requires management to estimate the future cash flows of the CGU and appropriate discount rate to calculate the present value. When the actual future cash flows are lower than expected, there may be a loss for impairment. (Note 12.1 Goodwill).

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

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

g) Term of leasing contract

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

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

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

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

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

i) Employee benefits

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

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

NOTE 4. NORMS ISSUED NOT EFFECTIVE YET

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements as of December 31, 2022, except for the standards and interpretations that have been published but are not applicable at the date of these financial statements and are disclosed below.

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

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

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

In March 2021, the IASB issued amendments to IFRS 16 to extend from June 30, 2021 to June 30, 2022, the practical expedient for tenants caused by rent reductions occurring as a direct result of the Covid-19 pandemic.
The cumulative effect of applying the amendment is 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 lessee first applies the amendment.
The amendments were introduced by means of Decree 1611 of 2022. These amendments had no impact on these financial statements and are not expected to have an impact on future financial statements of the Group.

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

IFRS 17: Insurance contracts

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

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

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

IFRS 17 has not been introduced into the Colombian accounting framework by means of any decree to date.

Annual Improvements to IFRS Standards 2018-2020 cycle

Amendments to IFRS 9, IAS 39 and IFRS 7: Reform of interest rate benchmarks

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: 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 guidance regarding 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.

Amendments to IAS 37: Onerous Contracts - Costs Incurred in the Performance of a Contract

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity should include when assessing whether a contract is onerous or loss-making.

The amendments state that a "directly related cost approach" should be applied. Costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs are not directly related to the contract and should be excluded unless they are explicitly attributable to the counterparty under the contract.

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

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

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

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.

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

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.

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 Cash and cash equivalents

Cash and cash equivalents correspond to:

	December 2022	December 2021
Cash and banks	1,850	3,330
National banks	2,395,736	1,435,465
Foreign Bank	881,720	506,099
Cash equivalents (*)	290,663	338,030
Total cash and cash equivalents	**3,569,969**	**2,282,924**
Cash and cash equivalents in the statement of cash flows	**3,569,969**	**2,282,924**

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

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

Restricted cash is included within Other Assets (see note 13).

5.1.2. Investments

The breakdown of investments is as follows:

	December 2022	December 2021
At fair value through profit or loss	9,432,492	5,888,913
At amortized cost	17,008,723	11,823,312
At fair value through OCI (*)	1,174,491	926,126
Debt securities	**27,615,706**	**18,638,351**
At fair value through profit or loss	8,363,480	6,444,659
At fair value through OCI (*)	94,926	86,732
Equity instruments	**8,458,406**	**6,531,391**
Subtotal investments	**36,074,112**	**25,169,742**
Impairment in investments at fair value through OCI (*)	(76,500)	(65,275)
Impairment on investments at amortized cost	(24,552)	(5,862)
Subtotal impairment	**(101,052)**	**(71,137)**
Total Investments [1]	**35,973,060**	**25,098,605**
Short-term investments	12,951,679	9,544,846
Long-term investments	23,021,381	15,553,759

(*) OCI: Other Comprehensive Income

(1) 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 (loss) from investments at fair value:

	December 2022	December 2021
Legal reserve [1]	36,537	157,310
Fair value investments [2]	370,808	496,628
Trading derivatives	(75,586)	(94,140)
Dividends Financial Instruments	17,277	13,316
Difference on exchange of investments	(31,630)	(28,787)
Total	**317,406**	**544,327**

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

(2) The fair value is detailed below:

	Profit (loss)			
	For sale (realized)		Unrealized	
	December 2022	December 2021	December 2022	December 2021
Debt securities	104,375	138,556	176,501	187,963
Equity instruments	(2,770)	(15,498)	194,307	308,665
Total	**101,605**	**123,058**	**370,808**	**496,628**

The following is the detail of (realized) and unrealized profits or losses on investments in available-for-sale debt securities as of December 31, 2022 and 2021

December 2022

		Profit (loss)	
Debt securities	Book value (*)	For sale (realized)	Unrealized
National issuers	16,702,345	23,716	661,490
Foreign issuers	4,332,177	(2,442)	-
Mutual funds	4,906,447	(3,731)	(396,674)
Investment funds	1,674,737	86,832	(88,315)
Total	**27,615,706**	**104,375**	**176,501**

December 2021

		Profit (loss)	
Debt securities	Book value (*)	For sale (realized)	Unrealized
National issuers	10,435,662	28,411	291,157
Foreign issuers	4,527,879	2,328	-
Mutual funds	2,867,928	(460)	(370)
Investment funds	806,882	108,277	(102,824)
Total	**18,638,351**	**138,556**	**187,963**

(*) Book value and fair value are the same as of December 31, 2022 and 2021.

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

	December 2022	December 2021
Investments at amortized cost	1,722,962	940,849
Investments in cash equivalents	69,835	305,822
Income from other assets	6,808	4,884
Subtotal return at amortized cost	**1,799,605**	**1,251,555**
Impairment of investments	(17,265)	(3,525)
Total net yield at amortized cost	**1,782,340**	**1,248,030**

The following is a detail of equity investments at fair value through profit or loss as of December 31, 2022 and December 31, 2021:

	December 2022	December 2021
Mutual funds	4,567,024	4,288,614
National issuers	2,706,247	1,687,701
Foreign issuers	1,090,209	468,344
Total	**8,363,480**	**6,444,659**

Investments at fair value through Other Comprehensive Income

The following is the detail of realized and unrealized profits or losses on investments in equity instruments with adjustment to Other Comprehensive Income as of December 31, 2022 and 2021:

December 2022	Cost	Profit / unrealized loss
Bolsa de Comercio de Santiago (Chile)	15,019	93
Enka de Colombia S.A.	60,789	11,725
Total	**75,808**	**11,818**

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

Investment guarantees

As of December 31, 2022 and 2021, investments provided in guarantees corresponded to foreign issuers for $1,220 and $958 million pesos, respectively.

Restrictions on investments

The balance of investments as of December 31, 2022, includes the investment that the pension and severance fund administrator Protección S.A., has in the trust fund sufficiency resources autonomous patrimony PA2, which was constituted by virtue of the administrative order issued by the Financial Superintendence in Colombia, and which is managed by Fiduciaria Bancolombia, which is represented in liquid assets for $192,104 and are to attend possible deviations in the pension insurance rate.

5.1.3. Other accounts receivable

The detail of accounts receivable as of December 31, 2022 and 2021 is presented below:

	December 2022	December 2021
Trading accounts receivable	1.086.352	1.272.924
Other receivables*	640.339	474.940
Accounts receivable AFP-Commisiones	240.087	139.376
Tax receivables	132.184	112.918
Employee accounts receivable	40.951	33.440
Total other accounts receivable	**2.139.913**	**2.033.598**

* Corresponds to prepayments of contracts, Securities Brokerage Company (*Sociedad Comisionistas de Valores*), judicial deposits and claims to insurance companies.

Current and non-current:

	December 2022	December 2021
Other current accounts receivable	2.139.608	2.033.243
Other non-current accounts receivable	305	355
Total other accounts receivable	**2.139.913**	**2.033.598**

5.1.4. Impairment of financial assets

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

	December 2022	December 2021
Impairment of accounts receivable	(187,335)	(210,995)
Impairment of investments	(101,052)	(71,137)
Total	**(288,387)**	**(282,132)**

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

	Accounts receivable	Investments	Total
Balance at December 31, 2020	**(240,177)**	**(45,652)**	**(285,829)**
Additions Impairment of the period (*)	(35,746)	(3,525)	(39,271)
Recoveries	47,130	2,312	49,442
Other adjustments	14,225	(23,155)	(8,930)
Exchange differences	3,573	(1,117)	2,456
Balance at December 31, 2021	**(210,995)**	**(71,137)**	**(282,132)**
Additions Impairment of the period (*)	(9,210)	(17,265)	(26,475)
Recoveries	49,741	1,748	51,489
Other adjustments	(21,594)	(16,776)	(38,370)
Exchange differences	4,723	2,378	7,101
Balance at December 31, 2022	**(187,335)**	**(101,052)**	**(288,387)**

(*) See notes 6.7. Insurance costs and expenses and 5.1.2. Investments (net return on investments at amortized cost).

5.2. Financial liabilities

The following are the financial liabilities of Grupo SURA:

	Note	December 2022	December 2021	December 2020
Financial obligations (1)		1,115,538	1,063,510	1,502,283
Bonds issued	5.2.3	9,337,919	8,523,718	8,765,419
Preferred shares	17	459,955	460,067	460,847
Commitments with non-controlling interests	5.2.4	2,810,956	2,653,394	2,645,867
Subtotal financial liabilities for capital management		**13,724,368**	**12,700,689**	**13,374,416**
Derivative instruments	5.2.1	491,544	321,959	176,518
Accounts payable to related parties	34	117,298	90,500	87,093
Other accounts payable (2)	5.2.2	2,609,496	2,303,767	2,291,578
Subtotal other financial liabilities		**3,218,338**	**2,716,226**	**2,555,189**
Total		**16,942,706**	**15,416,915**	**15,929,605**

(1) Financial obligations bear interest between 4.36% and 14.7% for the year 2022 and for the year 2021 between 3.54% and 9.91%.
(2) Corresponds mainly to accounts payable to suppliers and taxes other than income tax.

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

December 2022

Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		133,658	61,455	195,113
Derivative instruments	5.2.1		7,095	7,095
Accounts payable to related parties	34	117,298	-	117,298
Other accounts payable	5.2.2	2,535,393	-	2,535,393
Bonds issued	5.2.3	612,009	-	612,009
Total		**3,398,358**	**68,550**	**3,466,908**

Non-Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		920,425	-	920,425
Derivative instruments	5.2.1	-	484,449	484,449
Other accounts payable	5.2.2	74,103	-	74,103
Bonds issued	5.2.3	8,725,910	-	8,725,910
Preferred shares		459,955	-	459,955
Commitments with non-controlling interests	5.2.4	-	2,810,956	2,810,956
Total		**10,180,393**	**3,295,405**	**13,475,798**
Financial liabilities		**13,578,751**	**3,363,955**	**16,942,706**

December 2021 (restated)

Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		536,226	3,021	539,247
Accounts payable to related parties	34	90,500	-	90,500
Other accounts payable	5.2.2	2,253,099	-	2,253,099
Bonds issued	5.2.3	194,942	-	194,942
Total		**3,074,767**	**3,021**	**3,077,788**

Non-Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		524,263	-	524,263
Derivative instruments	5.2.1	-	321,959	321,959
Other accounts payable		50,668	-	50,668
Bonds issued	5.2.3	8,328,776	-	8,328,776
Preferred shares		460,067	-	460,067
Commitments with non-controlling interests	5.2.4	-	2,653,394	2,653,394
Total		**9,363,774**	**2,975,353**	**12,339,127**
Financial liabilities		**12,438,541**	**2,978,374**	**15,416,915**

December 2020 (restated)

Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		977,637	-	977,637
Derivative instruments		-	19,583	19,583
Accounts payable to related parties		87,093	-	87,093
Other accounts payable		2,131,512	-	2,131,512
Bonds issued		1,036,113	-	1,036,113
Total		**4,232,355**	**19,583**	**4,251,938**

Non-Current	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations	524,646	-	524,646
Derivative instruments	-	156,935	156,935
Other accounts payable	160,066	-	160,066
Bonds issued	7,729,306	-	7,729,306
Preferred shares	460,847	-	460,847
Commitments with non-controlling interests	-	2,645,867	2,645,867
Total	**8,874,865**	**2,802,802**	**11,677,667**
Financial liabilities	**13,107,220**	**2,822,385**	**15,929,605**

Grupo SURA has had no capital, interest or other defaults with respect to liabilities during 2022 and 2021.

5.2.1. Derivative instruments

The following is the detail of derivative financial instruments assets and liabilities outstanding as of December 31, 2022 and 2021:

		December 2022		December 2021	
	Note	**Asset**	**Liabilities**	**Asset**	**Liabilities**
Hedge Derivatives	5.2.1.1	1.822.017	379.215	1.457.947	261.115
Trading derivatives	5.2.1.2	133.870	112.329	70.917	60.844
Total derivatives		**1.955.887**	**491.544**	**1.528.864**	**321.959**
Current derivatives		29	7.095	-	-
Non-current derivatives		1.955.858	484.449	1.528.864	321.959
Total derivatives		**1.955.887**	**491.544**	**1.528.864**	**321.959**

5.2.1.1. Hedge derivatives

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

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

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

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

I. Differences in the timing of cash flows between debt instruments and hedging transactions.
II. Differences in the discount between the hedged item and the hedging instrument.
III. The hedging of derivatives with a fair value different from zero at the initial date of designation as hedging instruments.
IV. Counterparty credit risk, which impacts the fair value of cross-currency swaps without collateral, but does not affect the hedged items.
V. The impact on the fair value of hedging instruments, caused by interest rate movements and volatilities of these instruments.

Accordingly, the following is a summary of the cash flow hedging transactions in effect as of December 31, 2022:

1. On April 29, 2016 Grupo SURA contracted a foreign currency obligation 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 semiannually (see note 5.2.3 Bonds Issued), at December 31, 2022 such obligation is US$ 530 million due to the repurchase made.

On January 31, 2021 Grupo SURA decided to implement cash flow hedge accounting for this obligation with the following transactions:

- Twenty -two (22) swaps (Principal-Only Cross Currency Swap -Principal-Only CCS).
- Six (6) out-of-the-money call options sold that are part of the structure and are included in the CCS contracts.
- Four (4) call spread structures (call option bought + call option sold).

Following the initial designation, modifications have been made to improve the range of coverage for the hedged portion, which has limited coverage over USD 255 million. This has implied:

- The modification of four (4) Sold Calls.
- The substitution of two (2) Call Purchased for two (2) CCS.
- The constitution of two (2) Seagull structures.
- Early termination of one (1) Call Spread structure.

As of December 31, 2022 and after the amendments executed, Grupo SURA uses the following hedging instruments:

- Twenty-three (23) Principal-Only Cross Currency Swap (Principal-Only CCS).
- Two (2) call spread structures (call option bought + call option sold).
- Two (2) Seagull structures (call option bought + call option sold + put option sold), whose purpose is to widen the hedging range of the two call spread structures.

- Seven (7) out-of-the-money call options sold that are part of the structure and are included in the CCS contracts.

In this set of structures, 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; and in consideration it is obliged to pay an agreed amount and a specific fixed rate in COP in each of the derivatives that make up the structure.

2. On April 17, 2017, the subsidiary Sura Asset Managment S.A. carried out a US$ 500 million placement of bonds in dollars in the Luxembourg market under Regulation S and Rule 144 A for a value of US$ 500 million at a price of 99.57%, with a single principal maturity on April 17, 2024 and at a fixed interest rate of 4.875% per annum, payable semiannually.

On April 11, 2017, the Company made a US dollar bond placement in the US market under Regulation S and Rule 144 A for a value of US $350 million at a price of 99.07%, with a single principal maturity on April 11, 2027 and at a fixed interest rate of 4.375% per annum payable semiannually.

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

- Swap in which the Subsidiary receives US$ 90 million and pays $258.174 million plus a fixed interest rate of 2.54%.
- Swap in which the Subsidiary receives US$ 80 million and pays Mexican Pesos in the amount of Ps.1,59.168 million plus a fixed interest rate of 2.54%.
- Swap in which the Subsidiary receives US$ 120 million and pays Chilean pesos in the amount of Ch$78.738 million plus a fixed interest rate of 2.54%.

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

- 3 swaps in which the Subsidiary receives a total of US$ 155 million and pays Colombian Pesos in the amount of $ 277,375 million plus a fixed interest rate between 2.79 and 2.80% per annum.
- 3 swaps in which the Subsidiary receives a total of US$ 85 million and pays Peruvian Soles in the amount of $1,509,168 million plus a fixed interest rate between 1.70% and 1.71% per annum.
- 3 swaps in which the Subsidiary receives a total of US$ 260 million and pays Chilean pesos in the amount of $167,260.6 million plus a fixed interest rate between 0.75% and 0.76% per annum.

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

			December 2022		December 2021	
Country	**Subsidiary**	**Currency**	**Investment value**	**Covered value**	**Investment value**	**Covered value**
Chile	Sura Asset Management Chile S.A.	CLP	4.018.668	1.808.401	4.018.668	1.527.094

Mexico	Sura Asset Management México S.A. de C.V.	MXN	2.276.943	387.080	2.276.943	318.772
Peru	Sura Asset Management Perú S.A.	PEN	797.617	406.785	797.617	334.999

3. Grupo SURA through the subsidiary Suramericana has investments that support the technical reserves of the insurance activity; a percentage of such investments, present changes in their fair value attributed to foreign currency exposure and/or interest rate risk; therefore, hedge accounting is used to mitigate the effects by exchange rate and interest rate of the investments.

4. In order to hedge payments to foreign suppliers for the purchase of computer equipment, the subsidiary Arus hedged USD 1,074,180, which matures in the short term.

According to the above hedging strategies, Grupo SURA has decided to record the time value of the options and swaps in other comprehensive income and amortize it systematically to income over the life of the hedges.

The fair and nominal value of derivatives under hedge accounting is detailed below:

HEDGING DERIVATIVES				
	December 2022		December 2021	
	Nominal value	Fair Value	Nominal value	Fair Value
Assets				
Forward				
Foreign currency to buy	2.851	29	-	-
Subtotal	**2.851**	**29**	**-**	**-**
Swap				
Cross Currency Swap	4.176.590	1.517.003	3.951.555	1.145.878
Subtotal	**4.176.590**	**1.517.003**	**3.951.555**	**1.145.878**
Options				
Currency Call Option	759.300	304.985	579.450	312.069
Subtotal	**759.300**	**304.985**	**579.450**	**312.069**
Total Assets	**4.938.741**	**1.822.017**	**4.531.005**	**1.457.947**
Liabilities				
Swap				
Cross Currency Swap	41.553	16.851	39.185	3.178
Subtotal	**41.553**	**16.851**	**39.185**	**3.178**
Options				
Currency Call Option	1.668.685	359.608	1.191.220	254.218
Currency Put Option	329.650	2.756	50.000	3.719
Subtotal	**1.998.335**	**362.364**	**1.241.220**	**257.937**
Total Liabilities	**2.039.888**	**379.215**	**1.280.405**	**261.115**

The following is a summary of the movements in the Other Comprehensive Income account for the effect of the effective cash flow hedges indicated above and for the effect of the time value of the options and swaps used as hedging instruments, as well as the amounts taken to income for the ineffectiveness of the hedges, during the years ended December 31, 2022 and 2021:

	OCI	Results
	Ineffective part	Effective part
Balance at December 31, 2020	**(32.917)**	**-**
Variation in the fair value of hedges	215.132	861.721

during the year.		
Amortization of temporary securities. (note 28)	(118.326)	
Balance at December 31, 2021	**63.889**	**861,721**
Variation in the fair value of hedges during the year.	(211.838)	1.061.445
Amortization of temporary securities (note 28)	(127.697)	-
Balance at December 31, 2022	**(275.646)**	**1.061.445**

5.2.1.2. Trading derivatives

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

The following is a summary detail of derivative financial instruments assets and liabilities outstanding as of December 31, 2022 and 2021 used for trading purposes:

TRADING DERIVATIVES				
	December 2022		December 2021	
	Nominal value	Fair Value	Valor nominal	Fair Value
Assets				
Forward				
Currency forward	752.207	8.013	723.240	3.061
Subtotal	**752.207**	**8.013**	**723.240**	**3.061**
Swap				
Cross currency	1.562.983	125.857	1.115.395	67.856
Subtotal	**1.562.983**	**125.857**	**1.115.395**	**67.856**
Total Assets	**2.315.190**	**133.870**	**1.838.635**	**70.917**
Liabilities				
Forward				
Currency forward	99.176	37.497	93.024	16.732
Subtotal	**99.176**	**37.497**	**93.024**	**16.732**
Swap				
Cross currency	769.262	67.952	769.262	42.899
Interest rate	100.000	6.880	100.000	1.213
Subtotal	**869.262**	**74.832**	**869.262**	**44.112**
Total liabilities	**968.438**	**112.329**	**962.286**	**60.844**

A detail of the results of trading derivatives is presented below:

	December 2022	December 2021
Trading derivative income	364.352	187.656
Trading derivative expenses	(327.181)	(189.379)
Total	**37.171**	**(1.723)**

5.2.2. Other accounts payable

The breakdown of other financial liabilities is as follows:

	December 2022	December 2021
Others *	1.157.768	907.121
Suppliers	972.655	1.035.061

Taxes payable	479.073	360.686
Available-for-sale assets	-	899
Total other accounts payable	**2.609.496**	**2.303.767**

*Corresponds to: Retirement pensions, fund management fees, surcharges and others, income tax withheld, collections for clarifying and intermediation, withholdings from pensioners, pension funds and premiums to be collected from ceded coinsurance.

Current and non-current:

	December 2022	December 2021
Other current accounts payable	2.535.393	2.253.099
Other non-current accounts payable	74.103	50.668
Total other accounts payable	**2.609.496**	**2.303.767**

5.2.3. Bonds issued

Details of the bonds issued are presented below:

				Amortized cost		Fair value	
Date of issue	**Maturity date**	**Nominal value**	**Emission rate**	**December 2022**	**December 2021**	**December 2022**	**December 2021**
29- Apr -16	29-abr-26	(***) USD 550	5.50%	2,557,294	2,192,744	2,511,803	2,358,458
17-Apr-14	17-Apr-24	USD 500	4.88%	2,424,724	2,004,528	2,329,824	2,107,506
11-Apr-17	14-Apr-27	USD 350	4.38%	1,684,024	1,391,138	1,618,114	1,497,928
22- Jun -16	22- Jun -26	305,622	CPI +4.09%	308,639	305,299	279,589	313,058
07- May -14	07- May -23	223,361	CPI + 3.80%	227,625	225,814	227,875	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%	194,696	192,209	163,594	188,219
23- Feb -17	23- Feb -24	165,515	CPI + 3.19%	168,657	166,903	162,880	168,676
07- May -14	07- May -30	100,000	CPI + 4.15%	101,117	100,978	87,094	101,668
25- Nov -09	25- Nov -29	98,000	CPI + 5.90%	98,865	97,141	91,408	108,774
25- Nov -09	25- Nov -49	97,500	CPI + 6.98%	97,210	95,576	92,302	121,664
11- Aug -20	11- Aug -23	(**)223,750	IBR + 2.00%	125,055	224,179	121,110	220,322
11- Aug -20	11- Aug -27	296,350	CPI + 3.00%	304,612	299,932	253,963	284,120
22- Jun -16	22- Jun -31	289,235	CPI +4.29%	291,688	288,387	243,779	293,597
22- Jun -16	22- Jun -23	257,145	CPI +3.90%	259,329	257,523	256,664	264,682
11- Aug -20	11- Aug -32	180,320	CPI + 3.80%	185,675	182,712	146,750	171,578
11- Aug -20	11- Aug -40	299,580	CPI + 4.20%	308,709	303,713	239,817	285,841
Total bonds issued				**9,337,919**	**8,523,718**	**8,826,566**	**8,914,058**
Current bonds issued				612,009	194,942	605,649	195,966
Non-current bonds issued				8,725,910	8,328,776	8,220,917	8,718,092

(*) 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.

(***) The initial nominal value of the bonds was USD 550 million, on September 30, 2022 the Company repurchased USD 20 million, so the nominal value at the cutoff is USD 530.

Grupo SURA had no defaults in the payment of principal or interest or other defaults regarding its obligations during the period ended December 31, 2022 and December 31, 2021.

5.2.4. Commitments with non-controlling interests

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.

Restatement of financial statements and accounting policy for agreements with non-controlling interests

It is worth considering that these agreements are highly complex and require a certain 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.

In Note 18. Commitments, of the Financial Statements corresponding to the second quarter of 2022, the main conditions of the agreements in force were disclosed and the process of analysis of the accounting policies to be applied was reported.

As of December 31, 2022, considering the international standards, the publications of the IASB interpretations committee (IFRIC), the analysis of external consultants hired for this purpose, accounting practices of other entities and with the purpose of presenting these contracts in an appropriate manner to the users of the financial statements, the Company has concluded the following accounting treatment:

I. For exit options in which Grupo Sura has the possibility of settling the contract with equity instruments, the derivative will be measured at fair value.

II. For cash-settled exit options, it will be a financial liability measured at the present value of the exercise price. Considering the prevalence of accounting standards and the right of ownership, among others, remeasurement will be made at each closing date, affecting the non-controlling interest and the company's equity.

Based on the above, and considering that up to the cut-off date of these financial statements the liability originated by the exit options of the commitments with non-controlling interests had not been recognized, Grupo SURA presents the financial information restated in accordance with the requirements of IAS 8 "Accounting policies, changes in accounting estimates and errors". The effects of the restatement of balances are presented below:

	December 2021	January 1, 2021
Liabilities commitments with non-controlling interests at fair value	2.653.394	2.645.867
Total effect of liabilities	**2.653.394**	**2.645.867**
Reclassification of non-controlling interest	(1.967.178)	(1.880.623)
Other reserves	(686.216)	(765.244)
Total effect of equity	**(2.653.394)**	**(2.645.867)**

The aforementioned changes do not affect the results, other comprehensive income and cash flows of the Company at each reporting date.

The 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-investor	Valuation methodology	Significant methodology variables
Múnich Re	Discounted Cash Flow: DDM (Dividend Discount Model)	* 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

The estimates made by the company are presented for accounting purposes only and do not represent a commitment of Grupo Sura in possible contract negotiations.

NOTE 6. INSURANCE CONTRACTS

6.1. Insurance contract Assets

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

	December 2022	December 2021
Direct insurance	6,246,042	4,562,084
Coinsurance accepted	122,345	90,743
Other	484,905	349,733
Assets under insurance contracts	**6,853,292**	**5,002,560**

6.2. Reinsurance contract assets

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

	December 2022	December 2021
Current accounts with reinsurers	734,522	631,924
Share of insurance liabilities: claims reported and not cancelled (*)	4,238,050	2,107,570
Unearned ceded premium	2,590,514	2,104,436
Unnotified claims	399,368	423,934
Reinsurance deposits	684	594
Other assets	63,417	80,871
Assets under reinsurance contracts	**8,026,555**	**5,349,329**
Current assets under reinsurance contracts	736,601	635,608
Non-current assets under reinsurance contracts (*)	7,289,954	4,713,721
Total assets under reinsurance contracts	**8,026,555**	**5,349,329**

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

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

(*) The variation is mainly explained by the Chilean subsidiary, due to increases in non-life insurance reserves, associated with higher production.

6.3. Premiums

Net premiums obtained by Grupo SURA, and its subsidiaries, for the years ended December 31st, are as follows:

	December 2022	December 2021
Life insurance contracts	19,676,245	12,989,386
Non-life insurance contracts	12,055,643	9,448,567
Premiums issued	**31,731,888**	**22,437,953**
Life insurance contracts - reinsurer party	(277,326)	(315,857)
Non-life insurance contracts - reinsurer party	(3,993,461)	(3,592,555)
Reinsurance ceded premiums	**(4,270,787)**	**(3,908,412)**
Total net premiums retained	**27,461,101**	**18,529,541**
Life insurance contracts	(4,500,817)	(765,307)
Non-life insurance contracts	(657,201)	(148,591)
Net production reserves	**(5,158,018)**	**(913,898)**
Retained earned premiums	**22,303,083**	**17,615,643**

During 2022, the companies achieved growth in written premiums, corresponding to a timely response to changes in a volatile environment with a value proposition that is in line and relevant to the needs of individuals and companies in Latin America. In the non-life insurance segment, insurance premiums grew by 27%, in response to the momentum of business and voluntary auto solutions, as well as the economic reactivation, the recovery in mobility and the increase in higher insured values due to inflationary conditions.

6.4. Liabilities for insurance contracts

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

	December 2022	December 2021
Accounts payable insurance activity (note 6.4.1)	1,626,821	1,139,758
Estimated liabilities under insurance contracts (note 6.4.1)	37,058,668	25,437,116
Surplus	35,802	49,059
Liabilities under insurance contracts	**38,721,291**	**26,625,933**
Liabilities under current insurance contracts	13,460,635	10,893,482
Liabilities under non-current insurance contracts	25,260,656	15,732,451
Total liabilities under insurance contracts	**38,721,291**	**26,625,933**

6.4.1. Accounts payable insurance activity

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

	December 2022	December 2021
To insurance companies	327,062	173,519
Policies	70,338	43,752
Claims payable	157,392	130,011
Commissions	710,328	518,453
Others	361,701	274,023
Insurance portfolios	**1,626,821**	**1,139,758**

6.4.2. Estimated insurance contract liabilities

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

	December 2022	December 2021
Actuarial liabilities	12,133,050	6,179,624
Estimated unearned premium liabilities	12,073,540	9,930,105
Estimated incurred but not reported claims (IBNR)	2,707,830	2,197,953
Estimated liabilities for claims reported	9,437,879	6,479,632
Special estimated liabilities	326,607	282,642
Other estimated insurance contract liabilities	379,762	367,160
Total insurance technical reserves (*)	**37,058,668**	**25,437,116**

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

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

(*) Insurance technical reserves have increased, mainly due to the higher claims rate that has been presented during the year in a generalized manner in the region. The good commercial performance and the premium growth dynamics of the life segment caused the unearned premium reserve to increase for this year 2022; the economic recovery and the reduction of unemployment in Colombia boosted the labor risk business, with a 23% growth, increasing the mathematical reserve.

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

	Liabilities for insurance contracts	Assets from insurance contracts	Net
At December 31, 2020	**23,270,014**	**4,792,079**	**18,477,935**
Changes in estimated liabilities for insurance contracts	1,837,720	348,925	1,488,795
Adjustments for conversion	329,382	208,325	121,057
At December 31, 2021	**25,437,116**	**5,349,329**	**20,087,787**
Changes in estimated liabilities for insurance contracts (*)	9,263,617	1,653,705	7,609,912
Adjustments for conversion	2,357,935	1,023,521	1,334,414
At December 31, 2022	**37,058,668**	**8,026,555**	**29,032,113**

(*) The increase is mainly presented by the incorporation of the insurance company ASULADO which contributes reserves in the amount of $ 5,131 million.

6.5. Liabilities under reinsurance contracts

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

	December 2022	December 2021
Ceded premiums payable	15,507	13,618
External reinsurers current account	2,035,847	1,578,811
Liabilities under reinsurance contracts	**2,051,354**	**1,592,429**

6.6. Claims withheld

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

	December 2022	December 2021
Total claims	(20,109,118)	(14,840,277)
Claim reimbursement	3,806,979	1,929,598
Retained claims (*)	**(16,302,139)**	**(12,910,679)**

(*) Price volatility in raw materials and energy triggered an inflationary effect on the costs of spare parts and vehicles, raising the consolidated loss ratio of the Company to 2022.

6.7. Insurance costs and expenses

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

	December 2022	December 2021
Net reinsurance cost	(711,348)	(499,278)
Services for the promotion and prevention of occupational hazards	(291,846)	(274,300)
Contributions Insurance companies	(136,489)	(101,829)
Fees	(242,197)	(190,781)
Other insurance expenses	(51,858)	(4,622)
Employee benefits	(458,185)	(548,164)
Technical impairment	(9,210)	(35,746)
Total insurance costs and expenses	**(1,901,133)**	**(1,654,720)**

The insurance costs and expenses that contribute to the consolidated statement correspond to investments in the insured other than the payment of the claim.

NOTE 7. INCOME TAXES

7.1. Applicable regulations

The current and applicable tax provisions establish that the nominal income tax rates for December 31, 2022 and December 2021 applicable to Grupo SURA and its subsidiaries located in Colombia, Chile, Peru, Argentina, Brazil, Uruguay, Mexico, Panama, Dominican Republic, El Salvador, Bermuda and the United States, are as follows:

Country	2022	2021
Colombia	35.0%	31.0%
Chile	27.0%	27.0%
Peru	29.5%	29.5%
Argentina	35.0%	35.0%
Brazil	40.0%	40.0%
Uruguay	25.0%	25.0%
Mexico	30.0%	30.0%
Panama	25.0%	25.0%
Dominican Republic	27.0%	27.0%
El Salvador	30.0%	30.0%
The United States (*)	21.0%	-
Bermuda	0.0%	0.0%

(*) Company created in the USA in 2022.

Colombia: For the year 2022 the general income tax rate was 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 audit benefit is extended for the years 2022 and 2023 to reduce the time of finality of the income tax return in 6 or 12 months, provided that the net income tax is increased by 35% or 25% respectively.

On December 13, 2022, the National Government issued Law 2277 Tax Reform for Equality and Social Justice where the most important modifications regarding income tax are the increase in the surtax from 3 to 5 points for financial institutions and insurance companies until 2027; the creation of a minimum tax rate of 15% for national companies and the increase of the rate for occasional gains from 10% to 15%.

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

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

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

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

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

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

Dominican Republic: The tax code of the Dominican Republic establishes that the income tax payable will be the greater of the net taxable income or 1% of taxable assets. The income tax rate for legal entities is 27% on income obtained in the country. In the event of tax losses, taxpayers may offset them within 5 years following the year of generation of the loss, the finality of the income tax returns is 3 years.

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

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

Uruguay: The income tax rate for corporations is 25% and is based on territorial income considering some exceptions, therefore, income outside the country is considered foreign source and not subject to tax; in the event that the company does not generate fiscal profits, it must be taxed under the minimum IRAE system, Art. 93 of the Law of Income Tax on Economic Activities *(IRAE, Acronym for the Spanish Original)*, which establishes that it must be taxed based on the income of the previous year on a scale of between USD 150 and USD 380 per month approximately. Additionally, the tax loss may be imputed within 5 years of its generation.

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

The United States: The corporate income tax rate is 21%. There are also established rates per State that may vary per State without exceeding 12%.

There are several types of corporations, the most common being: Corporation and Limited Liability Company ("LLC"). These two types of entities give protection to the owners from commercial liability (both have "limited liability"). A Corporation is represented by the directors ("officer and directors") the same as an S.A. in Colombia.

7.2. Current taxes

The following is the detail of current tax assets and liabilities as of December 31, 2022 and 2021:

	December 2022	December 2021

Current tax assets		
Income tax and supplemental taxes	218,920	102,170
Withholdings	27,591	4,133
Tax in favor	130,428	139,938
Others	117	26
Total assets for current taxes	**377,056**	**246,267**

	December 2022	December 2021
Current tax liabilities		
Income tax and supplemental taxes	122,593	126,665
Total current tax liabilities	**122,593**	**126,665**

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

Current tax	December 2022	December 2021
Current tax asset recoverable before 12 months	320,003	218,416
Current tax asset recoverable after 12 months	57,053	27,851
Total Current tax asset	**377,056**	**246,267**
Current tax liability recoverable before 12 months	106,505	112,671
Current tax liability recoverable after 12 months	16,088	13,994
Total current tax liability	**122,593**	**126,665**

7.3. Tax recognized in the income statement for the period

The income tax expense for the period is detailed below:

	December 2022	December 2021
Current tax expense	**(371,624)**	**(541,951)**
Current tax	(382,194)	(560,851)
Adjustment of previous periods	10,570	18,900
Deferred tax expense	**8,389**	**71,902**
Constitutions / reversal of temporary differences	(2,039)	66,410
Deferred tax adjustments	989	(2,529)
Exchange rates	9,439	8,021
Total tax expense	**(363,235)**	**(470,049)**

7.4. Effective rate reconciliation

The reconciliation of the effective rate is presented below:

		December 2022		December 2021
Profit before tax		**2,688,594**		**1,989,973**
Income tax by applying the local tax rate (*)	33.94%	(912,448)	29.99%	(596,793)
Impact		**(1,311,868)**		**(699,313)**
Fines and penalties		(46,364)		-
Non-deductible expenses [(1)]		(298,116)		(202,217)

Investments [2]		(517,943)		(314,188)
Amortization of intangible assets		-		(45)
Tax losses		(205,969)		(20,411)
Financial assets		(226,172)		(137,443)
Properties and equipment		-		(374)
Other alternative taxable income		(1,261)		(13,945)
Capital Gains		(1,120)		-
Others		(14,923)		(10,690)
Minus the tax effect of:		**1,861,081**		**826,057**
Non-taxed income [3]		297,926		202,303
Financial liabilities		242,215		147,301
Unrecorded Dividends		336,970		32,098
Amortization of intangibles		472		-
Properties and equipment		198		-
Adjustment of previous periods		9,875		8,334
Adjustments in change of rate		9,439		8,021
Discounts / tax deductions		296,776		173,792
Provisions and Contingencies		97,310		48,448
Exempt income [4]		356,340		115,457
Others		213,560		90,303
Income tax (**)	**13.51%**	**(363,235)**	**23.62%**	**(470,049)**

(*) The tax rate determined for the reconciliation of the consolidated effective tax rate corresponds to an average of the nominal rates of each of the companies.
(**) The effective rate decreased by 10 percentage points due to the increase in pre-tax earnings and a decrease in current tax associated with the increase in untaxed dividends and exempt income.

[1] Includes expenses due to legal limitations such as assumed taxes, expenses associated with untaxed income, among others.
[2] Corresponds to the equity method of associates.
[3] Corresponds to the equity method of subsidiaries.
[4] Corresponds to tax exemptions of insurance companies in Colombia and other exempt income.

7.5. Deferred taxes

The balance of deferred tax assets and liabilities as of December 31, 2022 and 2021 is:

Deferred tax asset	December 2022	December 2021	Recognized in other equity investments 2021	Recognized results 2022
Provisions	227,098	155,751	-	71,347
Employee Benefits	68,636	49,868	(1,074)	19,843
Other non-financial assets	16,171	19,473	-	(3,302)
Financial Liabilities	683,885	408,406	230,442	45,036
Unused tax losses and tax credits	378,919	93,353	-	285,566
Technical insurance reserves	469,411	244,857	-	224,554

Right of use	27,430	23,689	-	3,741
Total	**1,871,550**	**995,397**	**229,368**	**646,785**

Deferred tax liabilities	December 2022	December 2021	Recognized in other equity investments 2021	Recognized results 2022
Financial Assets	309,387	279,488	(109)	30,008
Intangible assets	1,114,486	761,086	-	353,400
Deferred acquisition cost DAC	160,901	125,295	-	35,606
Investments	690,050	622,213	-	67,837
Other non-financial assets	3,396	1,649	-	1,747
Other non-financial liabilities	175,987	51,186	-	124,801
Liabilities due to temporary differences in equity investments	47	39	-	8
Properties and Equipment	290,159	233,033	6,211	50,913
Technical insurance reserves	135,827	121,995	-	13,832
Total	**2,880,240**	**2,195,984**	**6,102**	**678,152**
Conversion effect				39,756
Total			**235,470**	**8,389**
Effect of discontinued operations	-	-	(16,730)	-
Other equity effects	-	-	(35,232)	-
Total	**(1,008,690)**	**(1,200,587)**	**183,508**	**8,389**

Grupo SURA offsets deferred tax assets and liabilities by entity and tax authority, considering the application of tax provisions in Colombia and other countries where there is a legal right to offset tax assets and liabilities and other requirements of IAS 12, as follows:

Deferred tax	Initial	Compensated	December 2022
Deferred tax asset	1,871,550	(1,035,318)	836,232
Deferred tax liabilities	(2,880,240)	1,035,318	(1,844,922)
Total	**(1,008,690)**	**-**	**(1,008,690)**
Deferred tax	**Initial**	**Compensated**	**December 2021**
Deferred tax asset	995,397	(722,464)	272,933
Deferred tax liabilities	(2,195,984)	722,464	(1,473,520)
Total	**(1,200,587)**	**-**	**(1,200,587)**

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

Deferred tax	December 2022	December 2021
Deferred tax asset recoverable before 12 months	318,806	163,135
Deferred tax asset recoverable after 12 months	517,426	109,798
Total deferred tax asset	**836,232**	**272,933**
Deferred tax liability recoverable before 12 months	368,714	408,233
Deferred tax liability recoverable after 12 months	1,476,208	1,065,287
Total deferred tax liabilities	**1,844,922**	**1,473,520**

7.6. Unrecognized temporary differences due to unused tax credits

The following table shows, by maturity limit, the basis for deductible temporary differences, corresponding to tax losses and excess of presumptive income on which deferred tax assets have not been recognized:

	Loss		Excess	
	2022	**2021**	**2022**	**2021**
Between one and five years	937,954	864,452	274	323
No time limit	289,008	276,771	-	-
Total tax benefits	**1,226,962**	**1,141,223**	**274**	**323**

7.7. Uncertainty regarding income tax treatments

Taking into account the criteria and judgments in the determination and recognition of taxes, as of December 31, 2020, the entity identified situations in the Dominican Republic and Mexico that generated tax uncertainty, which were recognized for accounting purposes, according to the framework defined by IFRIC 23. As of December 31, 2022, no additional situations have been identified and no additional recognition has been required.

	December 2021	Increase	Decrease	December 2022
Dominican Republic	54	-	54	-
Mexico (*)	527	-	47	480

(*) Derived from a difference in criteria with the SAT related to third parties.

The movements of the period correspond to the restatement of the estimate as of December 2022, due to the decrease of balances as a result of the statute of limitations of income tax returns.

NOTE 8. DEFERRED ACQUISITION COST - DAC

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

DAC as of December 31, 2020	**1,516,386**
Additions	878,981
Exchange rate differences	66,492
Amortization for the period (note 23.2)	(780,423)
DAC as of December 31, 2021	**1,681,436**
Additions	1,051,761
Exchange rate differences	428,410
Amortization for the period (note 23.2)	(1,028,791)
DAC as of December 31, 2022	**2,132,816**

NOTE 9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

	Note	December 2022	December 2021
Investments in associates	9.1	23,197,497	21,985,064
Joint ventures	9.2	27,282	22,502
Total investments accounted for using the equity method		**23,224,779**	**22,007,566**

	Note	December 2022	December 2021
Income from equity method associates	9.1	2,053,784	1,400,814
Income from equity method joint ventures	9.2	(16,576)	(6,676)
Others		1,556	410
Total equity method income from investments in associates and joint ventures		**2,038,764**	**1,394,548**

9.1. Investment in associates

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

Companies	Main activity	Country	December 2022 % Participation (*)	December 2022 % Right to vote (**)	December 2022 # Shares	December 2021 % Participation (*)	December 2021 % Right to vote (**)	December 2021 # Shares
Associates:								
Grupo Bancolombia S.A.	Universal banking	Colombia	24.49%	46.22%	235,565,920	24.49%	46.22%	235,565,920
Grupo Argos S.A.	Concrete, energy,	Colombia	27.20%	35.96%	236,465,932	26.95%	35.63%	234,285,682
Grupo Nutresa S.A.	Food and processed	Colombia	35.61%	35.61%	163,005,625	35.61%	35.61%	163,005,625
Administradora de Fondos de Pensiones y Cesantías Protección S.A. [(1)]	Pension and severance fund	Colombia	-	-	-	49.36%	49.36%	12,541,088
Promotora de Proyectos	Logistics services	Colombia	48.26%	48.26%	11,076,087	48.26%	48.26%	11,076,087
Inversiones DCV S.A.	Shareholder registration	Chile	34.82%	34.82%	3,431	34.82%	34.82%	3,431
Fondos de Cesantías Chile II S.A.	Pension and severance fund	Chile	29.40%	29.40%	167,580	29.40%	29.40%	167,580
Servicios de Administración Previsional S.A.	Voluntary funds	Chile	22.64%	22.64%	168,806	22.64%	22.64%	168,806
Acsendo S.A.S.	Investments	Colombia	-	-	-	25.80%	25.80%	63,570
Fondos de Cesantías Chile III	Pension and severance fund	Chile	36.65%	36.65%	73,300	-	-	-
Joint Venture:								
Interejecutiva de Aviación S.A.S.	Air Transport Administration	Colombia	25.00%	25.00%	1,125,000	25.00%	25.00%	1,125,000
Subocol S.A.	Marketing of spare parts for vehicle repair	Colombia	50.00%	50.00%	16,815	50.00%	50.00%	16,815
Viliv S.A.S. [(3)]	Technology services	Colombia	-	-	-	50.00%	50.00%	6,671,886
Unión Para La Infraestructura S.A.S.	Fund	Colombia	50.00%	50.00%	150,000	50.00%	50.00%	150,000
Unión Para La Infraestructura S.A.S.	Fund	Peru	50.00%	50.00%	1,354,000	50.00%	50.00%	1,354,000
P.A Dinamarca	Mobility solutions	Colombia	33.00%	33.00%	-	33.00%	33.00%	-
Vaccigen S.A.S. (Vaxthera)[(2)]	Biological research and development	Colombia	70.00%	70.00%	93,331	69.11%	69.11%	55,944

[(1)] As of November 2022, this company become a subsidiary. See note 12.33

[(2)] On June 28, 2021, Suramericana, through Ayudas Diagnósticas SURA S.A.S., made an investment in the company Vaccigen S.A.S., (Vaxthera) and is classified as a joint venture by virtue of the shareholders' agreement signed between the parties, which stipulates that the relevant decisions will be taken unanimously.

[(3)] Viliv S.A.S. was dissolved and entered into liquidation process by extract of minute no. 4, dated June 16, 2022 of the extraordinary shareholders' meeting.

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

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

Cross-shareholdings

In the course of their operations, both associates Grupo Argos S.A. and Grupo Nutresa S.A. have equity interests in Grupo SURA. These shareholdings are not prohibited by Colombian regulations since the shareholders are not subordinate companies of Grupo SURA. The participation that Grupo Argos S.A. and Grupo Nutresa have in Grupo SURA as of December 31, 2022 and 2021 is as follows:

Investment in associates	% Participation	% Right to vote	% Participation	% Right to vote
	December 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 cross-shareholdings by the equity method.

Financial information of associates (Issuers of securities)

The assets, liabilities, equity and results for the year of each of the associate companies included in the consolidated financial statements of the group as of December 31, 2022 and December 31, 2021 are as follows:

	Location	Asset	Liability	Equity	Income	Profit/ Loss	Other comprehensive income	Comprehensive income
	December 2022							
Partners:								
Grupo Bancolombia S.A. (*)	Colombia	352,814,733	312,817,182	39,997,551	20,632,429	6,996,365	2,883,827	9,880,192
Grupo Argos S.A. (*)	Colombia	56,941,068	24,911,164	32,029,904	21,339,706	1,440,341	3,602,224	5,042,565
Grupo Nutresa S.A. (*)	Colombia	20,757,388	9,952,691	10,804,697	17,037,823	903,767	1,389,980	2,293,747
Inversiones DCV S.A.	Chile	38,050	27	38,023	5,650	6,947	-	6,947
Servicios de Administración Previsional S.A.	Chile	121,913	48,234	73,679	156,179	69,502	-	69,502
Fondos de Cesantías Chile II	Chile	110,055	64,995	45,060	214,278	57,779	-	57,779
Fondos de Cesantías Chile III	Chile	70,788	752	70,036	-	570	-	570
Joint business:								
Interejecutiva de aviación S.A.S.	Colombia	172,607	169,733	2,874	89,863	(4,521)	-	(4,521)
Subocol S.A.	Colombia	8,093	3,659	4,434	-	(1,121)	-	(1,121)
Unión para la infraestructura S.A.S.	Colombia	13,522	8,655	4,867	11,900	4,764	-	4,764
Unión para la infraestructura S.A.S.	Perú	61,043	28,814	32,229	61,484	3,670	-	3,670
P.A Dinamarca	Colombia	19,170	12,622	6,548	-	(5,828)	-	(5,828)
Vaccigen S.A.S. (Vaxthera)	Colombia	68,716	42,105	26,611	-	(15,149)	-	(15,149)

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

	Location	Asset	Liability	Equity	Income	Profit/ Loss	Other comprehensive income	Comprehensive income
	December 2021							
Partners:								
Grupo Bancolombia S.A. (*)	Colombia	289,855,048	255,929,590	33,925,458	15,147,265	4,207,787	1,685,375	5,893,162
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
Fondo de Pensiones y Cesantías Protección S.A. (*)	Colombia	3,698,529	1,461,115	2,237,414	1,771,511	276,519	16,858	293,377
Inversiones DCV S.A.	Chile	31,043	1,333	29,710	5,874	5,920	-	5,920
Servicios de Administración Previsional S.A.	Chile	120,398	74,516	45,882	145,400	63,171	-	63,171
Fondos de Cesantías Chile II	Chile	87,070	56,319	30,751	161,646	10,719	(1,704)	9,015
Joint business:								
Interejecutiva de aviación S.A.S.	Colombia	165,487	164,939	548	48,856	(4,628)	1,821	(2,807)
Subocol S.A.	Colombia	8,914	2,832	6,082	-	(14)	-	(14)
Unión para la infraestructura S.A.S.	Colombia	6,717	4,137	2,580	10	2	-	2
Unión para la infraestructura S.A.S.	Perú	3,266	1,549	1,717	-	510	-	510
P.A Dinamarca	Colombia	9,432	4,285	5,147	-	(2,440)	-	(2,440)
Viliv S.A.S.	Colombia	7,417	724	6,693	97	(4,840)	-	(4,840)
Vaccigen S.A.S. (Vaxthera)	Colombia	17,516	635	16,881	-	(4,324)	-	(4,324)

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

Balance and movement in associates

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

Associate movement	Bancolombia S.A.	Grupo Argos S.A.	Grupo Nutresa S.A.	Administradora de fondos de pensiones y cesantías Protección S.A.	Others	Total
Balance at December 31, 2020	**8,641,541**	**5,119,598**	**4,685,934**	**1,339,515**	**40,972**	**19,827,560**
Additions [(1)]	-	60,959	-	-	-	60,959
Gain from equity method [(3)]	1,000,918	42,932	220,434	121,444	15,086	1,400,814
Change in equity	453,680	368,474	182,308	5,225	(238)	1,009,449
(-) Dividends	(61,248)	(87,591)	(114,430)	(24,781)	(23,854)	(311,904)
Adjustment in conversion	-	-	-	-	(1,814)	(1,814)
Balance at December 31, 2021	**10,034,891**	**5,504,372**	**4,974,246**	**1,441,403**	**30,152**	**21,985,064**
Additions [(2)]	-	31,104	-	-	24,791	55,895
(-)Transfer to subsidiaries [(4)]	-	-	-	(1,434,498)	-	(1,434,498)
Gain from the equity method [(3)]	1,661,379	72,083	291,425	(15,124)	44,021	2,053,784
Change in equity	752,371	613,162	285,769	34,695	1,041	1,687,038
(-) Dividends	(734,966)	(118,233)	(154,530)	-	(38,012)	(1,045,741)
Other movements in equity [(5)]	-	-	(86,991)	-	-	(86,991)
Adjustment in conversion	-	-	-	(26,476)	9,422	(17,054)
Balance at December 31, 2022	**11,713,675**	**6,102,488**	**5,309,919**	**-**	**71,415**	**23,197,497**

[(1)] In 2021, 4,990,503 ordinary shares of Grupo Argos S.A. were received as a stock dividend payment.
[(2)] In March 2022, 2,180,250 common shares of Grupo Argos S.A. were acquired.
[(3)] In the 2021 profit of Grupo Nutresa S.A. and Grupo Argos S.A., a reclassification adjustment is made according to Decree 1311 of 2021 and Decree 2617 of 2022 in Colombia respectively; which provides the possibility for companies in Colombia to recognize in the equity account of accumulated results of previous years, the impact of the change in the income tax rate, introduced by Article 7 of Law 2155 of 2021. However, Grupo SURA S.A. chose not to make use of this option and proceeded to recognize the rate adjustment in the statement of comprehensive income as established by the standard.
[(4)] As of November 2022, this company is transferred to a subsidiary. See note 12.3.
[(5)] Corresponds to the dividend declared by Grupo SURA to Grupo Nutresa.

Restrictions and commitments

There are 43,373,238 shares of Grupo Argos pledged as collateral to secure financial obligations at December 31, 2022 and December 31, 2022 for a carrying value of $846,292.

9.2. Joint ventures

The following is the detail of the cost of investments as of December 31, 2022 and December 31, 2021:

	Interejecutiva	Viliv S.A.S. (2)	UPI Colombia (**)	UPI Perú (**)	P.A Dinamarca (*)	Vaccigen S.A.S. (Vaxthera S.A.S.) (1)	Subocol S.A.	Total
Balance at December 31, 2020	**1,127**	**1,717**	**1,287**	**829**	**1,715**	**-**	**2,040**	**8,715**
Additions	-	4,050	-	-	2,135	14,655	1,195	22,035
Decrease	(512)	-	-	-	-	-	-	(512)
Gain from the equity method	(781)	(2,421)	1,121	(196)	(1,403)	(2,989)	(7)	(6,676)
Change in equity	303	-	-	133	(72)	-	(186)	178
(-) Dividends	-	-	(1,238)	-	-	-	-	(1,238)
Balance at December 31, 2021	**137**	**3,346**	**1,170**	**766**	**2,375**	**11,666**	**3,042**	**22,502**
Additions	-	1,500	-	-	1,667	17,600	-	20,767
Gain from the equity method	(1,130)	(4,846)	2,382	125	(1,942)	(10,605)	(560)	(16,576)
Change in equity	1,712	-	-	215	84	(35)	(265)	1,711
(-) Dividends	-	-	(1,122)	-	-	-	-	(1,122)
Balance at December 31, 2022	**719**	**-**	**2,430**	**1,106**	**2,184**	**18,626**	**2,217**	**27,282**

(1) On June 28, 2021, through Ayudas Diagnósticas SURA S.A.S., Suramericana made an investment in Vaccigen S.A.S., now known and promoted as Vaxthera.
(2) Viliv S.A.S., since June 2022 the Company enters into liquidation process, which generated the impairment of the investment.
(*) P.A.: Autonomous patrimony.
(**) UPI: Union for Infrastructure S.A.S.

9.3. Impairment of investments in associates

Fair Value Associates

		2022		2021	
Main Associates of Grupo SURA	**Recoverable value> Book value**	**Book value**	**Stock market value (1)**	**Book value**	**Stock market value (1)**
Grupo Nutresa S.A.	Si	5,597,598	7,253,750	4,974,246	4,668,481
Grupo Argos S.A.	Si	6,102,488	2,244,062	5,504,372	3,204,113
Bancolombia S.A.	Si	11,713,675	10,011,552	10,034,891	8,174,137

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

As of December 2022, and 2021, the recoverable value of Grupo SURA's associated companies was determined in order to assess the impairment of investments in associates and subsidiaries.

In the case of Grupo Nutresa, a valuation of its food business was made based on a discounted free cash flow model, following projections that incorporate the competitive positions, capacities and future prospects of the businesses.

In the case of Grupo Argos, a sum of parts of the recoverable value of its portfolio of companies was made, also incorporating its expenses, taxes and indebtedness at the corporate level.

For both Grupo Argos and Grupo Nutresa, the recoverable value of its portfolio investments, which includes the recoverable value of Grupo SURA, is incorporated in its value.

For Bancolombia, a valuation was made based on a discounted dividend model, based on recent results and expectations of future growth and profitability.

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

The exercises for the determination of the recoverable value of associates are made for the exclusive purposes of this note.

Main assumptions

Grupo Nutresa S.A.

- A discounted cash flow exercise was performed for a 10-year projection horizon, corresponding to a period between 2022 and 2032.

- In the projections, the company's operating revenues are projected to grow on average between 6.0% - 8.0% annually, in line with the company's strategic goal of doubling its sales level in 6 years from 2020.
- EBITDA margin adjusted for operating leases (IFRS 16) is projected to be between 11.5% and 13%.
- CAPEX investment is projected to be in line with the company's projects between 2.5% and 3.5% of sales.
- Working capital is estimated to average 13.0%-11.0% of sales.
- For the calculation of the terminal value, a nominal growth rate between 3.0% and 4.0% was used.
- In order to estimate the recoverable value of the company, cash flows have been discounted using a discount rate based on its risk profile. This rate was calculated in Colombian pesos and in nominal terms, applying the CAPM methodology. This exercise yielded a weighted average cost of capital range between 9.8% and 10.8%.
- As for the other investments, a fundamental valuation of their investments is made, which includes the recoverable value of Grupo SURA.
- The exercise yields a valuation range above the book value recorded, so there is no evidence of impairment in the investment.

Grupo Argos S.A.

- To calculate the recoverable value of Grupo Argos, the sum of parts of its investment portfolio was calculated, also incorporating its expenses, taxes and indebtedness at the corporate level.
- In the case of Cementos Argos, a discounted free cash flow model is made, with a projection for a 10-year horizon, this exercise was performed by region (USA, Colombia and Central America-Caribbean).
- Revenue projections were estimated according to the expectations and trends of the main regions. In the case of the U.S., a positive growth dynamic is expected in the long term, thanks to the infrastructure super cycle that will take place in that country, as a result of the approved infrastructure budgets, in addition to the fact that installed capacities in that country are at maximum levels. In the short term, however, the economic slowdown is expected to be reduced due to the recessionary headwinds expected in 2023. Overall, quantity growth was modeled based on expected economic growth in each region and prices based on inflation, resulting in a consolidated long-term compounded growth of between 6.5%-7.5%.
- Regarding the EBITDA margin, an improvement in margins was also estimated, which have been affected in 2022, due to the accelerated increase in inflation that has meant that cost inflation has not been transmitted to the end customer at the same speed, a situation that should be gradually corrected as sales prices are adjusted, in addition to the stabilization of raw material prices that is already evident in the last quarter of 2022; this contributes to reduce the pressure on costs. EBITDA margin improvements were estimated between 200-300 bps in the projection period compared to the margins for the year to September 2022, explained by better dynamics in the different regions, plus the implementation of the efficiency plans that the company has been executing in recent years, these estimates show a consolidated EBITDA margin range adjusted for operating leases (IFRS 16) between 17%-20% for the projection period.
- In order to estimate the recoverable value of the company, cash flows have been discounted using a discount rate based on its risk profile, where the risk of its countries in Central America and Colombia was weighted with that of the U.S. This rate was calculated in Colombian pesos and in

nominal terms, applying the CAPM methodology. The WACC at which the flows were discounted was between 10.5%-13%.

- In the case of Celsia, the sum of parts of its investment portfolio was performed, also incorporating its expenses, taxes and indebtedness at the corporate level. The sum of parts exercise takes into account the valuations of Celsia Colombia (formerly EPSA) and the assets in Central America with discounted free cash flow models, with a projection for a 10-year horizon, and the inclusion of other strategic assets such as Meriléctrica and the Caoba investment platform at their book values.
- Each asset was valued considering its particularities, such as energy generation, distribution and transmission capacity, taking into account their respective margin levels.
- Celsia Colombia's business was estimated based on projections of energy demand from the Mining and Energy Planning Unit and Energy and Gas Regulatory Commission (CREG and UPME, abbreviation for the Spanish original), assuming price growth tied to the PPI / CPI (during the term of the tariff pact) and maintaining a stable EBITDA margin in the projection period. Similarly, assets in Central America were projected according to the information available in the countries where the company is present, maintaining stable operating margins.
- In order to estimate the recoverable value of the companies, cash flows have been discounted using a discount rate based on their risk profile and geography. This rate was calculated in COP and USD in nominal terms, applying the CAPM methodology. The WACC at which the cash flows were discounted was between 9.5% - 10.5% depending on the region.
- For the calculation of the terminal value, a nominal growth rate between 2% - 3.5% was used, depending on the region.
- The other companies of the Grupo Argos portfolio are taken at book value and in the case of Odinsa a sum of parts exercise was performed, taking as a reference the values of the transactions carried out in the vertical of airports and the vertical of roads, and the book values of the other assets.
- As for the other investments, a fundamental valuation of their investments is made, which includes the recoverable value of Grupo SURA.
- The exercise results in a valuation range above the book value recorded, so there is no evidence of impairment in the investment.
- In all valuation exercises, the respective shareholdings and controlling interests were taken into account.

Bancolombia S.A.

- A discounted dividend valuation exercise was carried out, for which Bancolombia's main financial figures and value levers were projected for 10 years
- Portfolio: consolidated COP$ growth between 7%-9% for the period (2022-2032)
- Net interest margin (NIM): range between 6.47%-7.17% for the period (2022-2032). The margin is projected to improve between 2022-2023 due to the effect of interest rate increases, mainly in Colombia
- Provision expense - Cost of credit: a cost of credit (provision expense/average portfolio) between 1.7% and 2% is estimated for the period (2022-2032), reflecting a normalization of current and

expected cost of credit after the effects of the pandemic have been absorbed at higher levels in 2020 and after a period of recoveries in 2021 and 2022

- Expenses and efficiency: Expenses were projected to grow in line with or slightly above revenues in the first years of the projection, but maintaining a slightly higher efficiency indicator than the Bank has recorded so far in 2022 through September. This indicator is estimated to range between 45%-50% for the projection period
- Solvency, TIER I: A conservative estimate was assumed, seeking to maintain a wide solvency margin in the modeling, especially the basic solvency or TIER I. The capacity to deliver dividends is modeled based on the maintenance of a basic solvency target higher than the historical one, TIER I average year range between 11%-11.5%.
- Net income and ROE: with the assumptions used, the net income and implied profitability of the business would range between 17%-20%. A return that exceeds the cost of capital used by approximately 300 bps
- Perpetuity | Discount rate: cash flows were discounted at a discount rate (cost of capital of 15.1%)
- Valuation yields P/E '22E multiples of 7.6x and P/BV of 1.4x, which are within the valuation range of comparable companies in the region during 2022.

Fair Value Subsidiaries

In the case of Suramericana and Sura Asset Management, exercises are carried out to identify signs of impairment in their respective subsidiaries. These exercises include valuations of each of these companies, which incorporate estimates of future dividend flows, based on the business plans approved by their management and governing bodies.

These plans contain medium and long-term assumptions made by their management, and are discounted using rates in accordance with the CAPM methodology used by Grupo Sura.

It is important to highlight that these exercises reflect management's best possible estimate based on the most recent figures of the companies, the economic outlook, regulation and current applicable legislation in the different geographies/industries where the businesses operate.

However, the impairment monitoring process will incorporate any subsequent material changes in these variables, such as a material change in the conditions and regulatory frameworks of some of the businesses, which in turn may have a significant and adverse impact on the recoverable amount and therefore on the determination of a possible impairment.

Additional information on the impairment testing exercises of Suramericana S.A. and Sura Asset Management S.A. can be consulted in the annual reports of both companies.

Similarly, within the impairment testing exercise, valuation models were run to estimate the recoverable values of Habitat S.A. and ARUS S.A., which incorporate their respective business plans. These exercises showed that the recoverable amount of these companies exceeds the value recorded in the books of Grupo SURA, which confirms that there is no impairment in any of them.

NOTE 10. PROPERTY AND EQUIPMENT

The breakdown of properties and equipment is as follows:

	December 2022	December 2021
Land	405,354	443,175
Buildings	733,470	635,373
Vehicles	35,612	31,111
Office equipment	44,368	40,391
Information technology equipment	135,850	118,094
Appliances and accessories	14,883	798
Constructions-in-progress	11,549	24,326
Machinery	67,624	60,642
Other property and equipment	76	3,002
Total	**1,448,786**	**1,356,912**

The movement of the properties and equipment, of Grupo SURA, is as follows:

	Land	Buildings	Vehicles	Office equipment	IT equipment	Appliances and accessories	Constructions in progress	Leasehold improvements	Machinery	Total
Cost at January 1, 2021	**388,341**	**702,609**	**42,820**	**86,295**	**357,327**	**43,044**	**33,593**	**3,448**	**88,663**	**1,746,140**
Additions	25,154	10,667	11,166	7,952	39,024	4,024	22,263	2,903	17,933	**141,086**
Disposals (-)	637	(17,460)	(9,353)	(2,534)	(23,319)	(3,868)	(31,372)	-	(2,966)	**(90,235)**
Fair value adjustments	14,580	38,935	-	-	-	-	-	-	-	**53,515**
Exchange differences	15,712	27,962	3,113	1,163	11,357	2,746	132	341	217	**62,743**
Reclassifications with investment properties	-	133	-	-	-	-	-	-	-	**133**
Reclassification among assets	-	-	-	7	283	-	(290)	-	-	**-**
Other changes	70	2,771	303	917	1,775	-	-	-	-	**5,836**
Book value at December 31, 2021	**444,494**	**765,617**	**48,049**	**93,800**	**386,447**	**45,946**	**24,326**	**6,692**	**103,847**	**1,919,218**
Accumulated depreciation and impairment at January 1, 2021	**(1,319)**	**(107,069)**	**(15,661)**	**(45,094)**	**(228,284)**	**(38,813)**	**-**	**(3,319)**	**(35,745)**	**(475,304)**
Depreciation	-	(20,700)	(5,883)	(8,838)	(51,103)	(6,131)	-	(23)	(9,348)	**(102,026)**
Impairment	-	-	-	-	-	-	-	-	-	**-**
Disposals (-)	-	919	5,029	1,423	19,355	2,777	-	(18)	1,952	**31,437**
Reclassifications with investment properties	-	-	-	-	(6)	-	-	-	-	**(6)**
Reclassification among assets	-	-	-	(1)	1	-	-	-	-	**-**
Exchange differences	-	(3,394)	(423)	(899)	(8,316)	(2,981)	-	(330)	(64)	**(16,407)**
Accumulated depreciation and impairment at December 31, 2021	**(1,319)**	**(130,244)**	**(16,938)**	**(53,409)**	**(268,353)**	**(45,148)**	**-**	**(3,690)**	**(43,205)**	**(562,306)**
Property, plant and equipment as of December 31, 2021	**443,175**	**635,373**	**31,111**	**40,391**	**118,094**	**798**	**24,326**	**3,002**	**60,642**	**1,356,912**

	Land	Buildings	Vehicles	Office equipment	IT equipment	Appliances and accessories	Constructions in progress	Leasehold improvements	Machinery	Total
Cost at January 1, 2022	**444,494**	**765,618**	**48,049**	**93,800**	**386,447**	**45,946**	**24,326**	**6,692**	**103,847**	**1,919,219**
Additions	4,073	32,800	1,044	4,155	67,803	18,945	2,573	-	17,607	**149,000**
Disposals (-)	(82,681)	-	(9,136)	(11,767)	(60,075)	(4,019)	(6,425)	(2,903)	(8,488)	**(185,494)**
Fair value adjustments	-	(41,106)	-	-	-	-	-	-	-	**(41,106)**
Exchange differences	27,430	47,272	10,026	5,976	65,687	13,827	550	1,283	593	**172,644**
Increase due to business combination	3,857	64,179	1,831	18,731	21,884	-	-	-	-	**110,482**
Reclassifications with investment properties	1,934	16,977	-	-	-	-	-	-	-	**18,911**
Reclassification from non- current assets held for sale	7,080	12,779	-	-	-	-	-	-	-	**19,859**
Reclassification among assets	-	-	-	1,475	-	-	(9,475)	-	(3)	**(8,003)**
Other changes	1,015	12,464	7,443	-	(10)	-	-	-	-	**20,912**
Book value at December 31, 2022	**407,202**	**910,983**	**59,257**	**112,370**	**481,736**	**74,699**	**11,549**	**5,072**	**113,556**	**2,176,424**
Accumulated depreciation and impairment at January 1, 2022	**(1,319)**	**(130,244)**	**(16,938)**	**(53,409)**	**(268,353)**	**(45,148)**	**-**	**(3,690)**	**(43,205)**	**(562,306)**
Depreciation	-	(17,930)	(6,356)	(9,263)	(53,078)	(6,372)	-	(23)	(10,090)	**(103,112)**
Impairment	(433)	(55)	-	-	-	-	-	-	-	**(488)**
Disposals (-)	-	5,599	5,134	7,018	41,924	3,691	-	23	7,555	**70,944**
Increase due to business combination	(98)	(10,050)	(1,639)	(8,012)	(17,113)	-	-	-	-	**(36,912)**
Reclassification among assets	-	(73)	-	29	(23)	-	-	(49)	(37)	**(153)**
Exchange differences	2	(24,760)	(3,846)	(4,365)	(49,243)	(11,987)	-	(1,257)	(155)	**(95,611)**
Accumulated depreciation and impairment at December 31, 2022	**(1,848)**	**(177,513)**	**(23,645)**	**(68,002)**	**(345,886)**	**(59,816)**	**-**	**(4,996)**	**(45,932)**	**(727,638)**
Property, plant and equipment as of December 31, 2022	**405,354**	**733,470**	**35,612**	**44,368**	**135,850**	**14,883**	**11,549**	**76**	**67,624**	**1,448,786**

As of December 31, 2022, it was detected that some equipment was in a state of obsolescence; therefore, these assets were written off and sent for disposal, in addition to the devaluations generated by the revaluation of real estate.

After analyzing the signs of impairment, it was determined that there is no evidence of impairment for all items of property and equipment at the date of presentation of this report.

- It is not expected to have significant changes in their value due to situations adverse to the company.
- There is no evidence of obsolescence or physical impairment of assets.
- No changes in the use of the assets that could adversely affect the company are expected in the foreseeable future.

There are no restrictions related to property and equipment.

NOTE 11. Right-of-use

Grupo SURA has right-of-use assets over land and buildings with terms between 3 and 12 years, and over vehicles between 3 and 7 years.

The Group generally has no restrictions to sublease the leased assets.

There are lease contracts that include extension and early termination options; there are also contracts with variable lease payments.

Grupo SURA also has equipment leases that are short-term and/or of low value. Grupo SURA applies the exception allowed by the standard for this type of contracts.

As of December 31, the carrying value of right-of-use assets is as follows:

	Right-of-use assets						
	Buildings	Transportation equipment	Office equipment	IT equipment	Leasehold improvements	Medical equipment	Total
Balance at January 1, 2022	**429,488**	**9,854**	**15,686**	**5,929**	**55,868**	**6,296**	**523,121**
Additions and increases	190,905	5,787	-	9,209	17,296	1,371	224,568
Decreases	(66,214)	(137)	(4,814)	-	-	-	(71,165)
Inflation adjustments	16,231	-	-	-	-	-	16,231
Depreciation	(123,648)	(3,438)	-	(9,445)	(15,926)	(1,996)	(154,453)
Exchange differences	1,332	297	-	1,275	1,372	(41)	4,235
Balance at December 31, 2022	**448,094**	**12,363**	**10,872**	**6,968**	**58,610**	**5,630**	**542,537**

Movements and carrying values of lease liabilities during the period are detailed below:

	December 2022	December 2021
Balance at beginning of period	**501,746**	**531,354**
Additions	80,601	79,215
Decrease due to contract terminations	(77,689)	(45,728)
Interest accrual	34,737	33,950
Advance payments	(1,235)	(10,976)
Lease payments	(14,955)	(80,024)
Exchange differences	(9,786)	(6,045)
Balance at end of period	**513,419**	**501,746**

Expenses recognized in income for the period for lease contracts are presented below:

	December 2022	December 2021
Depreciation expense of right-of-use assets	154,453	147,280
Interest expense on lease liabilities (note 28)	34,737	33,950
Lease expense for low value assets	15,987	15,044
Lease expense for short-term contracts	7,412	7,612
Total recognized in results	**212,589**	**203,886**

NOTE 12. INTANGIBLE ASSETS

The classification of Grupo SURA´s intangible assets at the end of December 31 is as follows:

	December 2022	December 2021
Goodwill	6,393,147	5,011,585
Intangible assets other than goodwill	4,039,898	2,801,546
Other total intangible assets including goodwill	**10,433,045**	**7,813,131**

12.1. Goodwill

The breakdown of goodwill is as follows:

Company	December 2022	December 2021
Corredores de Bolsa Sura S.A. y Administradora General de Fondos Sura S.A. Chile	2,131,300	76,288
AFP Integra S.A. Peru	1,769,957	1,340,478
AFORE Sura S.A. de C.V. Mexico	1,375,566	1,050,663
AFAP Sura S.A. Uruguay	173,954	129,064
Seguros Colombia S.A.	149,928	94,290
Seguros Generales Suramericana S.A. Chile	137,008	159,883
Seguros Sura S.A. Uruguay	128,597	95,411
Administradora de Fondos de pensiones y Cesantías Protección S.A.	126,484	-
Seguros Sura S.A. El Salvador	97,356	80,577
Seguros Suramericana S.A. Panama	63,058	66,834
AFP Capital S.A. Chile	55,637	1,692,558
Seguros Sura S.A. Mexico	49,689	54,538
Seguros Sura S.A. Brasil	45,613	35,299
Arus S.A. Colombia	25,429	25,429
Sura Investment Management S.A. de C.V. México	20,061	24,910
Seguros Sura S.A. Dominican Republic	19,792	16,097
Fondos Sura SAF S.A.C. Peru	17,695	63,243
Gestión Fiduciaria S.A. Colombia	4,736	4,736
Hábitat Colombia	1,287	1,287
Total	**6,393,147**	**5,011,585**

Impairment of goodwill

The value in use of the cash generating units of the Group was estimated by using different valuation techniques, including the income approach and discounted cash flows, among others. The projections were based on the detailed budget prepared by the management of each country for 2022. Indicators such as growth in premiums, claims, commissions, administrative expenses, financial income, taxes, among others, are also projected.

- **Projection horizon:** Given the current macroeconomic conditions and the characteristics and maturity of the businesses of the different CGUs under analysis, together with the information available, a projection horizon of between 5 and 10 years has been considered depending on each CGU.
- **Residual value:** Since the cash generating units under analysis are expected to continue operating and generating positive cash flows beyond the projection period, a perpetuity has been estimated. This value is known as residual or terminal value.
- **Year-end:** The year-end date considered in the financial projections of the cash-generating units at the date of analysis is December 31 of each year, which coincides with the closing date of the financial statements of the legal entities related to such CGUs.
- **Monetary Unit:** Grupo SURA and its Subsidiaries have estimated their cash flows in the functional currency of their businesses in each market. For the currencies of each country see note 2.2.3 Currencies.

- **Discount rate:** The projected cash flows in current values are discounted at nominal discount rates in the local currency of each CGU, considering inflation variables and risk premiums specific to each CGU according to its country.

    - The discount rates applied in the projections consider the cost of equity (Ke) for each CGU, including the 10-year U.S. treasury return, the equity risk premium, country risk, sector beta, and the difference between long-term local inflation and that expected for the U.S. economy. Considering the above, depending on the company's country and sector, the discount rates range from 10.16% to 24.54%.

- **Income Tax Rates:** Projected cash flows were estimated on an after-tax basis. For these purposes, the income tax rates in effect in each country as of December 31, 2022 were applied. For further details of the tax rates in each country see Note 7 Income Taxes.

- **Macroeconomic assumptions:** the financial projections of the CGUs under analysis have been prepared in light of the macroeconomic variables projected by external information sources

After performing the projections and calculations for the determination of the impairment test of the company's goodwill, Grupo SURA concluded that there is no impairment, since the recoverable value of the company is higher than the value recorded in books.

12.2. Intangible Assets other than goodwill

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

	Acquired brands	Customer-related intangible assets	Software and computer applications	Rights	Licenses and franchises	Other intangible assets	Total
Cost							
Cost at January 1, 2021	**142,401**	**3,849,607**	**674,796**	**35,804**	**33,315**	**26,636**	**4,762,559**
Additions	-	121	203,609	-	7,882	22,705	234,317
Disposals (-)	-	(4,368)	(89,354)	-	(196)	(3,709)	(97,627)
Business combination	-	-	-	-	-	-	-
Restatement of assets	3,293	15,594	-	-	-	-	18,887
Exchange rate differences	(1,209)	145,700	24,812	4,612	1,242	(2,202)	172,955
Cost in books at December 31, 2021	**144,485**	**4,006,654**	**813,863**	**40,416**	**42,243**	**43,430**	**5,091,091**
Accumulated amortization and impairment							
Accumulated amortization and impairment at January 1, 2021	**(3,162)**	**(1,606,799)**	**(311,158)**	**(35,804)**	**(15,041)**	**(250)**	**(1,972,214)**
Amortization of the period	-	(190,562)	(102,682)	-	(1,568)	(302)	(295,114)
Business combination	-	-	-	-	-	-	-
Restatement of assets	-	(10,373)	(3,755)	-	5	-	(14,123)
Disposals (-)	-	4,524	63,648	-	(9,069)	(100)	59,003
Exchange rate differences	(505)	(55,431)	(7,138)	(4,612)	252	337	(67,097)
Accumulated amortization and impairment at December 31, 2021	**(3,667)**	**(1,858,641)**	**(361,085)**	**(40,416)**	**(25,421)**	**(315)**	**(2,289,545)**
Intangible assets other than goodwill at December 31, 2021	**140,818**	**2,148,013**	**452,778**	**-**	**16,822**	**43,115**	**2,801,546**

	Acquired brands	Customer-related intangible assets	Software and computer applications	Rights	Licenses and franchises	Other intangible assets	Total
Cost							
Cost at January 1, 2022	**144,485**	**4,006,654**	**813,863**	**40,416**	**42,243**	**43,430**	**5,091,091**
Additions	498	19,526	309,494	-	9,688	14,643	353,849
Disposals (-)	-	-	(74,160)	-	(3,687)	213	(77,634)
Business combination	-	588,242	-	-	17,582	159,877	765,702
Restatement of assets	-	-	-	-	-	-	-
Exchange rate differences	27,369	1,008,031	134,111	6,968	11,898	(154,116)	1,034,261
Cost in books at December 31, 2022	**172,352**	**5,622,453**	**1,183,308**	**47,384**	**77,724**	**64,047**	**7,167,269**
Accumulated amortization and impairment							
Accumulated amortization and impairment at January 1, 2022	**(3,667)**	**(1,858,641)**	**(361,085)**	**(40,416)**	**(25,421)**	**(315)**	**(2,289,545)**
Amortization of the period	-	(197,376)	(116,308)	-	(531)	(4,530)	(318,745)
Business combination	-	-	(5,757)	-	-	-	(5,757)
Restatement of assets	-	2,173	(12,253)	-	(212)	-	(10,292)
Exchange rate differences	(764)	(476,461)	(9,596)	(6,968)	(12,678)	3,435	(503,032)
Accumulated amortization and impairment at December 31, 2022	**(4,431)**	**(2,530,305)**	**(504,999)**	**(47,384)**	**(38,842)**	**(1,410)**	**(3,127,371)**
Intangible assets other than goodwill at December 31, 2022	**167,921**	**3,092,148**	**678,309**	**-**	**38,882**	**62,638**	**4,039,898**

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

- **Projection Horizon:** For the estimation of the value in use of the brands, an indefinite useful life was considered, according to the trajectory and positioning of the brands and the market participant approach assumed. For this reason, an explicit 5-year projection was made for the AFP Capital and AFP Integra brands, respectively; and then the present value of a perpetual net royalty flow was calculated, considering a growth of 4.14% for AFP Capital and 3.5% for AFP Integra nominal in local currency in the long term over the stabilized flow.
- **Income Projection:** In order to estimate the value in use of the AFP Capital and AFP Integra brands, the operational income generated by the AFP Capital and AFP Integra business, respectively, was considered. These are the income from commissions and the return on the reserve requirement, both corresponding to the mandatory and voluntary pension business.
- **Market Royalties and Attributes of Brands:** For the purposes of applying the Royalties Saving methodology ("Relief from Royalty"), a market royalty rate was estimated. Additionally, in order to define the royalty applicable to brands, from the estimated market royalty range, the positioning and relative strength of the brand, was taken into account, based on the following attributes:
    - **Momentum:** The current status and potential for future development of the brands was considered.
    - **Recognition:** According to market studies, the degree of spontaneous knowledge or awareness that the public has about brands was evaluated.
    - **Loyalty:** According to market studies, the degree of customer loyalty to brands was evaluated.
    - **Market share:** According to market studies, the market share of the brands, in the Chilean and Peruvian markets, was analyzed.
    - **Longevity:** According to studies, that the Company has, the age of the brands, in the Chilean and Peruvian markets was evaluated.

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

12.3. Business combinations

12.3.1 Protección and Crecer

In 2022, the business combination of the companies AFP Protección (and its subsidiary AFP Crecer) was carried out as a business combination in stages according to IFRS 3 - Business Combinations.

AFP Crecer (El Salvador) is a subsidiary of AFP Protección (Colombia), which holds 99.99% of the shares representing its capital.
SURA Asset Management S.A., until October, owned 49.36% of the shares of AFP Protección. It is a company not controlled by SURA AM, treated as an associate, and whose value in the separate and consolidated EEFF is managed under the equity method (MPP).

Protección (Colombia) is the administration of mandatory, voluntary and severance pension funds.

For mandatory pensions, since 2017 it has been facing an exogenous business complexity given that the tenders to cover the pension insurance of its members (disability and survival) have been declared deserted. This forces Protección to constitute a self-insurance, deducting from the 3% that is received as income as a cost of the same.

Additionally, there is a Minimum Pension Guarantee of 1 minimum wage. The minimum wage tends to grow at levels that exceed inflation, generating a gap known as minimum wage slippage. The Colombian government offers a subsidy to cover the slippage to the insurance companies, but not to the AFPs, therefore, Protección does not have access to this subsidy and must cover this gap with its own resources.

In the course of the last few years, different factors such as the economic crisis generated by the pandemic, inflation, periods of negative returns in the financial markets, among others, have significantly increased the risk of decapitalization of the individual accounts of the members of the Individual Savings with Solidarity Scheme *(RAIS, Acronym for the Spanish original),* especially those with lower salaries, forcing Protección to provide more and more resources to constitute sufficient provisions to cover this risk.

Within this context, a project was set up to create an insurance company that could offer life annuity coverage to Protección's members, as well as pension insurance coverage, accessing the minimum wage slippage coverage offered by the government, and ensuring adequate risk coverage for those members with lower salaries with a greater possibility of future decapitalization. This operation was necessary for the future sustainability of Protección's business.

The insurer would be created by spinning off the assets of Protección.

Sequence of events generating business combination by stages

- **Capitalization of Protección with issuance of shares**

In order to obtain sufficient equity resources, it was necessary to make a capitalization of

299,990 COP in Protección.

In accordance with paragraph 41 of IFRS 3, this is a business combination carried out in stages. The previous participation in Protección (49.36%) was a non-controlling participation, and the additional 3.55% brings the new percentage to 52.91%, changing this investment from an associate to a subsidiary.

Management considers that IFRS 3 - Business Combinations establishes the rules to address market operations whose objective is to obtain control of one or more companies or businesses. In this particular case, the additional percentage that SURA AM obtains in Protección (y Crecer) is circumstantial, since there are shareholders that do not participate in the capitalization. Proof of this is that the transaction is made at equity value.

According to the above, the paragraphs of the standard that apply to this particular case (business combination by stages) are applied.

- **Remediation of previously held party (Paragraph 41)**

Paragraph 42 of IFRS 3 states: In a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate.

This means, assessing the fair value of Protección in the percentage that corresponded to SURA AM, and contrast it with the book value, in order to determine whether it is appropriate to adjust the measurement.

To determine the fair value, the methodology used was the present value of future cash flows of the transaction at the end of October, considering this as the measurement date because it was the month prior to the change in the percentage of ownership of Protección.

- **Determination of Goodwill**

In its paragraph 32, IFRS 3 - Business Combinations states the following:

The acquirer shall recognize goodwill at the acquisition date measured as the excess of (a) over (b) below:

(a) **Sum of:**

i. The consideration transferred measured in accordance with this IFRS, which generally requires it to be the fair value at the date of acquisition (see paragraph 37).
ii. The amount of any non-controlling interest in the acquiree measured in accordance with this IFRS; and
iii. In a business combination achieved in stages (see paragraphs 41 and 42), the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

(b) **The net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed, measured in accordance with this IFRS.**

For the application of this paragraph the following is considered:

Component (a) or "value paid":

	Millions COP
Consideration transferred in the capitalization.	238,262
Fair value of the previously held interest	1,464,390
Total value at the date of business combination	**1,702,652**

Component (b): identifiable assets acquired or liabilities assumed:

	Millions COP
Protection's equity at the end of November	2,823,373
Adjustment to Protección's equity:	
Recognition of liability to be refunded associated with annuities.	(98,950)
Deferred tax (35%)	34,632
Total Equity as adjusted	**2,759,055**
B. Equity attributable to SURA AM_52.9131%.	**1,459,901**
Excess Paid	**242,751**
Identifiable Assets - Customer List	353,960
Deferred tax associated with the customer list	(123,886)
Contingent liabilities - Unprovisioned litigation in Protección y Crecer (at 52.91%)	(71,733)
Deferred tax associated with contingent liabilities (at 52.91%)	27,046
C. Total identifiable assets and liabilities assumed	**185,387**
Goodwill (difference) - A-B-C	**57,364**

Protection's assets and liabilities at fair value:

The financial statements as of the end of November for Protección and El Salvador include the following balances:

	Protección Millions COP Nov-22	AFP Crecer Millions COP Nov-22
Asset		
Financial assets	2,177,231	36,814
Goodwill	126,485	-
Other intangible assets	-	13,383
Investments in controlling entities	98,766	-
Investments in related entities	-	-
Investment property	25,274	-
Accounts receivable	78,899	75,666
Deferred acquisition costs (DAC)	-	-
Cash and cash equivalents	1,151,162	24,671
Deferred tax asset	393,977	8,199
Current tax	111,899	335
Property, plant and equipment	68,168	1,548
Right-of-use assets	5,849	4,651
Financial assets from hedging operations	-	-
Reinsurance contract assets	-	-
Other assets	203	9
Non-current assets available available-for-sale assets	-	-
Total assets	**4,237,913**	**165,276**

Liabilities		
Technical reserves	-	-
Total Debt	6,197	-
Bonds issued	-	-
Financial obligations	-	-
Right-of-use liabilities	5,966	-
Financial liabilities for hedging operations	232	-
Deferred tax liabilities	45,017	1,064
Current tax liabilities	146,489	15,267
Accounts payable	101,161	32,667
Employee benefits	46,366	12,291
Deferred income (DIL)	-	-
Provisions	1,061,161	133
Other liabilities	8,806	4,432
Total liabilities	**1,415,198**	**65,854**
Equity		
Subscribed and paid-in capital	45,755	48,759
Share premium	712,487	-
Other equity reserves	1,705,447	50,825
Other comprehensive income	89,750	331
Income for the year	269,276	651
Conversion differences	-	(1,144)
Controlling shareholders' equity	**2,822,715**	**99,422**
Total equity	**2,822,715**	**99,422**
Total liabilities and shareholders' equity	**4,237,913**	**165,276**

Determination of identifiable assets and assumed liabilities

Customer list:

In order to value Protección's client list, the Multi Period Excess Eearnings (MeeM) methodology was used, which establishes that the value of an intangible asset is equal to the present value of the incremental after-tax cash flows attributable to such asset, after deducting the charge for contributory assets.

The total value of Protección's client list was determined by calculating the same for each of its businesses, taking into account the particularity in the behavior of the flows and the permanence cycle of each client.

For accounting recognition, the total value of the list of clients is calculated by applying the current percentage of participation (52.91%). The non-controlling interest in this list is recognized as intangible against non-controlling equity (47.09%).

Assumed liabilities:

According to paragraph 23 of IFRS 3, for contingent liabilities in the context of a business combination it is necessary to set aside the criterion set out in IAS 37 Provisions, Contingent Liabilities and Contingent Assets regarding the probability of occurrence that determines the recognition. The paragraph indicates that instead the acquirer shall recognize at the acquisition date a contingent liability assumed in a business combination if it is a present obligation arising from past events and its fair value can be measured reliably. Therefore, contrary to IAS 37, the acquirer shall recognize a contingent liability assumed in a business combination at the acquisition date, even when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

In this sense, we proceeded to identify all active legal processes related to labor, tax, customer-related, among others, and to purge those already provisioned by Protección or Crecer. This analysis resulted in the recognition of a contingent liability of processes and their respective deferred tax for both the controlling party and the interest.

- **Measurement period**

IFRS 3 recognizes that there may be information that is not known or cannot be accurately determined at the acquisition date, and establishes that there is a measurement period that may not exceed one year from that date. During this period, which runs until November 2023, SURA AM may make adjustments to the accounting for the business combination with retrospective effect where appropriate.

The standard establishes the measurement period as a reasonable period of time for the acquirer to obtain the information necessary to identify and measure:

a) the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree;
b) the consideration transferred to the acquiree (or the other amount used to measure goodwill);
c) in a business combination achieved in stages, the acquirer's previously held equity interest in the acquiree; and
d) the resulting goodwill or gain on a bargain purchase.

Sura Asset Management estimates that in the course of the next few months, within the measurement period, it will obtain sufficient information to evaluate and measure certain assets generally existing in business combinations, such as brands and customer lists associated with AFP Crecer.

In accordance with IFRS 3, these adjustments will be recorded as an increase or decrease in goodwill, as appropriate. The standard also stipulates that during the measurement period, the acquirer will recognize adjustments to the provisional amount as if the accounting for the business combination had been completed at the acquisition date. Thus, the acquirer shall revise, to the extent necessary, the comparative information presented in the financial statements of prior periods, including making changes in depreciation, amortization or other changes in depreciation, amortization or other effects on recognized profit or loss to complete the initial accounting.

- **Consolidation of Protección y Crecer**

The investment held in Protección y Crecer, for the percentage held up to and including October (49.36%) was accounted for under the equity method, taking the variation in the result for the period to the equity method income line.

In November, the consolidation of Protección and Crecer began, in accordance with the provisions of IFRS 10 for the consolidation procedure:

Consolidated financial statements:

a) Combine similar items of assets, liabilities, equity, income and expenses, and cash flows of the parent company with those of its subsidiaries.
b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's share of the equity of each subsidiary (IFRS 3 explains how to account for the related goodwill).
c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows related to transactions between group entities (results for the period from intragroup transactions that are recognized in assets, such as inventories and fixed assets, are eliminated in full). Intragroup losses may indicate impairment, which will require recognition in the consolidated financial statements. IAS 12 Income Taxes will be applied to temporary differences arising as a result of the elimination of gains and losses arising from intragroup transactions.

Adjustments to IFRS

Considering that SURA AM applies the full IFRS in force at international level, it was necessary to identify and make the corresponding adjustments to adapt the Financial Statements of Protección and Crecer to the policies of SURA AM.

In that sense, the homologation adjustments included to arrive at the November IFRS balances that would be subject to consolidation:

In Protección:

- Reverse the equity method on its investment in AFP Crecer
- Adjust the value of the provision to be reinstated, in order to reflect the full risk, regardless of the term granted by the Colombian Superintendence of Finance for the provision

From the Financial Statements of Protección and Crecer it was requested to adjust the discount rates for the leasing contracts, in order to adjust to the corporate policy. Therefore, this does not constitute a homologation adjustment, but an adjustment already incorporated in the original financial statements.

12.3.2 Business combinations (spin-off) Asulado

The accounting treatment of the equity spin-off of Protección, which gave rise to the company Asulado Seguros S.A., following the business combination of Protección and Crecer in stages, is described below, in accordance with IFRS 3 - Business Combinations and IFRS 10 - Consolidated Financial Statements.

In November, the combination of businesses in stages is envisioned, with SURA AM acquiring an additional stake in the equity of Protección, increasing its ownership from 49.36% to 52.91%.

The insurance company was created by spinning off the assets of Protección, with the following timeline:

- 05/12/2022: The Colombian Financial Superintendency authorized the spin-off of Protección's equity, for COP 792,091 million.
- 21/12/2022: The Superintendence of Finance of Colombia authorizes the operation of the insurance branches of Pension, Disability and Survivorship and Pensions Law 100.

In the month of December, the operation of Asulado began to be consolidated in the financial statements of SURA AM, in accordance with the stipulations of IFRS 10.

Consolidated financial statements:

- Combine similar items of assets, liabilities, equity, income and expenses, and cash flows of the parent with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's share of the equity of each subsidiary (IFRS 3 explains how to account for the related goodwill).
- Intragroup assets and liabilities, equity, income, expenses and cash flows related to transactions between group entities are eliminated in full (results for the period from intragroup transactions that are recognized in assets, such as inventories and fixed assets, are eliminated in full). Intragroup losses may indicate impairment, which will require recognition in the consolidated financial statements. IAS 12 Income Taxes will be applied to temporary differences arising as a result of the elimination of gains and losses arising from intragroup transactions.

Adjustments to IFRS

Considering that SURA AM applies the full IFRS in force at international level, it was necessary to identify and make the corresponding adjustments to adapt the financial statements of Asulado to the policies of SURA AM.

In that sense, the adjustments of homologation included to reach the IFRS balances of December that are subject of the consolidation:

- Adjust the value of investments at amortized cost to reflect the impairment of Colombian government bonds.

Applicable standards:

- IFRS 3 - Business Combinations.
- IFRS 10 - Consolidated Financial Statements.
- IAS 36 - Impairment of assets.
- IFRS 16 - Leases

NOTE 13. OTHER ASSETS

The detail of other assets is as follows:

	Note	December 2022	December 2021
Investment properties	13.1	435,835	332,018
Other non-financial assets	13.2	159,538	131,523
Restricted cash	13.3	26,090	164,698
Non-current assets available for sale		6,004	32,117
Total		**627,467**	**660,356**

13.1 Investment properties

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

	December 2022	December 2021
Land	86,064	60,257
Buildings	349,771	271,761
Total	**435,835**	**332,018**

The fair value of investment properties of Grupo SURA for the years ended December 31, 2022 and 2021, has been determined in accordance with the valuation performed by external consultants. These companies are independent and have the capacity and experience in performing valuations in the sites and types of assets that were valued. The appraisers are accredited before the Colombian Real Estate Market or in the case of foreign appraisers, a second signature of a Colombian appraiser accredited before the Colombian Real Estate Market is required.

Income from investment properties

Rental income from investment properties as of December 31, 2022 and 2021 is as follows:

	December 2022	December 2021
Lease income	20,779	18,745
Gain or loss on sale of investment properties	185	733
Valuation income	28,502	21,557
Income from investment properties	**49,466**	**41,035**

13.2 Other non-financial assets

The other non-financial assets are as follows:

	December 2022	December 2021
Other assets (*)	125,980	96,944
Inventories	33,558	34,579
Total	**159,538**	**131,523**

(*) Other assets are: Prepaid expenses, works of art, among others.

13.3 Restricted cash

Restricted cash consists of:

Restriction detail	Country	Restricted cash value 2022	Restricted cash value 2021
Judicial garnishments	El Salvador	104	49
Judicial garnishments	Colombia	18,331	158,075
Employee benefit obligations	Panama	3,687	1,665
Funds destined for the payment of taxes administered by SUNAT	Peru	880	4,539
Commission hedging funds - Foreign Broker	Peru	3,088	370
Total		**26,090**	**164,698**

NOTE 14. EMPLOYEE BENEFITS

The following is the breakdown of the benefits to Grupo SURA´s employees:

	Note	December 2022	December 2021
Short-term	14.1	663,494	509,887
Long-term	14.2	85,876	71,489
Termination		11,691	20,545
Post-employment	14.3	74,051	79,043
Total		**835,112**	**680,964**

14.1 Short-term benefits

According to labor regulations, these benefits correspond to salaries, legal and extra-legal bonuses, vacations, severance payments and parafiscal contributions to government entities, which are paid within 12 months following the end of the period.

Additionally, in the short term, there is a performance bonus benefit, which is described below:

Performance bonus: The performance compensation system is a recognition of the effort of all employees to achieve the Company's objectives and continue generating value. It is defined based on a scheme of clear, measurable and achievable performance indicators. These indicators are defined at the beginning of each year and must be aligned with the Company's strategic direction, as well as with the various activities and human competencies required to achieve the Company's objectives. This includes measurement period, evaluation scheme, follow-up and adjustments, definition of indicators.

Short-term benefits are detailed below:

	December 2022	December 2021
Bonuses (Current)	283,160	212,844
Vacations	149,730	134,162
Severance pay	76,350	66,661
Extra-legal bonus	75,761	65,309
Labor welfare allowances	33,949	10,501
Current provisions for employee benefits	32,864	10,832
Interest on severance payments	9,047	7,986
Payroll to be paid	1,805	864
Legal bonus	828	728
Total	**663,494**	**509,887**

14.2 Long-term benefits

The following is a description of the long-term benefits of Grupo de Inversiones Suramericana:

- **Seniority premium:** This benefit is paid to employees during their working life each time five years of service are completed, calculated as days of salary per year worked.

- **Bonus bank:** This was paid only until 2022. This benefit corresponded to 30% of the employee's individual performance bonus and in order for it to be paid, the company must comply with the necessary condition of generating EVA. The payment of this benefit will be delivered in cash to employees as of the year following that in which it was generated and distributed over three years in equal amounts (33%).

- **Long-term bonus:** In order to qualify for this benefit, the company must comply with the condition of generating value (EVA) accumulated for 3 consecutive years, starting the evaluation in 2020. The payment of this benefit will be delivered in cash in a single payment to employees from the year following that in which the fulfillment of both short- and long-term goals has directly generated a sustainable profitability above the company's cost of capital in the last three years.

- **Advisor Productivity Bonus:** The benefit is paid upon completion of five-year seniority if and only if the advisor has complied with the minimum commission averages.

- **Severance payments and interest on severance payments payable by the company:** According to Colombian labor regulations, employees hired before the entry into force of Law 50 of 1990, are entitled to receive, upon termination of the employment contract, one month's salary for each year of service and proportionally for each fraction of a year as severance payment, for whatever cause that terminates the employment, including: retirement, disability, death, etc. The benefit is liquidated at the time of retirement of the employee based on the last salary earned. There may be distributions prior to the retirement date at the employee's request, which are not distributable on a mandatory basis.

  With the entry into force of Law 50 of 1990, the Colombian Government allowed companies, subject to the approval of their employees, to transfer their severance benefit obligation to private pension funds.

The long-term benefits are detailed below:

	December 2022	December 2021
Seniority premium	49,234	43,387
Long-term bonus	32,041	22,990
Retro-active severance	3,969	4,036
Productivity bonus	632	1,076
Total	**85,876**	**71,489**

The following shows the movement of long-term employee benefits of Grupo SURA:

	Performance bonus	Plan assets	Net profit	Retro-active Severance	Seniority premium	Premiums of productivity	Total
Initial balance at January 1, 2021	**20,340**	**1,513**	**18,827**	**4,894**	**43,637**	**1,127**	**68,485**
Current service cost	17,626	-	17,626	365	9,738	144	27,873
Changes in financial assumptions with effect on profit (loss)	(8,238)	-	(8,238)	(207)	(4,109)	186	(12,368)
Reclassifications	(1,513)	(1,513)	-	-	-	-	-
Payments to employees	(6,131)	-	(6,131)	(1,016)	(5,367)	(381)	(12,895)
Effect on movement due to exchange rates	906	-	906	-	(512)	-	394
Present value of obligations at December 31, 2021	**22,990**	**-**	**22,990**	**4,036**	**43,387**	**1,076**	**71,489**
Current service cost	1,524	-	1,524	240	5,216	63	7,043
Changes in financial assumptions with effect on profit (loss)	8,640	-	8,640	330	2,783	(330)	11,423
Payments to employees	(2,909)	-	(2,909)	(637)	(5,580)	(177)	(9,303)
Upcoming payments	-	-	-	-	367	-	367
Effect of exchange rate fluctuations	1,796	-	1,796	-	3,061	-	4,857
Present value of obligations at December 31, 2022	**32,041**	**-**	**32,041**	**3,969**	**49,234**	**632**	**85,876**

The main actuarial assumptions used to determine the obligations for long-term benefit plans are as follows:

	Performance bonus		Seniority premium		Retro-active Severance		Premiums of productivity	
	2022	2021	2022	2021	2022	2021	2022	2021
Discount rate (%)	3% to 8.9%	2.5% to 8.25%	2.5% - 9.50%	2.02% - 7.5%	9.10%	6.70%	8.90%	6.20%
Annual salary increase rate (%)	---	---	3.5% to 7.75%	3.5% to 7.75%	7.75%	7.75%	4.50%	7.75%
Annual inflation rate (%) LP	2.0% to 4.0%, except Argentina with 50%.	1.20% to 4.5.0%, except Argentina with 50%.	3% to 3.5%	3% to 3.5%	3.00%	3.00%	3.00%	3.00%
Mortality tables	RV - 08	RV - 08	RV - 08	RV - 08	RV - 08	RV - 08	RV-08	RV - 08

The following tables show the sensitivity analysis of a 0.5% variation in the discount rate and a 0.5% variation in the salary increase for the performance bonus, retroactive severance, seniority premium and productivity premium benefits:

2022

	Long-term bonus			
	Discount rate		Salary increase	
	Increase +0.5%	Discount +0.5%	Increase +0.5%	Discount +0.5%
Present value of the obligation	31,727	32,447	32,711	31,444
Variation due to sensitivity in the variables	314	(406)	(670)	597

	Seniority premium			
	Discount rate		Salary increase	
	Increase +0.5%	Discount +0.5%	Increase +0.5%	Discount +0.5%
Present value of the obligation	48,360	50,152	49,586	48,915
Variation due to sensitivity in the variables	873	(918)	(353)	319

	Retro-active Severance			
	Discount rate		Salary increase	
	Increase +0.5%	Discount +0.5%	Increase +0.5%	Discount +0.5%
Present value of the obligation	3,918	4,021	4,061	3,878
Variation due to sensitivity in the variables	51	(52)	(92)	91

	Performance bonus			
	Discount rate		Salary increase	
	Increase +0.5%	Discount +0.5%	Increase +0.5%	Discount +0.5%
Present value of the obligation	621	644	644	621
Variation due to sensitivity in the variables	11	(12)	(12)	11

2021

	Long-term bonus			
	Discount rate		Salary increase	
	Increase +0.5%	Discount +0.5%	Increase +0.5%	Discount +0.5%
Present value of the obligation	22,918	23,062	-	-
Variation due to sensitivity in the variables	72	(72)	-	-

	Seniority premium			
	Discount rate		Salary increase	
	Increase +0.5%	Discount +0.5%	Increase +0.5%	Discount +0.5%
Present value of the obligation	42,381	44,523	44,499	42,331
Variation due to sensitivity in the variables	1,006	(1,136)	(1,112)	1,056

	Retro-active Severance			
	Discount rate		Salary increase	
	Increase +0.5%	Discount +0.5%	Increase +0.5%	Discount +0.5%
Present value of the obligation	3,972	4,103	4,149	3,926
Variation due to sensitivity in the variables	64	(67)	(113)	110

	Performance bonus			
	Discount rate		Salary increase	
	Increase +0.5%	Discount +0.5%	Increase +0.5%	Discount +0.5%
Present value of the obligation	1,047	1,107	1,135	1,021
Variation due to sensitivity in the variables	29	(31)	(59)	55

14.3 Post-employment benefits

The following is a description of the post-employment benefits offered by Grupo de Inversiones Suramericana:

- **Retirement bonus:** corresponds to a lump sum defined by the company that is payable to employees upon retirement.

- **Retirement pension** is a benefit paid to an employee after completing his or her period of employment and is recognized directly by the Company.

In Colombia, retirement pensions, when employees retire after reaching certain age and years of service, are assumed by public or private pension funds based on defined contribution plans where the entities and the employees contribute monthly amounts defined by law in order to have access to the pension at the time of retirement of the employee. However, for some employees hired by Group entities before 1968 and who met the age and years of service requirements, pensions are assumed directly by the respective Grupo SURA entities.

- **Post-employment medical:** The Company offers fully insured medical benefits to all employees and qualified dependents. Health legislation (Colombian Law 9656/98) guarantees the right of employees (and their beneficiaries) who have contributed to medical premiums to the option to extend medical coverage in retirement or in the event of involuntary termination.

The following are the balance of post-employment benefits:

	December 2022	December 2021
Retirement bonus	47,840	54,887
Retirement pensions	17,915	17,611
Post-employment medical	8,296	6,545
Total	**74,051**	**79,043**

14.3.1 Defined benefit plans

Grupo SURA has a legal or constructive obligation to respond for the benefit payments that remained under its responsibility, and will require the use of an actuarial calculation, in order to recognize the defined benefit obligation based on actuarial assumptions, in addition to the estimate of the corresponding plan assets; it must determine the value of the net defined benefit by finding the deficit or surplus of the obligation.

The following is the movement of post-employment benefits:

	Retirement benefit	Plan assets	Net profit	Retirement pension	Others benefits	Total
Present value of obligations at January 1, 2021	**80,265**	**26,892**	**53,373**	**18,290**	**6,944**	**78,607**
Current service cost	5,522	-	5,522	495	555	6,572
Interest costs	1,703	-	1,703	267	-	1,970
Recognition of plan assets	-	(67)	67	-	-	67
Gains or losses from changes in actuarial assumptions with effect on OCI	(5,302)	-	(5,302)	(386)	(1,262)	(6,950)
Payments to employees	(1,457)	-	(1,457)	(1,922)	(223)	(3,602)
Effect on movement due to exchange rates	981	-	981	867	531	2,379
Present value of obligations at December 31, 2021	**81,712**	**26,825**	**54,887**	**17,611**	**6,545**	**79,043**
Current service cost	11,744	-	11,744	216	394	12,354
Interest costs	2,844	-	2,844	357	-	3,201
Recognition of plan assets	-	12,911	(12,911)	-	-	(12,911)
Gain/loss on changes in financial assumptions with effect on profit (loss)	(829)	-	(829)	179	-	(650)
Gains or losses from changes in actuarial assumptions with effect on OCI	(7,771)	-	(7,771)	233	(541)	(8,079)
Payments to employees	(1,640)	-	(1,640)	(2,182)	-	(3,822)
Effect on movement due to exchange rates	1,516	-	1,516	1,501	1,898	4,915
Present value of obligations at December 31, 2022	**87,576**	**39,736**	**47,840**	**17,915**	**8,296**	**74,051**

The main actuarial assumptions, used to determine the obligations, for the defined benefit plans are the following:

	Retirement bonus		Retirement pension	
	2022	2021	2022	2021
Discount rate (%)	5.8% - 9.50%	2.5% - 7.25%	6.7%-9.50%	6.7%-9.50%
Annual salary increase rate (%)	3% - 4.5%	2.50% - 5.50%	---	---
Future rate of increase in annual pension (%)	---	---	4%-5%	4.00%
Annual inflation rate (%)	2 - 3.0%	1.50 - 3.0%	3.00%	3.00%
Mortality tables (**)	RV - 08	RV - 08	RV - 08	RV - 08

(**) Valid Annuitant Mortality Tables prepared by the Superintendency of Colombia.

Sensitivity analyses

The following tables show the effects of inflation rate variation, benefit increase, salary increase and discount rate:

2022

	Retirement bonus			
	Discount rate		Salary increase	
	Increase +1.0%	Decrease -1.0%	Increase +1.0%	Decrease -1.0%
Present value of the obligation	85,102	90,211	90,205	85,073
Variation due to sensitivity in the variables	2,475	(2,634)	(2,627)	2,504

	Retirement Pension			
	Discount rate		Increase Benefit	
	Increase +0.5%	Decrease -0.5%	Increase +0.5%	Decrease -0.5%
Present value of the obligation	16,991	18,785	18,357	17,495
Variation due to sensitivity in the variables	925	(870)	(441)	420

	Other benefits			
	Discount rate		Salary increase	
	Increase +0.5%	Decrease -0.5%	Increase +0.5%	Decrease -0.5%
Present value of the obligation	7,926	9,050	9,687	7,443
Variation due to sensitivity in the variables	370	(754)	(1,391)	853

2021

	Retirement Bonus			
	Discount rate		Salary increase	
	Increase +1.0%	Decrease -1.0%	Increase +1.0%	Decrease -1.0%
Present value of the obligation	80,135	83,632	83,692	80,129
Variation due to sensitivity in the variables	1,577	(1,920)	(1,980)	1,582

	Retirement Pension			
	Discount rate		Increase Benefit	
	Increase +0.5%	Decrease -0.5%	Increase +0.5%	Decrease -0.5%
Present value of the obligation	16,758	18,434	18,129	17,122
Variation due to sensitivity in the variables	854	(824)	(518)	490

	Other benefits			
	Discount rate		Salary increase	
	Increase +0.5%	Decrease -0.5%	Increase +0.5%	Decrease -0.5%
Present value of the obligation	6,132	7,004	7,496	5,760
Variation due to sensitivity in the variables	414	(458)	(950)	786

Comparative calculation of retirement pensions according to the requirements established in Colombia. See note 2.1. Statement of compliance

The following is a comparison of the post-employment employee retirement pension benefit and the calculation under International Financial Reporting Standards:

	December 2022	December 2021
Pension liabilities under IFRS	17,915	17,611
Local pension liabilities (*)	13,312	13,529
Variation	**4,603**	**4,082**

(*) Calculated based on Decree 2783 of December 2001 and Law 100 of 1993.

14.3.2 Defined contribution plans

Grupo SURA made contributions to defined contribution plans recognized as an expense in the result for the period 2022 for $125,771 and 2021 for $103,560 million.

14.4 Employee benefits expense

	December 2022	December 2021
Salaries	(926,207)	(776,380)
Bonuses	(259,938)	(185,632)
Comprehensive salary	(188,838)	(169,983)
Pension contributions	(125,771)	(103,560)
Statutory bonus	(85,329)	(72,277)
Vacation	(70,562)	(53,379)
Other employee benefits (*)	(61,862)	(39,491)
Health contributions	(55,177)	(47,042)
Compensation	(54,474)	(43,987)
Vacation bonus	(53,812)	(44,663)
Extra-legal bonus	(48,953)	(43,193)
Family compensation fund, icbf and sena contributions	(47,419)	(40,085)
Severance pay	(42,671)	(36,240)
Insurance	(26,905)	(21,548)
Food subsidy	(24,010)	(21,410)
Employee profit sharing	(20,994)	(21,986)
Employee supplies	(15,325)	(11,254)
Employee training	(14,201)	(13,227)
Commissions	(11,052)	(17,749)

Fees	(8,060)	(7,596)
Special incentives	(5,772)	(2,258)
Overtime	(5,368)	(5,472)
Transportation allowance	(5,110)	(2,227)
Events	(3,562)	(2,642)
Interest on severance payments	(3,435)	(2,989)
Disability	(3,250)	(2,768)
Convention allowance	(3,247)	(2,375)
Personnel allowances	(2,213)	(1,352)
Expatriates	(963)	(517)
Medical benefits expense	(562)	(334)
Labor risk management contributions	(412)	(351)
Total	**(2,175,454)**	**(1,793,967)**

(*) Includes per diem, sports and recreation expenses.

NOTE 15. PROVISIONS AND CONTINGENT LIABILITIES

15.1 Provisions

The following is the breakdown of the provisions of Grupo SURA:

	December 2022	December 2021
Lawsuits and litigation (*)	539,357	199,602
Other provisions (**)	545,225	269,050
Total	**1,084,582**	**468,652**

The movement of provisions for claims and litigation, other and provisions for IAS 37 of Grupo SURA as of the cut-off date:

	Provisions for legal processes	Others provisions *	Total
Initial balance at January 1, 2021	**185,663**	**41,508**	**227,171**
New provisions	9,963	8,906	18,869
Provisions used	(8,760)	(21,011)	(29,771)
Reverted provisions, not used	(851)	-	(851)
Increase in existing provisions	4,646	230,641	235,287
Exchange differences	8,941	9,006	17,947
Final balance at December 31, 2021	**199,602**	**269,050**	**468,652**
New provisions [1]	259,069[1]	16,251	275,320
Provisions used	(16,720)	(737,683)	(754,403)
Increase in existing provisions	(90)	58	(32)
Reverted provisions, not used	687	-	687
Proceeds from business combinations	61,816	998,290	1,060,106
Exchange differences	34,993	(741)	34,252
Final balance at December 31, 2022	**539,357**	**545,225**	**1,084,582**

*The other provisions include costs and expenses payable by EPS Suramericana S.A., including disability benefits, accruals, maternity leave, among others.

(1) This value includes the recognition of contingent liabilities that Protección S.A. had, as well as the recognition of provisions in Seguros de Vida Suramericana S.A. Colombia, related to tax proceedings for revision of the income tax for equity *(CREE, Acronym for the Spanish original)*, for the taxable period 2013. The provisioned value amounted to $131,363, of which as of December 31, 2022, $37,143 have been paid.

15.2 Contingent liabilities

As of December 31, 2022, there are no significant contingent processes to be disclosed under IAS 32 that could represent material contingent obligations for Grupo SURA.

NOTE 16. DEFERRED INCOME LIABILITY (DIL)

The movement of deferred reinsurance commission is presented below:

Deferred cost reinsurance commission as of December 31, 2020.	**326,952**
Incorporation	694,557
Exchange rate differences	2,593
Amortization	(621,062)
Deferred reinsurance commission cost as of December 31, 2021	**403,040**
Incorporation	748,543
Exchange rate differences	37,414
Amortization	(693,333)
Deferred cost of reinsurance commission as of December 31, 2022	**495,664**

NOTE 17. PREFERRED SHARES

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

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

For the above purposes, the Reference Subscription Price shall mean the subscription price of Preferred Shares in any placement of Preferred Shares by the Company in the most recent primary market transaction approved by the meeting, including, but not limited to, public issues and offerings, private issues, capitalization of claims, payment of dividends in shares, among others. In no case shall it be understood that the Reference Subscription Price shall correspond to the trading price of the Preferred Shares in the secondary market. The General Shareholders' Meeting shall determine the form and dates of payment of the dividend on the preferred shares under the same conditions as the dividend on the common shares.

The above dividend will be paid in preference to the dividend corresponding to the common shares.

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

The movement of the preferred shares as of December 31, 2022 and December 31, 2021 are detailed below:

At December 31, 2020	**460,847**
Interest accrued	39,800
Interest payments	(40,580)
At December 31, 2021	**460,067**
Interest accrued	40,364
Interest payments	(40,476)
At December 31, 2022	**459,955**

NOTE 18. EQUITY

18.1. Issued capital

The authorized capital of the Company consists of 600,000,000 shares with a par value of $187.50 pesos each. The subscribed and paid-in capital as of December 31, 2022 and 2021 was 579,228,875 shares.

	December 2022	December 2021
Authorized shares	600,000,000	600,000,000
Subscribed and paid shares:		
Ordinary, with nominal value	466,720,702	466,720,702
With a preferred dividend, without voting rights	112,508,173	112,508,173
Total shares	**579,228,875**	**579,228,875**
Subscribed and paid capital (nominal value)	109,121	109,121

In 2022, there was a significant change in the company's shareholder structure, following the closing of the public offerings by JGDB Holding SAS. Below is the detail as of December 31, 2022:

Shareholder	Common Shares	Percentage Common Shares
JGDB Holding S.A.S	177,509,800	38.03%

18.2. Issuance premium

The balance of the account as of December 31, 2022 and 2021 is $3,290,767. It includes the higher value paid on nominal value of the shares that is charged upon disposal.

18.3. Reserves

The reserves consist of the following concepts:

	December 2022	December 2021
Legal (1)	394,221	317,839
Occasional (2)	5,181,181	4,707,992
Total reserves	**5,575,402**	**5,025,831**

(1) Legal reserve:

Reserve in compliance with Article 452 of the Colombian Code of Commerce, which establishes that public limited companies will constitute a legal reserve, that will amount to at least fifty percent of the share capital, formed with ten percent of net profits of each reporting. The constitution, of said reserves, will be mandatory until it reaches 50% of the share capital. The legal reserve fulfills two special objectives, increasing and maintaining the capital of the Company, and absorbing losses generated in the operation. Therefore, its value cannot be distributed in dividends for shareholders.

(2) Occasional reserves:

- n 2022 and 2021 a value of $8,219,102 and $7,546,570 respectively, correspond to appropriations made by the Stockholders' Meeting and are available for a specific purpose when deemed necessary.
- Other reserves in the amount of ($3,037,921) in 2022 and ($2,838,578) in 2021, correspond to the excesses paid in the acquisition of the non-controlling interest of the pension administrator business and excesses or defects in the liability for commitments with non-controlling interests.

18.4. Reserve for share repurchase

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

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

As of December 31, 2022, 2,316,558 common shares and 432,115 preferred shares have been repurchased at a weighted average price of $20,438.56 and $18,060.99, respectively, for a total amount as of December 31, 2022 of COP $55,152, as detailed below:

	December 2022	December 2021
Initial Balance	**300,000**	**300,000**
Establishment of reserve	-	-
Common stock repurchases	(47,347)	(47,347)
Common stock repurchases	(7,805)	(7,805)
Subtotal repurchase	**(55,152)**	**(55,152)**
Closing Balance	**244,848**	**244,848**

NOTE 19. DIVIDENDS PAID AND DECLARED

The General Shareholders Meeting 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 occasional reserve not taxed with profits generated up to December 31, 2016 for $322,051 and from the occasional reserve not taxed with profits generated as of January 1, 2017 for $132,064,064, for a total of $454,115.

	2022			2021		
Dividends declared	**N° of shares**	**Annual pesos per share ordinary dividend COP$**	**Total dividend declared**	**N° of shares**	**Annual pesos per share ordinary dividend COP$**	**Total dividend declared**
Ordinary shares	466,720,702	784	365,909	469,037,260	603	283,017
Preferred shares	112,508,173	784	88,206	112,940,288	603	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 the distribution of dividends is made on the basis of separate financial statements.

The companies that make up Grupo SURA in Colombia are subject to the following restrictions regarding the transfer of profits or development of operations, according to Colombian Law:

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

Grupo SURA's subsidiaries abroad are not restricted from transferring dividends to the parent company, except for the legal reserve mentioned above.

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

NOTE 20. OTHER COMPREHENSIVE INCOME

The other comprehensive income by concept as of December 2022 and 2021 is presented below:

Year 2022:

Concept	December 2021	Movement for the period	December 2022	Non-controlling interest other comprehensive income	Total Other comprehensive income
Gain (loss) on property revaluation (1)	264,290	(36,417)	227,873	(9,613)	(46,029)
New defined benefit plan measures	(9,768)	5,815	(3,953)	933	6,747
Gain (loss) from investments in equity instruments	5,131	(14,504)	(9,373)	(6,091)	(20,595)
(Loss) Gain Exchange difference on conversion (2)	1,870,230	2,654,036	4,524,266	552,898	3,206,935
Gain (loss) on cash flow hedges	58,874	(109,093)	(50,219)	983	(108,109)
Gain (loss) on derivative hedges of net investments in foreign operations	(46,549)	(318,905)	(365,454)	(62,664)	(381,571)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (3)	2,216,319	1,660,865	3,877,184	27,884	1,688,749
Total comprehensive income	**4,358,527**	**3,841,797**	**8,200,324**	**504,330**	**4,346,127**

Año 2021:

Concept	December 2020	Movement for the period	December 2021	Non-controlling interest other comprehensive income	Total Other comprehensive income
Gain (loss) on property revaluation [1]	216,590	47,700	264,290	10,960	58,660
Nuevas mediciones de planes de beneficios definidos	(15,691)	5,923	(9,768)	668	6,591
Gain (loss) from investments in equity instruments	13,954	(8,823)	5,131	(6,892)	(15,715)
(Loss) Gain Exchange difference on conversion [2]	1,572,829	297,401	1,870,230	60,987	358,388
Gain (loss) on cash flow hedges	6,557	52,317	58,874	10,994	63,311
Gain (loss) on derivative hedges of net investments in foreign operations	(95,420)	48,871	(46,549)	9,595	58,466
Share of other comprehensive income of associates and joint ventures accounted for using the equity method [3]	1,207,488	1,008,831	2,216,319	796	1,009,627
Total comprehensive income	**2,906,307**	**1,452,220**	**4,358,527**	**87,108**	**1,539,328**

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

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

[3] The component accounts for changes in equity in associated companies and joint ventures by applying the equity method (See detail in Note 9. Investments in associated companies and joint ventures).

NOTE 21. NON-CONTROLLING INTEREST

The following table shows summarized financial information as of December 31, 2022 and 2021, of the main subsidiaries of Grupo SURA that have significant non-controlling interests.

	Suramericana S.A. and Subsidiaries		Sura Asset Management S.A. and Subsidiaries	
	December 2022	December 2021	December 2022	December 2021
Main domicile	Colombia		Colombia	
% Non-controlling interest	18.87%	18.87%	16.42%	16.42%
Ordinary income	25,211,263	19,636,999	3,939,791	3,710,140
Income from continuing operations	491,195	85,222	524,521	619,463
Income from discontinued operations	(818)	(2,704)	20,799	7,374
Other comprehensive income	528,175	169,089	2,205,990	329,416
Comprehensive income	1,018,552	251,607	2,751,310	956,254
Assets	41,517,197	33,291,826	31,871,391	20,752,264
Liabilities	35,227,336	28,109,843	18,176,840	10,570,949
Equity	6,289,861	5,181,983	13,694,551	10,181,315
Dividends paid to non-controlling interests	11,321	44,344	54,715	41,188

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

	Suramericana S.A. and Subsidiaries		Sura Asset Management S.A. and Subsidiaries		Others		Grupo SURA and Subsidiaries	
	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021
Non-controlling income	93,160	12,824	177,266	103,706	(81)	(498)	**270,345**	**116,032**
Total comprehensive income	192,497	45,489	541,259	157,353	10,919	298	**744,675**	**203,140**
Equity	907,723	925,989	2,538,728	1,418,452	(2,407,364)	(1,962,117)	**1,039,087**	**382,324**
Total non-controlling interests equity	**1,193,380**	**984,302**	**3,257,253**	**1,679,511**	**(2,396,526)**	**(1,962,317)**	**2,054,107**	**701,496**

The Company has purchase option commitments for non-controlling interests, and according to the accounting policy, they are reclassified as financial liabilities, as described in Note 5.2.4.

NOTE 22. OPERATING SEGMENTS

22.1. Reportable segments

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

Grupo SURA

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

Suramericana (Seguros SURA)

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

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

Sura Asset Management

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

- *Mandatory fund management:* Its main activity refers to the collection and management of contributions made by employees in individual mandatory savings accounts and, in turn, the management and payment of benefits established by the pension system.
- *Voluntary fund management:* its main activity is focused on voluntary pension savings, life annuities, among others.
- *Seguros y Rentas Vitalicias:* Risk management in different lines of business and the process of defining the appropriate price for such risk.

Others:

Includes companies dedicated to the provision of services and marketing of information processing products and services.

Additionally, other services are reported that are not directly related to the business strategy but complement the services offered.

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

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

22.2. Information about operating segments
Consolidated Income Statement at December 31, 2022 by Segment

December 2022	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Continuing operations						
Income						
Insurance premiums	-	19.475.227	4.683.515	-	(18.307)	**24.140.435**
Premiums for health services	-	7.567.827	-	23.884	(258)	**7.591.453**
Premiums issued	**-**	**27.043.054**	**4.683.515**	**23.884**	**(18.565)**	**31.731.888**
Premiums ceded in reinsurance	-	(4.263.388)	(7.399)	-	-	**(4.270.787)**
Retained premiums (net)	**-**	**22.779.666**	**4.676.116**	**23.884**	**(18.565)**	**27.461.101**
Net production reserves	-	(1.034.693)	(4.123.325)	-	-	**(5.158.018)**
Retained earned premiums	**-**	**21.744.973**	**552.791**	**23.884**	**(18.565)**	**22.303.083**
Return on investments	4.085	1.475.458	303.771	(586)	(388)	**1.782.340**
Net gain on investments at fair value	10.194	689.637	(340.431)	(42.389)	395	**317.406**
Commission Income	-	694.717	2.837.763	481	(4.932)	**3.528.029**
Provision of Services	-	85.858	626	253.690	(57.172)	**283.002**
Gains from equity method	1.677.631	(13.107)	31.403	72.555	270.282	**2.038.764**
Gains from sales of investments	-	(20.867)	122.472	-	-	**101.605**
Other income	53.816	554.594	431.396	10.666	(54.272)	**996.200**
Total income	**1.745.726**	**25.211.263**	**3.939.791**	**318.301**	**135.348**	**31.350.429**
Costs and expenses						
Insurance claims	-	(12.061.287)	(598.332)	-	3.619	**(12.656.000)**
Health service claims	-	(7.438.153)	-	(14.981)	16	**(7.453.118)**
Total claims	**-**	**(19.499.440)**	**(598.332)**	**(14.981)**	**3.635**	**(20.109.118)**
Reimbursement of claims	-	3.806.979	-	-	-	**3.806.979**
Retained claims	**-**	**(15.692.461)**	**(598.332)**	**(14.981)**	**3.635**	**(16.302.139)**
Expenses for commissions to intermediaries	-	(3.638.116)	(38.811)	-	5	**(3.676.922)**
Insurance costs and expenses	-	(1.458.888)	(442.047)	6	(204)	**(1.901.133)**
Costs of provision of services	-	(204.726)	-	(185.182)	736	**(389.172)**
Administrative expenses	(62.147)	(1.513.902)	(678.695)	(27.874)	65.003	**(2.217.615)**
Employee benefits	(33.416)	(1.484.950)	(628.793)	(30.022)	1.727	**(2.175.454)**
Fees	(44.752)	(232.950)	(144.526)	(1.556)	10.591	**(413.193)**
Depreciation and amortization	(2.567)	(237.237)	(320.014)	(70.120)	53.628	**(576.310)**
Other expenses	-	4.693	(21.600)	(146)	(3)	**(17.056)**
Total costs and expenses	**(142.882)**	**(24.458.537)**	**(2.872.818)**	**(329.875)**	**135.118**	**(27.668.994)**
Operating profit	**1.602.844**	**752.726**	**1.066.973**	**(11.574)**	**270.466**	**3.681.435**
Financial Results	**(548.454)**	**(185.930)**	**(253.278)**	**(5.245)**	**66**	**(992.841)**
Income from continuing operations before income tax	**1.054.390**	**566.796**	**813.695**	**(16.819)**	**270.532**	**2.688.594**
Provision for income tax	4.574	(75.601)	(289.174)	(3.034)	-	**(363.235)**
Net gains, continued operations	**1.058.964**	**491.195**	**524.521**	**(19.853)**	**270.532**	**2.325.359**
Net gains discontinued operations	-	(818)	20.799	-	1	**19.982**
Net income	**1.058.964**	**490.377**	**545.320**	**(19.853)**	**270.533**	**2.345.341**
Net income attributable to controlling shareholders	1.058.964	489.606	440.678	(20.011)	105.759	**2.074.996**
Net income attributable to non-controlling interest	-	771	104.642	158	164.774	**270.345**

Consolidated Income Statement at December 31, 2021 by Segment

December 2021	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Continuing operations						
Income						
Insurance premiums	-	15.764.496	686.485	-	(5.982)	**16.444.999**
Premiums for health services	-	5.975.786	-	18.789	(1.621)	**5.992.954**
Premiums issued	**-**	**21.740.282**	**686.485**	**18.789**	**(7.603)**	**22.437.953**
Premiums ceded in reinsurance	-	(3.902.182)	(6.230)	-	-	**(3.908.412)**
Retained premiums (net)	**-**	**17.838.100**	**680.255**	**18.789**	**(7.603)**	**18.529.541**
Net production reserves	-	(312.326)	(577.042)	-	(24.530)	**(913.898)**
Retained earned premiums	**-**	**17.525.774**	**103.213**	**18.789**	**(32.133)**	**17.615.643**
Return on investments	4.405	814.940	428.948	(175)	(88)	**1.248.030**
Net gain on investments at fair value	3.297	328.178	176.233	36.311	308	**544.327**
Commission Income	-	583.894	2.656.514	410	(1.293)	**3.239.525**
Sale of Services	-	76.835	32	225.944	(60.212)	**242.599**
Gains from equity method	859.485	(4.311)	137.247	(1.743)	403.870	**1.394.548**
Gains from sales of investments	1.442	(13.179)	148.888	(14.094)	1	**123.058**
Other income	4.149	324.868	59.065	8.331	(1.096)	**395.317**
Total income	**872.778**	**19.636.999**	**3.710.140**	**273.773**	**309.357**	**24.803.047**
Costs and expenses						
Insurance claims	-	(8.663.392)	(532.413)	-	3.471	**(9.192.334)**
Health service claims	-	(5.634.709)	-	(13.885)	651	**(5.647.943)**
Total claims	**-**	**(14.298.101)**	**(532.413)**	**(13.885)**	**4.122**	**(14.840.277)**
Reimbursement of claims	-	1.929.598	-	-	-	**1.929.598**
Retained claims	**-**	**(12.368.503)**	**(532.413)**	**(13.885)**	**4.122**	**(12.910.679)**
Expenses for commissions to intermediaries	-	(2.896.066)	4.352	-	117	**(2.891.597)**
Insurance costs and expenses	-	(1.115.753)	(538.688)	130	(409)	**(1.654.720)**
Costs of provision of services	-	(180.040)	-	(169.380)	643	**(348.777)**
Administrative expenses	(34.952)	(1.179.593)	(556.255)	(21.775)	48.128	**(1.744.447)**
Employee benefits	(37.458)	(1.194.639)	(536.548)	(26.754)	1.432	**(1.793.967)**
Fees	(14.682)	(194.227)	(112.010)	(1.897)	16.843	**(305.973)**
Depreciation and amortization	(2.192)	(222.876)	(302.610)	(15.745)	(1)	**(543.424)**
Other expenses	-	(4.121)	(22.275)	(416)	(4)	**(26.816)**
Total costs and expenses	**(89.284)**	**(19.355.818)**	**(2.596.447)**	**(249.722)**	**70.871**	**(22.220.400)**
Operating profit	**783.494**	**281.181**	**1.113.693**	**24.051**	**380.228**	**2.582.647**
Financial Results	**(360.029)**	**(111.065)**	**(118.940)**	**(2.727)**	**87**	**(592.674)**
Income from continuing operations before income tax	**423.465**	**170.116**	**994.753**	**21.324**	**380.315**	**1.989.973**
Provision for income tax	(15.137)	(84.894)	(375.290)	(2.117)	7.389	**(470.049)**
Net gains continuous operations	**408.328**	**85.222**	**619.463**	**19.207**	**387.704**	**1.519.924**
Net gains from discontinued operations	-	(2.704)	7.374	-	(2)	**4.668**
Net income	**408.328**	**82.518**	**626.837**	**19.207**	**387.702**	**1.524.592**
Net income attributable to controlling shareholders	408.328	82.143	625.925	19.171	272.993	**1.408.560**
Net income attributable to non-controlling interest	-	375	912	36	114.709	**116.032**

Consolidated Statement of Financial Position as of December 31, 2022 by Segment

December 2022	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Assets						
Investments	83.577	18.847.731	16.955.131	86.622	(1)	**35.973.060**
Assets under insurance contracts	-	6.853.345	-	-	(53)	**6.853.292**
Assets under reinsurance contracts	-	8.024.477	2.079	-	(1)	**8.026.555**
Investments in associated companies and joint ventures	14.490.162	23.027	75.834	45.743	8.590.013	**23.224.779**
Goodwill	-	728.794	5.637.635	24.950	1.768	**6.393.147**
Other assets	19.448.093	7.039.823	9.200.712	358.763	(18.124.759)	**17.922.632**
Total assets	**34.021.832**	**41.517.197**	**31.871.391**	**516.078**	**(9.533.033)**	**98.393.465**
Liabilities						
Financial liabilities	839.980	257.065	3.133	15.359	1	**1.115.538**
Liabilities under insurance contracts	-	28.003.329	10.718.526	-	(564)	**38.721.291**
Other accounts payable and accounts payable to related parties	193.629	1.786.606	751.476	48.753	(53.670)	**2.726.794**
Issued bonds and preferred shares	4.829.470	859.656	4.108.747	-	1	**9.797.874**
Other liabilities	456.664	4.320.680	2.594.958	66.893	2.810.951	**10.250.146**
Total liabilities	**6.319.743**	**35.227.336**	**18.176.840**	**131.005**	**2.756.719**	**62.611.643**
Total equity	**27.702.089**	**6.289.861**	**13.694.551**	**385.073**	**(12.289.752)**	**35.781.822**
Total equity and liabilities	**34.021.832**	**41.517.197**	**31.871.391**	**516.078**	**(9.533.033)**	**98.393.465**

Consolidated Statement of Financial Position restated as of December 31, 2021 by segment

December restated 2021	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Assets						
Investments	40,301	15,499,563	9,450,569	108,172	-	**25,098,605**
Assets under insurance contracts	-	5,002,711	-	-	(151)	**5,002,560**
Assets under reinsurance contracts	-	5,473,356	3,684	-	(127,711)	**5,349,329**
Investments in associated companies and joint ventures	14,490,162	17,084	1,473,771	19,946	6,006,603	**22,007,566**
Goodwill	-	602,929	4,381,939	24,950	1,767	**5,011,585**
Other assets	16,052,892	6,823,894	5,442,301	285,607	(15,172,655)	**13,432,039**
Total assets	**30,583,355**	**33,419,537**	**20,752,264**	**438,675**	**(9,292,147)**	**75,901,684**
Liabilities						
Financial liabilities	610,628	436,509	1,987	14,386	-	**1,063,510**
Liabilities under insurance contracts	-	21,764,334	4,861,759	-	(160)	**26,625,933**
Other accounts payable and accounts payable to related parties	150,879	1,599,161	607,850	43,259	- 6,882	**2,394,267**
Issued bonds and preferred shares	4,736,910	851,209	3,395,666	-	-	**8,983,785**
Other liabilities	337,974	3,502,856	1,703,687	68,683	2,609,169	**8,222,369**
Total liabilities	**5,836,391**	**28,154,069**	**10,570,949**	**126,328**	**2,602,127**	**47,289,864**
Total equity	**24,746,964**	**5,265,468**	**10,181,315**	**312,347**	**(11,894,274)**	**28,611,820**
Total equity and liabilities	**30,583,355**	**33,419,537**	**20,752,264**	**438,675**	**(9,292,147)**	**75,901,684**

Consolidated Statement of Financial Position restated as of January 1, 2021 by segment

January 1 restated 2021	Grupo SURA	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Assets						
Investments	10.518.584	14.407.093	8.805.585	(199.133)	(9.604.666)	**23.927.463**
Assets under insurance contracts	-	4.498.134	-	-	(81)	**4.498.053**
Assets under reinsurance contracts	-	4.788.680	3.400	-	(1)	**4.792.079**
Investments in associated companies and joint ventures	14.429.203	3.755	1.382.885	18.828	4.001.604	**19.836.275**
Goodwill	-	570.595	4.270.708	24.950	1.767	**4.868.020**
Other assets	3.163.127	6.272.969	5.418.736	242.612	(2.159.200)	**12.938.244**
Total assets	**28.110.914**	**30.541.226**	**19.881.314**	**87.257**	**(7.760.577)**	**70.860.134**
Liabilities						
Financial liabilities	572.954	395.185	515.395	18.748	1	**1.502.283**
Liabilities under insurance contracts	-	19.807.858	4.574.176	-	(222)	**24.381.812**
Other accounts payable and accounts payable to related parties	131.130	1.530.016	696.845	28.228	(7.548)	**2.378.671**
Issued bonds and preferred shares	5.456.115	846.517	2.923.635	-	(1)	**9.226.266**
Other liabilities	208.643	2.888.804	1.667.604	64.328	2.645.865	**7.475.244**
Total liabilities	**6.368.842**	**25.468.380**	**10.377.655**	**111.304**	**2.638.095**	**44.964.276**
Total equity	**21.742.072**	**5.072.846**	**9.503.659**	**(24.047)**	**(10.398.672)**	**25.895.858**
Total equity and liabilities	**28.110.914**	**30.541.226**	**19.881.314**	**87.257**	**(7.760.577)**	**70.860.134**

Intersegment income is eliminated in consolidation and is reflected in the "eliminations" column.

22.3. Geographical information

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

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

	December 2022	December 2021
Colombia	20.516.906	15.735.850
Chile	3.813.451	3.278.242
Mexico	2.315.335	2.148.194
Argentina	1.610.863	1.119.817
Brazil	778.269	451.566
El Salvador	564.017	459.520
Panama	546.574	562.940
Uruguay	507.153	386.584
Peru	424.017	437.887
Dominican Republic	283.674	207.525
United States	4	-
Bermuda	(9.834)	14.922
Total	**31.350.429**	**24.803.047**

As of December 2022, and December 2021, the Group has no customers representing 10% or more of consolidated revenues.

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

	December 2022	December 2021
Colombia	70.587.569	58.004.847
Chile	14.883.746	9.339.516
Mexico	3.970.585	2.571.403
Argentina	2.036.941	1.766.127
Brazil	1.378.969	827.178
Panama	1.074.682	862.471
Peru	1.058.877	491.382
Uruguay	1.017.522	543.380
El Salvador	977.608	746.004
Dominican Republic	923.435	610.778
Bermuda	480.778	138.598
United States	2.753	-
Total	**98.393.465**	**75.901.684**

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

	December 2022	December 2021
Colombia	1.534.951	581.894
Chile	489.066	436.539
Mexico	244.654	312.515
Peru	48.884	104.425
Argentina	41.267	10.795
El Salvador	22.911	10.421
Dominican Republic	9.360	15.872
Uruguay	9.111	20.682
Brazil	4.921	(10.926)
Bermuda	2.826	(137)
United States	(3.085)	-
Panama	(59.525)	42.512
Total	**2.345.341**	**1.524.592**

NOTE 23. COMMISSION INCOME AND EXPENSES

23.1. Commission income

Commission income for Grupo SURA is detailed below:

	December 2022	December 2021
Management of mandatory pension funds	2.335.371	2.247.271
Gains on disposals	693.333	610.604
Others *	345.645	281.944
Management of voluntary pension funds	142.108	82.575
Participation in gains of reinsurers	10.836	11.535
Reinsurance income/cancellations	612	2.902
Insurance commission income	124	2.694
Total	**3.528.029**	**3.239.525**

* Includes mainly income from the administration of client portfolios.

23.2. Expenses for commissions paid to intermediaries

The detail of commissions paid to intermediaries is presented below:

	December 2022	December 2021
Profit sharing Advisors	-	(11.670)
Property and casualty insurance	(1.263.663)	(947.357)
Deferred acquisition cost (DAC)	(1.028.791)	(780.423)
Insurance administration	(634.069)	(478.256)
Affinity Commissions	(200.303)	(160.508)
Profit Sharing Affinity	(199.229)	(201.449)
Occupational risk	(107.087)	(90.382)
Collection commissions (collection)	(81.441)	(66.276)
Employee benefits	(71.668)	(73.644)
Brokerage commissions	(25.296)	(22.828)
Social security insurance	(22.574)	(16.635)
Commissions for data processing and collection of contributions	(10.492)	(10.039)
Commissions for sales and services	(9.795)	(11.587)
Rebates paid	(6.702)	(6.876)
Advisor bonuses	(5.827)	(1.768)
Accepted coinsurance	(4.598)	(2.830)
Mandatory insurance	(4.443)	(8.307)
Acceptance fees	(944)	(762)
Total	**(3.676.922)**	**(2.891.597)**

NOTE 24. PROVISION OF SERVICES

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

24.1. Income from sale of services

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

	December 2022	December 2021
Maintenance and repairs	106.689	96.732
Interests	66.310	62.611
Data processing	39.288	40.039
Rental of machinery and equipment	22.704	16.967
Sale of office machinery equipment and computer programs	22.588	16.253
Activities related to wiring	16.275	5.311
Sale of parts, pieces, and accessories	2.297	1.367
Business consulting activities	2.263	268
Others	2.043	736
Telecommunications service	1.384	1.599
Claims settlement	760	-
Salvage management	345	408
Community, social, and personal service activities	56	308
Total	**283.002**	**242.599**

24.2. Costs of sale of services

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

	December 2022	December 2021
Data processing	(112.256)	(105.666)
Business consulting activities	(91.570)	(83.947)
Others*	(82.098)	(73.416)
Consulting of computer equipment and software	(48.380)	(44.276)
Maintenance and repairs	(23.343)	(16.484)
Sales of office machinery, office equipment, and computer programs	(18.889)	(13.828)
Pension contributions	(5.997)	(5.775)
Sale of parts, pieces, and accessories	(4.299)	(3.327)
Health contributions	(929)	(828)
Amortization	(804)	(996)
Rental of machinery and equipment	(334)	(233)
Impairment	(273)	(1)
Total	**(389.172)**	**(348.777)**

* Includes mainly general operations assistance.

NOTE 25. OTHER INCOME AND EXPENSES

The following is a breakdown of other income:

	December 2022	December 2021
Others *	479.891	90.500
Conditional trade discounts	126.817	103.101
Recoveries	120.561	44.403
Moratoriums for collection of contributions	101.215	25.282
On policies	98.618	75.620
Investment properties	49.466	41.035
Buildings	8.245	5.805
Demand deposits	7.103	1.226
Recoveries other than operating risk insurance	1.654	131
Vehicles	827	380
For claims	471	90
Reimbursements for occupational illness	411	469
Related party services	314	1.107
Non-current assets held for sale	302	-
Computer equipment	128	-
Simultaneous operations and repos	115	-
Land	62	1.084
Office equipment, furniture and fixtures	-	5.084
Total	**996.200**	**395.317**

* The variation corresponds to the income generated in the liquidation of debentures received by the insurance company Sura Brasil, income from pension bonds office (This amount corresponds to the causation of the benefit for slippage in relation to the registration of the policies issued in the year 2022 of pensions law 100 and registered in the Pension Bonds Office of the Ministry of Finance and Public Credit (OBP) with the purpose of receiving the coverage granted by the national government for the differential between the percentage change of the legal monthly minimum salary in force and the percentage variation of the consumer price index of the previous year certified by DANE. The amount recorded here is measured and recognized under the best estimates known by the Insurer as a correlative item to the increase in the mathematical reserve in the same period of time), income from expedition expenses.

The following is a breakdown of the other expenses:

	December 2022	December 2021
Impairment accounts receivable	-	(5,020)
Custody and other expenses	(7,860)	(17,200)
Impairment of investments	(5,924)	(1,999)
Losses from claims	(3,259)	(2,474)
Credit portfolio	(6)	-
Real estate	(6)	(122)
Expenses in joint operations and joint ventures	(1)	(1)
Total	**(17,056)**	**(26,816)**

NOTE 26. ADMINISTRATIVE EXPENSES

	December 2022	December 2021
Others (*)	(474,863)	(260,545)
Taxes	(436,439)	(335,719)
Maintenance and repairs	(279,029)	(239,603)
Advertising	(184,916)	(178,355)
Temporary services	(166,406)	(153,693)
Utilities	(132,850)	(125,634)
Contributions	(123,551)	(105,609)
Electronic data processing	(101,214)	(82,468)
Travel and representation expenses	(80,223)	(62,347)
Commissions	(69,369)	(60,300)
Cost of sales	(59,154)	(36,873)
Insurance	(43,455)	(40,912)
Supplies and stationery	(24,146)	(19,349)
Leases	(23,399)	(21,856)
Legal	(18,601)	(21,184)
Total	**(2,217,615)**	**(1,744,447)**

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

NOTE 27. FEES

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

	December 2022	December 2021
Technology	(197,723)	(118,852)
Consulting and Advisory Services	(59,959)	(49,878)
Inspection and evaluation of incoming policies	(44,382)	(79,573)
Legal Advisory Services	(35,116)	(21,907)
Financial advice	(31,178)	(6,775)
Statutory Auditor	(21,145)	(13,754)
Board of Directors	(10,551)	(7,910)
Commissions	(7,084)	(2,270)
Human talent management services	(5,290)	(4,315)
Other	(765)	(739)
Total	**(413,193)**	**(305,973)**

NOTE 28. FINANCIAL RESULT

Financial income and expenses as of December 31, 2022 and 2021 are detailed below:

	December 2022	December 2021
Earnings at fair value – Derivatives (1)	37.171	(1.723)
Exchange difference (net) (2)	(35.753)	151.677
Interests (3)	(994.259)	(742.628)
Total	**(992.841)**	**(592.674)**

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

	December 2022	December 2021
Bond issued	(643.480)	(489.892)
Bank loans	(95.450)	(34.122)
Preferred shares	(40.364)	(39.800)
Financial leasing	(34.737)	(33.950)
Repo operations	(4.980)	(491)
Hedging operations	(127.697)	(118.326)
Debt securities	(33.371)	(8.309)
Subtotal	**(980.079)**	**(724.890)**
Others *	(14.180)	(17.738)
Total	**(994.259)**	**(742.628)**

*Includes return on Protección funds and loans to employees.

NOTE 29. DISCONTINUED OPERATIONS

The balances of discontinued operations as of December 31, 2022 and 2021 are detailed below:

Net income from discontinued operations	December 2022	December 2021
Suramericana [(1)]	(818)	(2,706)
Sura Asset Management [(2)]	20,800	7,374
Total	**19,982**	**4,668**

[(1)] Discontinued operation by Suramericana:

The company Aseguradora de Créditos y Garantías S.A., domiciled in Argentina, in which Suramericana held a direct participation of 40.25%, is mainly engaged in the surety insurance business; meanwhile, Atlantis Sociedad Inversora S.A. is an investment company domiciled in the same country, through which Suramericana also indirectly held 59.74% of the shares of Aseguradora de Créditos y Garantías S.A. Both companies were acquired by Suramericana in 2016 through the acquisition process of Royal and Sun Alliance's operations in Latin America.

On March 18, 2022 Suramericana entered into a purchase and sale agreement with Alberto Daniel Serventich, José Urtubey and Marcelo Rubén Figueiras for the disposal of 100% of the shares it directly and indirectly owned in both companies. The value of the transaction, which was closed on June 10, amounted to ARS 891 million, equivalent to COP $28,060 million.

With this decision, Suramericana strategically chooses to specialize and consolidate its position in the general and life insurance lines in the local Argentinean market.

Aseguradora de Créditos y Garantías S.A. was part of the Non-Life Insurance segment, while Atlantis Sociedad Inversora S.A. was part of the Corporate segment.

The items related to the sale of both companies are described below:

	December 2022	December 2021*
Sales revenue	28,060	-
Cost of sales	(11,900)	-
OCI Translation and inflation adjustments	(17,154)	-
Result from equity method Atlantis Sociedad Inversora S.A.	84	(1,667)
Result of equity method of accounting Aseguradora de Créditos y Garantías S.A.	92	(1,039)
Total loss for the year from discontinued operations	**(818)**	**(2,706)**

*Figures for 2021 were reclassified for comparative effects, as required by IFRS 5 - Non-current assets held for sale and discontinued operations.

[(2)] Discontinued Operation by Sura Asset Management:

During 2022, Pensiones Sura Mexico will be liquidated and in 2021 all discontinued operations will be located in Mexico.

	December 2022	December 2021*
(Loss) income from discontinued operations	20,800	7,374

In the first half of 2020, the annuity portfolio held by Pensiones Sura Mexico was sold. This transaction implied the withdrawal of technical reserves and the financial instruments backing them from the consolidated financial statements of Sura Asset Management.

On December 18, 2020 the National Insurance and Bonding Commission in Mexico *(CNSF, Acronym for Spanish original)* issued the declaration of the revocation of the authorization of Pensiones Sura S.A. de C.V. to function and operate as a pension insurance institution (annuities).

Taking into consideration the strategy and purpose of SURA AM in relation to investment in subsidiaries and associated companies, whenever the liquidation or sale of companies or their parts occurs, Management analyzes the alternatives available for the extinction of the companies. In the case of Pensiones Sura Mexico, Management determined that the available cash flows from the liquidation of the vehicle will return to the shareholders of the vehicle in the form of dividends and return of capital.

On August 10, 2022, the definitive liquidation of the company was carried out, for which purpose on that date dividends were distributed among the shareholders in proportion to their participations, as well as the capital stock of the company to be reimbursed through its total reduction.

The determination to liquidate the company and remove it from the consolidation perimeter was made after the regulator's acceptance and the fulfillment of its pending tax and legal obligations.

* Figures for 2021 were reclassified for comparative purposes, in application of the policy of non-current assets held for sale and discontinued operations.

NOTE 30. EARNINGS PER SHARE

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

The calculation of basic earnings per share is detailed below:

	December 2022	December 2021
Profit, net	2,345,342	1,524,592
Non-controlling profit	270,346	116,032
Profit of controlling shareholder	**2,074,996**	**1,408,560**
Profit, net of discontinued operations	19,982	4,668
Profit, net of non-controlling discontinued operations	3,416	1,211
Profit, net from discontinued operations of controlling shareholder	**16,566**	**3,457**
Less: Preferred dividends declared	(88,206)	(68,148)
Plus: Preferred stock interest expense (1)	40,364	39,800
Less: Undistributed earnings to preferred stockholders (2)	(339,810)	(226,150)
Profit from continuing operations	**1,670,778**	**1,150,605**
Ordinary shares (3)	466,720,702	469,037,260
Earnings per share from continuing operations	**3,580**	**2,453**
Profit from ordinary discontinued operations	**16,566**	**3,457**

	December 2022	December 2021
Earnings per share discontinued operations	**35**	**7**
Number of shares to be issued from commitments with non-controlling interests	24,082,714	31,044,200
Ordinary income from continuing operations with dilutive effects	**1,708,290**	**1,196,175**
Earnings per share diluted earnings per share from continuing operations	**3,481**	**2,392**
Earnings per share diluted earnings per share from discontinued operations	**34**	**7**

(1) It corresponds to the minimum guaranteed dividend of the preferential shares caused as an expense during the period.
(2) Corresponds to the portion of the income of the parent company attributable to the preferred stock that has not been declared as a dividend.
(3) Corresponds to the weighted average number of shares for the period, which includes the repurchase of shares acquired.

Diluted earnings per share is calculated by adjusting the average number of common and preferred shares outstanding to simulate the conversion of all potential dilutive common shares.

Within the commitments with non-controlling interest described in Note 5.2.4 there could be a dilutive effect, for the agreement with CDPQ that can be settled with shares of the Company, after the end of the Lock Up (10 years after the signing of the Agreement), in the event that it is decided to pay with common shares of Grupo SURA, the diluted effect on earnings per share in 2022 is $ 99 and $ 61 in 2021.

For the agreement with Grupo Bolivar the dilutive effect is not calculated considering that the agreement does not contemplate settlements with common shares.

NOTE 31. FAIR VALUE

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

- The fair value of financial assets and liabilities traded in active markets (such as financial assets in debt securities, equity instruments and derivatives that are actively traded on stock exchanges or interbank markets) is based on prices provided by a price vendor, calculated based on the average prices taken on the last trading day at the cut-off date of the financial statements.
- The fair value of financial assets that are not quoted in an active market is determined using valuation techniques. Grupo SURA uses a variety of methods and assumptions based on market conditions existing at each reporting date. The valuation techniques used include the use of recent comparable and arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants, making maximum use of market data.

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

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

Fair Value Hierarchy

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

- **Level 1:** Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **Level 2**: Level 2 inputs are different from the quoted prices included in Level 1 as they are observable for the assets or liabilities, directly or indirectly in markets that are not active.
- **Level 3**: Level 3 inputs are unobservable inputs for the asset or liability.

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

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

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

31.1. Fair value measurement on a non-recurring basis

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

Grupo SURA presents within assets at fair value on a non-recurring basis the investment properties, which are in the Level 3 category and their value as of December 31, 2022 and 2021 is found in Note 31.5 The fair value of the investment properties of Grupo SURA is determined according to the valuation performed by external consultants. These companies are independent and have the capacity and experience in performing valuations in the sites and types of assets that were valued. The appraisers are accredited before the

Colombian Real Estate Market or in the case of foreign appraisers, a second signature of a Colombian appraiser accredited before the Real Estate Market is required.

31.2. Determination of fair value

a) Debt securities

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

b) Equity instruments

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

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

c) Derivative instruments

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

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

d) Investment properties

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

31.3. Fair value measurement on a recurring basis

Fair value measurements on a recurring basis are those required or permitted in the statement of financial position at the end of each accounting period.

The following table presents an analysis, within the fair value hierarchy, of assets and liabilities of the Group (by class), measured at fair value at December 31, 2022 and 2021 on a recurring basis.

December 2022	Level 1	Level 2	Level 3	Total
Assets				
At fair value through profit or loss				
Debt securities				
National issuances	50,070	7,168,702	11,891	7,230,663
Foreign issuances	1,857,411	342,984	1,434	2,201,829
	1,907,481	**7,511,686**	**13,325**	**9,432,492**
Equity Instruments				
National issuances	108,283	7,779,586	-	7,887,869
Foreign issuances	40,879	434,732	-	475,611
	149,162	**8,214,318**	**-**	**8,363,480**
Total investments at fair value through profit or loss	**2,056,643**	**15,726,004**	**13,325**	**17,795,972**
At fair value through other comprehensive income				
Debt securities				
National issuances	160,986	539,203	-	700,189
Foreign issuances	278,599	64,116	15,019	357,734
	439,585	**603,319**	**15,019**	**1,057,923**
Equity Instruments				
National issuances	65,895	-	2,147	68,042
Foreign issuances	1,120	2,665	63,167	66,952
	67,015	**2,665**	**65,314**	**134,994**
Total investments at fair value with changes in equity	**506,600**	**605,984**	**80,333**	**1,192,918**
Total investments at fair value	**2,563,243**	**16,331,988**	**93,658**	**18,988,889**

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

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

December 2022	Level 1	Level 2	Level 3	Total
Derivatives				
Negotiation				
Interest rate swaps	-	(6,880)	-	(6,880)
Exchange rate swaps	-	57,905	-	57,905
Currency forwards	-	(29,484)	-	(29,484)
Total trading derivatives	**-**	**21,541**	**-**	**21,541**
Hedging				
Interest rate swap	-	564,832	-	564,832
Exchange rate swap	-	935,107	-	935,107
Options	-	(57,137)	-	(57,137)
Total hedging derivatives	**-**	**1,442,802**	**-**	**1,442,802**
Total derivatives	**-**	**1,464,343**	**-**	**1,464,343**

December 2021	Level 1	Level 2	Level 3	Total
Derivatives				
Negotiation				
Interest rate swap	-	(1,214)	-	(1,214)
Exchange rate swap	-	24,958	-	24,958
Currency forwards	-	(13,671)	-	(13,671)
Total trading derivatives	**-**	**10,073**	**-**	**10,073**
Hedging				
Interest rate swap	-	1,142,700	-	1,142,700
Exchange rate swap	-	57,852	-	57,852
Options	-	(3,720)	-	(3,720)
Total hedging derivatives	**-**	**1,196,832**	**-**	**1,196,832**
Total derivatives	**-**	**1,206,905**	**-**	**1,206,905**

31.4. Transfer between hierarchy level 1 and fair value hierarchy level 2

The following table summarizes the transfer between fair value Levels 1 and 2 during 2022 and 2021. In general, transfers between Level 1 and Level 2 in the investment portfolios are primarily due to changes in the liquidity levels of investments in the markets.

	December 2022		December 2021	
	Transfer between:		Transfer between:	
	Level 2 to 1	Level 2 to 1	Level 2 to 1	Level 2 to 1
In local currency				
Government-issued or government-guaranteed securities	12,055	212	207,766	-
Securities issued or guaranteed by other financial institutions	115,488	99,654	75,031	32,271
Total securities in local currency	**127,543**	**99,866**	**282,797**	**32,271**
Total	**127,543**	**99,866**	**282,797**	**32,271**

31.5. Reconciliation of fair value hierarchy level 3

	Financial assets in debt securities	Equity instruments	Investment properties
December 31, 2020	**15,812**	**102,370**	**328,967**
Additions	234	-	19,415
Sales /alienation	(2,174)	(361)	(13,465)
Valuation adjustment affecting net income	1,485	-	23,237
Valuation adjustment with effect on equity	-	63	-
Impairment	(5,888)	(23,911)	(625)
Reclassification of non-current assets held for sale	-	-	(13,751)
Conversion effect	935	(11,455)	(11,627)
Transfer of property and equipment	-	-	(133)
December 31, 2021	**10,404**	**66,707**	**332,018**
Additions	54	26	20,683
Sales /alienation	811	-	(3,660)
Valuation adjustment affecting net income	(58)	(137)	29,313
Valuation adjustment with effect on equity	-	151	-
Impairment	-	-	(724)
Conversion effect	2,114	262	58,205
December 31, 2022	**13,325**	**67,009**	**435,835**

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

The following table shows a summary of assets and liabilities with a value other than fair value as of December 31, 2022 and 2021 for disclosure purposes only.

	December 2022		December 2021	
	Book Value	Fair Value	Book Value	Fair Value
Assets				
Debt securities at amortized cost [1]	16,984,171	15,393,786	11,817,450	11,837,926
Insurance contracts assets [2]	6,853,292	6,853,292	5,002,560	5,002,560
Reinsurance contracts assets [2]	8,026,555	8,026,555	5,349,329	5,349,329
Accounts receivable from related parties [2]	252,071	252,071	44,082	44,082
Other accounts receivable [2]	2,139,913	2,139,913	2,033,598	2,033,598
Investments in associated companies and joint ventures [4]	23,512,458	19,590,984	22,007,566	18,870,169
Total Assets	**57,768,460**	**52,256,601**	**46,254,585**	**43,137,664**
Liabilities				
Financial obligations [1]	1,115,538	1,063,510	1,063,510	1,063,510
Finance lease liabilities [1]	513,419	501,746	501,746	501,746
Liabilities under insurance contracts [2]	38,721,291	38,721,291	26,625,933	26,625,933
Liabilities under reinsurance contracts [2]	2,051,354	2,051,354	1,592,429	1,592,429
Other accounts payable [2]	2,609,496	2,609,496	2,303,767	2,303,767

Accounts payable to related parties [2]	117,298	117,298	90,500	90,500
Bonuses [3]	9,337,919	8,826,566	8,523,718	8,914,058
Preferred shares [5]	459,955	403,917	460,067	615,955
Total Liabilities	**54,926,270**	**54,295,178**	**41,161,670**	**41,707,898**

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

Debt securities

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

Financial obligations and lease liabilities

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

(2) Accounts receivable and accounts payable

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

(3) Bonds issued

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

(4) Investments in associated companies and joint ventures

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

(5) Preferred shares

The book value of preferred stock is valued using the market TES curve.

NOTE 32 RISK MANAGEMENT

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

Governance Framework

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

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

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

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

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

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

The following are the main risks around which companies prioritize and focus their management, grouped into three categories: financial risks, business risks, systemic risk and operating risks.

Financial Risk Management

Financial risk refers to the possibility that companies' results and capital structure may be affected by variations in asset prices, non-payment of their obligations by third parties, or risk situations derived from the environment.

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

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

1. Credit Risk Management

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

Note 5.1.4 Impairment of financial assets, Note 6.1 Transactions with local and international counterparties insurance contract assets and Note 6.4 Insurance contract liabilities.

1.1 Risk Management in treasuries

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

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

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

Grupo SURA

Counterparty	Rating
Merrill Lynch International	A+
Citibank N.A	A+
JP Morgan Chase Bank, N.A.	A+
Morgan Stanley & Co International PLC	A+
Goldman Sachs International	A+
BBVA S.A.	AAA*
Bancolombia S.A.	AAA*

**Local rating - Colombia*

SURA Asset Management

Counterparty	Rating
BBVA Colombia S.A.	BBB-
JP Morgan Chase Bank	AA-
Citibank	A
Morgan Stanley	A
Bank of America	AA-
Banco de Bogotá S.A.	AAA*
Bancolombia S.A.	AAA*

**Local rating - Colombia*

Suramericana

Bank	Rating
Banco JP Morgan Colombia S.A.	BB+
Banco de Comercio Exterior de Colombia S.A.	BB+
Banco de Bogota S. A.	BB+
Citibank	BB+
Banco Davivienda S.A.	BB+
Banco Itau Corpbanca Colombia S.A.	BB+
JP Morgan Chase Bank	AA-

1.2 Credit Risk Management in the portfolios of insurers:

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

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

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

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

Assets Fixed Income by Credit Rating 2022 (International Scale)

	Suramericana									SURA AM		
	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom Rep	Uruguay	Bermuda	Chile	Colombia
Rating	CCC-	BB-	A-	BB+	B-	BBB-	BBB	BB-	BBB-	A	A+	BB+
Government	65%	65%	19%	39%	9%	77%	0%	43%	59%	8%	23%	70%
AAA	0%	0%	0%	0%	0%	0%	3%	0%	2%	0%	0%	0%
AA+	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
AA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
AA-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
A+	0%	0%	0%	0%	0%	0%	0%	0%	7%	7%	0%	0%

A	0%	0%	45%	0%	0%	0%	3%	0%	1%	1%	18%	0%
A-	0%	0%	7%	0%	0%	0%	0%	0%	7%	7%	0%	0%
BBB+	0%	0%	11%	0%	0%	0%	2%	0%	7%	10%	0%	0%
BBB	0%	0%	12%	0%	1%	0%	8%	0%	13%	9%	54%	0%
BBB-	0%	0%	1%	0%	0%	15%	15%	0%	4%	0%	0%	0%
BB+	0%	0%	0%	10%	0%	4%	8%	0%	0%	53%	0%	27%
BB	0%	0%	0%	48%	0%	2%	30%	0%	0%	0%	5%	2%
BB-	0%	35%	1%	0%	0%	2%	0%	0%	0%	5%	0%	1%
Others	35%	0%	4%	3%	90%	0%	31%	57%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Assets Fixed Income by Credit Rating 2021 (International Scale)

	Suramericana									**SURA AM**		
	Argentina	**Brazil**	**Chile**	**Colombia**	**El Salvador**	**Mexico**	**Panama**	**Dom Rep**	**Uruguay**	**Bermuda**	**Chile**	**Colombia**
Rating	**CCC**	**BB-**	**A-**	**BB+**	**B-**	**BBB-**	**BBB**	**BB-**	**BBB-**	**A**	**A+**	**BB+**
Government	62%	50%	23%	23%	14%	73%	6%	43%	60%	0%	28%	0%
AAA	0%	0%	0%	2%	0%	0%	0%	0%	4%	0%	0%	0%
AA+	0%	0%	0%	0%	0%	0%	3%	0%	0%	0%	0%	0%
AA	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%
AA-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
A+	0%	0%	0%	1%	0%	0%	1%	0%	6%	0%	0%	0%
A	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	13%	0%
A-	0%	0%	43%	0%	1%	0%	2%	0%	1%	0%	0%	0%
BBB+	0%	0%	3%	1%	0%	0%	0%	0%	8%	0%	0%	0%
BBB	0%	0%	22%	1%	0%	0%	2%	0%	13%	0%	50%	0%
BBB-	0%	0%	7%	0%	4%	17%	11%	0%	8%	100%	0%	0%
BB+	0%	0%	1%	45%	0%	2%	17%	0%	0%	0%	0%	0%
BB	0%	0%	0%	13%	0%	3%	12%	0%	0%	0%	9%	0%
BB-	0%	50%	0%	1%	1%	5%	2%	1%	0%	0%	0%	0%
Otros	38%	0%	1%	10%	80%	0%	44%	56%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**0%**

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

It is important to highlight that so far this year, the rise in interest rates and the constant increase in inflation affected the financial situation of some issuers in the investment portfolio due to higher financial expenses and cost structure. Additionally, from a sovereign risk perspective, specific monitoring was carried out in El Salvador due to the high levels of government indebtedness and in Colombia due to the impact that the infrastructure sector could have as a result of the new policies of the incoming government. Despite the above, the overall credit risk situation in terms of issuers is considered stable, taking into account that the portfolio is diversified in issuers with good credit quality and high operational soundness.

On the other hand, the operations with financial derivatives carried out with local and international counterparties represent an additional exposure to the credit risk of the insurance companies' portfolios. Below is the active and passive exposure in derivatives that Suramericana S.A. companies had as of December 31, 2021 and 2022. Said exposure is presented together with the credit rating (in international scale) of the counterparties with which they have current derivative operations. It is important to highlight that, at present, the only companies that carry out operations with financial derivatives are those located in Colombia (figures in thousands).

Portfolio of Derivativas – Suramericana Seguros Colombia 2022				
Counterparty	**International Credit Rating**	**Asset exposure**	**Liability exposure**	**Net position**
BANCO J.P. MORGAN COLOMBIA S.A.	BB+	222,268	-228,061	**-5,793**
BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A.	BB+	102,024	-109,105	**-7,081**
BANCO DE BOGOTA S. A.	BB+	5,579	-5,451	**128**
CITIBANK COLOMBIA	BB+	245,697	-258,055	**-12,358**
BANCO DAVIVIENDA S.A.	BB+	73,637	-77,625	**-3,988**
BANCO ITAU CORPBANCA COLOMBIA S.A.	BB+	4,519	-4,670	**-151**
JP MORGAN CHASE & CO	AA-	141,189	-155,344	**-14,155**
Total		**794,913**	**-838,311**	**-43,398**

Portfolio of Derivatives- Suramericana Seguros Colombia 2021				
Counterparty	**International Credit Rating**	**Asset exposure**	**Liability exposure**	**Net position**
JP MORGAN CORPORACION FINANCIERA S.A.	BB+	298,905	-277,804	**21,101**
BANCO DAVIVIENDA S.A.	BB+	129,508	-122,810	**6,698**
CITIBANK COLOMBIA	BB+	236,720	-224,560	**12,160**
BANCO DE BOGOTA S. A.	BB+	156,392	-148,765	**7,627**
JP MORGAN CHASE & CO	BB+	35,730	-32,866	**2,864**
BANCO DE COMERCIO EXTERIOR DE COLOMBIA	AA-	136,521	-132,501	**4,020**
Total		**993,776**	**-939,306**	**54,470**

It is important to note that, at the end of each reporting period, the Companies evaluate whether there is any probability that a financial asset or group of financial assets measured at amortized cost or available for sale may be impaired.

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

1.3 Credit Risk Management in Third Party Resource Management

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

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

1.4 Impairment of assets and accounts receivable

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

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

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

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

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

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

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

2. Market Risk Management

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

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

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

2.1 Market Risk Management in Treasures

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

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

- The liquidity management, in the treasury, through the exposure that the collective portfolios, and issuers of fixed income instruments, have. These activities do not generate a significant market risk, due to their nature of low volatility assets.
- Financial liabilities contracted in foreign currency and those tied to variable rates, which result in an exposure to exchange rate risk and fixed or variable interest rate.
- Operations with financial derivative instruments structured as hedging mechanisms for the financial liabilities that comprise the Company's obligations.

During the year, in order to have greater protection against the volatility of the Colombian peso, Grupo SURA continued to increase the hedging ceilings of several portions of the principal of the dollar bond maturing in 2026 that have a CAPS structure. Additionally, the repurchase of 20 million dollars of debt was carried out and the derivatives hedging that portion of the debt were liquidated.

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

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

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

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

  Currency risk: it has been decided to maintain unrestricted capital invested in local currencies in accordance with their planned uses.
- On the other hand, within the Capital Structure of SURA Asset Management, there is a debt component composed of a bond issued in the international market and bank debt. Since most of the debt is denominated in USD, this generates an exchange rate matching risk, since the financial results of the subsidiaries of SURA Asset Management are in local currencies and there is an exchange rate risk for their transfer to SURA Asset Management.

2.2 Market Risk Management in the portfolios of insurers

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

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

Exposure to currency in the portfolios of insurers

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

Assets, in each Country, by type of currency - 2022					
Suramericana					
Country	**Local currency ***	**Real local currency ****	**USD**	**Other**	**Total**
Argentina	43%	0%	57%	0%	**100%**
Bermuda	0%	0%	100%	0%	**100%**
Brazil	100%	0%	0%	0%	**100%**
Chile	1%	97%	2%	0%	**100%**
Colombia	58%	37%	5%	0%	**100%**
El Salvador	0%	0%	100%	0%	**100%**
Mexico	68%	19%	13%	0%	**100%**
Panama	0%	0%	100%	0%	**100%**
Dominican Republic	80%	0%	20%	0%	**100%**
Uruguay	47%	21%	32%	0%	**100%**
SURA Asset Management					
Country	**Local currency ***	**Real local currency ****	**USD**	**Other**	**Total**
Chile	2%	98%	0%	0%	**100%**
Colombia	41%	46%	13%	0%	**100%**

Assets, in each Country, by type of currency - 2021

Suramericana					
Country	**Local currency ***	**Real local currency ****	**USD**	**Other**	**Total**
Argentina	53%	-	47%	-	**100%**
Bermuda	-	-	100%	-	**100%**
Brazil	100%	-	-	-	**100%**
Chile	5%	94%	1%	-	**100%**
Colombia	69%	25%	6%	-	**100%**
El Salvador	-	-	100%	-	**100%**
Mexico	88%	5%	7%	-	**100%**
Panama	-	-	100%	-	**100%**
Dominican Republic	72%	-	28%	-	**100%**
Uruguay	45%	18%	37%	-	**100%**
SURA Asset Management					
Country	**Local currency ***	**Real local currency ****	**USD**	**Other**	**Total**
Chile	-	100%	-	-	**100%**
Colombia	-	-	-	-	**0%**

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

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

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

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

The net income obtained, is as follows:

Exchange rate sensitivities - Impact on income before taxes.

Suramericana		
(-10%) in Exchange rate	**2022**	**2021**
Argentina	-48,324	-36,739
Bermuda	-	-
Brazil	349	-6,114

Chile	20,550	-461
Colombia	-21,766	-10,171
El Salvador	-	-
Mexico	-1,133	-244
Panama	-	-
Dominican Republic	-5,023	-2,233
Uruguay	39	-809
Total	**-55,308**	**-56,771**

	SURA Asset Management	
(-10%) in Exchange rate	**2022**	**2021**
Chile	-	-
Colombia	-81,206	-
Total	**-81,206**	**-**

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

A percentage of the investments of Suramericana S.A.'s subsidiaries in Colombia present changes in their fair value attributed to foreign currency exposure and/or interest rate risk. With this in mind, they implement hedge accounting in order to back up the reserves with derivative products, seeking to mitigate the impact on the fair value of the financial instruments due to exchange rate and interest rate. The Company hedged the following instruments for the following amounts:

- Global Bond in dollars maturing in April 2027 with semiannual coupon payment of 14.81%. The amount of the hedge is USD 1,000,000.
- Republic of Colombia bond maturing in September 2037 with a semiannual coupon payment of 8.145%. The amount of the hedge is USD 3,000,000.
- Republic of Colombia bond maturing in September 2037 with semiannual coupon payment of 8.875%. The amount of the hedge is USD 3,000,000.
- Republic of Colombia bond maturing in September 2037 with semiannual coupon payment of 8.930%. The amount of the hedge is USD 3,000,000.

2.2.1 Exposure to interest rate in the portfolios of insurers

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

Exposure on Fixed tax and Variable tax 2022

Suramericana								
	Fixed tax			**Variable tax**				
Country	**Fixed rate**	**Variable rate**	**Subtotal**	**National**	**Foreign**	**Subtotal**	**Others**	**Total**
Argentina	69%	31%	**100%**	0%	0%	**0%**	**0%**	**100%**
Bermuda	100%	0%	**100%**	0%	0%	**0%**	**0%**	**100%**
Brazil	0%	100%	**100%**	0%	0%	**0%**	**0%**	**100%**
Chile	97%	0%	**97%**	0%	3%	**3%**	**0%**	**100%**

Colombia	56%	33%	**89%**	7%	4%	**11%**	**0%**	**100%**
El Salvador	100%	0%	**100%**	0%	0%	**0%**	**0%**	**100%**
Mexico	96%	5%	**101%**	0%	0%	**0%**	**0%**	**101%**
Panama	100%	0%	**100%**	0%	0%	**0%**	**0%**	**100%**
Dominican Republic	98%	0%	**98%**	0%	2%	**2%**	**0%**	**100%**
Uruguay	85%	14%	**99%**	0%	1%	**1%**	**0%**	**100%**

SURA Asset Management

Country			Fixed rate	Variable rate	Subtotal	National	Foreign	Subtotal	Others Total
Chile	80%	2%	**82%**	0%	0%	**0%**	**18%**	**100%**	
Colombia	68%	32%	**100%**	0%	0%	**0%**	**0%**	**100%**	

Exposure on Fixed tax and Variable tax 2021

Suramericana

			Fixed tax			Variable tax			
Country			**Fixed rate**	**Variable rate**	**Subtotal**	**National**	**Foreign**	**Subtotal**	**Others Total**
Argentina	50%	50%	**100%**	0%	0%	**0%**	**0%**	**100%**	
Bermuda	100%	0%	**100%**	0%	0%	**0%**	**0%**	**100%**	
Brazil	0%	100%	**100%**	0%	0%	**0%**	**0%**	**100%**	
Chile	0%	96%	**96%**	0%	4%	**4%**	**0%**	**100%**	
Colombia	47%	41%	**88%**	8%	4%	**12%**	**0%**	**100%**	
El Salvador	100%	0%	**100%**	0%	0%	**0%**	**0%**	**100%**	
Mexico	93%	7%	**100%**	0%	0%	**0%**	**0%**	**100%**	
Panama	100%	0%	**100%**	0%	0%	**0%**	**0%**	**100%**	
Dominican Republic	99%	0%	**99%**	0%	1%	**1%**	**0%**	**100%**	
Uruguay	100%	0%	**100%**	0%	0%	**0%**	**0%**	**100%**	

SURA Asset Management

Country			Fixed rate	Variable rate	Subtotal	National	Foreign	Subtotal	Others Total
Chile	78%	4%	**82%**	0%	0%	**0%**	**18%**	**100%**	
Colombia	0%	0%	**0%**	0%	0%	**0%**	**0%**	**0%**	

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

Sensitivity analysis of interest rate risk in the portfolios of insurers

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

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

Interest rate sensitivities - Impact on pre-tax results.

Suramericana		
(+10pbs) in Interest Rates	**2022**	**2021**
Argentina	-1,592	-2,251
Bermuda	-	-64
Brazil	-528	-685
Chile	-6	-932
Colombia	-1,512	-1,908
El Salvador	-14	-20
Mexico	-396	-1,543
Panama	-249	-411
Dominican Republic	-	-26
Uruguay	-158	-214
Total	**-4,455**	**-8,054**

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

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

Interest rate sensitivities - Reinvestment risk 2022

SURA Asset Management		
Business Unit	**Liabilities reserves**	**Sufficiency of reserves**
Chile	5,686,654	3.20%
Colombia	4,841,774	1.8%

Interest rate sensitivities - Reinvestment risk 2021

SURA Asset Management

Business Unit	Liabilities reserves	Sufficiency of reserves
Chile	4,646,413	-
Colombia	N/A	N/A

During the month of December an insurance company was incorporated in Colombia called Asulado Seguros de Vida S.A., which will offer pension insurance and life annuities for the individual savings pension model. At year-end it is offering only life annuities.

2.2.2 Risk Price variation: Real Estate and Variable Income

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

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

Sensitivities, at the price of shares and real estate assets

Suramericana				
	2022		2021	
Business Unit	(-10%) in Shares Price	(-10%) in Real Estate	(-10%) in Shares Price	(-10%) in Real Estate
Argentina	-	-	-	-
Bermuda	-	-	-	-
Brazil	-	-	-	-
Chile	-980	-2,596	-537	-2,554
Colombia	-37,229	-67,611	-35,191	-62,176
El Salvador	-	-	-	-
Mexico	-146	-	-70	-
Panama	-130	-	-122	-
Dom. Rep	-384	-	-49	-
Uruguay	-216	-	-	-
Total	**-39,085**	**-70,207**	**-35,969**	**-64,730**

Sensitivities, at the price of shares and real estate assets

SURA Asset Management				
	2022		2021	
Business Unit	(-10%) in Shares Price	(-10%) in Real Estate	(-10%) in Shares Price	(-10%) in Real Estate
Chile	-3,603	-41,068	-5,605	-28,267
Colombia	-	-	-	-
Total	**-3,603**	**-41,068**	**-5,605**	**-28,267**

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

2.3 Risk of Volatility in the Pension Businesses

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

The following table contains the managed funds of SURA Asset Management's affiliate portfolio in the pension business. The figures shown do not include assets under management that are in SURA AM's insurance companies.

Pension Companies - Assets under management 2022		
Country	**Mandatory**	**Voluntary**
Chile	158,557,696	8,643,346
Colombia	120,081,618	10,274,281
El Salvador	30,449,475	26,039
Mexico	192,287,305	7,459,954
Peru	47,083,186	967,687
Uruguay	17,044,196	-
Total	**565,503,476**	**27,371,307**

Pension Companies - Assets under management 2021		
Country	**Mandatory**	**Voluntary**
Chile	126,110,198	6,603,255
Colombia	124,071,217	11,348,667
El Salvador	24,768,879	33,429
Mexico	146,912,776	5,426,695
Peru	47,572,684	993,352
Uruguay	12,486,434	-
Total	**481,922,188**	**24,405,398**

Figures in millions

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

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

Percentage of reserve of managed fund	
Business Unit	**% Reserve**
Chile	1.00%
Colombia	1.00%
El Salvador	-
Mexico	0.53%
Peru	1.00%
Uruguay	0.50%

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

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

Volatility Risk of the Pension Businesses		
-10% in Variable Valuation - Impact on pre-tax income.		
	2022	**2021**
Chile	-51,832	-56,628
Colombia	-51,174	-42,952
El Salvador	-	-
Mexico	-75,704	-74,034
Peru	-12,912	-30,865
Uruguay	-2,477	-1,626
Total	**-194,099**	**-206,105**
+100bps in Interest Rates - Impact on pre-tax income.		
	2022	**2021**
Chile	-99,378	-58,052
Colombia	-32,715	-26,990
El Salvador	-	-
Mexico	-89,571	-65,001
Peru	-6,111	-12,547
Uruguay	-1,756	-1,640
Total	**-229,531**	**-164,230**
10% EM depreciation - Impact on pre-tax income.		
	2022	**2021**
Chile	-65,710	-71,212
Colombia	-19,877	-15,521
El Salvador	-	-
Mexico	-42,737	-36,663
Peru	-43,887	-34,666
Uruguay	-1,577	-1,099
Total	**-173,788**	**-159,161**

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

2.4 Risk Exposure of Seed Capital SURA Asset Management

During 2022 SURA Asset Management has participated in five new projects by investing its Seed Capital. In addition, seed capital invested in the SURA Deuda Privada Chile Investment Fund and in the SURA Multiactivo Conservador, Multiactivo Moderado, Multiactivo Crecimiento and Acciones Colombia FICs is returned. By the end of 2022, the company has twenty-two projects in its investment portfolio.

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

Traditional Assets

Latin America Corporate Debt USD Fund

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

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

FIC SURA Renta Fija Colombia

Renta Fija Colombia is a collective investment fund of an open-end nature with a permanence covenant. Its objective is to provide investors with an investment instrument focused on fixed income assets issued mainly in Colombia, with an expected return higher than that of a demand portfolio, with a moderate risk profile. The fund began operations on November 2, 2021.

Retorno Absoluto Fund

Retorno Absoluto Fund, domiciled in Mexico, began operations in October 2021. The fund's objective is to offer clients the option of investing in debt securities, either directly, or through mutual funds, Exchange Traded Fund (ETF) and/or Equity Derivatives, in pesos, UDIS and/or foreign currency. The fund's strategy is based on a performance objective seeking to generate yields above CETES28d + 170bps.
As of December 31, 2022, the entire commitment of MXN 196.4 million (USD 10.1MM) was disbursed. The book value as of December 31, 2022 of the participation is USD 8.8 million.

ALTERNATIVE ASSETS

Infrastructure Fund

FCP Debt 4G Sura Asset Management - Credicorp Capital I Private Debt Infrastructure Compartment I

In 2015 SURA Asset Management and Credicorp Capital entered into a strategic alliance to develop a platform to finance infrastructure projects in the region. As a result of this effort, Unión para la Infraestructura was born in Colombia as a professional infrastructure fund manager. Together with the Union for Infrastructure *(UPI, Acronym for the Spanish original)*, the Private Equity Fund *(FCP, Acronym for the Spanish original)* 4G Credicorp Capital-Sura Asset Management - Compartment DPI I was launched, which has commitments from institutional investors in the amount of COP 1.39 billion (USD 289 million). Currently, 98.5% of the resources committed in this compartment are invested in the financing of four road concession projects under a PPP scheme in Colombia through senior debt facilities in local currency.

Due to the nature of the investments, this capital will be exposed to the risk of financial volatility due to possible deviations in the valuation of each project's portfolio.

The capital committed by SURA Asset Management in this fund, through its subsidiary SURA Asset Management Chile, amounts to COP 75,000 million (USD 15.6 million), of which COP 66,469 million (USD 13.8 million) have been called as of December 31, 2022. The book value of the participation amounts to COP 85,037 million (USD 17.7 million).

FCP Debt 4G Sura Asset Management - Credicorp Capital I Liquidity Compartment I

In 2017, the second compartment of FCP Deuda 4G was launched, with the objective of financing liquidity shortfalls in public initiative projects with guaranteed revenues. The compartment has five investors and the total committed capital is COP 70,000 million (USD 14.6 million).

The capital committed by SURA Asset Management in this sub-fund, through its subsidiary SURA Investment Management Colombia S.A.S., amounts to COP 10,000 million (USD 2.1 million), of which the net disbursed balance is COP 1,692.6 million (USD 0.4 million). The book value of the participation as of December 31, 2022 is COP 2,812.1 million (USD 0.6 million).

FIP Infraestructura -AM Sura - Credicorp Capital

As part of the platform's deployment plan in the region, in 2019 Union for Infrastructure is born in Peru, with the launch of FIP Infraestructura AM Sura - Credicorp Capital, which has a size of USD 95.5 million and aims to invest, through equity, in infrastructure projects located in countries that make up the Pacific Alliance.

In the last 3 years, it has managed to materialize 3 investments for a combined value of more than USD 55 million, the first investment was made in 2020 and corresponds to the controlling acquisition of a road platform located in Mexico that was subsequently listed on the Mexican Stock Exchange through a Fibra. The second materialized in 2021 and corresponds to a greenfield port project of strategic relevance located in the department of Antioquia in Colombia. Finally, in 2022 a minority stake was acquired in an electricity distribution company located in the department of Arequipa in Peru.

Of the current commitments, Sura Asset Management, through Fondos Sura SAF, committed USD 2.5 million. As of December 31, 2022, calls for USD 1.5 million have been met and the book value of the participation is USD 2.0 million.

FIP carretera Perú AM Sura – Credicorp Capital

Together with the launching of the FIP Infraestructura AM Sura - Credicorp Capital, the opportunity was provided to materialize the acquisition of 16.2% of the class B shares of the road concessionaire Norvial through a club deal with capital from high net worth investors. The fund closed with commitments of USD 10.9 million, of which SURA Asset Management, through Fondos Sura SAF, committed USD 0.24 million. The total commitments were called in 2020. The book value of the participation at the close of December 31, 2022 is USD 0.2 million.

FCP Deuda Infraestructura II Sura - Credicorp Capital I Compartment A

In November 2021, the first closing of the second Debt Fund for Infrastructure in Colombia was achieved, a vehicle that allows the financing of Fourth and Fifth Generation Road and airport projects in Colombia. The Fund received commitments for COP 1.37 billion (USD 284.8 million) and has managed to invest close to 40% of the resources in three road projects. Of the resources committed to the Fund, Sura Asset Management, through its subsidiary SURA Asset Management Chile, committed COP 28,000 million (USD 5.8 million). As of December 31, 2022, COP 98.2 million (USD 20.0 thousand) have been called and their book value is COP 445.0 million (USD 0.1 million).

Real Estate

Private Equity Fund FCP SURA Asset Management Real Estate Development

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

The fund received total commitments of COP 294,338 million (USD 61.2 million), of which SURA Asset Management through its subsidiary SURA Asset Management Chile S.A. committed COP 5,886 million (USD 1.2 million). As of December 31, 2022, 100% equivalent to COP 5,886 million (USD 1.2 million) has been called. The book value of the investment at December 31, 2022 is COP 6,091 million (USD 1.3 million).

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

SURA private real estate investment fund

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

The initial seed capital investment in this fund amounted to USD 24.7 million. During 2019, 2 capital returns were made, the first for USD 7.4 million on July 5. The second for USD 3.3 million on November 21. During 2020, a capital repayment of USD 6.0 million was made on December 17. In 2021 and 2022 no investments or distributions were made. The book value of the invested balance at December 31, 2022 is USD 7.5 million.

SURA Renta Inmobiliaria III Mutual Fund

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

As of December 31, 2022, Sura Asset Management Chile has made net seed capital disbursements of CLP 7,116.8 million (USD 8.3 million). The book value of the participation as of November 2022 is CLP 7,799.9 million (USD 9.1 million). Note: There is no fund closing as of December 2022 at the time of this note.

The Fund had its first investment in January 2019 with the purchase of a Class A office building and as of December 31, 2022 the Fund has invested in the acquisition of 23 assets distributed in the office (73%), industrial warehouses (11%), retail (8%) and other (8%) segments, for a value of UF 5,880,131 (USD 240 MM).

SURA Rentas Mexico Investment Fund

Investment in two real estate assets as anchors of Fondo México Rentas, an investment vehicle in the process of incorporation and commercialization. The main objective of this fund is to preserve capital, generate cash flow and capital gains through a portfolio of industrial real estate located in Mexico with rents in USD.

In September 2021, 80% of the trust rights of "fideicomiso 4594/2021 Banca Mifel" were acquired for USD 16.6 million, plus 2.0 million of value added tax. The trust has only one class A industrial warehouse located in Ciudad Juarez, Mexico, which has 27,759 m2 of GLA and a medium-term, dollarized, triple net lease with no possibility of early exit. The value of the asset amounts to USD 21.1 million according to JLL's appraisal of June 6, 2022.

In October 2022, an industrial building located in Pesquería, Nuevo Leon, Mexico was acquired and contributed to "fideicomiso 5458/2022 Banco Actinver" (trust 5458/2022 Banco Actinver). The asset has 34,141 m2 of GLA and a long-term, dollarized, double net lease with no possibility of early exit. The purchase value of the asset was USD 19.8 million, plus USD 2.5 million of value added tax. The asset was appraised at USD 20.5 million by CBRE on June 17, 2022.

In both acquisitions, part of the value disbursed includes USD 4.5 million of value added tax, which will be recovered once the fund is formally constituted.

As of December 31, 2022, Sura Asset Management Chile has made seed capital disbursements of USD 19.3 million, which have a book value of the investment of USD 22.3 million as of December 31, 2022.

Sura Renta Residencial Mutual Fund

The Fund is a long-term investment vehicle designed to acquire and manage residential rental real estate with a strategy focused on income generation, capital appreciation and capital preservation for the generation of returns. For such purposes, the Fund will invest its resources in companies that participate, directly or indirectly, in the acquisition of real estate for housing in Chile, with the purpose that each property, whether it is a building, residential unit, housing complex, parking lots, warehouses or others, is leased to third parties.

In September 2022, the Fund acquired its first residential rental asset located in the city of Santiago, in the district of La Cisterna. The asset was designed for residential rental and has 272 apartment units distributed in 1D1B, 2D1B and 2D2B typologies, with an average occupancy rate of 85.6%.

As of December 31, the fund has called 100% of the capital equivalent to CLP 7,469 million (USD 8.7 MM) of which SURA Asset Management Chile has contributed CLP 682.8 MM (USD 0.8 million). The book value of the participation as of December 31, 2022 is CLP 692.4 million (USD 0.8 million).

Private Debt

Colombia Corporate Debt Fund

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

As of December 31, 2022, Sura Asset Management Chile has investment commitments for COP 37,505 million (USD 9.4 million). Of this amount, as of December 31, 2022 the net disbursement has been COP 33,897 million (USD 7.1 million). The book value of the participation as of December 31, 2022 is COP 39,113 million (USD 8.1 million).

Sura Libranzas Closed-end Collective Investment Fund

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

As of December 31, 2020, the manager, through Sura Asset Management Chile, had disbursed the total investment commitments of COP 18,144 million (USD 3.8 million). During the year 2021 COP 17,606 million (USD 3.7 million) was returned to the investor, in the year 2022 COP 126MM (USD 0.03 million) were returned, leaving COP 412.2 million (USD 0.08 million) pending to be returned. The book value of the investment at the end of December 31, 2022 is COP 700 million (USD 0.15 million).

Fondo Factor Sura Perú

The fund provides working capital financing to supplier companies in Peru's main industries.

As of December 31, 2022, the manager, through Sura Asset Management Chile, has disbursed PEN 15.6 million (USD 4.1 million). The book value of the investment is PEN 16.2 million (USD 4.2 million).

FIC SURA Crédito Privado Colombia

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

As of December 31, 2022, the manager, through Sura Asset Management Chile, has disbursed COP 658.8 million (USD 0.1 million). The book value of the investment is COP 906.4 million (USD 0.2 million).

Fondo de Inversión Privado Capital Estrategia SUAM

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

As of December 31, 2022, through Sura Asset Management Chile, the manager has disbursed USD 0.3 million. The book value of the investment is equivalent to the amount disbursed. Also, in December 2022, an additional USD 0.8 million was contributed to this fund through an investment made to FIP Capital semilla Perú (intermediary fund to channel investments from SURA AM Chile to investment funds in Peru). The book value of this investment through FIP Capital Semilla Perú as of December 31, 2022 is USD 0.8 million. The total invested in the strategy as of December 31, 2022 is USD 1.1MM.

Fund of Funds

Fondo de Fondos SURA Deuda Privada Global (Investment channeled through FIP Seed Capital Peru)

The SURA Global Private Debt Fund of Funds, domiciled in Peru, began operations in December 2021, and aims to obtain attractive returns for clients by investing in funds and ETFs with direct exposure to international private debt instruments. The fund is aimed primarily at individuals with a long-term investment horizon. Its geographic investment focus is in the United States and Europe.

As of December 31, 2022, USD 16.2 million have been disbursed to the strategy through FIP Capital Semilla Perú, of which USD 7.9 million have been returned. The book value of the investment is USD 8.1 million.

Fondo de Inversión SURA Real Estate Global

The SURA Real Estate Global Investment Fund, domiciled in Chile, is a non-redeemable investment vehicle denominated in USD whose main objective is to obtain capital gains and/or cash flows by investing in real estate funds and/or ETFs. This with the purpose of investing in stabilized real estate assets, with strategic locations in different sectors such as: residential, commercial, offices, industrial, hotels, among others. Its geographic investment focus is in the United States and Europe. The fund began operations in January 2022.

As of December 31, 2022, USD 12.4 million has been disbursed to the strategy, of which USD 1.2 million has been repaid. The book value of the investment is USD 11.1 million.

Other related investments

FIP Capital Semilla IM

The FIP Capital Semilla IM was established in 2022, with the purpose of consolidating SURA Asset Management Chile's Seed Capital investments in Peru. Thus, at the end of 2022, this vehicle consolidates SURA Asset Management Chile's investments in the Global Private Debt Fund of Funds and in the Capital Estrategia SUAM Private Investment Fund (partially).

As of December 31, 2021, the carrying value of the investment is USD 8.9 million.

Real Estate Assets in Colombia

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

- In April 2020, a plot of land was acquired in Medellín for a value of COP 16,500 million (USD 3.4 million), which has an approximate area of 2,600 m2 and where a real estate project is sought to be developed. The marketing strategy for the asset is currently being defined. The lot is held in Fideicomiso 1 Sur in Alianza Fiduciaria, where SURA Asset Management Chile S.A. has a 100% participation. As of December 31, 2022, the total disbursements of this initiative are COP 18,500 million (USD 3.8 million) and the equity value of the investment is COP 16,700 million (USD 3.5 million).

- In June 2021, in alliance with Arquitectura & Concreto and FCP Sura Asset Management Desarrollo Inmobiliario, a plot in Bogota was acquired for COP 21,000 million (USD 4.4 million), which has an approximate area of 1,500 m2 and where an office building is to be developed. Currently, the company is waiting to reach the break-even point in the commercialization. The lot is housed in the Edificio 7.84 Trust, where SURA Asset Management Chile S.A. through PA SUAM Chile has a 23.5% interest. As of December 31, 2022, the total disbursements of this initiative are COP 15,825 million (USD 3.3 million) and the equity value of the investment is COP 16,323 million (USD 3.4 million).

2.5 Liquidity Risk Management

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

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

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

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

Liquidity Risk Management in the Insurance Portfolios

The maturities of financial assets as of December 31, 2022 and 2021 are presented below.

Assets by months to maturity 2022

Suramericana										
Term (months)	**Argentina**	**Bermuda**	**Brazil**	**Chile**	**Colombia**	**El Salvador**	**Mexico**	**Panama**	**Dom.Rep**	**Uruguay**
0 - 1	145,670	73,164	116,866	612,701	4,012,436	123,271	446,392	833,819	67,199	150,656
1 - 3	97,684	201,330	135,364	1,312,631	1,194,074	51,251	282,806	-	71,765	151,929
3 - 12	715,265	49,225	199,215	1,910,586	2,448,214	128,644	270,059	95,423	222,845	189,349
0 - 12	958,619	323,719	451,445	3,835,918	7,654,724	303,166	999,257	929,242	361,809	491,934

Assets by months to maturity 2021

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

Assets by months to maturity 2022

SURA Asset Management		
Term (meses)	**Chile**	**Colombia**
0 to 1	48,416	2,012,847
1 to 3	19,791	180,074
3 to 12	421,214	306,565
0 to 12	489,421	2,499,486

Assets by months to maturity 2021

SURA Asset Management		
Term (meses)	**Chile**	**Colombia**
0 to 1	50,390	-
1 to 3	13,933	-
3 to 12	121,055	-
0 to 12	185,378	-

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

Liabilities by months to maturity 2022

Suramericana										
Term (months)	**Argentina**	**Bermuda**	**Brazil**	**Chile**	**Colombia**	**El Salvador**	**Mexico**	**Panama**	**Dom.Rep**	**Uruguay**
0 - 1	93,907	2,480	46,489	794,614	1,258,514	46,820	68,292	21,865	17,916	34,352
1 - 3	140,861	3,720	92,985	416,307	1,106,074	98,883	151,409	68,952	31,288	57,606
3 - 12	275,184	7,268	317,960	685,332	1,833,610	208,985	643,088	156,415	109,567	196,374
0 - 12	509,952	13,468	457,434	1,896,253	4,198,198	354,688	862,789	247,232	158,771	288,332

Liabilities by months to maturity 2021

Suramericana										
Term (months)	**Argentina**	**Bermuda**	**Brazil**	**Chile**	**Colombia**	**El Salvador**	**Mexico**	**Panamá**	**Dom.Rep**	**Uruguay**
0 - 1	183,981	0	71,739	197,023	1,061,159	36,668	335,772	7,537	44,802	37,689
1 - 3	275,971	0	91,261	213,964	1,384,730	114,123	154,704	35,035	75,596	62,463
3 - 12	211,925	0	171,047	341,948	2,125,903	135,257	361,778	92,715	199,731	122,039
0 - 12	671,876	0	334,047	752,936	4,571,792	286,048	#####	135,287	320,129	222,191

Liabilities by months to maturity 2022

SURA Asset Management		
Term (months)	**Chile**	**Colombia**
0 to 1	76,283	25,584
1 to 3	43,812	50,501
3 to 12	274,107	238,203
0 to 12	394,202	314,288

Liabilities by months to maturity 2021

SURA Asset Management		
Term (months)	**Chile**	**Colombia**
0 to 1	54,747	-
1 to 3	28,899	-
3 to 12	118,466	-
0 to 12	202,112	-

3. Business risk management

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

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

3.1.1 Management of Technical Risks of Insurers

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

Risk of Mortality, Longevity and Morbidity

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

Suramericana

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

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

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

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

Country	Risk	2022	2021
	Longevity	-93,354	-82,142
Colombia	Mortality	-86,324	-88,063
	Mortality	-209,243	-196,248

**Includes Labor Risks Administrator*

Country	Risk	2022	2021
Panama	Mortality	-107,916	-43,759

Country	Risk	2022	2021
Mexico	Mortality	-1,748	-2,748

Units in millions of pesos .

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

SURA Asset Management

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

The exposure in Colombia to longevity risk is due to the incorporation of the life insurance company Asulado S.A., which at the end of 2022 only had the annuity product.

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

Sensitivities - Impact on income before income tax

SURA Asset Management		
	2022	**2021**
Business Unit	**+10% in mortality**	**+10% in mortality**
Chile	-19,137	-13,452
Colombia	N/A	N/A
Total	**-19,137**	**-13,452**
	+10% in morbidity	**+10% in morbidity**
Chile	-12,772	-3,804
Colombia	N/A	N/A
Total	**-12,772**	**-3,804**
	+10% in longevity	**+10% in longevity**
Chile	N/A	N/A
Colombia	-56,858	N/A
Total	**-56,858**	**-**

3.1.2 Risk of underwriting, pricing and insufficient reserves

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

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

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

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

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

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

Sensitivity analysis for General Insurance Companies

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

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

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

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

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

Risk - General Insurance						
	Premiums		Reserves		Total	
Country	2022	2021	2022	2021	2022	2021
Argentina	-18,501	-26,014	-19,781	-27,470	**-38,282**	**-53,484**
Brazil	-13,972	-15,310	-3,410	-4,365	**-17,382**	**-19,675**
Chile	-29,390	-35,478	-8,678	-5,392	**-38,068**	**-40,870**
Colombia	-138,746	-76,026	-39,377	-31,067	**-178,123**	**-107,093**

El Salvador	-13,433	-11,897	-2,239	-2,573	**-15,672**	**-14,470**
Mexico	-55,089	-27,737	-12,628	-11,242	**-67,717**	**-38,979**
Panama	-14,792	-8,008	-2,649	-1,159	**-17,441**	**-9,167**
Dom. Rep	-5,890	-3,116	-1,756	-724	**-7,646**	**-3,840**
Uruguay	-11,864	-6,570	-7,847	-1,595	**-19,711**	**-8,165**
Total	**-301,677**	**-210,156**	**-98,365**	**-85,587**	**-400,042**	**-295,743**

Real Claims vs. previous estimates for insurance companies.

The following tables set out the evolution of the latest claims - payments, reserves of foreclosures and reserves of incidents that occurred and not reported (IBNR) - for each of the subsidiaries of Suramericana for the years from 2015 to 2022.

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

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

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

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

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

Table 1. Argentina, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	366,857	278,735	234,762	129,997	87,772	69,685	62,979	42,454
2016	330,572	281,661	148,139	100,429	73,580	69,710	47,783	
2017	374,747	199,141	135,256	103,299	101,739	72,330		
2018	286,648	195,802	151,232	140,860	92,905			
2019	288,468	222,081	205,828	137,575				
2020	221,836	210,555	152,892					
2021	342,956	261,065						
2022	509,421							

Payment of Accumulated Claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	172,623	208,650	185,176	98,824	57,826	44,355	36,993	19,364
2016	156,078	203,882	107,969	63,234	44,031	40,179	20,028	
2017	178,334	135,759	77,796	61,863	58,510	30,222		
2018	120,683	125,133	90,034	79,517	38,904			
2019	111,953	127,568	118,130	54,832				
2020	77,539	126,351	67,080					
2021	149,502	134,981						
2022	187,263							

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	42,454	19,364	23,091	324,402	764%
2016	47,783	20,028	27,755	282,790	592%
2017	72,330	30,222	42,108	302,417	418%
2018	92,905	38,904	54,001	193,743	209%
2019	137,575	54,832	82,743	150,894	105%
2020	152,892	67,080	85,811	68,944	45%
2021	261,065	134,981	126,084	81,891	31%
2022	509,421	187,263	322,158	-	-

Table 2. Brazil, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	215,514	243,883	240,801	222,717	216,319	176,950	189,695	244,831
2016	263,543	247,054	224,957	217,479	175,311	192,150	243,837	
2017	272,752	245,370	232,397	189,711	203,538	266,454		
2018	255,276	273,431	213,187	219,031	287,203			
2019	286,312	233,724	247,156	314,250				
2020	291,683	299,626	382,776					
2021	341,006	453,472						
2022	499,759							

Payment of Accumulated Claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	111,570	198,869	201,442	189,146	182,818	148,899	162,533	210,496
2016	148,169	202,852	193,717	189,170	155,216	168,790	218,407	
2017	147,532	199,545	202,430	165,864	178,792	233,979		
2018	149,328	208,004	182,642	198,955	258,697			
2019	174,741	197,392	218,099	282,631				
2020	165,132	264,455	351,302					
2021	214,119	398,361						
2022	303,389							

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	244,831	210,496	34,334	-29,317	-12.00%
2016	243,837	218,407	25,431	19,706	8.10%
2017	266,454	233,979	32,475	6,298	2.40%
2018	287,203	258,697	28,507	-31,927	-11.10%
2019	314,250	282,631	31,619	-27,937	-8.90%
2020	382,776	351,302	31,474	-91,093	-23.80%
2021	453,472	398,361	55,111	-112,466	-24.80%
2022	499,759	303,389	196,369	-	-

Table 3. Chile, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	824,557	777,611	827,738	784,493	737,975	826,386	789,681	953,584
2016	983,043	1,006,026	950,872	888,756	998,278	948,965	1,146,875	
2017	1,496,172	1,344,551	1,241,465	1,377,202	1,310,329	1,579,642		
2018	674,978	700,824	772,658	738,004	901,828			
2019	1,313,590	1,487,375	1,323,766	1,597,282				
2020	850,727	832,797	967,204					
2021	871,393	1,134,509						
2022	3,203,857							

Payment of Accumulated Claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	301,238	688,570	811,221	776,765	728,232	820,268	784,616	946,587
2016	493,728	922,388	915,084	868,629	981,744	940,848	1,135,869	
2017	590,094	1,114,445	1,199,288	1,356,049	1,304,094	1,573,280		
2018	390,483	595,909	708,750	709,419	878,560			
2019	441,790	1,062,721	1,102,910	1,409,059				
2020	476,065	631,231	844,396					
2021	481,398	910,780						
2022	786,698							

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	953,584	946,587	6,997	-129,028	-14%
2016	1,146,875	1,135,869	11,006	-163,831	-14%
2017	1,579,642	1,573,280	6,362	-83,470	-5%
2018	901,828	878,560	23,267	-226,849	-25%
2019	1,597,282	1,409,059	188,223	-283,692	-18%
2020	967,204	844,396	122,808	-116,477	-12%
2021	1,134,509	910,780	223,729	-263,116	-23%
2022	3,203,857	786,698	2,417,159	-	-

Table 4. Colombia General, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	784,687	857,084	881,541	896,299	889,649	894,095	897,425	901,776
2016	991,349	1,061,532	1,097,242	1,094,485	1,098,545	1,104,032	1,109,193	
2017	1,072,548	1,107,989	1,100,450	1,103,567	1,110,846	1,108,524		
2018	1,105,182	1,145,438	1,154,753	1,602,331	1,612,912			
2019	1,305,601	1,298,142	1,298,006	1,297,227				
2020	1,078,131	1,056,805	1,056,793					
2021	1,420,365	1,481,001						
2022	1,531,799							

Payment of Accumulated Claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later

2015	526,468	748,685	814,537	841,741	859,302	867,618	872,759	878,073
2016	679,637	958,457	1,021,704	1,053,402	1,067,472	1,077,004	1,087,070	
2017	692,334	969,551	1,024,539	1,053,277	1,067,706	1,075,166		
2018	723,197	1,003,354	1,053,174	1,484,398	1,503,691			
2019	838,704	1,147,082	1,201,396	1,230,237				
2020	642,780	917,525	974,257					
2021	793,550	1,189,790						
2022	869,491							

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	901,776	878,073	23,702	-117,089	-13.00%
2016	1,109,193	1,087,070	22,123	-117,844	-10.60%
2017	1,108,524	1,075,166	33,358	-35,976	-3.20%
2018	1,612,912	1,503,691	109,221	-507,730	-31.50%
2019	1,297,227	1,230,237	66,991	8,374	0.60%
2020	1,056,793	974,257	82,536	21,338	2.00%
2021	1,481,001	1,189,790	291,212	-60,636	-4.10%
2022	1,531,799	869,491	662,308	-	-

Table 5. Colombia Life, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Payment of Accumulated Claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	1,548,020	1,631,158	1,706,466	1,705,841	1,726,750	1,770,590	1,774,751	1,780,031
2016	1,883,116	1,978,997	2,005,893	2,038,455	2,088,203	2,085,450	2,093,272	
2017	2,161,311	2,297,093	2,305,543	2,343,480	2,336,854	2,363,008		
2018	1,833,951	1,818,937	1,850,981	1,874,000	1,923,975			
2019	2,170,022	2,194,369	2,222,752	2,285,757				
2020	2,610,355	2,558,087	2,493,207					
2021	3,423,400	3,391,944						
2022	3,369,616							

Payment of Accumulated Claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later

2015	858,111	1,302,620	1,480,798	1,566,528	1,608,921	1,637,819	1,652,997	1,691,436
2016	1,004,682	1,554,497	1,798,113	1,881,106	1,917,563	1,952,442	1,997,794	
2017	1,183,810	1,817,713	2,034,689	2,103,797	2,155,740	2,211,938		
2018	1,260,101	1,604,968	1,661,330	1,718,792	1,789,745			
2019	1,492,383	1,897,625	1,992,036	2,095,072				
2020	1,505,761	2,085,958	2,180,270					
2021	2,350,252	2,889,823						
2022	2,114,209							

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	1,780,031	1,691,436	88,595	-232,011	-13%
2016	2,093,272	1,997,794	95,479	-210,157	-10%
2017	2,363,008	2,211,938	151,070	-201,697	-9%
2018	1,923,975	1,789,745	134,231	-90,025	-5%
2019	2,285,757	2,095,072	190,685	-115,735	-5%
2020	2,493,207	2,180,270	312,937	117,148	5%
2021	3,391,944	2,889,823	502,120	31,457	1%
2022	3,369,616	2,114,209	1,255,408	-	0%

Table 6. Mexico, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	131,737	107,715	112,562	123,615	130,077	126,089	140,896	180,194
2016	113,148	120,528	135,002	141,820	137,286	154,778	197,948	
2017	122,253	148,355	163,929	158,394	157,007	302,685		
2018	177,307	192,733	187,412	185,995	341,947			
2019	198,056	180,551	178,752	304,600				
2020	201,223	183,392	265,378					
2021	195,015	266,831						
2022	330,503							

Payment of Accumulated Claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	98,456	106,538	128,840	141,699	128,865	115,450	129,007	164,990

2016	88,089	133,879	152,391	141,831	126,201	142,550	182,310
2017	96,885	159,281	162,880	145,832	143,774	186,119	
2018	128,001	183,125	171,195	170,713	219,526		
2019	114,443	153,980	164,452	213,433			
2020	102,523	155,833	212,304				
2021	109,739	214,258					
2022	182,543						

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	180,194	164,990	15,204	-48,457	-26.90%
2016	197,948	182,310	15,638	-84,799	-42.80%
2017	302,685	186,119	116,567	-180,433	-59.60%
2018	341,947	219,526	122,421	-164,640	-48.10%
2019	304,600	213,433	91,167	-106,544	-35.00%
2020	265,378	212,304	53,073	-64,155	-24.20%
2021	266,831	214,258	52,573	-71,816	-26.90%
2022	330,503	182,543	147,960	-	-

Table 7. Panama, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	138,173	126,953	124,754	131,117	124,377	130,694	147,720	178,481
2016	162,952	150,962	154,001	146,105	153,247	162,184	180,227	
2017	163,783	165,188	141,432	148,367	168,844	241,877		
2018	140,866	135,471	141,794	158,909	196,610			
2019	138,651	154,660	180,802	222,033				
2020	110,531	149,389	177,765					
2021	185,406	259,835						
2022	302,726							

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	178,481	178,589	-107	-40,308	-23%
2016	180,227	180,329	-102	-17,275	-10%
2017	241,877	242,050	-173	-78,095	-32%

2018	196,610	196,784	-174	-55,744	-28%
2019	222,033	222,315	-282	-83,383	-38%
2020	177,765	177,192	573	-67,234	-38%
2021	259,835	250,474	9,361	-74,430	-29%
2022	302,726	216,053	86,673	-	-

Table 8. Dominican Republic, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	42,028	38,124	35,801	38,183	39,671	37,275	43,917	53,998
2016	51,452	45,397	48,066	49,484	46,966	55,336	68,039	
2017	63,152	45,666	44,184	42,155	49,062	60,325		
2018	72,055	80,402	71,257	60,036	86,004			
2019	62,414	55,052	61,410	86,397				
2020	47,302	52,763	80,183					
2021	70,109	102,359						
2022	150,801							

Payment of Accumulated Claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	23,724	31,848	32,739	35,235	36,600	34,868	41,082	50,513
2016	30,195	40,372	44,048	45,429	43,344	51,069	62,792	
2017	29,688	42,911	41,043	39,269	48,669	59,841		
2018	40,388	49,571	61,228	58,905	85,718			
2019	37,608	47,813	59,421	85,469				
2020	19,847	49,807	78,473					
2021	48,286	97,293						
2022	101,676							

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	53,998	50,513	3,486	-11,971	-22.20%
2016	68,039	62,792	5,247	-16,587	-24.40%
2017	60,325	59,841	483	2,827	4.70%
2018	86,004	85,718	286	-13,949	-16.20%
2019	86,397	85,469	929	-23,983	-27.80%
2020	80,183	78,473	1,710	-32,881	-41.00%
2021	102,359	97,293	5,066	-32,250	-31.50%
2022	150,801	101,676	49,125	-	-

Table 9. El Salvador, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	151,318	173,352	172,394	181,737	177,356	185,764	215,457	260,323
2016	152,656	143,634	152,769	147,578	143,043	165,921	200,472	
2017	166,909	164,954	159,641	157,696	183,201	221,351		
2018	219,949	186,762	186,715	213,651	201,090			
2019	221,139	198,151	231,329	242,192				
2020	235,009	271,133	329,954					
2021	288,902	357,648						
2022	303,264							

Payment of Accumulated Claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	106,170	158,476	159,798	169,311	176,750	185,130	214,721	259,434.98
2016	105,473	131,522	140,742	147,175	142,804	165,692	200,196	
2017	116,528	148,451	156,449	156,447	182,535	220,546		
2018	140,029	179,595	151,339	213,035	200,971			
2019	159,471	139,062	226,336	241,389				
2020	109,412	265,418	321,054					
2021	223,632	331,689						
2022	239,151							

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	260,323	259,435	888	-109,005	-41.90%
2016	200,472	200,196	276	-47,816	-23.90%
2017	221,351	220,546	805	-54,442	-24.60%
2018	201,090	200,971	119	18,859	9.40%
2019	242,192	241,389	803	-21,054	-8.70%
2020	329,954	321,054	8,900	-94,945	-28.80%
2021	357,648	331,689	25,960	-68,746	-19.20%
2022	303,264	239,151	64,113	-	-

Table 10. Uruguay, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	2,679	2,589	2,452	2,345	2,211	2,031	2,063	3,309
2016	3,294	3,465	3,277	3,107	2,854	2,923	5,475	
2017	3,871	3,666	3,430	3,147	3,189	5,030		
2018	4,936	4,319	3,975	4,180	6,874			
2019	3,725	3,737	3,773	5,690				
2020	2,353	2,861	4,361					
2021	2,995	5,558						
2022	9,080							

Payment of Accumulated Claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	1,745	2,276	2,347	2,288	2,201	2,025	2,063	2,782
2016	2,353	3,295	3,260	3,054	2,828	2,916	3,941	
2017	2,621	3,546	3,355	3,099	3,176	4,291		
2018	3,167	4,098	3,833	4,129	5,590			
2019	2,695	3,326	3,673	5,003				
2020	1,722	2,730	3,830					
2021	1,988	3,945						
2022	4,906							

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	3,309	2,782	528	-630	-19%
2016	5,475	3,941	1,534	-2,182	-40%
2017	5,030	4,291	739	-1,159	-23%
2018	6,874	5,590	1,284	-1,938	-28%
2019	5,690	5,003	687	-1,965	-35%
2020	4,361	3,830	532	-2,009	-46%
2021	5,558	3,945	1,614	-2,564	-46%
2022	9,080	4,906	4,175	-	-

Table 11. Total Suramericana, Preliminary Estimates vs. Actual

(Figures in millions of $ COP)

Evolution of recent claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	4,237,900	4,260,011	4,405,757	4,298,188	3,916,053	4,042,785	4,075,078	4,354,397
2016	5,017,008	5,153,756	5,059,382	4,610,436	4,742,178	4,749,490	5,049,527	
2017	6,050,016	5,895,575	5,295,563	5,437,497	5,421,275	5,955,039		
2018	5,014,917	4,460,962	4,520,991	4,978,184	5,364,432			
2019	5,701,951	5,794,351	5,706,666	6,179,067				
2020	5,357,758	5,318,083	5,528,119					
2021	6,800,882	7,261,204						
2022	9,711,567							

Payment of Accumulated Claims

Year	During the same year	One year later	Two years later	Three years later	Four years later	Five years Later	Six years Later	Seven years Later
2015	2,873,426	3,694,602	3,962,735	3,901,989	3,841,094	3,971,085	4,003,964	4,280,573
2016	3,514,755	4,508,432	4,542,298	4,507,361	4,649,745	4,668,176	4,966,025	
2017	3,950,168	5,021,129	5,112,358	5,307,599	5,314,470	5,754,757		
2018	3,468,026	4,092,107	4,231,650	4,753,319	5,053,979			
2019	3,974,474	5,026,713	5,279,712	5,747,775				
2020	4,105,225	4,852,136	5,172,144					
2021	5,361,715	6,525,551						
2022	5,957,700							

Year of Occurrence	Latest Current Claims	Accumulated Payments	Current Reserves	Estimated Deviation	% Deviation
2015	4,354,397	4,280,573	73,823	-116,497	-2.70%
2016	5,049,527	4,966,025	83,503	-32,519	-0.60%
2017	5,955,039	5,754,757	200,281	94,978	1.60%
2018	5,364,432	5,053,979	310,453	-349,515	-6.50%
2019	6,179,067	5,747,775	431,293	-477,116	-7.70%
2020	5,528,119	5,172,144	355,975	-170,362	-3.10%
2021	7,261,204	6,525,551	735,653	-460,322	-6.30%
2022	9,711,567	5,957,700	3,753,866	-	-

3.2 Proof of Liability Adequacy

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

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

3.3 Reinsurance Risk

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

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

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

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

The following shows, in a general manner, and through an indicator of ceded premiums, the participation of the most representative reinsurers with which the Company yields risks:

Suramericana	SURA Asset Management
Munich Re	American Bankers Life
Lloyd's	Generali
Mapfre Re	GEN Re
HDI	Hannover Re
Swiss Re	Scor Global Life
	Scotia Insurance (Barbados) Ltd.
	Swiss Re

Additionally, in accordance with the Asset impairment practices, the Accounts Receivable from Reinsurers and Coinsurers are impaired under the principles and methodologies defined by the Companies

Due to their business models, this reinsurance risk is relevant for the insurance operations of Suramericana, but not for the insurance operations of SURA Asset Management, whose strategy is focused on life solutions.

3.4 Risk Management in Pension Fund Administrators

Risks of the Business Variables

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

- **Commission income behavior:** the effects of a 10% decrease in commission income are analyzed.
- **Customer behavior:** the effects of a 10% increase in the number of transfers from affiliates are analyzed.

The following table contains the effects of the Pension Business Volatility Risk, in SURA Asset Management.

Sensitivities- Impact on profit, before taxes

SURA Asset Management			
Business Unit	**Sensitivity**	**2022**	**2021**
Chile	**-10% in commission**	-101,507	-75,655
Colombia	**-10% in commission**	-85,606	-64,689
El Salvador	**-10% in commission**	-16,309	-12,816
Mexico	**-10% in commission**	-118,328	-117,733
Peru	**-10% in commission**	-45,336	-35,087
Uruguay	**-10% in commission**	-6,938	-4,825
Total		**-374,024**	**-310,805**
Business Unit	**Sensitivity**	**2022**	**2021**
Chile	**+10% in transfers**	-8,282	-5,616
Colombia	**+10% in transfers**	-10,927	-9,467

El Salvador	**+10% in transfers**	N/A	N/A
Mexico	**+10% in transfers**	-5,397	-3,961
Peru	**+10% in transfers**	-2,220	-2,082
Uruguay	**+10% in transfers**	-2	-1
Total		**-26,828**	**-21,127**

The results presented do not consider the interdependence of the risks assessed.
The greatest effects stem from the risks that impact the behavior of commission income. This income can be affected for the following reasons:

(1) a reduction in commission rates (low market competitiveness, etc.);

(2) a drop in the number of contributors (unemployment, informality, etc.);
(3) a fall in the wage base due to causes not included in the previous point (fall in real wages, deflation, etc.) or,
(4) a regulatory change. In the case of Mexico (collection on assets), cause (3) is related to the fall in members' funds.

The commission sensitivity, presented here, explains any combination of the above risks that has the effect of reducing the commission collected by 10%.

With respect to the risk of transfers, its magnitude has increased slightly with respect to the previous year.

Guaranteed Minimum Return Risks

The regulation, associated with the Pension business (with the exception of Mexico), requires that each Company maintain performance, against the other funds, in the industry. In this sense, the Companies monitor the gap between the profitability of the funds, managed by the business units of SURA Asset Management, and the return of funds from the industry.

In the event that the profitability gap is greater than that allowed, the Pension Funds Administrator must refund the sums of money, so that the yield limit is respected.

The effects of a 1pbs deviation on the minimum yield gap, if activated, are shown below.

It is important to note that, given that average return measurements are made over a period of 36 months, and the great similarity between the strategic asset allocation of the industry's funds, it is very unlikely that there will be significant deviations in the short and medium term.

Sensitivities - Impact on income before income taxes

SURA Asset Management			
	Chile		
Business Unit	**Deviation**	**2022**	**2021**
Fund A	**1pbs against minimum profitability**	-2,310	-2,537
Fund B	**1pbs against minimum profitability**	-2,609	-2,576
Fund C	**1pbs against minimum profitability**	-5,556	-4,735
Fund D	**1pbs against minimum profitability**	-3,284	-2,244
Fund E	**1pbs against minimum profitability**	-3,056	-1,397
	Peru		
Business Unit	**Deviation**	**2022**	**2021**

Fund 1	**1pbs against minimum profitability**	-799	-725
Fund 2	**1pbs against minimum profitability**	-3,250	-3,382
Fund 3	**1pbs against minimum profitability**	-536	-544
	Uruguay		
Business Unit	**Deviation**	**2022**	**2021**
Accumulation	**1pbs against minimum profitability**	-1,391	-3,127
Retirement	**1pbs against minimum profitability**	-322	-638
	El Salvador		
Business Unit	**Deviation**	**2022**	**2021**
Conservative Fund	**1pbs against minimum profitability**	-2,880	-2,327
Retirement Fund	**1pbs against minimum profitability**	-158	-145
	Colombia		
Business Unit	**Deviation**	**2022**	**2021**
Higher Risk	**1pbs against minimum profitability**	-2,138	-1,693
Moderate	**1pbs against minimum profitability**	-7,603	-8,341
Conservative	**1pbs against minimum profitability**	-958	-1,032
Programmed withdrawal	**1pbs against minimum profitability**	-1,458	-1,795
Severance LP	**1pbs against minimum profitability**	-598	-616
Severance CP	**1pbs against minimum profitability**	-23	-20

Volatility Risk in the valuation of the deferred income provision

Those Pension Fund Administrators who charge their administration fee on a salary basis constitute a deferred income provision, in order to cover resource administration expenses, in those periods of inactivity in which the affiliate does not make contributions to the funds, but maintains its savings under the custody and administration of the Companies, without the latter receiving income from such management.

This provision is determined as the present value of the estimated costs, which are calculated on historical variables of customer behavior. This present value is determined, using the discount rate of a local AAA corporate bonds, without a prepayment option, which has a similar term to the projection horizon (20 years). For this reason, given the volatility of the discount rate, there will be variations in the valuation of the provision, which could impact the results of the SURA Asset Management Companies.

The following table contains the effects of volatility risk, in the valuation of the deferred income provision, of SURA Asset Management, as a result of variations, in the discount rates.

Sensitivities - Impact on income before income taxes

	SURA Asset Management		
Business Unit	**Deviation**	**2022**	**2021**
Chile	**-100pbs in Interest Rates**	-3,257	-2,450
Peru	**-100pbs in Interest Rates**	-1,083	-1,310
Uruguay	**-100pbs in Interest Rates**	-291	-221
Total		**-4,631**	**-3,981**

The results presented do not consider the interdependence of the evaluated risks.

3.5 Risk Management in Funds Management Companies and Securities Brokers

Business Risks in Fund Management Companies and Brokerage Firms are related to the deviation in variables that could affect the financial results of the Company, as is the case of the performance in income from commissions.

The effects of a 10% decrease in commission income over a 1-year horizon are shown below.

Sensitivities - Impact on income before income taxes

SURA Asset Management					
		2022		2021	
Business Unit	Deviation	Retail	Institutional	Retail	Institutional
Chile	-10% in Administration Commission	-18,855	-1,198	-15,717	-1,153
Mexico	-10% in Administration Commission	-5,929	-6,253	-5,110	-4,543
Peru	-10% in Administration Commission	-7,589	-747	-5,813	-1,040
Uruguay	-10% in Administration Commission	-1,099	-49	-944	-37
Argentina	-10% in Administration Commission	0	-4	0	-2
Colombia	-10% in Administration Commission	0	-3,748	0	-668
El Salvador	-10% in Administration Commission	0	-84		
Total		-33,472	-12,083	-27,584	-7,443

It is important to note that the results presented do not consider the interdependence of the risks evaluated.

4. Risk Management as a Business Group

In order to continue strengthening the capacity to anticipate events that may become risks, in 2022 progress was made in the Strategic Risk Management System of the Business Group, in which the Conglomerate risk has been prioritized; for which the following dimensions are highlighted and managed:

Risks associated with other portfolio investments:

Grupo SURA, has significant stakes in Grupo Bancolombia, Grupo Nutresa, and Grupo Argos, which imply an indirect exposure to the risks, derived from the business sectors, and the performance of said companies.

The risks to which Grupo Bancolombia is exposed are associated with the banking business: i) portfolio deterioration, ii) liquidity risk and iii) market risk due to adverse fluctuations in interest rates, exchange rates and asset prices. There are also other relevant risks such as changes in banking regulation, higher capital requirements, cybersecurity, fraud and others that could affect the Company.

With respect to Grupo Argos, the main risks are related to the production and distribution of products, in the cement sector, and exposure to risks, in the energy and infrastructure sector. Additionally, for its participation in these industries, there is exposure to environmental, social, and regulatory restrictions.

In the food industry, in which Grupo Nutresa participates, the main risks are derived from the volatility in the prices of raw materials, the norms on nutrition and health, in the countries where it has a presence, and the impact of business, due to the highly competitive environments in which they find themselves.

Risks associated with other companies of the Business Group:

ARUS, and Hábitat Adulto Mayor, are part of the investments in growth, that make up Grupo Empresarial SURA.

In the case of Hábitat, an entity specializing in the care of the elderly, the Company is exposed to behavioral risks and socio-demographic changes, that could impact its current and potential clients, and therefore, the performance of the Company. Likewise, the conditions that impair services, and operations, of the business, and the issuance of norms, that regulate the sector, could affect this entity.

ARUS, a company of integrated information, technology, and knowledge solutions, is exposed mainly to the risks associated with its technological platform (operation, availability, capacity and obsolescence of the companies in this sector), risk of non-formal competitors that generate pressure in the margins of some of its business lines, and possible regulatory changes in social security payments, that could affect the Integrated Payroll Settlement (PILA) business.

In line with the prioritization of strategic risks carried out the previous year, during 2022 progress was made in the stage of characterizing and understanding the Environment, Reputation and Human Resources risks. In particular for the first one, a tool was developed to measure environmental risks called Regional Thermometer. This model, based on the characterization of each dimension of the environment, addresses the quantification of macroeconomic, political, social and regulatory risks, thus enabling the identification of opportunities or threats derived from each territory in which Grupo SURA's portfolio is present. With respect to human talent risks, based on the characterizations and subsequent measurements, conclusive results were obtained for the management of this risk in the company. Reputational risk management is presented later in this note.

5. Strategic Risk Management

Aligned with the prioritization of strategic risks carried out the previous year, during the year 2022 progress was made in the stage of characterization and understanding of the Environment, Reputation and Human Resources risks. In particular for the first of these, a tool was developed to measure environmental risks called the Regional Thermometer. This model, based on the characterization of each aspect of the environment, addresses the quantification of macroeconomic, political, social and regulatory risks, thus enabling the identification of opportunities or threats derived from each territory in which the portfolio of Grupo SURA is present. Regarding human talent risks, based on the characterizations and subsequent measurements, conclusive results were obtained for the management of this risk in the company. Reputational risk management is presented later in this note.

Systematic Risk

Following the progress made in the management of strategic risks, based on other modeling developed in the strategic project Aggregate Portfolio Vision, and leveraged with the Regional Thermometer previously described, risk indicators were developed to measure the concentration and level of risk of the aggregate income and financial assets of the investment portfolio. Such measurements were made for those exposures in each territory and subsequently at an aggregate level considering the completeness of the regional footprint of the Grupo SURA portfolio.

As a complement to the indicators and models previously described, through this strategic capability, a model was also designed that allows for prospective measurements and evaluations of the exposure to macroeconomic risks by industry and territory of Grupo SURA's portfolio. This model enables the identification and anticipation of the effects resulting from the performance of productive industries on the income and operating margins of each company, and serves as an input to feed the capital allocation criteria of the value system of Grupo SURA.

On the other hand, work began on the conceptualization and evaluation of models that allow measuring the correlations between the companies' performance and the different factors and sub-factors of the environment.

Reputational Risk

In Grupo Empresarial SURA, the perception that the different stakeholders with whom it relates have of the Companies, is a fundamental asset for the fulfilment of the strategic objectives.
A situation of discredit, bad image, negative publicity, among others, whether true or not, with respect to the Companies and their business practices could affect the different relationships with stakeholders.
Grupo SURA has action guidelines for the management of events that may cause reputational risk and escalate into a crisis. As part of the strategy to strengthen management capabilities, training programs are developed for internal teams involved in the management of these risks, as well as the establishment of formal channels for the communication of events that may occur.
In the course of 2022, reputational analysis included the evaluation of contagion risk at the level of the Financial Conglomerate through tools for identifying risk events in social networks and digital media. In turn, as a measure of adaptation and management of reputational risk, priority was given to analyses related to the digital environment, mass persuasion techniques used through networks and digital media, as well as their effects and effectiveness in modifying people's perception of a particular topic.

6. Climate change risk management

This type of risks refers to risks that have no precedence or those that have become a new phenomenon, that have their origin in trends and are difficult for the company to understand. These may have operational or strategic impacts, depending on their nature.

Taking into account the importance of phenomena and trends in the company's strategy, Grupo SURA has been working on the management of different emerging risks, from their identification to their evaluation and analysis.

As part of the progress made in 2022, the company continued to develop the work plan started the previous year focused on the identification, analysis and quantification of the risks associated with climate change, deepening the understanding of the effects and impacts of this phenomenon for its sustainability and that of its portfolio. From the baseline constructed, it has been possible to increase our understanding of which are the priority variables to be managed in order to structure the most appropriate adaptation and mitigation measures for each type of exposure.

This information was then integrated with the tools that the company has built from the Aggregate Portfolio Vision, obtaining from there results on the sectors and economic activities that represent the greatest exposure to this risk based on the current distribution of income and assets of the Business Group and therefore the highest management priority. Based on these results, management plans began to be prepared by the different portfolio companies, which are being monitored through the Sustainability Committee of the

Business Group.

This work has allowed us to start activating concrete management plans on a phenomenon that is still in the global understanding stage, but that enables us as a company to implement actions focused on generating results and increasing our understanding from the direct experience with the phenomenon, all this aligned with our strategic objective of generating sustainable profitability for our stakeholders.

7. Operational risk management

Functional risks or operational risks refer to events that prevent the normal development of the Company's operations and are associated with people, technology and processes. In Grupo SURA, the management of these risks is focused on analyzing the exposure of processes and projects, in order to propose strategies to mitigate their impacts.

Within the management of these risks, the following stand out:

Compliance: During 2022, the program for compliance with the competition protection regime was implemented based on the provisions of Technical Standard NTC 6378 of 2020. Within the work carried out by the company, together with external advisors, it was evidenced that Grupo Sura has solid and transparent corporate governance documents that are known both publicly and by the employees of the organization; these documents were proposed to include the principle of competition in order to enrich the work that has been carried out to date. In line with the above, the risks of free economic competition were identified, analyzed and evaluated with the corresponding definition of controls for their monitoring and follow-up.

Policies: In relation to Grupo Sura's financial and property policies, the Company has an insurance scheme for Directors and Officers (D&O) whose renewal was managed in October 2022; it comprises different layers that allow covering claims and certain exclusions that are considered in the clauses of the main policy. The insurance scheme seeks to provide adequate coverage for directors and administrators against the risks associated with the management of their work, so that the Company has the most suitable people to perform such functions.

At the end of 2022, the renewal of the infidelity and financial risk and cybersecurity policies was also initiated; this process, in which the terms and coverage are renewed based on an analysis of the exposure to both types of risks according to the Company's operating structure, will be finalized in the first quarter of 2023.

Risk of Business Continuity: In order to ensure the proper implementation of strategies and procedures for action in the occurrence of events that impact the processes and projects of the Company, the company has a business continuity plan for critical processes and enablers of the operation.

As part of the process of periodically updating operational risks and controls, a business continuity risk analysis was performed based on the critical enabling resources identified for Grupo Sura (key personnel, IT services and physical infrastructure), which involved updating the risk matrix and the business continuity manual and the conclusion that this risk continues to be low for the Company.

8. Financial and operational risk management

SOX: Following the SOX initiative in which the Business Group has been working as a good internal control practice and one of the fundamental requirements to enable the option of listing its securities in international markets, during the year 2022, activities were carried out to execute the first process of testing the design and implementation of controls under SOX certification guidelines. This allowed the Company to get closer to the knowledge of the status of the internal control system of the Business Group and thus migrate to the maintenance mode, with the purpose of preserving the improvements made and establishing a cyclical process of updating and risk analysis of the financial report.

In this exercise, called testing, more than 1000 controls of different categories (entity level, financial processes and technology processes) were tested, obtaining satisfactory results for most of the controls examined.

The testing process covered companies of the Business Group in Colombia, Mexico, El Salvador, Panama, Dominican Republic, Brazil, Chile, Uruguay and Argentina, with relevant achievements among which the following stand out:

- High coverage in the identification of SOX risks for material accounts.
- Formalization of the control structure with assigned responsible parties.
- High level of implementation of designed controls.

Once the project stage is completed with this milestone, sustainability mode begins, which comprises a series of phases to be deployed periodically.

For the sustainability stage, a set of important challenges are generated throughout the entire Business Group, which must be addressed as part of the ongoing SOX management process. The most important of these challenges are listed below:

- Continue to strengthen the level of ownership of SOX responsibilities in all processes.
- Close the gaps identified in each controls update and testing cycle.
- To strive for uniform SOX compliance for all companies in scope.
- Sizing and optimizing the structure of the different teams involved in the phases of the SOX periodic maintenance cycle.
- Adjust to the regulatory environment of increasing demands on the internal control system for financial reporting.
- Migrate towards increasingly automated processes and controls.

NOTE 33. CAPITAL MANAGEMENT

The policy, of the Grupo SURA, is to maintain a base of solid capital, in order to preserve the confidence of investors, creditors, and the market, and sustain the future development of the business. The Company monitors the return on capital and the level of dividends paid to shareholders.

The main objective of the Capital Management of Grupo de Inversiones Suramericana is to ensure a financial structure that optimizes the company's cost of capital, maximizes the return to its shareholders and allows access to the financial markets at a competitive cost to cover its financing needs.

Grupo SURA monitors capital using a ratio of adjusted net debt to equity. For this purpose, adjusted net debt is defined as total financial liabilities, which include interest-bearing borrowings, less cash and cash equivalents.

In order to comply with the financial indebtedness indicators established by the rating agencies to measure the investment grade of companies. The adjusted debt-equity ratio of Grupo SURA as of December 31 is as follows:

	December 2022	December 2021
Financial liabilities (Nota 5.2)[1]	10,913,412	10,047,295
Cash and cash equivalents	(3,569,969)	(2,282,924)
Net debt	**7,343,443**	**7,764,371**
Equity (Note 18)	35,864,735	28,611,820
Adjusted debt index - equity [2]	20%	27%

(1) Includes financial obligations, bonds issued and preferred shares
(2) Net Debt/Equity

NOTE 34. RELATED PARTY DISCLOSURES

34.1. Related party

Subsidiaries, associated companies, key management personnel, as well as entities over which key management personnel (including family members) may exercise control are considered related parties of Grupo SURA.

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

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

b) Associated companies and joint ventures of Grupo SURA are listed in Note 9.1 Investments in associates and Note 9.2. Joint ventures.

34.2. Transactions with related parties

Among the operations registered between related parties are:

Subsidiaries

Among the most significant transactions between related parties are:

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

These transactions are eliminated in the Financial Statement consolidation process.

Associates

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

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

Year ended in:	December 2022		December 2021	
Assets	Individuals Key management personnel	Associates and joint ventures	Individuals Key management personnel	Associates and joint ventures
Investments	-	196,344	-	-
Insurance contract assets	-	1,557,895	-	224,280
Accounts receivable from related parties	3,222	248,849	587	43,495
Other accounts receivable	-	483,140	-	604
Investments in associated companies and joint ventures	-	6,500	-	-
Total assets	**3,222**	**2,492,728**	**587**	**268,379**
Liabilities				
Financial obligations	-	549,285	-	145,614
Liabilities under insurance contracts	-	115,389	-	3,990
Accounts payable to related parties	1,261	116,037	-	90,500
Employee benefits	135,475	-	85,962	-
Other accounts payable	-	228,714	-	107,873
Total liabilities	**136,736**	**1,009,425**	**85,962**	**347,977**

Year ended in:	December 2022		December 2021	
Income	Individuals Key management personnel	Associates and joint ventures	Individuals Key management personnel	Associates and joint ventures
Insurance premiums	-	790,673	-	70,977
Dividend income	-	887,759	-	-
Net gain on investments at fair value	-	486	-	32
Other income	-	4,836	-	-
Total income	**-**	**1,683,754**	**-**	**71,009**
Expenses				
Insurance claims	-	5,557	-	21,361
Employee benefits	146,718	-	99,669	-
Intermediary commission expenses	-	329,169	-	25,214
Fees	10,551	-	7,910	-
Other expenses	-	-	-	-
Total expenses	**157,269**	**334,726**	**107,579**	**46,575**

Outstanding amounts are not guaranteed and will be settled in cash. No guarantees have been given or received. No expense has been recognized during the current or prior periods in respect of uncollectible or doubtful accounts related to amounts due from related parties.

NOTE 35. OTHER MATTERS

- The Audit and Finance Committee and the Board of Directors of Grupo SURA received the final report presented by the specialized forensic audit firm Kroll Associates Colombia S.A.S. (Kroll), in the forensic audit process carried out as a result of a complaint by a member of the Board of Directors, for facts related to an alleged accounting fraud derived from the disclosure and accounting recognition of contractual agreements made with co-investors.
- After conducting a thorough review of the business practices of the Company over the last 12 years in relation to contracts with co-investors, Kroll did not identify evidence of alleged accounting fraud, nor concealment of the contracts with strategic partners of Grupo SURA in SURA Asset Management and Suramericana, to the market, the Financial Superintendence of Colombia or any of the firms that have exercised the statutory audit of the Company in the aforementioned period.
- This independent investigation included interviews of understanding and confrontation with employees and former employees of Grupo SURA; historical documentary analysis of the minutes and presentations of the Board of Directors and its Audit and Finance Committee; digital forensic analysis of the Company's computers and email inboxes; documentary analysis of digitally stored information; direct interviews with the firms that have been auditing Grupo SURA since 2010.
- Kroll (https://www.kroll.com) is one of the world's leading providers of professional services and digital products related to valuations, corporate governance solutions, risk management and transparency, with more than 100 years in the market and strengthened by the expertise of the Duff & Phelps brand.

NOTE 36. EVENTS AFTER THE REPORTING DATE

These consolidated interim financial statements as of December 31, 2022 were prepared for supervisory purposes and authorized for issuance by the Board of Directors of Grupo SURA on February 28, 2023, after that date and until their publication, there were no relevant events that may significantly affect the financial position of the Company.

NOTE 37. APPROVAL OF THE FINANCIAL STATEMENTS

The issuance of the financial statements of Grupo SURA for the year ended December 31, 2022 was authorized by the Board of Directors for publication, as stated in Act No. 394 of the Board of Directors dated February 28, 2023, to be presented to the market.

III

CHAPTER

ANALYSIS OF FINANCIAL RESULTS

(UNAUDITED)

	INDEX	December 2022			December 2021			INTERPRETATION	
	Solidity	62.611.643 / 98.393.465	=	63,63%	47.289.864 / 75.901.684	=	62,30%	Creditors own 63.63% as of December 2022 and 62.3% as of December 2021, leaving shareholders owning 36.37% in December 2022 and 37.7% as of December 2021.	Total liability / Total asset
INDEBTNESS	Total	62.611.643 / 98.393.465	=	63,63%	47.289.864 / 75.901.684	=	62,30%	Of every peso invested in assets, 63.63% as of December 2022 and 62.3% as of December 2021 have been financed by creditors.	Total liability / Total asset
	Coverage of interest	3.339.600 / 994.259	=	335,89%	2.267.220 / 742.628	=	305,30%	The Company generated a net gain equal to 335.89% as of December 2022 and 305.3% in December 2021 from Interest paid	Net profit + interest / Financial expenses
	Leverage Total	62.611.643 / 35.781.822	=	174,98%	47.289.864 / 28.611.820	=	165,28%	Every $1 peso of the Company's owners is 174.98% committed as of December 2022 and 165.28% committed as of December 2021.	Total liabilities with third parties / Equity
	Financial Total	10.913.412 / 35.781.822	=	30,50%	10.047.295 / 28.611.820	=	35,12%	For each peso of equity, 30.5% is financially committed as of December 2022 and 35.12% as of December 2021.	Total liabilities with financial entities / Equity
PERFORMANCE	Net profit margin	2.345.341 / 31.350.429	=	7,48%	1.524.592 / 24.803.047	=	6,15%	Net income corresponds to 7.48% of net income in December 2022 and 6.15% of net income in December 2021.	Net Profit / Net Income
	Return on equity	2.345.341 / 33.436.481	=	7,01%	1.524.592 / 27.087.228	=	5,63%	Net income corresponds to 7.01% of equity in December 2022 and 5.63% in December 2021.	Net Profit / Equity - profits
	Return on total assets	2.345.341 / 98.393.465	=	2,38%	1.524.592 / 75.901.684	=	2,01%	Net income in relation to total assets corresponds to 2.38% as of December 2022 and 2.01% as of December 2021.	Net Profit / Total assets