CONDENSED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED

For the six-month period from January 1st, 2023 to June 30th, 2023

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

TABLE OF CONTENT

CERTIFICATION OF THE CONDENSED INTERIM 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 June 30, 2023, 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 June 30, 2023, June 30 and December 31, 2022, 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
Public Accountant
Professional Card 64093-T

AUDITOR REPORT

I

CHAPTER

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

GRUPO DE INVERSIONES SURAMERICANA S.A.
Condensed Interim Consolidated Statement of Financial Position
At June 30, 2023 and December 31, 2022
(Amounts expressed in millions of Colombian pesos)

	Note	June 2023	December 2022
Assets			
Cash and cash equivalents		2,797,890	3,569,969
Investments	5	38,120,915	35,973,060
Derivative instruments	5	1,204,233	1,955,887
insurance contract assets	6	6,038,255	6,853,292
Reinsurance contract assets	6	5,843,696	8,026,555
Receivables from related parties	19	891,803	252,071
Other accounts receivable		2,393,356	2,139,913
Current tax assets	7	578,678	377,056
Non-current assets available for sale	9	5,146,735	6,004
Deferred acquisition cost		1,845,134	2,132,816
Investments in associates and joint ventures	8	17,465,441	23,224,779
Properties and equipment		1,373,092	1,448,786
Right- of- use assets		530,646	542,537
Other intangible assets	11	3,753,121	4,039,898
Deferred tax assets	7	443,961	836,232
Other assets		641,811	621,463
Goodwill	11	6,010,705	6,393,147
Total assets		**95,079,472**	**98,393,465**
Liabilities			
Financial liabilities	5	1,457,953	1,115,538
Derivative instruments	5	212,795	491,544
Lease liabilities		513,172	513,419
Insurance contract liabilities	6	37,373,038	38,721,291
Reinsurance contract liabilities	6	1,856,247	2,051,354
Accounts payable to related entities	19	625,932	117,298
Other accounts payable	5	2,830,250	2,609,496
Current tax liabilities	7	170,522	122,593
Employee benefits		684,208	835,112
Provisions		1,095,942	1,084,582
Deferred income		439,790	495,664
Bonds issued	5	7,976,215	9,337,919
Non-controlling interest commitments	5	3,205,967	2,810,956
Deferred tax liabilities	7	2,077,994	1,844,922
Preferred shares		459,730	459,955
Total liabilities		**60,979,755**	**62,611,643**
Equity			
Issued capital		109,121	109,121
Share premium		3,290,767	3,290,767
Reserves		5,800,304	5,575,402
Reserves share repurchase		300,000	244,848
Income		823,157	2,074,996
Retained earnings		14,764,523	14,232,257
Other comprehensive income	11	6,905,420	8,200,324
Equity attributable to the holders of the controlling interest		**31,993,292**	**33,727,715**
Non-controlling interest	12	2,106,425	2,054,107
Total equity		**34,099,717**	**35,781,822**
Total equity and liabilities		**95,079,472**	**98,393,465**

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 August 14, 2023)

GRUPO DE INVERSIONES SURAMERICANA S.A.
Condensed Interim Consolidated Statement of Income

At 30 June 2023 and 2022

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

		Accumulated		Quarter	
	Note	**June 2023**	**June 2022**	**June 2023**	**June 2022**
Income					
Insurance premium		10,978,895	8,832,281	5,774,253	4,882,621
Health services premium		4,628,790	3,704,117	2,334,729	1,900,070
Gross written premium income	**6**	**15,607,685**	**12,536,398**	**8,108,982**	**6,782,691**
Insurance premium ceded to reinsurers		(2,272,345)	(1,736,044)	(1,410,169)	(1,086,080)
Net written premium income	**6**	**13,335,340**	**10,800,354**	**6,698,813**	**5,696,611**
Unearned premium		(957,355)	(94,355)	(524,980)	(371,354)
Net premium income earned	**6**	**12,377,985**	**10,705,999**	**6,173,833**	**5,325,257**
Net return on investments at amortized cost	5	1,488,544	977,558	797,470	782,205
Net gain (loss) on investments at fair value	5	1,068,426	(240,765)	532,215	(44,316)
Income from commissions	14	2,494,679	1,544,093	1,231,013	767,376
Sale of services		148,231	134,405	76,835	62,136
Income from equity method	8	1,082,570	1,045,974	507,795	503,189
Gain (loss) from sale of investments	5	96,941	(3,245)	45,903	6,222
Other income		352,649	269,975	175,581	123,423
Total income		**19,110,025**	**14,433,994**	**9,540,645**	**7,525,492**
Costs and Expenses					
Insurance claims		(5,266,105)	(5,568,953)	(2,953,798)	(2,908,498)
Health services claims		(4,504,612)	(3,565,941)	(2,340,492)	(1,832,477)
Gross claims expense	**6**	**(9,770,717)**	**(9,134,894)**	**(5,294,290)**	**(4,740,975)**
Reimbursed claims		22,867	1,455,885	278,656	736,629
Net retained claims expense	**6**	**(9,747,850)**	**(7,679,009)**	**(5,015,634)**	**(4,004,346)**
Commissions paid to intermediaries	14	(2,159,333)	(1,672,036)	(1,023,950)	(862,107)
Insurance costs and expenses	6	(1,146,691)	(875,964)	(558,591)	(440,848)
Costs of services sales		(210,803)	(183,872)	(108,323)	(91,917)
Administrative expenses	13	(1,309,639)	(904,158)	(705,787)	(475,676)
Employee benefits	13	(1,314,384)	(978,770)	(652,435)	(508,987)
Fees		(243,349)	(177,717)	(132,906)	(89,352)
Depreciation and amortization		(351,281)	(271,097)	(172,473)	(137,006)
Other expenses		(33,694)	(10,531)	34,613	(5,904)
Total costs and expenses		**(16,517,024)**	**(12,753,154)**	**(8,335,486)**	**(6,616,143)**
Operating profit		**2,593,001**	**1,680,840**	**1,205,159**	**909,349**
Net gain from fair value adjustments to derivatives	5	13,782	6,845	18,669	23,715
Foreign exchange, net	15	73,602	(33,702)	27,204	21,868
Interest expense	15	(553,632)	(461,601)	(285,797)	(250,599)
Net financial income	**15**	**(466,248)**	**(488,458)**	**(239,924)**	**(205,016)**
Profits before tax		**2,126,753**	**1,192,382**	**965,235**	**704,333**
Income tax	7	(1,033,887)	(147,166)	(856,080)	(100,807)
Net Profit from continuing operations		**1,092,866**	**1,045,216**	**109,155**	**603,526**
Net income from discontinued operations		-	(731)	-	(632)
Net profit attributable to:		**1,092,866**	**1,044,485**	**109,155**	**602,894**
Controlling shareholders		823,157	986,954	(11,118)	557,683
Non-controlling interests		269,709	57,531	120,273	45,211
Net earnings per share					
Net earnings per share from continuing operations	16	1,396	1,703	(17)	971
Net earnings per share from discontinued operations	16	-	-	-	-
Net earnings per share from diluted continuing operations	16	1,368	1,630	22	955
Net earnings per share from diluted discontinued operations	16	-	(2)	-	(2)

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
Legal Representative

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(See my report of August 14, 2023)

GRUPO DE INVERSIONES SURAMERICANA S.A.
Condensed Interim Consolidated Statement of Comprehensive Income

At 30 June 2023 and 2022

(Amounts expressed in millions of Colombian pesos)

		Accumulated		Quarter	
	Note	June 2023	June 2022	June 2023	June 2022
Net income for the year		**1,092,866**	**1,044,485**	**109,154**	**602,894**
Other comprehensive income					
Items that will not be reclassified to income for the period, net of taxes					
Gain (loss) on investment in equity instruments	11	14,717	(19,676)	(1,804)	(20,377)
Loss on revaluation of property	11	(1,729)	(30,352)	(520)	4,906
Total other comprehensive income that will not be reclassified to the results of the period, net of taxes		**12,988**	**(50,028)**	**(2,324)**	**(15,471)**
Items to be reclassified to income for the period, net of taxes					
(Loss) gain from foreign currency translation differences	11	(1,078,225)	315,387	(1,448,523)	215,777
(Loss) gain on cash flow hedge	11	(15,676)	4,152	(82,558)	(75,627)
Gain (loss) on hedges of net investments in foreign entities	11	108,052	(46,295)	203,765	14,188
Participation of OCI from associates and joint ventures accounted for using the equity method	11	(488,544)	761,788	(814,016)	541,683
Total other comprehensive income to be reclassified to profit or loss, net of taxes		**(1,474,393)**	**1,035,032**	**(2,141,332)**	**696,021**
Total other comprehensive income		**(1,461,405)**	**985,004**	**(2,143,656)**	**680,550**
Total comprehensive income		**(368,539)**	**2,029,489**	**(2,034,502)**	**1,283,444**
Comprehensive income attributable to:					
Controlling interest		(201,402)	1,937,652	(1,925,434)	1,206,123
Non-controlling interest		(167,137)	91,837	(109,068)	77,321

The notes are an integral part of the financial statements.

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GRUPO DE INVERSIONES SURAMERICANA S.A.

Condensed Interim Consolidated Statement of Changes in Equity
At 30 June 2023 and 2022
(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, 2021		**109,121**	**3,290,767**	**5,712,047**	**244,848**	**1,408,560**	**13,472,670**	**4,358,527**	**28,596,540**	**2,668,674**	**31,265,214**
Restatement adjustment for commitments with non-controlling interests	5.2.3	-	-	(686,216)	-	-	-	-	**(686,216)**	(1,967,178)	**(2,653,394)**
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	11	-	-	-	-	-	-	948,863	**948,863**	36,141	**985,004**
Net income for the year		-	-	-	-	986,954	-		**986,954**	57,531	**1,044,485**
Total net comprehensive income for the period		**-**	**-**	**-**	**-**	**986,954**	**-**	**948,863**	**1,935,817**	**93,672**	**2,029,489**
Transfer to retained earnings		-	-	-	-	(1,408,560)	1,408,560	-	**-**	-	**-**
Distribution of 2021 results											
Ordinary dividend (784 pesos per share) recognized as distributions to owners	10	-	-	-	-	-	(454,115)	-	**(454,115)**	(66,037)	**(520,152)**
Reserves for protection of investments		-	-	294,926	-	-	(294,926)	-	**-**	-	**-**
Minimum dividends, preferred shares		-	-	-	-	-	20,237	-	**20,237**	-	**20,237**
Commitments with non-controlling interests	5.2.3	-	-	257,807	-	-	-	-	**257,807**	(45,131)	**212,676**
Shareholder dividend withholding effect		-	-	-	-	-	752	-	**752**	-	**752**
Increases (decreases) due to other changes, equity		-	-	-	-	-	40,659	-	**40,659**	9,240	**49,899**
Balance as of June 30, 2022 (restated)		**109,121**	**3,290,767**	**5,578,564**	**244,848**	**986,954**	**14,193,837**	**5,307,390**	**29,711,481**	**693,240**	**30,404,721**

	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, 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**
Other comprehensive income	11	-	-	-	-	-	-	(1,294,904)	**(1,294,904)**	(166,500)	**(1,461,404)**
Profit for the year		-	-	-	-	823,157	-	-	**823,157**	269,709	**1,092,866**
Total net comprehensive income for the period		**-**	**-**	**-**	**-**	**823,157**	**-**	**(1,294,904)**	**(471,747)**	**103,209**	**(368,538)**
Transfer to retained earnings		-	-	-	-	(2,074,996)	2,074,996	-	**-**	-	**-**
Distribution of 2022 results	10										
Ordinary dividend (1,280 pesos per share) recognized as distributions to owners		-	-	-	-	-	(741,413)	-	**(741,413)**	(110,999)	**(852,412)**
Reserves for protection of investments		-	-	698,673	-	-	(698,673)	-	**-**	-	**-**
Share repurchase [1]		-	-	-	55,152	-	(55,152)		**-**	-	**-**
Minimum dividends, preferred shares		-	-	-	-	-	20,237	-	**20,237**	-	**20,237**
Commitments with non-controlling interests	5.2.3	-	-	(473,771)	-	-	-	-	**(473,771)**	78,760	**(395,011)**
Shareholder dividend withholding effect		-	-	-	-	-	1,024	-	**1,024**	-	**1,024**
Increases (decreases) due to other changes, equity [2]		-	-	-	-	-	(68,753)	-	**(68,753)**	(18,652)	**(87,405)**
Balance as of June 30, 2023		**109,121**	**3,290,767**	**5,800,304**	**300,000**	**823,157**	**14,764,523**	**6,905,420**	**31,993,292**	**2,106,425**	**34,099,717**

[1] At the Ordinary Shareholders' Meeting of March 31, 2023, the appropriation of the occasional reserve to the share repurchase program for this amount was approved.
[2] Includes the effect of the inflation adjustment of the equity accounts of the Argentine subsidiaries for June 2023 and 2022 of -$65,032 and $42,210, respectively.

The notes are an integral part of the financial statements.

Gonzalo Alberto Pérez Rojas
Legal representative

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(See my report of August 14, 2023)

GRUPO DE INVERSIONES SURAMERICANA S.A.

Condensed Interim Consolidated Statement of Cash Flows

At 30 June 2023 and 2022

(Values expressed in millions of Colombian pesos)

	Note	June 2023	June 2022
Cash flows from operating activities			
Net income for the year, continuing operations		**2,126,753**	**1,193,113**
Discontinued operations		-	(731)
Income before taxes		**2,126,753**	**1,192,382**
Adjustments to reconcile net income			
Interest	15	545,047	452,860
Depreciation and amortization expense		351,281	271,097
Impairment expense		69,605	(22,376)
Impairment of investments	5	19,996	(597)
Variation foreign currency translation		1,496,355	160,598
Gain on fair value measurements		(1,558,631)	141,080
Valuation of investments at amortized cost	5	(1,554,673)	(782,786)
Undistributed earnings from the application of the equity method	8	(1,082,570)	(1,045,974)
Other cash inflows		896	(4,336)
Deferred income tax, net		(26,979)	59,073
Changes in operating assets and liabilities			
inventories		1,992	(296)
Accounts receivable from the insurance activity		745,103	(128,501)
Other accounts receivable		(253,459)	80,104
Accounts receivable from related parties		59,943	39,446
Other accounts payable		221,143	(178,225)
Accounts payable insurance activity		(235,979)	(15,637)
Deferred acquisition cost (DAC) adjustment		235,023	(48,502)
Provisions		(139,545)	(112,553)
Other non-financial assets and liabilities		(126,271)	94,272
Disposal of non-current assets		1,543	(10,121)
Variation in insurance contracts net		909,662	880,177
Dividends received from associates		**506,528**	**273,469**
Income tax paid		**(586,251)**	**(387,629)**
Interest received		**851,505**	**425,329**
Cash flows from operating activities		**2,578,017**	**1,332,354**
Cash flows from investing activities			
Other charges on the sale of equity or debt instruments of other entities		12,174,286	8,762,322
Other payments to acquire equity or debt instruments of other entities		(13,909,252)	(9,017,970)
Cash flows used to obtain control of subsidiaries or other businesses		(1,300)	(33,319)
Sale of property, plant and equipment		33,044	5,102
Purchase of property and equipment		(53,100)	(50,043)
Sales of intangible assets		-	42,935
Purchase of intangible assets		(266,775)	(144,152)
Sales of other long-term assets		30,586	31,173
Dividends received financial instruments		589	67
Purchases of other long-term assets		(230,220)	(149,842)
Cash flows from investment activities		**(2,222,142)**	**(553,727)**
Cash flows from financing activities			
Collections from futures contracts, forward contracts and financial options (swaps)		(116,680)	(28,416)
Proceeds from loans		515,983	1,029,176
Loan repayments		(708,746)	(1,147,691)
Payment of financial lease liabilities		11,318	(20,633)
Dividends paid to controlling shareholders		(45,484)	(201,587)
Dividends paid to non-controlling shareholders		(298,667)	(21,920)
Interest paid		(467,845)	(291,012)
Cash flows from financing activities		**(1,110,121)**	**(682,083)**
Net increase (decrease) in cash before the effect of exchange rate changes		**(754,246)**	**96,544**
Effect of exchange rate changes on cash and cash equivalents		(17,833)	5,201
Net increase (decrease) in cash and cash equivalents		**(772,079)**	**101,745**
Cash and cash equivalents at the beginning of the period		3,569,969	2,282,924
Cash and cash equivalents at the end of the period		**2,797,890**	**2,384,669**

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
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Designated by Ernst & Young Audit S.A.S. TR-530
(See my report of August 14, 2023)

II

CHAPTER
NOTES TO THE
FINANCIAL STATEMENTS

GRUPO DE INVERSIONES SURAMERICANA S.A.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2023 (with comparative figures as of December 31, 2022 for the condensed interim statement of financial position and as of June 30, 2022 and 2023 for the condensed interim statement of income, condensed interim other comprehensive income, condensed interim statement of changes in equity and condensed interim 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	June 2023	December 2022	Country	Functional Currency
Grupo de Inversiones Suramericana S.A.	Holding Company	Matrix		Colombia	Colombian Peso
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. (4)	Development of digital channels	81.13%	81.13%	Colombia	Colombian Peso
Seguros de Vida Suramericana S.A.	Life insurance company	81.13%	81.13%	Chile	Chilean peso
Seguros Generales Suramericana S.A.	General insurance 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. (3)	Investments	81.13%	81.13%	Chile	Chilean peso
Seguros Sura, S.A. de C.V.	General insurance operations	81.13%	81.13%	México	Mexican Peso
Santa Maria del Sol S.A.	Investments	81.13%	81.13%	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.	Personal 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.	Operation in personal and damage insurance	81.13%	81.13%	Brazil	Brazilian Real
Serviços Sura Ltda (2)	Risk management services	81.13%	81.13%	Brazil	Brazilian Real
Seguros Sura S.A.	General insurance	81.13%	81.13%	Uruguay	Uruguayan Peso
Suramericana Uruguay S.A.	Investments	81.13%	81.13%	Uruguay	Uruguayan Peso

Vinnyc S.A.	Assistance to vehicles, different from insurance business.	81.13%	81.13%	Uruguay	Uruguayan Peso
Russman S.A.	Assistance to vehicles, different from insurance business.	81.13%	81.13%	Uruguay	Uruguayan Peso
Seguros Sura S.A.	Insurance	81.13%	81.13%	Dominican Republic	Dominican Peso
Sura RE Ltd.	Insurance and reinsurance businesses	81.13%	81.13%	Bermuda Islands	Dollar
Sura SAC Ltd.	Insurance and reinsurance businesses	81.13%	81.13%	Bermuda Islands	Dollar
Sura Asset Management 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
SURA Investment Management S.A. de C.V.	Management of mutual and investment funds.	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.	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
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.[(1)]	Investments	83.58%	83.58%	United States	Dollar
AFP Crecer S.A.[(5)]	Pension Fund Administrator	83.58%	83.58%	El Salvador	Dollar
Administradora de Fondos de Pensiones y Cesantías Protección S.A.[(5)]	Pension and Severance Funds Administrator	44.22%	44.22%	Colombia	Colombian Peso
Asulado Seguros de Vida S.A.[(6)]	Pension insurance and annuities for the individual savings pension model	61.42%	61.42%	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.	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

As of June 30, 2023 there have been no changes in the subsidiaries of Grupo SURA.

Changes in investments in controlled entities 2022

(1) 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.

(2) 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.

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

(4) 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.

(5) 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.

(6) 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%.

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 (*)	
	June 2023	**December 2022**
Grupo SURA Asset Exposure		
Investments at fair value through profit or loss	4,766,453	4,905,414
Total assets in relation to the interests of Grupo SURA in non-consolidated structured entities	**4,766,453**	**4,905,414**
Maximum exposure Grupo SURA (*)	**4,766,453**	**4,905,414**

(*) 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% y 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 six-month period ended June 30, 2023, 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 2.2.1 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 June 30, 2023, June 30, and December 31, 2022. 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 meets 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 Grupo 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.

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	
	June 2023	**June 2022**	**June 2023**	**December 2022**
Colombian Peso (COP/USD)	4.595,11	3.914,46	4.177,58	4.810,20
Chilean peso (CLP/USD)	806,22	824,84	801,66	855,86
Dominican Peso (DOP/USD)	55,44	55,88	55,61	56,42
Euro (EUR/USD)	0,93	0,91	0,92	0,94
Mexican Peso (MXN/USD)	18,15	20,27	17,05	19,48
Peruvian Nuevo Sol (PEN/USD)	3,76	3,78	3,63	3,82
Uruguayan Peso (UYU/USD)	38,90	41,90	37,41	40,07
Argentina (ARS/USD)	211,75	112,12	256,50	177,06
Brazil (BRS/USD)	5,07	5,08	4,82	5,22

2.3. Significant accounting policies

The accompanying financial statements do not include all the information and disclosures required for a year-end financial statement; therefore, these condensed financial statements should be read in conjunction with the annual financial statements as of December 31, 2022.

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

As of the date of this report, there have been no changes in significant accounting estimates and judgments used in the preparation of the consolidated financial statements as of December 31, 2022.

NOTE 4. NORMS ISSUED NOT EFFECTIVE YET

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the annual consolidated financial statements as of December 31, 2022, except for the adoption of new standards issued on or after January 1, 2023 and interpretations that have been published but are not applicable at the date of these financial statements, the Company will adopt these standards on the date they become effective, in accordance with the decrees issued by the local authorities.

Several of the amendments that apply for the first time in 2023 have no impact on these interim financial statements.

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, 2023.

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 through decree 938 of 2021, which will be effective from January 1, 2023. These amendments had no impact on these financial statements of the Group.

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 effective as of January 1, 2023. These amendments 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 Decree 938 of 2021, which will be effective as of January 1, 2023. These amendments had no impact on the Group's 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 as from January 1, 2023. These amendments had no impact on the Group's 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 as of January 1, 2023. These amendments had no impact on the Group's financial statements.

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.

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. Investments

The breakdown of investments is as follows:

	June 2023	December 2022
At fair value through profit or loss	8,842,600	9,432,492
At amortized cost	20,812,235	17,008,723
At fair value through OCI (*)	1,075,247	1,174,491
Debt securities	**30,730,082**	**27,615,706**
At fair value through profit or loss	7,421,958	8,363,480
At fair value through OCI (*)	82,400	94,926
Equity instruments	**7,504,358**	**8,458,406**
Subtotal investments	**38,234,440**	**36,074,112**
Impairment in investments at fair value through OCI (*)	(67,929)	(76,500)
Impairment on investments at amortized cost	(45,596)	(24,552)
Subtotal impairment	**(113,525)**	**(101,052)**
Total Investments (1)	**38,120,915**	**35,973,060**
Short-term investments	11,552,821	12,951,679
Long-term investments	26,568,094	23,021,381

(*) OCI: Other Comprehensive Income

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

	Accumulated		Quarter	
	June 2023	**June 2022**	**June 2023**	**June 2022**
Legal reserve [1]	199,430	(109,207)	100,077	(28,106)
Fair value investments [3]	856,987	(89,702)	409,489	39,225
Trading derivatives [2]	73,754	(14,229)	49,128	(47,801)
Dividends Financial Instruments	14,321	5,949	9,183	4,181
Difference on exchange of investments	(76,066)	(33,576)	(35,662)	(11,815)
Total	**1,068,426**	**(240,765)**	**532,215**	**(44,316)**

[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] Corresponds to the valuation of trading derivatives.

[3] The fair value is detailed below:

	Accumulated				Quarter			
	Profit / Loss							
	For sale (realized)		**Unrealized**		**For sale (realized)**		**Unrealized**	
	June 2023	**June 2022**	**June 2023**	**June 2022**	**June 2023**	**June 2022**	**June 2023**	**June 2022**
Debt securities	96,451	5,927	506,302	(223,663)	45,532	10,284	233,410	(62,609)
Equity instruments	490	(9,172)	350,685	133,961	371	(4,062)	176,079	101,834
Total	**96,941**	**(3,245)**	**856,987**	**(89,702)**	**45,903**	**6,222**	**409,489**	**39,225**

The following is the detail of (realized) and unrealized profits or losses on investments in available-for-sale debt securities as of June 30, 2023 and 2022:

June 2023

		Accumulated		Quarter	
		Profit (loss)		**Profit (loss)**	
Debt securities	**Book value (*)**	**For sale (realized)**	**Unrealized**	**For sale (realized)**	**Unrealized**
National issuers	20,403,996	55,775	548,636	30,463	257,783
Foreign issuers	4,004,215	-	-	-	-
Mutual funds	4,770,856	3,084	(3,668)	2,037	(3,629)
Investment funds	1,551,015	37,592	(38,666)	13,032	(20,744)
Total	**30,730,082**	**96,451**	**506,302**	**45,532**	**233,410**

June 2022

		Accumulated		Quarter	
		Profit (loss)		**Profit (loss)**	
Debt securities	**Book value (*)**	**For sale (realized)**	**Unrealized**	**For sale (realized)**	**Unrealized**
National issuers	11,376,032	(22,924)	197,654	(19,924)	157,379
Foreign issuers	4,477,685	(2,148)	251	(1,882)	251
Mutual funds	2,744,027	(5,847)	(382,871)	(4,759)	(182,058)
Investment funds	970,635	36,846	(38,697)	36,849	(38,181)
Total	**19,568,379**	**5,927**	**(223,663)**	**10,284**	**(62,609)**

(*) The carrying value and fair value is the same as of June 30, 2023 and 2022.

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

	Accumulated		Quarter	
	June 2023	**June 2022**	**June 2023**	**June 2022**
Investments at amortized cost	1,554,673	782,786	729,922	455,201
Investments in cash equivalents	(51,695)	191,774	66,076	327,185
Income from other assets	5,562	3,595	3,075	1,253
Subtotal return at amortized cost	**1,508,540**	**978,155**	**799,073**	**783,639**
Impairment of investments	(19,996)	(597)	(1,603)	(1,434)
Total net yield at amortized cost	**1,488,544**	**977,558**	**797,470**	**782,205**

The following is the detail of equity investments at fair value through profit or loss held at June 30, 2023 and December 31, 2022:

	June 2023	December 2022
Mutual funds	4,235,458	4,567,024
National issuers	2,743,648	2,706,247
Foreign issuers	442,852	1,090,209
Total	**7,421,958**	**8,363,480**

Investments at fair value through Other Comprehensive Income

The following is the detail of major realized and unrealized gains or losses on equity investments with adjustment to other comprehensive income as of June 30, 2023 and 2022:

June 2023	Cost	Profit / unrealized loss
Bolsa de Comercio de Santiago (Chile)	14,779	961
Enka de Colombia S.A.	49,232	(11,557)
Total	**64,011**	**(10,596)**

June 2022	Cost	Profit / unrealized loss
Bolsa de Comercio de Santiago (Chile)	11,321	(718)
Enka de Colombia S.A.	48,294	(769)
Total	**59,615**	**(1,487)**

Investment guarantees

As of June 30, 2023 and 2022, investments provided in guarantees corresponded to foreign issuers for $ 1,527 million pesos and $ 1,220 million pesos, respectively.

Restrictions on investments

The balance of investments includes the investment that the pension and severance fund administrator Protección S.A. has in the trust sufficiency resources autonomous patrimony PA2 that was constituted by virtue of the administrative order issued by the Financial Superintendence in Colombia, and which is managed by Fiduciaria Bancolombia, represented in liquid assets in the amount of $204,684 million at June 30, 2023 and $192,104 million at December 31, 2022, to attend possible deviations in the rate of the pension insurance.

As of June 30, 2023 and December 31, 2022, the subsidiaries of Suramericana S.A. in Colombia have restrictions and embargoes amounting to $624 million pesos and $823 million pesos, respectively.

The balance of investments includes a segregated account in Bermuda in July 2022, after entering into a participation agreement with SURA SAC LTD. 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; this investment is made with the objective of enabling a retention scheme, by the Company, of risks associated to eventual claims made by third parties. In the event of a claim, any obligation will be backed with the resources existing in the cell.

5.1.2. Impairment of financial assets

Impairment of financial assets

	June 2023	December 2022
Impairment of accounts receivable	(177,288)	(187,335)
Impairment of investments	(113,525)	(101,052)
Total	**(290,813)**	**(288,387)**

5.2. Financial liabilities

The following are the financial liabilities of Grupo SURA:

	Note	June 2023	December 2022
Financial obligations (1)		1,457,953	1,115,538
Bonds issued	5.2.2	7,976,215	9,337,919
Preferred shares		459,730	459,955
Commitments with non-controlling interests	5.2.3	3,205,967	2,810,956
Subtotal financial liabilities for capital management		**13,099,865**	**13,724,368**
Derivative instruments	5.2.1	212,795	491,544
Accounts payable to related parties	19	625,932	117,298
Other accounts payable (2)		2,830,250	2,609,496
Subtotal other financial liabilities		**3,668,977**	**3,218,338**
Total		**16,768,842**	**16,942,706**

(1) The financial obligations generate interest between 4.79% and 18.52% for the year 2023 and for the year 2022 between 4.36% and 17.25%.
(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:

June 2023

Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		816,588	62,500	879,088
Derivative instruments	5.2.1	-	27,845	27,845
Accounts payable to related parties	19	625,932	-	625,932
Other accounts payable		2,773,472	-	2,773,472
Bonds issued	5.2.2	2,309,207	-	2,309,207
Commitments with non-controlling interests	5.2.3	1,693,667	-	1,693,667
Total		**8,218,866**	**90,345**	**8,309,211**

Non-Current	Note	Financial liabilities at amortized cost	Financial liabilities at fair value	Total
Financial obligations		578,865	-	578,865
Derivative instruments	5.2.1	-	184,950	184,950
Other accounts payable		56,778	-	56,778
Bonds issued	5.2.2	5,667,008	-	5,667,008
Preferred shares		459,730	-	459,730
Commitments with non-controlling interests	5.2.3	-	1,512,300	1,512,300
Total		**6,762,381**	**1,697,250**	**8,459,631**

Financial liabilities		**14,981,247**	**1,785,595**	**16,768,842**

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	19	117,298	-	117,298
Other accounts payable		2,535,393	-	2,535,393
Bonds issued	5.2.2	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		74,103	-	74,103
Bonds issued	5.2.2	8,725,910	-	8,725,910
Preferred shares		459,955	-	459,955
Commitments with non-controlling interests	5.2.3	-	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**

Grupo SURA has had no capital, interest or other defaults regarding liabilities during 2023 and 2022.

5.2.1. Derivative instruments

The following is the detail of derivative financial instruments assets and liabilities outstanding as of June 30, 2023 and December 31, 2022:

		June 2023		December 2022	
	Note	**Asset**	**Liabilities**	**Asset**	**Liabilities**
Hedge Derivatives	5.2.1.1	1,070,046	142,649	1,822,017	379,215
Trading derivatives	5.2.1.2	134,187	70,146	133,870	112,329
Total derivatives		**1,204,233**	**212,795**	**1,955,887**	**491,544**
Current derivatives		88,937	27,845	29	7,095
Non-current derivatives		1,115,296	184,950	1,955,858	484,449
Total derivatives		**1,204,233**	**212,795**	**1,955,887**	**491,544**

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 June 30, 2023:

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 5.2.2 Bonds Issued), at June 30, 2023 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).
- Four (4) call spread structures (call option bought + call option sold).
- Six (6) out-of-the-money call options sold that are part of the structure and are included in the CCS contracts.

As of June 30, 2023 and after the modifications executed in the first half of the year, (Five (5) call spread structures (call option bought + call option sold)), 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).
- Five (5) call spread structures (call option bought + call option sold), the purpose of which is to widen the hedging range.
- 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 $1,509.168 million plus a fixed interest rate of 2.54%.
   - Swap in which the Subsidiary receives US$ 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:

			June 2023		June 2022	
Country	**Subsidiary**	**Currency**	**Investment value**	**Covered value**	**Investment value**	**Covered value**
Chile	Sura Asset Management Chile S.A.	CLP	4,018,668	1,607,467	4,018,668	1,567,281
Mexico	Sura Asset Management México S.A. de C.V.	MXN	2,276,943	341,541	2,276,943	341,541
Peru	Sura Asset Management Perú S.A.	PEN	797,617	358,928	797,617	350,951

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 1,153,461, 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:

	June 2023		**December 2022**	
	Nominal value	**Fair Value**	**Nominal value**	**Fair Value**
Assets				
Forward				
Foreign currency to buy	356	29	2,851	29
Subtotal	**356**	**29**	**2,851**	**29**
Swap				
Cross Currency Swap	4,176,590	861,169	4,176,590	1,517,003
Subtotal	**4,176,590**	**861,169**	**4,176,590**	**1,517,003**
Options				
Currency Call Option	1,456,210	208,848	759,300	304,985
Subtotal	**1,456,210**	**208,848**	**759,300**	**304,985**
Total Assets	**5,633,156**	**1,070,046**	**4,938,741**	**1,822,017**

Liabilities				
Swap				
Cross Currency Swap	917,613	3,273	41,553	16,851
Subtotal	**917,613**	**3,273**	**41,553**	**16,851**
Options				
Currency Call Option	2,733,685	133,358	1,668,685	359,608
Currency Put Option	329,650	6,018	329,650	2,756
Subtotal	**3,063,335**	**139,376**	**1,998,335**	**362,364**
Total Liabilities	**3,980,948**	**142,649**	**2,039,888**	**379,215**

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 values carried for the ineffectiveness of the hedges, during the period ended June 30, 2023 and 2022:

	OCI	Results
	Effective part	Effective part
Balance at December 31, 2021	**63,889**	**-**
Variation in the fair value of hedges during the year.	47,041	227,183
Amortization of temporary securities. (Note 15)	(63,743)	
Balance at June 30, 2022	**47,187**	**227,183**
Balance at December 31, 2022	**(275,646)**	**-**
Variation in the fair value of hedges during the year.	93,907	(803,501)
Amortization of temporary securities. (Note 15)	(66,920)	-
Balance at June 30, 2023	**(248,659)**	**(803,501)**

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 June 30, 2023 and December 31, 2022 used for trading purposes:

	June 2023		December 2022	
	Nominal value	Fair Value	Nominal value	Fair Value
Assets				
Forward				
Currency forward	1,373,539	88,908	752,207	8,013
Subtotal	**1,373,539**	**88,908**	**752,207**	**8,013**
Swap				
Cross currency	1,562,983	45,279	1,562,983	125,857
Subtotal	**1,562,983**	**45,279**	**1,562,983**	**125,857**
Total Assets	**2,936,522**	**134,187**	**2,315,190**	**133,870**
Liabilities				
Forward				
Currency forward	195,394	37,820	99,176	37,497
Subtotal	**195,394**	**37,820**	**99,176**	**37,497**
Swap				
Cross currency	769,262	28,476	769,262	67,952
Interest rate	100,000	3,850	100,000	6,880
Subtotal	**869,262**	**32,326**	**869,262**	**74,832**

Total liabilities	**1,064,656**	**70,146**	**968,438**	**112,329**

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

	Accumulated		Quarter	
	June 2023	June 2022	June 2023	June 2022
Trading derivative income	222,061	406,555	96,359	425,023
Trading derivative expenses	(208,279)	(399,710)	(77,690)	(401,308)
Total	**13,782**	**6,845**	**18,669**	**23,715**

5.2.2. Bonds issued

Details of the bonds issued are presented below:

				Amortized cost		Fair value	
Issued date	Maturity date	Nominal value	Emission rate	June 2023	December 2022	June 2023	December 2022
29- Apr -16	29- Apr -26	[1] USD 530	5.50%	2,222,541	2,557,294	2,107,084	2,511,803
17-Apr-14	17-Apr-24	USD 500	4.88%	2,106,937	2,424,724	2,058,606	2,329,824
11-Apr-17	14-Apr-27	USD 350	4.38%	1,463,890	1,684,024	1,351,587	1,618,114
22- Jun -16	22- Jun -26	305,622	CPI +4.09%	308,419	308,639	300,530	279,589
07-May-14	07- May -23	[2]223,361	CPI + 3.80%	-	227,625	-	227,875
23- Feb -17	23- Feb -29	190,936	CPI + 3.58%	193,200	194,696	184,467	163,594
23- Feb -17	23- Feb -24	165,515	CPI + 3.19%	167,522	168,657	167,983	162,880
07- May -14	07- May -30	100,000	CPI + 4.15%	101,161	101,117	98,495	87,094
25- Nov -09	25- Nov -29	98,000	CPI + 5.90%	99,024	98,865	102,785	91,408
25- Nov -09	25- Nov -49	97,500	CPI + 6.98%	97,346	97,210	109,995	92,302
11- Aug -20	11- Aug -23	[3]123,750	IBR + 1.49%	124,748	125,055	124,671	121,110
11- Aug -20	11- Aug -27	296,350	CPI + 2.54%	304,794	304,612	280,661	253,963
22- Jun -16	22- Jun -31	289,235	CPI +4.29%	291,659	291,688	279,699	243,779
22- Jun -16	22- Jun -23	[4]257,145	CPI +3.90%	-	259,329	-	256,664
11- Aug -20	11- Aug -32	180,320	CPI + 3.39%	185,875	185,675	170,713	146,750
11- Aug -20	11- Aug -40	299,580	CPI + 3.78%	309,099	308,709	283,028	239,817
Total bonds issued				**7,976,215**	**9,337,919**	**7,620,304**	**8,826,566**
Current bonds issued				2,399,207	612,009	2,351,260	605,649
Non-current bonds issued				5,577,008	8,725,910	5,269,044	8,220,917

[1] As of June 30, 2023, the nominal value is USD 530 million, due to the repurchase made during 2022 for USD 20 million.
[2] On May 7, 2023, the bond issued by Grupo Sura in 2014 matured.
[3] In June 2022, an early repurchase of $ 100 billion 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 a credit acquired with Bancolombia.
[4] In June 2023 the bond issued by Suramericana in 2016 matured.

Grupo SURA had no defaults in the payment of principal or interest or other defaults with respect to its obligations during the first quarter of 2023 nor during 2022.

5.2.3. Commitments with non-controlling shareholders

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

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

According to the relevant information published on March 22, 2023, the Board of Directors of Grupo Bolivar decided to make use of the put option established in the Exit Agreement. **See note 17. Risk management**

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, starting in April 2029, once the agreed permanence period is over. The agreement establishes that, after April 2029 and as long as Sura AM has not been listed on a recognized stock exchange or stock market, and CDPQ has not executed a sale to a third party, CDPQ may sell its Sura AM shares 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

As of September 30, 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 applied 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, Grupo SURA presents the periods of December 31, 2021 and June 30, 2022 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:

Z	June 2022	December 2021
Liabilities commitments with non-controlling interests at fair value	2,440,718	2,653,394
Total effect of liabilities	**2,440,718**	**2,653,394**
Reclassification of non-controlling interest	(2,012,309)	(1,967,178)
Other reserves	(428,409)	(686,216)
Total effect of equity	**(2,440,718)**	**(2,653,394)**

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

The movement generated by this liability in the period is presented below:

	Liabilities to non-controlling interests at fair value
Balance as of December 31, 2022	**2,810,956**
Reclassification of non-controlling interest	(78,760)
Other reserves	473,771
Balance as of June 30, 2023	**3,205,967**

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

On a quarterly basis, the estimate of the commitment with participations is updated with the discount rate, exchange rate and flow date variables.

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

Insurance contract assets representing the insurance companies' portfolio for the years ended June 30, 2023 and December 31, 2022 are as follows:

	June 2023	December 2022
Direct insurance	5,427,433	6,246,042
Coinsurance accepted	129,451	122,345
Other	481,371	484,905
Assets under insurance contracts	**6,038,255**	**6,853,292**

6.2. Reinsurance contract assets

Reinsurance contract assets represent the benefits derived from reinsurance contracts as of June 30, 2023 and December 31, 2022 as follows:

	June 2023	December 2022
Current accounts with reinsurers	674,076	734,522
Share of insurance liabilities: claims reported and not cancelled	2,581,110	4,238,050
Unearned ceded premium	2,217,456	2,590,514
Unnotified claims	365,243	399,368
Reinsurance deposits	17	684
Other assets	5,794	63,417
Assets under reinsurance contracts	**5,843,696**	**8,026,555**
Current assets under reinsurance contracts	676,654	736,601
Non-current assets under reinsurance contracts	5,167,042	7,289,954
Total assets under reinsurance contracts	**5,843,696**	**8,026,555**

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.

6.3. Premiums

Net premiums obtained by Grupo SURA, and its subsidiaries, for the years ended June 30th, 2023 are as follows:

	Accumulated		Quarter	
	June 2023	**June 2022**	**June 2023**	**June 2022**
Life insurance contracts	9,647,994	7,397,307	4,922,885	3,794,060
Non-life insurance contracts	5,959,691	5,139,091	3,186,097	2,988,631
Premiums issued	**15,607,685**	**12,536,398**	**8,108,982**	**6,782,691**
Life insurance contracts - reinsurer party	(137,186)	(137,841)	(69,618)	(73,067)
Non-life insurance contracts - reinsurer party	(2,135,159)	(1,598,203)	(1,340,551)	(1,013,013)
Reinsurance ceded premiums	**(2,272,345)**	**(1,736,044)**	**(1,410,169)**	**(1,086,080)**
Total net premiums retained	**13,335,340**	**10,800,354**	**6,698,813**	**5,696,611**
Life insurance contracts	(1,218,198)	130,329	(666,320)	(137,271)
Non-life insurance contracts	260,843	(224,684)	141,340	(234,083)
Net production reserves	**(957,355)**	**(94,355)**	**(524,980)**	**(371,354)**
Retained earned premiums	**12,377,985**	**10,705,999**	**6,173,833**	**5,325,257**

In the second quarter, the segment's written premiums continued to be driven by the health solution, where the better commercial dynamics in the Chilean subsidiary and portfolio renewals with a higher average premium in Colombia, leveraged a growth of 21.5% in this solution compared to the same period of the previous year. The occupational risk solution in Colombia also grew by 21.5%, with an exposed mass of 5.10 million policyholders, 280 thousand more than in the same period of the previous year.

This same trend is shown in the accumulated figures to June, where health and occupational risk solutions grew by 22.3% and 22.2%, respectively. Likewise, life insurance solutions increased their production by 8.3%, driven by the promoter and affinity channels.

In the second quarter, the general segment grew 7.1% due to the issuance of biannual business in the Chilean subsidiary in the same period of the previous year; isolating these portfolios, the segment's growth was 21.6%. The performance of mobility solutions stood out with an increase of 29.5%, due to higher customer retention even though tariff increases were experienced to counteract the increases in average costs caused by the disruption in the global supply chain. Likewise, corporate portfolios grew 22.7% (isolating the biannual business from the second quarter of the previous year), driven by corporate account renewals in the Colombian subsidiary.

6.4. Liabilities for insurance contracts

Liabilities for insurance contracts represent the technical reserves of the Insurance Companies and other accounts, the detail for the years ended June 30, 2023 and December 2022 is as follows:

	June 2023	**December 2022**
Accounts payable insurance activity (note 6.4.1)	1,356,658	1,626,821
Estimated liabilities under insurance contracts (note 6.4.2)	35,969,982	37,058,668
Surplus	46,398	35,802
Liabilities under insurance contracts	**37,373,038**	**38,721,291**
Liabilities under current insurance contracts	11,919,567	13,460,635
Liabilities under non-current insurance contracts	25,453,471	25,260,656

Total liabilities under insurance contracts	**37,373,038**	**38,721,291**

6.4.1. Accounts payable insurance activity

Insurance payables with insurance companies for the years ended June 30, 2023 and December 31, 2022 are as follows:

	June 2023	December 2022
To insurance companies	171,913	327,062
Policies	90,403	70,338
Claims payable	159,306	157,392
Commissions	636,844	710,328
Others	298,192	361,701
Insurance portfolios	**1,356,658**	**1,626,821**

6.4.2. Estimated insurance contract liabilities

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

	June 2023	December 2022
Actuarial liabilities	12,748,112	12,133,050
Estimated unearned premium liabilities	10,743,817	12,073,540
Estimated incurred but not reported claims (IBNR)	3,665,057	2,707,830
Estimated liabilities for claims reported	8,106,524	9,437,879
Special estimated liabilities	351,178	326,607
Other estimated insurance contract liabilities	355,294	379,762
Total insurance technical reserves	**35,969,982**	**37,058,668**

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

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

The variation in insurance technical reserves is mainly explained by Seguros Generales Colombia due to the decrease in compulsory traffic accident insurance *(SOAT, acronym in Spanish original)* premiums and the decrease in claims in Colombia, in addition to a good commercial performance and growth in premiums in the Life and Mobility segment for both Colombia and Chile.

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

	Liabilities from insurance contracts	Assets from insurance contracts	Net
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**
Changes in estimated liabilities for insurance contracts	419,777	(1,733,845)	2,153,622
Adjustments for conversion	(1,508,463)	(449,014)	(1,059,449)
At June 30, 2023	**35,969,982**	**5,843,696**	**30,126,286**

6.5. Liabilities under reinsurance contracts

Liabilities for reinsurance contracts represent the obligations arising from reinsurance contracts for the years ended June 30, 2023 and December 31, 2022 are as follows.

	June 2023	December 2022
Ceded premiums payable	11,401	15,507
External reinsurers current account	1,844,846	2,035,847
Liabilities under reinsurance contracts	**1,856,247**	**2,051,354**

6.6. Claims withheld

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

	Accumulated		Quarter	
	June 2023	June 2022	June 2023	June 2022
Total claims	(9,770,717)	(9,134,894)	(5,294,290)	(4,740,975)
Claim reimbursement [1]	22,867	1,455,885	278,656	736,629
Retained claims	**(9,747,850)**	**(7,679,009)**	**(5,015,634)**	**(4,004,346)**

[1] The item presents a decrease in comparison with June 2022, which is explained by a lower level of claims in the General Insurance companies Chile and Colombia, the variation in Chile is explained by the Commercial Property solutions, mainly in the Codelco account, which was totally ceded to the reinsurer.

6.7. Insurance costs and expenses

Insurance costs and expenses for the years ended June 30, 2023 are as follows

	Accumulated		Quarter	
	June 2023	June 2022	June 2023	June 2022
Net reinsurance cost	(387,463)	(301,468)	(181,687)	(153,649)
Services for the promotion and prevention of occupational hazards	(119,476)	(190,751)	(60,060)	(119,005)
Contributions Insurance companies	(45,859)	(55,768)	(22,629)	(27,343)
Fees	(128,094)	(109,742)	(68,492)	(58,688)
Other insurance expenses	(107,137)	(26,776)	(40,175)	(17,278)
Employee benefits	(288,728)	(215,949)	(147,427)	(95,675)
Technical impairment	(69,934)	24,490	(38,121)	30,790
Total insurance costs and expenses	**(1,146,691)**	**(875,964)**	**(558,591)**	**(440,848)**

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 June 30, 2023 and December 31, 2022 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	2023	2022
Colombia	35.0%	35.0%
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%	21.0%
Bermuda	0.0%	0.0%

Colombia: For the year 2023 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%. 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 June 30, 2023 and December 31, 2022:

	June 2023	December 2022
Current tax assets		
Income tax and supplemental taxes	83,752	218,920
Withholdings	208,277	27,591
Tax in favor	286,649	130,428
Others	-	117
Total assets for current taxes	**578,678**	**377,056**

	June 2023	December 2022
Current tax liabilities		
Income tax and supplemental taxes	170,522	122,593
Total current tax liabilities	**170,522**	**122,593**

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

Current tax	June 2023	December 2022
Current tax asset recoverable before 12 months	509,134	320,003
Current tax asset recoverable after 12 months	69,544	57,053
Total Current tax asset	**578,678**	**377,056**
Current tax liability recoverable before 12 months	146,377	106,505
Current tax liability recoverable after 12 months	24,145	16,088
Total current tax liability	**170,522**	**122,593**

7.3. Tax recognized in the income statement for the period

The income tax expense for the period is detailed below:

	Accumulated		Quarter	
	June 2023	June 2022	June 2023	June 2022
Current tax expense	**(432,558)**	**(221,399)**	**(323,934)**	**(102,793)**
Current tax	(443,158)	(219,060)	(334,496)	(99,437)
Adjustment of previous periods	10,600	(2,339)	10,562	(3,356)
Deferred tax income (expense)	**(601,329)**	**74,233**	**(532,146)**	**1,986**
Constitutions / reversal of temporary differences	(595,775)	71,882	(526,776)	495
Exchange rates	(5,554)	2,351	(5,370)	1,491
Total tax expense	**(1,033,887)**	**(147,166)**	**(856,080)**	**(100,807)**

7.4. Effective rate reconciliation

The reconciliation of the effective rate is presented below:

		June 2023		June 2022
Profit before tax		**2,126,753**		**1,192,382**
Income tax by applying the local tax rate (*)	33.44%	(711,121)	34.24%	(408,213)
Impact		**(1,143,472)**		**(635,093)**
Non-deductible expenses [(1)]		(188,414)		(127,041)
Investments [(2)]		(311,123)		(389,357)
Non-current assets held for sale		(618,118)		-
Previous periods adjustment		(3,966)		(2,581)
Tax losses		(15,922)		(19,924)
Financial assets		(2,668)		(7,524)

Properties and equipment		-		(17,715)
Other alternative taxable income		(3,261)		(7,139)
Financial liabilities		-		(56,509)
Others		-		(7,303)
Minus the tax effect of:		**820,706**		**896,140**
Non-taxed income [3]		309,422		101,896
Financial assets		-		92,041
Amortization of intangible assets		1,176		10
Unrecorded Dividends		121,088		336,894
Unrecorded Dividends		8,752		-
Properties and equipment		1,695		1,411
Discounts / tax deductions		139,252		80,282
Provisions and Contingencies		4,939		13,405
Exempt income [4]		213,863		159,716
Others		20,519		110,485
Income tax (**)	**48.61%**	**(1,033,887)**	**12.34%**	**(147,166)**

(*) 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 increased by 15 percentage points with respect to the nominal rate for the same period, due to the recognition of the deferred tax related to the investment in the associate Grupo Nutresa, which is detailed below.

[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. Additionally, the tax related to the investment in the associate Grupo Nutresa is recognized. The classification of the investment as available for sale makes it necessary, in accordance with IAS 12, to recognize the deferred tax liability against the statement of income, for the temporary difference that arises, calculated at the rate of 15%, since in accordance with Article 300 of the Colombian Tax Statute, having owned the asset subject to the transaction for a period of more than two years, the income originated therefrom is susceptible to constitute occasional gain. The transaction is explained in detail in Note 8.

IAS 12 requires entities to account for the tax consequences of transactions and other events in the same manner as they account for those same transactions or economic events. Thus, the tax effects of transactions and other events that are recognized in profit or loss for the period are also recorded in profit or loss.

[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 June 30, 2023 and December 31, 2022 is as follows:

Deferred tax asset	June 2023	December 2022	Recognized in other equity investments 2023	Recognized results 2023
Provisions	248,888	227,098	-	21,790
Employee Benefits	52,374	68,636	-	(16,262)
Other non-financial assets	-	16,171	-	(16,171)
Financial Liabilities	510,213	683,885	49,719	(223,391)
Unused tax losses and tax credits	144,625	378,919	-	(234,294)
Technical insurance reserves	350,908	469,411	-	(118,503)
Right of use	30,706	27,430	-	3,276
Total	**1,337,714**	**1,871,550**	**49,719**	**(583,555)**

Deferred tax liabilities	June 2023	December 2022	Recognized in other equity investments 2023	Recognized results 2023
Financial Assets	(186,662)	(309,387)	1,014	121,711
Rights-of-use assets	(1,036,832)	(1,114,486)	-	77,654
Deferred acquisition cost DAC	(125,769)	(160,901)	-	35,132
Investments	(595,242)	(690,050)	-	94,808
Non-current assets held for sale	(618,118)	-	-	(618,118)
Other non-financial assets	(3,161)	(3,396)	-	235
Other non-financial liabilities	(126,075)	(175,987)	-	49,912
Liabilities due to temporary differences in equity investments	(41)	(47)	-	6
Properties and Equipment	(279,847)	(290,159)	1,305	9,007
Technical insurance reserves	-	(135,827)	-	135,827
Total	**(2,971,747)**	**(2,880,240)**	**2,319**	**(93,826)**
Conversion effect				76,052
Total			**52,038**	**(601,329)**
Other equity effects	-	-	(76,052)	-
Total	**(1,634,033)**	**(1,008,690)**	**(24,014)**	**(601,329)**

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, according to the following detail:

Deferred tax	Initial	Compensated	June 2023
Deferred tax asset	1,337,714	(893,753)	443,961
Deferred tax liabilities	(2,971,747)	893,753	(2,077,994)
Total	**(1,634,033)**	**-**	**(1,634,033)**

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)**

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

Deferred tax	June 2023	December 2022
Deferred tax asset recoverable before 12 months	215,550	318,806
Deferred tax asset recoverable after 12 months	228,411	517,426
Total deferred tax asset	**443,961**	**836,232**
Deferred tax liability recoverable before 12 months	975,739	368,714
Deferred tax liability recoverable after 12 months	1,102,255	1,476,208
Total deferred tax liabilities	**2,077,994**	**1,844,922**

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**	
	2023	**2022**	**2023**	**2022**
Between one and five years	937,954	937,954	-	274
No time limit	289,008	289,008	-	-
Total tax benefits	**1,226.962**	**1,226.962**	**-**	**274**

7.7. Uncertainty regarding income tax treatments

Considering the criteria and judgments in the determination and recognition of taxes, as of December 31, 2020, the entity recognized situations in Mexico that generated tax uncertainty, which were acknowledged for accounting purposes, according to the framework defined by IFRIC 23. As of June 30, 2022, the total result was an uncertain tax treatment of $362 million, distributed in $47 million in the Dominican Republic and $315 million pesos in Mexico. As of June 30, 2023, no additional situations have been identified and no additional recognition has been required.

	December 2022	**Increase**	**Decrease**	**June 2023**
Mexico (*)	480	-	171	309

- (*) 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 June 2023, due to the decrease of balances as a result of the statute of limitations of income tax returns.

NOTE 8. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

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

	Note	**June 2023**	**December 2022**
Investments in associates	8.1	17,448,455	23,197,497
Joint ventures	8.2	16,986	27,282
Total investments accounted for using the equity method		**17,465,441**	**23,224,779**

	Note	**June 2023**	**June 2022**
Income from equity method associates	8.1	1,090,380	1,054,656
Income from equity method joint ventures	8.2	(7,228)	(10,340)
Others		(582)	1,658
Total equity method income from investments in associates and joint ventures		**1,082,570**	**1,045,974**

8.1. Investment in associates

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

			June 2023			December 2022		
Companies	**Main activity**	**Country**	**% Participation (*)**	**% Right to vote (**)**	**# Shares**	**% Participation (*)**	**% Right to vote (**)**	**# Shares**
Associates:								
Grupo Bancolombia S.A.	Universal banking	Colombia	24.49%	46.22%	235,565,920	24.49%	46.22%	235,565,920
Grupo Argos S.A. [(1)]	Concrete, energy,	Colombia	27.22%	35.99%	236,465,932	27.20%	35.96%	236,465,932
Grupo Nutresa S.A. *(See note 9)*	Food and processed	Colombia	-	-	-	35.61%	35.61%	163,005,625
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	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
Sociedad Administradora de Fondos de Cesantías Chile III S.A.	Pension and severance fund	Chile	36.65%	36.65%	73,300	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
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 Perú S.A.C.	Fund	Perú	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)	Biological research and development	Colombia	70.00%	70.00%	93,331	70.00%	70.00%	93,331

(1) The increase in the participation in Grupo ARGOS is a result of the share repurchase program that the Company is executing since 2023.

(*) 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 S.A. have in Grupo SURA as of June 30, 2023 and December 31, 2022 is as follows:

Associates	% Participation	% Right to vote	% Participation	% Right to vote
	June 2023		December 2022	
Grupo Argos S. A.	27.51%	34.14%	27.51%	34.14%
Grupo Nutresa S. A. *(See Note9)*	10.71%	13.29%	10.71%	13.29%

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 as of June 30, 2023 and December 31, 2022 are as follows:

June 2023								
	Location	Asset	Liability	Equity	Income	Profit/ Loss	Other comprehensive income	Comprehensive income
Partners:								
Grupo Bancolombia S.A. (*)	Colombia	338,596,669	301,098,538	37,498,131	10,501,789	3,246,455	(2,325,870)	920,585
Grupo Argos S.A. (*)	Colombia	52,323,246	22,505,379	29,817,866	12,137,298	1,028,503	(1,929,778)	(901,275)
Grupo Nutresa S.A. *(Ver nota 9)*	Colombia	-	-	-	-	-	-	-
Inversiones DCV S.A.	Chile	44,003	1,729	42,274	4,082	4,110	-	4,110
Servicios de Administración Previsional S.A.	Chile	143,822	55,941	87,881	88,828	37,442	-	37,442
Fondos de Cesantías Chile II	Chile	142,025	83,018	59,007	121,889	38,314	-	38,314
Sociedad Administradora de Fondos de Cesantías Chile III S.A.	Chile	73,753	4,207	69,546	1	(2,768)	(12)	(2,779)
Joint business:								
Interejecutiva de aviación S.A.S.	Colombia	142,804	139,898	2,906	60,526	3,617	(1,510)	2,107
Subocol S.A.	Colombia	9,700	5,601	4,099	10,746	(17)	-	(17)
Unión para la infraestructura S.A.S.	Colombia	10,230	7,097	3,133	7,080	3,030	-	3,030
Unión para la infraestructura Perú S.A.C.	Peru	44,384	22,775	21,609	32,316	(5,707)	-	(5,707)
P.A Dinamarca	Colombia	21,836	14,891	6,945	3,955	(3,504)	-	(3,504)
Vaccigen S.A.S. (Vaxthera)	Colombia	104,379	90,806	13,573	-	(11,813)	-	(11,813)

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

December 2022								
	Location	Asset	Liability	Equity	Income	Profit/ Loss	Other comprehensive income	Comprehensive income
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
Sociedad Administradora de Fondos de Cesantías Chile III S.A.	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 Perú S.A.C.	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

Balance and movement in associates

The following is the detail of investments in associates as of June 30, 2023 and December 31, 2022:

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, 2021	**10,034,891**	**5,504,372**	**4,974,246**	**1,441,403**	**30,152**	**21,985,064**
Additions [1]	-	31,104	-	-	24,791	**55,895**
(-) Transfer to subsidiaries [3]	-	-	-	(1,434,498)	-	**(1,434,498)**
Gain from equity method [2]	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 [4]	-	-	(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**
Gain from the equity method	778,161	149,635	142,141	-	20,443	**1,090,380**
Change in equity	(568,818)	170,820	(89,671)	-	1,112	**(486,557)**
(-) Dividends	(832,961)	(135,968)	(220,116)	-	(14,775)	**(1,203,820)**
(-) Transfers [5]	-	-	(5,142,273)	-	-	**(5,142,273)**
Adjustment in conversion	-	-	-	-	(6,772)	**(6,772)**
Balance at June 30, 2023	**11,090,057**	**6,286,975**	**-**	**-**	**71,423**	**17,448,455**

[1] In March 2022, 2,180,250 common shares of Grupo Argos S.A. were acquired.

[2] 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.

[3] As of November 2022, this company is transferred to a subsidiary.

[4] Corresponds to the dividend declared by Grupo SURA to Grupo Nutresa.

[5] Asset classified as non-current assets held for sale (See note 9).

Restrictions and commitments

There are 43,373,238 shares of Grupo Argos delivered in guarantee to back financial obligations at June 30, 2023 and December 31, 2022 for a book value of $846,292.

8.2. Joint ventures

The following is the detail of the cost of investments at June 30, 2023 and December 31, 2022:

	Interejecutiva	Viliv S.A.S. (1)	UPI Colombia (**)	UPI Perú (**)	P.A Dinamarca (*)	Vaccigen S.A.S. (Vaxthera S.A.S.)	Subocol S.A.	Total
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**
Additions	-	-	-	-	1,300	-	-	**1,300**
Gain from the equity method	904	-	1,515	(202)	(1,168)	(8,268)	(9)	**(7,228)**
Change in equity	(896)	-	-	(84)	-	(848)	(159)	**(1,987)**
(-) Dividends	-	-	(2,381)	-	-	-	-	**(2,381)**
Balance at June 30, 2023	**727**	**-**	**1,564**	**820**	**2,316**	**9,510**	**2,049**	**16,986**

(1) 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.

NOTE 9. NON-CURRENT ASSETS HELD FOR SALE

As informed by the Company through the relevant information mechanism on June 15, Grupo SURA has entered into a series of documents (the "Agreements") comprised of a framework agreement and annexed documents that regulate in detail the different aspects of a transaction (the "Transaction") to be carried out between Grupo SURA, JGDB Holding S. A.S. ("JGDB"), Nugil S.A.S. ("Nugil"), International Capital Holding L.L.C ("IHC"), Grupo Nutresa S.A. ("Grupo Nutresa") and Grupo Argos S.A. ("Grupo Argos"), collectively the parties (the "Parties"), in development of the Memorandum of Understanding ("MOU") that had been signed and announced to the market on May 24, 2023.

A Through these Agreements, the terms and conditions were defined to enter into a series of transactions which, once the pertinent corporate and regulatory authorizations are obtained and the agreed conditions are fulfilled, are expected to have the following results:

- JGDB, Nugil and IHC would become controlling shareholders of Grupo Nutresa's food business, with a shareholding of at least 87% of the outstanding common shares of such company.
- To achieve this result, Grupo Nutresa will carry out a symmetrical spin-off, as a result of which the food business will be separated from its investment portfolio in Grupo SURA and Grupo Argos. This operation will be described later in this Note.
- JGDB, Nugil and IHC will cease to be shareholders of Grupo SURA.
- Grupo SURA and Grupo Argos would cease to be shareholders of Grupo Nutresa.
- Grupo Nutresa ceases to be a shareholder of Grupo SURA and Grupo Argos.

The Contracts define the main activities, procedures, conditions and operations required to achieve the results outlined above, in addition to other obligations typical of this type of agreement, which must be fulfilled by each of the parties involved, as responsibilities are assigned in the Contracts and in the applicable laws. For illustrative purposes, below is a description of the stages that were defined in the Contracts, identifying the main obligations to be assumed by Grupo SURA.

- As indicated above, Grupo Nutresa would separate its Food business from its portfolio of investments in Grupo SURA and Grupo Argos, through a symmetrical spin-off operation, as a result of which a new company would be created that would own Grupo Nutresa's investments in Grupo Argos and Grupo SURA, which for the purposes of this Note will be called Nueva Sociedad Portafolio.

[1] The relevant information published by the Company regarding the Contracts is complemented with the publications of May 24 and June 29 of the current year.

- Grupo Nutresa's Food business would be maintained in a company that would be called Nutresa Alimentos for purposes of this disclosure.

- Both companies will be listed on the Colombian Stock Exchange.

- The spin-off would be symmetrical, which means that for each Grupo Nutresa share, each shareholder will keep one share of Nutresa Alimentos and will receive one share of the New Company. In the case of Nugil, the shares received in the New Company will be subsequently contributed to an autonomous patrimony once the spin-off is completed.

- Once the approval of the Grupo Nutresa Assembly is obtained, the following contributions would be made to an autonomous patrimony, whose constitution and operation would operate in accordance with the provisions of the Basic Legal Circular of the Financial Superintendency for trust businesses:

    - Grupo SURA would contribute the shares it owns in Grupo Nutresa.

    - Grupo Argos contributes the shares it owns in Grupo Nutresa.

    - Nugil, JGDB and IHC contribute the shares owned by them in Grupo SURA.

- Grupo SURA and Grupo Argos would jointly launch, in the proportion of 78.3% and 21.7% respectively, a takeover bid to all Nutresa "Alimentos" shareholders (i.e. after the spin-off of Portafolio) in which they may voluntarily and at their choice participate and choose between:

    - Sell Nutresa Alimentos shares at a price of USD 12 per share payable according to the conditions to be defined in the Tender Offer booklet, and/or

    - Exchange shares of Nutresa Alimentos, receiving shares of Grupo SURA and Nueva Sociedad Portafolio (formed by shares of Grupo SURA and Grupo Argos). The above, in the same terms in which Grupo SURA and Grupo Argos agreed to negotiate with Nugil, JGDB and IHC in the Contracts.

- The terms of the exchange and other conditions of the Offer will be published in the Tender Offer booklet.

- Once the Tender Offer is concluded, Grupo SURA and Grupo Argos will contribute to the AP the awards received up to 10.1%. Likewise, the Contracts establish regulations applicable to Grupo SURA and Grupo Argos in their capacity as bidders in relation to the contribution of this percentage of Nutresa Alimentos shares to the AP. The definition of the rules applicable to this stage and the impacts for Grupo SURA are conditioned to the fulfillment of conditions precedent that, if fulfilled, would be timely disclosed to the market.

    - The following table summarizes some scenarios and their effects on Grupo SURA, for illustrative purposes, that could arise in the takeover bid considering the possibility of choice that Nutresa's minority shareholders will have.

a) Number of Nutresa shares exchanged (millions of shares)	b) Number of Nutresa shares for cash (million of shares)	c) No. shares to complete 10.1% = a + b	d) Cash requirement bX12USD (USD millions)	e) Cash requirement Grupo Sura = d x 78.3% (USD millions)
46.2	-	46,2	0,0	0,0
34,7	11,6	46,2	$ 138,7	$ 108,5
23,1	23,1	46,2	$ 277,3	$ 217,1
11,6	34,7	46,2	$ 416,0	$ 325,6
-	46,2	46,2	$ 554,7	$ 434,2

- The tender offer acceptances received in excess of 10.1% and up to 23.1% would be paid by Grupo SURA and Grupo Argos to the tender offer shareholders and their value will be reimbursed, at the same price, by IHC to the Offerors.

- Subsequently, the AP would return the contributions made (by Grupo SURA, Grupo Argos, Nugil, JGDB and IHC), upon compliance with the conditions agreed between the Parties, resulting in the exchange of shares, with which:

    - JGDB, Nugil and IHC will be the controlling shareholders of Nutresa Alimentos, and

    - Grupo SURA and Grupo Argos will receive the shares of Nueva Sociedad Portafolio and Grupo SURA that were owned by Nugil, JGDB and IHC.

    - JGDB, Nugil and IHC would cease to be shareholders of Grupo SURA.

    - Grupo SURA and Grupo Argos would cease to be shareholders of Grupo Nutresa.

    - Grupo Nutresa ceases to be a shareholder of Grupo SURA and Grupo Argos.

  Once this stage is executed, Grupo SURA will present a reduction in its equity, as a result of a decrease in outstanding shares.

- Subsequently, the New Portfolio Company will be liquidated with the following effects:

    - Grupo SURA will receive its own and Grupo Argos' shares.

    - Grupo Argos will receive its own shares and Grupo SURA's shares.

    - The other shareholders of the New Portfolio Company will receive shares of Grupo SURA and Grupo Argos.

The execution of the stages described above is carried out sequentially, therefore, the completion of each of the phases of the transaction is conditioned to the fulfillment of conditions precedent, which in turn depend on the creation for the parties of the obligations and rights defined in the Contracts. Grupo SURA will inform the market in a timely manner of the progress of the execution of the operations and the corresponding impacts for the Company.

With the prior authorization of the Colombian Financial Superintendency and in order to guarantee compliance with applicable regulations at all times, part of the restitutions that Grupo SURA and Grupo Argos receive will be temporarily contributed to independent autonomous funds. The shares deposited there will not have political rights during the existence of these autonomous patrimonies.

To date, Grupo SURA has obtained all the necessary corporate authorizations for the execution of the Contracts and is in the process of taking the necessary steps before the regulatory authorities.

The Company will be evaluating the impacts derived in each of the stages of the execution of the transaction, as of June 30, 2023, based on the progress of the operation, the only effects identified are the classification of the investment in associate to non-current asset held for sale, the recognition of the deferred tax generated by the new classification and the suspension of the application of the equity method of its investment in the associate as of June 30, 2023.

Accounting policy for non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use; these assets or disposal groups are presented separately as non-current assets and liabilities in the statement of financial position at the lower of their carrying amount or fair value less costs to sell and are not depreciated or amortized from the date of classification.

This condition is met if the asset or group of assets is available for immediate sale in its present condition, the sale transaction is highly probable and is expected to be completed within one year from the classification date.

In order for the sale to be considered highly probable, the following conditions must be met:

- Management must be committed to a sale plan
- An active program to locate a buyer has been initiated
- The asset should be actively traded at a price that is reasonable in relation to its current fair value; and
- The sale is expected to be completed within one year from the date of classification.

Grupo SURA currently owns 163,005,625 common shares of Grupo Nutresa, which represent a 35.6% interest and exercises significant influence over it and is recorded as an investment in associates under the cost model and recognizes dividends charged to income.

Board of Directors on June 28, 2023 to advance in the execution of the Framework Agreement, the Management, after analyzing the requirements established in paragraph 8 of IFRS 5 - non-current assets held for sale, classified the investment of Grupo Nutresa S.A. to non-current assets available for sale, for an amount of $ 5,142,273, recognizing the asset at the lower of carrying amount and fair value less costs to sell, so there is no impairment. Likewise, the deferred tax associated with this new classification was recognized for $618,118[(1)], since the conditions to apply the exception described in IAS 12 Income Taxes are no longer met.

Consequently, and based on the accounting policy of applying the equity method to investments in an associate, the application of this method on Grupo Nutresa S.A. is suspended as from June 30, 2023.

At the closing of these financial statements, the Grupo Nutresa investment classified as held for sale is not a segment or geographic area of the Group; therefore, it does not meet the requirements to be presented as a discontinued operation.

(1) Carrying amount: $5,142,273; tax amount: $1,021,488; rate: 15%.

NOTE 10. DIVIDENDS PAID AND DECLARED

The General Shareholders' Meeting of Grupo SURA held on March 31, 2023, approved the following profit distribution project:

Dividends

An ordinary dividend of one thousand two hundred and eighty pesos (COP$1,280) per share, on 579,228,875 common and preferred shares.

The dividend was decreed from the occasional reserve not taxed with profits generated as of January 01, 2017 for $741,413.

	2023			2022		
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	1,280	597,403	466,720,702	784	365,909
Preferred shares	112,508,173	1,280	144,010	112,508,173	784	88,206
Total	**579,228,875**		**741,413**	**579,228,875**		**454,115**

The dividend will be payable and paid in cash quarterly in April 2023, July 2023, October 2023 and January 2024. 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 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.

El Grupo SURA y sus subsidiarias no tienen restricciones significativas en su capacidad para acceder o usar sus activos y liquidar sus pasivos diferentes a los resultantes de los marcos regulatorios.

NOTE 11. OTHER COMPREHENSIVE INCOME

The other comprehensive income by concept as of June 2023 and 2022 is presented below:

Concept	December 2022	Movement for the period	June 2023	Non-controlling interest other comprehensive income	Total Other comprehensive income
Gain (loss) on property revaluation (1)	227,873	(1,409)	226,464	(320)	**(1,729)**
New defined benefit plan measures	(3,953)	-	(3,953)	-	**-**
Gain (loss) from investments in equity instruments	(9,373)	9,738	365	4,979	**14,717**
(Loss) Gain Exchange difference on conversion (2)	4,524,266	(890,938)	3,633,328	(187,287)	**(1,078,225)**
Gain (loss) on cash flow hedges	(50,219)	(14,054)	(64,273)	(1,622)	**(15,676)**
Gain (loss) on derivative hedges of net investments in foreign operations	(365,454)	90,307	(275,147)	17,745	**108,052**
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (3)	3,877,184	(488,548)	3,388,636	4	**(488,544)**
Total net comprehensive income	**8,200,324**	**(1,294,904)**	**6,905,420**	**(166,501)**	**(1,461,405)**

Concept	December 2021	Movement for the period	June 2022	Non-controlling interest other comprehensive income	Total Other comprehensive income
Gain (loss) on property revaluation (1)	264,290	(24,626)	239,664	(5,726)	**(30,352)**
New defined benefit plan measures	(9,768)	-	(9,767)	-	**-**
Gain (loss) from investments in equity instruments	5,131	(16,121)	(10,990)	(3,555)	**(19,676)**
(Loss) Gain Exchange difference on conversion (2)	1,870,230	265,778	2,136,007	49,609	**315,387**
Gain (loss) on cash flow hedges	58,874	2,685	61,559	1,467	**4,152**
Gain (loss) on derivative hedges of net investments in foreign operations	(46,549)	(38,692)	(85,241)	(7,603)	**(46,295)**
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (3)	2,216,319	761,674	2,977,993	114	**761,788**
Total net comprehensive income	**4,358,527**	**950,698**	**5,309,225**	**34,306**	**985,004**

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

(2) The conversion differences component, represents the accumulated value of exchange differences arising from the conversion to the presentation currency of Grupo SURA's foreign subsidiaries. The cumulative conversion difference will be reclassified to the results of the period, partially or totally, when the foreign operation is disposed of.
As of June 30, 2023, the decrease in the foreign currency translation adjustment corresponds mainly to the translation of goodwill and other intangible assets in SURA Asset Management's subsidiaries located in Chile and Peru, amounting to -$465 billion and -$218 billion, respectively.

(3) The component accounts for changes in equity in associated companies and joint ventures by applying the equity method (See detail in Note 8. Investments in associated companies and joint ventures).

NOTE 12. NON-CONTROLLING INTEREST

The following table shows summarized financial information as of June 30, 2023 and December 2022, 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	
	June 2023	December 2022	June 2023	December 2022
Main domicile	**Colombia**		**Colombia**	
% Non-controlling interest	18.87%	18.87%	16.42%	16.42%
Ordinary income	14,777,543	25,211,263	3,149,240	3,939,791
Income from continuing operations	471,251	491,195	592,658	524,521
Income from discontinued operations	-	(818)	-	20,799

Other comprehensive income	(241,952)	528,175	(697,548)	2,205,990
Comprehensive income	229,299	1,018,552	(104,890)	2,751,310
Assets	39,270,774	41,517,197	31,491,464	31,871,391
Liabilities	33,102,975	35,227,337	18,279,933	18,176,840
Equity	6,167,799	6,289,860	13,211,531	13,694,551
Dividends paid to non-controlling interests	80,780	11,321	60,186	54,715

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/ Adjustment (1)		Grupo SURA and Subsidiaries	
	June 2023	December 2022	June 2023	December 2022	June 2023	December 2022	June 2023	December 2022
Non-controlling income	89,243	93,160	180,330	177,266	136	(81)	**269,709**	**270,345**
Total comprehensive income	42,365	192,497	60,711	541,259	133	10,919	**103,209**	**744,675**
Equity	1,037,487	907,723	3,013,918	2,538,728	(2,317,898)	(2,407,364)	**1,733,507**	**1,039,087**
Total non-controlling interests equity	**1,169,095**	**1,193,380**	**3,254,959**	**3,257,253**	**(2,317,629)**	**(2,396,526)**	**2,106,425**	**2,054,107**

(1) Includes reclassification to liabilities of commitments with non-controlling interests in Note 5.2.4.

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 5.2.3.

NOTE 13. OPERATING SEGMENTS

13.1. 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 situation.

- *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 (Sura AM)

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.
- *Insurance and Annuities:* 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.

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

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.

13.2. Information about operating segments
Consolidated Income Statement at June 30, 2023 by Segment

June 2023	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Continuing operations						
Income						
Insurance premiums	-	9,978,136	1,006,417	-	(5,658)	**10,978,895**
Premiums for health services	-	4,613,728	-	15,200	(138)	**4,628,790**
Premiums issued	**-**	**14,591,864**	**1,006,417**	**15,200**	**(5,796)**	**15,607,685**
Premiums ceded in reinsurance	-	(2,267,179)	(5,166)	-	-	**(2,272,345)**
Retained premiums (net)	**-**	**12,324,685**	**1,001,251**	**15,200**	**(5,796)**	**13,335,340**
Net production reserves	-	158,570	(1,115,925)	-	-	**(957,355)**
Retained earned premiums	**-**	**12,483,255**	**(114,674)**	**15,200**	**(5,796)**	**12,377,985**
Return on investments	10,232	979,173	497,413	2,107	(381)	**1,488,544**
Net gain on investments at fair value	(8,924)	585,372	492,950	(3,266)	2,294	**1,068,426**
Commission Income	-	402,671	2,097,120	660	(5,772)	**2,494,679**
Sale of services	-	42,445	1,175	136,821	(32,210)	**148,231**
Gains from equity method [1]	1,947,137	(9,446)	21,756	28,681	(905,558)	**1,082,570**
Gains from sales of investments	-	5,770	91,171	-	-	**96,941**
Other income	32,200	288,303	62,329	2,610	(32,793)	**352,649**
Total income	**1,980,645**	**14,777,543**	**3,149,240**	**182,813**	**(980,216)**	**19,110,025**
Costs and expenses						
Insurance claims	-	(4,722,960)	(543,523)	-	378	**(5,266,105)**
Health service claims	-	(4,496,065)	-	(8,551)	4	**(4,504,612)**
Total claims	**-**	**(9,219,025)**	**(543,523)**	**(8,551)**	**382**	**(9,770,717)**
Reimbursement of claims	-	22,867	-	-	-	**22,867**
Retained claims	**-**	**(9,196,158)**	**(543,523)**	**(8,551)**	**382**	**(9,747,850)**
Expenses for commissions to intermediaries	-	(2,121,321)	(38,016)	(1)	5	**(2,159,333)**
Insurance costs and expenses	-	(832,936)	(311,989)	(2,378)	612	**(1,146,691)**
Costs of provision of services	-	(113,591)	-	(97,907)	695	**(210,803)**
Administrative expenses [2]	(37,360)	(792,326)	(492,610)	(19,331)	31,988	**(1,309,639)**
Employee benefits [3]	(14,390)	(860,657)	(422,151)	(18,903)	1,717	**(1,314,384)**
Fees	(30,083)	(121,020)	(100,632)	(601)	8,987	**(243,349)**
Depreciation and amortization	(1,227)	(139,928)	(202,972)	(39,331)	32,177	**(351,281)**
Other expenses	-	12,598	(46,597)	305	-	**(33,694)**
Total costs and expenses	**(83,060)**	**(14,165,339)**	**(2,158,490)**	**(186,698)**	**76,563**	**(16,517,024)**
Operating profit	**1,897,585**	**612,204**	**990,750**	**(3,885)**	**(903,653)**	**2,593,001**
Financial Results	**(341,171)**	**(20,900)**	**(100,069)**	**(4,486)**	**378**	**(466,248)**
Income from continuing operations before income tax	**1,556,414**	**591,304**	**890,681**	**(8,371)**	**(903,275)**	**2,126,753**
Provision for income tax	(490,548)	(120,053)	(298,022)	(756)	(124,508)	**(1,033,887)**
Net gains, continued operations	**1,065,866**	**471,251**	**592,659**	**(9,127)**	**(1,027,783)**	**1,092,866**
Net gains discontinued operations	-	-	-	-	-	**-**
Net income	**1,065,866**	**471,251**	**592,659**	**(9,127)**	**(1,027,783)**	**1,092,866**
Net income attributable to controlling shareholders	1,065,866	470,859	493,594	(9,081)	(1,198,081)	**823,157**
Net income attributable to non-controlling interest	-	392	99,065	(46)	170,298	**269,709**

(1) Includes dividend from associates for 1,161,899 and PPM from subsidiaries for 785,238, which is eliminated in the consolidation process.

Consolidated Income Statement at June 30, 2022 by Segment

June 2022	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Continuing operations						
Income						
Insurance premiums	-	8,552,700	286,423	-	(6,842)	**8,832,281**
Premiums for health services	-	3,692,971	-	11,264	(118)	**3,704,117**
Premiums issued	**-**	**12,245,671**	**286,423**	**11,264**	**(6,960)**	**12,536,398**
Premiums ceded in reinsurance	-	(1,732,259)	(3,786)	-	1	**(1,736,044)**
Retained premiums (net)	**-**	**10,513,412**	**282,637**	**11,264**	**(6,959)**	**10,800,354**
Net production reserves	-	(273,494)	179,139	-	-	**(94,355)**
Retained earned premiums	**-**	**10,239,918**	**461,776**	**11,264**	**(6,959)**	**10,705,999**
Return on investments	519	672,450	304,572	119	(102)	**977,558**
Net gain on investments at fair value	1,814	304,262	(515,477)	(31,543)	179	**(240,765)**
Commission Income	-	318,969	1,226,217	226	(1,319)	**1,544,093**
Sale of Services	-	44,529	7	116,284	(26,415)	**134,405**
Gains from equity method (1)	1,203,230	(17,330)	(25,448)	72,996	(187,474)	**1,045,974**
Gains from sales of investments	-	(15,419)	12,174	-	-	**(3,245)**
Other income	21,474	219,555	42,772	7,676	(21,502)	**269,975**
Total income	**1,227,037**	**11,766,934**	**1,506,593**	**177,022**	**(243,592)**	**14,433,994**
Costs and expenses						
Insurance claims	-	(5,314,694)	(255,886)	-	1,627	**(5,568,953)**
Health service claims	-	(3,558,832)	-	(7,113)	4	**(3,565,941)**
Total claims	**-**	**(8,873,526)**	**(255,886)**	**(7,113)**	**1,631**	**(9,134,894)**
Reimbursement of claims	-	1,455,885	-	-	-	**1,455,885**
Retained claims	**-**	**(7,417,641)**	**(255,886)**	**(7,113)**	**1,631**	**(7,679,009)**
Expenses for commissions to intermediaries	-	(1,669,436)	(2,600)	-	-	**(1,672,036)**
Insurance costs and expenses	-	(665,290)	(210,633)	(15)	(26)	**(875,964)**
Costs of provision of services	-	(98,560)	-	(85,831)	519	**(183,872)**
Administrative expenses (2)	(28,270)	(640,584)	(249,569)	(12,256)	26,521	**(904,158)**
Employee benefits (3)	(13,911)	(669,644)	(280,866)	(15,131)	782	**(978,770)**
Fees	(27,965)	(102,215)	(51,794)	(881)	5,138	**(177,717)**
Depreciation and amortization	(1,282)	(114,899)	(147,045)	(29,324)	21,453	**(271,097)**
Other expenses	(1)	(48)	(10,430)	(51)	(1)	**(10,531)**
Total costs and expenses	**(71,429)**	**(11,378,317)**	**(1,208,823)**	**(150,602)**	**56,017**	**(12,753,154)**
Operating profit	**1,155,608**	**388,617**	**297,770**	**26,420**	**(187,575)**	**1,680,840**
Financial Results	**(241,003)**	**(82,568)**	**(162,789)**	**(2,201)**	**103**	**(488,458)**
Income from continuing operations before income tax	**914,605**	**306,049**	**134,981**	**24,219**	**(187,472)**	**1,192,382**
Provision for income tax	(1,322)	(52,169)	(91,721)	(1,954)	-	**(147,166)**
Net gains continuous operations	**913,283**	**253,880**	**43,260**	**22,265**	**(187,472)**	**1,045,216**
Net gains from discontinued operations	-	(818)	86	-	1	**(731)**
Net income	**913,283**	**253,062**	**43,346**	**22,265**	**(187,471)**	**1,044,485**
Net income attributable to controlling shareholders	913,283	252,697	42,817	22,245	(244,088)	**986,954**

Net income attributable to non-controlling interest	-	365	529	20	56,617	**57,531**

(1) Includes dividends from associates for 931,885 and MPP from subsidiaries for 271,345, which is eliminated in the consolidation process.

(2) The variation in administrative expenses is mainly due to the entry to the consolidation perimeter of the companies of Protección S.A., additionally in SURA there is an increase due to the transformation in the operating models.

(3) The increase in employee benefits is mainly due to annual salary adjustments, additionally in SURA AM there are severance indemnities and the consolidation of the Protección S.A. companies.

Consolidated Statement of Financial Position as of June 30, 2023 by segment

June 2023	Grupo Sura	Suramericana and Subsidiaries	Sura Asset Management and Subsidiaries	Others	Eliminations and adjustments	Total
Assets						
Investments	73,054	19,560,332	18,415,596	71,933	-	**38,120,915**
Assets under insurance contracts	-	6,038,292	-	-	(37)	**6,038,255**
Assets under reinsurance contracts	-	5,841,119	2,577	-	-	**5,843,696**
Investments in associated companies and joint ventures	10,177,933	13,875	74,690	45,743	7,153,200	**17,465,441**
Goodwill	-	676,740	5,307,248	24,950	1,767	**6,010,705**
Non-current assets held for sale	4,312,229	3,643	-	819	830,044	**5,146,735**
Other assets	19,095,992	7,136,773	7,691,353	332,009	(17,802,402)	**16,453,725**
Total assets	**33,659,208**	**39,270,774**	**31,491,464**	**475,454**	**(9,817,428)**	**95,079,472**
Liabilities						
Financial liabilities	967,960	473,956	2,969	13,068	-	**1,457,953**
Liabilities under insurance contracts	-	25,945,106	11,427,948	-	(16)	**37,373,038**
Other accounts payable and accounts payable to related parties	703,615	2,171,401	876,500	56,175	(351,509)	**3,456,182**
Issued bonds and preferred shares	4,265,039	600,078	3,570,827	-	1	**8,435,945**
Other liabilities	549,841	3,912,434	2,401,689	62,200	3,330,473	**10,256,637**
Total liabilities	**6,486,455**	**33,102,975**	**18,279,933**	**131,443**	**2,978,949**	**60,979,755**
Total equity	**27,172,753**	**6,167,799**	**13,211,531**	**344,011**	**(12,796,377)**	**34,099,717**
Total equity and liabilities	**33,659,208**	**39,270,774**	**31,491,464**	**475,454**	**(9,817,428)**	**95,079,472**

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**
Non-current assets held for sale	-	6,004	-	-	-	**6,004**
Other assets	19,448,093	7,033,819	9,200,712	358,763	(18,124,759)	**17,916,628**
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**

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

13.3. 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:

	Accumulated		Quarter	
	June 2023	**June 2022**	**June 2023**	**June 2022**
Colombia	12,660,050	9,726,128	6,265,772	5,004,194
Chile	2,416,100	1,795,538	1,281,578	1,001,503
Mexico	1,409,103	947,973	704,007	470,598
Argentina	737,021	657,799	356,468	392,078
Brazil	419,970	338,353	210,011	175,252
El Salvador	415,121	230,116	211,320	117,205
Uruguay	321,723	214,774	159,871	113,753
Panama	299,084	220,610	144,603	115,228
Peru	277,646	172,899	130,904	68,879
Dominican Republic	163,729	118,674	83,769	63,924
United States	123	-	89	-
Bermuda	(9,645)	11,130	(7,747)	2,878
Total	**19,110,025**	**14,433,994**	**9,540,645**	**7,525,492**

As of June 2023, and 2022, the Group has no customers representing 10% or more of consolidated revenues.

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

	June 2023	**December 2022**
Colombia	72,271,820	70,587,569
Chile	11,958,974	14,883,746
Mexico	3,600,191	3,970,585
Argentina	1,749,457	2,036,941
Brazil	1,259,763	1,378,969
Panamá	895,250	1,074,682
Uruguay	812,108	1,017,522
Perú	751,582	1,058,877
El Salvador	740,578	977,608
Dominican Republic	670,921	923,435
Bermuda	366,365	480,778
United States	2,463	2,753
Total	**95,079,472**	**98,393,465**

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

	June 2023	**June 2022**	**June 2023**	**June 2022**
Colombia	402,845	758,229	(330,603)	376,704
Mexico	325,835	263,576	238,721	232,679
Chile	200,723	36,019	111,965	13,832
Peru	75,100	(892)	32,333	(10,008)
El Salvador	51,940	9,528	28,868	4,803
Argentina	30,224	16,337	27,556	9,573
Uruguay	13,047	(2,087)	7,893	(1,440)
Brazil	5,659	1,272	2,629	(3,155)
Dominican Republic	2,290	(282)	4,309	(187)
Bermuda	200	892	(1,330)	(5,182)
United States	(2,355)	(637)	(1,366)	(417)
Panama	(12,642)	(37,470)	(11,820)	(14,309)
Total	**1,092,866**	**1,044,485**	**109,155**	**602,893**

NOTE 14. COMMISSION INCOME AND EXPENSES

14.1. Commission income

Commission income for Grupo SURA is detailed below:

	Accumulated		Quarter	
	June 2023	**June 2022**	**June 2023**	**June 2022**
Management of mandatory pension funds (1)	1,666,502	1,023,677	763,386	515,112
Gains on disposals	381,681	298,458	214,633	162,263
Management of voluntary pension funds (1)	233,504	39,773	171,145	19,392
Others (2)	209,804	174,601	81,842	70,593
Participation in gains of reinsurers	3,123	6,917	1	-
Insurance commission income	65	55	6	16
Reinsurance income/cancellations	-	612	-	-
Total	**2,494,679**	**1,544,093**	**1,231,013**	**767,376**

(1) As of June 2023, the companies Protección S.A. of Colombia and AFP Crecer of El Salvador are included within the consolidation perimeter; as of June 2022, these companies were not consolidated.
(2) Includes mainly income from the management of Sura Investments' client portfolio.

14.2. Expenses for commissions paid to intermediaries

The detail of commissions paid to intermediaries is presented below:

	Accumulated		Quarter	
	June 2023	**June 2022**	**June 2023**	**June 2022**
Deferred acquisition cost (DAC) *	(733,604)	(471,858)	(283,415)	(195,019)
Property and casualty insurance*	(637,852)	(555,123)	(323,437)	(330,845)
Insurance administration	(312,499)	(287,398)	(170,354)	(153,804)
Affinity Commissions	(146,918)	(87,185)	(74,783)	(45,121)
Profit Sharing Affinity	(115,511)	(90,351)	(60,120)	(47,494)
Collection commissions (collection)	(67,778)	(36,217)	(35,714)	(18,628)
Occupational risk	(59,329)	(51,312)	(31,315)	(27,073)
Employee benefits	(39,763)	(52,542)	(22,311)	(27,681)
Social security insurance	(12,348)	(10,701)	(5,807)	(5,421)
Brokerage commissions	(11,296)	(11,286)	(5,155)	(5,836)
Commissions for data processing and collection of contributions	(6,697)	(5,172)	(3,310)	(2,545)
Commissions for sales and services	(5,906)	(5,037)	(3,289)	(2,237)
Rebates paid	(3,855)	(3,324)	(1,212)	(1,617)
Accepted coinsurance	(2,832)	1,632	(1,542)	3,273
Advisor bonuses	(2,368)	(3,268)	(1,686)	(682)
Profit Sharing Advisors	(500)	-	(500)	-
Acceptance fees	(275)	(498)	-	(130)
Mandatory insurance	(2)	(2,396)	-	(1,247)
Total	**(2,159,333)**	**(1,672,036)**	**(1,023,950)**	**(862,107)**

* The variation is explained by increases in Seguros de Vida and Seguros Generales Colombia where higher production received is seen, which generates a higher payment of commissions. And General Insurance Chile where the increase in commissions is in line with an increase in issuance, compared to the first quarter of the previous year, associated with a mix of solutions mainly Home Mortgage, Cargo, Severance and Commercial Property.

NOTE 15. FINANCIAL RESULT

Financial income and expenses as of June 30, 2023 and 2022 are detailed below:

Accumulated Quarter

	June 2023	June 2022	June 2023	June 2022
Earnings at fair value – Derivatives (1)	13,782	6,845	18,669	23,715
Exchange difference (net) (2)	73,602	(33,702)	27,204	21,868
Interests (3)	(553,632)	(461,601)	(285,797)	(250,599)
Total	**(466,248)**	**(488,458)**	**(239,924)**	**(205,016)**

(1) Corresponds to the valuation of trading derivatives Note 5.2.1.2.
(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:

	Accumulated		Quarter	
	June 2023	June 2022	June 2023	June 2022
Bond issued	(361,860)	(291,134)	(175,994)	(151,259)
Bank loans	(69,531)	(34,350)	(36,393)	(19,562)
Hedging operations	(66,920)	(63,743)	(47,488)	(39,225)
Financial leasing	(23,202)	(16,993)	(9,307)	(8,475)
Preferred shares	(20,012)	(20,017)	(10,060)	(10,062)
Debt securities	(1,888)	(24,811)	(816)	(16,216)
Repo operations	(1,634)	(1,812)	(1,090)	(1,446)
Sub total	**(545,047)**	**(452,860)**	**(281,148)**	**(246,245)**
Others*	(8,585)	(8,741)	(4,649)	(4,354)
Total	**(553,632)**	**(461,601)**	**(285,797)**	**(250,599)**

*Includes return on Protección funds and loans to employees.

NOTE 16. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the income for the period attributable to shareholders, by the weighted average number of common shares outstanding during the period

The calculation of basic earnings per share is detailed below:

	Accumulated		Quarter	
	June 2023	June 2022	June 2023	June 2022
Profit, net	1,092,866	1,044,483	109,156	602,894
Non-controlling profit	269,709	57,529	120,274	45,211
Profit of controlling shareholder	**823,157**	**986,954**	**(11,118)**	**557,683**
Profit, net of discontinued operations	-	(731)	(1)	(632)
Profit, net of non-controlling discontinued operations	-	14	-	(6)
Profit, net from discontinued operations of controlling shareholder	**-**	**(745)**	**(1)**	**(626)**
Less: Preferred dividends declared- Preferred stock interest	(144,010)	(88,206)	(36,003)	(22,052)
Plus: Preferred stock interest expense (1)	20,012	20,017	10,060	10,062
Less: Undistributed earnings to preferred stockholders (2)	(47,737)	(124,518)	29,215	(92,509)
Profit from continuing operations	**651,421**	**794,991**	**(7,845)**	**453,810**
Ordinary shares (3)	466,720,702	466,720,702	466,720,702	466,720,702
Earnings per share from continuing operations	**1,396**	**1,703**	**(17)**	**971**
Number of shares to be issued from commitments with non-controlling interests	30,768,399	25,712,810	2,953,654	306,930
Ordinary income from continuing operations with dilutive effects	**680,720**	**802,612**	**15,019**	**467,215**
Earnings per share diluted earnings per share from continuing operations	**1,368**	**1,630**	**22**	**955**
Earnings per share diluted earnings per share discontinued operations	**-**	**(2)**	**-**	**(2)**

(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 5.2.3 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 as of June 30, 2023 is $ 27 and $ 67 as of June 30, 2022.

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

NOTE 17. RISK MANAGEMENT

Below are the main risks around which Grupo SURA, Suramericana and SURA Asset Management (hereinafter the Companies) prioritize and focus their management, grouped into three categories: Financial risks, business risks, systemic risk and operational 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. Crédit 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 5.1.2. 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 Companies' treasuries, 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 backing.

To date, the Companies' treasury investments are mostly concentrated in liquid mutual funds managed by high credit quality managers, savings 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 as of June 30, 2023 (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+
Davivienda S.A.	BB+
BBVA S.A.	AAA*
Bancolombia S.A.	AAA*

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.	BB+
Bancolombia S.A.	BB+

Suramericana

Counterparty	Rating
Banco JP Morgan Colombia S.A.	BB+
Banco de Comercio Exterior de Colombia S.A.	BB+
Banco de Bogotá S. A.	BB+
Citibank	BB+
Banco Davivienda S.A.	BB+
Banco Itaú Corpbanca Colombia S.A.	BB+
JP Morgan Chase Bank	AA-

**Local rating - Colombia*

1.2 Credit Risk Management:

The insurance companies, when managing the investment portfolios that support the technical reserves, manage the exposure to credit risk through policies for the allocation of quotas, 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. As a result, these portfolios are mostly invested in fixed income instruments, with a 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):

Fixed Income Assets by Credit Rating - June 2023 (International Scale)

	Suramericana										SURA AM	
	Argentina	Brazil	Chile	Colombia	El Salvador	Mexico	Panama	Dom Rep	Uruguay	Bermuda	Chile	Colombia
Rating	CCC-	BB-	A-	BB+	CC	BBB	BBB	BB	BBB	A	A+	BB+
Government	52%	82%	21%	46%	10%	65%	0%	31%	65%	0%	23%	86%
AAA	0%	0%	0%	1%	0%	0%	0%	0%	7%	26%	0%	0%
AA+	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	0%
AA	0%	0%	0%	0%	0%	0%	0%	0%	7%	0%	0%	0%
AA-	0%	0%	0%	0%	0%	0%	0%	0%	7%	0%	0%	0%
A+	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%
A	0%	0%	46%	0%	0%	0%	1%	0%	1%	27%	17%	0%
A-	0%	0%	8%	0%	0%	0%	0%	0%	1%	0%	0%	12%
BBB+	0%	0%	11%	1%	0%	0%	3%	0%	6%	0%	0%	1%
BBB	0%	0%	9%	0%	0%	0%	7%	0%	3%	11%	55%	0%
BBB-	0%	0%	1%	0%	0%	30%	8%	0%	4%	0%	0%	0%
BB+	0%	0%	0%	40%	0%	1%	28%	0%	0%	36%	0%	0%
BB	0%	0%	0%	6%	0%	2%	0%	3%	0%	0%	6%	0%
BB-	0%	0%	1%	4%	0%	2%	0%	18%	0%	0%	0%	0%
Others	48%	18%	4%	0%	90%	0%	50%	48%	0%	0%	1%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Fixed Income Assets by Credit Rating - March 2023 (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	53%	70%	21%	48%	13%	78%	4%	42%	61%	23%	23%	87%
AAA	0%	0%	0%	0%	0%	0%	0%	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%	28%	0%	0%
A	0%	0%	45%	0%	0%	0%	3%	0%	1%	6%	18%	0%
A-	0%	0%	7%	0%	0%	0%	0%	0%	8%	32%	0%	0%
BBB+	0%	0%	10%	1%	0%	0%	0%	0%	7%	0%	0%	0%
BBB	0%	0%	11%	0%	1%	0%	3%	0%	10%	0%	53%	0%
BBB-	0%	0%	1%	0%	0%	15%	20%	0%	4%	0%	0%	0%
BB+	0%	0%	0%	40%	0%	3%	3%	0%	0%	0%	0%	11%
BB	0%	0%	0%	10%	0%	2%	27%	0%	0%	0%	6%	1%
BB-	0%	30%	1%	1%	0%	2%	10%	0%	0%	11%	0%	1%
Others	47%	0%	4%	0%	86%	0%	30%	58%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

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

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

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

It is important to note that, at the end of each reporting period, companies assess whether it is probable 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, 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 occurring after the impairment was recognized, the previously recognized impairment loss must be reversed.

Credit risk in exposures with financial derivatives:

The following table presents the detail of financial derivative exposures of the Companies, by credit rating:

Exposure in financial derivatives by counterparty - June 2023		
Grupo SURA		
Counterparty	**International rating**	**Net exposure**
Merrill Lynch International	A+	55,424

Citibank N.A.	A+	60,912
JP Morgan Chase Bank, N.A.	A+	113,099
Morgan Stanley & Co International PLC	A+	11,332
Goldman Sachs International	A+	28,359
Davivienda S.A.	BB+	(18,543)
BBVA S.A.	BB+	(3,850)
Bancolombia S.A.	BB+	(5,487)

Exposure in financial derivatives by counterparty - March 2023		
Grupo SURA		
Counterparty	**International rating**	**Net exposure**
Merrill Lynch International	A+	122,852
Citibank N.A.	A+	125,390
JP Morgan Chase Bank, N.A.	A+	217342
Morgan Stanley & Co International PLC	A+	24,013
Goldman Sachs International	A+	77,791
Davivienda S.A.	BB+	(7,332)
BBVA S.A.	BB+	(5,515)
Bancolombia S.A.	BB+	(3,652)

Exposure in financial derivatives by counterparty - June 2023		
Suramericana – Seguros SURA Colombia		
Counterparty	**International rating**	**Net exposure**
Banco JP Morgan Colombia S.A.	BB+	34,475
Banco de Comercio Exterior de Colombia S.A.	BB+	8,509
Banco de Bogotá S. A.	BB+	0
Citibank Colombia	BB+	10,4780
Banco Davivienda S.A.	BB+	6,877
Banco Itaú Corpbanca Colombia S.A.	BB+	7,845
Goldman Sachs	A	811
JP Morgan Chase & Co	AA-	73,633

Exposure in financial derivatives by counterparty - March 2023		
Suramericana – Seguros SURA Colombia		
Counterparty	**International rating**	**Net exposure**
Banco JP Morgan Colombia S.A.	BB+	13,891
Banco de Comercio Exterior de Colombia S.A.	BB+	2,604
Banco de Bogotá S. A.	BB+	0
Citibank Colombia	BB+	2,554
Banco Davivienda S.A.	BB+	4,434
Banco Itaú Corpbanca Colombia S.A.	BB+	1,982
Goldman Sachs	A	89
JP Morgan Chase & Co	AA-	9,337

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 Treasuries

In the Companies' treasury, 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 period, the treasury of Grupo SURA carried out exchange rate hedges to cover some options that, given the devaluation of the Colombian peso, were uncovered due to the level reached.

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 in fixed-income assets, mutual funds, cash and banks, aligned with the uses to which they will be put, including dividend payments or reinvestment 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 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 – June 2023					
Suramericana					
Country	**Local currency ***	**Real local currency ****	**USD**	**Other**	**Total**
Argentina	35%	0%	65%	0%	**100%**
Bermuda	0%	0%	100%	0%	**100%**
Brazil	100%	0%	0%	0%	**100%**
Chile	14%	85%	1%	0%	**100%**
Colombia	57%	37%	6%	0%	**100%**
El Salvador	0%	0%	100%	0%	**100%**
Mexico	71%	19%	10%	0%	**100%**
Panama	0%	0%	100%	0%	**100%**
Dominican Republic	85%	0%	15%	0%	**100%**
Uruguay	67%	8%	25%	0%	**100%**
SURA Asset Management					
Country	**Local currency ***	**Real local currency ****	**USD**	**Other**	**Total**
Chile	2%	98%	0.0%	0%	**100%**
Colombia	17%	83%	0.0%	0%	**100%**

Assets, in each Country, by type of currency - March 2023
Suramericana

Country	Local currency *	Real local currency **	USD	Other	Total
Argentina	37%	0%	63%	0%	**100%**
Bermuda	0%	0%	100%	0%	**100%**
Brazil	100%	0%	0%	0%	**100%**
Chile	17%	79%	4%	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	83%	0%	17%	0%	**100%**
Uruguay	57%	15%	28%	0%	**100%**

SURA Asset Management					
Country	**Local currency ***	**Real local currency ****	**USD**	**Other**	**Total**
Chile	0%	100%	0%	0%	**100%**
Colombia	15%	85%	0%	0%	**100%**

This table includes the Unit Linked funds (product of insurance and savings component offered by insurers of SURA Asset Management), because they are included in the financial statements of the Companies, even though the risk of the performance of the investment is assumed by the insured.

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

*** Real 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	**June 2023**	**March 2023**
Argentina	(39,876)	(45,641)
Bermuda	-	-
Brazil	(1,496)	47
Chile	(3,827)	(2,057)
Colombia	(55,890)	1,722
El Salvador	-	-
Mexico	(327)	(3,788)
Panama	-	-
Dominican Republic	(2,133)	(5,052)
Uruguay	133	223

Total	**(103,416)**	**(54,546)**
SURA Asset Management		
(-10%) in Exchange Rate	**June 2023**	**March 2023**
Chile	-	-
Colombia	-	(2,018)
Total	**-**	**(2,018)**

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.

Sensitivity analysis on Grupo SURA's exposure to exchange rate risk

The following is a sensitivity analysis to estimate the impact of exchange rate fluctuations on the Company's U.S. dollar liabilities and financial derivatives, and as such, on the Company's pre-tax earnings.

These sensitivities are made taking into account simulated variations of +/- 10% in the peso-dollar exchange rate compared to its closing value and represent the amounts by which the pre-tax profit would be impacted in the event of such movement:

Exchange rate sensitivities

Impact on pre-tax income - June 2023

Exchange Rate 4,177.58	+10% in exchange rate	-10% in exchange rate
Financial Liabilities	(16,975)	16,975
Derivatives	-	-
Total	**(16,975)**	**16,975**

Exchange rate sensitivities

Impact on income before income taxes - March 2023

Exchange Rate 4,646.08	+10% in exchange rate	-10% in exchange rate
Financial Liabilities	(21,979)	21,979
Derivatives	-	-
Total	**(21,979)**	**21,979**

Amounts in millions of pesos

For the analysis of the results, it is important to highlight that those financial obligations in foreign currency whose associated derivatives are classified as hedge accounting, reflect the mitigation of the impact on results for the hedged exposure of the flows. For this reason, the effects of changes in exchange rate prices are not reflected in the statement of income.

2.2.1 Interest rate and other asset exposure

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

Exposures to Fixed-Income and Equity Assets and Other Assets - June 2023

Suramericana

	Fixed tax					
Country	Fixed rate	Variable rate	Subtotal	Variable rate	Others	Total
Argentina	67%	21%	**88%**	12%	0%	**100%**
Bermuda	100%	0%	**100%**	0%	0%	**100%**
Brazil	0%	92%	**92%**	8%	0%	**100%**
Chile	84%	13%	**97%**	1%	2%	**100%**
Colombia	58%	29%	**87%**	7%	6%	**100%**
El Salvador	100%	0%	**100%**	0%	0%	**100%**
Mexico	97%	3%	**100%**	0%	0%	**100%**
Panama	95%	0%	**95%**	5%	0%	**100%**
Dominican Republic	98%	0%	**98%**	2%	0%	**100%**
Uruguay	0%	99%	**99%**	1%	0%	**100%**

SURA Asset Management

	Fixed tax					
Country	Fixed rate	Variable rate	Subtotal	Variable rate	Others	Total
Chile	79%	0%	**79%**	**2%**	**19%**	**100%**
Colombia	91%	9%	**100%**	**0%**	**0%**	**100%**

Exposures to Fixed Income and Equity Assets – March 2023

Suramericana

	Fixed tax					
Country	Fixed rate	Variable rate	Subtotal	Variable rate	Others	Total
Argentina	66%	22%	**88%**	**12%**	**0%**	**100%**
Bermuda	100%	0%	**100%**	**0%**	**0%**	**100%**
Brazil	0%	91%	**91%**	**9%**	**0%**	**100%**
Chile	79%	18%	**97%**	**1%**	**2%**	**100%**
Colombia	57%	31%	**88%**	**7%**	**5%**	**100%**
El Salvador	100%	0%	**100%**	**0%**	**0%**	**100%**
Mexico	97%	3%	**100%**	**0%**	**0%**	**100%**
Panama	88%	0%	**88%**	**12%**	**0%**	**100%**
Dominican Republic	98%	0%	**98%**	**2%**	**0%**	**100%**

Uruguay	0%	99%	**99%**	**1%**	**0%**	**100%**

SURA Asset Management						
		Fixed tax				
Country	**Fixed rate**	**Variable rate**	**Subtotal**	**Variable rate**	**Others**	**Total**
Chile	80%	0%	**80%**	**0%**	**20%**	**100%**
Colombia	100%	0%	**100%**	**0%**	**0%**	**100%**

In the case of SURA Asset Management, Unit Linked funds are included, since they are part of the financial accounts of the insurance companies, even though the risk of investment performance is assumed by the policyholder.

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	**June 2023**	**March 2023**
Argentina	(1,408)	(1,496)
Bermuda	-	-
Brazil	(421)	(481)
Chile	(4)	(5)
Colombia	(2,080)	(2,008)
El Salvador	(11)	(13)
Mexico	(260)	(308)
Panama	(188)	(214)
Dominican Republic	-	-
Uruguay	(124)	(137)
Total	**(4,496)**	**(4,662)**

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

SURA Asset Management – June 2023		
Business Unit	**Liabilities reserves**	**Sufficiency of reserves**
Chile	5,152,291	3.3%
Colombia	5,913,221	1.2%

Interest rate sensitivities - Reinvestment risk

SURA Asset Management – March 2023		
Business Unit	**Liabilities reserves**	**Sufficiency of reserves**
Chile	5,684,976	2.7%
Colombia	5,405,391	1.9%

Sensitivity analysis on the exposure to interest rate risk in Grupo SURA

The following is a sensitivity analysis with the objective of estimating the impact that a variation in the interest rate would have on the valuation of the hedging derivatives, based on scenarios of +/- 10 PB in the interest rate in pesos:

Interest rate sensitivities

	Impact on pre-tax income	
June 2023	**+10bp in the interest rate**	**-10bp in the interest rate**
Financial liabilities	278	(279)
Derivatives	-	-
Total	**278**	**(279)**

	Impact on pre-tax income	
March 2023	**+10bp in the interest rate**	**-10bp in the interest rate**
Financial liabilities	412	(414)
Derivatives	-	-
Total	**412**	**(414)**

Amounts in millions of pesos

2.2.2 Price Variation Risk: 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				
	June 2023		March 2023	
Business Unit	(-10%) in Shares Price	(-10%) in Real Estate	(-10%) in Shares Price	(-10%) in Real Estate
Argentina	-	-	-	-
Bermuda	-	-	-	-
Brazil	-	-	-	-
Chile	(21)	(2,470)	(24)	(2,735)
Colombia	(50,531)	(79,258)	(37,253)	(71,896)
El Salvador	-	-	-	-
Mexico	(248)	-	(156)	-
Panama	(102)	-	(127)	-
Dom. Rep	(339)	-	(380)	-
Uruguay	(172)	-	(200)	-
Total	**(51,413)**	**(81,728)**	**(38,140)**	**(74,631)**

Sensitivities, at the price of shares and real estate assets

SURA Asset Management				
	June 2023		March 2023	
Business Unit	(-10%) in Shares Price	(-10%) in Real Estate	(-10%) in Shares Price	(-10%) in Real Estate
Chile	(3,742)	(42,106)	(727)	(48,158)
Colombia	(590)	-	(780)	-
Total	**(4,332)**	**(42,106)**	**(1,507)**	**(48,158)**

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.

Description of changes in exposure to equity price risk in Grupo SURA

It is important to highlight that based on the public tender offers for Grupo Nutresa, the liquidity of these shares is expected to be affected in the future as a result of the new shareholder composition of the entity.

2.3 Risk of Volatility in the Pension Businesses

The regulations associated with the pension business require that each Company must maintain an equity position invested in a reserve that acts as a buffer in the event of default on 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 (meaning, the Company must purchase investment units of the managed funds). The following table shows the different percentages of the reserve requirement in each business unit as a percentage of the managed funds:

Percentage of reserve of managed fund	
Business Unit	**% Reserve**
Chile	1.00%
Colombia	1.00%
El Salvador	N/A
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. Below is an analysis of 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		
	June 2023	**March 2023**
Chile	(47,965)	(52,683)
Colombia	(41,969)	(43,331)
El Salvador	N/A	N/A
Mexico	(70,719)	(73,801)
Peru	(19,427)	(22,895)
Uruguay	(2,188)	(2,314)
Total	**(182,268)**	**(195,024)**
+100bps in Interest Rates		
	June 2023	**March 2023**
Chile	(98,895)	(105,377)
Colombia	(38,259)	(30,081)
El Salvador	N/A	N/A
Mexico	(76,737)	(103,861)
Peru	(13,763)	(13,266)
Uruguay	(1,499)	(1,643)
Total	**(229,153)**	**(254,228)**
-10% EM depreciation		
	Junio 2023	**Marzo 2023**
Chile	(63,326)	(68,679)
Colombia	(27,988)	(27,081)
El Salvador	N/A	N/A
Mexico	(45,565)	(40,978)
Peru	(30,682)	(34,652)

Uruguay	(1,485)	(1,555)
Total	**(169,046)**	**(172,945)**

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

3. Liquidity Risk Management

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

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

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

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

Summary of quantitative data on risk exposure in Grupo SURA

Grupo SURA has at its disposal assets to manage liquidity, which are presented below:

Maturities associated with assets to manage liquidity risk.

June 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Cash and cash equivalents	15,278	-	-	15,278
Investments	-	-	40,439	40,439
Receivables from related parties	1,195,511	-	-	1,195,511
Other accounts receivable	5,145	-	-	5,145
Total	**1,215,934**	**-**	**40,439**	**1,256,373**

March 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Cash and cash equivalents	62,564	-	-	62,564
Investments	-	-	46,183	46,183
Receivables from related parties	1,707,381	-	-	1,707,381
Other accounts receivable	3,756	-	-	3,756
Total	**1,773,701**	**-**	**46,183**	**1,819,884**

Amounts in millions of pesos

For further details see Note 5.1 Financial Assets.

In addition, the maturities of the financial obligations of the Company are presented below:

June 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Financial obligations	403,381	564,579	-	967,960
Derivative instruments	27,880	168,694	-	196,574
Accounts payable to related parties	591,391	-	-	591,391
Other accounts payable	112,224	-	-	112,224
Bonds issued	292,270	2,527,335	985,705	3,805,310
Preferred stock	-	-	459,730	459,730
Commitments with non-controlling interests	1,693,667	-	1,512,300	3,205,967
Total	**3,120,813**	**3,260,608**	**2,957,735**	**9,339,156**

March 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Financial obligations	196,953	677,916	-	874,869
Derivative instruments	16,499	392,162	-	408,661
Accounts payable to related parties	788,856	-	-	788,856
Other accounts payable	145,081	-	-	145,081
Bonds issued	347,576	2,977,686	986,033	4,311,295
Preferred stock	-	-	459,788	459,788
Commitments with non-controlling interests	1,487,220	-	1,647,475	3,134,695
Total	**2,982,185**	**4,047,764**	**3,093,296**	**10,123,245**

For further details see Note 5.2 Financial Liabilities.

Changes in liquidity risk exposure over the period.

During the first quarter of the year, the company did not present relevant changes in its liquidity situation, maintaining stable and adequate levels of coverage of expenses over income and debt over dividends, which allow us to anticipate, with reasonable certainty, that the company has the necessary resources to meet its projected cash commitments.

Regarding the co-investment agreements with CDPQ and Munich RE, to date, no cash or liquid resources requirements have been identified for the company arising from these documents. Therefore, these options do not currently represent immediate liquidity pressures.

Regarding the contract signed with Grupo Bolivar, it is important to highlight as a relevant fact for the company, and regarding the management of its liquidity, that on March 22, 2023 that entity announced the approval by its board of directors to dispose of its participation in SURA Asset Management. However, at the date of writing this note, neither the timing nor the exit mechanisms of the operation are known, the definition of which will be made between both parties and will determine the value of the transaction, in accordance with the clauses established in the contract. Notwithstanding the foregoing, it is important to clarify that, according to the terms of the contract, liquidity requirements could be generated in the short term for the company.

Due to this, it should be noted that the company has liquidity contingency mechanisms to cover extraordinary requirements over projected commitments, such as committed and uncommitted credit lines with banks and the sale of minor or non-strategic assets, which would allow timely funding of this type of events.

Finally, regarding the corporate approval of the Framework Agreement entered into with IHC Capital Holding L.L.C , Nugil S.A.S., JGDB Holding S.A.S., Grupo Nutresa S.A. and Grupo Argos S.A. for the exchange of Grupo

Nutresa shares, previously announced to the market on June 15 of this year and whose details can be consulted in Note 9: Non-current assets held for sale, it is relevant to highlight that under the terms stipulated therein, the company assumes a series of legal and financial obligations that will have a direct impact on its liquidity position. The magnitude of this impact will depend directly on the way in which each of the mechanisms defined in the agreement are developed, the final set of participants in the transaction and the terms in which the different regulatory approvals that are currently in process are issued, whose initial estimate can be consulted in the detail table provided for public knowledge in Note 9: Non-current assets held for sale.

As the process progresses, this note will disclose more precisely the specific impacts and risks that may arise in relation to the company's liquidity management.

Summary of quantitative data on risk exposure in Grupo SURA

Grupo SURA has at its disposal assets to manage liquidity, which are presented below:

June 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Cash and cash equivalents	1,577,163	-	-	1,577,163
Investments	5,461,019	13,733,253	531,196	19,725,467
Receivables from related parties	-	-	-	-
Other accounts receivable	1,518,473	-	-	1,518,473
Total	**8,556,655**	**13,733,253**	**531,196**	**22,821,103**

March 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Cash and cash equivalents	2,186,920	-	-	2,186,920
Investments	5,264,762	13,406,475	569,324	19,240,560
Receivables from related parties	-	-	-	-
Other accounts receivable	1,386,767	278	-	1,387,044
Total	**8,838,449**	**13,406,753**	**569,324**	**22,814,524**

In addition, the maturities of the financial obligations of the Company are presented below:

June 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Financial obligations	282,650	191,305	-	473,956
Derivative instruments	11,346	72	177	11,595
Accounts payable to related parties	188,488	-	-	188,488
Other accounts payable	1,665,496	183,328	134,089	1,982,913
Bonds issued	-	308,419	291,659	600,078
Preferred stock	-	-	-	-
Total	**2,147,980**	**683,124**	**425,925**	**3,257,030**

March 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Financial obligations	52,874	197,811	-	250,685
Derivative instruments	15,908	72	177	16,156
Accounts payable to related parties	269,270	-	-	269,270

Other accounts payable	1,455,000	215,186	128,726	1,798,913
Bonds issued	258,936	308,977	292,098	860,010
Preferred stock	-	-	-	
Total	**2,051,988**	**722,046**	**421,001**	**3,195,034**

Amounts in millions of pesos

Summary of quantitative data on exposure to risk at SURA Asset Management

SURA Asset Management has at its disposal assets to manage liquidity, which are presented below:

June 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Chile	59,928	41,774	310,427	**412,129**
Colombia	204,287	67,435	526,367	**798,089**
Total	**264,215**	**109,209**	**836,794**	**1,210,218**

March 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Chile	45,213	51,446	385,206	**481,864**
Colombia	313,407	125,943	291,212	**730,562**
Total	**358,620**	**177,389**	**676,418**	**1,212,426**

Amounts in millions of pesos

Additionally, the maturities of the financial obligations of the Company are presented below:

June 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Chile	76,144	44,695	137,618	**258,457**
Colombia	160,167	87,958	453,565	**701,690**
Total	**236,311**	**132,653**	**591,183**	**960,147**

March 2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Chile	41,338	83,617	181,855	**306,810**
Colombia	28,005	59,361	346,022	**433,389**
Total	**69,343**	**142,978**	**527,877**	**740,199**

Amounts in millions of pesos

For the purposes of this analysis, it is clarified that at the closing of June 2023 there are no restrictions on the cash and cash equivalents caption in the Statement of Financial Position that limit the use or availability of these assets in any of the companies consolidated herein.

4. Business Risk Management

These are risks derived from the business model and the operation of the companies. For Suramericana and SURA Asset Management, these risks arise especially from the insurance activity, the pension business and the management of third-party funds.

Below is a detail of the business risks to which the companies are exposed:

4.1.1 Management of technical risks of the insurance companies

The main technical risks that may affect the companies are related to adverse deviations in claims ratios, adequacy of technical reserves and the operating efficiency of the General, Life and Health companies.

Suramericana

In relation to technical risks, those events or deviations are reported which, due to their materiality, could affect the financial statements of the subsidiaries, taking into account the following materiality criteria:

- SURA Colombia: 1% equity: COP 63 billion (US$13.7 million).
- Other subsidiaries: COP 9.19 billion (USD 2.0 million).

The following are the events that in the current quarter exceeded the materiality criteria in the different companies:

General: No deviations from the budget exceeding the materiality criteria are evidenced.

Life: There are no deviations from the budget that exceed the materiality criteria.

Health: According to what is reported in the notes to the Financial Statements of EPS Sura in Colombia, it is reported that as of June 30, 2023 there was a deviation from what was budgeted in its statement of income, which exceeded the materiality criterion, explained by an increase in the accident rate due to an increase in the frequency. In order to manage this event, action plans are being evaluated in the respective Corporate Governance instances.

SURA Asset Management

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

Sensitivities - Impact on income before income taxes

SURA Asset Management		
	June 2023	**March 2023**
Business Unit	**+10% on mortality**	**+10% on mortality**
Chile	(20,009)	(22,590)
Colombia	(29,276)	(13,164)
Total	**(49,285)**	**(35,754)**
	+10% on mortality	**+10% on mortality**
Chile	(14,315)	(16,310)
Colombia	(35,476)	(16,841)
Total	**(49,791)**	**(33,151)**
	+10% in longevity	**+10% in longevity**
Chile	N/A	N/A
Colombia	(62,430)	(59,210)
Total	**(62,430)**	**(59,210)**

In SURA Asset Management, the morbidity risk is mainly related to the exposure to the disability and survival insurance of the insurance company in Colombia (Asulado).

Exposure in Colombia to longevity risk also comes from the life insurance company Asulado Seguros de Vida S.A.'s annuity portfolio.

4.2 Liability Adequacy Test

In the insurance companies of Suramericana, the technical reserves recorded are analyzed periodically to determine whether they are adequate. If, as a result of these analyses, it becomes evident that they are not sufficient, an adjustment is made in accordance with the defined methodologies and according to the plans established by the organization.

In the insurance companies of SURA Asset Management, a Liability Adequacy Test is performed. This test seeks to verify that the reserves booked are sufficient in all their aspects (technical assumptions, expenses and discount rates). To this end, it is verified that the flow of assets (including the projected reinvestment in a manner consistent with the reinvestment strategy of the Company) together with the premiums to be collected for existing commitments are sufficient to cover the established commitment.

4.3 Reinsurance Risk

This is the possibility of incurring losses resulting from inadequate reinsurance management. This involves the design of the reinsurance program, the placement of reinsurance and differences between the conditions originally accepted from policyholders and those accepted in turn by the entity's reinsurers.

In order to manage this risk, part of the obligations to policyholders is transferred through proportional and non-proportional reinsurance schemes and facultative treaties for special risks with previously approved reinsurers. Proportional treaties reduce the value at risk and non-proportional treaties limit the loss ratio and the retained catastrophe exposure.

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

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

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

Suramericana	SURA Asset Management
Munich Re	American Bankers Life
Lloyd's	Generali
Mapfre Re	GEN Re
HDI	Hannover Re
Swiss Re	Scor Global Life
	Scotia Insurance (Barbados) Ltd
	Swiss Re

Additionally, in accordance with asset impairment practices, Accounts Receivable from Reinsurers and Coinsurers are impaired under the principles and methodologies defined by the Companies.

Due to their business models, this reinsurance risk is relevant for the insurance operations of Suramericana, but not for the insurance operations of SURA Asset Management, whose strategy is focused on life solutions.

4.4 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**	**June 2023**	**March 2023**
Chile	-10% in Commission	(102,204)	(112,847)
Colombia		(102,072)	(104,375)
El Salvador		(15,871)	(16,598)
México		(118,461)	(121,969)
Perú		(42,815)	(46,020)
Uruguay		(6,945)	(7,264)
Total		**(388,368)**	**(409,073)**
Business Unit	**Sensitivity**	**June 2023**	**March 2022**
Chile	+10% in transfers	(9,689)	(9,956)
Colombia		(9,966)	(11,069)
El Salvador		N/A	N/A
México		(5,594)	(5,768)
Perú		(1,907)	(2,051)
Uruguay		(33)	(12)
Total		**(27,189)**	**(28,856)**

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 accounts for any combination of the above risks that has the effect of reducing the commission collected by 10%.

Regarding 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**	**June 2023**	**March 2023**
Fund A	1pbs against minimum profitability	(2,102)	(2,297)
Fund B		(2,430)	(2,672)
Fund C		(5,098)	(5,761)
Fund D		(3,136)	(3,503)
Fund E		(2,870)	(3,351)
Peru			
Business Unit	**Deviation**	**June 2023**	**March 2023**
Fund 1	1pbs against minimum profitability	(800)	(820)
Fund 2		(3,187)	(3,320)
Fund 3		(460)	(516)
Uruguay			
Business Unit	**Deviation**	**June 2023**	**March 2023**
Accumulation	1pbs against minimum profitability	(1,367)	(1,440)
Retirement		(327)	(337)
El Salvador			
Business Unit	**Deviation**	**June 2023**	**March 2023**
Conservative Fund	1pbs against minimum profitability	(2,790)	(2,837)
Retirement Fund		NA	(145)
Colombia			
Business Unit	**Deviation**	**June 2023**	**March 2023**
Higher Risk	1pbs against minimum profitability	(2,542)	(2,334)
Moderate		(7,995)	(7,832)

Conservative	(1,092)	(1,040)
Programmed withdrawal	(1,838)	(1,674)
Severance LP	(553)	(573)
Severance CP	(272)	(315)

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**	**June 2023**	**March 2023**
Chile	-100pbs in Interest Rates	(3,053)	(3,422)
Peru		(793)	(923)
Uruguay		(286)	(296)
Total		**(4,132)**	**(4,641)**

The results presented do not consider the interdependence of the evaluated risks.

4.5 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					
		June 2023		**March 2023**	
Business Unit	**Deviation**	**Retail**	**Retail**	**Retail**	**Institutional**
Argentina	-10% in Administration Commission	-	(5)	-	(5)
Chile		(17,048)	(2,009)	(19,421)	(2,282)
Colombia		(2,327)	(660)	(2,463)	(799)
El Salvador		-	-	-	-
Mexico		(5,366)	(7,438)	(5,884)	(7,566)
Peru		(6,224)	(757)	(7,156)	(814)
Uruguay		(974)	(52)	(1,065)	(54)

Total	**(31,939)**	**(10,921)**	**(35,989)**	**(11,520)**

It is important to note that the results presented do not consider the interdependence of the risks evaluated.

NOTE 18. OTHER MATTERS

As reported during the last Ordinary Shareholders' Meeting, the Company received a requirement from the Financial Superintendence of Colombia on March 30, which is related to the accounting treatment of exit agreements with non-controlling interests. Grupo SURA responded on April 24, 2023, at the date of this report the company has not received a response on the same. Grupo SURA will inform the market in a timely manner about the eventual measures and their effects on the financial statements to be taken as a result of this request.

NOTE 19. RELATED PARTY DISCLOSURES

19.1. 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 June 30, 2023 and December 31, 2022 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 8.1 Investments in associates and Note 8.2. Joint ventures.

19.2. 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

All operations are deemed to be short-term and are considered market transactions.

The following are the reciprocal transactions between Grupo SURA and its direct associates and shareholders of Grupo SURA and its subsidiaries as of June 30, 2023 and December 31, 2022:

	June 2023		December 2022	
Assets	**Individuals** **Key management personnel**	**Entities** **Associates and joint ventures**	**Individuals** **Key management personnel**	**Entities** **Associates and joint ventures**
Dividend receivables				
Bancolombia S.A.	-	624,721	-	183,742
Grupo Argos S.A.	-	101,976	-	29,559
Grupo Nutresa S.A.	-	165,087	-	38,631
Others	-	19	-	139
Total assets	**-**	**891,803**	**-**	**252,071**
Liabilities				
Accounts payable related parties				
JDGB Holding S.A.S.	-	181,697	-	34,598
Grupo Argos S.A.	-	124,812	-	25,362
Grupo Nutresa S.A.	-	59,551	-	12,101
Sociedades Bolivar	-	13,391	-	44,445
CDPQ	-	12,239	-	-
Munich Re	-	35,563	-	-
Compañías de Seguros Bolivar	-	4,464	-	-
Others	-	194,215	-	792
Employee benefits (key personnel)	95,087	-	135,475	-
Total accounts payable related parties	**95,087**	**625,932**	**135,475**	**117,298**

Amounts outstanding 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 20. EVENTS AFTER THE REPORTING DATE

These condensed interim consolidated financial statements as of June 30, 2023 were prepared for supervisory purposes and authorized for issuance by the Board of Directors of Grupo SURA on August 14, 2023, after that cut-off date and until their publication, the following relevant events of its subsidiary Suramericana have occurred:

- On August 11, Suramericana S.A. signed a share purchase and sale agreement whereby it sold its insurance operation in Argentina to Sudamericana Holding S.A., a company belonging to Grupo Galicia S.A.

  With this transaction, the Company sells its entire participation in Seguros Sura S.A., (Argentina) for an estimated price of USD 19 million, subject to a price adjustment mechanism at the closing date, as a result of which the entire participation will be reclassified as a non-current asset for sale and it is estimated that this transaction will have an impairment loss of COP $50,477 million, resulting from the comparison of the sale price, less the transaction costs and the carrying value of the investment.

- On August 14, Suramericana S.A., entered into a share purchase and sale agreement whereby it sells its stake in El Salvador as follows: 679,791 shares of Seguros Sura S.A. and, indirectly, 349,985 shares of Seguros Sura S.A. Seguros de Personas, both companies domiciled in El Salvador and known as Asesuisa, to Interamericana Holding Group, S.A., which belongs to Grupo Financiero Ficohsa..

  With this transaction, Suramericana will reclassify its entire stake in Asesuisa as a non-current asset held for sale, which implies the recognition of an impairment loss of COP $80,665 million, resulting from the comparison of the sale price of USD $43.7 million, less transaction costs and the carrying value of the investment.

NOTE 21. APPROVAL OF THE FINANCIAL STATEMENTS

The issuance of the financial statements of Grupo SURA for the year ended June 30, 2023 was authorized by the Board of Directors, as stated in Act No. 407 of the Board of Directors dated August 14, 2023, to be presented to the market.

III

CHAPTER

ANALYSIS OF FINANCIAL RESULTS

(UNAUDITED)

ANALYSIS OF FINANCIAL RESULTS (UNAUDITED)

The following is an analysis of the financial results for the period ended June 30, 2023, with comparative figures as of December 31, 2022. These analyses are performed by management and are not part of the Financial Statements.

	INDEX	June 2023			December 2022			INTERPRETATION	
	Solidity	60,979,755 / 95,079,472	=	64.14%	62,611,643 / 98,393,465	=	63.63%	The creditors own 64.14% as of June 2023 and 63.63% as of December 2022, leaving the shareholders as owners of the complement: 35.86% as of June 2023 and 36.37% as of December 2022.	Total liability / Total asset
INDEBTNESS	Leverage Total	60,979,755 / 95,079,472	=	64.14%	62,611,643 / 98,393,465	=	63.63%	Of every peso the company has invested in assets, 64.14% as of June 2023 and 63.63% as of December 2022 have been financed by creditors.	Total liability / Total asset
INDEBTNESS	Coverage of interest	1,646,498 / 553,632	=	297.40%	3,339,600 / 994,259	=	335.89%	The Company generated a net gain equal to 297.4% at June 2023 and 335.89% at December 2022 from Interest Paid	Net profit + interest / Financial expenses
INDEBTNESS	Leverage Total	60,979,755 / 34,099,717	=	178.83%	62,611,643 / 35,781,822	=	174.98%	Every $1 peso of the Company's owners is committed 178.83% at June 2023 and 174.98% at December 2022.	Total liabilities with third parties / Equity
INDEBTNESS	Leverage Financial Total	9,893,898 / 34,099,717	=	29.01%	10,913,412 / 35,781,822	=	30.50%	For each peso of equity, 29.01% is financially committed as of June 2023 and 30.5% as of December 2022.	Total liabilities with financial entities / Equity
Performance	Net profit margin	1,092,866 / 19,110,025	=	5.72%	2,345,341 / 31,350,427	=	7.48%	Net income corresponds to 5.72% of net income in June 2023 and 7.48% of net income in December 2022.	Net Profit / Net Income
Performance	Return on equity	1,092,866 / 33,006,851	=	3.31%	2,345,341 / 33,436,481	=	7.01%	Net income corresponds to 3.31% of equity at June 2023 and 7.01% at December 2022.	Net Profit / Equity - profits
Performance	Return on total assets	1,092,866 / 95,079,472	=	1.15%	2,345,341 / 98,393,465	=	2.38%	Net income in relation to total assets corresponds to 1.15% as of June 2023 and 2.38% in December 2022.	Net Profit / Total assets